scottish legal complaints commission slcc

Scottish Legal Complaints Commission

Annual Report and Accounts

Year ended 30 June 2026

Laid before the Scottish Parliament by the Scottish Ministers under section 15(2) of Schedule 1 to the Legal Profession and Legal Aid (Scotland) Act 2007 and section 22(5) of the Public Finance and Accountability Act 2000.
SG/2026/245

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1. Performance report

Performance overview

Introduction

The purpose of this section is to provide an overview of the organisation, how our work links to the national performance outcomes, our functions and powers, and our strategy. Details are provided below on our performance and key outcomes for the year.

History and statutory background

The Scottish Legal Complaints Commission ("the SLCC") is constituted under the terms of the Legal Profession and Legal Aid (Scotland) Act 2007, enacted on 1 October 2008.

The SLCC is a body corporate and is domiciled in Scotland.

Purpose: statutory powers and responsibilities

The SLCC's main functions are currently set out under the Legal Profession and Legal Aid (Scotland) Act 2007, the Legal Services (Scotland) Act 2010, and the Regulation of Legal Services (Scotland) Act 2025.

The SLCC has four main sets of statutory functions.

1. The SLCC's statutory function in respect of legal complaints is to:

- Provide a ***gateway for all complaints*** about lawyers in Scotland.
- ***Give advice*** on complaints to all parties.
- Assess if the complaint is **eligible**, against a number of legal tests.
- Directly manage complaints that relate to the ***service*** provided by lawyers – providing redress where appropriate (whether that service is provided by a traditional law firm or a new "Licensed Provider").
- Refer complaints about the ***personal conduct*** of lawyers to the Relevant Professional Organisation (RPO).
- Refer ***regulatory complaints*** about Licensed Providers to the Approved Regulator.
- Manage complaints about how the RPO and Approved Regulators have dealt with those conduct or regulatory issues (called '***handling complaints***').
- Manage complaints about ***Approved Regulators***. A register of Approved Regulators is published by the Scottish Government: https://www.gov.scot/policies/access-to-justice/alternative-business-structures/

2. The SLCC's statutory function in respect of oversight of ***complaint handling*** and the ***Relevant Professional Organisations***:

In relation to their conduct complaints processes:

- ***Investigating handling complaints about RPO*** investigations into conduct.
- ***Auditing RPOs'*** conduct complaints records.
- ***Monitoring and reporting on trends*** in the way the legal profession deals with complaints to help ensure the sector learns from complaints made.
- ***Issuing guidance*** to the legal profession on dealing with complaints and promoting best practice.

3. The SLCC's statutory function in respect of an ***independent advisory Consumer Panel*** which can:

- Make recommendations on how SLCC can improve our policies and processes.
- Suggest topics for research connected to legal consumers and express a view on matters relating to the SLCC's functions.

4. The SLCC's statutory function in respect of ***indemnity and client protection funds***:

- ***The SLCC's function in respect of the effectiveness of the Client Protection Fund and indemnity arrangements*** allows us to make recommendations to the RPOs about the arrangements in place and has included research into the Client Protection Fund and the Master Policy.

The Regulation of Legal Services (Scotland) Act 2025 received Royal Assent on 27 June. Some minor elements of the Act were commenced within this business year, including changes to the possible composition of the SLCC Board. Changes to the remit of our Consumer Panel commenced on 1 July 2026, the first day of the business year following this report. More significant changes are likely to follow in 2027 and 2028 as other elements of the Act are commenced by the Scottish Government.

While the SLCC is an independent body, the work we do is influenced by the Scottish Government's National Performance Framework. We contribute through the delivery of our functions to the following outcomes:

- ***Communities:*** we live in communities that are inclusive, empowered, resilient and safe.
- ***Culture:*** we are creative and vibrant and diverse cultures are expressed and enjoyed widely.
- ***Economy:*** we have a globally competitive, entrepreneurial, inclusive and sustainable economy.
- ***Fair Work and Business:*** we have thriving and innovative businesses, with quality jobs and fair work for everyone.

Organisational Structure



Purpose: strategy and process

Our current strategy was originally set to cover the period July 2020 to June 2024. The process we used to develop the original strategy was published as part of our annual statutory consultation on work planning and budgets. This background context can be found at:

https://www.scottishlegalcomplaints.org.uk/media/c4ynk1xz/background-document-final.pdf

It was extended for one year, to June 2025, due to legislative reform being imminent, but not finalised to the extent that a new strategy could be set.

The legislation was then delayed during its passage through Parliament, leaving the same issue: significant change was imminent but not sufficiently certain to support long-term planning.

A number of options were considered from a full four-year strategy to a further one-year extension. Following consideration and consultation, a strategy refresh and a further two-year extension were agreed, in the expectation that a full new strategy could be developed sooner if the legislation was passed. Details of the consultation are available here:

https://www.scottishlegalcomplaints.org.uk/media/fsddh2ye/slcc-budget-operating-plan-consultation-2025-2026.pdf

Our vision during the financial year reported was that **every client receives a professional service, and every lawyer adheres to professional standards.**

Our mission was to **resolve complaints, prevent the common causes of complaints, and enable quality improvement.**

We had five strategic aims to achieve our ambition to be an efficient and effective complaints, regulatory, and oversight body, delivering a quality service. Our aims were to:

Deliver	Deliver our functions as a high-quality service which is accessible and inclusive, has good customer service at its heart, is prompt, and proportionate, and which delivers fair resolutions.
Innovate	Innovate across our complaints, regulatory and oversight functions by working as a performance-focused, agile, change-confident and resilient team, delivering continuous quality improvement and Best Value in our work.
Prevent	Prevent the common causes of complaints through analysis, shared learning and improvement work.
Influence	Influence the evolution of the regulatory system across the legal services market through complaints learning and our regulatory and oversight functions.
Transition	Transition the organisation through a period of strategic change and expansion of functions and role, supporting our staff, and focusing on a service design approach.

Our values were:

Fairness	Our processes and outcomes can be trusted by all as fair, independent and impartial.
Respect	We understand and respect the diverse groups we work with, work inclusively, and offer a good customer experience to all.
Impact	Every element of our work will deliver a meaningful result.
Learning	We continuously learn and develop, and share that learning, so we all improve our processes and the quality of our work.
Clarity	Our decisions, explanations, communication, and services will be clear and accessible.

The Regulation of Legal Services (Scotland) Act 2025 received Royal Assent on 27 June. This meant we now had some of the certainty needed for a longer-term plan. This has allowed us, as hoped, to consult on a new full four-year strategy for the coming year. Details of the consultation and responses are here:

https://www.scottishlegalcomplaints.org.uk/about-us/who-we-are/our-consultations/our-budget-consultation/

The final strategy for the coming years is published here:
https://www.scottishlegalcomplaints.org.uk/about-us/how-we-are-funded/previous-budgets/previous-budget-consultations/budget-2026-2027-and-strategy-2026-30/

Summary statement of the CEO

Our business planning cycle is set in statute. Each year we must consult in January on an operating plan and on a budget sufficient to meet planned expenditure. We must publish consultation responses in March and lay a budget before Parliament in April. Our Annual Report and Financial Statements then complete the cycle, reporting on performance within that year.

In the performance analysis section, we give a full account of our performance against our operating plan, key achievements and activities, our key performance data (on the complaints process), our financial position, key risks, and the future development of the organisation. Later we provide remuneration information, governance information, the full financial statements, and the detailed notes to the financial statements. However, this section provides a high-level summary.

We delivered almost all the projects in our published Operating Plan for 2025/26.

There were 43 projects set in the operating plan at the start of the year.

Three projects were decommissioned by the Board:

- Two of these related to the implementation of the SLCC's duties under the Legal Services (Scotland) Act 2010. This work was dependent on the Law Society of Scotland, who had indicated in their operating plan that they intended to take steps which would have triggered the SLCC's work. This did not happen, meaning the SLCC could not complete these elements of work.
- The third project was linked to our Biodiversity Report which is not due until December

2027 (this was moved into the next business year).

Of the 40 projects remaining after three projects were decommissioned or rescheduled, 39 were completed, giving a formal completion rate of 97.5%. If all 43 projects in the original plan were included in the calculation, the completion rate would be 90.7%.

One project was not delivered in year; this was due to a change in our IT provider and the new contractual arrangements require time to become fully embedded.

The 97.5% completion rate exceeded the Board's target of 85% and compares with 88% in 2024/25, 97% in 2023/24, 97% in 2022/23, 91% in 2021/22, and 97% in 2020/21.

This annual delivery of projects also supports the overall delivery, and assessment of delivery, of the strategy noted above.

More details on the delivery of work are provided below in the 'Performance Analysis' section.

We maintained the improved core performance of our complaints process. On certain journey time and allocation targets we fell slightly short of KPIs due to the impact of high incoming volumes. We met all other key complaints targets set by the Board for 2025/26.

We handled an exceptional and unbudgeted incoming level of complaints during the year. We saw 1,650 incoming complaints compared to 1,339 the previous year – a 23% increase. This exceeded our previous highest annual volume of incoming complaints, but unlike in that year, where the failure of a single firm led to the spike in complaints, there is no discernible common cause or pattern to this year's increase.

We have been successful in pressing for much needed reform, with the Regulation of Legal Services (Scotland) Act 2025 receiving Royal Assent on 27 June 2025. This will help us build better services and processes for the public and for the profession, so we are both more efficient and more effective. Throughout the year we have actively worked with the Scottish Government to discuss commencement orders.

We have also finalised our planning for the delivery of reform, negotiated implementation funding with Scottish Government, and started multiple project streams to deliver reform. It became a major focus of our work, as we sought to deliver changes to complaints which all bodies in the reform debate had stressed were urgent, and which will benefit consumers and the sector.

Key issues and risks – looking forward.

Our risk policy and risk register were maintained, updated, and scrutinised at Audit and Risk Committee and Board throughout this year. We initiated a 'de novo' review of risk aligned to our new strategy.

Our main uncertainty, presenting both risks and opportunities, comes from the new Regulation of Legal Services (Scotland) Act 2025.

This reform did not go as far as the SLCC or many other stakeholders had hoped, but does represent an opportunity to improve our efficiency and effectiveness through changes to the complaints process and the allocation of new duties and regulatory objectives to the SLCC.

Now that the legislation is finalised the main risks are:

- **Delayed but certain dates for commencement of the new legislation.** The need for complaints reform has been flagged as 'urgent' since an independent review in 2018. Changes are vital in order to help proportionately manage the ever increasing incoming volume of complaints. Following our experience of the implementation of the 2010 Act,

which is still not fully implemented, and the 2007 Act, where various orders envisaged under the Act have still not been passed, we are concerned at delays in commencement. This means ongoing spend on areas removed by the new Act (like appeals) and ongoing investment in a system due to be shut down (for example, IT). However, if the date is certain, for example because it has been set in a commencement order, this at least allows definitive planning. The SLCC has requested complete commencement of the Act is contained in one commencement order.

- **Delay and uncertainty in relation to commencement.** This scenario presents greater risk and cost than a certain delay (above). It has been the persistent situation in relation to the 2010 reforms. Until commencement is guaranteed it makes effective planning impossible and wastes resource. For example, most years since 2010 we have been asked to be ready to deliver reform under that Act, and then delivery by other stakeholders did not proceed as anticipated, resulting in preparatory work that could not be utilised.

- **Phased implementation.** We remain concerned that phased implementation could require the SLCC to operate two or three complaints systems concurrently, increasing resource requirements, cost and legal risk.

- **The scale of the change programme** for the SLCC and ensuring multiple dependencies are managed.

- **Working with the unregulated market.** The Act imposes a new mandatory complaints regime on a potentially large number of businesses who were not specifically consulted in the development of the legislation and will have had little visibility of their new liabilities. There is also a risk that elements of work may be partially subsidised by the regulated market, which may affect relationships with legal-sector stakeholders. The SLCC did not propose these new duties but is now required to implement them.

This year we avoided any serious IT security or failure incidents. We have achieved this by ensuring regular software updates and patches are carried out. We gained our Cyber Essentials Re-Accreditation at the start of 2026/27 and have our Cyber Essentials Plus Re-Accreditation scheduled for Quarter Two of 2026/27. Cynet, a cybersecurity service, continues to give us real-time alerts of any potential threats. We carried out vulnerability assessments, penetration testing and ran cyber security training with our Board in 2025/26. We continue to focus on mitigations around security and staff training to minimise risk. As with all organisations, and despite these mitigations, cybersecurity remains a significant concern. Post year end we have had one serious third-party IT security issue, which has left the SLCC without access to their case management. We will report the outcome of this situation in our 2026/27 accounts.

Other issues. No other major financial risks, issues or process failures were reported or identified. In last year's accounts there was an action raised in the Sheriff Court on discrimination grounds. The action was not upheld and the SLCC was awarded costs. We also have an outstanding Employment Tribunal, which will be heard in 2026/27.

These medium and long-term risks continue to be reviewed regularly by the Audit and Risk Committee and Board.

Summary: We performed well, delivering the operating plan and remaining close to key performance indicators despite a 23% increase in incoming complaints. Although expenditure exceeded budget, higher income partly offset the additional costs, resulting in a year-end deficit of £140,720 compared with the budgeted deficit of £108,843. Risks identified will be monitored closely. As with many organisations, cybersecurity remains a key ongoing risk. Although multiple mitigations are in place, the residual risk remains high because of the increasing sophistication and intensity of cyberattacks. In other respects, our assumption is that the operating

environment will be similar in the coming year.

The link between KPIs, risk and uncertainty

The most significant factor influencing our Key Performance Indicators (KPIs) is the incoming case load of complaints. We can make assumptions, but there is uncertainty in any forecast model. The key risk for the business is a sharp increase, or decrease, in complaints which takes resource and budget out of alignment with workload.

As noted above, this year we saw a 23% rise in incoming complaints, with no obvious driver or cause.

This particular situation was partly mitigated by changes to our process. These changes came from a successful appeal of a complaint which required changes to our process based on the Court's decision. We managed to respond to this in a way which has also increased the efficiency of our process.

In general, if there is an increase above our budgeted prediction, this immediately affects KPIs. Contingency plans for higher workloads can be put in place, but this will often have an implication for the following year's levy. Increases also reduce our capacity to deliver projects or deal with other risks that materialise within the year. Sharp reductions would mean short-term inefficiency, with a staff complement bigger than justified by workload. In the medium term this can be managed through re-deployment, including secondment to other public bodies and natural wastage, and savings can be reflected in future levies.

Statement of going concern

In preparing the accounts, the Scottish Legal Complaints Commission's Accountable Officer is required to comply with the Government Financial Reporting Manual (FReM) and, in particular to prepare the financial statements on a 'going concern' basis, unless it is inappropriate to presume that the SLCC will continue in operation.

Management have assessed the appropriateness of the going concern basis of accounting required by IAS 1 and have concluded that the use of going concern basis is appropriate. This is informed by the following:

- There has been no substantive change to the Legal Profession and Legal Aid (Scotland) Act 2007 in the operational year. Minor elements of the new Regulation of Legal Services (Scotland) Act 2025 were commenced. We currently anticipate that further elements will be commenced at the start of the 2027/28 and 2028/29 business years, further enhancing and extending the SLCC's functions.
- If the SLCC did not exist it is likely the Scottish Government would be required to appoint another organisation to carry out the legal complaints process.
- A strategic plan was in place for the 2025/26 business year. We have consulted on and now published a new strategy for 2026 to 2030.
- Financial planning is in place for 2026/27, and the budget has been laid before Parliament.
- Funding levels are linked to the number of practitioners in the sector and data shows this is not declining.

Performance Analysis

In this section of the report, we provide **feedback on this year's work, as published in our Operating Plan at the start of the year.**

DELIVER our functions as a high-quality service which is accessible and inclusive, has good customer service at its heart, is prompt, and proportionate, and which delivers fair resolutions.

Our complaints work:

- Details of our main KPIs and complaints volumes are in the next section. Here we note additional work.
- Our ongoing programme of improvement work saw 13 new 'sprints' (rapid test and deploy cycles of improvement) started during the operational year. In addition, 3 sprints from the previous year were concluded. These included sprints on an assistance line on our process for lawyers, 2 sprints on moving to investigate a complaint where a lawyer did not respond to a statutory file request (see more on this issue below), and the testing of a new platform for internal management communication within the complaints team.
- Further sprints continued to test and refine our response to an appeal decision from the previous year. This required changes to our eligibility, investigation and determination processes, and there have been a number of iterations of our approach based on our learning and feedback from parties. The latest iteration of the new approach will be rolled out to all staff and service users in the coming year. Much of this testing also advanced us towards what will be possible under the new 2025 Act, helping prepare us for the full transition when that legislation is commenced.
- We have continued to engage with victims' groups and other key stakeholders following the issues around the former firm of W W & J McClure Limited. New complaints coming in have reduced, but we continue to consider these and make awards of compensation where appropriate.
- We have continued our work to tackle a significant and longstanding issue within the solicitor branch of the profession concerning failures to comply with statutory Section 17 notices seeking to access files and explanations from law firms.
- We continued a sprint to test moving straight to a decision, based on the evidence available, as an alternative to going to court to gain access to the file. We have done this in 3 cases this year. This is only done in cases where the firm does not have a past history of failing to comply with the requirement to engage with the complaints process, and we can deal with the complaint in this way. This is a slightly faster and cheaper solution in terms of delivering our complaints function and saves the court time. However, it also means that the breach of the legal obligation to provide the file is not being overseen by the courts. We commenced this process in nine cases, although files and responses were subsequently provided in six of them.
- We have instructed our solicitors in twenty-five cases. In most of these cases, the files and responses are received before the full court process is required.
- We have worked with the Law Society of Scotland (LSS) to tackle this issue. The Society has made changes to the correspondence it sends, and the process for issuing such correspondence, which we are grateful for. It has also agreed in principle to a joint communications plan which we hope to see delivered over the coming business year.
- We continued our engagement with the Lord President on this issue, providing an update on progress. It has been agreed that a joint report by the SLCC and the Law Society will be submitted to the Lord President in December 2026 to assess progress and its effect on

compliance rates.

- Despite these efforts no statistical progress has been made during the year. The percentage of cases that need a reminder after the initial Section 17 request has increased to 27%, over 10 percentage points up on last year and the fourth-highest in nine years. The percentage of cases where we do not get a response after a Section 17 reminder, and so have to instruct lawyers, has increased this year but over the last three years has remained 5% or lower after a peak of 16% in 2019/2020.
- We will continue to monitor progress and assess whether the work with the LSS begins to improve compliance during the coming year. We are looking at how we can use new powers, coming from the 2025 Act, to tackle this issue in the future.
- Our Service Experience Team (SET) reviewed the increasing use of AI in complaints and responses from service users and has created template wording to help staff deal with lengthy or unclear AI-generated correspondence. We have also published guidance to complainers on the best ways to use AI to assist them with complaints.
- SET also examined service user feedback about perceived bias and identified ways to improve how we communicate with service users. This included:
    - Changes to our database of useful phrases, many of our templates and recommendations about report wording to make our communications clearer and easier to understand whilst also eliminating language that may inadvertently communicate a bias to the complainer.
    - Updating website information about how the SLCC is funded to make it clearer and easier for service users to understand.
    - The start of work, which will be continued next year, to clarify information to support complainers to understand what the SLCC can and cannot achieve for them.
- In addition, SET reviewed phone service on our enquiries line to identify ways to improve the experience for people calling us. Following changes made to the auto attendant, average answer times fell from 64 seconds to 47 seconds.
- Following an equalities review last year, and dip sampling of our approach to various access issues, we undertook a project to increase the offer and uptake of translation and interpreting services to support complainers. We have reviewed our policy and process with a view to offering a more consistent and effective service. We also ran awareness sessions for all staff, updated information on our website and put out content via our social media channels. We are tracking usage and sharing examples of good practice with staff. Early translation support has, in a number of cases, helped complaints to be resolved more quickly.
- SET was pleased to see the Process Assistance Line (PAL) they had established last year being promoted in the Journal of the Law Society of Scotland. This was a new service to allow those subject to a complaint to speak to a member of staff not involved in their specific complaint to get general advice about our process and signposting to other support.
- The Board reviewed our current approach to Service Delivery Complaints (complaints about the service we offer) as well as data on volumes and common issues.
- We delivered adjudication refresher training to our Board members which included issues arising from cases, determinations and appeals in the previous year.
- The Law Society of Scotland informed us that it would not begin licensing Legal Services Providers under the Legal Services (Scotland) Act 2010 during the year. The SLCC had

undertaken preparatory work to ensure operational readiness. The Society has confirmed that implementation will not take place during 2026/27, avoiding further preparatory expenditure in that year. However, continued delay remains relevant to our assessment of the risks associated with implementing the 2025 Act.

Our oversight work:

- We continued to meet quarterly with both the Faculty of Advocates and the Law Society of Scotland to discuss issues raised in our handling complaints and oversight work. We thank them for their constructive engagement.
- In March 2026 we published our final update report on the Law Society's progress on implementing our recommendations about its conduct complaint handling timescales. We welcomed the consolidation of the improvements made by the Society.
- At the Law Society's invitation, we observed the risk element of the retender of the Master Policy brokerage.
- We also published the fourth and final update report on the Master Policy, which noted disappointment that many recommendations made by the SLCC had not been followed, or alternatives proposed by the Society (which we had indicated they were welcome to do). We will now consider our next steps in this area.
- We have welcomed the action taken by the Law Society to comply with recommendations made in our report last year on the Client Protection Fund.
- We published a further update report on the Faculty's progress against the recommendations we made in our report last year on their conduct complaint handling processes. As it is now 30 months since the SLCC made the Section 36 recommendations in our handling report, we expect the Faculty to implement the Disciplinary Rules swiftly once approved by the Lord President.

Consumer Panel:

- Our Consumer Panel continued to support the SLCC work on the Regulation of Legal Services (Scotland) Act 2025. This included organising a planning day around their own extended role, with outcomes feeding into the SLCC's overall strategy, operating plan, and budgets.
- The Panel continued to promote the need for consumer-focused regulatory reform, including early and full commencement of new legislation. They also provided vital input into the SLCC's own consultation on our interpretation of statutory Regulatory Objectives coming from the new 2025 Act and how the SLCC will reflect these in its work.
- Our Panel continued to inform and challenge our work on customer service and the wider work of our Service Experience Team (SET), discussing customer feedback at each meeting.
- The Panel participated in the roundtables established by the Lord President to discuss the implementation of reform. They have also started planning for a visit to the SLCC offices by Lord Ericht to meet Panel members and SLCC Board members and staff (the visit will happen next year). Lord Ericht has been appointed by the Lord President as a regulatory judge and lead on the Act's implementation.
- The Panel received a briefing on a desk-based research project looking at research about consumers' experiences and expectations of complaints processes.
- Panel members provided input to new governance arrangements for the extended role the Panel will take on from July 2026, and into the process for the recruitment of additional members.

- Recruitment for new Panel members commenced with support from Aspen, and a dedicated recruitment microsite was published. The closing date was set for just after the end of the business year.

Other:

- We finalised an updated Framework Agreement with the Scottish Government ensuring our governance and management arrangements align with public sector standards whilst protecting our complete adjudicative and regulatory independence. Our Audit and Risk Committee commissioned an assurance review to make sure all aspects of the agreement were embedded in our policies and systems.
- We finalised our application to be re-validated by the Ombudsman Association as meeting the standards required of a complaints body member (a standard based on best practice in the sector). This process helps to provide external assurance on our approach. We were delighted the assessment panel agreed to our revalidation and gave positive feedback on the application.
- Last year we completed an independent review of our governance. We published a summary and action plan in response. Work on implementation of these actions was carried out throughout the year. This included updated remits for all committees (including new names to better reflect their work), updates to several governance policies, the introduction of a new Board Effectiveness policy, and a new format for the cover papers for Board papers. A refreshed skills assessment of the Board was also carried out, alongside a development session run by an external provider on good governance. In June of this year the Board signed all actions off as complete.
- We worked with Scottish Government on a recruitment exercise for new Board members. This resulted in the appointment of four members, with one taking up their role in April 2026 and the other three being formally appointed from 1 January 2027.
- We delivered an integrated training programme to staff including legal updates and training on GDPR, reasonable adjustments, unconscious bias, negotiation skills, equality, how to deal with complaints about the SLCC's own service, effective communication, adapting to and leading change, successful internal promotions, agile project management, managing challenging behaviour, professional ethics, using AI, neurodiversity in communication, a 'day in the life' of junior counsel, vulnerable witnesses, the work of the Legal Ombudsman (in England and Wales), and on Insights profiles, a personality assessment tool. We would also like to thank our panel law firms for providing a programme of sessions on areas of law and practice that commonly lead to complaints.
- On page 22 of its 2024/25 Annual Report (2024-25 Annual Report), Consumer Scotland cited the SLCC as a good-practice example of applying the Consumer Duty:

  "There are already a number of good practice examples of where public bodies have applied the guidance to ensure they are delivering effectively for consumers. This includes application by the Scottish Government during the Programme for Government and budget setting processes; by the Scottish Legal Complaints Commission in setting their budget and operational plan and the Health Improvement Service in creating a consumer duty framework for NHS Boards." Both the Board and the Consumer Panel supported this work.
- In preparation of our new strategy, we fully reviewed and considered our alignment, where appropriate, to relevant public frameworks including the Scottish Public Finance Manual, the Scottish National Performance Framework, the UK spending review, the Scottish Government Medium Term Financial Strategy, the Scottish Government 'Vision for Justice' strategy, and Scotland's Public Service Reform Strategy. We also reviewed

our work in light of human rights, equality, and consumer duty legislation.

- We completed an independent Health and Safety Audit and developed an action plan for delivery during 2026/27.

INNOVATE across our complaints, regulatory and oversight functions by working as a performance-focused, agile, change-confident and resilient team, delivering continuous quality improvement and Best Value in our work.

- We continued our in-house development of apps to support more efficient ways of working. This included refining our own recruitment platform (having assessed costs of using an external service and finding these high) and adding features such as applicants being able to book their own interview slots. We carried out further work on our Board member app. We also started the development and testing of an app to support eligibility decision making by Board members.
- We continued our careful exploration of the use of AI. We have liaised with other ombudsmen and regulatory bodies on their use to benchmark our own practice. We developed and published guidance for staff. We also published guidance for the public on how to use AI to help raise their complaint (as noted in more detail above). Our Board reviewed and updated our approach to monitoring AI developments.
- We contributed to, and reviewed the output of, a benchmarking of complaints bodies commissioned by our counterpart in England and Wales (the Legal Ombudsman). This helped us compare our own performance and improvement work to others.
- As part of our ongoing Best Value work, we retendered for our legal panel, running an information event for interested firms and running the tender through the Public Contracts Scotland portal.
- We reviewed our approach to publishing information about the work of our Board and will continue to publish minutes of meetings and provide updates through our social media and newsletters.
- We built on the findings of the data maturity audit completed as part of our participation in the Scottish Government's Data Maturity Cohort and used this to drive improvements in our data awareness, data accuracy, analysis, reporting and visualisation.
- We ran sustainability events and took part in Climate Change Week and World Earth Day.
- We worked with our Wellbeing and Inclusion Staff Group to ensure the health and wellbeing of colleagues. Events this year included ones based around: World Blood Donor Day, Mental Health Awareness Week, litter picking in the local community, Stress Awareness Day, Grief and Bereavement Day, and World Sight Day.
- We achieved our Family Friendly Workplaces certification, in light of our current flexible working policies.
- We ran a workshop for our Board on our approach on forecasting and predictive modelling, as well as sessions on whistleblowing, GDPR and FOI, cyber security and adjudication skills training.

PREVENT the common causes of complaints through analysis, shared learning and improvement work.

- We delivered nineteen outreach training sessions to the profession, including dedicated sessions for diploma students, trainees, new partners and other groups, faculties, firms and associations. In addition, we had direct contact with nine individual practitioners to

discuss their complaint handling practices or to answer questions or comments.

- We developed new case studies for both practitioners and the public to help them understand our work and these will shortly be published on our website and social media channels. We also developed dedicated content for practitioners on dealing with difficult complaints.
- We worked with the Law Society to develop new case studies to support the session we deliver together three times a year as part of the New Partner Practice Management Course.
- We published further podcasts, including interviewing a former solicitor who had researched the impact of apologies on complaint handling, and providing insight into the changes coming to regulation from the 2025 Act.
- We continued our use of short videos to share information about our work, including a quarterly CEO vlog and other ad hoc content. We used our quarterly e-newsletter to deliver engaging content to the profession. Some of our articles were also featured in the Law Society Journal and elsewhere in the legal press, and we published regular articles in The Scotsman about our work
- We provided data, insight and learning from our caseload to the Scottish Law Commission's project on executry law and for the Scottish Government's Conveyancing Review Working Group.

INFLUENCE the evolution of the regulatory system across the legal services market through complaints learning and our regulatory and oversight functions.

- Our work over several years to make the case for reform has led to the Regulation of Legal Services (Scotland) Act 2025 being passed.
- The legislation includes overarching regulatory objectives for the SLCC, new flexibilities and powers in relation to how we deliver our complaints role, and new functions in other areas.
- Although the Act does not fully implement the reforms proposed by the Government's own independent review, or by the SLCC and consumer bodies, we welcomed what will be a significant positive step forward in regulation and complaints allowing new efficiencies and more effective working.
- Throughout this year we have worked closely with Scottish Government on planning for commencement of the Act, to ensure that improvements are delivered as quickly as possible for the public and sector. This saw the first two elements of the Act affecting the SLCC implemented within this year and just as we start the new year (changes to our possible Board composition and to the Consumer Panel). We have also worked positively on funding (as discussed elsewhere in this report).
- We have likewise engaged with other key stakeholders on commencement and implementation planning.
- We shared our experience of the legislative change process with colleagues in other public bodies in Scotland, and with the UK Ombudsman Community at the annual Ombudsman Association conference in Glasgow in June 2026.

TRANSITION the organisation through a period of strategic change and expansion of functions and role, supporting our staff, and focusing on a service design approach.

- The Regulation of Legal Services (Scotland) Act 2025 received Royal Assent on 27 June

2025.

- We had drafted project planning based on the draft Bill and moved quickly to finalise this across all areas of legislative change. The Board also approved a final governance framework for the transformation programme.
- We have secured a first tranche of funding from Scottish Government, and negotiated a second tranche, receiving this just into the next business year.
- We developed and consulted on a strategy, budget and operating plan taking account of the need to implement the new legislation as quickly as possible. An urgent need had been highlighted to the Scottish Parliament by all stakeholders, and it is important to ensure benefits can be realised for the public and sector.
- We commissioned an independent review of our transition project planning and the associated governance framework by our internal auditors, Azets, which provided a positive assurance to our Board with minor recommendations for improvement which have all been accepted and implemented.
- We developed and consulted on an overarching regulatory statement on our interpretation of new statutory regulatory objectives and how these would influence our work. We were grateful for stakeholder engagement and feedback and have now published a final version.
- We have taken legal advice on the development of new rules we are required to make under the new statutory arrangements, developed our policy instructions to drafters, and started drafting before the end of the business year.
- We developed initial proposals on raising complaints in our own name that have been approved by our Board and will be consulted on in the next business year. We have also started to develop policy on when we may publish complaints in the public interest. These map to new powers due to be commenced under the 2025 Act.
- We have done initial work on new process flows for the new complaints process and developed an initial internal draft of an oversight statement, in relation to our powers in respect of Relevant Professional Organisations, and an updated handling complaints policy. These will be consulted on next year.
- We have taken initial legal advice on our new unregulated market powers and developed initial internal thinking with a view to consultation in due course.
- We reviewed a number of case management systems to inform our thinking on the technology needed to deliver the new complaints system, and just after year-end the Board approved a business case to tender for the work.
- We have updated the governance arrangements for our independent Consumer Panel ready for them to take on new powers on 1 July 2026, and started a recruitment exercise for a new Chair and members.
- We have liaised extensively on reform implementation planning with the Scottish Government, Law Society of Scotland, Faculty of Advocates, Association of Construction Attorneys, the Scottish Solicitors Discipline Tribunal, the Lord President (and the Lord President's Private Office) and regulatory judge, Lord Ericht. This has included individual engagement and participation in roundtable discussions hosted by Lord Ericht.
- We welcomed the former Minister for Victims and Community Safety, Siobhian Brown MSP, to our office in early March to hear about our work to implement the 2025 Act and to mark the commencement of the first sections of the Act and the funding provided by Scottish Government to support implementation.

Work we had planned, but which did not take place or where we amended our approach:

Two projects were decommissioned by the Board due to not being required:

"*If required, we will implement the complaints system for Licensed Providers (ABS) under the Legal Services (Scotland) Act 2010*"

And

"*If required, we will review the approved regulator complaints system under the Legal Services (Scotland) Act 2010 to ensure it remains fit for purpose after the eventual launch of the licensed provider scheme and with associated communications and the training of staff (all requiring to be updated, due to delays in the regulatory scheme being launched).*"

This was because the Law Society of Scotland, as an approved regulator for Licensed Legal Service Providers, again decided not to open their scheme for applications. This meant the work planned was not required.

One project was in part moved to the next business year:

"We will prepare our statutory Biodiversity Report to showcase the work we have done over the last 3 years. We will also continue to seek new ways to reduce our carbon footprint."

The next reporting date is actually within the next business year, which had not been spotted at the time of drafting the operating plan, and so the action cannot be completed until January 2027.

One project was partly delivered, partly decommissioned and partly moved to the following year.

[1] We will develop our use of technology to deliver our role.

[2] This will include scoping a review of our IT support contract and considering a tender process (this may be delayed to accommodate reform work).

[3] We will also undertake a five-year review of personal hardware needs (laptops etc) and plan a replacement cycle.

We delivered on [1] above, extending our cautious use of artificial intelligence and developing new internal apps and testing their use to support efficient and automated processes. In relation to [2], our current IT provider was the subject of a buy-out. We focused our work on ensuring a smooth transition and building a relationship with the new provider rather than moving to a re-tender – we will keep this under review. Element [3] was moved into next year's plan.

Summary: We delivered 97.5% of our Operating Plan for the year, well above the 85% target set by our Board (to take account of the fact that some projects will always be affected by external factors outwith our control, or priorities may change mid-year).

As noted, two projects were decommissioned by the Board and one was moved to next year. These are not taken into account in our formal KPI. Even if these projects were treated as incomplete, 91% of planned work would still have been delivered, exceeding the Board's target of 85%. Performance on quantitative performance measures is detailed in the Performance Report, on page 20.

Key performance data in complaints

Set out below are comparative volumes of work over the last four years. These figures are similar to the statistical information we share with the relevant professional organisations on a quarterly basis.

The SLCC is defined in statute as a reactive body, which must apply a legal process to complaints we receive. We cannot set a target for incoming complaints, nor can we set targets for disposal levels at each stage of the process, as this would infringe the SLCC's adjudicative function, which

requires each decision to be based solely on the merits of the individual case.

A more detailed breakdown of complaints and outcomes is provided each year in our Annual Reports: https://www.scottishlegalcomplaints.org.uk/about-us/who-we-are/our-annual-report/ for those who wish to understand our adjudicative process. In these accounts we are providing a higher-level summary on volumes to provide context to resource and expenditure.

COMPLAINTS RECEIVED AND CLOSED	2025/26	2024/25	2023/24
Complaints in hand at start of year	**654**	659	554
New complaints received	**1650**	1339	1385
Adjustments – complaints reopened/voided	**17**	19	38
Complaints closed at all stages	**(1742)**	(1363)	(1318)
Net change – reassessed as eligible/ineligible on appeal	**0**	0	0
Complaints in hand at end of year	**579**	654	659

STAGE IN PROCESS COMPLAINTS WERE CLOSED (Numbers)	2025/26	2024/25	2023/24
Prematurity	**103**	101	118
Eligibility	**953**	737	734
Mediation	**125**	99	89
Investigation	**303**	232	245
Determination	**258**	194	132
Total	**1742**	1363	1318

STAGE IN PROCESS COMPLAINTS WERE CLOSED (Percentage)	2025/26	2024/25	2023/24
Prematurity	**6%**	7%	9%
Eligibility	**55%**	54%	56%
Mediation	**7%**	7%	7%
Investigation	**17%**	17%	19%
Determination	**15%**	14%	10%
Total	**100%**	100%	100%

It is important to be clear that these figures relate only to when a case exited the SLCC system. To give an example, 953 cases closed at eligibility is not the same as suggesting 953 cases were not eligible.

Outcomes at this stage, this year, include 154 of those being deemed eligible conduct cases which are then passed to the Relevant Professional Body (so the SLCC has no further involvement). Another 260 were resolved through conciliation, where SLCC staff work intensively with both parties to achieve a mutually agreeable settlement. Only 285 were actually rejected by the SLCC through a formal decision as ineligible. Further information for every stage is provided in our separate Annual Reports.

Incoming complaints have remained high. In our budget consultation we predicted 1,345 incoming complaints and we actually received 1,650. This is 23% more complaints than we had anticipated.

There was no obvious driver of complaints. From the data available to us there was no particular pattern relating to firms, types of work, or types of complaints. In contrast to some other years with large increases in numbers there were no large groups of linked cases.

Despite the high incoming number of complaints, 'complaints in hand' at the end of the year is slightly lower than last year (579 compared to 654) and complaints output (cases closed) was significantly higher than last year (1,742 vs 1,363). Much of this was achieved due to making changes at the eligibility stage of our process which had not been previously viable, but which a Court of Session Appeal decision in the previous year had opened up. This led to significant efficiency gains at that stage.

We continued a strong focus on early resolution, with only 15% of cases moving all the way through the system to a final determination (although this was slightly up on last year, which saw only 14% of cases reach this stage). This saves time and effort for both practitioners and complainers and reduces the period of stress a complaint can often bring for both parties.

The SLCC Board also sets KPIs each year and assesses performance quarterly and at year-end. It is important to understand this data comes from a variety of sources and is about a responsive and live set of internal management data, which helps the business respond quickly to performance levels. The data may vary marginally to published annual data. To give an example:

On the last day of Quarter 1 we may receive a complaint in the post and online at the same time, without knowing these are the same complaint. In the Q1 management data this will show as two complaints. However, when we start processing the complaints we will void one case, as they are the same complaint. The Q1 management data will not be corrected – it is a disproportionate use of resource, a single case would not affect the resourcing decision at quarter end, and that decision had already been made. Over the four quarters a number of these issues will be present.

The data also highly summarises complex qualitative issues. For example, the quality indicator for case work is based on a quality framework and specific criteria for dip samples which help make a qualitative assessment more structured and consistent. However, the high-level indicator also aggregates stages with slightly different criteria (Eligibility and Investigation) and misses stages (for example mediation, a lower-case volume and with very different quality factors). This gives the Board an effective overview, to trigger performance conversations, but is not a complete summary of our work.

Other KPIs	2025/26		2024/25		2023/24		2022/23	
	Target	**Actual**	**Target**	**Actual**	Target	Actual	Target	Actual
Expenditure vs budgeted expenditure	**+/- 5%**	**+8%**	+/- 5%	Met	+/- 5%	Met	+/- 3%	Met
Op Plan Projects on time/to specification	**85%**	**97.5%**	85%	88%	85%	97%	85%	97%
Journey Time (average for year of monthly JT)	**≤ 7.9 Months**	**6.6**	≤ 7.9 Months	8.1	≤ 7.9 Months	7.4	≤ 8.5 Months	7.1
Waiting Time at Eligibility (average for year of monthly wait)	**0-6 weeks**	**10.3**	2-6 weeks	6.5	2-6 weeks	6.6	4 weeks or less	7.8
Waiting Time at Investigation (average for year of monthly wait)	**0-2 weeks**	**2.45**	1-3 Weeks	6.6	1-3 Weeks	2.8	≤ 2 Weeks	2.5
Actual production per month meets or exceeds planned production	≥	**Met**	≥	Met	≥	Met	≥	Met
Quality Sample for Eligibility and Investigation Reports	≤ 5% are red in RAG rating	**Met**	≤ 5% are red in RAG rating	Met	≤ 5% are red in RAG rating	Met		
Improvement Sprints (short 'pilots' of new ways of working/process improvement)	Min 2 per quarter	**Met**	Min 2 per quarter	Met	Min 2 per quarter – 1 on quality / customer	Met	Min 2 per quarter – 1 on quality / customer	Met

Journey time – after just missing out overall Journey Time target last year we made significant improvement this year, reducing Journey Time to an average of 6.6 months in the year (down from 8.1). This is despite much higher-than-expected incoming complaints. Reducing Journey Time is one of our biggest successes, meaning a faster service for the public and lawyers.

Waiting time – This measures the period between a complaint being received and the allocation of a named investigator, after initial review and triage. At both key stages we missed target, again due to the unexpected high incoming volumes of complaint. However, this is in the context of reducing the Journey Time overall (which includes these allocation times). So while there is a wait at the start, and we still remain committed to reducing this, the overall time for resolving complaints was reduced by 1.5 months.

Customer Feedback

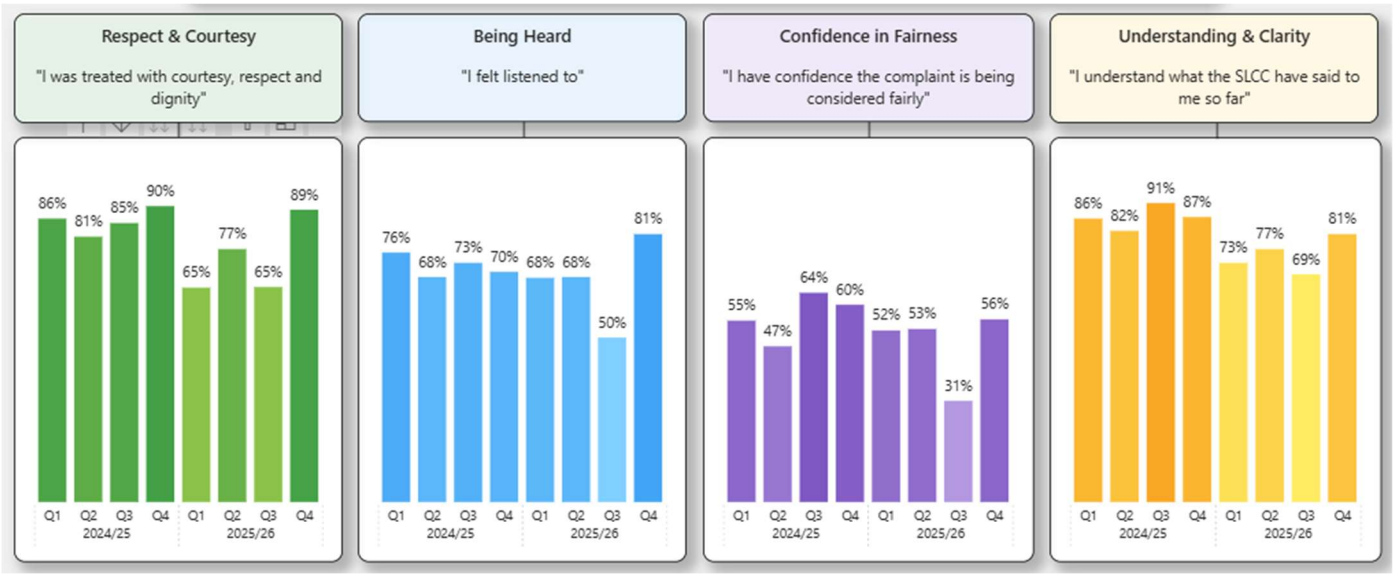
SET noted that common themes of feedback included communication, efficiency, bias, process and professionalism.

Based on this feedback, SET updated internal guidance to encourage the use of plain English and

supported revisions to website information about the SLCC's funding and independence.

115 people responded to our Complaints in Progress Survey and the table below shows the percentage of them that agreed with the four questions.

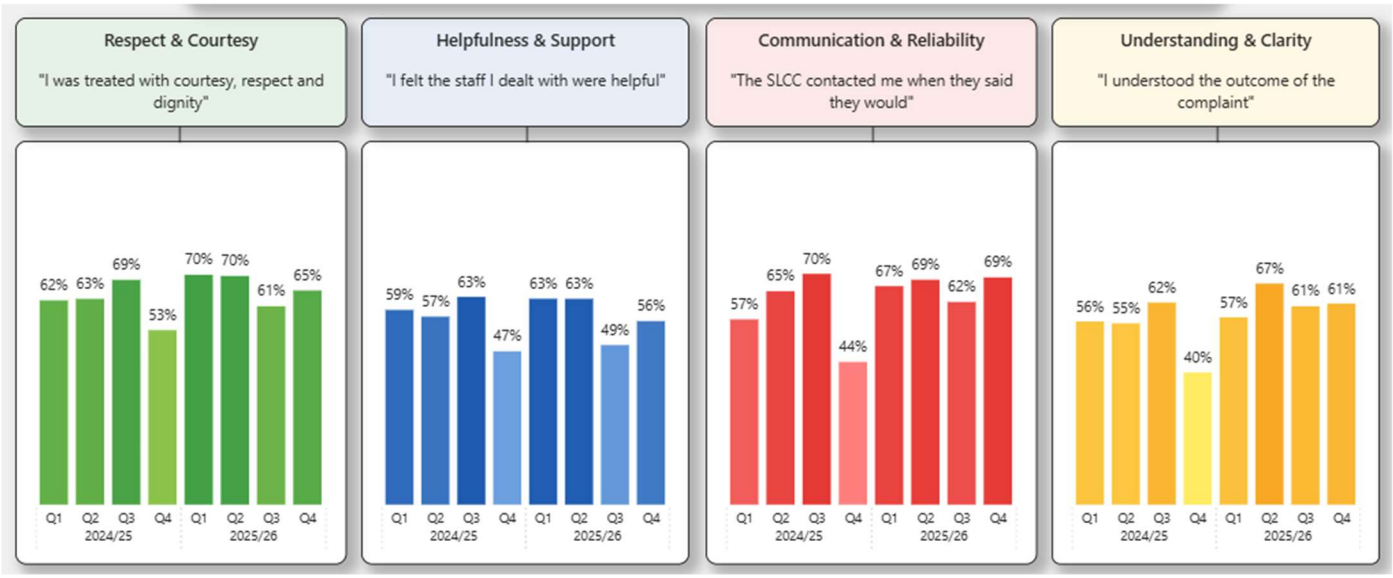
Complaints in Progress



Quarterly customer feedback results for four measures: Respect & Courtesy, Being Heard, Confidence in Fairness, and Understanding & Clarity, comparing 2024/25 with 2025/26.

296 people responded to our Complaints Closed Survey and the table below shows the percentage of them that agreed with the four questions.

Complaints Closed



Quarterly customer feedback results for four measures: Respect & Courtesy, Being Heard, Confidence in Fairness, and Understanding & Clarity, comparing 2024/25 with 2025/26.

Best Value

Two years ago the Board, Audit and Risk Committee and SMT worked to review the Scottish Public Finance Manual Best Value framework. A formal Best Value policy was developed to guide our work, and a matrix created of how the SLCC reflects the delivery of Best Value in each

of its core areas of operations.

It is essential that SLCC delivers efficient services, and that our stakeholders know this is an important consideration. Equally, as with many public services, we are supporting vulnerable users with complex needs. The Best Value framework reflects this, as does the SLCC's work based on that framework. Speed and cost are important, but it is not our goal to deliver the cheapest or fastest complaints process if this negatively impacts fairness, for example, the time we give for a member of the public or solicitor to respond to new evidence or for us to tailor access to the process (such as providing translation support or reasonable adjustments to allow a complaint to be made).

Work for the 2025/26 year to ensure Best Value included:

- Process improvement work
- Further work to tackle (the cost of) Section 17 issues
- Pressing for early commencement of elements of statutory reform that would empower a more efficient process
- Working with Scottish Government on set-up funding for reform
- Retendering our legal panel
- Development of automated 'apps' to support efficiency in some aspects of our work
- Exploration and cautious testing of AI to support efficiency in our work
- Seeking to reduce the common causes of complaint (outreach and education)
- Implementing recommendations from an independent governance review
- Reviewing equalities data to understand better the populations we serve

During last year the SLCC also reviewed Best Value priorities for the coming year and ensured these were included on the operating plan for 2026/27. This included:

- That all work on the implementation of reform incorporates consideration of the ways to maximise efficiencies based on the new legislation – reform implementation is the major focus of the year.
- Continuing to make the case for early commencement of elements of statutory reform that would empower a more efficient process
- Further process-improvement work focusing on efficiency at eligibility and in cases where a file is not provided promptly by a lawyer when requested.
- Work on a new case management system which should support more efficient working.
- Further work to tackle (cost of) Section 17 issues, this year including working with the Law Society of Scotland on a joint communication plan
- Working with the Scottish Government on set-up funding for reform

Budget performance

The SLCC outturn against budget is shown in the table below:

	Year ended 30 June 2026		Year ended 30 June 2025
	Budget	Actual	Actual
Income	**(4,955,732)**	**(5,411,831)**	(4,868,183)
Expenditure	**5,064,575**	**5,552,551**	4,543,809
(Surplus)/Deficit	**108,843**	**140,720**	(324,374)

Income was £456,099 higher than expected. This included additional income in complaint levies, higher interest rates and legal costs recovered.

Expenditure was overspent by £487,976 or 10% over the anticipated budget. This does include £91k of spend on Reform that was funded by Scottish Government. Excluding that spend the SLCC overspent by £397k or 8% of the Budget. This was predominantly due to legal fees associated with appeals and Section 17 cases. Excluding legal costs relating to reform, legal expenditure increased by 46% during the year.

Appeal costs increased in conjunction with the higher number of complaints received and accounted for £220,000 of additional expenditure compared with the previous year. Legal fees associated with Section 17 cases rose by £106k this year compared with last year.

We expect legal costs to remain at this higher level during 2026/27, with reform unlikely to produce savings in this area before 2028/29. Budgeting for this spend can be challenging. Actions raised by one practitioner have resulted in legal costs of £119,183 between 1 July 2024 and 30 June 2026.

Complaint levy income increased in 2025/26, reflecting the higher volume of complaints. However, this additional income was partly offset by a bad-debt charge of £122,000.

The SLCC received £300k funding from Scottish Government this year to support the cost of implementing reform. The SLCC spent £91,267 in our financial year and have deferred £208,733 to 2026/27. There is a misalignment between Scottish Government financial year and the SLCC's financial year. The spend on reform to date is shown below:

Area	Spend
Legal Costs	50,067
Consultancy and IT Costs	10,090
Internal Audit Costs	4,500
Contribution to Staff Costs	26,610
Total Reform Spend	**91,267**

The SLCC is reporting a year-end deficit of £140,720 for 2025/26, compared with the original budgeted deficit of £108,843.

The Board approved a deficit budget for 2025/26, reflecting the planned use of SLCC reserves previously designated for reform activity. We continue to hold reserves of more than three months average expenditure.

Payment of creditors and regularity of expenditure

The SLCC is committed to prompt payment of bills for goods and services received. Payments are made as specified in the agreed contract conditions. For 2025/26 the SLCC committed to moving towards the Scottish Government recommended payment terms. Where there is no contractual obligation or other understanding, we aim to pay for goods and services within 20 days. On average the SLCC took 21 days to pay for goods and services in 2025/26 (2024/25: 16 days).

Time to Pay	25-26	24-25
0 to 7 Days	**16%**	20%
8 to 14 days	**22%**	26%
15 to 20 days	**17%**	25%
21 to 30 days	**31%**	24%
More than 30 days	**14%**	5%

Social matters

The SLCC is an equal opportunities employer, and all staff are expected to comply with a range of policies covering legal and behavioural matters and are encouraged to play an active part in our sustainability and dignity at work initiatives. Staff policies are regularly updated for any new legislation, and these changes are flagged to staff so they can review the relevant policy. Our staff code of conduct adopts the nine key principles for public bodies. Staff are reminded on an annual basis of the organisation's whistleblowing policy. The staff conflict of interest policy covers fraud and anti-bribery legislation and is reviewed regularly.

Sustainability Report

The SLCC recognises that the changing climate will have far reaching effects on Scotland's economy, people and environment. One of our strategic objectives is to deliver a sustainable operation and reduce our environmental impact through staff-led initiatives and delivery of our biodiversity duties.

As sustainability features in our current strategic plan, the SLCC Board has sight of the work done in this area through our Operational Plan reporting and within our Strategic Risk Register we highlight any key risk to the organisation.

The SLCC is also committed to supporting national aims and policies on Environmental and Sustainable Development. We published an updated three-year review (2021-2023) in December 2023, reporting on our work to meet the Scottish Biodiversity Duty; this is available online: https://www.scottishlegalcomplaints.org.uk/about-us/rules-policies-and-publications/biodiversity- reporting/. The next report is due to be published in December 2026.

Explanation of the development and performance of the entity

The primary challenge during 2025/26 was managing a significant increase in incoming complaints whilst maintaining performance and preparing for legislative reform. Incoming complaints increased by 23% during the year and required additional resource and focus across the organisation.

Despite these pressures, we maintained strong performance across our complaints process and improved some key indicators, including overall Journey Time. This reflects the benefits of previous improvement work, investment in staff and a continued focus on efficiency and Best Value.

Looking ahead, the challenge is no longer one of managing declining workloads. Instead, it is ensuring the organisation has the capacity, capability and resources required to respond to sustained higher complaint volumes and to deliver the significant changes arising from the Regulation of Legal Services (Scotland) Act 2025.

Annual Audit

The financial statements are audited by external auditors appointed by the Auditor General for Scotland. Richard Smith, Senior Audit Manager at Audit Scotland, has been appointed to undertake the audit of the SLCC for 2025/26 and 2026/27. As Accountable Officer, I am not aware of any relevant audit information of which our auditors are unaware. I have taken all necessary steps to ensure that I, myself, am aware of any relevant audit information and to establish that the auditor is also aware of this information.



Neil Stevenson
Chief Executive Officer

27 October 2026

2. Accountability report

Corporate Governance Report

Details of our governance arrangements are published online. This includes a governance statement, a scheme of delegation, the arrangements for the management of conflict of interest, a code of conduct and a risk management policy.
https://www.scottishlegalcomplaints.org.uk/about-us/rules-policies-and-publications/the-slccs-governance-arrangements.

Compliance with our governance framework is periodically reviewed, including the use of internal audit where appropriate. There were no reported breaches or concerns this year. Further details on governance are provided in the remainder of this section.

The Directors' Report

Date of Issue

The Accountable Officer authorises these financial statements for issue on the date of signing shown on the Statement of Financial Position.

The Senior Management Team

The SMT is responsible for the day-to-day management of the SLCC's activities and operations. Key legal responsibility for the organisation rests with the Board, and with the Chief Executive and the Accountable Officer (a single role, and not a Board member), as outlined in this report.

The Board

The SLCC should comprise a lay Chair and eight other members, five lay members and three legal members. The Board has responsibility for establishing and taking forward the strategic aims and objectives of the SLCC and demonstrating high standards of corporate governance by using the Audit and Risk Committee to address key financial and other risks.

Board Appointments	Appointment From	To	Years
Chair (Lay)			
Jane Malcolm	10/07/2023	09/07/2028	5
Lay Members			
Niki Maclean *(left in year)*	01/04/2021	31/03/2026	5
John Stevenson	01/01/2022	31/12/2026	5
Jean Grier	01/01/2022	31/12/2026	5
Anne Gibson	01/01/2023	31/12/2027	5
Thane Lawrie	01/02/2025	31/01/2030	5
Ged Bell *(joined in year)*	01/04/2026	31/03/2031	5
Legal Members			
Richard McMeeken	01/01/2022	31/12/2026	5
Lynne Collingham	15/06/2022	14/06/2027	5
Dale Hughes	12/08/2022	11/08/2027	5

Board meetings deliver the governance function of the Board. Under our governing statute Board members have a separate role in determining individual cases at two stages in our process, either sitting individually or in groups of three, chaired by a legal member.

The Board reviewed its effectiveness through a confidential discussion at the start and end of each Board meeting, through dialogue on the planning of Board agendas and papers, and through discussion of topics and learning needs for the five development sessions in this operational year.

Board Attendance

The Board met formally for seven meetings during the year, as well as taking part in a planning and strategy workshop and several development sessions. These were held as hybrid meetings, with members encouraged to attend in person where possible. Minutes are published on our website: https://www.scottishlegalcomplaints.org.uk/about-us/who-we-are/our-board/board-meeting-minutes/.

	Board Meeting	Audit and Risk Committee	People and Culture Committee
Number of Meetings	**7**	**4**	**4**
Jane Malcolm	7		
Niki Maclean (left 31/03/26)	4	3	
Anne Gibson	6		4
Dale Hughes	5		
Jean Grier	5		4
John Stevenson	5	4	
Lynne Collingham	6	1	3
Richard McMeeken	5		
Thane Lawrie	7	1	
Ged Bell (started 01/04/26)	2		
Morag Sheppard (independent member)		4	

Statement of Accountable Officer's Responsibilities

The CEO is designated in statute the Accountable Officer for the SLCC. This is confirmed in the SLCC's governance arrangements.

The relevant responsibilities as Accountable Officer are set out in the Memorandum to Accountable Officers for other Public Bodies issued by the Scottish Government and published in the Scottish Public Finance Manual and reflected in the SLCC's rules. These responsibilities include responsibility for the propriety and regularity of finances and for the keeping of proper records. The Memorandum is available at: https://www.gov.scot/publications/scottish-public-finance-manual/accountability/annex-2-memorandum-to-accountable-officers-other-public-bodies/

Under paragraph 15 (1) of Schedule 1 of the Legal Profession and Legal Aid (Scotland) Act 2007, the SLCC is required to prepare a statement of accounts for each financial year in accordance with directions as required by the Scottish Ministers. The financial statements are prepared on an accruals basis and must give a true and fair view of the SLCC's affairs and financial activities at the year-end.

In preparing the financial statements, the Accountable Officer is required to comply with the Government Financial Reporting Manual (FReM) and in particular to:

(i) Observe the accounts direction issued by the Scottish Ministers, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis.

(ii) Make judgements and estimates on a reasonable basis.

(iii) State whether applicable accounting standards have been followed and disclose and explain any material departures in the financial statements.

(iv) Prepare the financial statements on a 'going concern' basis unless it is inappropriate to presume that the SLCC will continue in operation.

(v) Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgments required for determining that it is fair, balanced and understandable.

Neil Stevenson joined the organisation as the Chief Executive and the Accountable Officer on 20 July 2015.

As the Accountable Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

The Accountable Officer must be of the opinion that the Annual Report and Financial Statements as a whole are fair, balanced and understandable. I accept personal responsibility for the Annual Report and Financial Statements and for the judgements required for determining that they are fair, balanced and understandable.

Governance statement

Scope of responsibility

I took up the permanent post of Accountable Officer on 20 July 2015. As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of organisational policies, aims and objectives, whilst safeguarding the organisation's assets, and the funds levied from the legal profession, for which I am responsible.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control will continue to evolve to identify the principal risks to the achievements of the SLCC's policies, aims and objectives, to evaluate the nature and extent of those risks, and to manage them efficiently, effectively and economically.

The processes within the organisation have regard to the guidance to Public Bodies in Scotland issued by the Scottish Ministers and set out in the Scottish Public Finance Manual, and the Scottish Government Audit and Assurance Committee Handbook.

Our Internal Auditor has also given an opinion that the SLCC has a framework of governance, risk management and controls that provides reasonable assurance regarding the effective and efficient achievement of objectives.

More on the SLCC Board responsibilities can be found in the Directors' report, which begins on page 27.

Governance framework

The SLCC has a governance framework which comprises the systems and processes (including a formal scheme of delegation covering all aspects of work), culture and values by which the SLCC is directed and controlled.

The governance framework has been in place for the year ended 30 June 2026 and up to the date of approval of the annual report and financial statements.

The governance framework is overseen by the Senior Management Team comprising the Chief Executive Officer, the Director of Business Performance, the Director of Public Policy, and the Director of Resolution.

Our Audit and Risk Committee meets four times per year. The Audit and Risk Committee consists of members of the Board and an independent Audit and Risk Committee member.

Niki Maclean was the Chair of Audit and Risk Committee until 31 March 2026. Thane Lawrie joined the committee as Chair, from 1 April 2026.

John Stevenson has been on the committee as a member for the full operational year and Lynne Collingham joined the committee on 1 April 2026. Morag Sheppard is our independent Audit and Risk committee member and has been on the committee for the full operational year.

Meetings are attended by our internal and external auditors. The Committee supports the Board in discharging its responsibilities for risk, control and governance. Meetings were held on a hybrid basis during the year.

During 2025/26, and up to the date of approval of the Annual Report and Financial Statements, the Audit and Risk Committee undertook the following activity:

Internal Audit (Azets)

- Approved a three-year internal audit plan (2025/26 to 2027/28)
- Received a report from our outsourced internal auditors on our approach to governance for the Reform Transformation Project (2024/25).
- Received reports from our outsourced internal auditors on our Payroll Processes and Controls (April 2026 meeting), Quality Assurance Process and Cyber Security – Third Party Processes (July 2026 meeting). These reviews formed part of the 2025/26 internal audit plan, with the final reports considered in July 2026 (2025/26).
- Reviewed progress made against internal audit recommendations
- Reviewed the close-out report on the internal audit plan for the year (July 2026 meeting) (2025/26).

External Audit (Audit Scotland)

- Reviewed the governance statement and financial statements from the previous financial year (2024/25).
- Approved the external audit plan for the year (2025/26).
- Carried out some pre-audit work in preparation for the external audit (2025/26).

Ensuring compliance with best practice

- Received updates on fraud risks in the public sector and reviewed learning and key themes from the work of the Scottish Parliament Public Audit Committee.
- Attended external events to grow knowledge and help identify best practice. For the Accountable Officer this included NDPB Chief Executive Forums.

Other assurance activity

- Implemented all recommendations, across Board and Committees, from an independent review of governance in the previous year.
- Continued to ensure a lead Board member was in place to lead on cyber security issues.
- Discussed every risk on the strategic risk register on a quarterly basis, with a detailed discussion at the Audit and Risk Committee and approval at Board.
- Discussed risks on the Reform Work Risk Register.
- Discussed progress on the Reform Transformation Project.

- Discussed our financial position and spend on the Transformation Project each quarter.
- Discussed quarterly information on our Freedom of Information requests, Subject Access requests and Data Breaches.
- Discussed our cyber security work including our vulnerability assessments and penetration testing
- Completed the Scottish Government recommended Audit and Risk Committee Self-Assessment template
- Discussed our update to the Business Continuity Plan
- Reviewed a Health and Safety Audit and approved a Health and Safety Action Plan
- Reviewed our Capital Replacement Plan
- Reviewed our Best Value policy and the focus of Best Value work in the coming year
- Discussed our risk appetite and risk mapping
- Carried out a De Novo Risk Review for our new Strategy
- Noted our work in progress (WIP)

As part of our Governance Review, the Remuneration Committee was renamed the People and Culture Committee to better suit the committee's terms of reference. The People and Culture Committee met four times during this business year. During the year, the Committee considered absence, pay negotiations, the workforce plan, staff-survey results, the internal audit of payroll and forthcoming changes arising from the Employment Rights Act 2025.

Declarations of Interest for the Senior Management Team, and for all staff, are managed under a policy approved by the Board and are updated regularly. For the Senior Management Team there were no significant company directorships or other interests held which may have conflicted with their management responsibilities.

The Board register of interests is available at: https://www.scottishlegalcomplaints.org.uk/about-us/rules-policies-and-publications/board-member-register-of-interests/ and there are no significant interests that conflict with their responsibilities.

As part of the framework the SLCC has a risk policy which sets out our approach to risk management and appetite for risk. It is supported by a corporate risk register, monitored by the Audit and Risk Committee, which is part of an ongoing process designed to identify and manage the principal risks to the SLCC achieving its corporate objectives.

The SLCC's risk management system identifies the key risks facing the organisation, their potential impact and the control measures put in place to mitigate either the likelihood of a risk materialising, and/or its impact on achievement of corporate aims. This involves evaluating the nature and extent of risks and putting in place effective and affordable management and control systems.

A detailed Scheme of Delegation was in place throughout the year, and an updated version approved by the Board during the course of the year.

There were no data breaches within the course of the year requiring a report to the Information Commissioner's Office (ICO), compared with none in 2024/25. However we have had to make one post year in relation to our third party IT security issue.

Review of effectiveness and Annual Report of the Audit and Risk Committee

It is part of my responsibility as Accountable Officer to review the effectiveness of the system of internal control. My review is informed by:

(i) The work of the Board, and in particular the strategic direction it gives to the SLCC.

(ii) The work of the Audit and Risk Committee in its consideration of risk, financial management, risk and audit reports.

(iii) Reports from the internal auditors on the adequacy and effectiveness of the system of internal control; and

(iv) The work of the management team.

The SLCC complies with the principles of the Scottish Public Finance Manual and the Scottish Government Audit and Assurance Committee Handbook.

I am satisfied that the SLCC has robust, proportionate and appropriate systems of control in place.

Remuneration and staff report

Remuneration policy and report

The Board, having considered the requirements of the Government Financial Reporting Manual and the responsibilities of managers within the SLCC, discloses the remuneration of the CEO, SMT and Board Members.

Remuneration - CEO

The CEO's remuneration is approved by the Board. It is subject to and compliant with The Public Sector Pay Policy for Senior Appointments. Neil Stevenson joined the SLCC on 20 July 2015. The CEO's salary shown includes basic salary only. It does not include employer national insurance or pension contributions. During the year to 30 June 2026, £13,371 was paid into a money purchase pension scheme on behalf of the CEO in line with his contract. The table below has been audited by our external auditor.

	Year Ended 30 June 2026				Year Ended 30 June 2025			
	Salary £000	Pension Benefit £000	Benefit in Kind	Total £000	Salary £000	Pension Benefit £000	Benefit in Kind	Total £000
Neil Stevenson	95-100	10-15	Nil	105-110	90-95	10-15	Nil	100-105

Remuneration - SMT

The SMT's remuneration is approved by the CEO. It is subject to and compliant with the Public Sector Pay Policy and their grades are included within the overall SLCC grading structure. The three Directors' salaries shown include basic salary only. They do not include employer national insurance or pension contributions. During the year to 30 June 2026, a total of £21,132 was paid into a money purchase pension scheme on behalf of the three Directors in line with their contracts. The table below has been audited by our external auditor.

	Year Ended 30 June 2026				Year Ended 30 June 2025			
	Salary £000	Pension Benefit £000	Benefit in Kind	Total £000	Salary £000	Pension Benefit £000	Benefit in Kind	Total £000
Caroline Robertson	75-80	5-10	Nil	85-90	70-75	5-10	Nil	75-80
Louise Burnett	65-70	5-10	Nil	70-75	65-70	5-10	Nil	70-75
Vicky Crichton	65-70	5-10	Nil	70-75	60-65	5-10	Nil	65-70

Chair and Board fees

Board remuneration has been determined in line with Public Sector Pay Policy for Senior Appointments, Chief Executive, Chairs and Members. The SLCC does not pay pension contributions for the Board, and they do not receive any benefits in kind. SLCC Board members are eligible to claim out of pocket expenses relating to their work as SLCC Board members (both in relation to their governance role, and their role in determining individual cases). The pay bands in the table below have been audited by our external auditor.

	Year Ended 30 June 2026		Year Ended 30 June 2025	
	Daily Fee £	Total £000	Daily Fee £	Total £000
Jane Malcolm, Chair	342	15-20	331	15-20
Niki Maclean (left 31/03/26)	238	0-5	227	5-10
John Stevenson	238	5-10	227	5-10
Richard McMeeken	238	0-5	227	0-5
Jean Grier	238	5-10	227	0-5
Lynne Collingham	238	0-5	227	5-10
Anne Gibson	238	10-15	227	5-10
Dale Hughes	238	5-10	227	0-5
Thane Lawrie	238	10-15	227	0-5
Ged Bell (started 01/04/26)	238	0-5	-	-
Morag Sheppard *(Independent Member)*	238	0-5	227	0-5

Note: Overall payments vary between members due to several factors. Not all members were present for the whole year (either starting or finishing statutory terms during the course of the year). The Chair's role is affected by the number of external engagements. Each member will be involved in a differing number of Eligibility and Determination Committee decisions and have a caseload of varying complexity. Legal members have an additional role to play as 'Chairs' of Determination Committees. Some members also sit on other Committees (such as the Audit and Risk Committee).

Fair Pay Disclosure

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The relationship between the remuneration of the highest paid member of staff and the median remuneration of the staff is as follows:

	Year ended 30 June 2026	Year ended 30 June 2025
Remuneration Band for highest paid member of staff	**£95-100,000**	£90-95,000
Percentage change from previous year	4%	3%
Average percentage change for employees	**+9.3%**	+5.2%
Lower quartile remuneration	**44,598**	41,006
Lower quartile ratio	**2.1**	2.2
Median remuneration	**47,516**	44,144
Median ratio	**2.0**	2.1
Upper quartile remuneration	**51,424**	44,144
Upper quartile ratio	**1.9**	2.1
Remuneration Range	**£25,000 to £95-100,000**	£25,000 to £90-95,000

The table above has been audited by our external auditor.

The FTE used to calculate the average in this pay scale was 57.51 in 2024/25 and increased to 61.25 in 2025/26. Staff at the SLCC receive salary only for remuneration. The median pay ratio currently reflects our

pay and progression policy for the organisation. This year's trend has been a slight reduction in median pay ratios year-on-year, across the lower quartile, median and the upper quartile. This reflects higher pay growth at the lower end of the organisation, resulting from eligible staff receiving both the cost-of-living uplift and incremental progression.

During 2025/26, the SLCC employed two temporary members of staff, one of whom left during the year, and used agency cover for a period of staff absence.

In 2025/26, no employees received remuneration in excess of the highest-paid director. Total remuneration includes salary, non-consolidated performance-related pay, benefits in kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

Pay discussions for April 2025 concluded in November 2025 and a 2-year deal was agreed for all staff, excluding the CEO.

The deal agreed a 4% cost of living increase for the period April 2025 to March 2026 and a 3.5% cost of living increase for the period April 2026 to March 2027. This is the reason for the average percentage change being higher than in the previous year.

Staff report

The average number of staff full time equivalent (FTE) employed by the SLCC during the year was 62 FTE, detailed as follows:

	Year ended 30 June 2026	Year ended 30 June 2025
CEO	**1**	1
SMT	**3**	3
Staff	**58**	55
Total average FTE	**62**	59
Permanent FTE	**61**	57
Temporary FTE	**1**	2
Total average FTE	**62**	59

The average number of Board members that sat on the SLCC Board during the year was 9 FTE, detailed as follows:

	Year ended 30 June 2026	Year ended 30 June 2025
Chair	**1**	1
Members	**8**	8
Total average FTE	**9**	**9**

The following table shows the salary and related costs for all staff for the year ended 30 June 2026, identifying staff and members separately.

	Year ended 30 June 2026			Year ended 30 June 2025		
	Staff £000	Members £000	Total £000	Staff £000	Members £000	Total £000
Salaries	**2,947**	**73**	**3,020**	2,657	60	2,717
Social security costs	**386**	**5**	**391**	270	3	273
Pension costs	**299**	**-**	**299**	245	-	245
Temporary Staff Costs	**14**	**-**	**14**	-	-	-
Total Salary Costs	**3,646**	**78**	**3,724**	3,172	63	3,235

These tables have been audited by our external auditor.

During the year to 30 June 2026 no employees received an exit package (2024/2025 zero exit packages). No off-payroll payments were made.

The SLCC holds both the Living Wage Accreditation and Living Pension Accreditation.

	Year ended 30 June 2026	Year ended 30 June 2025
Average FTE	**62**	59
Gender	**65% Female**	67% Female
	35% Male	33% Male
Board	**44% Female**	56% Female
	56% Male	44% Male
Management Team	**75% Female**	75% Female
	25% Male	25% Male
Absence	**5.0 days**	3.9 days
Turnover Rate	**4.65%**	8.22%

Absence increased from 3.9 days in 2024/25 to 5 days in 2025/26. We also had more long-term illnesses during 2025/26. These types of absences are managed carefully and referred to Occupational Health, where appropriate.

Two 6-monthly surveys took place in 2025/26, one in September 25 and one in March 26. The results are shown below.

Question	Mar-26	Sept-25	Jun-25	Variance Mar v Sept	Variance Mar v Jun
% of staff who completed the survey	59%	60%	53%	-1%	+6%
The SLCC Management lead a positive work culture	67%	69%	77%	-2%	-10%
I am kept well informed about what the organisation is doing	85%	78%	77%	7%	8%
I have a good working relationship with my colleagues	97%	97%	97%	0%	0%
My line manager communicates effectively with me	82%	83%	84%	-1%	-2%
I have received positive feedback on my contribution to the SLCC in the last 6 months	87%	89%	84%	-2%	3%
I would tell people that the SLCC is a good place to work	74%	69%	84%	5%	-10%
I feel kept up to date on reform implementation and how it impacts my work	84%	*Question Introduced Mar-26*			

Compared with the June 2025 survey, the March 2026 results showed declines in three areas. The free text comments did not help clarify the reasons for the drops. On the one hand, free-text comments indicated that procedures for communication were clearly defined, that the management team had created an inclusive culture and that some staff felt well supported. On the other hand, some staff felt communication was less supportive, they weren't kept informed of changes and sometimes it felt like there were inconsistencies. Overall, however, there remain many positive comments about the SLCC's flexible working arrangements and the work-life balance they support.

Equal pay

All staff, irrespective of gender, are paid in accordance with the SLCC's pay and grading structure and progress through the structure in accordance with the applicable progression policy.

In our management grades we have one male and one female in a Grade D role (two post holders at that grade). There are four female and three male employees in Grade E roles. At Grade F there are two females, while at Grade G there is one female. The current Chief Executive is male.

In 2025/26 the SLCC introduced a new grade C+ and currently we have three females and four males within this grade. Grade C is our largest grade in terms of numbers of staff. Within this grade there are thirty-five staff, twenty-four females (69%) and eleven males (31%). Within the lowest two spine points there are seven females and five males, and within the top two spine points there are seventeen females and six males. The position within the pay spine reflects length of satisfactory service and does not, on the available information, indicate a structural issue.

In Grades A and B, we have nine females (82%) and two males (18%). We will continue to consider how our recruitment, benefits and other employment practices can attract applicants of different genders.

Equal opportunities and diversity statement

The SLCC is committed to the principle of equal opportunities across our functions and in our employment practices. We are committed to pursuing positive action in our policies and practices to ensure that no individual is discriminated against directly or indirectly, unlawfully, unjustifiably or unfairly because of their personal status in relation to race, ethnic or national origin, religion, age, sex, gender identity, pregnancy or maternity, disability, sexual orientation or marital/civil partnership status.

To further support this the SLCC has developed and finalised a blind recruitment policy to allow us to recruit inclusively. We are also reviewing example job adverts for best practice on how to advertise flexible working.

Staff policies for disabled staff, and other employee matters

The SLCC follows the Civil Service Recruitment principles to ensure fair recruitment for all and encourages applications from those with disabilities who meet the essential selection criteria.

We continue to improve our policies and practices on disability and are aware of our equality duties under the Equality Act 2010. When developing a new policy, we always have due regard to equalities (and human rights) to ensure our policies do not discriminate or disadvantage any of our staff protected under the Equality Act.

Reasonable adjustment, unconscious bias, and equality training are provided annually for all staff and HR provide advice and support to line managers and individuals to make sure all staff are well supported. We also make reasonable adjustments and seek advice from our occupational health specialists to ensure all staff have the correct support for their disability.

In our 2026 survey 21% of our staff indicated they have a disability or long-term health condition. This is higher than the reported Civil Service average of 18.4% in the 2026 survey.

Our 'Your Job, Your Way' principles allow staff greater flexibility over the time and location of their work. Staff are required to spend one third of their working time in the office, measured quarterly. The rest of the time they can choose whether they work from home or the office to support their work-life balance.

We have seen the benefits of this approach in supporting colleagues with disabilities or caring responsibilities and helping staff manage their work-life balance. During the year, the SLCC was awarded Carer Positive Engaged status.

We also continued with our focus on mental health and wellbeing and provided additional training for both individuals and our mental health first aiders on mental health topics. We have twenty staff trained as mental health first aiders and twenty-eight staff trained in first aid, including managers.

Health and Safety is a standing item at each quarterly meeting of the Audit and Risk Committee. Risk assessments are refreshed annually, as is our policy statement on Health and Safety and staff are consulted on the risk assessments. In 2025/26 we developed a Health and Safety action plan that includes developing a new Health and Safety policy, reviewing training requirements and strengthening arrangements for managing contractor health and safety.

Parliamentary accountability

The SLCC is held to account by the Scottish Parliament under the terms of its founding Act. The Statement of Accounts of the SLCC is subject to audit by the Auditor General for Scotland and the audited statement is laid before Parliament in accordance with such directions as may be given by Scottish Ministers. The SLCC must also prepare an annual report on its functions and submit that report to the Scottish Ministers as soon as practicable after the end of each financial year.

The Scottish Legal Complaints Commission has complied with the cost allocation and charging requirements set out in the Scottish Government Public Finance Manual (SPFM). An analysis of income received is set out in the statement of comprehensive net expenditure on page 43 of these accounts. The majority of income received is from annual general levies raised from:

- Each advocate practising as such
- Each conveyancing practitioner or executry practitioner
- Each person exercising a right to conduct litigation, or a right of audience acquired by virtue of section 27 of the 1990 Act
- Each solicitor who has in force a practising certificate

The General Levy is collected by each relevant professional organisation and paid to the SLCC. Additional income is secured from the complaint levies. Any practitioner against whom a service complaint is upheld must pay the Commission a contribution towards the cost of handling the complaint.

The amount of annual general levies and complaints levies, in respect of each financial year is determined by the SLCC, having had regard to any views expressed in its consultation in respect of each financial year.

The SLCC has nothing to disclose in relation to losses and special payments, gifts, service costs, or contingent liabilities



Neil Stevenson
Chief Executive Officer

27 October 2026

3. Independent auditor's report to the members of Scottish Legal Complaints Commission, the Auditor General for Scotland and the Scottish Parliament

Reporting on the audit of the financial statements

Opinion on financial statements

I have audited the financial statements in the annual report and accounts of the Scottish Legal Complaints Commission for the year ended 30 June 2026 under the Legal Profession and Legal Aid (Scotland) Act 2007. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the 2025/26 Government Financial Reporting Manual (the 2025/26 FReM).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of the body's affairs as at 30 June 2026 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2025/26 FReM; and
- have been prepared in accordance with the requirements of the Legal Profession and Legal Aid (Scotland) Act 2007 and directions made thereunder by the Scottish Ministers.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Auditor General for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Auditor General on 15 April 2026. I am independent of the body in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the body's current or future financial sustainability. However, I report on the body's arrangements for financial sustainability in a separate Annual Audit Report available from the Audit Scotland website.

Risks of material misstatement

I report in my separate Annual Audit Report the most significant assessed risks of material misstatement that I identified and my judgements thereon.

Responsibilities of the Accountable Officer for the financial statements

As explained more fully in the Statement of Accountable Officer's Responsibilities, the Chief Executive Officer, as the Accountable Officer, is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accountable Officer is responsible for using the going concern basis of accounting unless there is an intention to discontinue the body's operations.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- using my understanding of the central government sector to identify that the Legal Profession and Legal Aid (Scotland) Act 2007 and directions made thereunder by the Scottish Ministers are significant in the context of the body;
- inquiring of the Accountable Officer as to other laws or regulations that may be expected to have a fundamental effect on the operations of the body;
- inquiring of the Accountable Officer concerning the body's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among my audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the body's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Reporting on regularity of expenditure and income

Responsibilities for regularity

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. In addition to my responsibilities in respect of irregularities explained in the audit of the financial statements section of my report, I am responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Opinion on regularity

In my opinion in all material respects the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

Reporting on other requirements

Opinion prescribed by the Auditor General for Scotland on audited parts of the Remuneration and Staff Report

I have audited the parts of the Remuneration and Staff Report described as audited. In my opinion, the audited parts of the Remuneration and Staff Report have been properly prepared in accordance with the Legal Profession and Legal Aid (Scotland) Act 2007 and directions made thereunder by the Scottish Ministers.

Other information

The Accountable Officer is responsible for the other information in the annual report and accounts. The other information comprises the Performance Report and the Accountability Report excluding the audited parts of the Remuneration and Staff Report.

My responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on the Performance Report and Governance Statement to the extent explicitly stated in the following opinions prescribed by the Auditor General for Scotland.

Opinions prescribed by the Auditor General for Scotland on Performance Report and Governance Statement

In my opinion, based on the work undertaken in the course of the audit:

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Legal Profession and Legal Aid (Scotland) Act 2007 and directions made thereunder by the Scottish Ministers; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Legal Profession and Legal Aid (Scotland) Act 2007 and directions made thereunder by the Scottish Ministers.

Matters on which I am required to report by exception

I am required by the Auditor General for Scotland to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited parts of the Remuneration and Staff Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to my responsibilities for the annual report and accounts, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in my Annual Audit Report.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 108 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Richard Smith

Richard Smith CPFA
Senior Audit Manager
Audit Scotland
4th Floor, 8 Nelson Mandela Place
Glasgow, G2 1BT

27 October 2026

4. Statement of comprehensive net expenditure for year ended 30 June 2026

	Notes	Year ended 30 June 2026 £000	Year ended 30 June 2025 £000
Operating Income	2	**(5,412)**	(4,868)
Expenditure			
Staff Costs	3,4	**3,724**	3,235
Other Administration Costs	5	**1,618**	1,100
Depreciation and Amortisation	7 & 13	**173**	166
Loss on disposal of fixed assets	7	**1**	-
Net Operating Expenditure/(income)		**104**	(367)
Finance Costs	6	**37**	43
Net Expenditure/(income) for the year		**141**	(324)

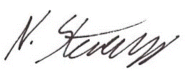
All amounts relate to continuing activities.

The accompanying notes on pages 50 to 59 form an integral part of these financial statements.

5. Statement of financial position as at 30 June 2026

	Notes	Year ended 30 June 2026	Year ended 30 June 2025
		£000	£000
Non-Current Assets			
Property, Plant and Equipment	7	**99**	74
Right-of-Use Assets	13	**938**	1,069
Total Non-Current Assets		**1,037**	1,143
Current Assets			
Trade and Other Receivables	8	**147**	316
Cash and Cash Equivalents	9	**2,071**	1,698
Total Current Assets		**2,218**	2,014
Current Liabilities			
Trade and Other Payables	10	**(757)**	(450)
Total Current Liabilities		**(757)**	(450)
Net Current Assets		**1,460**	1,564
Non-Current Assets plus Net Current Assets		**2,497**	2,707
Non-Current Liabilities			
Creditors - amounts falling due after more than one year	11	**(857)**	(980)
Provisions for liabilities and charges	12	**(183)**	(129)
Total Non-Current Liabilities		**(1,040)**	(1,109)
Assets less liabilities		**1,457**	1,598
Equity			
General Fund		**1,457**	1,598
Total Equity		**1,457**	1,598

The General Fund represents net assets available to the SLCC at the balance sheet date. The accompanying notes on pages 50 to 59 form an integral part of these financial statements.



Neil Stevenson
Chief Executive Officer
27 October 2026

6. Statement of Cash Flows for year ended 30 June 2026

	Notes	Year ended 30 June 2026 £000	Year ended 30 June 2025 £000
Cash Flow from Operating Activities			
Net Operating Income/(Expenditure)		**(104)**	367
Interest Payable and Other Finance Costs	6	**(37)**	(43)
Adjustment for Non-Cash Transactions			
Depreciation	7	**42**	35
Depreciation - right-of-use assets	13	**131**	131
Loss on disposal of fixed assets	7	**1**	-
Increase/(Decrease) in Trade and Other Receivables	8	**169**	18
Increase/(Decrease) in Trade and Other Payables	10	**307**	78
Increase/(Decrease) in Creditors - amounts falling due after more than 1 year	11	**(123)**	(118)
Increase/(Decrease) in Provisions for liabilities and charges	12	**55**	(65)
Increase/Decrease from Operating Activities		**441**	403
Cash Flows from Investing Activities			
Purchase of Property, Plant and Equipment	7	**(68)**	(8)
Net Cash Outflow from Investing Activities		**(68)**	(8)
Cash Flows from Financing Activities			
Addition of Right-of-use asset	13	**-**	-
Net Cash Outflow from Financing Activities		**-**	-
Increase/(Decrease) in Cash		**373**	395
Net Increase/(Decrease) in Cash and Cash Equivalents			
Cash and Cash Equivalents at the beginning of year		**1,698**	1,303
Cash and Cash Equivalents at the end of year		**2,071**	1,698
Increase/(Decrease) in Cash		**373**	395

7. Statement of changes in taxpayers' equity for year ended 30 June 2026

	Notes	Year ended 30 June 2026 £000	Year ended 30 June 2025 £000
Balance as at 1 July 2025		**1,598**	1,274
Surplus/(Deficit) on Provision of Services		(141)	324
Balance as at 30 June 2026		**1,457**	1,598

The accompanying notes on pages 50 to 59 form an integral part of these financial statements.

8. Notes to the Financial Statements

1. Accounting policies

In accordance with the accounts direction issued by Scottish Ministers under section 15(1) of the Legal Profession and Legal Aid (Scotland) Act 2007, these accounts have been prepared in compliance with the principles and disclosure requirements of the Government Financial Reporting Manual. This follows generally accepted accounting practice as defined in International Financial Reporting Standards (IFRS), International Financial Reporting Interpretations Committee (IFRIC) and Interpretations and the Companies Act 2006 to the extent that it is meaningful and appropriate in the public sector context. The particular accounting policies adopted by the Scottish Legal Complaints Commission are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

The accounts and financial statements have been prepared using the going concern basis.

The accounts are prepared using accounting policies and, where necessary, estimation techniques, which are selected as the most appropriate for the purpose of giving a true and fair view in accordance with the principles, set out in International Accounting Standard 8: Accounting Policies, Changes in Accounting Estimates and Errors. The increased complexity of cases in relation to interpretation of the Legal Profession and Legal Aid (Scotland) Act 2007 has been reflected in the estimation of legal provision and in the treatment of potentially bad debts arising from determination decisions made by the SLCC.

Critical accounting estimates and judgements

The SLCC makes estimates and assumptions about financial transactions or those involving uncertainty about future events. There are no specific judgements in applying the accounting policies that have a material effect on the financial statements. The principal areas of estimation uncertainty relate to legal provisions and expected credit losses.

Provisions are based on estimates. A provision has been recognised for appeals conceded by the end of the financial year where the SLCC expects to pay expenses in the following financial year. Legal provisions are calculated using the SLCC's best estimate of the expenditure required to settle the obligation. For the relevant cases at 30 June 2026, this has been assessed as 100% of the estimated legal costs.

Accounting convention

These accounts have been prepared under the historical cost convention. The going concern basis has also been adopted in the preparation of these financial statements.

Newly adopted IFRS

No new IFRS Accounting Standards were adopted in 2025/26.

IFRS issued not yet effective

The SLCC does not expect that the adoption of the new standards not yet effective will have a material impact on the financial statements in future periods.

Property, plant and equipment

Capitalisation

Purchases of qualifying assets with a value exceeding £2,000 inclusive of irrecoverable VAT are treated as capital.

Valuation

Assets are valued at depreciated historic cost as a proxy for fair value.

Depreciation

Depreciation is provided on all tangible non-current assets at rates calculated to write off the cost or valuation in equal instalments over the remaining estimated useful life of the asset. These are as follows:

- Furniture, fixtures and fittings - 5 years; and
- IT and telecoms equipment - 3 years.

Intangible assets comprise externally purchased software licences, recognised at cost less amortisation.

- Amortisation is charged on cost in equal instalments over the estimated useful life of the software which is 3 years.

Leases

IFRS 16 Leases was applied by HM Treasury in the Government Financial Reporting Manual (FReM) from 1 April 2022. IFRS 16 introduced a single lessee accounting model that results in a more faithful representation of a lessee's assets and liabilities and provides enhanced disclosures to improve transparency of reporting on capital employed.

Under IFRS 16, the SLCC is required to recognise assets and liabilities for leases with a term of more than 12 months, unless the underlying asset is of low value. While no standard definition of 'low value' has been mandated, the SLCC has elected to utilise the capitalisation threshold of £2,000 to determine the assets to be disclosed. The SLCC expects that its existing finance leases will continue to be classified as leases. All existing operating leases will fall within the scope of IFRS 16 under the 'grandfathering' rules mandated in the FReM for the initial transition to IFRS 16. In future years new contracts and contract renegotiations will be reviewed for consideration under IFRS 16 as implicitly identified right-of-use assets. Assets recognised under IFRS 16 will be held on the Statement of Financial Position as (i) right-of-use assets, which represent the SLCC's right to use the underlying leased assets; and (ii) lease liabilities, which represent the obligation to make lease payments.

The bringing of leased assets onto the Statement of Financial Position requires depreciation and interest to be charged on the right-of-use asset and lease liability, respectively. Cash repayments will also be recognised in the Statement of Cash Flows, as required by IAS 7.

Pension Costs

The SLCC operates a money purchase scheme administered by Standard Life. A money purchase scheme means that the pension value at retirement is determined by the total contributions made and the performance of the investments held at the time and there is no actuarial gain or loss. All existing and new staff are enrolled in this scheme, unless the individual chooses to opt out.

Value Added Tax

The Commission is required to pay VAT on the provision of goods and services. All VAT is charged to the income and expenditure account as incurred.

Financial Instruments

Financial instruments are classified and accounted for, according to the substance of the contractual agreement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the organisation after deducting all of its liabilities.

Recognition of Income

Levy income is recognised in the accounting year to which it relates. Interest income is credited to the Statement of Comprehensive Net Expenditure in the year in which it is receivable. Grant income is recognised in the year to which it relates.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits.

2. Operating Income

	Year ended 30 June 2026	Year ended 30 June 2025
	£000	£000
Levy from Law Society of Scotland	**4,605**	4,349
Levy from Faculty of Advocates	**99**	92
Approved Regulator Levy (Law Society of Scotland)	**10**	10
Complaints Levies	**381**	245
Total levies for the year	**5,095**	4,696
Bank interest	**124**	133
Recovery of legal expenses	**102**	39
Scottish Government Reform Funding	**91**	-
Total other income	**317**	172
Total income from all sources	**5,412**	4,868

3. Staff Costs and Numbers

Staff employed

The average number of staff full time equivalent (FTE) employed by the SLCC during the year was 62 FTE, detailed as follows:

	Year ended 30 June 2026	Year ended 30 June 2025
CEO	**1**	1
SMT	**3**	3
Staff	**58**	55
Total average FTE	**62**	59
Permanent FTE	**61**	57
Temporary FTE	**1**	2
Total average FTE	**62**	59

Breakdown of Board members

	Year ended 30 June 2026	Year ended 30 June 2025
Chair	**1**	1
Members	**8**	8
Total average FTE	**9**	9

Breakdown of staff and member costs

	Year ended 30 June 2026			Year ended 30 June 2025		
	Staff £000	Members £000	Total £000	Staff £000	Members £000	Total £000
Salaries	**2,947**	**73**	**3,020**	2,657	60	2,717
Social security costs	**386**	**5**	**391**	270	3	273
Pension costs	**299**	**-**	**299**	245	-	245
Temporary Staff Costs	**14**	**-**	**14**	-	-	-
Total Salary Costs	**3,646**	**78**	**3,724**	3,172	63	3,235

4. Pension Costs

For 2025/26, employer contributions of £302,459 were payable to Standard Life (2024/25: £244,894). The SLCC make contributions of 14% for the CEO and 10% for all other staff. The pension expense of £299k reported in the note 3 reflects the relevant accounting accruals at the beginning and end of the year.

5. Other Administration Costs

The total below includes the external auditor's remuneration of £19,330 (2024/25: £18,530).

The external auditors received no fees in relation to non-audit work.

	Year ended 30 June 2026 £000	Year ended 30 June 2025 £000
Property	**165**	132
Office	**58**	45
Staff Training & Recruitment	**66**	43
Travel & hospitality	**5**	5
IT	**258**	282
Outreach	**29**	19
Special Projects	**10**	15
Legal	**773**	392
Mediation	**58**	59
Financial	**72**	70
Other Professional Fees	**2**	4
Bad Debt Provision	**122**	34
Other Administration Costs	**1,618**	1,100

6. Interest and Other Finance Costs

	Year ended 30 June 2026	Year ended 30 June 2025
	£000	£000
Interest Payable from Leases	**37**	43
Total Interest Costs	**37**	43

7. Property, Plant and Equipment

	Year ended 30 June 2026			Year ended 30 June 2025		
	Furniture Fixtures, Fittings & Improvement	IT and telecoms equipment	Total tangible assets	Furniture Fixtures, Fittings & Improvement	IT and telecoms equipment	Total tangible assets
	£000	£000	£000	£000	£000	£000
Cost						
As at 1 July	**34**	**85**	**119**	34	77	111
Additions	**62**	**6**	**68**	-	8	8
Disposals	**(2)**	**-**	**(2)**	-	-	-
As at 30 June	**94**	**91**	**185**	34	85	119
Depreciation						
As at 1 July	**12**	**33**	**45**	5	5	10
Charge for year	**13**	**29**	**42**	7	28	35
Disposals	**(1)**	**-**	**(1)**	-	-	-
As at 30 June	**24**	**62**	**86**	12	33	45
Net Book Value	**70**	**29**	**99**	22	52	74
Owned Assets	**70**	**29**	**99**	22	52	74
Net Book Value	**70**	**29**	**99**	22	52	74

8. Trade and Other Receivables

	Year ended 30 June 2026	Year ended 30 June 2025
	£000	£000
Other Debtors	**250**	147
Expected credit losses	**(216)**	(94)
Prepayments	**113**	263
Total	**147**	316

All of the debtors are held at amortised cost. The expected credit losses are in relation to the trade receivables as a whole which are similar in nature. These receivables relate to complaints levy invoices. An expected credit loss provision has been made where the solicitor firm, sole trader or partnership has ceased trading, or where the invoice is more than 28 days overdue. The provision is based on historic default rates, which are not expected to change materially in the foreseeable future. The expected credit loss provision has increased year on year reflecting increases in both complaints levy income and the associated receivables balance.

9. Cash and Cash Equivalents

	Year ended 30 June 2026	Year ended 30 June 2025
	£000	£000
Opening Balance	**1,698**	1,303
Net change in cash and cash equivalent balances	**373**	395
Total	**2,071**	1,698
Analysed as:		
Cash	**53**	50
Term Deposits	**2,018**	1,648
Total	**2,071**	1,698

10. Trade and Other Payables

	Year ended 30 June 2026	Year ended 30 June 2025
	£000	£000
Trade Payables	**115**	77
Taxes and Social Security Costs	**132**	109
Accruals and Other Creditors	**178**	146
Deferred Income	**209**	-
Lease Payments (Office & IT)	**123**	118
Total	**757**	450

All of the creditors are held at amortised cost.

11. Creditors – amounts falling due after more than one year

	Year ended 30 June 2026	Year ended 30 June 2025
	£000	£000
Lease Payments (Office)	**857**	980
Total	**857**	980

12. Provisions for liabilities and charges

	Year ended 30 June 2026			Year ended 30 June 2025		
	Dilapidation Provision	Legal Provision	Total Provisions	Dilapidation Provision	Legal Provision	Total Provisions
	£000	£000	£000	£000	£000	£000
As at 1 July	**60**	**69**	**129**	60	133	193
Provided in year	**-**	**118**	**118**	-	12	12
Provisions utilised in year	**-**	**(59)**	**(59)**	-	(76)	(76)
Provisions written back in		**(5)**	**(5)**	-	-	-
	60	**123**	**183**	60	69	129

The provision for dilapidation costs relates to the SLCC's contractual duty to repair leasehold property on termination of the lease. The provision is made on the basis of a dilapidations report that the SLCC commissioned to assess the likely liability. The provision has been made on the assumption that there would be the requirement for a strip out, repairs and redecoration to the current floor space. It also assumes we would have to replace floor coverings and remove all alterations to return the space back to an open plan office.

The provision in respect of legal expenses reflects an estimate of costs payable by the SLCC in respect of recent appeal decisions.

13. Leases

The SLCC recognises a right-of-use asset upon lease commencement. The right-of-use asset is initially measured at cost, being the initial amount of the lease liability adjusted for any lease payment made before the commencement date, less any lease incentive received.

On transition to IFRS 16 on 1 April 2022 the right-of-use assets were measured at an equal amount to the lease liability adjusted by the amount of any prepaid or accrued lease payments.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date over the term, which is equal to, or shorter than the asset's useful life. The right-of-use asset will be periodically reviewed for impairment losses and adjustments on remeasurement of the lease liability.

	Year ended 30 June 2026	Year ended 30 June 2025
Cost	**£000**	**£000**
As at 1 July	**1,309**	1,309
Additions	**-**	-
Disposals	**-**	-
As at 30 June	**1,309**	1,309

Depreciation	Year ended 30 June 2026 £000	Year ended 30 June 2025 £000
As at 1 July	**240**	109
Charge for the year	**131**	131
Disposals	**-**	-
As at 30 June	**371**	240
Net Book Value	**938**	1,069

Analysis of Lease Liabilities

	Year ended 30 June 2026 £000	Year ended 30 June 2025 £000
Due in one year	**123**	118
Due after one year and within five years	**857**	980
Due in more than five years	**-**	-
Total	**980**	1,098

14. Capital commitments

There were no contracted capital commitments as at 30 June 2026 (2024/25: Nil).

15. Related party transactions

The SLCC is an Executive Non-Departmental Public Body (NDPB) and not part of the Scottish Government or Scottish Administration. As an NDPB the SLCC carries out regulatory functions on behalf of Government.

The SLCC had transactions during the year with the following bodies in which members of the Senior Management Team or Board of Management hold, or held, official positions:

Member	Organisation	Role
L Burnett	Cyber and Fraud Centre Scotland	Board Member

During the year, the SLCC incurred expenditure of £12,000 under the Cyber Advance contract with Cyber and Fraud Centre Scotland. The contract runs from 1 March 2026 to 28 February 2027.

16. Contingent liabilities

Third parties have sought to appeal the SLCC's decisions under the Legal Profession and Legal Aid (Scotland) Act 2007. The SLCC may defend these cases and is liable to pay legal expenses and costs if appeals are upheld. It is not practicable to quantify the potential financial effect, and no provision has been recognised at the year-end because the cases remain ongoing.

Given the nature of our services provided, there are a number of appeals ongoing at any given time.

17. Post Balance Sheet Events

No event has occurred since the date of the balance sheet which materially affects the financial statements.

Appendix 1 – Direction by Scottish Ministers

The Scottish Government

SCOTTISH LEGAL COMPLAINTS COMMISSION

DIRECTION BY THE SCOTTISH MINISTERS

1. The Scottish Ministers, in pursuance of section 15(1) of The Legal Profession and Legal Aid (Scotland) Act 2007, hereby give the following direction.

2. The statement of accounts for the financial year ended 30 June 2009, and subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FReM) which is in force for the year for which the statement of accounts are prepared.

3. The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year.

4. In accordance with section 15(1) (c) of the Act a copy of the statement of accounts should be sent to the Scottish Ministers. following the financial year ended 30 June. The accounts will be sent by Scottish Ministers to the Auditor General for Scotland and will be subject to audit by auditors appointed by the Auditor General for Scotland. The audited statement of accounts will be laid before the Scottish Parliament.

5. This direction shall be reproduced as an appendix to the statement of accounts.

Signed by the authority of the Scottish Ministers

Dated 19 October 2009