

Scottish Legal Complaints Commission
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Dear

Consultation on the Operating Plan and 2014/15 Budget for the SLCC

As you know, under the Legal Profession and Legal Aid (Scotland) Act 2007, the Scottish Legal Complaints Commission (SLCC) must consult with you on the operating plan and budget for our 2014/15 operating year before laying it before the Scottish Parliament.

The SLCC aims to improve trust in legal services in Scotland. To achieve this, we have three strategic objectives. We will be

- A high quality, independent and impartial complaint handling service, focussed on early resolution and centred on the needs of users
- An efficient and accountable organisation which tracks performance and acts to improve on it
- An influential organisation providing guidance and insight to improve standards of legal service

Our operating plan is structured around these three objectives.

The Annual Report for 2012/13, which we published in December, sets out the significant progress which we have made whilst indicating that there is much work still to be done. Our 2012/13 operating year was our most productive yet, seeing us close 33% more complaints than the previous year. Our work in progress and unit costs reduced accordingly.

We are continuing to focus on efficiency and effectiveness, so our proposed budget sets out a headcount reduction and saving in staff costs of over 9%. Our non-staff costs will rise by 3% as we invest in our case management systems and our website to support better service for the public and the profession. Overall this equates to a 5% reduction in expenditure against our budget for the 2013/14 operating year.

Despite the pressures of inflation, through increased productivity and careful stewardship we are able to freeze the general levy and for some parts of the profession we are proposing a reduction to last year. We have reviewed our reserves policy this year with the benefit of experience and have moved from retaining between three and six months' cover to between two and three months. Consequently we are able to release over £75,000 from reserves which has reduced the amount required from the general levy.

However, as we highlighted in the Annual Report, there are costs and shortfalls which we incur in enforcing the payment of compensation, fee rebates and complaint levies in an increasing number of our cases. In effect this means that our reserves have been reduced by the failure of a part of the profession to foot the bill for complaints which have been upheld against them. We estimate these costs will be £43k for the 2013/14 operating year. Had we been in a position to release these sums from our reserves, a universal reduction would have been proposed. In calculating the levy for different categories of practitioner, we have sought to recognise that the issue of non-compliance is more pronounced in some areas than others.

Our operating plan identifies the issues of non-compliance, risk and levy structure as amongst our key priorities for 2014/15. We plan to work with the professional organisations to tackle non-compliance more effectively. We will explore whether we can find a mechanism whereby those practitioners and sections of the profession which generate more complaints, and hence greater demand on our resources, should meet a higher proportion of our running costs. We believe that a funding structure which explicitly links the risk to the public to the cost paid by the practitioner would be in the interests of both the public and the profession. Nevertheless, we are mindful that our funding must be secure and that the mechanics for collecting the levy should not be over complicated.

In addition, our role is not constrained to complaint handling and there are benefits for the whole profession from the oversight work which we perform. Our operating plan sets out our plans to improve the work which we already do in providing analysis, guidance, training and support to encourage better complaint handling in the profession and enhanced public confidence. We intend to start publishing some of our decisions. This is commonplace amongst other complaint handlers and ombudsmen since it supports transparency and consistency in decision making and serves the public and the profession by clarifying expectations around legal services. We are aware that this is an initiative where thoughtful consultation with the professional organisations and consumer groups will be required so that all can have confidence in how and when we publish.

I would be grateful if you could provide me with any comments which you wish to make on the Operating Plan and the 2014/15 Budget by Wednesday 26 March, since we must publish all responses which we receive by the end of March. I would be pleased to meet with you if you would like me to explain any aspect of the budget and plan in further detail.

Yours sincerely

Matthew Vickers
Chief Executive Officer

Encs: 1 SLCC Operating Plan 2014/15
2 SLCC Budget 2014/15