

# A TIME OF TRANSFORMATION: IMPROVING CURRENT SERVICES, TAKING ON NEW ROLES

2026-2030 Strategy

2026-2027 Operating plan and budget

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# 1 INTRODUCTION

## THE CONSULTATION

This consultation document sets out our draft strategy for 2026-2030 and our annual operating plan and budget for the operational year 2026-2027.

**The deadline for responses is 12:00 noon on Thursday 19 March 2026.** The Scottish Legal Complaints Commission (SLCC) consults at the same time each year, as set by statute. No late responses will be considered by the Board. By law we must publish responses to the consultation by the end of March 2026.

## KEY CONSULTATION ISSUES

**Strategy:** Our last four-year strategy came to an end in June 2024 but was then extended for two further years as we continued to focus on the delayed Regulation of Legal Services (Scotland) Bill. With the passage of that legislation in May 2025, and with initial planning for implementation well underway, we are now proposing a new four-year strategy to run from 2026-2030. More details are in **Section 2**.

**Operating plan:** Our operating plan for 2026-2027 sets out the first year of activity under that new strategy as we begin commencement of some initial changes and work toward the commencement of key changes and new powers brought by the Regulation of Legal services (Scotland) Act 2025 (RoLS(S) Act 2025). See **Section 3** for details.

**Budget and levies:** We are proposing a total budget of £5,397k and a 12.5% increase to the general levy. The main drivers of cost include rising complaint numbers (a 30% increase year to date on previous years) and an increase in the complexity of complaints, which has an impact on our workload (and so staffing costs). Other key drivers include the Scottish Government Public Sector pay policy, IT costs as we protect the organisation from cyber-crime, the cost of delivering new functions such as the expanded remit of the Consumer Panel and rising legal costs for appeals and managing non-compliance by solicitors. **Section 5** provides full details of levies, including the rates for discounted levies which over 78% of lawyers pay.

## CONSULTATION QUESTIONS

We value feedback on all aspects of this consultation.

In particular we would value comments on:

1. The proposed four-year strategy 2026-2030 (**Section 2**)
2. The proposed operating plan (**Section 3**)
3. Suggestions on delivering ‘best value’ and further efficiencies (**Section 5**)
4. The proposed budget and levies (**Section 5** and **Appendix 2**)
5. Ways to tackle persistently high levels of non-compliance by solicitors with requests for files for investigation (**Section 5**)
6. The policy considerations taken into account in forming this budget and operating plan including equality and diversity issues, and our consumer duty (**Appendix 3**).

## 2 STRATEGY 2026-2030

### INTRODUCTION TO THE STRATEGY

This year, as well as consulting on a new operating plan, the SLCC is also consulting on a new four-year strategy.

Our previous strategy was originally due to run for 2020 to 2024.

By 2024, and the time a new strategy was due to be developed, the completion of new legislation was imminent that would substantially change our role. We reported on the conclusion of the four-year period in our 2023-24 [Annual Report](#) and [Annual Accounts](#), but extended the strategic aims and values for another year (to cover our 2024-2025 business year). This ensured continued direction, based on a strategy that was widely consulted on. It avoided the time and cost of developing an interim strategy that would then likely change significantly once legislation was finalised.

Unfortunately, the legislation was delayed significantly. This led to the SLCC again extending strategic aims and values for another year (to cover our 2025-2026 business year).

With the legislation now finalised, we are at a point we can set out and consult on a longer-term set of strategic aims.

It is recognised good practice to have a longer-term plan for any organisation. This will bring focus and consistency to our work and allows projects to be tackled across multiple years to spread cost. This is especially important in the context of the transformation work ahead where we will be designing and implementing initial changes across all our work and complex processes, evaluating the impact, adjusting accordingly, and doing this across a number of years. At the same time as this, we will be concurrently running existing systems for cases raised prior to the implementation of the new schemes.

The four-year strategy sits alongside the statutory requirement to consult on a budget and operating plan on an annual basis.

### DEVELOPMENT PROCESS

In the past the SLCC has engaged with stakeholders extensively in the lead up to developing a draft strategy for consultation.

However, we just benefitted from a decade long debate on the future shape of regulation, which has included the [Robertson Review](#), the [Scottish Government response](#), a [consultation on specific issues within the complaints process](#), a [consultation on the overall regulatory model](#), and the [analysis of responses to that consultation](#). Over that period relevant legal and consumer bodies have also shared papers and given evidence.

We believe that rather than a further period of engagement on priorities, most stakeholders now want to see action. We also believe the nature of the action required is clear, set by the outcome of all the debate on the future:

- Transform the organisation to deliver the improvements and new responsibilities contained in the final legislation
- Maintain business as usual until reform is embedded, to ensure complaints are dealt with timeously and fairly and that other statutory duties continue to be met in the period of change.
- Do both as efficiently and effectively as possible.

We are open in this consultation to additional ideas that stakeholders may feel are a priority. However, with all current resources likely to be consumed on the above focus, a strong business case would need to be made for additional or elective work.

If the transformation project is delivered well ahead of the end of the four-year period, then the SLCC will start to consult earlier on a new strategy, allowing stakeholder's input into our direction once the core elements from legislative change have been delivered and resource becomes available again for other work and further improvement.

## **PUBLIC POLICY CONSIDERATIONS**

In addition to the public policy considerations at the end of the document some specific additional areas are relevant to the development of a longer-term plan.

## **ALIGNMENT TO THE NATIONAL PERFORMANCE FRAMEWORK**

While the SLCC is an independent body, the work we do is influenced by the Scottish Government's [National Performance Framework](#).

We recognise that the National Performance Framework is under review, but in the meantime, the 11 National Outcomes continue to apply. We reviewed the outcomes and considered both how this should influence our delivery and how we could contribute towards its aims.

The key areas of relevance are:

### **(i) we live in communities that are inclusive, empowered, resilient and safe**

Our process is inclusive of all members of the community by being free to those raising complaints, and through our work to ensure it is as accessible as possible. Information and guidance on making a complaint, and our statutory duty to provide advice, ensure we empower citizens.

By resolving disputes, we ensure parties do not have to resort to other means, and that fair redress is awarded where appropriate, assisting resilience and safety.

We make sure adequate professional service is provided, which is especially important for vulnerable users. We help increase confidence in legal services for everyone.

### **(ii) we are creative and our vibrant and diverse cultures are expressed and enjoyed widely**

We actively support diversity and inclusivity, and this work is acknowledged in our staff equality survey results and through our Board being cited as an exemplar of diversity in action in board governance. Last year we undertook a major [review of equalities data](#) to inform our work.

We provide a range of accessibility and language options and train all our staff to be proactive and respond to requests for adjustments to our process.

We theme our profile-raising work around inclusive themes, from International Women's Day to Mental Health Awareness Week.

### **(iii) we have a globally competitive, entrepreneurial, inclusive and sustainable economy**

And -

### **(iv) we have thriving and innovative businesses, with quality jobs and fair work for everyone**

The legal sector is a large employer and net contributor to the Scottish economy. Effective redress mechanisms, as provided by the SLCC, encourage consumer confidence and consumer spending.

We ensure our rules and statutory guidance do not artificially limit growth or innovation.

### **SCOTTISH GOVERNMENT MEDIUM-TERM FINANCIAL STRATEGY**

Although not funded by the Scottish Government, we have reviewed the [medium-term financial strategy](#) and need to be conscious of the public sector context within which we operate. We recognised the themes of the downgraded financial forecast of the Scottish Fiscal Commission, global uncertainty and instability, projected gaps in resource and capital, particular pressures from workforce costs and in health and social care, the fiscal management approach (including the ‘three pillars’) and constraints, the commitment to a balanced budget and managing risk, and the need for transparency and stakeholder engagement.

Reflecting on considerations for the SLCC, we noted the importance of cost efficiency and best value and the prioritisation of core functions. We need to proactively manage future cost (for example, by seeking to reduce the common causes of complaints). We will be transparent on budgets and what funding constraints there are and the impact on service. We will assess and manage risk to avoid funding gaps for core functions and engage with others to seek system wide solutions or collaborate in ways that lead to cost savings.

Many of these are themes which also drove the legislative change (for instance, opening up new opportunities to try to reduce the cost of complaints and to issue guidance to seek to prevent the common causes of complaints).

### **SCOTLAND’S PUBLIC SERVICE REFORM STRATEGY**

We have reviewed the new [Public Service Reform strategy](#) and taken part in the centrally run events to support delivery. We have actively contributed data and commentary to the work when requested.

We noted themes around prioritising prevention and early intervention, joined up services, efficiency and fiscal sustainability, empowering people, places and communities, and leadership and cultural change. We note the focus on ensuring best value in corporate functions in particular.

During the debate on reform we noted a number of opportunities to streamline current processes, and some of these have been incorporated into the final new legislation. The new legislation significantly expands the remit of the SLCC and it was understood this would lead to increased budget, headcount, and central costs over the coming years. These were parliamentary, rather than SLCC, decisions.

Reflecting on considerations for the SLCC we noted the importance of processes which encourage the resolution of the complaint at the earliest stages (with early intervention preventing the increased cost of later processes). We also recognise the importance of seeking to prevent the common causes of complaints happening and looking for opportunities to collaborate and share services. We noted the importance of efficiency and effectiveness in how we deliver work and the need to look for best value and cost reduction. We considered the need to empower users and our staff and ensure a culture of accountable leadership which encourages innovation.

### **SCOTTISH GOVERNMENT – VISION FOR JUSTICE STRATEGY**

The SLCC is part of the justice family within Scottish Government. Although not a formal part of the [justice strategy](#), we have reviewed this document to learn from others and consider implications for the SLCC.

Relevant elements include the need for a person-centred and trauma informed approach to users of justice services and addressing inequalities. We share aims to increase early case closures and reduced case times. We likewise see the potential opportunities from the enhanced use of digital technology and a commitment to continuous improvement.

## EQUALITY

The SLCC is covered by the Equality Act 2010, and the general duty to have due regard to the need to eliminate conduct prohibited by the Act, advance equality of opportunity, and foster good relations. We are not subject to the specific duties, but have reviewed the recent [report of the Equalities, Human Rights and Civil Justice Committee of the Scottish Parliament](#) on the operation of the public sector duties for general learning.

In preparation for implementing reform and developing a new strategy the SLCC undertook a major [review of equalities data](#) for the public and profession. We discussed this with our staff and Board and consulted externally on the data and what it might mean for our work. This identified key areas for the SLCC to consider and has informed our strategy and will inform individual operating plans in the coming years. More details are in **Section 3 (below)**.

## HUMAN RIGHTS

We are also conscious of human rights issues around our work, in particular with reference to the European Convention on Human Rights:

### **Article 6: Right to a fair trial**

### **Article 7: No punishment without law**

Although not relevant to most of our processes (which are administrative decision making or consensual disposal) we need to be conscious of these rights generally and in relation to aspects of our formal adjudications and the award of redress.

### **Article 8: Respect for your private and family life, home and correspondence**

This can relate to the evidence we can use, and the distinction between the actions of a lawyer in public and private life.

### **Article 9: Freedom of thought, belief and religion**

### **Article 10: Freedom of expression**

These concepts require to be balanced with professional standards and ethics, in particular around comments by lawyers in public (and on social media) and their willingness to act in certain cases.

### **Article 11: Freedom of assembly and association**

Lawyers and complainers have the right to be members of unions and associations which may represent them in their interaction with us. Lawyers and complainers have rights to protest, although lawyers must balance this with their professional duties.

### **Article 14: Protection from discrimination in respect of these rights and freedoms**

We must ensure these rights are respected, and those who seek to enforce these rights are respected (even if that represents a challenge to an action we have taken).

## SUSTAINABILITY

We recognise that SLCC has responsibilities around environmental sustainability. We have taken significant steps over the past years to reduce our office footprint and utilities use, reduce paper use, ensure environmental considerations in purchasing and procurement, and to meet statutory duties on us such as biodiversity reporting.

Due to our niche function, and small size, opportunities are limited. However, our focus will be on considering environmental sustainability in:

- Purchasing and procurement
- Re-use, recycling and waste management
- Promotion of sustainability to staff.

You will see these issues reflected in our draft operating plan in **Section 3**.

## PROPOSED SLCC STRATEGY 2026-2030

### VISION, MISSION AND CONTEXT

Our **vision** is legal services that work for everyone.

Our **mission** is to resolve complaints and drive quality improvement.

The **context** is a decade of policy debate, engagement, and consultation by the Scottish Government. All this was incorporated into the Regulation of Legal Services (Scotland) Act 2025 which sets out a new vision for legal services regulation and names the SLCC as a regulatory authority with responsibility for helping to deliver identified regulatory objectives. The SLCC was at the heart of shaping proposals, working alongside other stakeholders, meaning everyone had the chance to input into the final model.

The job now is to implement that model and ensure it delivers tangible improvements for the public and the sector. With a statutory review of the new legislation set for 10 years after implementation, there is now an opportunity for all in the sector to show how the changes add value, or where there is the need for further change (ranging from minor adjustments through to the more fundamental reform the SLCC and many others had previously proposed).

If work can be completed in less than four years, the SLCC will aim for this and start consultation on a new strategy earlier. However, with commencement orders and finalised funding not yet in place as we consult, a four-year time framework is our best estimate.

At the same time, we must continue to deliver a high-quality service to all our users. We will do that in a context where, based on data from the last 17 years and trends in the ombudsman sector, we envisage steadily increasing complaints numbers, greater case complexity, and more challenge from users of our services.

### STRATEGIC OBJECTIVES

Our strategic objectives for the next four years (July 2026 to June 2030) will be to:

<b>Transform</b>	Transform the organisation and our processes by implementing the RoLS(S) Act 2025, delivering improvements for the public and sector, and creating a coherent approach as a regulatory authority.
<b>Deliver</b>	Deliver a high-quality service which is fair and impartial, inclusive and accessible, prompt and proportionate, and has good customer service at its heart.
<b>Improve</b>	Improve and innovate in our service and project delivery, and support and promote improvement in the legal services sector.



## KEY ENABLERS AND CHALLENGES

Key enablers will be:

- **Agile** change management that demonstrates confidence and resilience in our approach
- **Rigorous project planning** and delivery
- **Customer focus** and consumer focus
- Ensuring **efficiency and best value**
- Reflection, learning and **continuous improvement**
- **Working with others** to deliver change.

Key challenges may be:

- **Delays to commencement** orders
- Lack of sufficient transition funding from Scottish Government or **funding issues** from the new model
- **Stakeholder delays** that impact SLCC implementation plans
- Our **capacity** to manage change alongside business as usual
- **Complexity of managing change** alongside business as usual
- Complexity of legislation leading to **differing interpretations** on detail or intent.

## VALUES

Our values are:

- **Fairness:** We will act with honesty, impartiality, openness and accountability in all our actions and decisions.
- **Respect:** We will treat people with kindness and empathy, value diversity, and care about the customer service we deliver to the public and profession.
- **Clarity:** We will communicate clearly and concisely, and make sure our decisions, policies and processes are accessible and understandable.
- **Courage:** We will take difficult decisions, strive to learn and improve, and lead change with agility and resilience.

## A NEW ORGANISATION

The new organisation emerging from the transformation period will have a renewed focus:

### **Making legal services work for everyone:**

- We resolve complaints
- We work to raise standards in legal services and legal regulation
- We use consumer and sector insight to support improvement

Our work helps to drive confidence in legal services.

And a wider set of functions:

- Reviewing concerns about any legal services provided and either reassuring consumers that an adequate service has been provided or offering redress for inadequate service
- Ensuring the public interest is considered in complaint handling and the administration of indemnity schemes by regulators
- Sharing learning and best practice guidance and setting standards to help providers tackle common issues, improve services and manage complaints well
- Sharing insight with other parts of the regulatory system to help the management of risk

- Ensuring consumer insight informs the regulation of legal services
- Providing a register of legal services providers not regulated under the 2025 Act
- Through all these elements, increasing public confidence in legal services.

## **FURTHER DETAIL ON OUR STRATEGIC OBJECTIVES**

### **Transform**

An overarching transformation programme will oversee multiple major projects to deliver every aspect of change under the new Act. Key projects to deliver statutory changes are:

- An overarching statement on our organisational purpose and regulatory approach based on the new regulatory objectives, to provide consistency to our work and clarity to those impacted by our decisions
- The new complaints process for lawyers and firms
- A revised handling complaints process (complaints about how a Relevant Professional Body has handled a complaint)
- A revised Approved Regulator complaints scheme
- Establishing and running a register of legal services providers not regulated under the 2025 Act
- Establishing a complaints process for legal services providers not regulated under the 2025 Act
- Establishing new approaches to delivering our enhanced oversight, insight and outreach powers to support improvement and learning
- Developing our approach to our new powers in relation to public interest disclosure and raising complaints in our own name
- Delivering a significantly expanded role for the Consumer Panel
- Developing an entity-based charging regime.

We will also need to deliver a number of projects to support and embed this work, including:

- Consultation and engagement on our new policies
- IT reconfiguration to support our new policies and processes
- A review of our website, communications, guidance and advice, all internal policies, etc to ensure consistency with the terminology etc. in the new legislative arrangements
- Projects across our business functions requiring investment because of statutory changes -HR changes, ongoing communication and engagement with stakeholders, development of new governance approaches, etc.

Since the Act was passed in May 2025 we have clearly set out to Scottish Government our preferences for its commencement and implementation. The dates we aim to prepare for are:

- 1 July 2026 – SLCC Board changes and expanded Consumer Panel remit
- 1 July 2027 – changes and new powers relating to our complaints and oversight functions
- 1 July 2028 – new powers relating to the wider legal services market ('unregulated provider' complaints and register).

This mean the transformation plan is likely be delivered across four years, with the main focus of each year being:

- Year 1 - Key transformation period
- Year 2 - Key transformation period
- Year 3 - Completion of main deliverables, snagging and embedding work
- Year 4 – Further snagging, project close out reports, lessons learnt, consulting on new strategy.

The detail and balance between years will be dependent on a number of factors, including many out of our control (when we know commencement orders are happening, commencement dates, funding, etc.). However, we are committed to swift delivery to ensure the benefits of the new legislation are felt by both the public and legal services sector, and to avoid the significant costs seen around implementation of the 2010 Act (which is still ongoing) due to the protracted timetable.

We have a unique opportunity to build in consideration of factors such as equalities, human rights, digital exclusion and accessibility to all our work in developing new systems. As assessment of these policy considerations is a part of each of the projects within the transformation programme.

We also want to use this opportunity to build better connections to groups with lived experience or who might support complainers to understand our remit and signpost, refer or complain to us. This would help shape our services. We want to make sure that people feel comfortable approaching the SLCC, confident in using our service and able to access information and support in formats and ways that work for them.

## **Deliver**

We will deliver all our existing functions until such time as new systems are set up. Depending on how transition arrangements are set out, this may include substantial periods of dual running of both the old and new complaints systems.

Over the four-year strategic period work that is purely transformational will reduce, as new systems are put in place and become new business as usual. Likewise, the list of what is now business as usual within the organisation will increase as new functions become fully established.

The aim is to deliver these existing functions to current service levels and key performance indicators where possible, while reform is being implemented.

For those requiring additional information our existing functions are formally set out in our [Annual Accounts](#) each year.

In addition, we will continue a focus on activity required to support these statutory functions, including:

- Continuing to tackle issues relating to the recovery of files from solicitors
- Responding to FOI and GDPR
- Preparing to implement existing statutory changes relating to Alternative Business Structures.

## **Improve**

The SLCC has a culture of continuous improvement.

This will support how we deliver our transformation objective (for example, testing approaches and iteratively developing systems). Whilst the transformation programme will come to an end at a point where we have moved entirely to operating under the new legislation, our commitment to continuous improvement will not. This will be an important part of messaging to staff and stakeholders, reflecting a world where there will always be external change to respond to, and where we will continually look for opportunities to improve how we work.

It will also support how we deliver our core services. We will continue to refine areas of work not impacted by reform.

We are also conscious that in the past the implementation of statutory reform has been long delayed. If that happens, our services need to remain fit for purpose in the meantime, and those interim improvements can be focussed on changes that would support statutory change in due course.

This will include:

- A programme of continuous improvement in areas not affected by reform
- AI and automation to improve efficiency of core processes
- Sharing learning and preventative work (where this may save the cost of the complaints)
- Continuing to improve our equality, diversity and inclusion
- Continuing to improve our customer service.

We also have statutory duties to support and challenge the legal services sector and its regulators, to improve the service they provide. This remains a core area of our current work, as well as one where we will transform our work in line with our new expanded powers and functions.

This culture of improvement relies on our staff team. We will be going through significant change over the coming years and maintaining and developing the organisational culture will be critical over the next few years. As such we are investing in staff engagement, training, development, support and wellbeing activities.

### **INVESTING FOR FUTURE EFFICIENCY / COST AVOIDANCE**

The new legislation allows the potential for savings and cost avoidance in the future. For example, the intention behind changes to the complaints process were in part to aid efficiency and proportionately, and the removal of Court of Session appeals offer the opportunity of significant future cost avoidance.

The proposed strategy aims to fully realise that potential by the end of the four-year strategy.

None of the savings are immediate and indeed change to a new system has upfront costs.

For example, under current plans the only element of the Act to be commenced in the first business year of the strategy is enhancements to the Consumer Panel, which brings additional operating cost. The current plan is to commence elements of the Act relating to the new complaint process in the second business year under the strategy. This places the cost of preparation in the first year (as additional). The details of the transition arrangements will also have an impact on the need for and duration of dual running of systems, which brings additional cost (and may run for some years).

The financial memorandum accompanying the legislation in parliament noted that savings from the complaints process would help fund new duties being given to the SLCC.

Delayed implementation would delay savings, so is a key risk for the SLCC.

### 3 DRAFT OPERATING PLAN 2026-2027

#### INTRODUCTION TO THE OPERATING PLAN

Our Operating Plan sets out the projects and deliverables we need to carry out our functions in 2026-2027. The plan reflects the objectives set out in our strategy and our key areas of work to support us to deliver our functions, improve our delivery and transform our organisation and the functions we deliver.

The operating plan includes our anticipated incoming caseloads, and further details on the calculations supporting this are set out in **Appendix 1**.

Throughout the year we will monitor progress and recast our proposed operating plan and budget allocations as required. The timetable for implementation of the 2025 Act is not within our powers, so a responsive approach is required.

Projects are cross referenced to our strategic aims [T] = Transform, [D] = Deliver, [I] = Improve:

**Transform** the organisation and our processes by implementing the RoLS(S) Act 2025, delivering improvements for the public and sector, and creating a coherent approach as a regulatory authority.

**Deliver** a high-quality service which is fair and impartial, inclusive and accessible, prompt and proportionate, and has good customer service at its heart.

**Improve** and innovate in our service and project delivery, and support and promote improvement in the legal services sector.

#### THE PROPOSED OPERATING PLAN

##### A. COMPLAINTS

1. We will process an estimated 1628 incoming complaints and maintain our performance and customer service on core processes including if we are starting to implement reform (designing and dual running a new system). [D]
2. We will process 26 new appeals, continuing to process appeals already in the system and, where possible, learn lessons from them. [D]
3. We will continue our innovation and change programme, including our agile process improvement work, looking for new opportunities to work more efficiently, reduce the time it takes to handle complaints, and improve the quality of our work. [I]
4. We will also start to develop sprints for bringing in the new complaints process next year (under the 2025 Act) and ensure all staff are full up to date and confident with the system. [T]
5. We will continue to review our approach to s17 non-compliance by solicitors to achieve a substantial and sustained change in the level of compliance. We will:
  - a. Consider our approach to using the S17 court process v progressing cases making decisions just based on evidence we have
  - b. Monitor S17 engagement AND general engagement with SLCC
  - c. Consider publishing cases, and the use of 'competence' referrals
  - d. Re-engage with stakeholders on the issue
  - e. Consider action on any gaps in our current approach – such as repeat offenders who may pose public interest issues. [D, I]
6. We will develop new s17 arrangements aligned to amended powers in the 2025 Act. [T]

7. We will develop, consult on, and (where appropriate) finalise arrangements to implement the new complaints process set out in the 2025 Act, including:
  - a. New Rules
  - b. New process and procedures
  - c. Staff and member training
  - d. A new case management system. [T]
8. We will develop and consult on policy in relation to our new powers in the 2025 Act to raise complaints in our own name and to disclose information about complaints in the public interest. [T]
9. We will engage with the Law Society of Scotland to understand their plans for implementation of the licensed provider scheme. [D]

## **B. CUSTOMER SERVICE AND ACCESSIBILITY – SUPPORTING COMPLAINTS AND OTHER SERVICES**

1. Our Service Experience Team (SET) will continue to identify proportionate new opportunities to improve customer service (either implementing reform, or for our existing process) and implement these within the year. SET will also continue their work to review all Feedback, share this with staff, Board and consumer panel and promote any learning that comes from that work. [I]
2. We will ensure our approach to accessibility is embedded in the development of the reformed complaints process. [T, I]

## **C. OVERSIGHT OF REGULATORS**

1. We will continue work to deliver our statutory duties of oversight in relation to the Relevant Professional Organisations. [D]
2. We will process an estimated 15 incoming handling complaints and maintain our performance and customer service on core processes. [D]
3. We will develop a revised handling complaints process in line with the changes in the 2025 Act. [T]
4. If required, we will review and update the approved regulator complaints system in line with the changes to the regime delivered by the 2025 Act. [T]
5. We will review our strategic approach to using our enhanced oversight powers in line with the changes in the 2025 Act. [T]

## **D. THE WIDER LEGAL SERVICES MARKET (PROVIDERS NOT REGULATED UNDER CHAPTER 2 OF THE 2025 ACT)**

1. We will carry out scoping, costing and initial planning to establish, promote and run a register of legal services providers not regulated under chapter 2 of the 2025 Act. [T]
2. We still start to research how other sectors or jurisdictions use such powers. We will start to develop a process and consider how this will interface with the New Rules we are drafting this year. [T]

## **E. SHARING LEARNING AND INSIGHT, IMPROVING QUALITY**

1. We will deliver a programme of outreach to the profession through newsletters, videos, online content, training and events. [D, I]
2. We will develop new processes for the development of guidance on complaints and issues arising from complaints, and review and update our existing guidance. [T]
3. We will develop and consult on a vision for our trend reporting to support learning and improvement. [T]
4. We will ensure the sector are aware of forthcoming changes to the complaints system. [T]

5. We will begin a full review of our website to ensure the content is legally correct and accurately reflects our updated powers, functions and processes. We will take the opportunity to review and update the website's structure and content to ensure it is cohesive and reflects our new vision and approach, and to consolidate and improve upon work to date to support customer service and accessibility. [T, I]
6. We will stay updated on best practice and innovation in regulation and complaints to build knowledge and networks to inform transformation and ongoing continuous improvement. [T, I]

## **F. STATUTORY CONSUMER PANEL**

1. We will ensure the Consumer Panel has the membership, governance and support to deliver against its new remit. [T]
2. The Consumer Panel will transition to a new operating model. [T]
3. The Consumer Panel will increase visibility of its independence, expanded role, work and priorities. [T]
4. The Consumer Panel will review the evidence of consumer experience of using legal services and the principles that underpin consumer-focussed regulation. [T, I]

## **G. MANAGEMENT OF THE TRANSFORMATION PROGRAMME**

1. We will manage a complex and interconnected programme of transformation, ensuring multiple projects come together to deliver the full benefits of the 2025 Act. We will ensure governance, oversight, and internal audit of the transformation programme ensure the delivery of best value. [T]
2. We will continue liaison with Scottish Government on commencement orders and funding. [T]
3. We will ensure we have the consumer and sector evidence and insight we need to inform our transformation work, identifying any gaps in our knowledge and working with others – including the regulators and Consumer Panel – to address them. [T]

## **H. OTHER STATUTORY DUTIES**

1. We will process an estimated 32 FOI requests and 24 GDPR requests. [D]
2. We will continue to look at ways to improve our sustainability and run awareness events for staff. [I]

## **I. FUNCTIONS SUPPORTING OUR DELIVERY**

1. We will complete our retendering of our Legal Panel and make new appointments for 1 October 2026. [D]
2. We will continue to work on the case management systems. This will either be an upgrade and development or replacement based on the outcome of our 2025-26 project. [T, I]
3. We will review the market for IT kit to support the running of the organisation. [T, I]
4. We will review our HR Policies in light of the new Employment Rights Act. [D]
5. We will continue to explore best uses of AI to improve process and make efficiencies. [I]
6. We will review contracts for best value. [D]
7. We will begin work to review our lease as the five-year break clause approaches in 2028. [D]
8. We will publish our Biodiversity Report for 2024 to 2026. [D]
9. We will review the impact of reform on the levy for 2027-2028. [T]
10. We will consider reviewing job descriptions in light of changes from reform. [T]
11. We will deliver a range of events to support staff wellbeing and inclusivity. [D]



## 4 FINANCIAL CONTEXT TO THE BUDGET

### OUTTURN IN 2024-2025

We budgeted income of £4,653k and received income of £4,868k.

The main reasons for the variance are higher number of practitioners than anticipated, higher interest rates and legal costs recovered.

We budgeted expenditure of £4,643k and spent £4,544k.

The main reason for the variance was unspent reform costs that were returned to reserves.

The budget was planned as a surplus (£10k). Our actual performance was a surplus of £324k.

### FORECAST OUTTURN FOR 2025-2026

We budgeted income of £4,956k and are forecasting income of £5,149k.

The main reasons for this are an increased number of complaints are going to the Determination stage of the process and so we are seeing an increase in complaint levies being charged, and legal costs that have been recovered which offset some of the overspend on appeal costs and higher bank interest rates.

We budgeted expenditure of £5,064k and are forecasting expenditure of £5,247k.

The main reasons for this are increased salary costs linked to the public sector pay policy and additional staffing resource required to manage incoming complaints and increased legal costs for both appeals and section 17 cases.

At the time of writing, we are only six months into the year but anticipate that the outturn for the year will improve from a deficit of £109k to a deficit of £97k.

### OUR APPROACH TO BUDGETING FOR 2026-2027

As context, the last three years of financial and operational performance are reviewed, alongside the forecast outcome for current year.

A set of assumptions are created around incoming complaint volumes, business needs, lawyer numbers, work required by law and anticipated under our strategy, and other factors.

Three-year projections of income, expenditure, and reserves are created, giving a longer-term indicative model.

This is then mapped to the Scottish Government's five-year financial strategy – to give wider public sector context.

We then set out anticipated expenditures based on our operational plan.

We also consider information on the sector – whether a growth or contraction of lawyer numbers or legal work is being projected, specific impacts (such as this year, the impact of the increase of National Insurance affecting all employers), and any other information available.

This year we have also taken into account that we are in advanced discussions with Scottish Government on funding for some elements of reform implementation. This is based on the financial memorandum which accompanied the Bill in Parliament. We are estimating £300,000 funding this year, but that is not yet



finalised. We are also in discussions about future years. We are grateful to Scottish Government for very positive discussions on these issues, and we hope to have initial elements agreed by March 2026 when we finalise this budget.

The levies are then calculated on the basis of covering anticipated expenditure in full (taking account of small amounts of additional income from bank interest and the separate complaints levy).

The consultation is launched in January, and the responses to the consultation must, by law, be published before the end of March 2026.

The draft budget will be reviewed in April 2026, taking into account consultation responses and a further quarter's financial and complaints data.

We set the final budget and lay it before Parliament by 30 April 2026, with the final operating plan approved in May 2026.

## **RESERVES**

At the start of the 2025-2026 financial year, we held £1,598k in reserves.

This figure is within the parameters set out in the reserves policy, which requires us to hold 3 months of operating costs.

We project that at year end our reserves will be £1,477k, and so within our reserves policy.

This policy is constantly under review based on risks and operating costs.

## 5 PROPOSED BUDGET AND LEVIES 2026-2027

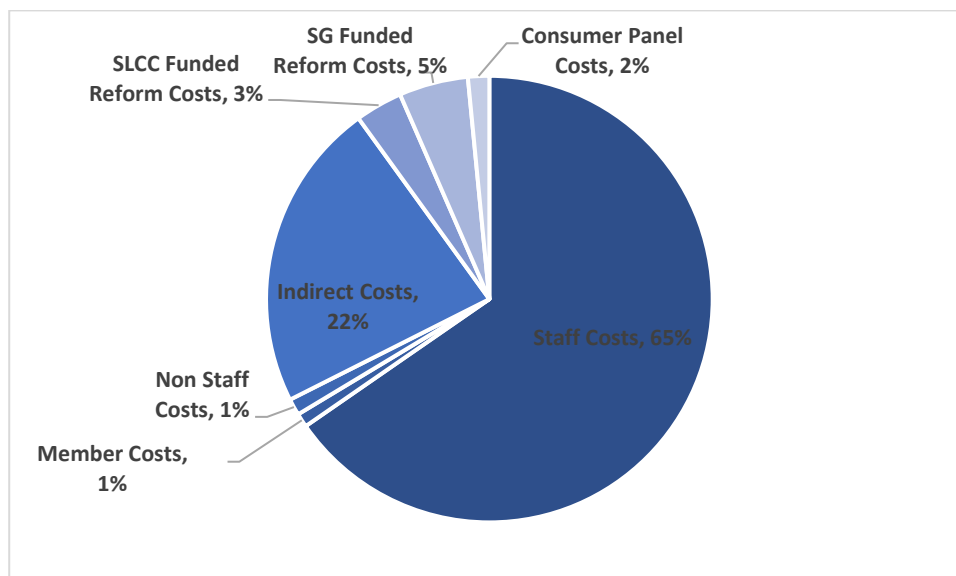
### BUDGET AND LEVIES AT A GLANCE

<b>Overall income and expenditure:</b>	
Anticipated income:	<b>£6,007,232</b> (up from previous year - £4,955,732)
Anticipated expenditure:	<b>£5,990,482</b> (up from previous year £5,064,575)
<b>Levies – individual lawyers (2007 Act):</b>	
General levy:	<b>£644*</b> (previous year <b>£572</b> ) <i>*the majority of lawyers pay a discounted rate well below this.</i>
Complaints levy:	<b>£7,000</b> (previous year £7,000)
<b>Levies – ‘alternative business structures’ (2010 Act):</b>	
Approved Regulator (AR) Fee:	<b>£0</b> (previous year: £10,000)
AR complaints levy:	<b>£8,000</b> (previous year: £8,000)
Licensed Provider (LP) Fee:	<b>£1,000</b> (previous year: £1,000)

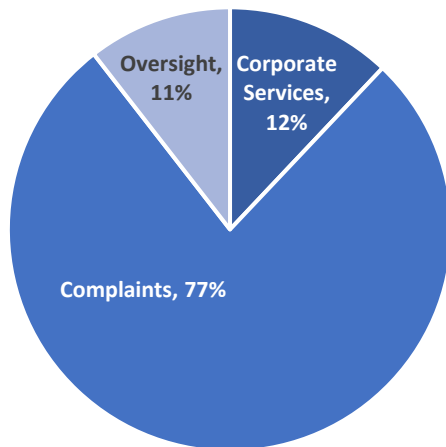
### MAIN AREAS OF BUDGET SPEND

The full budget can be found in **Appendix 2**.

The majority of our costs relate to our people:



The majority of our people costs are spent on staff dealing directly with complaints:



## BEST VALUE AND EFFICIENCIES IN THE BUDGET

### Best Value

Two years ago the SLCC undertook a review of Best Value. In the development of this consultation the Audit Committee considered the policy developed as part of the review and discussed areas for a best value focus in the coming year. These were built into the proposals then discussed by the full Board.

It is essential that SLCC delivers efficient services, and important that our stakeholders know this is an important consideration. Equally, as with many public services, we are supporting vulnerable users with complex needs. 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, we may need to give extra time for a member of the public or solicitor to respond to new evidence, or we may need to tailor access, for example providing translation support or reasonable adjustments, to allow a complaint to be made even if this increases unit cost. The Scottish Public Finance Manual Best Value framework reflects the complexity of competing aims noted above.

Various projects are now proposed in this draft operating plan (**Section 3**) which reflect our commitment to overall best value. Alongside this several projects within the operating plan are aimed at improving our efficiency. These include (but are not limited to):

**A3** – complaints process improvement

**A4 and A7** – designing and testing new efficiencies the new 2025 Act will allow us to deliver in the future

**A5** – seeking to tackle the cost of a significant issue with non-compliance by solicitors with the statutory complaints process

**A6** – developing new ways to tackle the costs of non-compliance by solicitors possible under the 2025 Act

**B2** - improving accessibility

**E2 & 3** – develop new systems, for new powers under the 2025 Act, which may help us reduce common causes of complaint (so reduce complaints)

**G2** – in terms of best value to the profession we will seek set-up funding for new functions and seek early commencement orders so we can try to realise potential savings under the 2025 Act

**I1** – we will re-tender our legal services panel

**I5** – we will explore using AI to support efficiency savings.

## **Efficiency in the context of Parliament deciding on an expanded role for the SLCC**

The 2025 Act offers the opportunity for efficiencies in some aspects of our existing processes – we will seek to deliver these as quickly as possible.

However, the legislation also places substantial new responsibilities on the SLCC with new operational costs attached. This means that whilst efficiency may increase, that does not necessarily mean overall cost will fall, and indeed it may increase.

## **Efficiencies within existing functions**

We are committed to finding efficiency savings each year.

In recent years we have made major savings through our move to a new smaller premises (which will save £500,000 in the five years following September 2023), reductions in members costs, improved efficiency of our complaint process (leading to reduced staffing at certain stages) and reductions in print and paper costs.

This year's specific areas of saving are:

- **Staff training** – small decrease against current year (25/26) budget
- **'Other' staff costs** – small decrease against current year budget, and previous year (24/25) actual
- **Member training costs** – small decrease against current year budget
- **Property costs** – small decrease against current year budget
- **Office running costs** – small decrease against current year budget, and previous year actual.

## **DRIVERS OF COST IN THE BUDGET**

There are some specific factors driving cost in this proposed budget:

- **Staffing costs and Scottish Government Pay Deal** – the SLCC has finalised a pay deal that takes us to March 2027 and this has been included within this Budget. We are also budgeting for additional Case Investigator resource to support the increased work we are facing to deliver our existing functions.
- **IT Costs** – there has been an increase in licensing costs for software essential for running our frontline services.
- **Appeal Costs** – these continue to increase in numbers and therefore we are seeing a rise in costs in this area.
- **S17 legal costs** – the cost of non-compliance by solicitor continues to drive legal costs up.

- **Consumer Panel costs** – 2026-27 will see the introduction of the new powers for the independent Consumer Panel and, as such, ongoing costs need to be funded from levy to allow the Panel to deliver its wider remit.
- **SLCC funded reform costs** – there will be additional staffing costs to deliver reform.

## THE GENERAL LEVY

**The suggested general levy is £644** (last year £572)

The majority of levies are discounted, and further details are available in **Appendix 2**. We welcome comments on all aspects but note the statutory duty to consult is only on the setting of the general levy (as above).

In previous years we have consulted on the ‘apportionment’ of discounts. Currently discounts are structured around categories where clear regulatory data is available from regulators and has been for some time (to allow predictions to be made). These currently include discounts for in-house lawyers and employed solicitors in private practice (compared to business owners).

## THE COMPLAINTS LEVY

We charge this when a complaint is upheld. The statutory aim was to ensure that some costs could be recovered, often known as ‘polluter pays’, when a complaint was upheld. This was to balance income from the general levy.

Three years ago, following a specific consultation with the profession, we increased the maximum levy from £5,000 to £7,000. The additional £2,000 will only be levied where a firm has failed to comply with a statutory s17 notice.

The current full complaints levy policy can be found on the [policies page](#) of our website.

**The suggested complaints levy is £7,000** (last year £7,000)

## APPROVED REGULATOR (AR) AND LICENSED PROVIDER (LP) LEVIES

**Approved Regulator levy:** The Law Society of Scotland has provided a clear statement that there will be no work this operational year, therefore no cost will be incurred and no budget is required.

**Approved Regulator complaints levy:** No Approved Regulator complaints have been received. The complaints levy allows some of the costs of a complaint that is upheld to be mitigated. Modelled on similar functions in other similar bodies, an investigation and a decision could range in cost from a few thousand pounds to £100,000. With set-up costs now recovered, the AR complaints levy reduced four years ago from £10,000 to £8,000. We did not consider there is any new data to vary the amount further this year, and the fee is only charged if a complaint is upheld (and can be waived in part or full).

It is hard to predict what complaints may arise in the first full year of the Society being fully approved. The levy may change significantly in future years.

**The suggested Approved Regulator levy is £0** (last year £10,000).

**The suggested Approved Regulator complaints levy (for a complaint that is upheld) is £8,000** (last year £8,000).

**Licensed Provider Levy:** Complaints about LPs are similar to the types of complaint we already handle, although new systems and templates are required, and new legal issues will arise.

It is unlikely that any LPs will be fully licensed by July 2026, when the first levy will be collected. As a consequence, it is expected that no fees will be collected.

An LP may have a single lawyer providing legal services within it, but may have tens or hundreds of other professionals and/or advisers working within it. We currently have no information from the LSS on the likely size of new LPs, or on what model they will follow. We remain concerned that, at the moment, no advertising campaign or major engagement with possible new entrants to the market appears to be planned with a view to rapidly increasing the number of LPs that contribute to the costs of this regulatory scheme. We are thus also concerned that the market may remain small for the first three to five years of operation.

It is unlikely any LP complaints levies will be received within the year. The levy may change significantly in future years.

**The suggested Licensed Provider levy is £1,000** (last year, £1,000).

**The suggested Licensed Provider complaints levy is £7,000** (last year, £7,000).

## INCONVENIENCE AND DISTRESS TARIFF

The SLCC's [Policy and Procedure Manual](#) sets out a tariff to guide decision making on awards for non-quantifiable loss, that is awards made under Section 10(d) of the 2007 Act, which provides that the SLCC may compensate for inconvenience and distress. That tariff has remained static since it was created in 2008 and has not been revised in line with inflation.

Having conducted a rapid review of the tariff, we believe that while the Bands are still correct, there is a pressing need to uprate the actual amounts in line with inflation which has risen significantly over the past 16 years. It should be noted that the vast majority of awards are in the lowest Bands.

The uprated amounts are shown below. We will aim to revisit this review every three years to ensure both the Bands and the actual amounts remain appropriate. This ensures that awards keep pace with inflation.

Band	Current	New Band, uprated by CPI
A	£0 – £150	£0 – £250
B	£150 – £750	£250 – £1,200
C	£750 – 1,500	£1,200 – 2,500
D	£1,500 – £5,000	£2,500 – £5,000

## APPENDIX 1: CALCULATIONS OF INCOMING CASE LOAD

### COMPLAINTS ABOUT LAWYERS

In 2018-2019 we received 1,326 complaints; the highest incoming numbers we had ever received to that date.

The next four years were impacted by Covid-19. There was a dramatic drop in the first lockdown, a smaller drop in the second lockdown, and then a steady rebuilding of numbers.

2023-2024 then saw an all-time high of incoming cases, 1,385. However, this increase was largely driven by complaints about a single firm which has ceased operating.

Most recently, in 24-25, we saw a very small dip from the previous year (23-24) although a figure still higher than the pre-lockdown peak (18-19). The underlying trend of complaints was still going up, but the impact of the failure of a single firm was reducing.

	18-19	19-20	20-21	21-22	22-23	23-24	24-25
Incoming complaints - <b>total for year</b>	1,326	1,036	1,054	1,159	1,281	1,385	1,339

*Note: this data is from audited annual accounts*

We can also compare data up to the end of December, so including the latest complete incoming month we have by the time of consultation.

	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26
Incoming complaints – <b>to end December</b>	709	577	526	572	638	588	600	778

*Note: this data is from live management data as recorded at the end of December each year*

As of the end December 2025 we had received 778 complaints in the year, compared to 600 in the same period last year, placing us 30% up year to date.

The figure is also higher than the comparator incoming in either of our previous peak complete years (18-19 or 23-24).

That said, we know monthly fluctuation can be significant and looking at the overall trend since lockdown (19-20), smoothing annual fluctuation, the typical annualised increase is around 5%.

We also take into account what we know of the environment. We have no data on the number of transactions or initial complaints to lawyers in the sector, so can't model on factors such as that. We do know the total number of lawyers tends to go up each year. We can also look at other similar ombudsman bodies. For example, the Legal Ombudsman experience an 8% increase in their last reported year (along with an 18% increase in cases moving to in-depth investigation), the Local Government & Social Care Ombudsman saw an 18% increase, and the Pensions Ombudsman a 39%

increase). The Solicitors Regulation Authority in England and Wales has seen an increase in complaints of 20%.

A broad range of projections is therefore potentially supportable for what the end of this current year may look like in terms of incoming, and what may happen in the following year (for which this budget it being set).

We recognising that forecasting is an educated guess and not an exact science. While we use a variety of recognised techniques and have independent support on our predictive model, the outputs are never more than an informed estimate.

### **The year in progress (2025-26)**

In the budget consultation for this year we projected for 1,345 incoming complaints. This was similar to the year before, and based on the fact we thought complaints may drop a little following the failure of the single firm which had driven recent numbers to some extent. However, as noted at the end of December incoming was 30% up year to date. This is already having an impact of our levels of work in progress. Monthly fluctuations can be high, based on past data. Nevertheless, we are now assuming at least 10% more complaints than provided for in our current year's budget, and possibly as high as 30% more if the current trend (first half of year) continues.

A 10% increase on planned loads would mean around 1,480 incoming complaints in 2025-26.

This will have an impact on our year end position, with more complaints in hand carrying into the next year (for which the budget it being set).

### **The budget year we are consulting on (2026-27)**

We may be starting this year with higher work in progress (based on the above).

In light of our experience of incoming rates, and the current experience of other complaints bodies, we are projecting a further 10% increase in the year being budgeted for. This would mean around 1,628 incoming complaints.

If incoming is lower, savings can be made on resource budget and placed in reserves to support future years.

However, the SLCC is required by law to *“secure so far as is reasonably practicable that, taking one financial year with another, the amount of the annual general levy and the complaints levy is reasonably sufficient to meet its expenditure”*. The most significant driver of expenditure is complaints numbers. Forecasting complaints numbers is imperfect, but we are required to be prepared to help anyone who contacts us – our service is demand led.

If funds are insufficient then backlogs tend to build, and these cost more to clear than dealing with complaints as they arise.



## OTHER CASE RELATED ACTIVITY

We are also responsible for investigating handling complaints which look at how the Relevant Professional Organisations (RPOs) deal with complaints about conduct. This can vary any year, and the small numbers means little statistical significance can be drawn from numbers. Incoming by the half year point suggested lower than anticipated case numbers, but the longer-term trend would suggest around similar incoming to previous years.

We also have a significant caseload assisting people with Data Subject Access Requests (DSAR) and Freedom of Information (FOI) requests. These requests have tended to be in proportion to the number of complaints we receive. The tight statutory turnaround times, and potential for significant fines, means this work must always be fully resourced.

Based on current incoming numbers in the current year we expect an increase in both areas next year.

Other case types	20-21	21-22	22-23	23-24	24-25	25-26	26-27
	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast
Handling complaints	15	9	11	19	13	15	15
Freedom of Information Requests	24	21	22	31	33	24	32
Data Subject Access Requests	36	27	15	14	26	21	24
Appeals	9	10	10	17	16	12 (26↑)	26

Where a forecast number is in brackets, this is a revised forecast for year-end (compared to last year budget consultation forecast). The arrow indicates if the revised forecast is up or down.

As can be seen, in three out of four areas we expect to see increases in work, with the biggest increase in one of the most expensive areas (Court of Session appeals). Funding and staffing is required to meet these legal responsibilities. Whilst new legislation removes this type of court appeal, the Act has not yet been commenced there will be a run-off of old cases, so this may take 2-3 years, or more, to impact.

## KEY PERFORMANCE INDICATORS

Key performance indicators (KPIs) are set at the start of each year.

These KPIs usually include a target 'journey time' for complaints, a target level of 'work in progress' in the organisation, quality indicators, productivity indicators, and measures around certain key stages of the process (such as waiting time at eligibility and waiting time at investigation). More details on our annual performance are in our annual accounts and reports. For example, the last reported year's data can be seen in our [Annual Accounts for 2024 to 2025](#), page 19 to 20.

## APPENDIX 2: DRAFT BUDGET FOR 2026-2027

### SUMMARY OF LEVIES, INCOME AND EXPENDITURE

#### Proposed 2025-26 Levy & Budget

Actual General Levy Set	£
Private Practice Solicitors +3 Years (Principals/Managers)	644
Private Practice Solicitors +3 Years (Employed)	522
Conveyancing or Executry Practitioner 3+ years	522
Solicitors in first 3 years of practice	221
Practising out with Scotland	156
In-house Conveyancing or Executry Practitioner	156
In-house Lawyers	156
Advocates +3 Years	246
Advocates in first 3 years of practice	207
Association of Commercial Attorneys	165

Total Actual Levy required from each Professional Body	£
Law Society of Scotland	5,280,928
Faculty of Advocates	115,041
Association of Commercial Attorneys	825
	<b>5,396,794</b>

Income and Levy	
Levy from Law Society of Scotland	5,280,928
Levy from Faculty of Advocates	115,041
Levy from Association of Commercial Attorneys	825
Contribution from Complaint Levy	245,000
Approved Regulator Levy	0
Estimate of Interest Earned	65,438
Scottish Government Funding	300,000
	<b>6,007,232</b>

Expenditure	
Staff and Related Costs	3,975,976
Indirect Staff Costs	71,521
Non-Staff Costs	1,345,676
Consumer Panel Costs	92,263
SLCC Funded Reform Costs	205,047
Scottish Government Funded Reform Costs	300,000
	<b>5,990,482</b>

<b>Budget Surplus</b>	<b>16,750</b>
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## BREAKDOWN AND COMPARISON OF EXPENDITURE AND LEVY

### Draft Budget 2026-2027

	2026-2027 Budget					
	Existing Functions	Consumer Panel	Unregulated Markets	SG Reform Costs	SLCC Reform Costs	Total
<b>Income</b>						
Levy Income	5,396,794	0	0	0	0	5,396,794
Complaint Levy Income	245,000	0	0	0	0	245,000
Scottish Government Reform Funding	0	0	0	300,000	0	300,000
Other Income	65,438	0	0	0	0	65,438
<b>Total Income</b>	<b>5,707,232</b>	<b>0</b>	<b>0</b>	<b>300,000</b>	<b>0</b>	<b>6,007,232</b>
<b>Direct Staff Costs</b>						
Staff salaries and NIC	3,910,976	27,419	0	28,288	190,047	4,156,729
Reporters	5,000	0	0	0	0	5,000
Member Salaries and NIC	60,000	22,844	0	0	15,000	97,844
<b>Total Staff Costs</b>	<b>3,975,976</b>	<b>50,263</b>	<b>0</b>	<b>28,288</b>	<b>205,047</b>	<b>4,259,573</b>
<b>Indirect Staff Costs</b>						
Staff training & development	30,000	250	0	0	0	30,250
Member training & development	3,500	0	0	0	0	3,500
Staff travel & subsistence	3,500	0	0	0	0	3,500
Member travel & subsistence	3,500	1,750	0	0	0	5,250
Other staff costs	31,021	0	0	0	0	31,021
<b>Total Indirect Staff Costs</b>	<b>71,521</b>	<b>2,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>73,521</b>
<b>Non Staff costs</b>						
Property costs	187,323	0	0	0	0	187,323
Office running costs	80,622	0	0	0	0	80,622
Mediation and associated Costs	65,000	0	0	0	0	65,000
Appeal legal costs & advice (case specific)	300,000	0	0	0	0	300,000
S17 legal costs and advice-case specific	85,000	0	0	0	0	85,000
Communication	29,695	5,000	0	20,000	0	54,695
IT	308,142	0	0	100,000	0	408,142
Corporate Legal Costs	15,000	0	0	65,000	0	80,000
Audit	40,000	0	0	10,000	0	50,000
Special projects & research	30,000	30,000	0	76,712	0	136,712
Bad Debt	36,750	0	0	0	0	36,750
Investment to reduce Office Dependency	0	0	0	0	0	0
Depreciation	168,144	0	0	0	0	168,144
Events	0	5,000	0	0	0	5,000
Reform staffing	0	0	0	0	0	0
Reform Legal Costs	0	0	0	0	0	0
<b>Total Non Staff Costs</b>	<b>1,345,676</b>	<b>40,000</b>	<b>0</b>	<b>271,712</b>	<b>0</b>	<b>1,657,388</b>
<b>Total Expenditure</b>	<b>5,393,173</b>	<b>92,263</b>	<b>0</b>	<b>300,000</b>	<b>205,047</b>	<b>5,990,482</b>
<b>Surplus/(Deficit)</b>	<b>314,059</b>	<b>(92,263)</b>	<b>0</b>	<b>0</b>	<b>(205,047)</b>	<b>16,750</b>

Previous years' budgets can be found at: <https://www.scottishlegalcomplaints.org.uk/about-us/how-we-are-funded/our-budget/>

## BREAKDOWN OF LEVY INCOME

### Levy Income

Actual General Levy Set	Levy	No's	Income
Private Practice Solicitors +3 Years (Principals/Managers)	644	3,126	2,013,144
Private Practice Solicitors +3 Years (Employed)	522	4,118	2,149,596
Conveyancing or Executry Practitioner 3+ years	522	3	1,566
Solicitors in first 3 years of practice	221	1,250	276,250
Practising outwith Scotland	156	1,109	173,004
In-house Conveyancing or Executry Practitioner	156	2	312
In-house Lawyers	156	4,276	667,056
Advocates +3 Years	246	418	102,828
Advocates in first 3 years of practice	207	59	12,213
Association of Commercial Attorneys	165	5	825
		<b>14,366</b>	<b>5,396,764</b>

## APPENDIX 3: SUMMARY OF POLICY CONSIDERATIONS

There are various matters the SLCC takes into account when forming a decision – our consideration of these is set out below. Consideration comes at a number of stages: when setting our overall strategy, when setting an annual operating plan, in the design of specific projects and policies, and in ongoing operational decision making.

Policy/ impact considerations	Preliminary conclusions
Compatibility with Regulatory Objectives	These are not yet legally in force. We are currently publicly consulting on our interpretation of these objectives and how they may inform our work. This initial thinking has fed into the development of our draft strategy and operating plan. The consultation findings will be available before the strategy and operating plan are finalised.
Significant new implications for public and consumers (including vulnerable consumers and equality groups) and compliance with the Consumer Duty	<p>When we make a strategic decision, like this one, we need to consider compliance with the Consumer Duty. We will carry out an impact assessment as part of this consideration.</p> <p>We have drawn on existing consumer insight in developing our strategy and operating plan and we will consult publicly, including with consumer groups, to inform the final versions.</p> <p>The enhanced Consumer Panel will improve our consumer insight and support transformation work.</p> <p>There are specific projects in our operating plan on accessibility. Our work to deliver process improvements and to implement changes from the 2025 Act will take account of needs of consumers.</p>
Significant new implications for regulated sector/ business	<p>Our budget has implications for the regulated sector through the impact on the levy.</p> <p>Our operating plan details proposed work to provide guidance, advice and training to the sector on complaint handling, and to ensure they are aware of forthcoming changes arising from the 2025 Act. It also details specific work to improve our complaints process, which will have an impact on businesses who have complaints made against them.</p>
Any other major policy considerations	In the development of the strategy, operating plan and budget the Board considered the Scottish Government's national performance indicators, medium term financial strategy, public service reform strategy, and vision for justice strategy.
Cybersecurity, IT, data protection or information governance implications	<p>Our strategy, budget and operating plan all demonstrate the need for investment in our IT and cybersecurity capabilities, with cybersecurity identified as a key risk and priority for the organisation.</p> <p>Funding is proposed to meet our FOI and GDPR commitments.</p>

Significant finance or best value considerations	<p>Our budget contains full details of the costs of the SLCC's work for 2026-27 and the impact of that on the levy.</p> <p>Best value projects include retendering contracts, our process improvement work, and work to tackle significant drivers of cost within our process. The aim of many elements of the 2025 Act is to achieve better value through more efficient processes so our commitment to swift implementation will support this.</p>
Compatibility with Regulatory Objectives	<p>These are not yet legally in force. We are currently publicly consulting on our interpretation of these objectives and how they may inform our work. This initial thinking has fed into the development of our draft strategy and operating plan. The consultation findings will be available before the strategy and operating plan are finalised.</p>
Significant new implications for public and consumers (including vulnerable consumers and equality groups) and compliance with the Consumer Duty	<p>When we make a strategic decision, like this one, we need to consider compliance with the Consumer Duty. We will carry out an impact assessment as part of this consideration.</p> <p>We have drawn on existing consumer insight in developing our strategy and operating plan and we will consult publicly, including with consumer groups, to inform the final versions.</p> <p>The enhanced Consumer Panel will improve our consumer insight and support transformation work.</p> <p>There are specific projects in our operating plan on accessibility. Our work to deliver process improvements and to implement changes from the 2025 Act will take account of needs of consumers.</p>
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We would welcome comments from stakeholders as part of this consultation of specific issues we should be considering or where people feel we could make improvements.