

Scottish Legal Complaints Commission

Annual Report and Accounts

Year ended 30 June 2024

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
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Professional Advisers

External Auditor:

Audit Scotland
4th Floor
102 West Port
Edinburgh
EH3 9DN

Internal Auditor:

Azets
Exchange Place
3 Semple Street
Edinburgh
EH3 8BL

Bankers:

Cambridge & Counties Bank
Charnwood Court
5B New Walk
Leicester
LE1 6TE

Royal Bank of Scotland
36 St Andrews Square
Edinburgh
EH2 2YB

Legal Panel:

Brodies LLP
15 Atholl Crescent
Edinburgh
EH3 8HA

Burness Paull
50 Lothian Road
Festival Square
Edinburgh
EH3 9WJ

Harper Macleod LLP
The Ca'd'oro
45 Gordon Street
Glasgow
G1 3PE

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 set out under the Legal Profession and Legal Aid (Scotland) Act 2007 and the Legal Services (Scotland) Act 2010.

The SLCC’s statutory functions cover three main areas: legal complaints, oversight of complaint handling by the legal profession, and monitoring the effectiveness of the Scottish Solicitors’ Guarantee Fund (more recently trading as the “Client Protection Fund”). This is controlled and managed by the Law Society of Scotland (“the LSS”) and professional indemnity arrangements maintained by the Relevant Professional Organisations (“RPOs”) on behalf of their members (e.g. the Master Policy).

The SLCC has three 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 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.

In relation to 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.

3. The SLCC supports an **independent advisory Consumer Panel**. Its statutory functions are to:

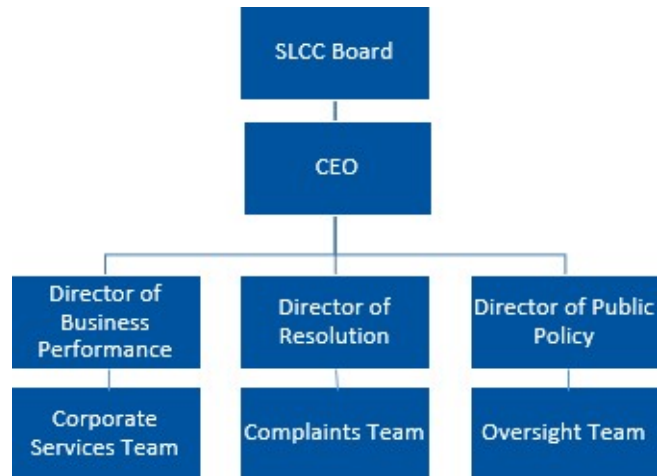
- Make recommendations on how SLCC can improve our policies and processes.
- Suggest topics for research connected to legal consumers.
- Express a view on matters relating to the SLCC's functions.

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.

We also take account of the Scottish Government "Vision for Justice in Scotland" (which was updated in 2023).

Organisational Structure



Purpose: strategy and process

Our current strategy covers the period July 2020 to June 2024.

The process we used to develop the 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>

and details of the strategy and operating plan for the year can be found at:

<https://www.scottishlegalcomplaints.org.uk/media/sp4a55lz/op-plan-2024-25-published-version.pdf>

As well as reporting on this year, we also provide details of the overall delivery of the strategy over the last four years.



However, in business planning for 2024/25, which needed to be finalised by January 2024 to meet statutory consultation deadlines, we took the decision to extend the current strategy for one further year (with a few minor changes to reflect the progress of reforms currently being debated in the Scottish Parliament). This proposed approach was part of our consultation with stakeholders in January 2024, and following feedback this was formally agreed in March 2024.

This decision was taken because of the significant uncertainty the SLCC faces. Initially, new legislation was due to be complete by the start of the coming business year (1 July 2024). This would have meant the delivery of a one- or two-year transition plan to implement new legislation, instead of a strategy, with a longer-term strategy emerging from that development work and consultation.

However, that legislation is now delayed, and there is significant uncertainty over its final form (that is, we could not confidently predict the nature of our powers and functions once the Bill is finalised). Extending the current strategy provided a proportionate way to ensure longer term aims and aspirational goals continue to guide our work. Those aims were based on extensive consultation in the original development of our strategy, and so have stakeholder input. However, the approach avoided significant work and cost to develop a new strategy, which may be immediately superseded by reform.

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 this 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. This year we also highlight overall performance against our four-year strategy (2020/24). 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.

Over the last four years we delivered most of the anticipated work in our 2020/24 strategy. The current four-year strategy of the SLCC came to an end on 30 June 2024.

We carried out an interim evaluation six months prior to the end of the period and invited comments on our self-assessment from stakeholders in our annual planning consultation. More details on what we achieved under the strategy are available on pages 12 to 20.

We delivered almost all the projects in our published Operating Plan for 2023/24. There were 30 projects set in the operating plan at the start of the year. One project was decommissioned due to a change in priorities. Of 29 remaining projects, 29 were delivered on time. This means 97% of projects were completed, which exceeds the 85% completion target set by the Board. This compares to 97% of projects in 2022/23, 91% in 2021/22, 97% in 2020/21, and 90% in 2019/20. This annual delivery of projects also supports the overall delivery, and assessment of delivery, of the four-year strategy noted above. For more information on our projects for 2023/24 see pages 12-20.

We maintained the improved core performance of our complaints process. Our complaint journey time was up by 0.3 of a month, but this continued a trend of historic lows in the time we take to resolve complaints that we have seen in the last few years. We met all other key complaints targets set by the Board for 2023/24, which included work in progress, journey time and production per month targets.

We handled a case load far above the anticipated budget for the year. Our consultation in January 2024 anticipated a 5% rise in 2023/24 compared to our forecast for 2022/23 (at the time of the consultation we

forecast a year end for that year of 1,217). This approach estimated 1,278 incoming complaints in 2023/24. In fact, we have seen a far higher incoming of 1,385 complaints. This is 14% increase against forecast year end for 2022/23 (1,217) and an 8% increase compared to projected incoming for 2024/25. We did this without overspending by finding a variety of efficiencies.

We managed our response to a major incident in the profession. The collapse of a single firm some time earlier, and a growing set of issues coming from this, saw a spike of complaints this year. Around 135 complaints came directly relating to the collapsed firm and around a further 30 relating to firms that have taken on work from the collapsed firm, totalling at least 164 cases (or around 12% of our incoming cases).

In addition, a significant volume of work was required engaging with former clients and victims' groups, other agencies involved in managing the situation and dealing with MSP and MP correspondence. Strikingly, most complaints received have led to compensation being paid. We are aware of number of clients impacted is estimated at a range of from 40,000 to 100,000, and we are aware that not all clients impacted may even be contacted until later in 2025. We have no powers or abilities to verify this data. There has also been significant time and cost in working with those responsible for indemnity in the profession. Whilst there has been some positive engagement there has also been some resistance and delay to making payouts to clients, which the indemnifiers were legally obliged to make.

We have been successful in pressing for much needed reform, with a draft Bill in Parliament. 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. We gave evidence at the Stage 1 debate and have worked closely with Scottish Government on the Bill, and possible amendments, to make our process more efficient.

Key issues and risks – looking forward.

Our risk policy and risk register were maintained, updated, and scrutinised at Audit Committee and Board throughout this year.

The SLCC completed an office move and major IT upgrade. This was delivered on time and on budget, and a lessons learnt exercise undertaken. This closes off the risk coming from these changes noted in last year's accounts.

Our main uncertainty, presenting both risks and opportunities, comes from the prospect of external reform. This was noted in detail in last year's accounts and in most ways our evaluation of the situation has not changed.

The Bill presented to the Scottish Parliament in April 2023, (the Regulation of Legal Services (Scotland) Bill) has now passed Stage 1 of the parliamentary process. The SLCC gave evidence in writing and in person.

However, the debate on the Bill was significant. Much of it harked back to the previous reform stage. Six years ago, an independent Scottish Government commissioned review of the regulation of legal services in Scotland was published (October 2018). The Report (the 'Robertson' report) recommended the creation of a single regulator, merging the regulatory functions of various statutory bodies, including the SLCC. There was a 'polarised' response, with many consumer bodies commenting in favour of the report, but the existing professional bodies generally opposing the recommendation. A working party to examine the single regulator model, but also possible alternative models, was formed by the Scottish Government.

In October 2021, the Scottish Government launched a consultation on the models discussed by the working party to assess if there was possible consensus on an option. In July 2022, the analysis and responses were published. However, this continued to see a polarisation of views with roughly half of respondents in favour of a single, independent regulator (tending to be consumers and consumer bodies) and roughly half in favour of reform within the existing framework (tending to be lawyers and legal organisations).

This has led to the presentation to Parliament in April 2023 of the current Bill, which proposes a model building on current regulatory arrangements and which represents what the Scottish Government sees as a ‘consensus’ between the views expressed. The Scottish Government states that the legislation “introduces measures that allow for more competition and innovation in the regulation and provision of legal services, while considering public and consumer interests. It also helps to ensure that the regulation of legal services is carried out independently from other activities”.

The SLCC took the position that much of the current drafting of the Bill is generally positive for the SLCC, in broad terms increasing the flexibility we have to manage our complaints process, by reducing the prescription in legislation and increasing our powers in other areas. The initial financial memorandum makes provision for transition costs.

However, our understanding is that extensive amendments are planned by Scottish Government and others. This means that although we can make some assessment of what the current drafting means, we can make no real assessment of what the impact of the final Bill may be. Experience of past legislation in 2007 and 2010 has shown that even seemingly small changes late on can have very significant operational and financial impacts at implementation stage.

The nature of the changes proposed in the current draft Bill do not incur risks in most of the areas which change traditionally impacts. Staff will continue to process complaints and will benefit from greater flexibility, and indeed many of the proposed changes are rooted in staff feedback on how the current process works in practice. We have just replaced our IT hardware with future changes in mind. The Scottish Government signed off our new property knowing of the planned reform and on the basis the SLCC saw it as fit for purpose to deliver within a new framework. For more than six years, we have been aware of what reform could look like and we have used that time to prepare for what we anticipate will be phased implementation. Our governance remains largely unchanged, and we have experience of overseeing big change projects successfully, which means we are well placed to deliver effectively.

However, there will of course be challenges in the finalisation of the Bill and in its implementation. These include:

- The legislation being amended to its detriment or abandoned. This could leave the SLCC with a system which is hard to work in practice, or costs more than anticipated, or with preparatory work carried out which is then wasted.
- The need to prepare ahead, without over-committing resource. We must do some advance preparation to ensure that the practical implementation of suggested reform is possible but must not over commit resource when the Bill has not yet passed and may change significantly.
- Being ready for a fast implementation, without risking quality. We would want to move swiftly to take advantage of potential efficiencies from the new drafting of the legislation and new opportunities for public protection, but need to ensure this does not undermine the quality of our work.
- New room for uncertainty leading to judicial review. Much of the wording of current legislation had been tested in the courts. New wording risks the chance of increased legal challenge for a period.
- The Bill is now not likely to pass until late 2024 or early 2025, already a six-month delay on the original timetable. This means that in December 2024 we will, for the second year running, need to budget for a year where we may or may not be implementing either small or very significant changes. Even with transition funding from Scottish Government, projecting future resource needs will be complicated and have increased uncertainty.

It should be noted that a name change for the organisation is included in the legislation, to the Scottish Legal Services Commission, but that this does not affect the continuity of staffing, funding, accountability, or liabilities.

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 Accreditation. During 2023/24 we began work for our Cyber Essentials Plus Accreditation and found out post year end that this had been achieved. We invested in Cynet, which gives us real time alerts of any potential threats. We also carried out Vulnerability Assessments of our network. We continue to focus on mitigations around security and staff training to minimise risk.

Other issues. No other major financial risks, issues or process failures were reported or identified. The SLCC received one complaint about the Board via the Ethical Standards Commissioner. No further action is being taken by the Commissioner. Post year end the SLCC also received notification of an Employment Tribunal application. This is at the early stages and we are reviewing our options. This has been made by individual who has not had an employment contract with the SLCC.

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

Summary: we have performed well, delivering substantially on our strategy and almost completely on our operating plan. We have managed a major incident and achieved redress for parties affected, liaising extensively with stakeholders to achieve a co-ordinated regulatory response, to the extent possible within current regulation. We managed a spike in complaints from this single issue within budgets and resource. Risks identified will be monitored closely. As with many organisations cybersecurity is a key ongoing risk, with multiple mitigations; the risk is still considered high simply due to how sophisticated and intense attacks can now be. 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 important 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.

In the first year of Covid-19 (2019/20) we saw a dramatic fall in complaints (1,326 down to 1,036), which had not been anticipated when budgets were set in back in April 2019. The following two years we saw a steady rebound, (2020/21 to 1,054, and then 2021/22 to 1,159).

This allowed a reduction in the levy in 2021/22 and further reduction in 2022/23. However, as numbers rebounded even further, to 1,281 in 2022/23 the levy was increased back up to just below pre-Covid levels.

As noted above, this year (2023/24) we have seen incoming complaints rise to their highest ever since the SLCC was established, and well above what was budgeted for the year.

In the coming year we are again anticipating a further increase of incoming complaints of up to 5%.

We will need to carefully monitor the situation in the first two quarters of 2024/25 as we develop budget proposals to consult on for 2025/26.

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 (FrM) 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.
- 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.
- There is a strategic plan in place until 2025 (as noted above, the 2020 to 2024 strategy was continued for a further year as reform meant this was the most appropriate approach).
- Financial planning is in place for 2024/25, 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; and
- Proposed reform, noted above, brings opportunities for efficiency, and an expanded role. While there are significant risks and uncertainties to be managed, none affect the fundamental continuity of the organisation which is maintained in the draft statute, albeit under a new name.

This is further referenced in the Accountability Report (see page 27).

Performance Analysis

Strategy 2020-2024:

In our Strategy for 2020-2024 we set out strategic aims as well as internal priorities to support this.

As noted above, this was to be the last year of our strategy, but it has now been extended for a year to cover a period of uncertainty coming from reform. Despite the extension, we considered it important to evaluate the four years of work as this was the original timeframe we committed to when publishing the plan to stakeholders.

Overall, there are notable areas of clear achievement. We kept our staff safe and supported during Covid-19 and managed to maintain our normal services throughout. We reduced our complaint journey time, we are resolving 90% of complaints informally, we have moved property that creates a half million-pound savings package, we are now a fully digital organisation, we've won awards for our process improvement work, and we have received external recognition of various aspects of HR practice.

Even in areas where all the projects commissioned under the strategy have been delivered, we see the need for ongoing work. For example, our push to make communications clearer and more accessible has included staff training, a review of all templates, and new quality assurance systems. We've then had an independent audit of the work and are now implementing final lessons learnt. However, we believe many of these areas of work are ongoing themes, so we will continue to develop these beyond the end of current strategy.

Finally, there are a small number of areas where work has not been completed. Some, like the implementation of the Legal Services (Scotland) Act 2010, are due to external factors we have no control over. Others are where our efforts have not led to the outcome we hoped, such as improved compliance by solicitors with their duty to provide files for investigation. Some work, for example, on governance was delayed prioritising our response to Covid-19 and is now best left until after reform, to avoid changes to a system twice in a short period of time, duplicating cost.

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.** As with previous years this performance report sets out progress towards our strategic aims, cross referencing that to the internal priorities: **(U) Users, (I) Improvement, (D) Digital, and (P) People.**
- **Feedback on our overall assessment of performance against each strategic aim over the full four years.**

DELIVER a high-quality service which is approachable, people-centric, prompt, and proportionate, and which delivers fair resolutions.

Our complaints work:

- We continued an extensive programme of improvement, with 8 new 'sprints' (rapid test and deploy cycles of improvement) started during the operational year and 3 started the previous year which completed in this period. These included testing new data rooms for file transfer, testing and deploying an app for booking mediations, creating specialised and faster processes for certain cases relating to one particular firm and set of circumstances, testing a new approach to standardising our response to extension requests from parties, testing the use of Trustpilot, and initial work to move straight to a decision where a lawyer does not comply with a s17 request for the client file. (U, I, D, P)
- We engaged with victims' groups and other key stakeholders following the issues around the former firm of W W & J McClure Limited. We provided additional information and provided several general and bespoke accessibility options to assist this client group. We have worked with the Law Society of Scotland, Police Scotland, the Solicitors Regulation Authority, the Legal Ombudsman in England and Wales, Consumer Scotland, MSPs and Scottish Government to coordinate information and ensure consistent messages. We were concerned at non-payment and delay by the providers of the Master Policy and worked to ensure they met their legal responsibilities. We have created specialised and faster processes, where possible within the current law, for some types of complaints about this firm. More details of this incident are in the Performance Overview section above.
- In the final phase of four years' work on improving the ease of understanding of our communications ('delivering clarity') we commissioned an audit from Azets to ensure that the lessons from training, and changes to templates, were all fully embedded in the work we produced for service users. The audit identified significant compliance, with one area of learning with recommendations now implemented. We ran a final training round to ensure all staff are trained. (U, I)
- We have continued our work to tackle a widespread and longstanding issue in the solicitor branch of the profession with a failure to comply with statutory s17 notices seeking to access files and explanations from law firms. This year there were several developments. We have had to instruct solicitors and seek to initiate court action in 16 cases, as well as carrying over legal action in 12 from the previous year. These figures mask a much larger, longstanding, and more systemic issue of solicitors failing to meet their statutory duties which drives a significant volume of internal work and cost before the stage of taking court action. One court case related to a solicitor already found in contempt once by the courts, although on this failure to comply in a second case the court did not find the solicitor in contempt. However, a strongly worded decision on the importance of compliance was issued. In another case the court appeared to move to treating the issue as a potentially criminal matter. The outcome of this case was also that contempt was not found, this time due to health issues the SLCC was not aware of, but again there was a strongly worded statement about the need for the profession to comply. In most cases we have been awarded costs at the highest level open to the court. However, in others the courts have taken the personal circumstance of the lawyer into consideration, but this does mean the cost is passed on by the court's decision to the profession at large. (U, I)

- We had our first commission under our legislation, where the courts appoint an independent party to review a client file and decide what is confidential and can be disclosed to the SLCC and what is legal professional privilege and can't be disclosed. We were pleased the outcome supported a wide disclosure, and that costs were awarded to the SLCC. (U, I)
- We started scoping a 'sprint' to test the possibility of moving straight to a decision, based on the evidence available, as an alternative to going to court to gain access to the file. This could offer a faster and cheaper solution in terms of delivering our complaints function. However, it also means that the breach of the legal obligation to provide the file is not being overseen by the courts. (U, I)
- We implemented a higher complaint levy for firms failing to comply with a s17 statutory notice. This was something we had consulted on last year, generally receiving a strong response in favour of the proposals from within and beyond the profession. This aims to reduce costs for non-compliance on the remainder of the profession. (U, I)
- We implemented a refined policy and process in relation to the management of appeals against our decisions, having reviewed this last year. It was further updated later in the year, with specific learning from an appeal case, following a review of that case by the Board. (U, I)
- The changes in the profession during Covid-19, mean we now mainly receive an electronic case file from a lawyer when investigating a case. This has allowed us to change our core process. In the past, once a case passed eligibility, a single paper file meant a decision needed to be made as to whether the case was investigated first for service or conduct, with only one body able to investigate at once. Following a 'sprint' to test a new process, the Law Society of Scotland and the SLCC agreed a new protocol allowing simultaneous investigation. This will cut overall complaint handling time for both the public and lawyers. (U, I, D)
- A new performance reporting framework was approved by our Audit Committee and Board, setting out processes for how management information monitoring our delivery would be reported and how KPIs for the business would be set. (U, I)
- We delivered refreshed adjudication training to our Board members which incorporated the discussion of real-life case studies, allowing the Board to consider these as a single group and share their approaches (cases are usually decided by a single member or Determination Committee of 3). (U, I, P)
- Our Service Experience Team (SET), established as part of this strategy, met regularly embedding our new approach to complaints about our own service, using 'service design' principles, developing a new approach to collecting customer feedback, and started testing the use of Trustpilot. (U, I, D, P)
- We reviewed potential 'chill factors' which may discourage a consumer from raising a complaint, working with our Consumer Panel, examining research, and speaking to other complaints bodies. We are now working on a small number of recommendations to tackle issues within our control identified by the project. (U, I, D, P)
- We continued our focus on early resolution, developing key messages and 'myth-busting' communications to use in our engagement with the legal profession. (I)
- We were once again informed by the Law Society of Scotland that they would be starting the licensing of 'licensed providers' (ABS) within this year, finally implementing the Legal Services (Scotland) Act 2010. The SLCC worked to be operationally ready but were then told the Law Society of Scotland would not yet be implementing. This means that for 11 out of the last 14 years, since the Act, we have been told the SLCC needs to be ready to implement its elements of the new model, and then this has not happened. We noted in this report last year the cost of this happening, so it is especially disappointing this happened again.

Our oversight work:

- We continued to meet quarterly with both Faculty and Law Society of Scotland to discuss issues raised in our handling complaints and oversight work. We thank them for their constructive engagement. (U, I)
- We published the second annual review of progress by the Law Society of Scotland in terms of statutory recommendations we made on the Master Policy in 2021. We had been grateful to meet with the Society's Insurance Committee Convener and Executive Director of Member Services & Engagement, as well as a representative from Lockton, to discuss a draft of that report prior to publication. We have not seen as much progress as we would have wished. However, the recommendation gave the Society a five-year window, based on the planned date of the next tender of the Master Policy and freedom to plan their work within that. At this stage recommendations could still be met, and we will report again each year on progress. (I)
- As noted above, we worked on a specific concern around the operation of the Master Policy around payment of claims in relation to the former firm of W W & J McClure Limited. (U, I)
- We have developed an initial plan on our next steps around the oversight of the Client Protection Fund and will implement this in the coming year. (U, I)
- Last year we published a [report](#) on the Law Society of Scotland's handling of conduct complaints. This followed concerns we had, from reviewing cases under our handling powers, and other concerns raised about complaint timescales with us. This year we published an [update report](#) which comments on the Law Society's response to the statutory recommendations made as part of an annual cycle of assurance. (U, I)
- Following a handling case Determination Committee, we issued a direction to an RPO to comply with our recommendation that the case be reconsidered. We were pleased the RPO did agree to comply with the direction without court enforcement action being required. (U, I)
- Using our statutory trend reporting powers, we published a report focussed on issues around price transparency and billing by lawyers. This drew on learning from complaints, as well as a review of a number of firms to test their compliance with the Law Society of Scotland guidance on price transparency. (U, I)
- We conducted an audit of the Faculty of Advocates conduct complaints process and made several recommendations for improvement. We were delighted with the engagement of the Faculty of Advocates throughout the process, and their acceptance of the recommendations. (U, I)
- We have developed a new tracking tool for firms with a high volume of complaints and are seeking to develop an understanding of other risk factors we may be able to identify from the data we hold, which may aid earlier intervention or improve our preparation for more significant issues arising. (U, I, D).

Other:

- Our Consumer Panel informed and challenged our work on customer service feedback and the wider work of our Service Experience Team (SET), as well as promoting the need for consumer-focused regulatory reform, including providing evidence to the parliamentary committee considering the draft Bill. (U, I)
- We responded to the consultation by Consumer Scotland on the new Consumer Duty, which will apply to the SLCC, and developed our initial approach. (U, I)
- We produced our annual Health and Safety Report. (U, P)

- We delivered an integrated training programme to staff including legal updates and training on reasonable adjustments, unconscious bias, equality, agile change management, trauma informed practice, coaching, applying for jobs, Insights profile (a personality assessment tool), the legislative process, motivation at work, and the importance of sleep to performance. This included talks from colleague organisations relevant to our work. Our thanks go to the Scottish Solicitors' Discipline Tribunal, Scottish Legal Aid Board, Scottish Women's Aid, Abused Men in Scotland, Clan Childlaw and Lockton. We also thank individual speakers who shared experience of 'a day in the life of' junior counsel, and a family solicitor, as well as staff and board members who shared experiences from their current and previous work experience. (U, P)
- We reported progress on our records management plan to National Records Scotland. They assess our progress against 14 criteria. 13 of these are now assessed as 'Green' and we made substantial progress on the one action which remains 'Amber' with a solution now delivered, but us needing to ensure this is embedded over a full year. (I, D)
- We developed new data sharing agreements with relevant professional organisations to meet our obligations under the 2007 Act and hope to have those all agreed in the coming year. (I, D)

Overall progress over four-year strategy:

- We believe we have made real progress in this area, becoming a more accessible and faster service since 2020. Winning a Holyrood Public Service award for our process improvement work and being increasingly invited to present to other organisations on our improvement in performance provide some external verification, whilst our annual accounts and report each year have detailed the incremental projects leading to the overall outcome.
- Our work in the extended strategic period will be to maintain performance on increased caseloads and deliver the individual projects to bring further incremental improvement noted in our published Operating Plan.

INNOVATE by working as a performance-focused, change-confident and resilient team, delivering our work in new and efficient ways.

- We finalised moving our IT infrastructure to being cloud based. This helped us finalise IT arrangements in our new office, including optimising Wi-Fi connectivity. A lessons learnt review was undertaken and reported to the Audit Committee and the Board. Just at year end we started a roll-out of new laptops, part of a planned hardware refreshment cycle. (I, D, P)
- We completed a move to a new office, creating a work environment to support collaboration, digital methods of work, and other new working practices. A lessons learnt review was undertaken and reported to the Audit Committee and the Board. (I, D, P)
- We finalised all our post Covid working arrangements through the 'Your Job, Your Way' programme which has been detailed in previous annual accounts. Again, a lessons learnt review was undertaken and reported to the Board. (I, D, P)
- Completing these three major projects has transformed the organisation, and the new ways of working and the learning from these projects will inform our approach to implementing the potentially far-reaching changes that will come from reform. (I, D, P)
- We have concluded the first part of our data maturity audit as part of our participation in the Scottish Government's Data Maturity Programme and to inform a data action plan for the organisation. Further work is planned over the coming year.
- We have continued to evolve our use of PowerBI including creating new dashboards to aid the reporting of management data and to consider risk factors in the sector we may be able to identify from complaints. (I, D)

- We produced an internal statement on how the organisation would monitor the development of AI within the legal sector and within the regulatory/complaints sector and consider the relevance of these developments to the SLCC. (I, D, P)
- We have improved our approach to cyber security by rolling out multi factor authentication, and conditional access. We have reviewed the terms of our cyber-attack insurance and updated our disaster recovery policies. We have delivered mandatory training to all staff and board members on cyber security. We also went through the process for our Cyber Essentials Plus accreditation and found out post year end that we had successfully gained this accreditation. (I, D, P)
- We have sought to increase our understanding of the causes and impacts of cyber-attacks by monitoring coverage of, and learning from, the attacks on others (for example Yodel, NHS, Uber, South Staffordshire Water, Capita, etc.). We completed the outstanding actions on our Cyber Action Plan and have worked with Cyber and Fraud Centre Scotland on Vulnerability Assessing our estate. (I, D, P)
- We responded to issues raised in the Government Digital Service's website accessibility sample check of our website and they confirmed our accessibility statement is compliant. We commissioned a follow-up audit to identify outstanding issues, and we continue to address those. Improvements made last year included improving the accessibility of our online complaints forms and replacing many .pdf files with html text. (U, I, D, P)
- We furthered our work to make sure our focus on digital does not lead to digital exclusion for any groups. (U, I, D, P)
- We focused on environmental performance in our property review project. We have disposed of office furniture, equipment, and supplies to charities and art projects to ensure re-use. (I)
- We ran sustainability events and took part in climate change week. We produced a sustainability report on our long-term move to hybrid working ('Your Job, Your Way'). (I, P)
- We worked with our Wellbeing and Inclusion Staff Group to ensure the health and wellbeing of colleagues. Events this year included ones based on: Yom Kippur, Jashn-e-Sadeh, Shrove Tuesday, dogs in the office, Earth Day, World Environment Day, food waste, Global Accessibility Day, Blue Monday, Mental Health Awareness Week, Ageing and International Women's Day. (P)
- We implemented a number of HR improvements. This included new approaches to recruitment (for example, anonymised shortlisting and sharing some interview questions in advance). We also engaged with training on using service design for internal (HR) customers and are using this learning to inform the development of a new HR IT system.
- Our own innovation work, highlighted last year at the Ombudsman Conference, led to invitations to speak to others about our approach. This included sessions with the UK Adjudicators Office and HMRC complaints teams.
- We carried out an evaluation of progress against our four-year strategy. We consulted on our interim assessment in our budget consultation and have provided further information in these accounts. (I)

Overall progress over four-year strategy:

- This was a period of unprecedented innovation. There was the need to respond to the unplanned events of the global pandemic, and then an office move, a move to working in a fully digital way, and change of patterns of work for all staff. We have done that whilst maintaining strong performance and high staff morale, as evidenced in staff surveys, showing the resilience built.

- In the coming period innovation will focus on projects identified in our published Operating Plan for the year around our current process, but more importantly on implanting new opportunities potentially coming from the legislation currently in the Scottish Parliament.

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

- We refreshed and updated the ‘for consumers’ section of our website, included refreshed guidance on a range of consumer issues aimed at empowering consumers in advance of using a lawyer around issues where expectations may be different, and which can later lead to a complaint. (U, I, D)
- We delivered 17 outreach sessions to the profession, met with two firms to provide personalised training sessions, offered six pre-recorded sessions for diploma students, and had two live ‘best practice’ discussions to assist firms with their specific queries about the complaints process. We corresponded with 14 firms where issues with their handling of complaints had been identified. We also attended a session on complaints reform at the Law Society of Scotland conference with around 160 people attending. (U, I)
- We further increased our engagement with the profession via social media, developing bite-sized messages that can be delivered in an engaging way via LinkedIn and X (formerly known as Twitter). We delivered a full social media campaign to share our statutory guidance on complaint handling. We developed a quarterly vlog for our CEO and used social media for job advertising. We used articles in the Scotsman to promote a number of key messages about our work. (U, I, D)
- We developed new case studies on risk and complaint handling to use in our outreach sessions with trainees, and we developed new mediation case studies for a mini-marketing campaign to promote the uptake of mediation (see below). (U, I, D)
- We filmed and published a new mediation video featuring one of our mediators on our website and are now using it with complainers to encourage them to consider taking part. We are also using clips from the media as part of a wider social media campaign. (U, I, D)
- We used our quarterly e-newsletter to deliver engaging content to the profession, including on mediation, creating clear terms of business, managing the personal impact of complaints, updates on judicial opinions and Tribunal findings on compliance as part of contempt hearings. We were also successful in having some of our articles covered in the Law Society Journal and elsewhere in the legal press. We used case studies from our decisions to bring this to life and used our social media activity to signpost to this content and increase our readership. (U, I)
- To mark our 15th anniversary, we published data on the long-term trends in complaints we have seen to inform discussion in the sector about what may be done to tackle these, as well as information on the organisation’s work and development in that time, and our culture and values. (U, I).

Overall progress over four-year strategy:

- When the SLCC was established one aim was to increase opportunities for the sector to learn from complaints. We’ve delivered a number of key projects, documented in our annual accounts each year. However, Covid-19 impacted this area more than others, for example, fewer training events for a prolonged period and, despite a partial rebound in events, without direct means of communication to the profession we continue to be able to do less than we would like.
- There are proposals in the draft legislation to increase data sharing between regulatory bodies and around new powers to issue guidance, both of which will give new opportunities to make more progress in better using the information from complaints and the wider regulatory system to reduce the common causes of complaints.

INFLUENCE the debate on reform and lead the change as soon as final proposals are in place.

- Our work over several years to make the case for reform has led to the Regulation of Legal Services (Scotland) Bill being presented to the Scottish Parliament in April last year. Although the Bill does not fully implement the reforms proposed by the Government's own independent review, the SLCC has welcomed what will be a significant positive step forward in regulation and complaints if implemented. (U, I)
- Since the publication of the Bill, we have met with the Minister and civil servants to discuss the draft Bill and technical amendments we believe are needed to most effectively enact the policy selected by Scottish Government. We are grateful for their positive engagement. (U, I)
- We have also met with key Scottish Parliament Committee members and other interested MSPs. We submitted written evidence to the Equality, Human Rights, and Civil Justice Committee during their Stage 1 deliberations, and gave evidence in person. We provided a briefing to a wider group of MSPs for the stage one debate of the full Scottish Parliament. We have continued to engage with other stakeholders. (U, I)
- We worked with our Consumer Panel to ensure we understood the consumer perspective on proposed reforms. We also held three practitioner roundtables to discuss first tier complaint handling, the SLCC complaint process and reform proposals. (U, I, P).
- Early Board discussions and SMT discussions have taken place on implementation planning. Project streams, risk register, Gantt/dependencies, and costs are all initially mapped out. We've met with Scottish Government to check implementation assumptions. SMT and Board workshops are scheduled in 2024/25 to continue planning as the Bill progresses.
- We were delighted to attend the International Conference of Legal Regulators to lead an international panel session entitled 'Walking in their shoes: how customer insight can make better regulators'. We shared our experience of how listening to consumers, and using customer persona, can help inform better regulatory and complaints processes and outcomes.

Overall progress over four-year strategy:

- We are delighted to see a draft Bill being discussed by the Scottish Parliament. This does not deliver everything that we, or many consumer bodies, spoke in favour of. However, it does provide a real opportunity to improve complaints handling, oversight and consumer representation in the sector. We have been at the heart of the debate throughout.
- In the extended strategic period, we are likely to move to starting to implement changes in the Bill and are prepared to implement as soon as possible and to lead discussion on what the wider regulatory principles set out in the legislation, and applying to multiple bodies, mean for the sector.

ADAPT by building on learning from Covid-19 and beyond to ensure an agile and resilient operating model, focussed on function over form.

- Work on this goal has been integrated into the workstreams above, rather than having discrete projects, but we felt it important to update our strategy so that stakeholders knew this was a specific consideration. (I, D, P)
- It influenced our move to cloud computing, our property review, and the 'Your Job, Your Way' project changing our approach to time and location of work. However, many other projects were influenced in smaller ways, for example, ongoing increased use of video conference for training and outreach and building skills in that area, investment in online file transfer with law firms, and our digital exclusion work. (I, D, P)

- This additional aim is being dropped in the one-year continuation of our strategy for 2024/25 (described above) and being replaced by a goal focussing on the post-reform transition the organisation will need to go through.

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

One project was not fully delivered:

- **New job descriptions issued to staff** – this project included aims around ensuring there was no language which contained implicit gender or other bias, and to reflect any changes from new ways of working. Some work has started, but capacity issues and no pressing need from changed ways of working saw this project delayed, accommodating other work.

In some projects we fully delivered everything in our control, and which was planned for, so the Operating Plan objectives are met, but changed external timetables mean the overall sector outcome was not delivered. This includes:

- **Implementation of the Legal Services (Scotland) Act 2010** – based on information from the Law Society of Scotland we again prepared for implementation, updating templates and processes and training staff. However, the Law Society then decided to delay implementation. This work carries onto next year's Operating Plan.
- **Finalisation of the Regulation of Legal Services (Scotland) Bill** – this was due for completion in June 2024 but has been delayed due to changes in the Scottish Parliament timetable for the consideration of the Bill.

For some projects, the work is complete, but reporting will not be visible until just after the end of the business year on 30 June 2024. This includes:

- **New customer service feedback system** – the system is designed and implemented, but we will not actually start collecting data until the first cases close within the new business year starting 1 July 2024.
- **Improved customer service feedback reporting** – building on the experience of our annual report for last year we want to further improve our reporting on the 2023/24 year, this will not be published until our annual report is issued in autumn 24.
- **Recording and reporting on energy use** – we have set up the system, but need to be able to report on the complete year which cannot be done until after the last day of that year (and so will be just into the next business year).

Summary: We delivered over 97% of our Operating Plan for the year, with 85% being the target set by our Board (to take account of the fact that some projects will always be affected by external factors out with our control, or priorities may change mid-year). Performance on quantitative performance measures is detailed in the Performance Report, on page 21.

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 adjudicative function of the body which requires each decision on a case is based solely on the case merits.

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	2023/24	2022/23	2021/22	2020/21
Complaints in hand at start of year	554	459	388	436
New complaints received	1,385	1,281	1,159	1,054
Adjustments – complaints reopened/voided	38	-4	72	84
Complaints closed at all stages	-1,318	-1,183	-1,158	-1,186
Net change – reassessed as eligible/ineligible on appeal	0	1	-2	0
Complaints in hand at end of year	659	554	459	388

STAGE IN PROCESS COMPLAINTS WERE CLOSED (Numbers)	2023/24	2022/23	2021/22	2020/21
Prematurity	118	99	162	196
Eligibility	734	701	646	545
Mediation	89	57	80	90
Investigation	245	203	137	224
Determination	132	123	133	131
Total	1,318	1,183	1,158	1,186

STAGE IN PROCESS COMPLAINTS WERE CLOSED (Percentage)	2023/24	2022/23	2021/22	2020/21
Prematurity	9%	8%	14%	17%
Eligibility	56%	59%	56%	46%
Mediation	7%	5%	7%	8%
Investigation	19%	17%	12%	19%
Determination	10%	10%	11%	11%
Total	100%	100%	100%	100%

It is important for stakeholders to understand that these figures relate only to when a case exited the SLCC system. To give an example, 734 cases closed at eligibility is not the same as suggesting 734 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. 303 were resolved through conciliation, where SLCC staff work intensively with both parties to achieve a mutually agreeable settlement of the case. Only 146 were rejected by the SLCC through a formal decision as ineligible. This further data, for every stage, is, as noted above, provided in our separate Annual Reports.

Notable features this year include:

- The increase in incoming complaints.
- The increase in closed cases, as we seek to match output to demand using a variety of process management techniques.
- The higher complaints in hand at the end of the year (the difference between the unanticipatedly high incoming and what could be achieved in terms of increased output). This impacts the coming year in terms of a higher than anticipated starting point in terms of volume of cases.

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 some 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 two examples:

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.

In a similar fashion Journey Time is measured each month but is reported on here as an average over the year (meaning some individual months may have been above KPI)

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.

A data governance project is looking at further refining our approach. However, this data has been used internally for four years and has helped drive business improvement, and we are now sharing more publicly as we seek to aid ways for stakeholders and interested parties to understand our work.

Other KPIs	2023/24		2022/23		2021/22		2020/21	
	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Expenditure vs budgeted expenditure	+/- 5%	Met	+/- 3%	Met	+/- 3%	Met	+/- 3%	Met
Op Plan Projects on time/to specification	85%	97%	85%	97%	85%	91%	85%	97%
Journey Time (average for year of monthly JT)	≤ 7.9 Months	7.4	≤ 8.5 Months	7.1	≤ 8.5 Months	7.7	≤ 8.5 Months	7.9
Waiting Time at Eligibility (average for year of monthly wait)	2-6 weeks	6.6	4 weeks or less	7.8	2 weeks or less	1.4	4 weeks or less	1.6
Waiting Time at Investigation (average for year of monthly wait)	1-3 Weeks	2.8	≤ 2 Weeks	2.5	Introduced in 22/23 (previously was no. of cases waiting)			
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	Formally introduced to Board reporting in 2023/24 (process predates this)					
Improvement Sprints (short 'pilots' of new ways of working/process improvement)	Min 2 per quarter – 1 on quality / customer	Met	Min 2 per quarter – 1 on quality / customer	Met	Min 3 per quarter – 2 on quality / customer	Met	Min 3 per quarter – 2 on quality / customer	Met

The main challenge for the year has been waiting time at eligibility. This was high at the start of the year due to incoming complaints in the previous year having been higher than expected. Several interventions then saw this drop to within KPI in the middle of the year, however, the high incoming from the collapsed firm saw this and investigation waits go up towards the end of the year.

This means two things. Firstly, that within some individual months we were out with KPI, despite the average for the year being met, and secondly that this will continue to be a major focus of management planning going into the new year.

We remained pleased with Journey Time. There is a complex and multi stage process set out in statute which means even the simplest of cases will take some time. However, through this strategy period we've achieved far lower journey times than historically (for example, in 2016-17 journey times were 14.7 months). This shows the lasting benefit of process improvement work in 2018-19, and 2019-20.

All parties are issued a customer service feedback form at the end of each complaint. The table below shows the percentage of people that responded to the survey by stage of complaint.

	2023/24		2022/23	
Responses based on Stage in Complaints Process	Consumer	Practitioner	Consumer	Practitioner
Eligibility	32%	44%	18%	23%
Mediation	14%	9%	15%	13%
Investigation	38%	25%	35%	35%
Determination	16%	22%	32%	29%
Total	100%	100%	100%	100%

We monitor several factors in these surveys – asking if individuals are satisfied (or not) with our helpfulness, the information we provide, how we explain the process, clarity of communication, the reasoning provided for our decision, and so on.

Practitioner feedback is strongly positive (irrespective of the case being upheld or not). The SLCC communication was clear and easy to understand, explanation of the decision and explanation of the process all scored 75% or above in terms of practitioners recording they were satisfied. Across the whole year satisfaction rates for all criteria were between 14% (recommend the SLCC) and 77% (decision/process explanation).

Consumer feedback varies and there is a link between level of satisfaction and the case being upheld or not. Process explanation, information provided was clear and easy to understand and the SLCC understood the complaint all scored above 50% in terms of consumers recording they were satisfied. Across the whole year satisfaction rates for all criteria were between 20% (timescales) and 55% (information easy and clear)

Best Value

This year the SLCC undertook a review of 'Best Value'. 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 the time for a member of the public or solicitor to respond to new evidence or for us to tailor access, for example providing translation support or reasonable adjustments to allow a complaint to be made.

The Board, Audit 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.

Alongside this several projects within the year were aimed at improving our efficiency. These included: a property move to deliver a five year £500k saving, a new complaint levy policy aimed at reducing the causes of cost in our system due to non-compliance by solicitors, changes to our core complaints process, such as simultaneous investigation, working with communities affected by the failure of a major firm, and making the case for reform of legislation to allow more efficient complaint handling processes. More details of these projects are noted in the Performance Analysis section above.

As part of the business planning cycle for next year several further projects were scoped and approved to aid the delivery of Best Value in the coming year. These include continuous improvement work on the complaint process, a review of our contracts for IT and internal audit, the development of an implementation plan for reform, review of our equality statement, and assessing our carbon footprint. More details are in our published operating plan for the year (2024-25).

Budget performance

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

	Year ended 30th June 2024		Year ended 30th June 2023
	Budget	Actual	Actual
Income	(4,102,723)	(4,221,156)	(3,862,556)
Expenditure	4,259,147	4,390,346	3,910,772
(Surplus)/Deficit	156,424	169,190	48,216

Income was £118,433 higher than expected, based on higher interest rates and legal costs recovered.

Expenditure was overspent by £131,199 or 3.08% over the anticipated budget and was primarily on legal costs relating to appeals and section 17.

This has meant the SLCC is reporting a year end deficit of £169,190 for 2023/24, this is a slight variance on the original budgeted deficit of £156,424.

The SLCC Board made the decision to approve a deficit budget considering the reserves being held to be more than three months average expenditure. We continue to hold this position within reserves. For the 2024/25 budget the Board has taken the decision to move back to the budget being a breakeven position.

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. Where there is no contractual obligation or other understanding, we aim to pay for goods and services within 30 days. On average the SLCC took 18 days to pay for goods and services (2022/23: 15 days) and the SLCC's payment performance was 90% (2022/23: 94%).

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 Bio-diversity Duty; this is available online: <https://www.scottishlegalcomplaints.org.uk/about-us/rules-policies-and-publications/biodiversity-reporting/>.

Explanation of the development and performance of the entity

For the last two years the primary challenge has been reducing the workforce to match lower incoming numbers whilst retaining talent and expertise where possible (for example, we authorised several secondments to external bodies).

After several years of improving performance against key indicators (like Journey Time) the focus was on maintaining performance whilst reducing resource, and this was achieved.

The improvements of previous years, combined with lower incoming work, allowed levies to be reduced two years in a row, delivering savings to the sector. The challenge ahead is numbers rebounding, and the need to increase resource to address that.

Annual Audit

The financial statements are audited by external auditors appointed by the Auditor General for Scotland, and he has appointed Helen Russell, Senior Audit Manager, Audit Scotland to undertake the audit of SLCC for the five-year period from 2022/23 to 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

31 October 2024

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 31 October 2024.

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 of a lay chair, and eight further members – five lay and three legal. 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 Committee to address key financial and other risks.

Board Appointments	Appointment		Years
Chairing Member (Lay)	From	To	
Jane Malcolm	10/07/2023	09/07/2028	5
Lay Members			
June Andrews (Left 30/04/24)	01/04/2021	30/03/2026	5
Niki Maclean	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
Legal Members			
Richard McMeeken	01/01/2022	31/12/2026	5
Lynne Collingham	15/06/2022	14/06/2027	5
Dale Hughes	12/09/2022	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 their 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 eight meetings during the year, as well as taking part in a planning and strategy workshop and several development sessions. These have been 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/>.

	Date of Resignation	Board Meeting	Audit Committee	Remuneration Committee
Number of Meetings		8	5	2
Jane Malcolm	-	7		
Niki Maclean	-	8	4	
Anne Gibson	-	7		2
Dale Hughes	-	8		
Jean Grier	-	6		1
John Stevenson	-	7	5	
June Andrews	30/04/2024	7		2
Lynne Collingham	-	7		
Richard McMeeken	-	7		
Morag Sheppard (independent member)	-		5	

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:

<http://www.scotland.gov.uk/Topics/Government/Finance/spfm/Accountability/aomemooother>

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; and

- (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 of 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 2024 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 Committee meets five times per year. The Audit Committee consists of two members of the Board, who are Niki Maclean (Chair) and John Stevenson. Morag Sheppard is our independent audit committee member.

The meeting is attended by our internal and external auditors. The Committee provides support to the Board in respect of their responsibilities for issues of risk, control and governance. These have been hybrid meetings.

During the year 2023/24 the SLCC has worked continuously to review and refine its systems of internal control. These items also represent the 'Annual Report' of the Audit Committee. In particular, we have:

Internal Audit (Azets)

- Reviewed the close out report on the internal audit plan for the previous year (2022/23).
- Approved an internal audit plan for the current year (2023/24).
- Received reports from our outsourced internal auditors on our Delivering Clarity project, our Corporate Performance Management, our Financial Controls (July 2024 meeting), Staff Performance and Development (July 2024 meeting). These are part of our internal audit plan for the current year (2023/24).
- Subsequent to year end (July 2024 meeting) reviewed the close out report on the internal audit plan for the year (2023/24).

External Audit (Audit Scotland)

- Reviewed the governance statement and financial statements from the previous financial year (2022/23).
- Approved the external audit plan for the year (2023/24).
- Held a session with Audit Scotland and the Audit Chair (2023/24).

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.
- Learnt from Audit reports on other Scottish NDPBs and regulators – for instance, reviewing learning from the Water Industry Commission.
- Attended external events to grow knowledge and help identify best practice. For the Accountable Officer this included NDPB Chief Executive Forums.

Other assurance activity

- Continued to ensure a lead Board member was in place to lead on cyber security issues.
- Reviewed the cyber action plan each quarter.
- Ensured the full Board completed mandatory cyber security training.
- Discussed every risk on the strategic risk register on a quarterly basis, with a detailed discussion at the Audit Committee and approval at Board.
- Discussed risks on the Reform Work Risk Register.
- Refreshed all Health and Safety risk assessments during this year.
- Reviewed the close out report for both our office move and IT infrastructure move.
- Scrutinised our work in progress (WIP).

- Reviewed our Whistle Blowing Policy and introduced a new Anti-Fraud Policy.
- Introduced a new internal audit action tracker.
- Approved a new performance reporting framework setting out how we set KPIs and provide data to the Board.
- Reviewed our Business Impact Assessments, introduced to strengthen our Business Continuity Plan.
- Supported the drafting of a Best Value Statement.
- Scoping an external governance review, which will then be delivered in the 2024/25 Operating Plan.

The Remuneration Committee met two times during this business year. This year they have discussed absence, staff survey results, CEO salary process, Inclusive recruitment, EDI project work and pay discussions.

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 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. We updated our arrangements for how business would be conducted in the absence of the Chair.

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 2022/23.

Review of effectiveness and Annual Report of the Audit 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 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 2024, £10,713.02 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 2024				Year Ended 30 June 2023			
	Salary £000	Pension Benefit £000	Benefit in Kind	Total £000	Salary £000	Pension Benefit £000	Benefit in Kind	Total £000
Neil Stevenson	85-90	10-15	Nil	95-100	85-90	10-15	Nil	95-100

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 2024, a total of £15,678 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 2024				Year Ended 30 June 2023			
	Salary £000	Pension Benefit £000	Benefit in Kind	Total £000	Salary £000	Pension Benefit £000	Benefit in Kind	Total £000
Caroline Robertson	70-75	5-10	Nil	75-80	65-70	5-10	Nil	70-75
Louise Burnett	60-65	0-5	Nil	65-70	60-65	0-5	Nil	65-70
Vicky Crichton	60-65	0-5	Nil	60-65	55-60	0-5	Nil	60-65

Chair and Board fees

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). 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. The pay bands in the table below have been audited by our external auditor.

	Year Ended 30 June 2024		Year Ended 30 June 2023	
	Daily Fee £	Total £000	Daily Fee £	Total £000
Jane Malcolm, Chair <i>(started 10/07/23)</i>	327	10-15	-	-
Jim Martin, Chair <i>(left 31/12/22)</i>	-	-	324	5-10
Morag Sheppard	223	0-5	220	5-10
Niki Maclean	223	0-5	220	5-10
June Andrews <i>(left 30/04/24)</i>	223	0-5	220	5-10
John Stevenson	223	5-10	220	5-10
Richard McMeeken	223	0-5	220	0-5
Jean Grier	223	0-5	220	0-5
Lynne Collingham	223	5-10	220	5-10
Anne Gibson	223	5-10	220	0-5
Dale Hughes	223	0-5	220	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 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 2024	Year ended 30 June 2023
Remuneration Band for highest paid member of staff	£85-90,000	£85-90,000
Percentage change from previous year	0%	0%
Average percentage change for employees	+5.0%	+2.8%
Lower quartile remuneration	41,467	37,916
Lower quartile ratio	2.1	2.3
Median remuneration	42,587	40,817
Median ratio	2.0	2.1
Upper quartile remuneration	42,858	40,817
Upper quartile ratio	2.0	2.1
Remuneration Range	£27,000 – £85-90,000	£25,000 – £85-90,000

The table above has been audited by our external auditor.

The FTE used to calculate the average in this pay scale was 54.43 in 2022/23 and increased to 55.81 in 2023/24. Staff at the SLCC receive salary only for remuneration. This year there was a reduction in the all-quartile ratios. This was due to the 2023-24 pay increase and staff progression. During 2023/24 the SLCC had one temporary member of staff and no agency members of staff.

In 2023/24, 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 2023 concluded in October and a 5% pay increase for all SLCC staff, excluding the CEO, will be agreed.

Pay discussions for April 2024 are currently ongoing.

Staff report

The average number of staff full time equivalent (FTE) employed by the SLCC during the year was 54 FTE, detailed as follows:

	Year ended 30 June 2024	Year ended 30 June 2023
CEO	1	1
SMT	3	3
Staff	52	50
Total average FTE	56	54
Permanent FTE	55	54
Temporary FTE	1	0
Total average FTE	56	54

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 2024	Year ended 30 June 2023
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 2022, identifying staff and members separately.

	Year ended 30 June 2024			Year ended 30 June 2023		
	Staff £000	Members £000	Total £000	Staff £000	Members £000	Total £000
Salaries	2,433	55	2,488	2,249	51	2,300
Social security costs	242	2	244	195	2	197
Pension costs	203	-	203	186	-	186
Temporary Staff Costs	6	-	6	-	-	-
Total Salary Costs	2,884	57	2,941	2,630	53	2,683

These tables have been audited by our external auditor.

During the year to 30 June 2024 no employees received an exit package (2022/2023 zero exit packages). No off-payroll payments were made.

The SLCC currently holds the Living Wage accreditation.

	Year ended 30 June 2024	Year ended 30 June 2023
Average FTE	56	54
Gender	67% Female 33% Male	71% Female 29% Male
Board	67% Female 33% Male	60% Female 40% Male
Management Team	75% Female 25% Male	75% Female 25% Male
Absence	5.9 days	9.9 days
Turnover Rate	5.06%	7.05%

Absence decreased from 9.9 days in 2022/23 to 5.9 days in 2023/24. We also had less long-term illnesses during 2023/24. These types of absences are managed carefully and referred to Occupational Health, where required.

In March 2024 we ran our annual staff engagement survey. The response rate this year was down on the previous year to 76% (78% in 2022/23). We saw positive increases across 3 of the 16 questions asked, compared with our 2023 survey. We were particularly pleased to see a positive increase in responses to “I am kept well informed about what the organisation is doing” (91% 2023/24, 89% 2022/23), and “I have a good working relationship with my colleagues” (98% 2023/24, 98% 2022/23).

However, there were 13 questions that decreased in percentage of staff agreeing. Areas that had the biggest drop were “My work motivates me and is challenging enough” (68% 2023/24, 92% 2022/23), “I feel

empowered to make decisions and act on them” (73% 2023/24, 84% 2022/23) and “I believe that staff are treated fairly and consistently within the organisation” (61% 2023/24, 71% 2022/23).

Equal pay

All staff, irrespective of gender, are paid according to our current pay and grading structure, are treated equally, and are progressing through our current pay and grading structure based on performance and length of service.

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

Grade C is our largest grade in terms of numbers of staff. Within this Grade there are 36 staff, 24 females (67%) and 12 males (33%). Within the lowest two spine points there are 6 females and 4 males, and within the top two spine points there are 18 females and 8 males. This relates solely to length of satisfactory service and suggests no structural issue.

In Grades A and B, we have 8 females (80%) and 2 males (20%). We will continue to consider in terms of recruitment, benefits and other aspects of employment how we can continue to be attractive to 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 2023 survey 9% of our staff indicated they have a disability or long-term health condition. This compares higher than the reported UK averages for the Civil Service in the 2022 survey (which has rates around 6% to 15% depending on grade).

In 2022/23 we embedded our ‘Your Job, Your Way’ principles that allow staff more flexibility in the time and location of work. Staff must attend the office, each quarter, one third of their working time. The rest of the

time they can choose whether they work from home or the office to suit their work life balance. We have seen the benefits this has to support a disability, caring responsibilities or simply managing a work life balance, and were awarded our 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 19 staff trained to be a mental health first aider and 23 staff trained in first aid, including all managers.

Health and Safety is discussed as a standing item each quarter, in Audit Committee. Risk assessments are refreshed annually, as is our policy statement on Health and Safety and staff are consulted on the risk assessments. This year we also had an internal audit on our health and safety. Our internal auditor found that there were appropriate reporting arrangements in place to ensure senior management and the Board are kept informed of health and safety matters.

Trade Union Facility Time

The SLCC recognises one trade union for the purpose of collective bargaining, Public and Commercial Services Union (PCS). The SLCC recognises the benefits of a positive and open relationship with our recognised trade union. As part of our commitment to working in partnership, and in accordance with the Trade Union (Facility Time Publication Requirements) Regulations 2017, we offer paid facility time to our workplace representatives to enable them to carry out union activities and duties.

Trade Union Representatives (TU)

Number of employees who were relevant Union Officials during the relevant year	FTE employee numbers
0	0

The SLCC had no in-house trade union representatives this year and staff have been supported by paid PCS officials.

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's levies. Any practitioner against whom has a service complaint upheld against them must pay to the Commission, a contribution in relation to 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.



Neil Stevenson
Chief Executive Officer

31 October 2024

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 2024 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 flow, 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 2023/24 Government Financial Reporting Manual (the 2023/24 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 2024 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 2023/24 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 5 June 2023. My period of appointment is five years, covering 2022/23 to 2026/27. 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 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 the Accountable Officer determines 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 assessing the body's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and 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

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.

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.

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.

Helen Russell

Helen Russell, FCPFA
Senior Audit Manager
Audit Scotland
4th Floor
8 Nelson Mandela Place
Glasgow
G2 1BT

31 October 2024

4. Statement of comprehensive net expenditure for year ended 30 June 2024

	Notes	Year ended 30 June 2024 £000	Year ended 30 June 2023 £000
Operating Income	2	(4,221)	(3,863)
Expenditure			
Staff Costs	3,4	2,941	2,683
Other Administration Costs	5	1,247	1,040
Depreciation and Amortisation	7,8,14	143	183
Loss on disposal of fixed assets	7	23	-
Net Operating Expenditure/(income)		133	43
Finance Costs	6	35	5
Net Expenditure/(income) for the year		169	48

All amounts relate to continuing activities.

The accompanying notes on pages 47 to 55 form an integral part of these financial statements.

5. Statement of financial position as at 30 June 2024

	Notes	Year ended 30 June 2024 £000	Year ended 30 June 2023 £000
Non-Current Assets			
Property, Plant and Equipment	7	101	23
Intangible Assets	8	0	0
Right to Use Assets	14	1,200	24
Total Non-Current Assets		1,301	47
Current Assets			
Trade and Other Receivables	9	334	247
Cash and Cash Equivalents	10	1,303	1,747
Total Current Assets		1,637	1,994
Current Liabilities			
Trade and Other Payables	11	(372)	(462)
Total Current Liabilities		(372)	(462)
Net Current Assets		1,265	1,532
Non-Current Assets plus Net Current Assets		2,566	1,579
Non-Current Liabilities			
Creditors - amounts falling due after more than one year	12	(1,098)	(4)
Provisions for liabilities and charges	13	(194)	(133)
Total Non-Current Liabilities		(1,292)	(137)
Assets less liabilities		1,274	1,442
Equity			
General Fund		1,274	1,442
Total Equity		1,274	1,442

The General Fund represents net assets available to the SLCC at the balance sheet date. The accompanying notes on pages 47 to 55 form an integral part of these financial statements.



Neil Stevenson
Chief Executive Officer

31 October 2024

6. Statement of cash flow for year ended 30 June 2024

		Year ended 30 June 2024	Year ended 30 June 2023
	Notes	£000	£000
Cash Flow from Operating Activities			
Net Operating Income/(Expenditure)		(133)	(43)
Interest Payable and Other Finance Costs	6	(35)	(5)
Adjustment for Non-Cash Transactions			
Depreciation	7	10	17
Amortisation	8	-	4
Depreciation - right-to-use assets	14	133	163
Loss on disposal of fixed assets	7	23	-
(Increase)/Decrease in Trade and Other Receivables	9	(87)	(26)
Increase/(Decrease) in Trade and Other Payables	11	(90)	80
Increase/(Decrease) in Creditors - amounts falling due after more than 1 year	12	1,094	(12)
Increase/(Decrease) in Provisions for liabilities and charges	13	60	(12)
Increase/Decrease from Operating Activities		975	166
Cash Flows from Investing Activities			
Purchase of Property, Plant and Equipment	7	(111)	-
Purchase of Intangible Assets (Software)	8	-	-
Net Cash Outflow from Investing Activities		(111)	-
Cash Flows from Financing Activities			
Addition of Right-to-use asset	14	(1,309)	(168)
Net Cash Outflow from Financing Activities		(1,309)	(168)
Increase/(Decrease) in Cash		(444)	(2)
Net Increase/(Decrease) in Cash and Cash Equivalents			
Cash and Cash Equivalents at the beginning of year		1,747	1,749
Cash and Cash Equivalents at the end of year		1,303	1,747
Increase/(Decrease) in Cash		(444)	(2)

7. Statement of changes in taxpayers' equity for year ended 30 June 2024

	Notes	Year ended 30 June 2024 £000	Year ended 30 June 2023 £000
Balance as at 1 July 2023		1,442	1,490
Surplus/(Deficit) on Provision of Services		(169)	(48)
Balance as at 30 June 2024		1,274	1,442

The accompanying notes on pages 47 to 55 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 Interpretation 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 relation to accounting policies which have a material impact upon these financial statements.

Provisions are based on estimates. A provision has been included to take into account appeals that we had conceded by the end of the financial year and are expecting to pay expenses in the new Financial Year. Legal provisions are calculated on 80% of the cost involved to defend or bring the action.

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

IFRS 16: Leases is effective from 1 April 2022 and was adopted for the first time in the financial statements 2022-23. Further information is available under leases and note 14.

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 licenses, 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 is being applied by HM Treasury in the Government Financial Reporting Manual (FReM) from 1 April 2022. IFRS 16 introduces 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, SLCC are 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 have elected to utilise the capitalisation threshold of £5,000 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 will require 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. 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 Income and 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 2024	Year ended 30 June 2023
	£000	£000
Levy from Law Society of Scotland	3,771	3,434
Levy from Faculty of Advocates	82	74
Approved Regulator Levy (Law Society of Scotland)	10	10
Complaints Levies	189	240
Total levies for the year	4,052	3,758
Bank interest	116	61
Recovery of legal expenses	52	25
Secondment Income	0	19
Scottish Government SLSO Contribution	1	0
Total other income	169	105
Total income from all sources	4,221	3,863

3. Staff Costs and Numbers

Staff employed

The average number of staff full time equivalent (FTE) employed by the SLCC during the year was 56 FTE, detailed as follows:

	Year ended 30 June 2024	Year ended 30 June 2023
CEO	1	1
SMT	3	3
Staff	52	50
Total average FTE	56	54
Permanent FTE	55	54
Temporary FTE	1	0
Total average FTE	56	54

Breakdown of Board members

	Year ended 30 June 2024	Year ended 30 June 2023
Chair	1	1
Members	8	8
Total average FTE	9	9

Breakdown of staff and member costs

	Year ended 30 June 2024			Year ended 30 June 2023		
	Staff £000	Members £000	Total £000	Staff £000	Members £000	Total £000
Salaries	2,433	55	2,488	2,249	51	2,300
Social security costs	242	2	244	195	2	197
Pension costs	203	-	203	186	-	186
Temporary Staff Costs	6	-	6			
Total Salary Costs	2,884	57	2,941	2,630	53	2,683

4. Pension Costs

For 2023/24, employer's contributions of £202,639.62 (2022/23: £186,186) were payable to Standard Life at 12% of pensionable pay for the CEO and 8% for all other staff.

5. Other Administration Costs

The total below includes the external auditor's remuneration of £18,180 (2022/23: £17,150).

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

	Year ended 30 June 2024 £000	Year ended 30 June 2023 £000
Property	208	167
Office	46	54
Staff Training & Recruitment	42	35
Travel & hospitality	5	5
IT	269	211
Outreach	28	39
Special Projects	61	44
Legal	481	410
Mediation	48	34
Financial	66	56
Other Professional Fees	4	5
Bad Debt Provision	-11	-20
Other Administration Costs	1,247	1,040

6. Interest and Other Finance Costs

	Year ended 30 June 2024	Year ended 30 June 2023
	£000	£000
Interest Payable from Leases	35	5
Total Interest Costs	35	5

7. Property, Plant and Equipment

	Year ended 30 June 2024			Year ended 30 June 2023		
	Furniture fixtures & fittings	IT and telecoms equipment	Total tangible assets	Furniture fixtures & fittings	IT and telecoms equipment	Total tangible assets
	£000	£000	£000	£000	£000	£000
Cost						
As at 1 July	242	245	487	242	245	487
Additions	34	77	111	-	-	-
Disposals	(242)	(245)	(487)	-	-	-
As at 30 June	34	77	111	242	245	487
Depreciation						
As at 1 July	218	245	463	202	245	447
Charge for year	5	5	10	16	-	16
Disposals	(218)	(245)	(463)	-	-	0
As at 30 June	5	5	10	218	245	463
Net Book Value	29	72	101	24	-	24
Owned Assets	29	72	101	24	-	24
Leased Assets	-	-	-	-	-	-
Net Book Value	29	72	101	24	0	24

8. Intangible Assets

	Year ended 30 June 2024 Software	Year ended 30 June 2023 Software
	£000	£000
Cost		
As at 1 July	362	362
Additions	-	-
Disposals	(362)	
As at 30 June	-	362
Amortisation		
As at 1 July	362	358
Charge for year	-	4
Disposals	(362)	
As at 30 June	-	362
Net Book Value	-	-
Owned Assets	-	-
Leased Assets	-	-
Net Book Value	-	-

9. Trade and Other Receivables

	Year ended 30 June 2024	Year ended 30 June 2023
	£000	£000
Other Debtors	144	118
Expected credit losses	(61)	(78)
Prepayments	251	207
Total	334	247

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, or Sole Trader or Partnership has gone out of business, or the invoice is more than 28 days overdue. This is based on historic default rates, and this is not expected to change looking forward and is therefore appropriate. The expected credit loss provision has increased year on year due to the total amount of complaints levy increasing and therefore the debtors increasing.

10. Cash and Cash Equivalents

	Year ended 30 June 2024	Year ended 30 June 2023
	£000	£000
Opening Balance	1,747	1,749
Net change in cash and cash equivalent balances	(444)	(2)
Total	1,303	1,747
Analysed as:		
Cash	50	50
Term Deposits	1,253	1,697
Total	1,303	1,747

11. Trade and Other Payables

	Year ended 30 June 2024	Year ended 30 June 2023
	£000	£000
Trade Payables	44	236
Taxes and Social Security Costs	90	81
Accruals and Other Creditors	109	108
Lease Payments (Office & IT)	118	37
Total	361	462

All of the creditors are held at amortised cost.

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

	Year ended 30 June 2024	Year ended 30 June 2023
	£000	£000
Lease Payments (IT)	-	4
Lease Payments (Office)	1,098	-
Total	1,098	4

13. Provisions for liabilities and charges

	Year ended 30 June 2024			Year ended 30 June 2023		
	Dilapidation Provision	Legal Provision	Total Provisions	Dilapidation Provision	Legal Provision	Total Provisions
	£000	£000	£000	£000	£000	£000
As at 1 July	93	40	133	93	52	145
Provided in year	15	111	126	-	37	37
Released from provisions	(47)	(18)	(65)	-	(49)	(49)
As at 30 June	61	133	194	93	40	133

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.

14. Leases

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 incentive received.

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

The right-to-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 assets useful life. The right-to-use asset will be periodically reviewed for impairment losses and adjustments on remeasurement of the lease liability.

In year the SLCC moved office. This resulted in a significant new addition to account for the new office and a disposal for the previous office.

	Year ended 30 June 2024			Year ended 30 June 2023		
	Office	IT	Total	Office	IT	Total
	£000	£000	£000	£000	£000	£000
Cost						
As at 1 July	168	19	187	-	-	-
Recognition of right to use asset on initial application of IFRS 16			-	168	19	186
Additions	1,309		1,309	-	-	-
Disposals	(168)	(19)	(187)	-	-	-
As at 30 June	1,309	-	1,309	168	19	186

Depreciation

As at 1 July	144	19	163	-	-	-
Charge for year	133	-	133	144	19	163
Disposals	(168)	(19)	(187)			
As at 30 June	109	-	109	144	19	163

Net Book Value	1,200	-	1,200	24	0	24
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Analysis of Lease Liabilities

Due in one year	114	4	118	24	13	37
Due within one year and five years	499	-	499	-	4	4
Due in more than five years	599	-	599	-	-	-
Total	1,212	4	1,216	24	17	41

15. Capital commitments

There were no contracted capital commitments as at 30 June 2024 (2022/23: Nil).

16. 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

Cyber Advance Contract 1 March 2024 to 28 February 2025 £12k

17. 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's not practicable to quantify and there isn't an actual liability at the year end, given that the cases are ongoing.

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

18. 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



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 14 October 2009