



# Annual Report and Accounts

For the year ended  
31 March 2024

The Scottish Legal Aid Board

[www.slab.org.uk](http://www.slab.org.uk)

## Contents

<b>The Performance Report .....</b>	<b>3</b>
<b>The Accountability Report .....</b>	<b>33</b>
<b>The Fund Financial Statements .....</b>	<b>66</b>
<b>The Board Financial Statements .....</b>	<b>90</b>
<b>Direction by Scottish Ministers .....</b>	<b>106</b>

**Laying reference: SG/2024/167**

## The Performance Report

In this section we cover:

<a href="#">2023-24 in numbers</a>	4
<a href="#">The Chair's welcome</a>	5
<a href="#">Chief Executive's overview of the year</a>	6
<a href="#">Overview - the importance of legal aid</a>	8
<a href="#">Our organisational structure</a>	10
<a href="#">The risks we faced</a>	11
<a href="#">The basis of going concern</a>	13
<a href="#">Performance analysis</a>	15
<a href="#">Supply and demand in legal assistance in 2023-24</a>	15
<a href="#">Our performance against our strategic objectives</a>	17
<a href="#">Our financial performance</a>	19
<a href="#">Our operational performance</a>	24
<a href="#">Equality and diversity</a>	27
<a href="#">Environmental impact and sustainability</a>	31

## 2023-24 in numbers

**£151M**

Legal aid cash spend (Fund)



**£14.7M**

Administration spend

**£114M**

Paid to solicitors and solicitor advocates



**176,000**

grants of legal assistance made

**12%**

Increase in cash spend (Fund)



**380**

Employees as at 31 March (67% female, 33% male)

## Summary of performance

### Key Performance Indicators

We made five of our 33 KPIs more challenging.

We met or exceeded our KPIs 84% of the time.

### Freedom of Information

101 FOIs received.

98 responded to on time.

87 fully or partially disclosed information where we held the data requested.

### Complaints

37 required investigation:

- 81% not justified
- 92% responded to within time limit.

### Subject Access Requests

77 SARs received.

76 responded to on time.

### Supplier invoices

99% of our administrative invoices (not legal aid accounts) paid within 10 days of receipt.

### Feedback

Your dedication, expertise and unwavering commitment have made a significant difference in my life and for that I am profoundly grateful.

Thank you for all your help over the last year, I think you go above and beyond!

## A word from the Chair and Chief Executive

### The Chair's welcome

This will be the final Annual Report and Accounts that I have the privilege of introducing. After a total of 14 years serving on the Board, eight of those as Chair, I am stepping down at the conclusion of my second term. It is often the case that the term “challenge” can be overused but looking back at my time as a Board member and Chair, I think I can assert with some confidence that this firmly applies.

Over my time, I have seen a range of significant initiatives delivered. These include the transfer from the courts to the Scottish Legal Aid Board (SLAB) of the responsibility to decide applications for solemn legal aid, followed by children's legal aid; the introduction of a grant funding programme which incorporated different models for delivering and planning advice services; and a quality assurance scheme for civil, criminal and children's legal aid. Other milestones were the establishment of a system of publicly funded legal assistance for advice for accused in police stations and the Solicitor Contact Line. The Board has also helped steer the business through and after the Covid-19 pandemic, ensuring SLAB continues to operate effectively and in new ways.

Change has been a constant during my tenure. It has often been incremental but occasionally, as was the case with the pandemic, sudden and far-reaching. With the assistance of our justice sector partners and the legal profession we have been able to successfully accommodate change, but it has involved much imaginative thought in using the existing system to cover situations that were not envisioned when the Legal Aid (Scotland) Act 1986 became law nearly 40 years ago.

However, innovative application of existing legislation can only go so far, and my only disappointment has been that, for several reasons, the Scottish Government has not been able to deliver the level of legal aid reform that I, and several iterations of the Board, was hoping for. Legal aid must be sustainable, and it must be able to effectively contribute to wider justice and social objectives. SLAB must also have the ability to contribute to meaningful public service reform in future. These things are reliant on a statutory framework that is fit for the 21st century.

This year has also seen some change among the Board membership with Judith Robertson and Gavin Stevenson joining the Board. I regret that I only had one year to work with them, but I have been delighted to see their immense experience and expertise being put to good use.

I must take this opportunity to thank those Board members who, like me, are stepping down on 31st March. David Sheldon, Sarah O'Neill and Lesley Ward have all served two terms on the Board and have made an invaluable contribution. I wish them well in their future endeavours.



Ray Macfarlane

---

**It has been a privilege serving as Chair. I have been able to see first-hand the vital contribution that the legal profession makes by using legal aid funding to help people right across the country through a range of different life challenges. Many of those in receipt of funding have been at their most vulnerable.**

---

# Performance Report

I would like to thank the Board and the staff at SLAB for their support and hard work. I wish my successor, Bill Moyes, well and I can confidently say that whatever challenges he may face over the coming years it will be made all the easier for the excellent team of people working to ensure the legal aid system continues to support access to justice in Scotland.

## Chief Executive's overview of the year

I am pleased to present our annual report for 2023-24, the first year of progress against our Corporate Plan 2023-26.

When I introduced that plan, I set out our continued call for transformational reform of the current legal aid system. Although we hope to see early progress on that front, it is now clear that any legislative change would not be implemented until after the end of our current Corporate Plan in 2026. As part of our delivery of that Plan, we continue to support Scottish Government in its development of reform options while also prioritising the high quality delivery of our key functions.

This includes administering the funding for legal aid cases. This funding allowed 176,000 grants of legal assistance to be made covering a range of civil, criminal and children's hearings matters. These can range from one off advice to representation by solicitors and counsel in a long running and complex High Court trial. All will have an impact on those in receipt of that funding.



Colin Lancaster

---

**The importance we place on high levels of customer service to both applicants and solicitors is reflected in a positive level of performance against our suite of Key Performance Indicators.**

---

The low numbers of complaints we receive, and the positive feedback sent to us, are testament to the quality of our service to customers. But there is no place for complacency, so we will shortly launch a Customer Insight Strategy to inform the further development of our service delivery and performance measurement in line with our customers' needs and feedback.

The area of delivery that I am particularly pleased with is around the investment of our staff who will be key to delivering Ministers' future priorities for legal aid. Our Job Evaluation and Grading Project has been a huge piece of work involving the assessment of around 150 distinct roles in the organisation. We have benchmarked these roles against a range of other public sector employers, and I am confident that we now have a pay and grading structure that is fair, equitable and consistent for everyone.

Our Client Legal Services teams have also continued to deliver a first class service to their clients. I am particularly pleased to see the enthusiasm with which they have embraced opportunities to develop closer working relationships with each other, reflecting varied client needs and developing multi-disciplinary approaches that can harness the full range of our civil and criminal expertise.

The delivery and continual improvement of our service depends on our ability to attract, retain and maximise the potential of our people. This year has seen us develop and launch an extensive programme of training for the leaders throughout our organisation.

# Performance Report

This builds on the vast well of experience we have in the organisation with the addition of new skills and approaches to developing, managing and delivering change. I am confident that this will stand us in good stead for the future challenges and opportunities we might face.

In my introduction to last year's report, I reflected on one of those challenges: the impact of the industrial action taken by the profession to press their case with Ministers for increased fee rates, a topic that continues to dominate the public debate around legal aid. At the time of writing, Scottish Government is facing renewed calls from representative bodies of the legal profession to further increase legal aid fees.

Solicitors will again be boycotting certain legal aid work and both the Law Society of Scotland and Scottish Solicitors' Bar Association have withdrawn from the steering group supporting Scottish Government led research into the profitability of legal aid work and the sustainability of the firms that deliver it. We view that research as a vital first step in establishing a much needed evidence-based approach to the setting and regular review of fee levels.

---

**With the research now unlikely to proceed, it is hard to see how one of the profession's key demands - for a regular fee review mechanism - can be met. Nor is it clear that any solution to the fees question will resolve the challenges highlighted by the profession.**

---

Alongside the profession, we have contributed over the last year to the Future of the Legal Profession Working Group, convened jointly by the Scottish Government, Law Society of Scotland and Faculty of Advocates. The evidence presented strongly suggests that the challenges described by legal aid solicitors are not only complex and multi-faceted but are also faced, to a significant extent, well beyond the legal aid sector, and indeed beyond the legal profession.

We fully support the need for progress with the research and for regular review of legal aid payment mechanisms and levels. But we are equally clear that increases in legal aid fees alone will do little to address the other deep-rooted and widespread issues discussed by the working group - around recruitment and retention, equality and diversity, and work-life balance.

---

**Decisions about legal aid fee levels are for Scottish Ministers. This year's annual report shows that those decisions will have to be taken against a backdrop of rapidly rising legal aid expenditure at a time of significant constraint in the public finances.**

---

Of note is that payments to solicitors and solicitor advocates totalled £114 million this year; a £15 million increase on the pre-pandemic year of 2019-20. While some of this increase is no doubt due to the recovery of the justice system post Covid-19, it is also a clear and direct positive impact of the 25% cumulative rise in fee rates introduced by the Scottish Government since 2019. The last 10.3% tranche of these increases was introduced in late April 2023, so much of its impact is yet to be seen due to the time lag between new fees taking effect and being billed.

The legal aid fund continues to be demand led. This means that expenditure generally falls when demand falls, as it did between 2010-11 and 2018-19, driven largely by a significant and sustained reduction in the number of prosecutions. But conversely it generally rises when demand rises - or when the rates paid to solicitors and advocates increase.

The total cost to the taxpayer of the legal aid system in the pre-pandemic year 2019-20 was £131 million. This year we are reporting total expenditure of £151 million. As we move into 2024-25, based on current and anticipated volumes and case costs, we are estimating that expenditure for 2024-25 could be around £171 million which would be the highest ever recorded. This poses a major financial challenge for the Scottish Government but also represents a significant investment in legal aid and a substantial financial boost for the committed firms up and down the country who deliver this vital service.

## Overview - the importance of legal aid

Legally aided services perform an important public function, at both individual case and collective levels.

At an individual level, services paid for by legal aid enable people to enforce or protect their rights, resolve disputes, and defend themselves when the state and others act against them. It also allows people to use the remedies, processes, and facilities the law provides to manage their personal affairs and relationships.

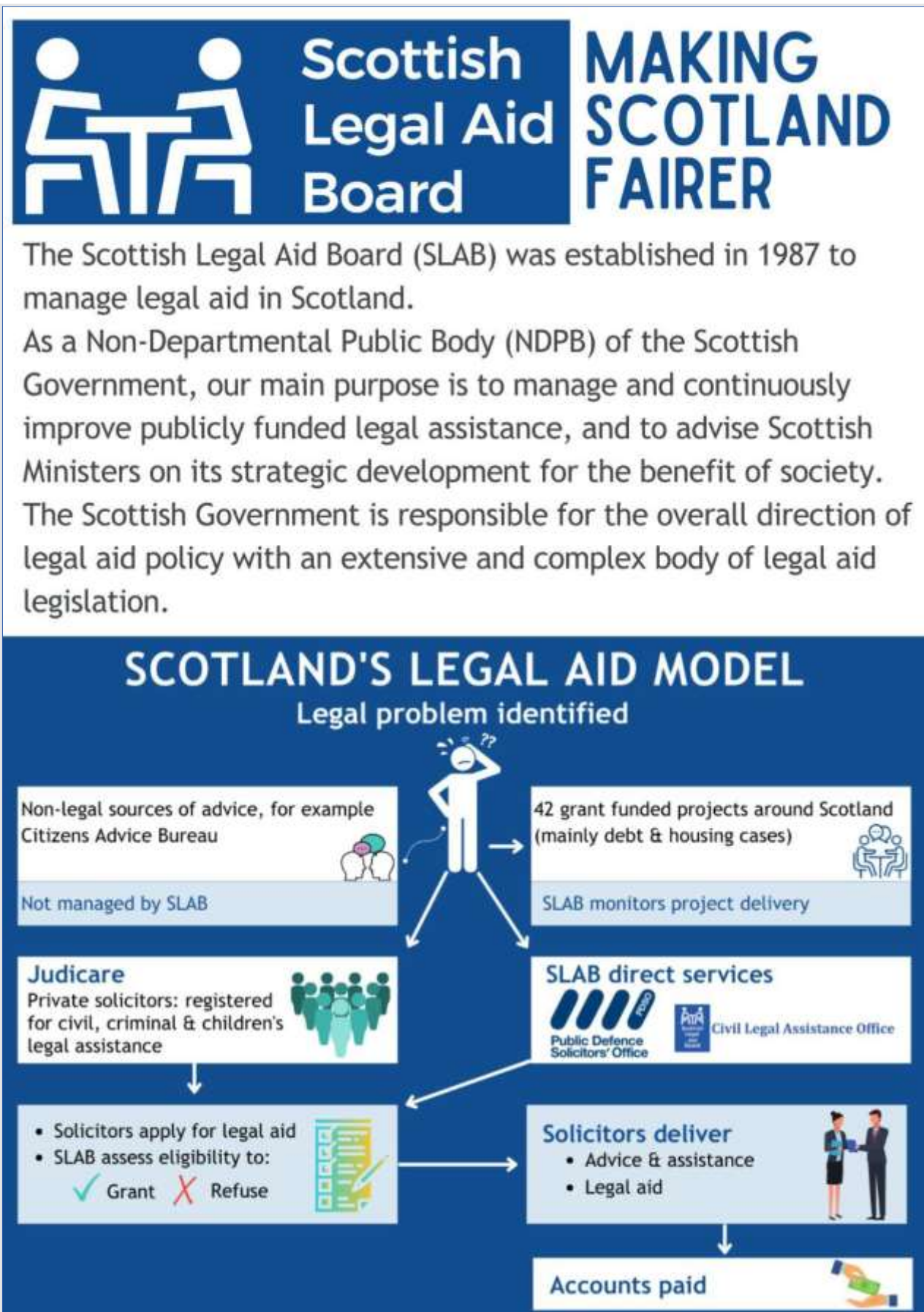
At the collective level, the ability to use the law to challenge the power wielded by the state or others in a position of authority supports the rule of law and provides a firm foundation for a society based on civil, political, social, and human rights.

Legal aid in Scotland is primarily designed around case-by-case funding for services provided by solicitors and others instructed by them, such as advocates and experts. This is known as *judicare*. Most services paid for through the Legal Aid Fund are delivered by *judicare* through the private sector. The third sector and our own in-house legal services also deliver case-by-case services but on a much smaller scale.

Finally, a small amount of funding provides direct grants to deliver targeted legal and advice services. Legal aid funding pays for solicitors, advocates, and other necessary services to help people resolve problems by negotiation or in a court or tribunal.



## How legal aid works

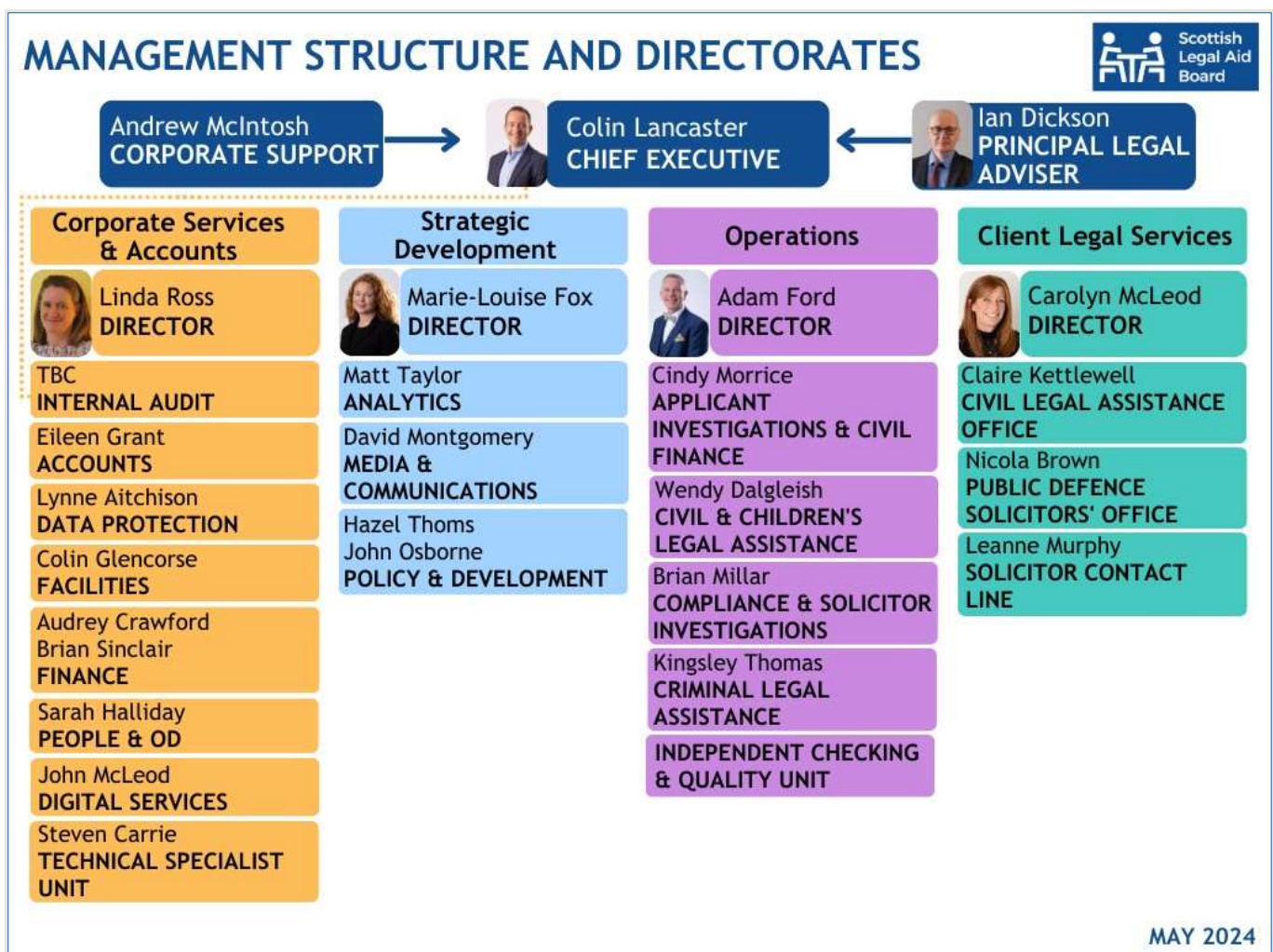


# Performance Report

Funding for legal aid cases is demand led. This means that decisions on eligibility and payment are made irrespective of any budgetary provision and the Scottish Government must make funding available if required to pay for services covered by the legal aid schemes, even if this is higher than expected in some years. In other years, demand may be less than expected. These are not savings that SLAB makes or holds or can use in any other way. The nature of judicare funding is that it is unplanned and non-targeted. Our primary purpose is to manage access to legal aid funding. We assess eligibility for legal aid and check accounts submitted for payment by solicitors and advocates.

## Our organisational structure

We employ 380 staff (125 male, 255 female). We are structured around four Directorates with just over 160 of our staff involved in the assessment of legal aid applications in the Operations Directorate and the payment of solicitor and advocate accounts in the Corporate Services and Accounts Directorate.



# Performance Report

## Our Strategic Objectives

<b>1</b>	<b>High Quality Administration</b> Our timely, clear and consistent decisions on legal aid applications and accounts deliver a positive customer experience.	
<b>2</b>	<b>High Quality Delivery of Client Legal Services &amp; Targeted Funding</b> Our Client Legal Services and targeted funding deliver high quality and accessible information, advice and representation.	
<b>3</b>	<b>Investing in Our People</b> We support our people to develop the skills and ways of working needed to deliver our mission, both now and in the future.	
<b>4</b>	<b>Shaping the Future</b> Our insightful, evidence-based and outcome-focused advice to Ministers supports their decision making on the future of legal aid and SLAB.	

## Summary Performance

The [performance analysis section of this report](#) gives a detailed breakdown of our performance during the last 12 months.

In summary, volumes of legal aid cases continued to increase back to pre-pandemic levels of operation. Clearing of our own backlog (caused by the pandemic) is almost complete and we have seen the effect of backlogs being cleared in other parts of the Justice Sector. The demand has been challenging but we continue to match it and make progress towards strategic objectives as listed above.

## The risks we faced

Risk is an uncertain future event that could have an impact on our corporate objectives if it occurs.

As an organisation we face a range of risks.

These could have consequences on our administration of the legal aid schemes, our infrastructure, our staff, our role as an employer, or our role as a public body and manager of public funds.

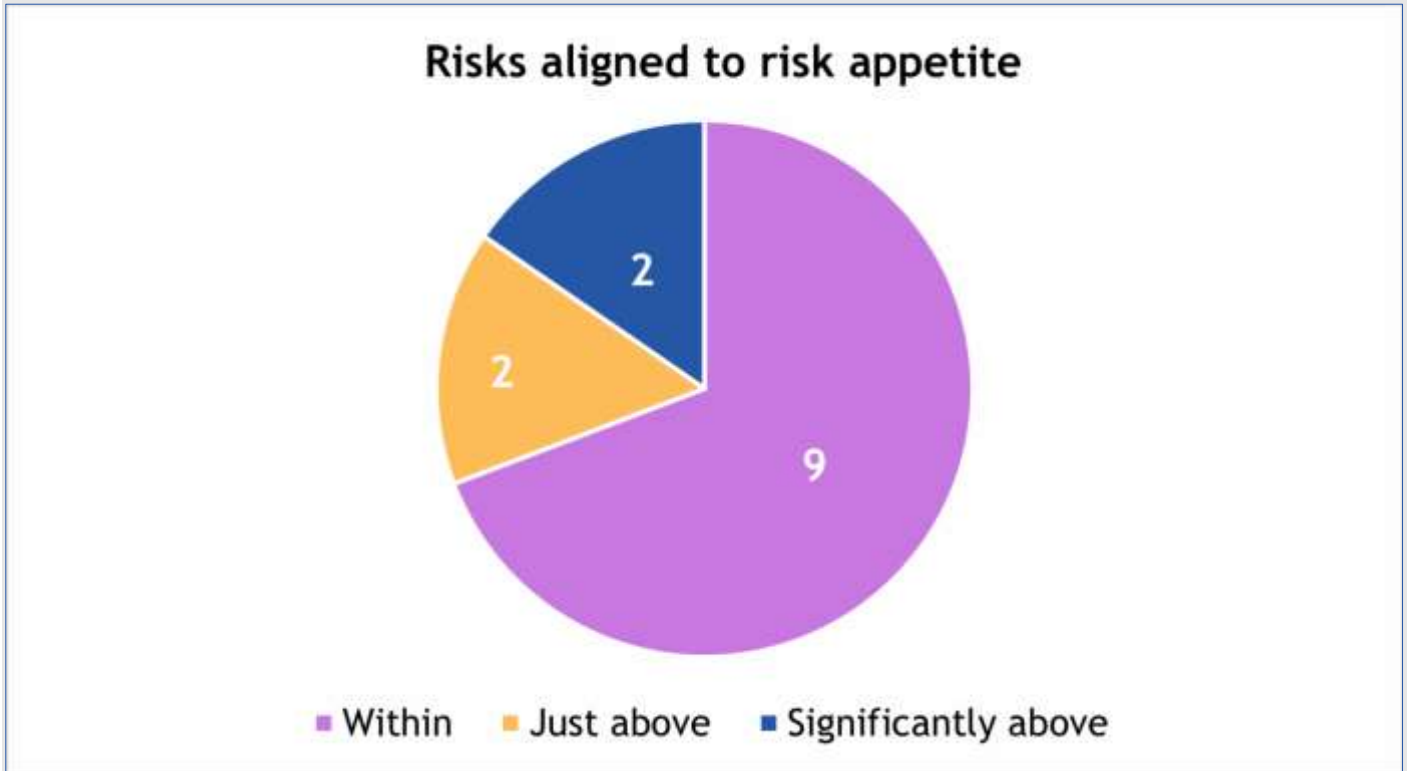


# Performance Report

Our Board sets the level of risk that it is prepared to take across a number of risk themes.

This allows us to decide whether a risk sits outside the Board’s risk appetite and as a result, whether the likelihood of the risk occurring, or the impact from the risk, needs to be reduced, where possible.

At the year end, we had 13 risks recorded on our corporate risk register:



The table below summarises our key risks considered by the Board to be material to the development, performance or prospects of the organisation.

Risk			
<b>Widespread failure of IT infrastructure and security leads to an inability to process legal aid applications and accounts or carry out SLAB business generally.</b>			
Risk Consequence	Risk appetite	Mitigation	End Year Summary
<ul style="list-style-type: none"> <li>Access to justice and payment delays</li> <li>Data breaches</li> <li>Loss of income.</li> </ul>	Low	<ul style="list-style-type: none"> <li>Cyber Essentials accreditation</li> <li>Security Information and Event Management (SIEM) monitoring system</li> <li>Business continuity planning.</li> </ul>	<p>The level of this risk has stayed constant.</p> <p>The Board is satisfied that all appropriate mitigations have been taken - this risk is almost impossible to eradicate.</p>
Risk			
<b>An aged statutory framework means SLAB works with inconsistencies in the legal aid schemes or cannot develop effective policies due to legislative restrictions.</b>			
Risk Consequence	Risk appetite	Mitigation	End Year Summary
<ul style="list-style-type: none"> <li>Inability to deliver improved outcomes for public.</li> </ul>	Medium	<ul style="list-style-type: none"> <li>Influencing of SG reform consideration</li> </ul>	<p>The Board would like to see the level of this risk reduce.</p>

# Performance Report

		<ul style="list-style-type: none"> <li>• Research and policy programme to inform proposals</li> <li>• GALA Project.</li> </ul>	The Board remains of the view that improvements to the legal aid legislative framework is essential.
<b>Risk</b>			
If our stakeholders oppose legislation or reform, our ability to effectively engage on change is poor and our resources are diverted away from our Corporate Plan.			
<b>Risk Consequence</b>	<b>Risk appetite</b>	<b>Mitigation</b>	<b>End Year Summary</b>
<ul style="list-style-type: none"> <li>• Fail to deliver our corporate objective around our advice to ministers.</li> </ul>	Low	<ul style="list-style-type: none"> <li>• Relationship management with stakeholders</li> <li>• Work with SG and other Justice partners to promote positive impact delivered by solicitor profession</li> <li>• Scenario planning to deal with possible market disruption.</li> </ul>	This risk has fluctuated as some parts of the legal profession continued to call for increases to fees and profess concern about the sustainability of the system.
<b>Risk</b>			
If we do not effectively recruit, retain and develop our staff then we may fail to deliver our services effectively.			
<b>Risk Consequence</b>	<b>Risk appetite</b>	<b>Mitigation</b>	<b>End Year Summary</b>
<ul style="list-style-type: none"> <li>• Undue pressure on staff leading to increase sickness</li> <li>• Ineffective management of Fund</li> <li>• Poorly informed decision making.</li> </ul>	Medium	<ul style="list-style-type: none"> <li>• Leadership and management development programme</li> <li>• Workforce planning</li> <li>• Review of people policies</li> <li>• Job Evaluation and Grading Project.</li> </ul>	<p>The risk profile changed during the year and finished within the Board’s risk appetite.</p> <p>Our development of a workforce plan will be key to maintaining this risk within the Board’s appetite.</p>

## The basis of going concern

### Scottish Legal Aid Board

In line with the Government Financial Reporting Manual, issued annually by HM Treasury, these annual accounts are required to reflect International Accounting Standard 19 “Employee benefits”. This requires entities to recognise, in their accounts, the costs, assets and liabilities of pension schemes.

As explained in note 40, pensions and other benefits are payable out of grant-in-aid and are met as they fall due. However, the accounts have been prepared in line with International Accounting Standard 19 “Employee benefits” and include an actuarial valuation of the pension scheme liability. As a result, the statement of financial position shows net liabilities of £73.4m (2022-23: £56.8m). This reflects the inclusion of liabilities falling due in future years which, to the extent that they are not to be met from the organisation’s other sources of income, will be met by future funding from the Scottish Government. This is because, under the normal conventions applying to Scottish Government control over income and expenditure, such grant-in-aid may not be paid in advance of need.

# Performance Report

Funding for 2024-25, considering the amounts required to meet SLAB's liabilities falling during that year, has already been included in the Scottish Government's estimates for that year, which have been approved by the Scottish Parliament, and for future years there is no reason to believe that the Scottish Government's full sponsorship and parliamentary approval will not be forthcoming.

The Scottish Government has given us written assurance that there are no plans to change the existing arrangements, where they fund SLAB's administrative costs, including the provision for net pension costs, through grant-in-aid.

Further, they state that there are no plans to wind up the organisation, and that if this was ever to become a possibility, then the liabilities falling due under the pension scheme would be a matter which the Scottish Government would require to recognise through the legislation that was considered by Parliament.

## Scottish Legal Aid Fund

SLAB estimates the value of unbilled live cases each year to arrive at the amounts disclosed within the accounts as a provision. The amount is an estimate of the expenditure required to settle any obligation at the end of the reporting period following the requirements of International Accounting Standard 37 "Provisions, contingent liabilities and contingent assets".

In estimating the provision, SLAB has adopted prudent measurement techniques based on the latest data available. No income is anticipated for cases that may successfully recover costs.

As a result of this and the inclusion of pension liabilities, the Scottish Legal Aid Fund statement of financial position shows net liabilities of £65.9m (2022-23 £69.8m). This reflects the inclusion of liabilities falling due in future years which, to the extent that they are not to be met from the organisation's other sources of income, will be met by future funding from the Scottish Government. This is because, under the normal conventions applying to Scottish Government control over income and expenditure, such grants may not be paid in advance of need.

Funding for 2024-25, considering the amounts required to meet SLAB's liabilities falling during that year, has already been included in the Scottish Government's estimates for that year, which have been approved by the Scottish Parliament.

The Scottish Government has given SLAB a written assurance that they will continue to provide funding for future sums due to any solicitor or counsel out of the Legal Aid Fund, in accordance with arrangements set out in the Legal Aid (Scotland) Act 1986, which creates a statutory obligation for payment. The Scottish Government has also given us written assurance on funding future pension costs as detailed above.

## Conclusion

Accordingly, it is considered appropriate to adopt a going concern basis for both the Scottish Legal Aid Fund and the Scottish Legal Aid Board in the preparation of these financial statements.

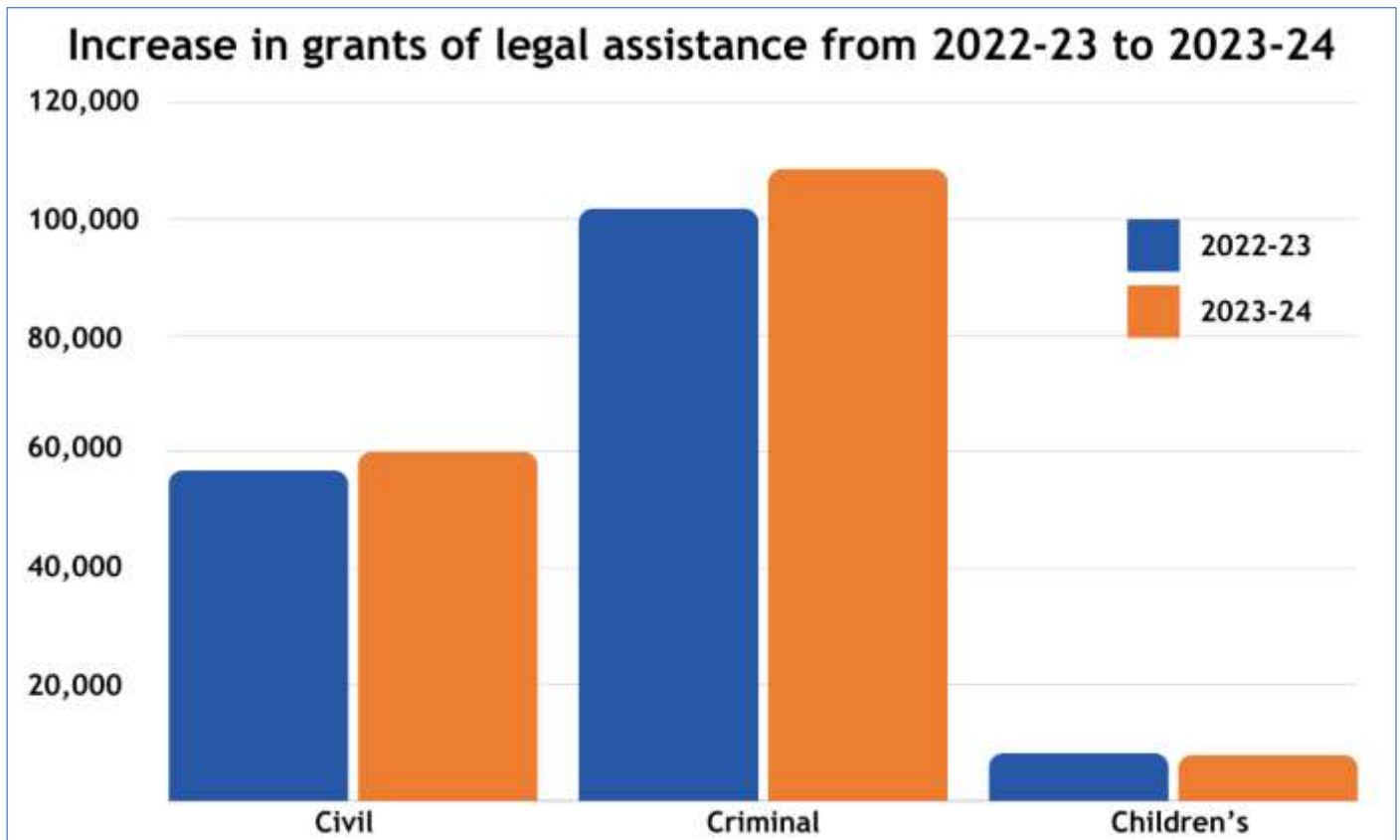
## Performance analysis

This section provides a summary of what we delivered this year. It summarises where legal aid expenditure went, the progress we made against our delivery plan and describes the main risks that we faced. It also shows how we performed against our performance benchmarks.

## Supply and demand in legal assistance in 2023-24

### Grants of legal assistance

Total grants of legal assistance rose by 8.6% to 176,000. This rise was driven primarily by a 13% rise in grants of summary criminal legal assistance (that is, legal aid and ABWOR).



In criminal, grants of ABWOR (assistance by way of representation), primarily used for guilty pleas in summary cases, increased by 19% to 25,300. The success of the Summary Criminal Case Management pilots in Dundee, Hamilton, Paisley and Glasgow is thought to be an important factor in this increase by facilitating earlier resolution of summary cases. Grants of summary criminal legal aid increased by 9% to 39,000. The overall level of summary criminal (ABWOR plus legal aid) is now just 4% below the level of the pre-pandemic year of 2019-20.

Grants of solemn criminal legal aid remained level at 12,100, which is 9% higher than the pre-pandemic year 2019-20.

In civil legal assistance, grants of full civil legal aid increased by 5% to 13,800.

Within civil, grants of 'family' legal aid declined 2.7% to 6,300 whereas non-family legal aid grants rose by 13% to 7,600. Non-family legal aid grants are mostly Adults with incapacity cases where grants rose by 13% to 6,500. Housing cases also rose - by 28% to 470 reflecting the increase in actions by some local authorities.

# Performance Report

Housing cases are expected to rise further as the temporary rent cap and eviction moratorium protections brought in by the Cost of Living (Tenant Protection) Act 2022 no longer apply from 1 April 2024.

Total grants of civil advice and assistance rose by 6% to 46,200. The largest growing component here was a 29% increase in immigration and asylum cases. The family/relationships grouping decreased by 6%.

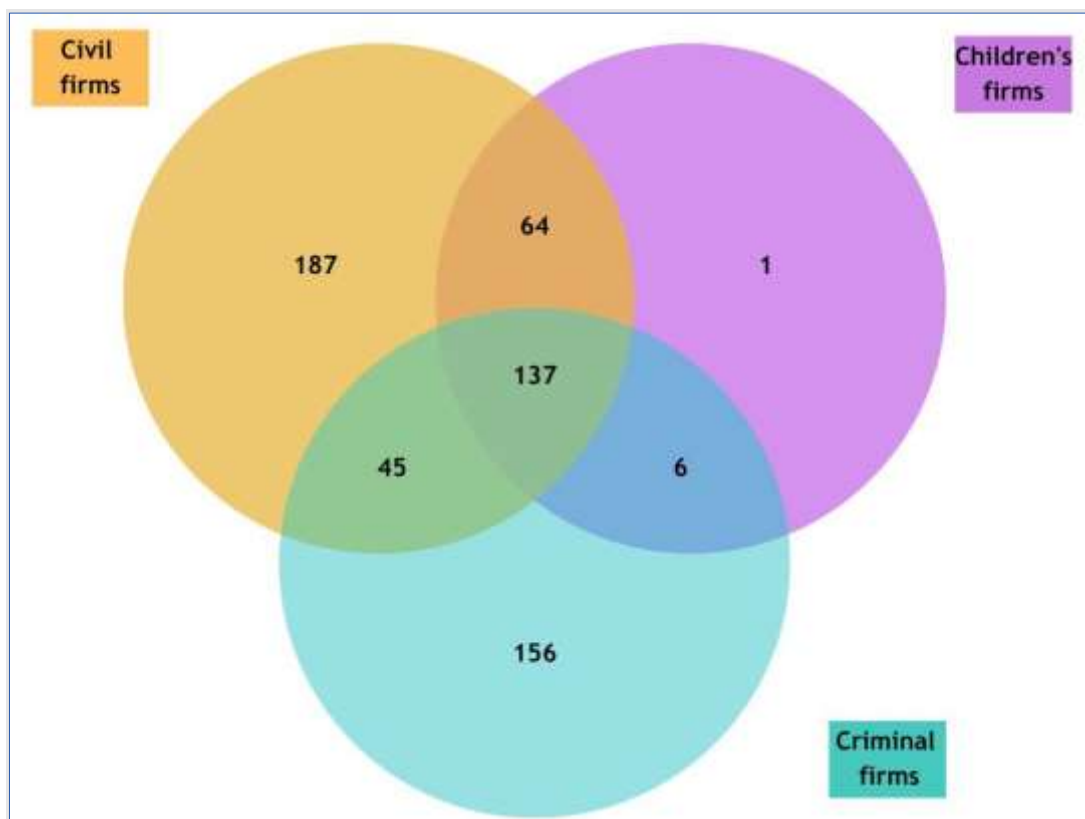
The number of children's advice and assistance grants decreased 4% to 2,400 and grants of children's ABWOR, decreased 5% to 3,900. Grants of children's legal aid cases decreased 2% to 1,470.

## Supply of legal assistance

There were 596 solicitor firms in 2023-24 that submitted one or more legal aid applications. This is a 4% reduction on the figure of 621 firms reported last year.

At the same time there was a 7% increase, to 175,000, in the number of cases dealt with.

There were diverse business models in operation. Of the 596 active firms, 156 firms (26% of the total) focused on only criminal legal aid, 187 firms (31%) delivered only civil legal aid, and at the multi-sector end there were 137 firms (23%) delivering all types of legal assistance.



In addition to specialism, there was significant concentration in the market with the busiest firms dealing with the great majority of work.

The busiest twenty percent of all firms dealt with 64% of all legal aid applications; conversely, 60% of firms dealt with just 14% of all legal aid applications.

The criminal only specialist firms made 366 applications on average per firm whereas the civil only firms made 139 applications on average. The 137 firms delivering all types of legal aid averaged 459 applications per firm.



# Performance Report

## Our performance against our strategic objectives



### High Quality Administration

Our timely, clear and consistent decisions on legal aid applications and accounts deliver a positive customer experience.



## We have been developing a Customer Insight Strategy

- An equality impact assessed strategy will be published in early 2024-25
- The strategy will enable us to better target changes to our procedures and inform our indicators of performance.



## We continued our Guidance on the Administration of Legal Assistance (GALA) project

- After a four-year programme of publishing equality assessed policy statements, internal decision makers' guidance and revised external guidance, we have moved this work onto a business-as-usual footing.



## We have considered improvements to the assessment of financial eligibility

- We delivered equality impact assessed policy advice for consideration by Scottish Government on ways in which standard income and capital allowances are managed in the assessment of financial eligibility.



### High Quality Delivery of Client Legal Services & Targeted Funding

Our Client Legal Services and targeted funding deliver high quality and accessible information, advice and representation.



## We have been reviewing delivery models for our direct legal services to respond to contextual changes

- We reviewed the operation of our Solicitor Contact Line
- We are trialling new ways of working to inform future delivery models and identify ways in which to attract and retain talent; this has included offering work based learning and internship opportunities to diploma students to raise awareness of our work and attract talent.



### Investing in Our People

We support our people to develop the skills and ways of working needed to deliver our mission, both now and in the future.



## We have carried out a review of our staff pay and grading structures




- The review creates a pay structure that is fair, equitable and consistent for everyone
- A revised pay and grade structure was approved by the Scottish Government, and staff were advised of their job evaluation outcome in March 2024.

## We have developed a 12-month leadership programme for senior managers




- The programme was launched in February 2024.



### Shaping the Future

Our insightful, evidence-based and outcome-focused advice to Ministers supports their decision making on the future of legal aid and SLAB.



## We have been developing our approach to workforce planning to ensure our staff have the skills and resources needed to deliver our future responsibilities



- Methodology agreed for our approach to corporate workforce plan
- Corporate workforce plan will be developed in 2024-25.

## We have contributed to Scottish Government's Research Advisory Group on legal aid payments



- We sat on advisory panel and provided input to the tender specification process.

## The Scottish Government has stated that it intends to reform legal aid in Scotland



- We are continuing to assist Scottish Government with advice on options for reform to enable Ministers to make decisions about the future

## We are developing a data analytics strategy



- Project scoping phase in progress and the strategy will launch in 2024-25

## We developed a Communications Strategy



- The strategy was launched in February 2024 with the aim of helping us to achieve the delivery of the 2023-26 Corporate Plan.

## Our financial performance

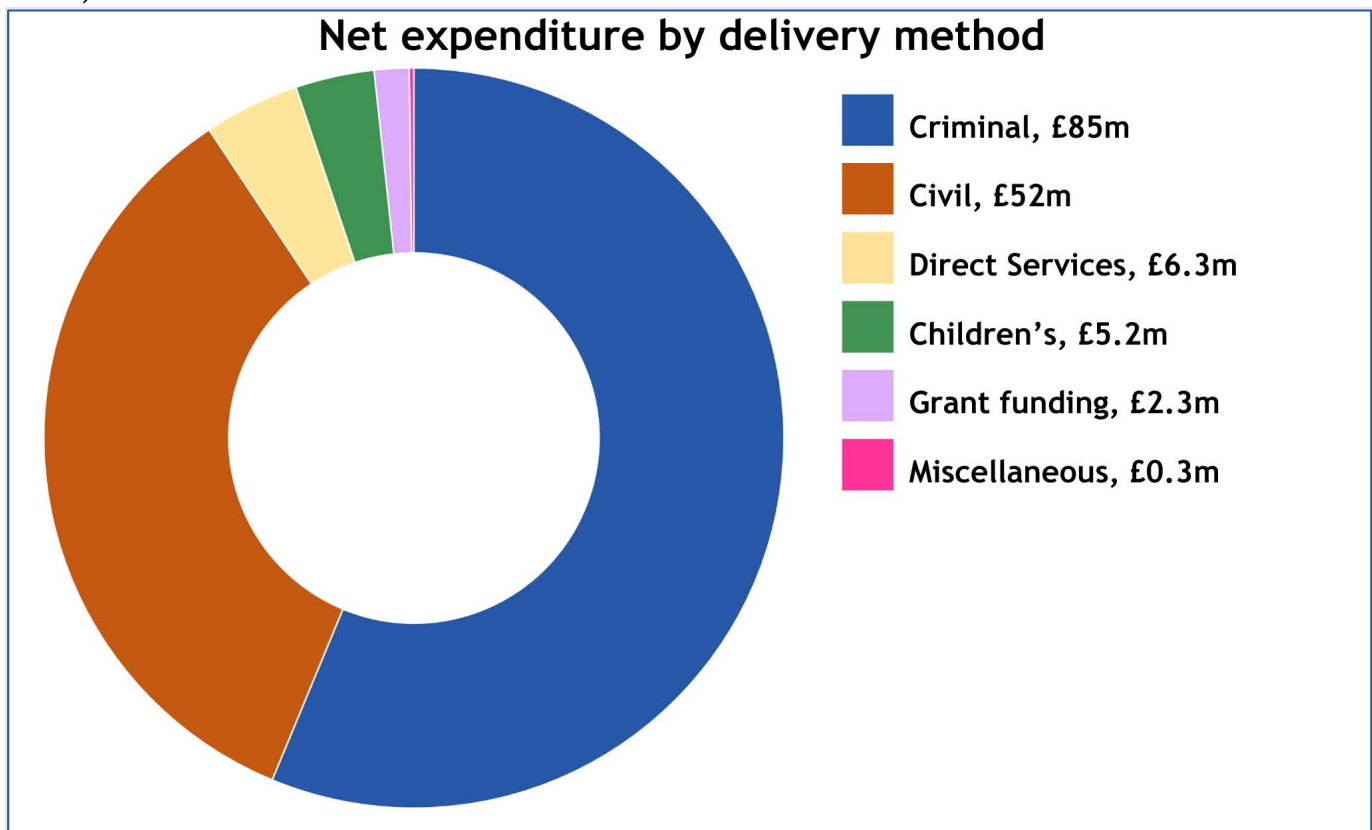
### What legal aid funded in 2023-24

The chart below details cash spend for the legal aid fund, as cash is the basis on which funding is received from the Scottish Government. The figures may be different to those detailed in the financial statements, which are compiled on an accrual basis.

The total cost of legal assistance between April 2023 and March 2024 was £151 million. This is a 12% increase on 2022-23 and a 16% increase on the pre-pandemic year of 2019-20.

The expenditure increase has been driven mostly by the increase in criminal expenditure which is up 17% to £90 million. The largest factor here was a 30% increase in solemn expenditure, from £34 to £44 million. This increase was partly due to an upsurge in cases being finished and partly due to the compounded effect of the various fee increases seen in recent years.

There was also a continued decrease in contributions and expenses collected in civil legal aid cases, but this amounts to less than a million net effect.



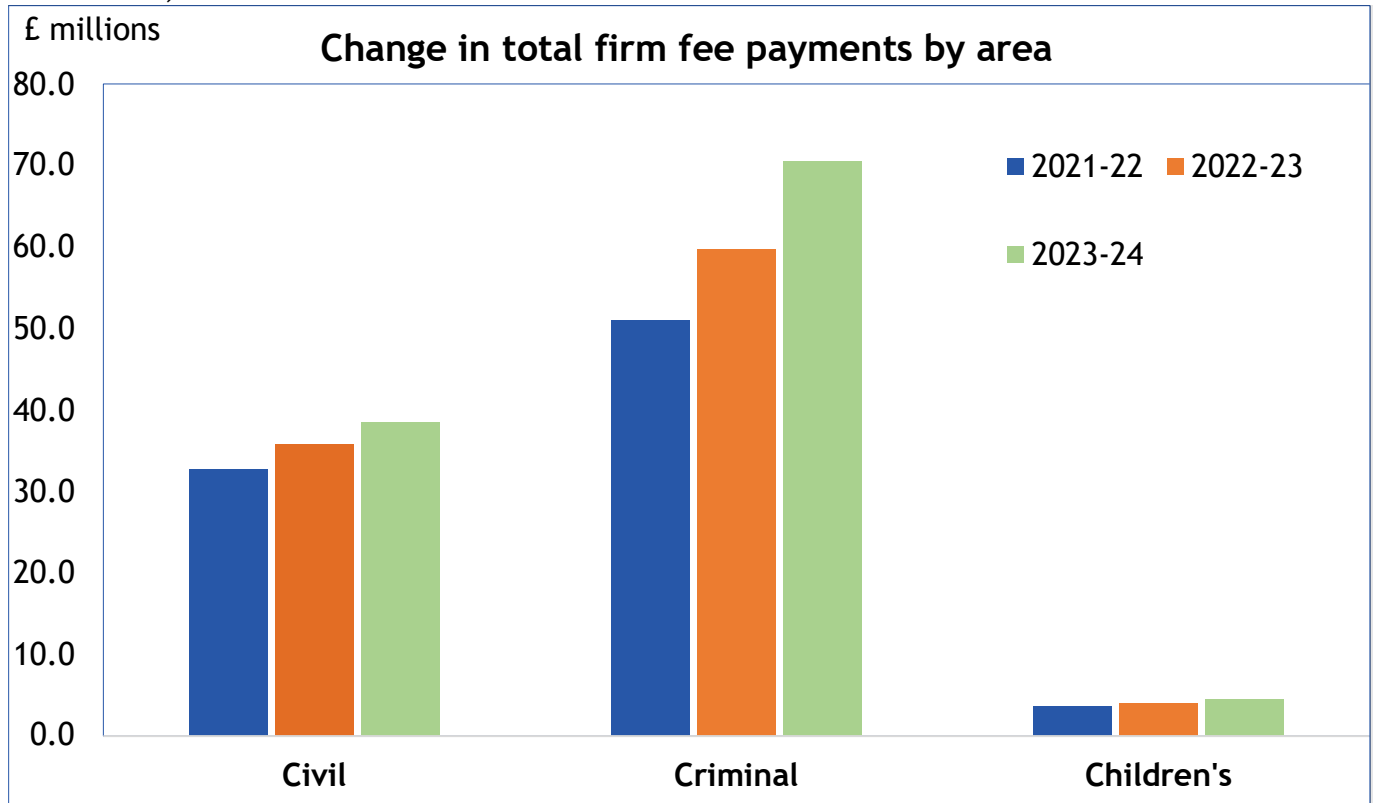
Due to the demand led nature of the Legal Aid Fund, the budget from Scottish Government is not capped. In 2023-24, a combination of fee increases and increased demand (some of which stemmed from the clearance of system backlogs elsewhere in the Justice sector) caused a much higher than anticipated spend across Legal Aid.

Our allocated budget from Scottish Government was £141m and final year end spend (as noted above) was £151m which is £10m higher.

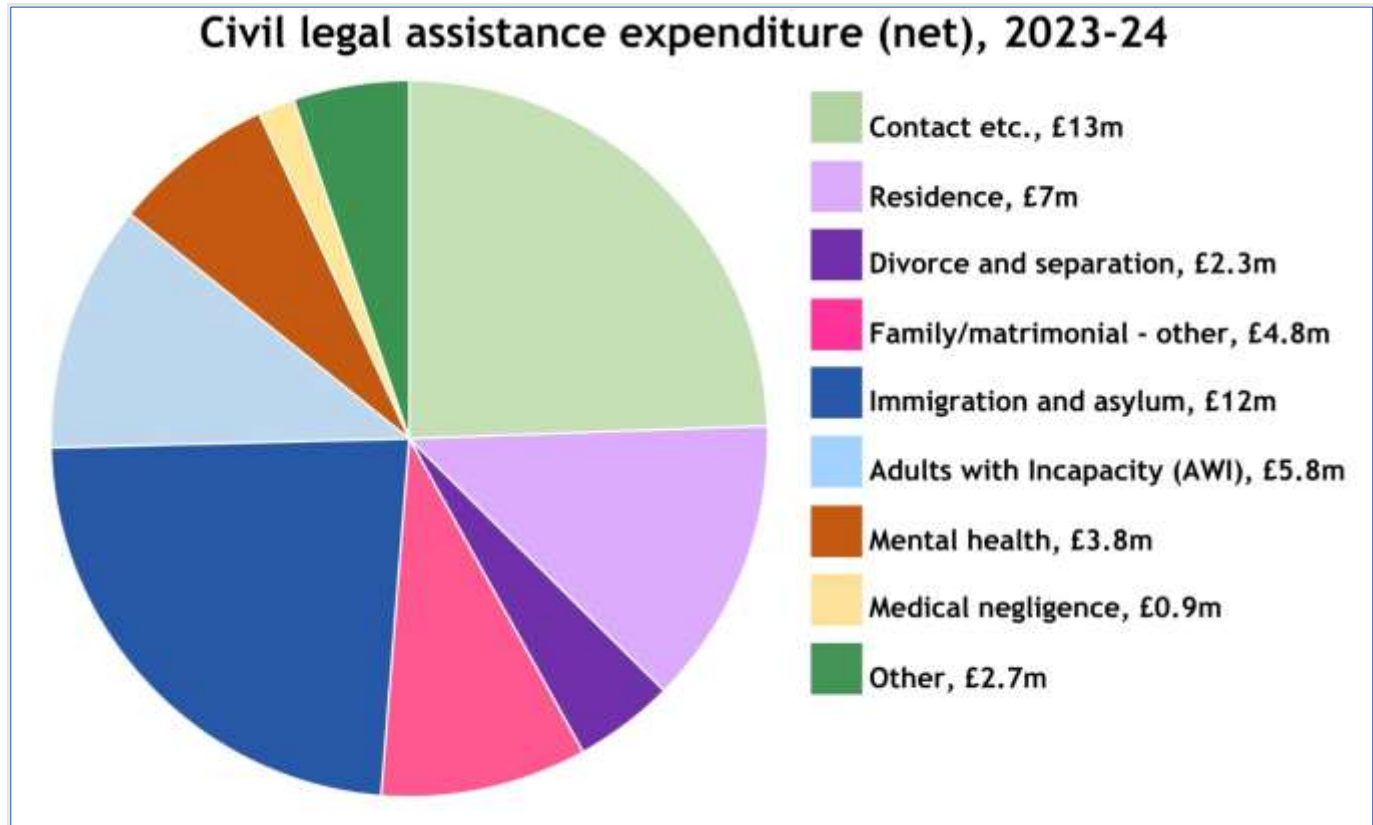
# Performance Report

## Payments made to firms

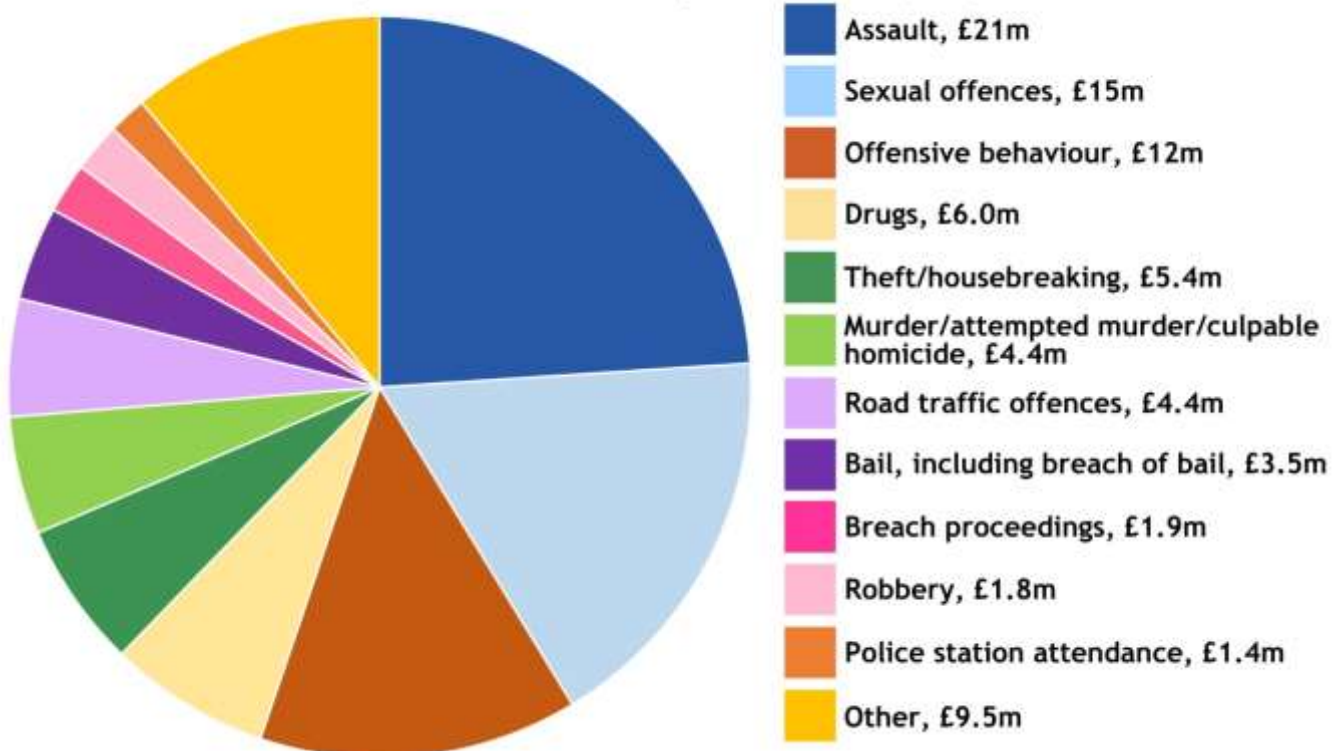
Payments to solicitors and solicitor advocates were £114 million, a 14% increase on the previous year and a 16% increase on the pre-pandemic year of 2019-20. Fee payments to advocates were £15 million, a 10% increase on 2022-23.



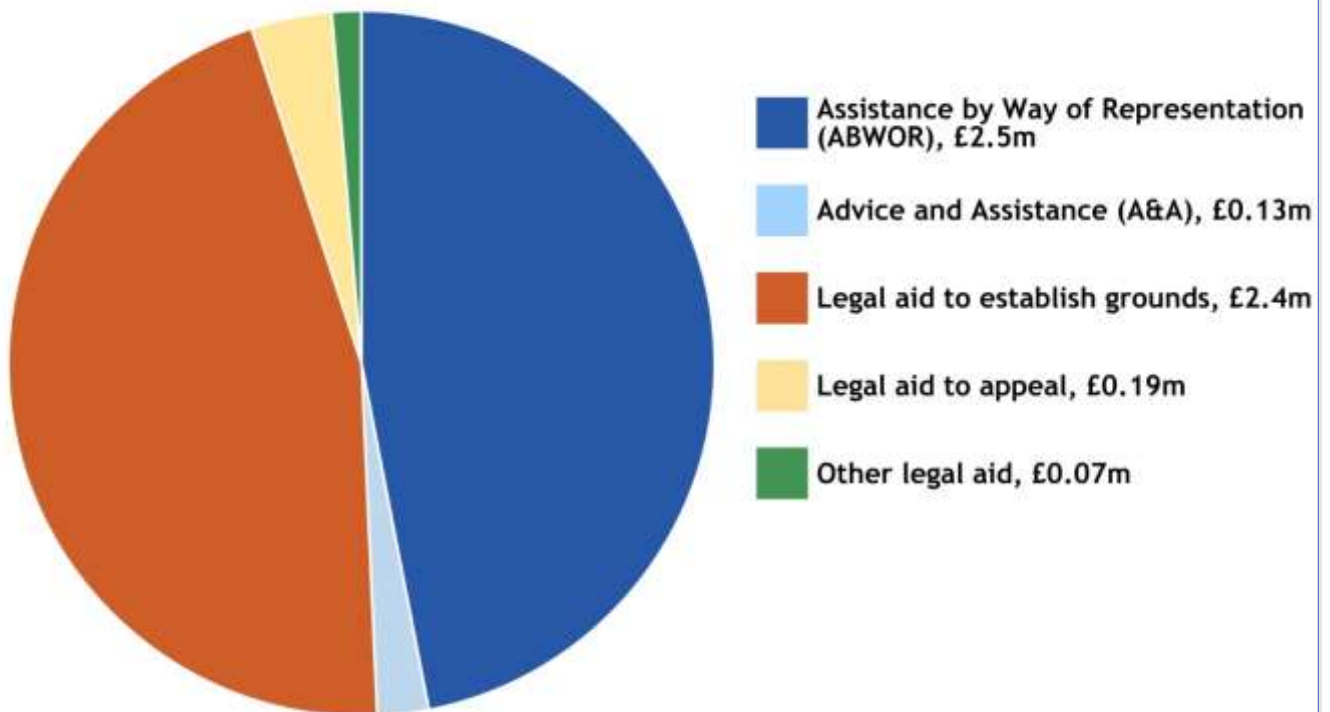
The Legal Aid Fund is spent on a wide range of different sorts of legal case. The three pie charts below illustrate this expenditure across Civil, Criminal and Children's legal assistance.



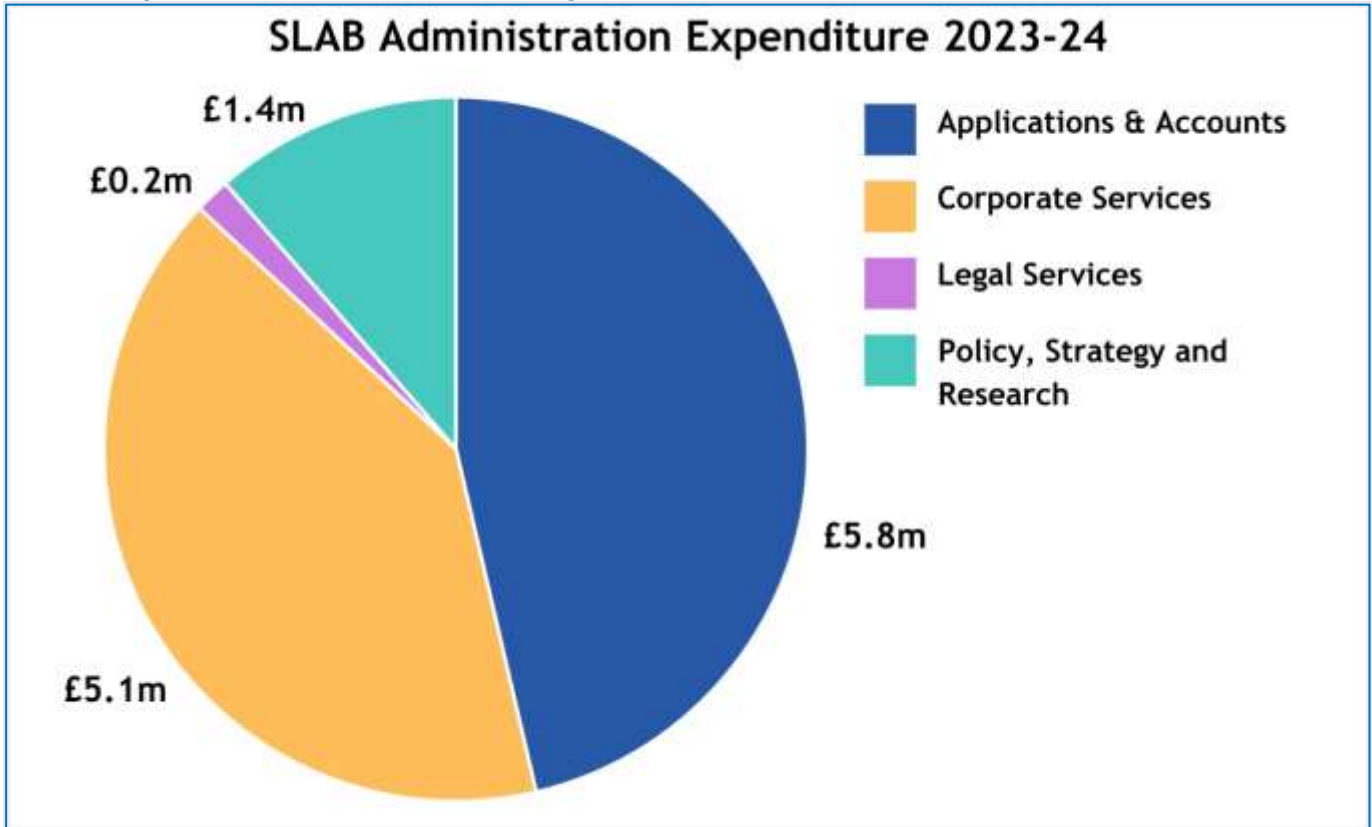
## Criminal legal assistance expenditure (net), 2023-24



## Children's legal assistance expenditure (net), 2023-24



## How we spent our Administration budget in 2023-24



*The chart above shows Administration spend less pensions, whereas the table below shows full cost including pensions (with pension benefits paid included at staff costs).*

Our Administration budget is distributed across three main Directorates and a central team comprising the office of the Principal Legal Advisor which provides legal support and advice across the organisation.

Our main costs are related to activity in assessing the applications and accounts we receive and corporate services to support the organisation. This includes our own in house technical team to assist with and develop our Legal Aid Online platform as the main interface with solicitors for application and account processing.

As the chart above shows, a significant amount of administrative expenditure (£5.8m) is directed at ensuring legal aid expenditure is in accordance with prevailing statutory provisions, regulations, fee tables and taxation standards.

The teams involved assess solicitor and advocate accounts, review applications received (only granting those that meet the statutory tests) and apply measures to minimise fraud and abuse. We make significant efforts to constrain administration costs whilst ensuring that fund expenditure continues to properly reflect both the intentions of Parliament and the level of demand by eligible people for services that are within scope.

SLAB's administration costs are funded through grant-in-aid from the Scottish Government. Unlike the Legal Aid Fund, the Administrative budget is capped.

Net expenditure of the Scottish Legal Aid Board (on a cash basis - as shown in the statement of cash flows) is broken down as follows:

# Performance Report

Cash Spend	2023-24 £000	2022-23 £000
Staff costs	12,809	12,145
Running costs	1,783	1,527
Capital	83	78
<b>Total administration spend</b>	<b>14,675</b>	<b>13,750</b>

Staff costs include pension benefits paid (due to our pension scheme being unfunded). Pension benefits remained at the same level as the prior year. The main reason for increased staff costs is the effect of Scottish Government Pay Policy which saw SLAB employees awarded an average 7% increase due to the recent economic downturn and rise in inflation.

Running costs are increased in the year due largely to investment in our Information Systems (specifically those for Finance and Human Resources) with a view to make savings from future efficiencies. Some of those efficiencies have already been realised and we expect they will continue into future years.

Looking forward to future years, we know it will become increasingly difficult to operate within our existing budget whilst also paying a fair wage to employees (in line with Scottish Government Pay Policy). To mitigate the risk of this we move into the 2024-25 year planning more investment in our Information Systems (with a view to obtain future staff savings through system efficiencies) and will commence corporate workforce planning. This is in line with core objectives one, High Quality Administration and four, Shaping the Future. We are also investing in training for employees in line with core objective three, Investing in Our People.

The figures in the chart and table above are cash based, our financial statements are prepared on an accruals basis, which results in accounting adjustments to the cash spend. These adjustments comprise depreciation, disposal and purchase of assets, movements on accruals, prepayments, and provisions. Once such adjustments are made, the statement of comprehensive net expenditure on page 91 shows net operating costs, including pension costs, of £17.5m (2022-23: £19.4m).

## Administration outturn v Scottish Government budget

We are required to manage our financial outturn against an agreed Scottish Government budget. The following table compares the outturn from the Scottish Legal Aid Board's accounts to the budget allocated to us by the Scottish Government.

SoCNE (page 91)	Outturn £000	Budget £000	Variance £000
Staff and administrative costs (net of income)	12,599	14,220	1,621
Depreciation, amortisation plus loss on disposal	460	550	90
Pension scheme service and finance costs	4,490	7,500	3,010
<b>Net operating costs</b>	<b>17,549</b>	<b>22,270</b>	<b>4,721</b>

Pension service and finance costs continue to be difficult to predict due to levels of inflation and the change in HM Treasury's discount rate. The staff and administrative costs variance is largely due to the Scottish Government's budget figure including monies for cash payments we make in respect of the SLAB pension scheme. Under accounting rules, these payments aren't included in the net operating costs shown in the outturn figures above although they are included in the Statement of Cash Flows on page 93.

# Performance Report

## Our operational performance

To assess performance in applications we use the following key performance indicators (KPIs):

- Time to take the first decision (First decision average duration)
- The percent of applications we can grant first time (First decision % granted)
- The level of rework that is required (% First decision with subsequent further work).

The equivalent KPIs in accounts are:

- Time to pay an initial account (Average calendar days to bank)
- The percent of accounts we pay in full (% paid in full)
- The level of negotiation that is required (Ratio of negotiations to initial assessments).

Our performance across these indicators, compared to last year, is set out below. In 2023-24 the number of Key Performance Indicators (KPIs) remained unchanged from 2022-23.



## Performance Reporting

The performance figures are presented as the number of months, out of 12, that we either met or bettered the benchmark.

## Civil Applications

All five of the benchmarks remained unchanged for 2023-24. Performance remained high with all 12 reporting periods showing performance meeting, or exceeding, the five civil benchmarks.



# Performance Report

		2022-23		2023-24	
KPI	Measure	Benchmark	Performance	Benchmark	Performance
<b>Adults with incapacity</b>					
1	Average Duration	17 days	12	Unchanged	12
2	Percent Granted	96%	12	Unchanged	12
<b>Other civil subject matters</b>					
3	Average Duration	67 days	12	Unchanged	12
4	Percent Granted	72%	12	Unchanged	12
5	Further Work	12%	12	Unchanged	12

## Criminal Applications

The Criminal KPIs are split into the two main criminal justice system procedures: Summary and Solemn. The level of all three Solemn benchmarks (KPIs 6,7,8) remained unchanged. Application volumes remained high and Average Duration (KPI 6) was challenging with only one period meeting or exceeding the benchmark. Grant Rate (KPI 7) saw good performance for more than 75% the year. There were high levels of further work required and KPI 8 did not meet the benchmark for the whole year.

<b>Solemn Applications</b>		2022-23		2023-24	
KPI	Measure	Benchmark	Performance	Benchmark	Performance
6	Average Duration	5.1 days	7	Unchanged	1
7	Percent Granted	85%	7	Unchanged	9
8	Further Work	9%	0	Unchanged	0

In Summary, all three KPIs remained unchanged. Average Duration (KPI 9) saw good performance for more than half of the year. For Grant Rate (KPI 10) and Further Work (KPI 11), performance was high with all reporting periods showing performance meeting or exceeding the benchmarks.

<b>Summary Applications</b>		2022-23		2023-24	
KPI	Measure	Benchmark	Performance	Benchmark	Performance
9	Average Duration	9 days	9	Unchanged	8
10	Percent Granted	79%	10	Unchanged	12
11	Further Work	15%	8	Unchanged	12

## Children's Applications

All three benchmarks remained unchanged. Performance remained high with almost all reporting periods showing performance meeting or exceeding the benchmarks.

<b>Children's Applications</b>		2022-23		2023-24	
KPI	Measure	Benchmark	Performance	Benchmark	Performance
12	Average Duration	7.5 days	12	Unchanged	10
13	Percent Granted	81%	12	Unchanged	12
14	Further Work	10%	12	Unchanged	12

## Civil Accounts

Two KPIs were set more challenging benchmarks. Civil Negotiations (KPI 3) reduced from 30 to 29 days and Paid in Full (KPI 4) increased from 67.5% to 70%. Both met or exceeded their new benchmarks for more than 75% of the year. Overall performance has improved on last year with more than half of the reporting periods meeting or exceeding the benchmarks.

# Performance Report

Civil Accounts		2022-23		2023-24	
KPI	Measure	Benchmark	Performance	Benchmark	Performance
1	Duration Civil A&A and ABWOR	19 days	4	Unchanged	8
2	Duration Civil legal aid	23 days	0	25 days	5
3	Duration in negotiations	42 days	9	29 days	9
4	Paid in Full	67.5%	12	70%	12
5	Further Work	30	9	Unchanged	12

## Criminal Accounts

Three KPI's were set more challenging benchmarks in 2023-24. Criminal Auto (KPI 9) moved from 6.4 to 6.2 days and met or exceeded this for 100% of the time. Negotiations (KPI 12) moved from 32.5 to 29 days and met or exceeded this for 75% of the time. Further Work (KPI 14) moved from 4.5% to 4% which proved to be more challenging with only a third of reporting periods meeting or exceeding the benchmark.

Overall performance was good with seven of the nine KPIs meeting or exceeding their benchmarks for 75% of the time. Duration Solemn (KPI 11) showed a drop in performance due to an increased volume of accounts brought about by the clearance of court backlogs and a reduction in staff numbers who deal with this aid type.

Criminal Accounts		2022-23		2023-24	
KPI	Measure	Benchmark	Performance	Benchmark	Performance
6	Duration Criminal A&A	8 days	12	Unchanged	8
7	Duration Criminal ABWOR Auto	6.2 days	10	Unchanged	10
8	Duration Criminal ABWOR Non-auto	12.3 days	10	Unchanged	11
9	Duration Criminal Auto	6.4 days	12	6.2 days	12
10	Duration Criminal Non-auto	12.7 days	12	Unchanged	9
11	Duration Solemn	18.1 days	12	Unchanged	1
12	Duration Negotiations	32.5 days	12	29 days	9
13	Paid in Full	93%	9	Unchanged	12
14	Further Work	4.5%	11	4%	4

## Children's Accounts

All five benchmarks remained unchanged. Performance was high with all the reporting periods, across the five KPIs combined, meeting or exceeding their benchmarks.

Children's Accounts		2022-23		2023-24	
KPI	Measure	Benchmark	Performance	Benchmark	Performance
15	Duration Children's A&A and ABWOR	17 days	11	Unchanged	12
16	Duration Children's legal aid	20 days	6	Unchanged	12
17	Duration Negotiations	29 days	9	Unchanged	12
18	Paid in Full	55%	12	Unchanged	12
19	Further Work	35%	12	Unchanged	12

## Anti-corruption and anti-bribery

SLAB is committed to conducting its business in an honest and ethical manner, in accordance with the Bribery Act 2010, SLAB operate governance by implementing and enforcing robust policies to guard against illegal behaviour.

We act openly in relation to all our dealings with colleagues and suppliers.

As an organisation we will not tolerate any form of bribery or corruption and we expect individuals, firms, and organisations we work with to uphold and adopt this approach. In the event of misconduct being identified, we will seek reimbursement/payment of funds and report the behaviour to the appropriate authority. There are further details about fraud, corruption, and bribery in the [Governance Statement](#).



## Social, community and human rights issues

Legal aid supports access to justice for those people who are unable to pay for it on their own. It can deliver life changing assistance to people in need, ensuring that human and social rights are protected and enforceable. Legal aid makes an important contribution to the Scottish Government's purpose and aligns with its values, and in particular respect for the rule of law.

Legal aid can also support several of the National Outcomes, including supporting respect, protection, and fulfilment of human rights and freedom from discrimination; contributing to inclusive, empowered, resilient and safe communities; tackling poverty and reducing inequality.

Our grant funding programmes also ensure that a range of help is available when people face difficulties with interrelated issues such as money, debt, and housing.

In terms of our own workforce, we continually review policies and practices around areas such as equalities, dignity at work, working conditions and recruitment. We support the work of our employees' Charity Committee and employee volunteering. We also actively support trainees and work placements.

SLAB also ensures that all employees are paid the Scottish Living Wage, having gained Living Wage Accreditation in 2015/16.

## Equality and diversity

As a public body in Scotland, we are required by the Equality Act (2010) to consider equality in our day-to-day decisions and demonstrate that we pay due regard to the three aims of the public sector equality duty (PSED).

## Equality Outcomes Plan 2023-26





Every three years we publish a set of Equality Outcomes to help us fulfil our duties.

These outcomes are developed based on evidence, including a literature review, consultation with internal and external stakeholders, and our leadership team.



# Performance Report

Our current set of equality outcomes was developed and published in 2023:

- 1** Create the conditions to narrow the gender, disability and ethnicity pay gaps. 
- 2** Gather and use equality data to inform our policies and improve our services. 
- 3** Gather and use equality data to advise Ministers as part of our advice on legal aid reform, and work to monitor availability and accessibility of legal services. 
- 4** Make key information about our work and legal aid accessible to those who need our help. 

Summary of progress made against our Equality Outcomes for year 1 (March 2023-April 2024)



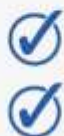

The [full progress report can be found here](#).

## Equality outcome **1**

### Creating the conditions to narrow the gender, disability and ethnicity pay gap

We carried out a full pay and grading review to ensure we have a fair and equitable system to compare jobs of equal value

- Reviewed and benchmarked salary scales with a view to pay cohesion
- Designed a workforce planning methodology to ensure our workforce is the right size with the skills to deliver our corporate objectives.



## Equality outcome 2

Gathering and using equality data to inform our policies and improve our services



We have completed a first draft of the national statistics on ethnicity and disability

- Reporting templates have been created for presenting and analysing equality data.



We have reviewed percentages of equality data disclosure and our first report for April 23-March 24 has been produced

- Further quarterly reports to support the delivery models review and respond to contextual changes will be produced
- Developed a plan to review research gaps with regards to equality groups for 2024-25.



## Equality outcome 3

Gathering and using equality data to advise Ministers as part of our advice on legal aid reform



We have submitted advice and evidence papers to Scottish Government, which includes Equality Impact Assessments

- Advice will be supplemented with a full appraisal
- No negative implications have been identified so far.



## Equality outcome 4

Making key information about our work and legal aid accessible



We have reviewed our information on legal aid in collaboration with internal and external stakeholders to highlight accessibility needs.



Next steps involve the development of publicly available information on legal aid.



# Performance Report

## Equality Mainstreaming

Mainstreaming is the process of thinking about equality in day-to-day decision making and applying it to our daily practices. The main ways that we achieve this are described below.

## Leadership, governance and business planning

Commitment by leaders and senior management is a key factor in our mainstreaming approach. Our corporate equality work is governed by:

<b>Executive Team (ET)</b>	Chaired by our Chief Executive, the ET reviews progress on work to achieve our equality outcomes and actions to mainstream equalities. All departmental reports to the ET highlight equalities as appropriate.
<b>Board and Committee members</b>	Members receive an equalities report as part of our annual reporting cycle. Board and committee papers provide decision makers with an update on equality as appropriate to the topic.
<b>Business plan</b>	The equalities impact of our business plan projects is assessed through our established equality impact assessment process. We align our equality outcomes to key business plan priorities.
<b>Equalities Project Group</b>	Chaired by our Director of Strategic Development, the group helps us progress against our statutory equality duties, as well as to identify risks or issues and advise how these should be mitigated.

## Equality Impact Assessments (EqIA)

Our equality impact assessment template and guidance ensure we mitigate negative and maximise positive equality impacts of new and current policies or projects. The equalities team support members of staff with carrying out EqIA and mainstreaming the Personal, Social and Emotional Development (PSED) into their work.



A full list of the 13 equality impact assessments we have published in the reporting period is available in the [Equalities and diversity section of our website](#).

The [customer communications support services policy](#) prompts our customers to identify if they have support needs, in order that they can effectively engage with our services.

We offer workshops to all new managers to support them with undertaking EqIA. The aim of the workshop is to provide information on what EqIA are, what the purpose of undertaking them is, and how to complete them. It is offered in addition to our equality and diversity corporate training, which must be completed by all new members of staff.

## Procurement process and award criteria

We continue to follow Scottish Government's [Procurement Journey](#). Our EqIA toolkit helps policy owners record any equality requirements that should be included in any tender process.

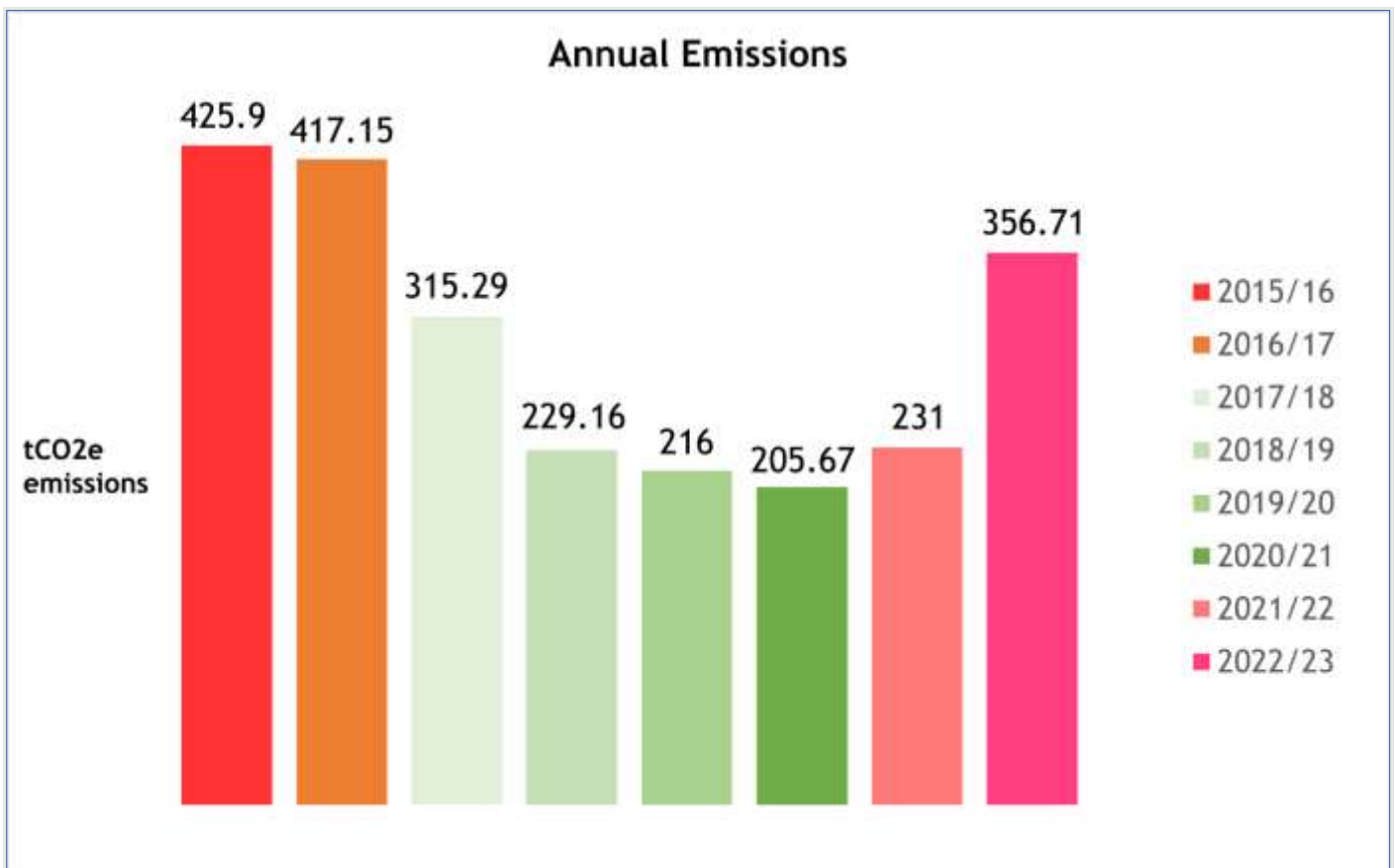
## Stakeholder feedback

Research with stakeholders helps us collect evidence where there are known inequalities or explore differences in experience and can help us increase the participation of equality groups. We have set the framework for developing a long-term research programme that identifies evidence gaps in relation to equality groups.

## Environmental impact and sustainability

The Scottish Legal Aid Board is committed to improving and reporting on resource efficiency throughout our operations in line with Scottish Government's objectives. This commitment has resulted in an overall reduction in our carbon emissions by 16.3% against the baseline year of 2015-16. We are currently revising our Carbon Management Plan, setting out our ambitious road map to further reduce emissions while taking cognisance of home working and the inclusion of our full estate within our reporting framework.

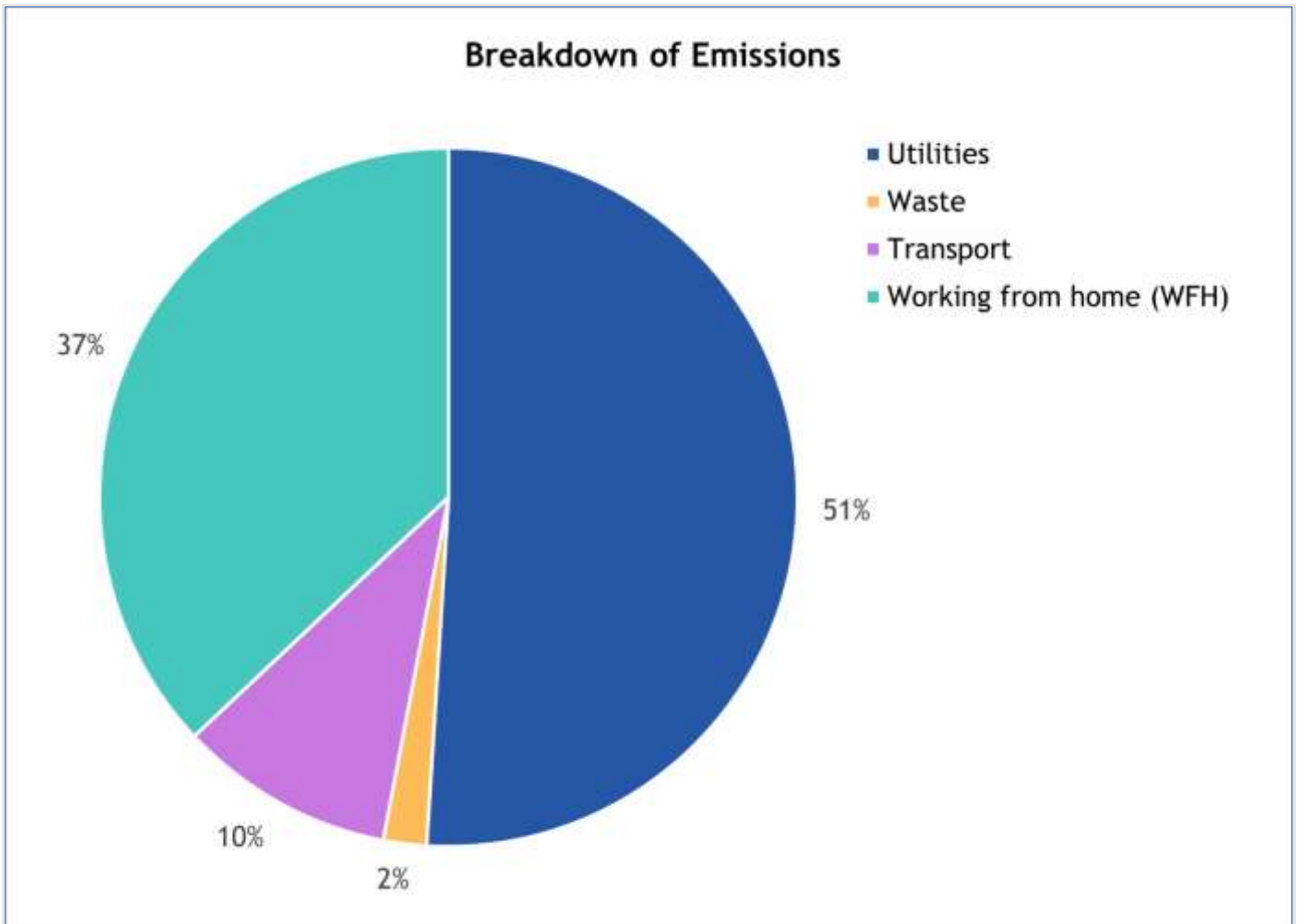
Following relocation to Thistle House a new baseline of financial year 2015-2016 was adopted to measure emissions performance. The baseline was calculated to be 425.9 tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e) inclusive of energy and water use, transport and waste. A 10% reduction in emissions was targeted and surpassed by the end of financial year 2021-22 through the implementation of a Carbon Management Plan.



The Covid-19 pandemic led to a more flexible approach to working and the adoption of a hybrid working model. Therefore, to provide more reflective reporting a new emission source was introduced for homeworking during financial year 2021-2022, now accounting for 36.9% of our overall emissions.

During financial year 2022-23 a single estate approach has been implemented with the inclusion of emissions from all our offices across Scotland for the first time resulting in a reported increase in emissions. 2023-24 reported emissions will be adopted as a new baseline for future carbon emission reporting.

We support sustainable procurement wherever possible from the purchase of low emission vehicles to taking leases over longer periods, while sustainability is considered as part of every tender process.



The adoption of a hybrid working model has created the opportunity to reuse and recycle surplus furniture from within Thistle House.

We have managed the reutilisation of furniture across our estate and in partnership with Recycle Scotland to minimise the amount of furniture that requires to be disposed of in landfill while contributing towards the circular economy.

During financial year 2024-25 we will continue to measure our carbon footprint and develop our new Carbon Management Plan.

Colin Lancaster  
Chief Executive and Accountable Officer

05 September 2024



## The Accountability Report

In this section we cover:

<a href="#"><u>Director's Report</u></a>	34
<a href="#"><u>Membership of Committees</u></a>	35
<a href="#"><u>Statement of Accounting Officer's responsibilities</u></a>	37
<a href="#"><u>Governance Statement</u></a>	38
<a href="#"><u>Remuneration and staff report</u></a>	43
<a href="#"><u>Employee Information &amp; Equal Pay</u></a>	49
<a href="#"><u>The way we train our people</u></a>	56
<a href="#"><u>Parliamentary accountability</u></a>	60
<a href="#"><u>Independent auditor's report</u></a>	61

# Accountability Report

## Director's report

### Board members



<b>Ray Macfarlane (Chair)</b>	<b>Lesley Ward</b>	<b>Sarah O'Neill</b>	<b>David Sheldon KC</b>
<b>Started:</b> 01.04.10	<b>Started:</b> 01.04.16	<b>Started:</b> 01.04.16	<b>Started:</b> 24.07.17
<b>Appointment to:</b> 31.03.24	<b>Appointment to:</b> 31.03.24	<b>Appointment to:</b> 31.03.24	<b>Appointment to:</b> 30.09.24



<b>Stephen Humphreys</b>	<b>Raymond McMenamain</b>	<b>Brian Baverstock</b>	<b>Sheriff John Morris KC</b>
<b>Started:</b> 01.04.18	<b>Started:</b> 01.04.18	<b>Started:</b> 01.04.18	<b>Started:</b> 01.04.18
<b>Appointment to:</b> 31.03.26	<b>Appointment to:</b> 31.03.26	<b>Appointment to:</b> 31.03.26	<b>Appointment to:</b> 31.03.26



<b>Gerry Bann</b>	<b>Brigid Whoriskey</b>	<b>Judith Robertson</b>	<b>Gavin Stevenson</b>
<b>Started:</b> 01.04.21	<b>Started:</b> 01.04.21	<b>Started:</b> 01.04.23	<b>Started:</b> 01.04.23
<b>Appointment to:</b> 31.03.26	<b>Appointment to:</b> 31.03.26	<b>Appointment to:</b> 31.03.27	<b>Appointment to:</b> 31.03.27

# Accountability Report

## Register of Board Members interests

We keep a register of Board members' interests [available on our website along with biographies](#).

## Membership of Committees

During 2023-24, committee membership comprised:

### Legal Assistance Policy Committee

Raymond McMenamin (Convener)

Sarah O'Neill

Stephen Humphreys

Ray Macfarlane

Judith Robertson

Gerry Bann

Colin Lancaster (Chief Executive)

### Legal Services Cases Committee

Lesley Ward (Convener)

David Sheldon KC

Sheriff John Morris KC

Ray Macfarlane

Brigid Whoriskey

Ian Dickson, Principal Legal Adviser

Marie-Louise Fox, Director of Operations

### Audit Committee

Gavin Stevenson (Convener)

Brian Baverstock

Brigid Whoriskey

Judith Robertson

*Ray Macfarlane attends but is not a member.*

### Remuneration and Appointments Committee

Brian Baverstock (Convener)

Ray Macfarlane

Stephen Humphreys

### Legal Services Sub-Committee

The following legal professionals are members:

David Nicol

Denise Loney

Andrew Pollock

Eileen Sumpter

## Membership of the Executive Team

During 2023-24 the Executive Team comprised:

Colin Lancaster	Chief Executive and Accountable Officer
Marie-Louise Fox	Director of Strategic Development
Adam Ford	Director of Operations
Linda Ross	Director of Corporate Services and Accounts
Carolyn McLeod	Director of Client Legal Services
Ian Dickson	Principal Legal Adviser

## Personal data related incidents

These are detailed in the [Governance Statement](#).

## Data security lapses

There were no major data security lapses in the year. Please see the Information Governance section of the [Governance Statement](#).

# Accountability Report

## **Audit**

Forvis Mazars carried out the audit of the organisation's accounts for the financial year ended 31 March 2024, covering both the Scottish Legal Aid Fund and the Scottish Legal Aid Board accounts.

The agreed fee for this service was £63,800 (2022-23 £60,170), which relates solely to the provision of statutory audit services.

## **Representations**

The Accountable Officer and the Board members who held office at the date of approval of these accounts confirm that, so far as they are each aware, there is no relevant audit information of which the organisation's auditors are unaware; and the Accountable Officer and each of the Board members have taken all the steps that he/she ought reasonably to have taken to make himself/herself aware of any relevant audit information and to establish that the organisation's auditors are aware of that information.

## Statement of Accounting Officer's responsibilities

The Legal Aid (Scotland) Act 1986 ("the Act"), as amended by the Public Finance and Accountability (Scotland) Act 2000, states that the Scottish Legal Aid Board must prepare a statement of accounts for each financial year in the form and on the basis determined by Scottish Ministers and set out in the account's direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Scottish Legal Aid Fund and the Scottish Legal Aid Board and of its income and expenditure, statement of financial position and cash flows for the financial year.

In preparing the accounts the Accountable Officer is required to comply with the requirements of the Government Financial Reporting Manual, and in particular must:

- observe the accounts direction issued by Scottish Ministers, including the relevant accounting and disclosure requirements, and apply suitable accounting policies consistently
- make judgements and estimates reasonably
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and show and explain any material departures in the financial statements
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the organisation will continue to operate.

The Accountable Officer also confirms that the annual report and accounts as a whole are fair, balanced, and understandable, taking personal responsibility for the annual report and accounts and the judgments required for determining that they are fair, balanced, and understandable.

The Scottish Government has designated the Chief Executive of SLAB as the Accountable Officer for the organisation. The responsibilities of an Accountable Officer, including responsibility for the propriety and regularity of the public finances for which he is answerable, for keeping proper records and for safeguarding SLAB's assets are set out in the *Memorandum to Accountable Officers for Other Public Bodies*.

The Chief Executive is responsible for the maintenance and integrity of the corporate and financial information, including that published on SLAB's website.

The Accountable Officer also confirms that, as far as they are aware, there is no relevant audit information of which the entity's auditors are unaware, and that they have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

# Accountability Report

## Governance Statement

The Accountable Officer has responsibility for maintaining a sound system of internal control. They are also responsible for safeguarding the public funds and assets assigned to SLAB, in accordance with the responsibilities set out in the [Memorandum to Accountable Officers for Other Public Bodies](#).

## Governance Framework

SLAB is a Non-Departmental Public Body sponsored by the Scottish Government's Justice Directorate. The broad governance framework, including the key roles and responsibilities which underpin the relationship with the Scottish Government, is set out in a joint framework agreement ([Governance and Accountability Framework Document](#)).

## The Board

Our Board comprises a Chair and 11 other non-executive members. The role of the Board is to shape and set strategic direction. It also sets risk appetite and the risk management framework and provides oversight and scrutiny of the organisation's operational and financial performance. This includes the delivery of efficiency and best value. [Biographies](#) of our Board Members are available on our website.

The Board reserves to itself a range of decision-making powers and delegates others to the Chief Executive through a Delegated Authority Matrix. Business at the Board and its Committees is governed through [Standing Orders](#). Along with agendas and minutes of meetings, a [range of papers](#) considered at meetings are published. The Chief Executive and some Executive staff attend Board meetings.

## Standing Committees

The Board has four Standing Committees:

### 1. Audit Committee

The Audit Committee supports the Board on risk, governance, and assurance. It advises the Board and the Accountable Officer on the effectiveness of the internal control system. This includes considering risk matters at each meeting, approving, and monitoring the annual programme of internal audit work, and scrutinising financial management and the annual report and accounts.

Membership of the Committee can be found in the [Director's Report](#).

### 2. Legal Assistance Policy Committee

The Legal Assistance Policy Committee assists the Board with the review and development of policies on the administration of the legal aid funding and relevant advice to Scottish Ministers. The Committee also acts as a review mechanism for cases that are decided at the Legal Services Cases Committee at first instance.

Membership of the Committee can be found in the [Director's Report](#).

### 3. Legal Services Cases Committee

The Legal Services Cases Committee considers sensitive, high profile, high value or other specified types of case either at first instance or on review.

Membership of the Committee can be found in the [Director's Report](#).

# Accountability Report

## 4. Remuneration and Appointments Committee

The Remuneration and Appointments Committee considers pay policy and the remuneration and performance of the Chief Executive and Executive Team.

Membership of the Committee can be found in the [Director's Report](#).

### Board member attendance during 2023-24

Meeting	Board	Audit Committee	Policy Committee	Cases Committee	R&A Committee
Number of meetings	5	4	3	12	2

Meetings attended	Board	Audit Committee	Policy Committee	Cases Committee	R&A Committee
Ray Macfarlane	5	3	1	11	2
Gavin Stevenson	5	4			
Brian Baverstock	4	4			2
Brigid Whoriskey	5	4		12	
Judith Robertson	5	4	2		
Sheriff John Morris KC	5			12	
Raymond McMenamin	5		3		
Stephen Humphreys	5		3		2
Sarah O'Neill	5		3		
Lesley Ward	4			12	
David Sheldon KC	3			9	
Gerry Bann	2		2		

Further information about the remits of the Standing Committees is included in the [Standing Orders](#).

## The Executive Team

Our [Executive Team](#) comprises the Chief Executive, four Directors and the Principal Legal Advisor. Its role is to assist the Chief Executive in his decision-making functions. The role also involves day to day oversight of the administration of the legal aid schemes, including implementation of the Corporate Plan, managing risk, developing operational and corporate policies, and managing finances.

The Executive Team [biographies](#) are available on SLAB's website.

## System of governance and internal control

The system of internal control is based on identification and treatment of risks to the delivery of aims and objectives, plus effective decision making. Decision making across the organisation is framed by reference to a Delegated Authority Matrix.

The matrix documents the minimum level of authority in specified areas, including operational decision-making and incurring expenditure.

# Accountability Report

## Key features of the system of internal control

### Setting and monitoring of our strategy and priorities

Our strategic objectives and key activity to deliver them are set in our Corporate Plan for 2023-26. Progress against each of the Corporate Plan's annual programmes of work is monitored by the Executive Team and reported to the Board on a quarterly basis.

### Operational performance

Operational performance is measured through our SLAB Operational Performance Overview Report (SOPOR).

Performance data is considered by the Executive Team monthly and by the Board at each of its meetings. In line with SLAB's corporate value on transparency, quarterly data from the SOPOR was published on our website throughout 2023-24.

### Financial management

The Scottish Government sets a budget for our administration. We allocate that budget internally based on activity required to deliver our core functions and our strategic priorities. The Board consider and approve the annual budget and monitor the position on a quarterly cycle.

The Scottish Government allocates a budget for the Legal Aid Fund. However, expenditure for legal aid cases is uncapped. We provide Scottish Government with regular spend forecasts based on analysis of previous trends, legal aid demand, information from Justice partners on trends and pressures in the wider justice system, and to consider future justice reform.

### Internal audit

An internal audit function has direct reporting lines to the Chief Executive and Audit Committee whilst also reporting operationally to the Director of Corporate Services. A risk based programme of internal audit work is approved and overseen by the Audit Committee.

Internal audit work during 2023-24 covered elements of our corporate governance framework and included audits on procurement, estates management, project management, information systems support, compliance and investigations, and SLAB's protection of data.

The internal audit function was also subject to an external independent review in 2023-24.

### Risk management

Our risk management framework sets out the management of risk, and the different roles and responsibilities in the risk management cycle. A corporate risk register sets out the biggest and cross organisation risks and is reviewed on a regular basis by the Executive Team, at every meeting of the Audit Committee and by the Board twice a year. Functional risk registers include operational risks.

Risks are aligned to corporate objectives and the Board articulates its risk appetite in several areas which drives the Executive's response to risks. The framework sets out a delegation chain of responsibility for risk from the Board to the Executive. The Executive Team, Audit Committee and the Board considered a range of corporate risks during the year. Key risks actively managed related to:

- failure of information systems infrastructure or security
- significant or systemic fraud on the Legal Aid Fund
- inability to recruit, retain and develop staff



# Accountability Report

- failing to plan for change
- reductions in our administrative funding
- impact of others' policies on legal aid
- effective working relationships with Scottish Government
- delivery of legal aid reform.

A review of the framework was approved by the Board in September 2023. Further detail about the risks managed during 2023-24 can be found in the [Performance Report](#).

## Information Governance and personal data related incidents

A Data Protection Officer (DPO) reports to the Senior Information Risk Owner (SIRO) who is a director. Data breaches are recorded and investigated by the DPO, and all actions discussed with senior management, such as the Principal Legal Adviser.

Significant amounts of personal data are processed, some of which is highly sensitive. The extent of manual personal data processing brings with it the risk of data breaches arising from human error. As a result, some minor data breaches did occur during 2023-24.

Numbers of data breaches are small when compared to the amount of correspondence, and personal data processed. Four data breaches were reported to the ICO during 2023-24. The ICO did not consider it necessary to take any further action.

## Fraud, corruption and bribery

Fraud risk was an active consideration through 2023-24 on the corporate and functional risk registers and consideration by the Audit Committee.

An Applicant Investigation function carried out full investigations into the information provided by 1,203 legal aid applicants. Of the 1,110 cases that have concluded, 435 investigations resulted in action being taken, including refusal of some applications, reassessment of others or the termination of ongoing grants.

A Compliance and Investigations function carried out 110 audits of criminal legal aid firms. As a result of this and other proactive work, £211k was requested from firms where there appeared to be an error or breaches of regulations.

There were no reported instances of fraud involving our staff.

## Reviewing the system of internal control

The Accountable Officer is responsible for reviewing the effectiveness of the system of internal control.

The review is informed by:

- management information received by the Executive Team
- the assessment and management of risk through a recently revised and improved risk management framework
- the controls that exist over planned expenditure, the regular reporting of actual expenditure and regular review of budgets and forecasts
- the managers within SLAB who are responsible for developing and maintaining the internal control framework

# Accountability Report

- the work of the internal auditors who submit, to the Accountable Officer and SLAB's Audit Committee, regular reports which include the Head of Internal Audit's<sup>1</sup> independent and objective opinion on the adequacy and effectiveness of the organisation's systems of internal control, together with recommendations for improvement
- the recommendations and advice from the Audit Committee on matters within its remit
- comments made by the external auditors in their management letter and other reports.

The Head of Internal Audit seeks assurance over the system of internal control. This is obtained by conducting a series of audit engagements, considering the results of the previous reviews carried out, discussion with management, review of risk profiles and through membership of our Corporate Governance and Risk Group.

Annually, directors certify to the Accountable Officer that they have reviewed and are content with the assurances provided by their managers; that they are satisfied that the controls are working; and that there are no significant matters in their area of responsibility which would require to be raised specifically in the Statement of Internal Control. The outcome of this process is shared with the Executive Team and the Audit Committee. The Chief Executive has received this assurance for the year 2023-24.

The Head of Internal Audit has issued an Assurance Statement to the Accountable Officer which provides their opinion on the adequacy and effectiveness of the internal control system and the extent to which it can be relied on.

Their opinion is that the internal controls are satisfactory. Nothing has been identified that would warrant the Accountable Officer not signing this Governance Statement. The external auditors also report to the Accountable Officer, the Audit Committee, and to the Board, any internal control issues that they identify during their normal audit activities.

The Audit Committee is content with the various assurances being provided to support this Governance Statement.

The system of internal control accords with Scottish Government guidance and has been in place in the organisation for the year ended 31 March 2024, and up to the date of approval of the annual report and accounts.

## Significant internal control issues

There were no significant control issues identified this year, nor any planned actions arising from previous years against which the Accountable Officer is required to report.

## Conclusion on the system of internal control

This Governance Statement sets out the main features that support regular monitoring, review and assurance that have been in place for the year under review.

It gives a good level of assurance to the Board and the Accountable Officer that the internal control framework within SLAB is sound.

---

<sup>1</sup> In 2023-24 this opinion was given to the Chief Executive by the Internal Audit function due to the Head of Internal Audit position being vacant at the time the opinion was submitted.

# Accountability Report

## Remuneration and staff report

The sections of this report marked with \*\* are covered by the audit opinion.

The Scottish Legal Aid Board determines the pay and conditions for staff in accordance with the Scottish Government's Public Sector Pay Policy for Staff Pay Remits.

The Scottish Government Public Sector Pay Policy sets the parameters for public sector pay increases for a range of public bodies in Scotland, including the Scottish Legal Aid Board.

SLAB is required to seek approval from the Scottish Government for its proposals within these parameters and then negotiate detailed pay settlements with trade unions and staff.

## Remuneration and Appointments Committee

SLAB's Remuneration and Appointments Committee considers appointment and remuneration of the organisation's senior staff and takes an overview of remuneration issues, including annual pay policy (issued by the Scottish Government), pension policies and related matters.

## Executive Team

Appointments of senior management are on a permanent basis in accordance with individual contracts:

Name	Employment start date	Senior Appointment start date	Employment End date	Notice period
Colin Lancaster	June 1997	April 2007	-	12 weeks
Marie-Louise Fox	December 2008	October 2012	-	12 weeks
Linda Ross	April 2022	April 2022	-	12 weeks
Adam Ford	May 2022	May 2022	-	12 weeks
Carolyn McLeod	February 2023	February 2023	-	12 weeks
Ian Dickson	February 2002	February 2013	-	12 weeks

The current Executive Team have a minimum pensionable retirement age of 60 for members of the Legal Aid (Scotland) Pension Scheme before 1 October 2008; otherwise, it is 65 years of age. All contracts include notice periods as indicated above.

Termination payments are made under the organisation's redundancy policy, where appropriate, which allows either for a redundancy payment or a retirement pension and lump sum if a member of the Legal Aid (Scotland) Pension Scheme, subject to satisfying age and service-related criteria.

The Chief Executive's performance is appraised by the Chairman in consultation with the Remuneration and Appointments Committee. In accordance with the Scottish Government's pay policy for senior appointments. The Chief Executive (Colin Lancaster) was eligible to receive a pay increase of 1.57% from 1 April 2023.

In 2023-24 all other members of the Executive Team's salaries were uplifted by 6.15%, in accordance with Scottish Government's pay policy, plus progression (if applicable) subject to satisfactory performance. Bonus arrangements for members of the Executive Team are similar to those of staff and they are eligible for non-consolidated performance payments for higher than satisfactory performance.

Their performance is appraised by the Chief Executive under the organisation's Performance Management system which applies to all staff.

# Accountability Report

No bonus payments were made in 2023-24 (2022-23: nil), in accordance with Scottish Government's pay policy for staff which continues to reflect the ongoing financial and budgetary stance.

## Remuneration \*\*

The following table provides a breakdown of remuneration for members of the Executive Team in 2023-24 and 2022-23 and has been audited by the organisation's auditors.

In line with the Financial Reporting Manual, the value of pension benefits accrued during the year in the table below is calculated as the real increase in pension multiplied by 20, plus the real increase in lump sum less the contributions made by the individual. The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights. The Executive Team received no benefits in kind.

Employee	Salary 2023-24 £000	Salary 2022-23 £000	Pension benefits accrued 2023-24 £000	Pension benefits accrued 2022-23 £000	Single total remuneration 2023-24 £000	Single total remuneration 2022-23 £000
C Lancaster	120-125	120-125	-**	-**	120-125	120-125
M Fox	100-105	95-100	16	-**	115-120	95-100
L Ross	90-95	75-80	54	21	145-150	95-100
A Ford	85-90	75-80	47	16	135-140	90-95
C McLeod	90-95	5-10	26	-	115-120	5-10
I Dickson	100-105	95-100	15	-**	115-120	95-100

\*\* due to changes in the pension liability (caused by changes in actuarial assumptions), several directors have negative Pension benefits accrued. As per the FReM, these are capped at £0 for the purpose of this table.

## Pension benefits \*\*

Employee	Real increase/ (decrease) in pension & related lump sum £000	Accrued pension at 31 March 2024 & related lump sum £000	Cash equivalent transfer value at 31 March 2024 £000	Cash equivalent transfer value at 31 March 2023 £000	Real increase/ (Decrease) in cash equivalent transfer value £000
<b>C Lancaster, Chief Executive</b>					
Pension	(0.0-2.5)	35-40	-	-	-
Related lump sum	(0.0-2.5)	110-115	-	-	-
Transfer value	-	-	862	714	108
<b>M Fox, Strategic Development Director</b>					
Pension	0.0-2.5	25-30	-	-	-
Related lump sum	2.5-5.0	80-85	-	-	-

# Accountability Report

Transfer value	-	-	579	444	112
<b>L Ross, Corporate Services and Accounts Director</b>					
Pension	2.5-5.0	0-5	-	-	-
Related lump sum	N/A	N/A	-	-	-
Transfer value	-	-	50	19	35
<b>A Ford, Operations Director</b>					
Pension	2.5-5.0	0-5	-	-	-
Related lump sum	N/A	N/A	-	-	-
Transfer value	-	-	39	13	31
<b>I Dickson, Principal Legal Advisor</b>					
Pension	0.0-2.5	30-35	-	-	-
Related lump sum	2.5-5.0	90-95	-	-	-
Transfer value	-	-	794	680	75
<b>C McLeod, Client Legal Services Director</b>					
Pension	0.0-2.5	0-5	-	-	-
Related lump sum	N/A	N/A	-	-	-
Transfer value	-	-	25	-	30

The pension benefits table above provides a breakdown of pension benefits for members of the Executive Team in 2023-24 and 2022-23 and has been audited by the organisation's auditors. Pension figures are calculated to normal retirement age unless the individual is older, in which case it is calculated to 31 March 2024.

The negative benefits accrued for one director has been caused by a change in one of the assumptions used by our Actuary in the calculation (the discount rate per annum has increased from 4.15% to 5.10%). Please see notes 21 and 40 of the Financial Statements for further details.

## Cash Equivalent Transfer Value (CETV)

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits accrued in their former scheme.

The pension figures shown relate to the benefits that the individual has accrued because of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the SLAB Pension Scheme and for which the organisation has received a transfer payment commensurate with the additional pension liabilities being assumed.

# Accountability Report

They also include any additional pension benefit accrued to the member because of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

## Real Increase in CETV

This reflects the increase in CETV effectively funded by the employer. It does not take account of the increase in accrued pension due to inflation or contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

## Pay Multiples \*\*

The Scottish Legal Aid Board is required to disclose the relationship between the remuneration of the highest-paid officer in the organisation and those in the 25th, 50th (median) and 75th percentiles of the organisation's workforce:

<b>Pay Multiples</b>	<b>2023-24</b>	<b>2022-23</b>
Band of highest paid director's remuneration (Chief Executive)	<b>£120-125k</b>	£120-125k
Remuneration at 25th percentile	<b>£27,500</b>	£25,470
Median remuneration	<b>£34,760</b>	£32,480
Remuneration at 75th percentile	<b>£45,905</b>	£42,160
25th percentile ratio	<b>4.5</b>	4.8
Median ratio	<b>3.5</b>	3.8
75th percentile ratio	<b>2.7</b>	2.9

The banded remuneration of the highest paid officer at SLAB in the financial year 2023-24 was £120-125k (2022-23: £120-125k). This was 3.5 times the median remuneration of the workforce (2022-23: 3.8), which was £34,760 (2022-23: £32,480).

Figures are also shown for the 25th and 75th percentiles of the organisation's workforce for the current and previous years. The ratios have fallen due to another year of pay policy targeting those on lower incomes. The highest paid officer has been in the same £5k band for three years. The average overall increase for staff members (average of all staff excluding the highest paid) was 7% and for the highest paid director the increase was 1.57%.

The banded remuneration of the lowest paid employee at SLAB in the financial year 2023-24 was £20-25k (2022-23: £20-25k). Remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind and severance payments. It does not include pension benefits accrued in the year, employer pension contributions and the cash equivalent transfer value of pensions.

## Board members \*\*

The remuneration for the Chair and other Board members is determined by the Scottish Government, applying the Public Sector Pay Policy for Senior Appointments. The Chair formally assesses the performance of Board members annually against criteria as agreed between the

# Accountability Report

Chair and Scottish Government. The current criteria include commitment/contribution, team working, ability to constructively challenge within the Board, contribution to strategy/policy formulation, and specific areas of contribution.

Remuneration (excluding any accrued pension benefits) of the Board members for 2023-24 was as follows:

Name	2023-24 £000	2022-23 £000
Ray Macfarlane (Chair)	35-40	35-40
Tim McKay	-	10-15
Lesley Ward	10-15	10-15
Marieke Dwarshuis	-	10-15
Sarah O'Neill	10-15	10-15
David Sheldon KC	10-15	10-15
Brian Baverstock	10-15	10-15
Stephen Humphreys	10-15	10-15
Raymond McMenamin	10-15	10-15
Sheriff John Morris KC	10-15	10-15
Brigid Whoriskey	10-15	10-15
Gerry Bann	10-15	10-15
Judith Robertson	10-15	-
Gavin Stevenson	10-15	-

Board members including the Chair are not members of the organisation's pension scheme.

Appointment of the Chair by the Scottish Government is on a part time basis (two days a week) for a fixed term, and the current chair's appointment began on 1 April 2016. Board members are appointed by the Scottish Government.

Scottish Ministers may terminate Board appointments, giving three months' notice in writing prior to the intended date of termination, where appropriate.

## Staff Numbers & Costs \*\*

The breakdown of staff numbers and costs are as follows:

	Scottish Legal Aid Fund		Scottish Legal Aid Board	
	2023-24 average WTE	2022-23 average WTE	2023-24 average WTE	2022-23 average WTE
Permanent staff	102	95	246	242
Other staff	7	-	2	2
<b>Total</b>	<b>109</b>	<b>95</b>	<b>248</b>	<b>244</b>

	£000	£000	£000	£000
<b>Staff costs</b>	<b>6,273</b>	<b>7,221</b>	<b>12,207</b>	<b>14,885</b>

Further detail can be found in notes 8, 9, 10, 11 and 31 to the accounts. The main reason for the reduction in staff costs is a reduction in pension service costs. More information on pensions can be found at notes 21 and 40.

# Accountability Report

## **Scottish Living Wage**

In 2015 we obtained the Scottish Living Wage accreditation to demonstrate our public commitment to the Living Wage and tackling in-work poverty in Scotland. We continue this commitment to pay our employees at least the Scottish Living Wage.

## **Exit packages \*\***

There was one exit package during the year, by way of compensation which amounted in the £10-£15k banding.

## **Employee communication**

News items are posted regularly to our intranet, ranging from Executive Team updates and internal developments to justice sector news and social club updates. A weekly update email is sent to all staff with a summary of the previous week's intranet posts, solicitor updates and job vacancies. This can be used to inform managers and staff during team briefing sessions.

Managers receive a Monday Bulletin with details of scheduled meetings and events as well as a summary of the previous week's Executive Team meeting.

We conduct periodic employee opinion surveys to obtain staff views on issues such as communications, training and development, management practices, and quality of service. A joint consultative committee of management and union representatives meets regularly.

In autumn 2023 we undertook our biennial staff survey which had a good return rate of 70%. The survey aligns with the Civil Service People Survey and allows us to compare with our peers. Overall, the results were positive and a great reflection on how we work together. But we know there are improvements to make and an action plan to address the results has been put in place.

## **Health and Safety at Work**

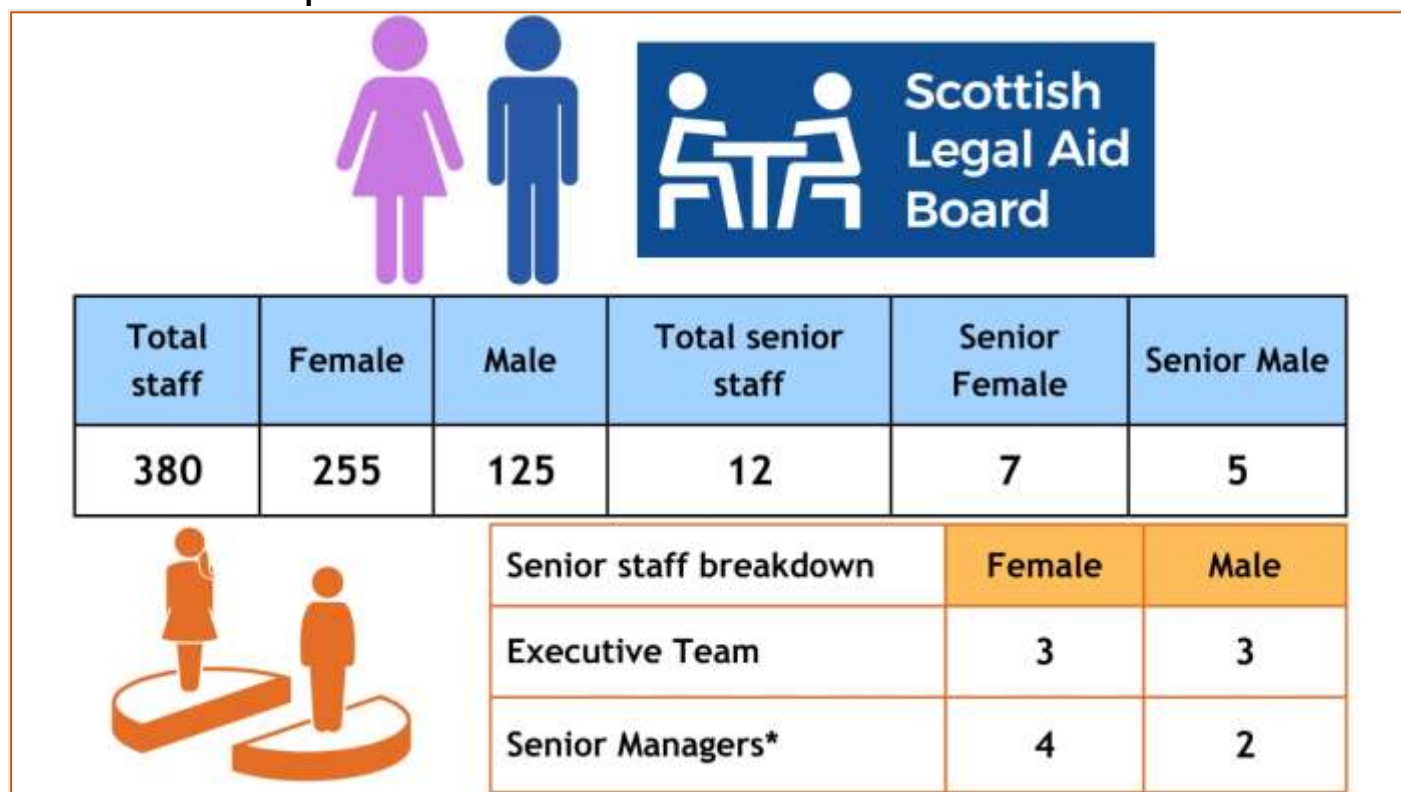
We have a Health and Safety Committee, chaired by the Director of Corporate Services, which meets quarterly and is comprised of staff members from across the organisation, as well as representatives of the trade union and Facilities management. The group reviews and proactively raises health and safety concerns and topics for discussion.



# Accountability Report

## Employee Information & Equal Pay

Our female/male split as at 31 March 2024



\* Senior managers' salaries are the equivalent of senior civil service level. In 2023-24 four senior managers were paid within the band £65-75k and two were paid within the band in £75-80k, (2022-23: three senior managers were paid within the band £60-75k, one in £65-70k and two in £70-75k).

### How we gather and present our employee data

We gather information on employees and people who apply to work with us across all relevant protected characteristics; age, sex, sexual orientation, disability, religion or belief, race (including ethnic origin and national identity), gender reassignment, marital status, and pregnancy and maternity. Our full recruitment and employee equality monitoring information for the period 1 April 2023 to 31 March 2024 is [published separately on our website](#).

Employees can directly provide and update their information through self-service access to our Human Resources systems. We publish data in percentage bands to ensure individuals cannot be identified.

Our online recruitment system is hosted by an external supplier and is where we gather equality information about people who apply to work with us. The data we receive when recruiting through an agency does not form part of our recruitment data. As at 31 March 2024, 88.4% of our workforce have provided their equality information.<sup>2</sup> This is a very similar level of disclosure as reported for 2022-23 and for 2021-22. However, we have seen small decreases in our 'prefer not to say' percentages across all the categories where this is an option (i.e. other

<sup>2</sup> Other than for two protected characteristics for which disclosure is mandatory (age and sex); and for marital status, which has a somewhat lower disclosure rate of 61%. We have however seen an increase in the disclosure rate for marital status on the previous year (from 59%).

# Accountability Report

than age and sex). For each of these categories, the PNTS rate is now below 15%, and in some cases closer to 5%.

## What our employee data tells us

The demographic of our workforce remains similar to that reported as at March 2023. The largest shift (as percentages of total staff) was in the 45-54 age band (minus 2.7%).

Whilst there were a range of other changes, these were very small. The lack of more significant changes reflects our ongoing and continuing low levels of turnover.

We have found that the numbers of relevant employees are too small across the following areas to allow us to form any definite conclusions with regards to differences between equality groups:

- numbers of employees involved in a new grievance, disciplinary action and/or dismissal
- number of employees appraised as 'not fully effective' or 'regularly fall below requirements'
- number of employees taking paternity or shared parental leave.

In 2023-24, 100% of maternity leavers returned to work. Of these, 50% requested a variation to their contractual hours on return to work and all were approved on a permanent basis. One employee took two weeks of paternity leave and one employee accessed parental leave. In 2023-24, 75% of employees on long term disability related absence leave returned to work and 17% remained absent in the reporting period, with 8% retiring.

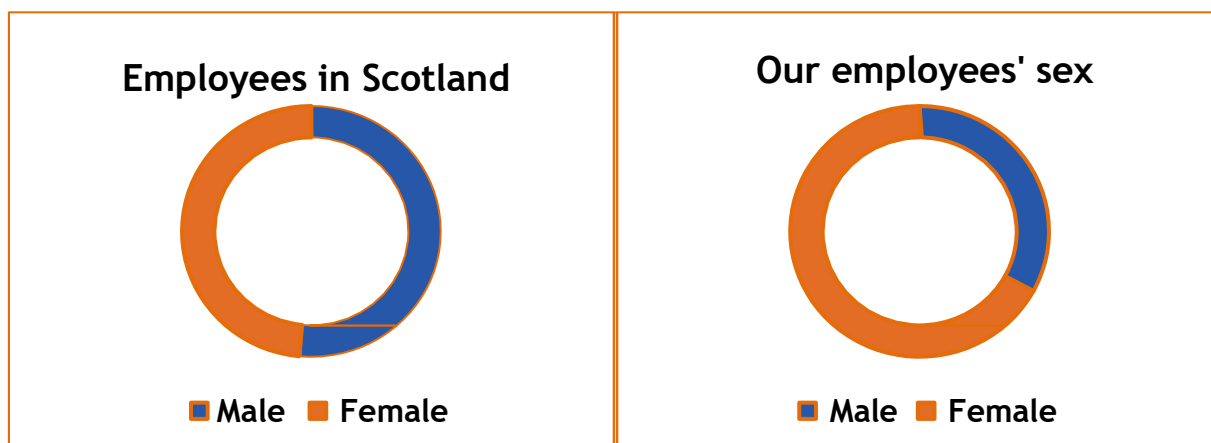
*Note that these figures include employees who did not declare a disability, but who were supported in the context of requiring a reasonable adjustment.*

## Workforce distribution by protected characteristics

The following information provides a top line breakdown of our 2023-24 employee data compared to the general Scottish population and people in employment in Scotland, as published in the Scottish Survey Core Questions 2022.

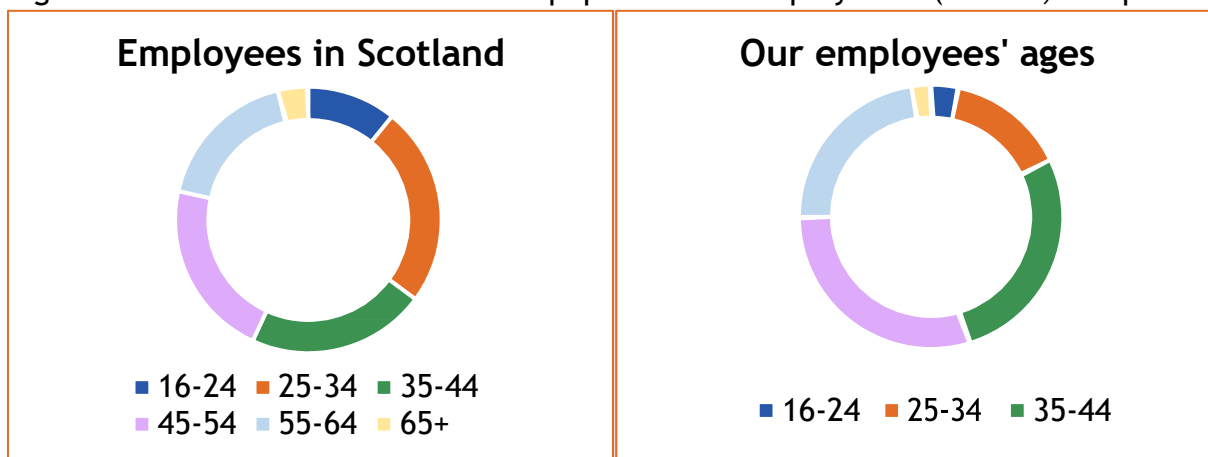
**Note:** We monitor data in relation to gender reassignment but do not publish it due to the risk of disclosure and identifying individuals. We continue to engage with staff about their lived experience and impact of our policies.

**Sex:** We have a 65-70% female and 30-35% male breakdown. The 2022 population data shows that in the general population 52% were female and 48% were male and of those in employment, 48.5% were female and 51.5% were male.



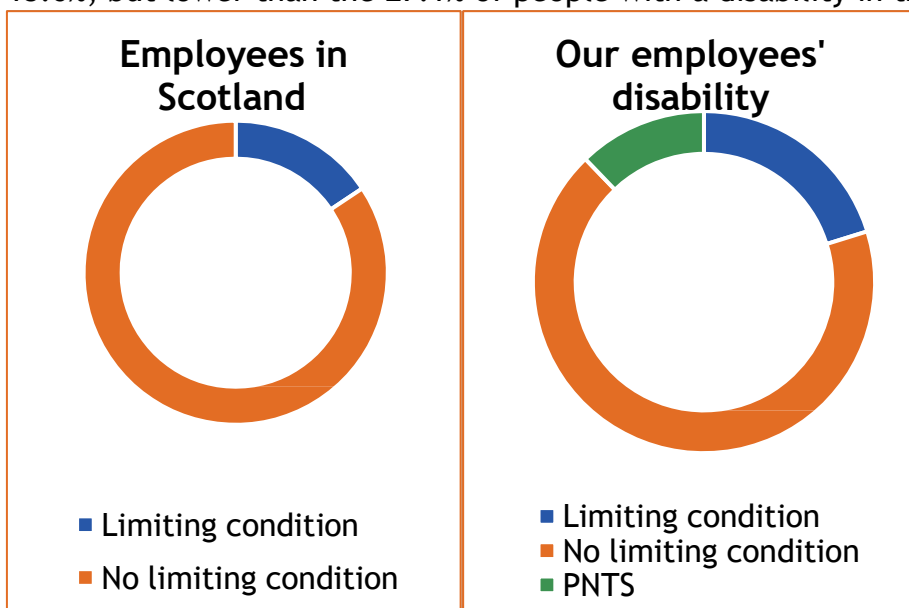
# Accountability Report

**Age:** Mean employee age is now 46 years, similar to 45 years in our previous report, and identical to the figure reported in the previous year. Our employees are clustered around the middle age ranges with fewer employees aged 24 years and under, and 65 plus years (both less than 5%). Proportionally, our age demographic has several similarities to the 2022 Scottish population in employment: the main difference is across the lower age ranges where less than 5% of our staff are aged 24 years and under, and 10-15% are aged 25-34 years, compared to the 2022 Scottish population in employment, for which the figures are 10.8% aged 24 years and under, and 24.3% aged 25-34 years. The percentage of our staff aged 45-54, in contrast, is higher than that in the 2022 Scotland population in employment (25-30%, compared to 21.6%).



The data for the remaining protected characteristics below represents the 88% of our employees who, at 31st March 2024, had completed their equality record. Non-complete records are excluded from the calculations, but we do include 'prefer not to say' responses.

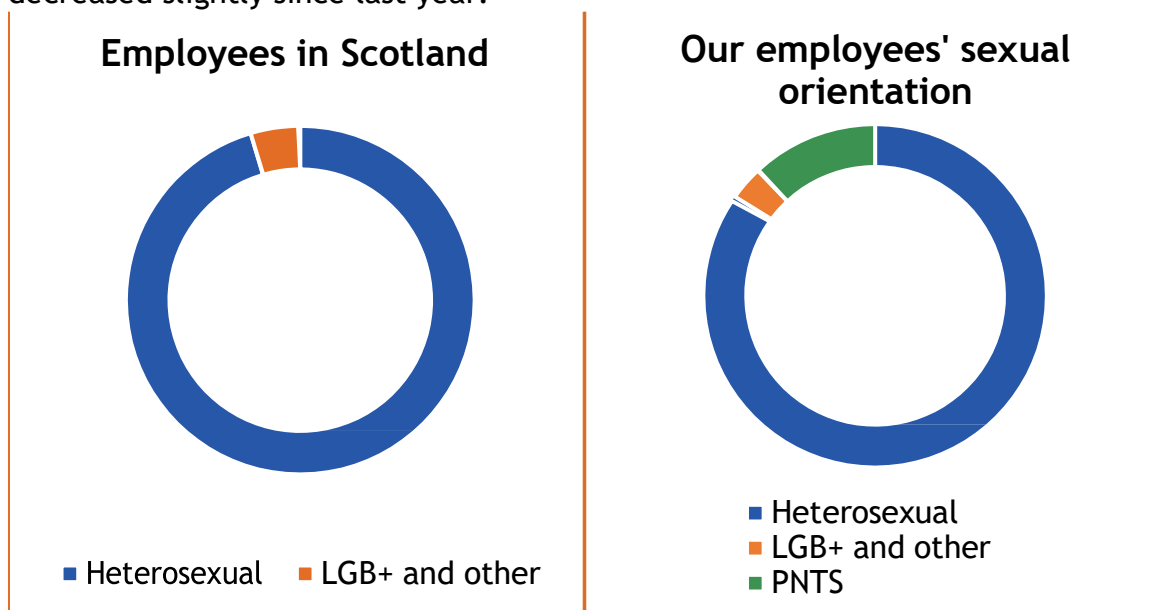
**Disability:** 20-25% of employees who completed their equality record declared a disability or long-term health condition. This level remains higher than the 2022 Scottish population figure of 15.6%, but lower than the 27.1% of people with a disability in the general population.



**Sexual orientation:** Less than 5% of employees identify as lesbian, gay, bisexual, or other/unsure. LGB and 'Other' representation appears relatively comparable to the 2022 general Scottish population (4.3%) and the population of people who are in employment (4.6%).

# Accountability Report

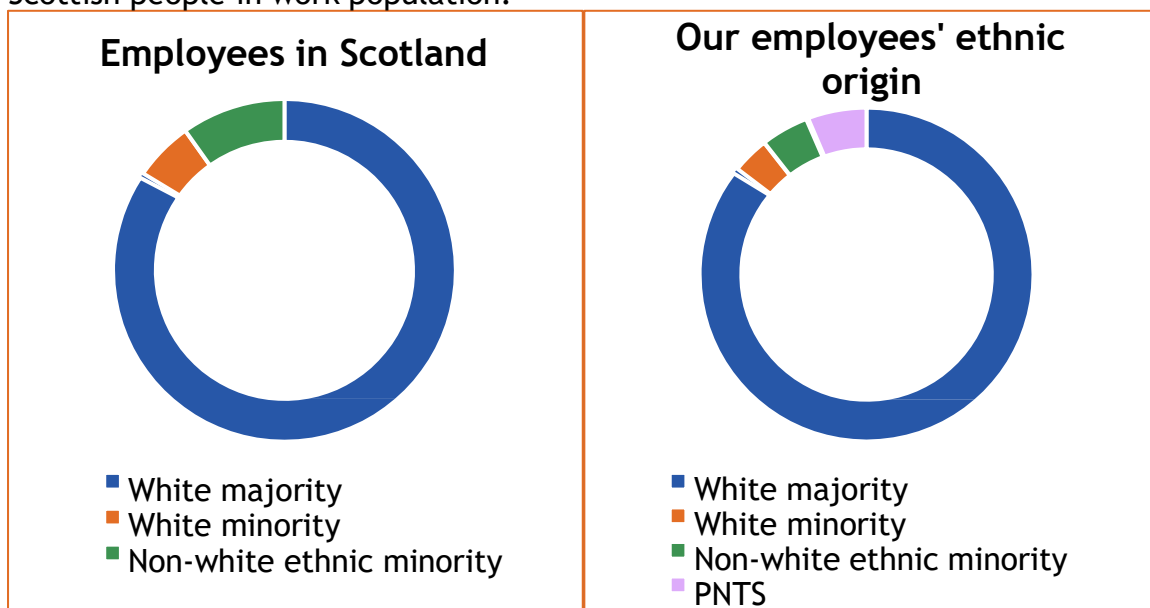
Whilst 10-15% of staff continue to answer ‘prefer not to say’, the specific percentage has decreased slightly since last year.



**Ethnic Origin:** Our data tells us that our employee ethnic origin demographic is:

- 85-90% White Scottish and other British
- less than 5% White minority
- less than 5% minority ethnic groups
- 5-10% prefer not to say.

9.8% of the Scottish 2022 people in work population fall into the category of minority ethnic groups, whilst the equivalent SLAB figure is less than 5%: this suggests that group is somewhat underrepresented. However, there has been an increase in that group of plus 1.4% since last our last report. On the other two categories, our staff balance is more broadly comparable to the Scottish people in work population.



**Religion or Belief:** The number of employees identifying as Christian (30-35%) is somewhat lower than that reported for the 2022 Scottish population (37.5%) but also somewhat higher than the percentage reported for those in employment (31.3%).

# Accountability Report

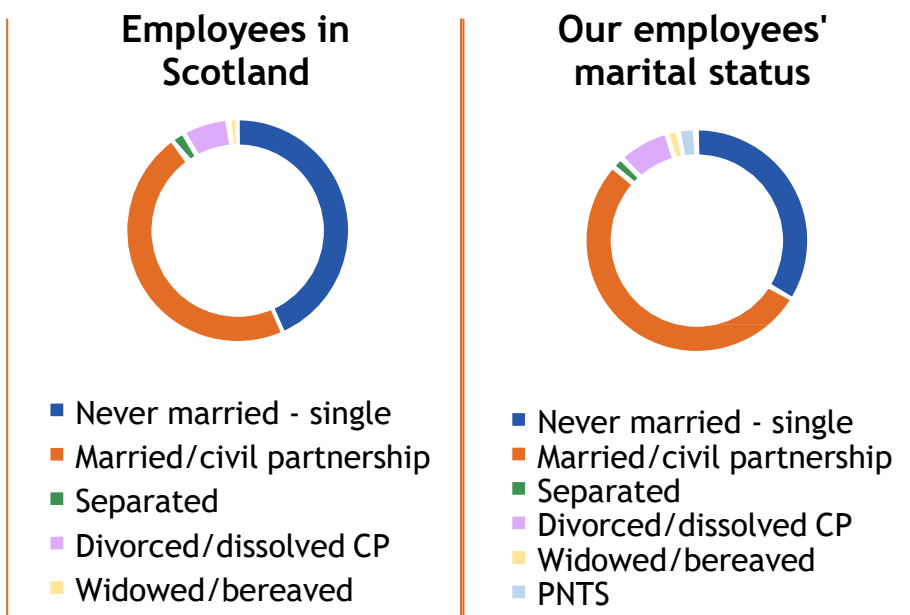
The percentage of employees declaring no religion (50-55%) is somewhat lower than the 2022 Scottish population (58.0%) and considerably lower than those in employment (64.4%). This continues a trend reported in previous years.

The number of employees identifying with other religions or beliefs (collating Buddhist, Hindu, Muslim, and others, for example Jewish) is less than 5%, broadly in line with both the 2022 national profile and those in employment (both 4.1%). Our 'prefer not to say' figure remains relatively high at 10-15%, though again, this figure has reduced slightly since last reported.



**Marital Status:** For the first time, we are including data on employee marital status. It is important to note that the disclosure rate is somewhat lower, at 61%, than for other protected characteristics.

The proportion of employees who are single/never married (30-35%) is lower than in the general working population (43%), whilst the proportion of married employees in SLAB is comparatively higher (50-55% compared to 46%). The remaining categories are all comparable in size.



# Accountability Report

## Gender pay gap

As a listed public authority, we are required to publish information every two years on the percentage difference between male employees' average hourly pay and female employees' average hourly pay (both excluding overtime). This is our gender pay gap.

One of the key strategic aims of our pay policy is to work towards making sure that pay is fair and non-discriminatory. We conduct an annual equal pay audit and apply our pay policy consistently and transparently.

### Figure proportion of male and females when divided into four pay quartiles by hourly rate:

	Hourly pay brackets	Total	Males	Females	Male %	Female %
Q1	12.35 - 15.11	95	34	61	35.80%	64.20%
Q2	15.11 - 19.10	95	16	79	16.80%	83.20%
Q3	19.10 - 27.60	95	36	59	37.90%	62.10%
Q4	27.60 - 67.40	95	39	56	41.10%	58.90%
<b>Total</b>		<b>380</b>	<b>125</b>	<b>255</b>	<b>32.90%</b>	<b>67.10%</b>

In March 2024, our mean gender pay gap for all staff (full and part time) was 9.6%. This figure shows that our mean gender pay gap has increased this year from 8.5% in 2023, this is a slight decrease from 10.5% in March 2022. The mean gender pay gap for all employees in Scotland (using [ONC/ASHE data](#)) was 6.3%.

This year in reporting we have considered the payment of allowances and it seems likely that this accounts for the change in the mean rate. These were not included in last year's calculation, but guidance now asks us to include this. The gender profile of staff in receipt of those allowances (particularly in PDSO) was less predominantly female than the whole staff group, therefore negatively impacting the gender pay gap. The allowances payable in PDSO have been withdrawn as part of the implementation of the Job Evaluation and Grading Project outcome and so their impact on the pay gap should diminish over the next two to three years before disappearing entirely.



The median hourly rate for men is £23.20 and for women is £19.10, resulting in a median gender pay gap as a percentage of men's pay of 17.7%. This is unchanged from 2023 and slightly higher than the 16.7% seen in 2022 but remains slightly lower than our 2021 figure of 18.3%. The median gender pay gap for all employees in Scotland (using [ONC/ASHE data](#)) is 8.7%.

The median pay gap is less prone to fluctuation than the mean. This is because the median (middle) hourly rate values for both men and women coincide with large clusters of staff at the tops of grades (grade four for women, grade five for men). For these medians to align would require significant change in one or more of the overall size, gender distribution and grade profile of the organisation. The scale of change needed is unlikely to occur naturally, given our generally low turnover rate.

While the data above demonstrates that a significant majority of senior posts are held by women, we continue to have a higher proportion of women in the lower paid grades and particularly grades three and four that comprise almost the whole of quartile 2.

# Accountability Report

## Disability pay gap

The disability pay gap shows the difference in the average hourly rate of pay between disabled and non-disabled employees in an organisation, expressed as a percentage of non-disabled employee earnings. This is calculated using the same calculation methodology as for gender pay gap reporting.

	Median hourly pay	Mean hourly pay
Staff declaring a disability or long-term health condition	£19.10	£23.24
Staff without a disability or long-term health condition	£19.10	£21.27

Our mean disability pay gap is **-9.3%** (meaning staff declaring a disability have a higher mean hourly pay than those who do not). There is no disability pay gap (**0%**) when using the median, as the median hourly pay rates are identical.

SLAB's median pay gap compares very favourably to both the UK median figure of 13.8% and more specifically to the Scotland figure of 18.5%, as reported in the most recently available ONS data (2021).<sup>3</sup>

## Ethnicity pay gap

For the purposes of calculating our ethnicity pay gap, we have combined the 'white minority' and 'non-white minority ethnic' groups for comparison against the 'white majority' group. At present, the numbers of staff in the minority groups are too low to allow for further disaggregation.

Whilst we appreciate that combining two groups in this way could potentially obscure some differences in experience (in particular, any difference between white and non-white employees) our view is that it is nonetheless helpful to undertake at least some form of ethnicity pay gap calculation. If our staff demographics change over time and would facilitate a more detailed calculation of the ethnicity pay gap, we will do so, but for our 2023-24 data, this is not possible.

	Median hourly pay	Mean hourly pay
White majority staff	£19.10	£21.77
White minority and non-white ethnic minority staff	£17.20	£19.19

Our mean ethnicity pay gap is **11.9%**. Our median ethnicity pay gap is lower than the mean, at **9.9%**. This contrasts with the position for the gender pay gap, where the median is higher than the mean. The most recent reliable Scotland data is for 2019, at which point the median pay gap reported by the ONS was 10.3%, which is slightly higher than ours. However, the 2019 median ethnicity pay gap for the UK was 2.3%.<sup>4</sup>

*Note: Employees who answered, 'prefer not to say', or who have not disclosed any information with regards to disability are excluded from the above calculations.*

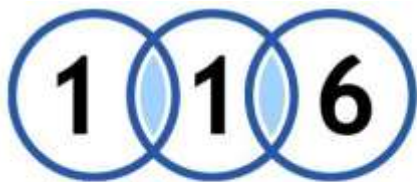
<sup>3</sup> [Disability pay gaps in the UK - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk)

<sup>4</sup> [Ethnicity pay gaps - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk)

# Accountability Report

## The way we train our People

We continued to invest heavily in the skills of our staff from April 2023 to March 2024. 116 training courses were rolled out with 536 delegates attending across all directorates.



Training sessions



Delegate attendees



The core focus of the training plan was:

- **Leadership & Management Development**  
*Think Works Leadership & Management Development Programme, One to One Management Coaching, and External Leadership Courses*
- **Health & Wellbeing**  
*Mental Health Awareness, Health & Wellbeing Conferences and Neurodiversity Conferences*
- **Digital Skills.**

Additionally, there was a variety of ad hoc training courses covering Trainer training, Health & Safety, Prince2 Agile and Equalities.

Newly promoted managers attend a HeadTorch Mental Health Awareness Workshop, exploring a variety of practical and interactive exercises with discussion groups to stimulate the thinking and sharing of ideas and opinions.

The manager induction programme also includes unconscious bias e-learning from Skill Boosters.

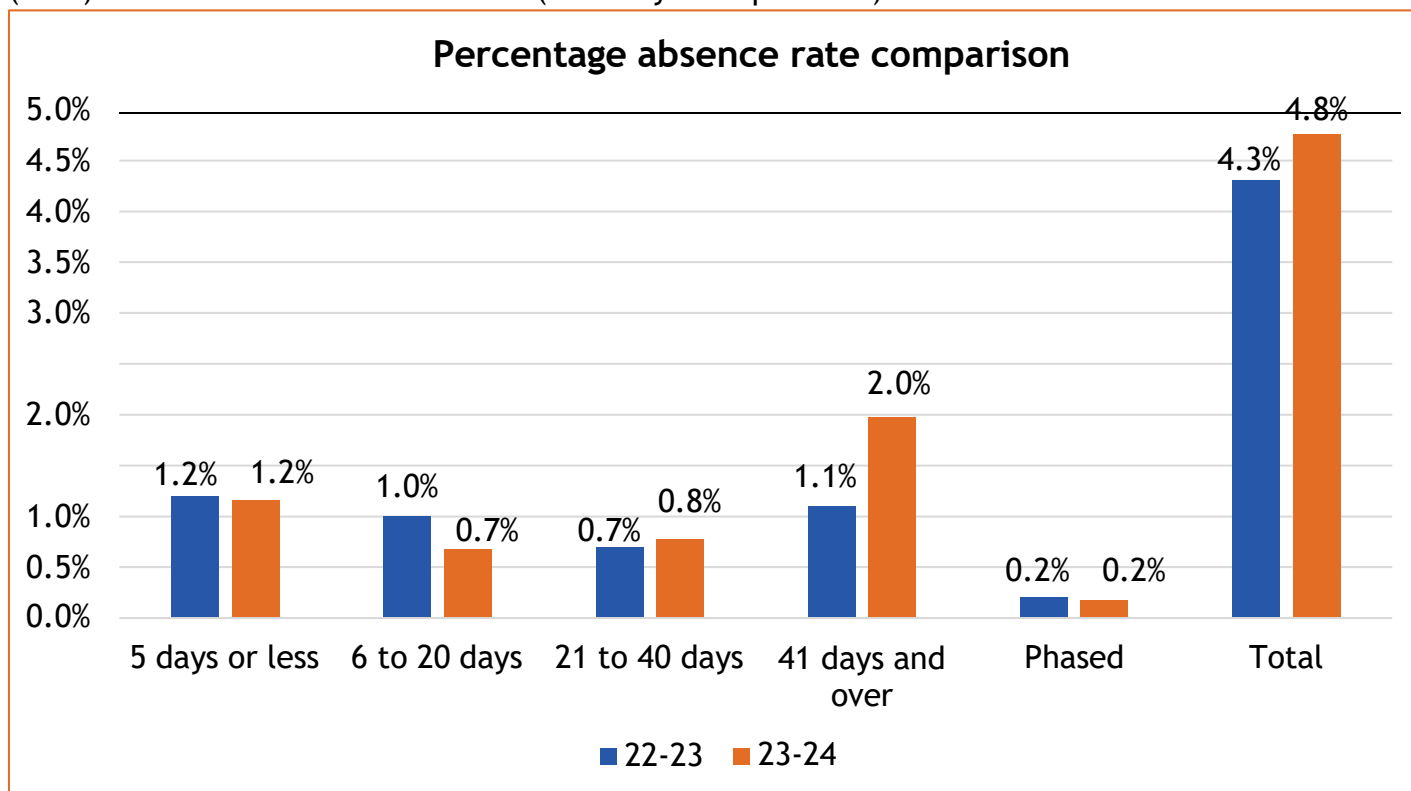
All our employees have access to our learning Management System (LMS) containing a suite of learning materials.



# Accountability Report

## Employee sickness absence

The absence rate for SLAB is 4.8% which equates to 11.6 days lost per whole time equivalent (WTE). This is an increase from 4.3% (10.6 days lost per WTE) from 2022-23.



This year the percentage of short term absence, under 21 days, has decreased however there has been a rise in 41 days and over absence but in general absence has increased. These longer absences now make up over 40 percent of our total absence, compared to 26 percent last year.

Analysis of actual cases suggests we have several with complexities that would be covered by the Equality Act 2010, in terms of individuals who are living with a disability. In terms of cases being managed as long term absence, we currently have 28 individuals being managed through our new Managing Sickness Absence Policy.

We will continue to monitor the sickness levels within SLAB. While rising sickness levels are being seen across the UK (CIPD), our levels are higher than we would like and are having an impact on some operational areas. Our absence rates are also high when compared to Scottish Government, who are sitting at 3.6% absences for quarter four of 2023 (SLAB at 4.6%).

At time of writing, the Office of National Statistics (ONS) has not yet published figures for 2023. However, comparing to the 2022 ONS average, the rate of absence in the UK was 2.6% and in Scotland was three percent. (SLAB was 4.3%). The average for the Public Sector is three percent.

We introduced a new Managing Sickness Absence Policy in July 2023 to support managers and staff. In developing this new policy, the People & OD team have also provided guidance and training to managers on how to proactively manage staff who may be experiencing poor mental health.

The increasing prevalence of mental health related absence might suggest a broader concern with staff wellbeing, but this does not appear to be supported by the wider evidence we have. For example, the staff survey uses the PERMA index to measure the extent to which employees

# Accountability Report

are flourishing in the workplace. The model is based around five dimensions, and calculates a derived statistic based on five questions as follows:

1. **Positive emotion** - Overall how satisfied are you with your life nowadays
2. **Engagement** - I am interested in my work
3. **Relationships** - the people in my team can be relied upon to help when things get difficult in my job
4. **Meaning** - Overall to what extent do you feel things in your life are worthwhile.
5. **Accomplishments** - My work gives me a sense of personal accomplishment.

Using the Civil Service People Survey (CSPS) model, SLAB currently has a PERMA index of 76%. The CSPS 2022 PERMA Index UK benchmark was 73%.

In terms of supporting staff experiencing ill health, we currently have good use of Occupational Health (OH) in place; this year we changed our supplier to Optima Health who are the Scottish Government Framework supplier. This has allowed us to be able to continue to support colleagues with a wider range of supports including work-based capability assessment. This has been particularly helpful in supporting neurodivergent colleagues.

The People & OD team have made 73 OH referrals in 2023-24. These are not all individual cases, as multiple referrals may be made during a longer term absence, and some are in respect of assessments for adjustments rather than sickness absence.

We continue to use First Psychology to provide counselling for staff and deliver HeadTorch Mental Health Awareness training to managers to support them in managing absence.

The total number of referrals to First Psychology because of an OH recommendation or self-referral from April 2023 to March 2024 was 33. This includes referrals for Counselling, Cognitive Behavioural Therapy (CBT) and Keep Well Sessions.

## Trade Union Relationships

Trade Unions play an important role in the modern workplace and there are considerable benefits to both employers and employees when organisations and unions work well together. The Scottish Legal Aid Board is committed to working in partnership with our recognised trade union. This commitment is demonstrated through our bargaining framework and is supported by an ongoing recognition agreement with our recognised trade union, GMB.

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on 1 April 2017. The regulations place a legislative requirement on relevant public sector employers to collate and publish, on an annual basis, a range of data on the amount and cost of facility time within their organisation. The data is required to be published on a website maintained by or on behalf of the

### Top three identified reasons for absence within SLAB



# Accountability Report

employer before 31st July each year, and within the annual report. The Cabinet Office published supporting guidance on 2 June 2018 which has clarified the data which should be disclosed within the annual report and accounts.

Data for 2023-24 is shown below and has been [published on our website](#):

<b>Headcount</b>	<b>50 to 1,500</b>
Number of Trade Union (TU) representatives	6
Full-time equivalent (FTE) number of TU representatives	6
Number of TU representatives that spent 0% working hours on facility	0
Number of TU representatives that spent 1-50% working hours on facility time	6
Number of TU representatives that spent 51-99% working hours on facility time	0
Number of TU representatives that spent 100% working hours on facility time	0
SLAB total pay bill	£15,912,790*
Total cost of facility time	£7,050
Percentage of pay spent on facility time	0.04%
Percentage of total paid facility time spent on paid Trade Union activities	0%

\* This is Fund and Admin combined on a cash basis, the staff cost figures on page 47 are on the accruals basis.

# Accountability Report

## Parliamentary accountability

The Scottish Legal Aid Board (“SLAB”) presents its accounts for the financial year ended 31 March 2024.

The organisation is a Non-Departmental Public Body set up in 1987 under the Legal Aid (Scotland) Act 1986 and is accountable to Scottish Ministers. A key objective for the organisation is to operate within its administration budget and to manage the Legal Aid Fund. Separate accounts have been prepared for the Scottish Legal Aid Fund and for the Scottish Legal Aid Board.

The accounts have been prepared in a form directed by Scottish Ministers in accordance with section 5 (2) of the Legal Aid (Scotland) Act 1986, as amended by the Public Finance and Accountability (Scotland) Act 2000, and the Government Financial Reporting Manual 2023-24. In all material respects expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by Scottish Ministers.

Details of losses and special payments are disclosed in accounts notes 22 and 41. There are no contingent liabilities to disclose.

The Scottish Legal Aid Fund accounts show income of £8.0m as disclosed in note 4 to the accounts. This mainly comprises contributions made towards the cost of Legal Aid from assisted persons and expenses recovered from opponents. The Scottish Legal Aid Board accounts show income of £0.8m as disclosed in note 33 to the accounts. This is mainly derived from subletting space in our Thistle House head office to several different tenants.



**Colin Lancaster**

Chief Executive and Accountable Officer

05 September 2024

## Independent auditor's report

Independent auditor's report to the members of Scottish Legal Aid Board, the Auditor General for Scotland, and the Scottish Parliament.

### Report on the audit of the financial statements

#### Opinion on the Scottish Legal Aid Fund financial statements

We have audited the financial statements in the annual report and accounts of Scottish Legal Aid Board for the year ended 31 March 2024 under the Legal Aid (Scotland) Act 1986. The financial statements for the Scottish Legal Aid Fund ('the Fund') comprise the Fund's Statement of Comprehensive Net Expenditure, the Fund's Statement of Financial Position, the Fund's Statement of Cash Flows, the Fund's Statement of Changes in Taxpayers' Equity and Notes to the accounts, 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 our opinion the accompanying financial statements of the Scottish Legal Aid Fund:

- give a true and fair view of the state of the Fund's affairs as at 31 March 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 Aid (Scotland) Act 1986 and directions made thereunder by the Scottish Ministers.

#### Opinion on the Scottish Legal Aid Board financial statements

We have audited the financial statements in the annual report and accounts of Scottish Legal Aid Board for the year ended 31 March 2024 under the Legal Aid (Scotland) Act 1986. The financial statements for the Scottish Legal Aid Board ('the Board') comprise the Board's Statement of Comprehensive Net Expenditure, the Board's Statement of Financial Position, the Board's Statement of Cash Flows, the Board's Statement of Changes in Taxpayers' Equity and Notes to the accounts, 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 our opinion the accompanying financial statements of the Scottish Legal Aid Board:

- give a true and fair view of the state of the Board's affairs as at 31 March 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 Aid (Scotland) Act 1986 and directions made thereunder by the Scottish Ministers.

#### Basis for opinions

We conducted our audits of the Fund and the Board in accordance with applicable law and

# Accountability Report

International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Auditor General for Scotland. Our responsibilities under those standards are further described in the auditor's responsibilities for the audits of the financial statements section of our report. We were appointed by the Auditor General on 18 May 2022. Our period of appointment is five years, covering 2022/23 to 2026/27. We are independent of the body in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

## **Conclusions relating to going concern basis of accounting**

We have concluded that the use of the going concern basis of accounting in the preparation of the Fund and Board financial statements is appropriate.

Based on the work we have performed, we 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, we 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**

We report in our separate Annual Audit Report the most significant assessed risks of material misstatement that we identified and our 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 Fund and Board 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 Fund and Board 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**

Our objectives are to obtain reasonable assurance about whether the Fund and Board 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 our 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.

# Accountability Report

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. We design procedures in line with our responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- using our understanding of the central government sector to identify that the Legal Aid (Scotland) Act 1986 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 our 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 our 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Reporting on regularity of expenditure and income

### Opinion on regularity

In our opinion in all material respects the expenditure and income in the Fund and Board 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 our responsibilities in respect of irregularities explained in the audit of the financial statements section of our report, we are responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

# Accountability Report

## Reporting on other requirements

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

We have audited the parts of the Remuneration and Staff Report described as audited. In our opinion, the audited parts of the Remuneration and Staff Report have been properly prepared in accordance with the Legal Aid (Scotland) Act 1986 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.

Our responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the Fund and Board financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Our opinion on the Fund and Board financial statements does not cover the other information and we 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 our 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 Fund and Board financial statements are prepared is consistent with the Fund and Board financial statements and that report has been prepared in accordance with the Legal Aid (Scotland) Act 1986 and directions made thereunder by the Scottish Ministers; and
- the information given in the Governance Statement for the financial year for which the Fund and Board financial statements are prepared is consistent with the Fund and Board financial statements and that report has been prepared in accordance with the Legal Aid (Scotland) Act 1986 and directions made thereunder by the Scottish Ministers.

### Matters on which we are required to report by exception

We are required by the Auditor General for Scotland to report to you if, in our 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
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.



# Accountability Report

## Conclusions on wider scope responsibilities

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

## Use of our 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, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

*Tom Reid*

Tom Reid (Audit Director)  
For and on behalf of Forvis Mazars LLP  
Forvis Mazars LLP  
100 Queen Street  
Glasgow - G1 3DN

05 September 2024

## The Fund Financial Statements

In this section we cover:

<u>Statement of comprehensive net expenditure for the year ended 31 March 2024</u>	67
<u>Statement of financial position as at 31 March 2024</u>	68
<u>Statement of cash flows for the year ended 31 March 2024</u>	69
<u>Statement of changes in taxpayer's equity for the year ended 31 March 2024</u>	70
<u>Notes to the Accounts for the year ended 31 March 2024</u>	71

# Fund Statements

## Statement of Comprehensive Net Expenditure for the year ended 31 March 2024

	Notes	2023-24 £000	2022-23 £000
<b>Civil legal assistance</b>			
Civil legal aid	3	44,057	31,689
Civil advice & assistance and advice by way of representation	3	23,399	22,033
Civil Legal Assistance Office	3	2,022	2,377
Grant funding	3	2,313	3,616
<b>Gross civil legal assistance expenditure</b>		<b>71,791</b>	<b>59,715</b>
Less operating income	4	(7,964)	(8,458)
<b>Total net civil legal assistance expenditure</b>		<b>63,827</b>	<b>51,257</b>
<b>Criminal legal assistance</b>			
Criminal legal aid	5	72,716	61,033
Criminal advice & assistance and advice by way of representation	5	13,849	11,338
Public Defence Solicitors' Office	5	4,259	4,386
Solicitor Contact Line & Glasgow Courts	5	1,422	1,695
<b>Total criminal legal assistance expenditure</b>		<b>92,246</b>	<b>78,452</b>
<b>Children's legal assistance</b>			
Children's legal aid	6	2,530	2,542
Children's advice & assistance	6	2,512	2,355
<b>Total children's legal assistance expenditure</b>		<b>5,042</b>	<b>4,897</b>
<b>Other expenditure</b>			
Contempt of court	7	190	157
Counsel Interest costs	2	-	-
Quality assurance costs	2	125	159
Advice Standards	2	122	115
Miscellaneous legal aid expenditure	2	57	47
Bad debt (including impairment charges)	12	26	729
<b>Total other expenditure</b>		<b>520</b>	<b>1,207</b>
<b>Net</b>			
<b>Net operating costs before interest</b>		<b>161,635</b>	<b>135,813</b>
Pension scheme finance costs	21	493	467
<b>Net operating costs</b>		<b>162,128</b>	<b>136,280</b>

# Fund Statements

## Statement of Financial Position as at 31 March 2024

	Notes	2023-24 £000	2022-23 £000
<b>Non-current assets</b>			
Property, plant and equipment	13	36	65
Intangible assets	14	-	-
Right of use assets	15	776	932
Trade and other receivables	16	6,598	5,973
<b>Total non-current assets</b>		<b>7,410</b>	<b>6,970</b>
<b>Current assets</b>			
Trade and other receivables	16	1,126	1,611
Cash and cash equivalents	17	12,735	2,475
<b>Total current assets</b>		<b>13,861</b>	<b>4,086</b>
<b>Total assets</b>		<b>21,271</b>	<b>11,056</b>
<b>Current liabilities</b>			
Trade and other payables	18	(3,509)	(2,265)
Right of use lease liabilities	15	(131)	(137)
Provisions	20	(48,577)	(42,185)
<b>Total current liabilities</b>		<b>(52,217)</b>	<b>(44,587)</b>
<b>Non-current assets less net current liabilities</b>		<b>(30,946)</b>	<b>(33,531)</b>
<b>Non-current liabilities</b>			
Right of use lease liabilities	15	(674)	(805)
Provisions	20	(25,364)	(23,588)
Pension scheme liability	21	(8,919)	(11,924)
<b>Total non-current liabilities</b>		<b>(34,957)</b>	<b>(36,317)</b>
<b>Assets less liabilities</b>		<b>(65,903)</b>	<b>(69,848)</b>
<b>Taxpayers' equity</b>			
General fund		(65,903)	(69,848)
<b>Total taxpayers' equity</b>		<b>(65,903)</b>	<b>(69,848)</b>

The Accountable Officer authorised these financial statements for issue on 04 September 2024.



**Colin Lancaster**  
Chief Executive and Accountable Officer  
05 September 2024

The notes on pages 71 to 89 form part of these accounts.

# Fund Statements

## Statement of Cash Flows for the year ended 31 March 2024

	Notes	2023-24 £000	2022-23 £000
<b>Cash flows from operating activities</b>			
Net operating cost before Scottish Government funding		(162,128)	(136,280)
<b>Adjustments for non-cash items</b>			
Depreciation on property, plant and equipment and amortisation of intangible assets	13 & 14	35	35
Depreciation on right of use assets	15	156	148
Loss on disposal of property, plant and equipment	13	-	-
<b>Movements in working capital</b>			
(Increase)/decrease in trade and other receivables	16	(141)	718
Increase/(decrease) in trade and other payables	18	1,244	315
<b>Movements in provisions</b>			
Increase/(decrease) in provisions	20	8,168	(2,869)
Pension scheme service and finance costs	21	1,299	3,070
Payments in respect of pension scheme	21	(106)	(193)
<b>Net cash outflow from operating activities</b>		<b>(151,473)</b>	<b>(135,056)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	13	(6)	(32)
Right of use assets acquired	15	-	(1,080)
<b>Net cash outflow from investing activities</b>		<b>(6)</b>	<b>(1,112)</b>
<b>Cash flows from financing activities</b>			
Scottish Government funding and retained pension contributions		161,875	132,944
Right of use lease financing	15	-	943
Right of use payments made	15	(137)	-
<b>Net cash inflow from financing activities</b>		<b>161,738</b>	<b>133,887</b>
Net decrease in cash and cash equivalents		10,260	(2,282)
Cash and cash equivalents as at 1 April	17	2,475	4,756
<b>Cash and cash equivalents as at 31 March</b>	<b>17</b>	<b>12,735</b>	<b>2,475</b>

# Fund Statements

## Statement of Changes in Taxpayer's Equity for the year ended 31 March 2024

	Notes	2024 £000	2023 £000
<b>Balance at 1 April</b>		<b>(69,849)</b>	<b>(87,667)</b>
<b>Changes in taxpayers' equity</b>			
Net cost of operations		(162,128)	(136,280)
Net movement on pension scheme	21	4,198	21,154
<b>Total recognised income and expense</b>		<b>(157,930)</b>	<b>(115,126)</b>
Funding from the Scottish Government		161,271	132,730
Retained pension contributions & transfers in		604	214
<b>Total funding</b>		<b>161,875</b>	<b>132,944</b>
<b>Balance at 31 March</b>		<b>(65,904)</b>	<b>(69,849)</b>

## Notes to the Accounts for the year ended 31 March 2024

### 1 Fund - accounting policies

Policies **highlighted in bold** text are those we deem to be material as opposed to significant in line with the recent adjustment to IAS 1.

#### 1.1 Basis of accounting

The accounts have been prepared in accordance with the accounting principles and disclosure requirements of the 2023-24 Government Financial Reporting Manual (FRM). Without limiting the information given, the accounts follow generally accepted accounting practices as defined in International Financial Reporting Standards (IFRS) as adopted by the United Kingdom and the Companies Act 2006 to the extent that it is meaningful and appropriate in the public sector context and in accordance with the Accounts Direction given by Scottish Ministers. The accounting policies selected have been applied consistently in dealing with items considered material in relation to the accounts.

#### 1.2 Accounting convention

These accounts have been prepared under the historical cost convention modified to account, where material, for the revaluation of property, plant and equipment and intangible assets to fair value as determined by the relevant accounting standard. However, given the short useful economic lives and low values of property, plant and equipment and intangible assets, these assets are disclosed on a depreciated historical cost basis, which is used as a proxy for fair value.

#### 1.3 Corresponding amounts

Corresponding amounts are shown for the primary financial statements and for the notes to the accounts. Where corresponding amounts are not directly comparable with the amount shown in the current financial year, International Accounting Standard 1 "*Presentation of Financial Statements*" requires that they should be adjusted and the basis for adjustment disclosed in a note to the financial statements.

#### 1.4 New accounting standards

There are no new accounting standards or amendments to existing standards which come in to force in future accounting periods and would materially affect the SLAB Fund accounts.

#### 1.5 Funding

**Most of the expenditure of the Scottish Legal Aid Fund is met from funds advanced by the Scottish Government within an approved allocation. Cash drawn down to fund expenditure within this approved allocation is credited to the general fund. All income that is not classed as funding is recognised in the period in which it is receivable. Funding for the acquisition of general property, plant and equipment received from the Scottish Government is credited to the general fund.**

#### 1.6 Principal risks and uncertainties

**The principal risks and uncertainties in the Scottish Legal Aid Fund accounts relate to the estimation techniques used to calculate the value of unbilled live cases disclosed in the accounts as a provision, the bad debt estimation and pension liabilities as detailed in notes 20, 12 and 21 respectively to the accounts. Further information on sources of estimation and uncertainty can be found at note 26.**

#### 1.7 Property, plant and equipment (PPE)

Property, plant and equipment is capitalised at the cost of acquisition and installation.

The Government Financial Reporting Manual provides for entities to elect to adopt a depreciated historical cost basis as a proxy for fair value for assets that have short useful lives or low values (or both). For depreciated historical cost to be considered as a proxy for fair

value, the useful life must be a realistic reflection of the life of the asset and the depreciation method used must provide a realistic reflection of the consumption of that asset class. Given that property, plant and equipment held by the Scottish Legal Aid Fund is of low value and has a short useful economic life, there is no revaluation of property, plant and equipment.

The threshold for capitalisation of property, plant and equipment is £5,000; however, individual items of property, plant and equipment whose cost falls below the threshold but are of a similar nature are grouped and capitalised, where the value of the group exceeds the capitalisation threshold.

Subsequent costs are included in the carrying amount of the item of property, plant and equipment or recognised as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Scottish Legal Aid Fund and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive net expenditure during the financial year in which they are incurred.

## 1.8 Depreciation

Depreciation is provided on all property, plant and equipment on a straight line basis, at rates calculated to write-off the re-valued cost, less estimated residual value, of each asset over its expected useful life as follows:

- office equipment and non-standard furniture: 5 years
- personal computer hardware and integral software: 3 years
- motor vehicles: 3 years
- other computer hardware: 5 years.

Property, plant and equipment during construction are not depreciated until the asset is brought into use.

## 1.9 Intangible assets

Future economic benefit has been used as the criteria in assessing whether an intangible asset meets the definition and recognition criteria of International Accounting Standard 38. The standard defines future economic benefit as “revenue from the sale of products or services, cost savings or other benefits resulting from the use of the asset by the entity”.

Given the short useful lives and low values of intangible assets, the Scottish Legal Aid Fund has elected to adopt a depreciated historical cost basis as a proxy for fair value for intangible assets. When capitalising internally generated intangible assets, such as in-house developed software, directly attributable costs, including staff costs and staff-related costs, are capitalised. On first time-adoption there has been no retrospective capitalisation of internally generated assets because of the inability to apportion historic cost information to specific intangible assets.

Intangible assets are amortised over the shorter term of the length of life of licence and its useful economic life. Intangible assets during construction are not amortised until the asset is brought into use.

## 1.10 Right of use assets - IFRS16

IFRS16 came into effect for public sector bodies for accounting periods beginning after 1 April 2022. The distinction between finance and operating leases is removed and all leases with 12 or more months to run become on balance sheet. Previously leases were classified as either ‘operating’ or ‘finance’ leases based upon the assessment of the risks and rewards being incidental to ownership of the underlying asset. Under IFRS 16 SLAB recognises assets where we



consider we have exclusive right to use the asset (right-of-use assets) and the lease liability on the balance sheet.

At transition, lease liabilities have been measured at the cost of the remaining lease payments at 1 April 2022. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The right-of-use asset is subsequently depreciated, in the same way as other assets of the same type, using a straight-line method over the lease term. Right-of-use assets will be periodically reviewed to account for potential impairment and any material re-measurement of the lease liability.

## 1.11 Income and expenditure recognition

Income and expenditure is accounted for in the year to which it relates and not when cash payments are made or received. Where income and expenditure has been recognised but cash has not been received or paid, a receivable or payable for the corresponding amount is recorded in the Statement of Financial Position. For expenditure, only invoices over £500 are accrued or prepaid.

### IFRS 15 - Revenue from contracts with customers

IFRS 15 adapted for the public sector came into effect from 1 January 2019. Due to the unusual nature of The Scottish Legal Aid Fund, all income from client contributions and awards of expenses are deemed to derive from a non-exchange contract and, as such, are not party to the guidance in relation to income recognition in line with performance objectives.

The Scottish Legal Aid Fund's primary function is to assess applications and grant legal aid funding, we deem all obligations to have been met once legal aid has been granted.

## 1.12 Grant Funding

SLAB administers grant funding programmes on behalf of the Scottish Government who provide ring fenced funding. The Scottish Government funding is included in the DEL (Delegated Expenditure Limit) budget for SLAB.

## 1.13 Operating leases

Rentals applicable to operating leases are charged to the statement of comprehensive net expenditure on a straight-line basis over the period of the lease.

## 1.14 Provisions for liabilities and charges

The liability to pay accounts resulting from work performed up to and including 31 March is calculated based on the number of outstanding legal aid certificates and estimates of cost and time since the certificate was issued. The amount of the provision falling due within twelve months is shown within current liabilities; the amount of the provision falling due in over twelve months is shown in non-current liabilities. The nature of our provision does not lend itself to regular repayments and, as such, present value is not utilised in the calculation.

## 1.15 Short term employee benefits

Short term employee benefits (such as accrued holiday pay) are valued and, if material, included in current liabilities.

## 1.16 Pension costs (SLAB Client Legal Services)

The Legal Aid (Scotland) Pension Scheme 1988 (as amended) is an unfunded pension scheme providing benefits based on pensionable pay. The liabilities of the scheme are reported separately from those of the Board. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of

equivalent term and currency to the liability. The amounts charged to the statement of comprehensive net expenditure represent both the service cost (i.e. the cost of the additional benefits earned because of employees' service in the current year) and the finance charge for the year arising from the interest on the scheme notional liabilities, in line with the requirements of International Accounting Standard 19 "*Employee benefits*".

## 1.17 VAT

The organisation is not registered for VAT and all costs are shown inclusive of irrecoverable VAT.

## 1.18 Losses and special payments

Operating expenditure includes certain losses which would have been made good through insurance cover had the Scottish Legal Aid Fund not been bearing its own risks. Losses and special payments are disclosed separately in a note to the accounts (note 22).

## 1.19 Related party disclosures

Related party transactions are identified, considered and disclosed in line with the requirements of International Accounting Standard 24 "*Related party disclosures*" (note 23).

## 1.20 Financial instruments

The classification of financial assets is determined on initial recognition and comprises only receivables with fixed or determinate payments. Financial assets include trade and other receivables and cash at bank in the statement of financial position. Receivables are recognised at fair value less any provision for non-recovery, which is charged to the statement of comprehensive net expenditure. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or been substantially transferred from the Fund.

Financial liabilities are classified at the point of initial recognition and comprise trade and other payables. Financial liabilities are valued at fair value and derecognised when they have been extinguished, that is discharged, cancelled or expired.

## 1.21 Changes in estimation techniques

**There has been one material change between 2022-23 and 2023-24. We have not changed our estimation techniques however we have adjusted the major assumption used in our work in progress provision. This adjustment is based on 3 years of data analysis undertaken to review the accuracy of the assumption. More detail on the assumption can be found at note 26.**

# Fund Statements

2 Segmental analysis	Civil legal £000	Criminal legal £000	Children's legal £000	Total £000
<b>Legal aid</b>				
Solicitors' fees	29,223	53,998	1,860	85,081
Advocates' fees	3,159	11,359	409	14,927
Solicitor advocates' fees	23	3,834	-	3,857
Outlays	11,640	3,525	261	15,426
Expenses paid to successful unassisted persons	12	-	-	12
<b>Total</b>	<b>44,057</b>	<b>72,716</b>	<b>2,530</b>	<b>119,303</b>
<b>Advice &amp; assistance and advice by way of representation</b>				
Solicitors' charges	17,758	13,429	2,403	33,590
Outlays	5,641	420	109	6,170
<b>Total</b>	<b>23,399</b>	<b>13,849</b>	<b>2,512</b>	<b>39,760</b>
<b>Client Legal Services</b>				
Outlays	128	345	-	473
Salaries and wages	1,193	3,655	-	4,848
Social security costs	125	395	-	520
Pension scheme service costs	277	529	-	806
Accommodation	117	246	-	363
Audit fee	2	5	-	7
Rentals under operating leases	8	37	-	45
Depreciation, amortisation & loss on disposal	8	27	-	35
Right of use depreciation	17	138	-	155
Right of use interest	-	8	-	8
Other operating costs	147	296	-	443
<b>Total</b>	<b>2,022</b>	<b>5,681</b>	<b>-</b>	<b>7,703</b>
<b>Grant funding</b>	<b>2,313</b>	<b>-</b>	<b>-</b>	<b>2,313</b>
<b>Total expenditure</b>	<b>71,791</b>	<b>92,246</b>	<b>5,042</b>	<b>169,079</b>
Operating income	(7,964)	-	-	(7,964)
<b>Net operating costs 2023-24</b>	<b>63,827</b>	<b>92,246</b>	<b>5,042</b>	<b>161,115</b>
Net operating costs 2022-23	51,257	78,452	4,897	134,606

The following items, which it is either impossible or impractical to allocate between reportable segments, are required to reconcile the total segment measures to respective amounts included in the financial statements:

	£000
Segmental net operating costs	161,115
Contempt of court	190
Counsel Interest costs	-
Quality assurance costs	125
Advice Standards	122
Miscellaneous legal aid expenditure	57
Bad debt (including impairment charges)	26
<b>Net operating costs before interest per statement of comprehensive net expenditure</b>	<b>161,635</b>

## 3 Civil legal assistance expenditure

	2023-24 £000	2022-23 £000
<b>Civil legal aid</b>		
Solicitors' fees	29,223	16,984
Advocates' fees	3,159	3,057
Solicitor advocates' fees	23	19
Outlays	11,640	11,552
<b>Total</b>	<b>44,045</b>	<b>31,612</b>
Expenses paid to successful unassisted persons	12	77
<b>Total</b>	<b>44,057</b>	<b>31,689</b>
<b>Civil advice &amp; assistance and advice by way of representation</b>		
Solicitors' fees	17,758	16,789
Outlays	5,641	5,244
<b>Total</b>	<b>23,399</b>	<b>22,033</b>
<b>Civil Legal Assistance Office</b>		
Civil defence costs - outlays	128	111
Salaries and wages	1,193	1,043
Social security costs	125	113
Pension scheme service costs	277	847
Accommodation	117	111
Audit fee	2	2
Rentals under operating leases	8	15
Depreciation and amortisation	8	-
Right of use depreciation	17	17
Right of use interest	-	1
Other operating costs	147	117
<b>Total</b>	<b>2,022</b>	<b>2,377</b>
<b>Grant funding</b>	<b>2,313</b>	<b>3,616</b>
<b>Gross civil legal assistance expenditure</b>	<b>71,791</b>	<b>59,715</b>
Less operating income (see note 4)	(7,964)	(8,458)
<b>Total net civil legal assistance expenditure</b>	<b>63,827</b>	<b>51,257</b>

These figures include estimates of the value of work done for which payment is outstanding at 31 March 2024 (see note 20).

## 4 Civil legal assistance income

	2023-24 £000	2022-23 £000
Contributions by assisted persons <sup>1</sup>	1,663	1,387
Expenses recovered <sup>2</sup>	5,320	5,979
Amounts recovered out of property recovered or preserved by assisted persons <sup>3</sup>	(65) <sup>4</sup>	102
Amounts recovered from damages	1,046	990
<b>Total operating income</b>	<b>7,964</b>	<b>8,458</b>

<sup>1</sup> Contributions by assisted persons is shown net of any refunds. Amongst the reasons refunds may arise are:

- the financial circumstances of the assisted person having changed;
- the total cost of the case being less than the contribution; or
- the cost of a case having been fully recovered from a third party.

<sup>2</sup> Expenses recovered are shown net of any adjustments, which may arise because the legal aid account has been taxed (re-assessed) by the Auditor of Court.

<sup>3</sup> Included in the amounts recovered out of property recovered or preserved by assisted persons are sums relating to assets over which SLAB has taken a standard security. Under certain circumstances, SLAB will securitise assets such as property until the debt is repaid. Any outstanding sum will attract interest at 8% a year, unless the rate is adjusted by an Act of Sederunt, until the balance is settled. The total value of securitised assets for 2023-24, including accrued interest, is £332k (2022-23: £435k).

<sup>4</sup> The negative value has been caused by low values in the year being entirely offset by reversing accounting entries from the prior year.

# Fund Statements

## 5 Criminal legal assistance expenditure

	2023-24 £000	2022-23 £000
<b>Criminal legal aid</b>		
Solicitors' fees	53,998	44,335
Advocates' fees	11,359	9,842
Solicitor advocates' fees	3,834	3,601
Outlays	3,525	3,255
<b>Total</b>	<b>72,716</b>	<b>61,033</b>
<b>Criminal advice &amp; assistance and advice by way of representation</b>		
Solicitors' fees	13,429	11,028
Outlays	420	310
<b>Total</b>	<b>13,849</b>	<b>11,338</b>
<b>Public Defence Solicitors' Office (PDSO)</b>		
Criminal defence costs - outlays	335	197
Salaries and wages	2,574	2,066
Social security costs	289	240
Pension scheme service costs	337	1,153
Accommodation	246	273
Audit fee	4	4
Rentals under operating leases	37	44
Depreciation, amortisation and loss on disposal	24	35
Right of use depreciation	138	131
Right of use interest	8	8
Other operating costs	267	235
<b>Total</b>	<b>4,259</b>	<b>4,386</b>
<b>Solicitor Contact Line &amp; Glasgow Courts (SCL)</b>		
Criminal defence costs - outlays	10	15
Salaries and wages	1,081	955
Social security costs	106	107
Pension scheme service costs	192	603
Accommodation	-	-
Audit fee	1	1
Depreciation, amortisation and loss on disposal	3	-
Other operating costs	29	14
<b>Total</b>	<b>1,422</b>	<b>1,695</b>
<b>Total PDSO and SCL</b>	<b>5,681</b>	<b>6,081</b>
<b>Total criminal legal assistance expenditure</b>	<b>92,246</b>	<b>78,452</b>

These figures include estimates of the value of work done for which payment is outstanding at 31 March 2024 (see note 20).

# Fund Statements

## 6 Legal aid for children

	2023-24 £000	2022-23 £000
<b>Children's legal aid</b>		
Solicitors' fees	1,860	1,777
Advocates' fees	409	607
Outlays	261	158
<b>Total</b>	<b>2,530</b>	<b>2,542</b>
<b>Children's advice &amp; assistance and ABWOR</b>		
Solicitors' fees	2,403	2,257
Outlays	109	98
<b>Total</b>	<b>2,512</b>	<b>2,355</b>
<b>Total children's legal assistance expenditure</b>	<b>5,042</b>	<b>4,897</b>

These figures include estimates of the value of work done for which payment is outstanding at 31 March 2024 (see note 20).

## 7 Contempt of court

	2023-24 £000	2022-23 £000
Solicitors' fees	167	136
Advocates' fees	8	12
Solicitor Advocates' fees	12	5
Outlays	3	4
<b>Total</b>	<b>190</b>	<b>157</b>

These figures include estimates of the value of work done for which payment is outstanding at 31 March 2024.

## 8 Public Defence Solicitors' Office (PDSO) Staff

	2023-24 £000	2022-23 £000
<b>Staff costs</b>		
Staff salaries and wages	2,574	2,039
Social security costs	290	240
Agency/temporary/contract	-	27
Pension scheme service costs	337	1,153
<b>Total</b>	<b>3,201</b>	<b>3,459</b>

2023-24 Average WTE	2022-23 Average WTE
---------------------	---------------------

### Staff numbers

Operations and legal services	30.7	29
Administration and support functions	23.3	18
Agency/temporary/contract	4.4	-
<b>Total</b>	<b>58.4</b>	<b>47</b>

Public Defence Solicitors' Office pensions and other benefits are payable out of the Scottish Legal Aid Fund account.

## 9 Solicitor Contact Line (SCL) and Glasgow Courts Staff

	2023-24 £000	2022-23 £000
<b>Staff costs</b>		
Staff salaries and wages	1,081	955
Social security costs	106	106
Agency/temporary/contract	-	-
Pension scheme service costs	192	603
<b>Total</b>	<b>1,379</b>	<b>1,664</b>

	2023-24 Average WTE	2022-23 Average WTE
<b>Staff numbers</b>		
Operations and legal services (SCL)	16.9	17
Administration and support services (GC)	2.4	3
Agency/temporary/contract	0.7	-
<b>Total</b>	<b>20</b>	<b>20</b>

Solicitor Contact Line and Glasgow Courts pensions and other benefits are payable out of the Scottish Legal Aid Fund account.

## 10 Civil Legal Assistance Office (CLAO) Staff

	2023-24 £000	2022-23 £000
<b>Staff costs</b>		
Staff salaries and wages	1,193	1,031
Social security costs	125	113
Agency/temporary/contract	-	11
Pension scheme service costs	277	847
<b>Total</b>	<b>1,595</b>	<b>2,002</b>

	2023-24 Average WTE	2022-23 Average WTE
<b>Staff numbers</b>		
Operations and legal services	16.9	15
Administration and support functions	9.8	11
Agency/temporary/contract	1.8	-
<b>Total</b>	<b>28.5</b>	<b>26</b>

Civil Legal Assistance Office pensions and other benefits are payable out of the Scottish Legal Aid Fund account.



# Fund Statements

## 11 Advice Standards Staff

	2023-24 £000	2022-23 £000
<b>Staff costs</b>		
Staff salaries and wages	89	87
Social security costs	9	9
<b>Total</b>	<b>98</b>	<b>96</b>

	2023-24 Average WTE	2022-23 Average WTE
<b>Staff numbers</b>		
Administration and support functions	2	2
<b>Total</b>	<b>2</b>	<b>2</b>

## 12 Bad Debt (including impairment charges)

	2023-24 £000	2022-23 £000
Irrecoverable amounts (including impairment charges)	26	729

The sums written off during the year were £765k (2022-23: £1,018k). The figures shown above are the overall movement in the provision which has decreased this year by £739k (from £3,118k to, £2,379k) the £26k increase shown is the decrease in provision of £-739k plus the add-back for amounts utilised (written off) in the year of £765k.

## 13 Property, Plant & Equipment

	PC/computer hardware £000
<b>Cost or valuation</b>	
Balance at 1 April 2023	151
Additions	6
Disposals	(7)
<b>As at 31 March 2024</b>	<b>150</b>
<b>Depreciation</b>	
Balance at 1 April 2023	86
Disposals	(7)
Provided during year	35
<b>As at 31 March 2024</b>	<b>114</b>
<b>Net book value at 31 March 2024</b>	<b>36</b>
Net book value at 31 March 2023	65

These assets relate to the operation of the Public Defence Solicitors' Office and Civil Legal Assistance Office.

# Fund Statements

## 14 Intangible Assets

	Software £000
<b>Cost or valuation</b>	
Balance at 1 April 2023	13
Disposals	-
<b>As at 31 March 2024</b>	<b>13</b>
<b>Amortisation</b>	
Balance at 1 April 2023	13
Provided during year	-
Disposals	-
<b>As at 31 March 2024</b>	<b>13</b>
<b>Net book value at 31 March 2024</b>	<b>-</b>
Net book value at 31 March 2023	-

These assets relate to the operation of the Public Defence Solicitors' Office, Civil Legal Assistance Office, and Solicitor Contact Line.

## 15 Right of use Assets - IFRS16

<b>Cost or Valuation</b>	<b>£000</b>
Balance at 1 April 2023	1,080
Additions	-
<b>As at 31 March 2024</b>	<b>1,080</b>
<b>Depreciation</b>	<b>£000</b>
Balance at 1 April 2023	(148)
Provided in year	(156)
Disposals	-
<b>As at 31 March 2024</b>	<b>(304)</b>
<b>Net book value as at March 2024</b>	<b>776</b>
Net book value as at March 2023	932
<b>Lease Liability 2023-24</b>	<b>£000</b>
Balance at 1 April 2023	(942)
Additions	-
Interest charge	(8)
Repayments made	145
<b>As at 31 March 2024</b>	<b>(805)</b>
Due within 1 year	(131)
Due after more than 1 year	(674)
<b>Total</b>	<b>(805)</b>

# Fund Statements

## 16 Trade & Other Receivables

	2024 £000	2023 £000
<b>Bodies external to Government</b>		
Contributions due from assisted persons	4,594	4,410
Expenses to be recovered	513	402
Amounts due out of property recovered or preserved by assisted persons	2,212	2,396
Prepayments and other debtors	405	376
<b>Total</b>	<b>7,724</b>	<b>7,584</b>

*Amounts falling due in less than one year included above are:*

<b>Bodies external to Government</b>		
Contributions due from assisted persons	643	1,140
Expenses to be recovered	21	30
Amounts due out of property recovered or preserved by assisted persons	57	65
Prepayments and other debtors	405	376
<b>Total</b>	<b>1,126</b>	<b>1,611</b>

*Amounts falling due after more than one year included above are:*

<b>Bodies external to Government</b>		
Contributions due from assisted persons	3,951	3,270
Expenses to be recovered	492	372
Amounts due out of property recovered or preserved by assisted persons	2,155	2,331
<b>Total</b>	<b>6,598</b>	<b>5,973</b>

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

Balance as at 1 April	3,118	3,407
Increase in provision	26	729
Provision utilised in the year	(765)	(1,018)
<b>Bad Debt impairment allowance as at 31 March</b>	<b>2,379</b>	<b>3,118</b>

## 17 Cash & Cash Equivalents

	2023-24 £000	2022-23 £000
Cash at bank and in hand	11,859	1,346
Principal sums* (note 18)	818	1,071
Funds held under arrestment pending resolution (note 18)	58	58
<b>Total</b>	<b>12,735</b>	<b>2,475</b>

\* Principal sums consist of damages and other money recovered on behalf of assisted persons. They are held in an interest bearing account until all the financial transactions for a case are concluded. Once the net liability to the Legal Aid Fund can be settled, the remaining balance due will be transferred to the assisted person.

The movement in the account during the year was as follows:

# Fund Statements

	2023-24 £000	2022-23 £000
<b>Balance as at 1 April</b>	<b>1,071</b>	<b>1,364</b>
Received during the year	1,399	740
Interest received during year	12	5
<b>Total</b>	<b>1,411</b>	<b>745</b>
<b>Less:</b>		
Sums repaid to assisted persons	770	46
Interest paid to assisted persons	3	2
Amounts recovered from damages received	891	991
Amounts transferred to fund	-	-
<b>Total</b>	<b>1,664</b>	<b>1,038</b>
<b>Balance as at 31 March</b>	<b>818</b>	<b>1,071</b>

## 18 Trade & Other Payables

	2024 £000	2023 £000
<b>Bodies external to Government</b>		
Accruals	194	144
Amounts due to solicitors and advocates	2,439	992
Principal sums (note 17)	818	1,071
Arrestments (note 17)	58	58
<b>Total</b>	<b>3,509</b>	<b>2,265</b>

## 19 Financial Instruments

	2024 £000	2023 £000
<b>Financial assets</b>		
Trade and other receivables (see note 16)	7,319	7,208
Cash	11,708	1,198
<b>Financial liabilities</b>		
Other - trade and other payables (see note 18)	(2,439)	(992)

The Fund is exposed to credit, liquidity, and market risk. Management believes that liquidity and market risks are low. Other than interest bearing current accounts, the Fund has no interest-bearing assets or liabilities, substantially eliminating the impact of changes in interest rates, and is not exposed to foreign exchange rates.

### Expected credit loss

Trade and other receivables are primarily due from individuals, which exposes the Fund to credit risk. Credit risk is the financial loss to the Fund if an individual fails to repay their contribution or other monies due. The Fund operates a debt management process, including monitoring and escalation procedures to recover monies outstanding. Where material, a provision recognising SLAB's expected credit loss is made for non-recovery (see notes 12 and 16 for movements) based on the age of debts and experience of collecting overdue debts. The maximum exposure to credit risk at 31 March 2024 was £7,319 (31 March 2023: £7,208k).

# Fund Statements

Financial assets are carried at amortised cost (net of any provision for non-recovery) as an approximation of fair value.

## Fair Value Hierarchy

Financial assets are assessed as Level 3 instruments in the fair value hierarchy meaning, Inputs are unobservable (that is, market data is unavailable) for the asset or liability. There has been no movement between hierarchy levels since the previous financial year.

## 20 Provisions for Liabilities & Charges

	2024 £000	2023 £000
<b>Provision for amounts outstanding on granted legal aid cases</b>		
As at 1 April	65,773	68,641
Additions and increase to provision	76,875	60,454
Amounts used in the period	(40,063)	(39,092)
Unused amounts reversed in the period	(28,645)	(24,230)
<b>As at 31 March</b>	<b>73,940</b>	<b>65,773</b>
<b>Split between:</b>		
Current liabilities	48,577	42,185
Non-current liabilities	25,364	23,588

The organisation estimates the value of unbilled live cases each year to arrive at the amounts disclosed within the accounts as a provision. The amount is an estimate of the expenditure required to settle any obligation at the end of the reporting period following the requirements of International Accounting Standard 37 “*Provisions, contingent liabilities and contingent assets*”. In estimating the provision, the organisation has adopted prudent measurement techniques based on the latest data available. One of the major assumptions used is our maximum cut off percentile, this is reviewed annually for accuracy and adjusted (if required) when we have three years of reliable data, 2023-24 has seen a change in this percentile (see note 26 for more details of the assumption).

No income is anticipated for cases that may successfully recover costs.

The provision is returning to pre-Covid levels of work in progress cases, in addition to this there have been several years of fee increases which cause each case to increase in value. These factors combined are the main causes of year on year increase.

## 21 Pension Arrangements

SLAB operates a contributory defined benefit pension scheme. The Legal Aid (Scotland) Pension Scheme 1988 (as amended) sets out the conditions for entitlement and determines the rate at which benefits are payable. The scheme is set up under paragraph 8(3) of Schedule 1 to the Legal Aid (Scotland) Act 1986 which gives SLAB power to make rules to provide pensions, allowances or gratuities for its employees. The scheme is administered on behalf of the organisation by the Scottish Public Pensions Agency, an Executive Agency of Scottish Government at a cost of £64,200 per annum.

# Fund Statements

From 1 October 2010 the scheme was split into two sections, the Pre-October 2010 section for existing members and the Post October 2010 section for new members. The Pre-October 2010 section calculates pension benefits on the best year's pensionable pay in the last three years of service whilst the Post October 2010 section uses an average of the best three years' consecutive pensionable pay in the last 10 years.

Although SLAB operates a single scheme for all staff, the income, costs and liabilities are apportioned between staff funded by the Scottish Legal Aid Fund, the Public Defence Solicitors' Office, Civil Legal Assistance Office and Solicitor Contact Line staff; and staff funded from the Scottish Legal Aid Board's Grant-in-Aid.

There being no assets held, the scheme is unfunded. The pensions and other benefits are met as they fall due. Scheme members pay contributions at a rate of 6% of pensionable remuneration. Contributions from Public Defence Solicitors' Office, Civil Legal Assistance Office, and Solicitor Contact Line staff were £258k (2022-23 £211k). These contributions, along with transfers from other schemes, are used to offset expenditure.

An actuarial valuation of the scheme was carried out as at 31 March 2024 by Buck Consultants, the agreed fee for this service was £13,800. The major assumptions used by Buck Consultants were:

	31 March 2024	31 March 2023
Discount rate per annum	5.10%	4.15%
Revaluation of deferred pensions	2.55%	2.40%
Increases to pensions in payment	2.55%	2.40%
Long-term salary increases	See below	See below
Long-term inflation	2.55%	2.40%

In line with government policy, the measure of inflation used in the scheme is the Consumer Prices Index ('CPI'). The assumption adopted for salary increases is 7.0% to 31 March 2024, 3.95% from 1 April 2024 and 3.05% from February 2030 onwards.

Mortality assumptions are determined based on standard mortality tables. The assumptions are based on the Continuous Mortality Investigation Bureau's tables as recommended by our actuary, and imply the following life expectancy:

Life expectancy in years	2023-24	2022-23
Male - aged 60	86.2	87.1
Female - aged 60	88.8	89.5
Male - aged 40	88.2	89.0
Female - aged 40	90.3	91.0

Analysis of the amount charged to operating costs	2023-24 £000	2022-23 £000
Current service cost (see notes 8, 9 & 10)	806	2,603
Finance charges on pension scheme liabilities	493	467
<b>Total</b>	<b>1,299</b>	<b>3,070</b>

# Fund Statements

Reconciliation of the liability in the scheme over the year	2024 £000	2023 £000
Scheme liability at the beginning of the year	11,924	30,201
<b>Movement in year</b>		
Current service cost	806	2,603
Benefits paid	(106)	(192)
Finance charge	493	467
Changes in financial assumptions	(1,819)	(21,262)
Changes in demographic assumptions	(162)	(104)
Actuarial (gain)/loss	(2,217)	211
<b>Scheme liability at the end of the year</b>	<b>8,919</b>	<b>11,924</b>

The pension liability is split between the Scottish Legal Aid Fund and the Scottish Legal Aid Board. The full liability is £93.5m (2022-23: £80.5m).

Amounts for the current and previous four years are as follows:

	2024 £000	2023 £000	2022 £000	2021 £000	2020 £000
Defined benefit obligation	8,919	11,924	30,201	24,499	19,608
Experience adjustments on plan liabilities	2,217	(211)	(196)	(1,731)	(171)

The defined benefit obligation has been calculated by our actuary using the major assumptions detailed above. Estimation of the net liability depends on several complex judgements which are sensitive to changes. The effect on net pensions of changes in the major assumptions are detailed in the table below:

Assumption	Change in Assumption	Change in Pension Scheme Liability £000
Discount rate per annum	-0.25%	544
Long-term salary increases	+0.25%	203
Long-term inflation	+0.25%	355
Life expectancy	+1 year	192

This table shows the impact of changing each assumption in isolation, with all the other assumptions remaining unchanged. A 0.25% decrease in the discount rate assumption at 31 March 2024, from 5.10% to 4.85% would therefore increase the pension scheme liability from £8,919k to £9,463k (an increase of £544k). The effect of changing the assumption in the opposite direction would be to reduce the liabilities by a similar amount.

## 22 Losses & Special Payments

	2023-24		2022-23	
	No of cases	£000	No of cases	£000
Write-off of bad debt/claims waived or abandoned	627	790	983	1,024
Losses	2	-	3	1
Special payments*	12	6	7	2
<b>Total</b>	<b>641</b>	<b>796</b>	<b>993</b>	<b>1,027</b>

# Fund Statements

\* There are cases where, in good faith, a solicitor or counsel provides advice for which SLAB cannot pay under the letter of the Act or Regulations. There are also cases where an error is made by SLAB. In such cases, the organisation may make an ex-gratia payment, without prejudice, of compensation up to an agreed limit.

## 23 Related Party Disclosures

The Scottish Legal Aid Board is a Non-Departmental Public Body funded by grant-in-aid from the Scottish Government. During the year, the organisation had several other transactions with the Scottish Courts Service.

Sometimes SLAB have Board members (who were active legal aid practitioners) that transact with the organisation. All such transactions arise from providing legal aid to assisted persons in the normal course of their profession, via their firms. The amounts detailed include outlays and VAT but do not include amounts paid for work carried out, on behalf of other firms, as an Edinburgh agent. During the year, the organisation entered transactions of a value greater than £1,000 with the following related parties.

	2023-24 £000	2022-23 £000
G Bann* (Board Member and Partner at Adams Whyte Solicitors)	1,624	1,331

\* Values shown are total earnings for Adams Whyte Solicitor Firm.

## 24 Capital Commitments

No capital commitments existed at the end of reporting period.

## 25 Operating Leases

Total commitments, at 31 March, under operating leases are as follows:

	2024		2023	
	Land & buildings £000	Other £000	Land & buildings £000	Other £000
<b>Leases expiring:</b>				
In one year or less	8	-	19	-
Between one and five years	-	-	-	-
In five years or more	-	-	-	-
<b>Total</b>	<b>8</b>	<b>-</b>	<b>19</b>	<b>-</b>

The leases included as operating leases are those with contracts ending within the next 12 months.



## 26 Assumptions about the future and other major sources of uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions about the future or that are otherwise uncertain. Estimates are made considering historical experience, current trends, and other relevant factors. However, because balances cannot be predicted with certainty, actual results may differ materially.

The items in our accounts as at 31 March 2024 for which there is significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if actual results differ from assumptions
<b>Pension Liability</b>	Estimation of the net liability depends on several complex judgements which are sensitive to changes. These include the discount rate used, the rate at which salaries are predicted to increase, inflation rates and life expectancy. A firm of actuaries is contracted to conduct an actuarial valuation of SLAB's scheme and provide expert, certified advice about the assumptions to be applied.	The effect on the net pension liability of changes in individual assumptions can be measured. For instance, a change of -0.25% in the discount rate assumption would result in an increase in the pensions liability of £0.5m, a change of +0.25% in the salary increase rate would result in an increase in liabilities of £0.2m, a change of +0.25% to the inflation assumption would result in an increase in liabilities of £0.4m and increasing the life expectancy assumptions by one year would result in an increase to liabilities of £0.2m.
<b>Fund Provision</b>	The major assumption in calculating the fund provision is the average maximum case duration. This is estimated based on experience of past events and trends but is subject to change.	The impact of changing the maximum case duration percentage by +0.5% would increase the provision liability by £2.0m from £73.9m to £75.9m. The impact of changing the assumption in the opposite direction would be to reduce the liability by a similar amount (£1.9m reducing the liability to £72.0m).
<b>Bad Debts</b>	At 31 March 2024 SLAB has a debtor balance (before provision) of £10.1m. A sample of debts reviewed for the impairment of doubtful debts suggests that adjusting the provision for doubtful debts to £2.4m (£3.1m in 2022-23), would be appropriate.	We are unable to calculate what the effect would be of choosing a bigger sample as the outcome of the test depends largely on which debts are reviewed and the sample chosen is random.

## 27 Contingent Liabilities

There are no contingent liabilities for Fund.

## 28 Events after the end of the Reporting Period

No events have occurred since the end of the reporting period and the time these accounts were signed that would materially affect the information provided.

## The Board Financial Statements

In this section we cover:

<a href="#"><u>Statement of comprehensive net expenditure for the year ended 31 March 2024</u></a>	91
<a href="#"><u>Statement of financial position as at 31 March 2024</u></a>	92
<a href="#"><u>Statement of cash flows for the year ended 31 March 2024</u></a>	93
<a href="#"><u>Statement of changes in taxpayer's equity for the year ended 31 March 2024</u></a>	94
<a href="#"><u>Notes to the Accounts for the year ended 31 March 2024</u></a>	95

# Board Financial Statements

## Statement of Comprehensive Net Expenditure for the year ended 31 March 2024

	Notes	2023-24 £000	2022-23 £000
<b>Expenditure</b>			
Staff costs	31	12,207	14,885
Depreciation and amortisation	34 & 35	459	471
Loss on disposal of plant, equipment and intangibles	34 & 35	1	3
Other administrative expenses	32	2,938	2,366
<b>Operating costs</b>		<b>15,605</b>	<b>17,725</b>
<b>Income</b>			
Income from shared services	33	(842)	(636)
<b>Net operating costs before interest</b>		<b>14,763</b>	<b>17,089</b>
Pension scheme finance costs	40	2,801	2,331
Interest Receivable		(15)	(2)
<b>Net operating costs</b>		<b>17,549</b>	<b>19,418</b>

All income and expenditure is derived from continuing activities.

# Board Financial Statements

## Statement of Financial Position as at 31 March 2024

	Notes	2023-24 £000	2022-23 £000
<b>Non-current assets</b>			
Property, plant and equipment	34	8,976	9,609
Intangible assets	35	17	13
<b>Total non-current assets</b>		<b>8,993</b>	<b>9,622</b>
<b>Current assets</b>			
Trade and other receivables	36	1,231	1,482
Cash and cash equivalents		1,201	945
<b>Total current assets</b>		<b>2,432</b>	<b>2,427</b>
<b>Total assets</b>		<b>11,425</b>	<b>12,049</b>
<b>Current liabilities</b>			
Trade and other payables	37	(253)	(252)
<b>Total current liabilities</b>		<b>(253)</b>	<b>(252)</b>
<b>Non-current assets plus net current assets</b>		<b>11,172</b>	<b>11,797</b>
<b>Non-current liabilities</b>			
Pension scheme liability	40	(84,570)	(68,607)
<b>Total non-current liabilities</b>		<b>(84,570)</b>	<b>(68,607)</b>
<b>Assets less liabilities</b>		<b>(73,398)</b>	<b>(56,810)</b>
<b>Taxpayers' equity</b>			
General fund		(80,199)	(63,863)
Revaluation reserve		6,801	7,053
<b>Total taxpayers' equity</b>		<b>(73,398)</b>	<b>(56,810)</b>

The Accountable Officer authorised these financial statements for issue on 04 September 2024.  
The notes on pages 95 to 105 form part of these accounts.



**Colin Lancaster**

**Chief Executive and Accountable Officer**

05 September 2024

# Board Financial Statements

## Statement of Cash Flows for the year ended 31 March 2024

	Notes	2023-24 £000	2022-23 £000
<b>Cash flows from operating activities</b>			
Net operating cost before Scottish Government funding		(17,549)	(19,418)
<b>Adjustments for non-cash items</b>			
Depreciation on property, plant and equipment and amortisation of intangible assets	34 & 35	459	471
Loss on disposal of property, plant and equipment	34	1	3
<b>Movements in working capital</b>			
(Increase)/Decrease in trade and other receivables	36	251	251
Increase/(Decrease) in trade and other payables	37	1	(76)
<b>Movements in provisions</b>			
Pension scheme service and finance costs	40	4,490	7,186
Payments in respect of pension scheme	40	(2,245)	(2,089)
<b>Net cash outflow from operating activities</b>		<b>(14,592)</b>	<b>(13,672)</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	34	(71)	(78)
Purchase of intangible assets	35	(12)	-
<b>Net cash outflow from investing activities</b>		<b>(83)</b>	<b>(78)</b>
<b>Cash flows from financing activities</b>			
Scottish Government funding and retained pension contributions		14,931	14,428
<b>Net cash inflow from financing activities</b>		<b>14,931</b>	<b>14,428</b>
<b>Net Increase/(Decrease) in cash and cash equivalents</b>		<b>256</b>	<b>678</b>
<b>Cash and cash equivalents as at 1 April</b>		<b>945</b>	<b>267</b>
<b>Cash and cash equivalents as at 31 March</b>		<b>1,201</b>	<b>945</b>

# Board Financial Statements

## Statement of Changes in Taxpayer's Equity for the year ended 31 March 2024

		2024 General Fund £000	2024 Revaluation Reserve £000	2023 General Fund £000	2023 Revaluation Reserve £000
	Notes				
<b>Balance at 1 April</b>		<b>(63,863)</b>	<b>7,053</b>	<b>(146,796)</b>	<b>7,053</b>
<b>Changes in taxpayers' equity</b>					
Net cost of operations		<b>(17,549)</b>	-	<b>(19,418)</b>	-
Net movement on pension scheme	40	<b>(13,718)</b>	-	<b>87,923</b>	-
Revaluation reserve movement		-	<b>(252)</b>	-	-
<b>Total recognised income and expense</b>		<b>(31,267)</b>	<b>(252)</b>	<b>68,505</b>	-
Scottish Government grant in aid		<b>14,380</b>	-	<b>13,818</b>	-
Retained pension contributions & transfers in		<b>551</b>	-	<b>610</b>	-
<b>Total funding</b>		<b>14,931</b>	-	<b>14,428</b>	-
<b>Balance at 31 March</b>		<b>(80,199)</b>	<b>6,801</b>	<b>(63,863)</b>	<b>7,053</b>

## Notes to the Accounts for the year ended 31 March 2024

### 29 Board - accounting policies

Policies **highlighted in bold** text are those we deem to be material as opposed to significant in line with the recent adjustment to IAS 1.

#### 29.1 Basis of accounting

The accounts have been prepared in accordance with the accounting principles and disclosure requirements of the 2023-24 Government Financial Reporting Manual (FReM). Without limiting the information given, the accounts follow generally accepted accounting practices as defined in International Financial Reporting Standards (IFRS) as adopted by the United Kingdom and the Companies Act 2006 to the extent that it is meaningful and appropriate in the public sector context and in accordance with the Accounts Direction given by Scottish Ministers. The accounting policies selected have been applied consistently in dealing with items considered material in relation to the accounts.

#### 29.2 Accounting convention

These accounts have been prepared under the historical cost convention modified to account, where material, for the revaluation of property, plant and equipment and intangible assets to fair value as determined by the relevant accounting standard. However, given the short useful economic lives and low values IT equipment, furniture and intangible assets, these assets are disclosed on a depreciated historical cost basis, which is used as a proxy for fair value.

#### 29.3 Corresponding amounts

Corresponding amounts are shown for the primary financial statements and for the notes to the accounts. Where corresponding amounts are not directly comparable with the amount shown in the current financial year, International Accounting Standard 1, "Presentation of financial statements", requires that they should be adjusted and the basis for adjustment disclosed in a note to the financial statements.

#### 29.4 New accounting standards

There are no new accounting standards or amendments to existing standards which come in to force in future accounting periods that would materially affect the SLAB Board accounts.

#### 29.5 Funding

**Most of the expenditure of the Scottish Legal Aid Board is met from funds advanced by the Scottish Government within an approved allocation. Cash drawn down to fund expenditure within this approved allocation is credited to the general fund. All income that is not classed as funding is recognised in the period in which it is receivable. Funding for the acquisition of general property, plant and equipment received from the Scottish Government is credited to the general fund.**

#### 29.6 Principal risks and uncertainties

The principal risks and uncertainties in the Scottish Legal Aid Board accounts relate to the estimation of the Pension Scheme liability as disclosed in note 40 to the accounts. The scheme liability is calculated annually by SLAB's actuary and the major assumptions are also disclosed in note 40.

#### 29.7 Property, plant and equipment (PPE)

##### Property - Land and buildings

**Land and buildings are carried at fair value. Fair value is assessed by performing a full valuation at least every five years, and an interim valuation in year three. Interim**

valuations are also carried out in the intervening years where it is deemed likely that there has been a material change in value or where we receive a specific request from our auditors. The valuations are carried out by professionally qualified valuers, in accordance with the Royal Institution of Chartered Surveyors Appraisal and Valuation Standards, in so far as those standards are consistent with the FReM.

An interim valuation was undertaken at 31 March 2024 (after discussion with our auditors) by District Valuers of the Valuation Office Agency, in accordance with the Royal Institution of Chartered Surveyors Appraisal and Valuation Standards, acting in the capacity of external valuers.

## Plant and Equipment

Plant and equipment is capitalised at the cost of acquisition and installation. The Government Financial Reporting Manual provides for entities to elect to adopt a depreciated historical cost basis as a proxy for fair value for assets that have short useful lives or low values (or both). For depreciated historical cost to be considered as a proxy for fair value, the useful life must be a realistic reflection of the life of the asset and the depreciation method used must provide a realistic reflection of the consumption of that asset class.

The threshold for capitalisation of plant and equipment is £5,000; however, individual items of plant and equipment whose cost falls below the threshold but are of a similar nature are grouped and capitalised, where the value of the group exceeds the capitalisation threshold.

Subsequent costs are included in the carrying amount of the item of plant and equipment or recognised as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Scottish Legal Aid Board and the cost of the item can be measured reliably.

All other repairs and maintenance are charged to the statement of comprehensive net expenditure during the financial year in which they are incurred.

## 29.8 Depreciation

Depreciation is provided on all property, plant and equipment on a straight line basis, at rates calculated to write-off the re-valued cost, less estimated residual value, of each asset over its expected useful life as follows:

- buildings: 40 years
- plant and equipment: 2 - 15 years
- personal computer hardware and integral software: 3 years
- other computer hardware: 5 years
- office equipment and non-standard furniture: 5 years
- motor vehicles: 3 years.

Depreciation is not applied until an asset becomes operational. Property, plant and equipment during construction is not depreciated until the asset is brought into use. Land is regarded as having an unlimited useful life and is therefore not depreciated.

## 29.9 Intangible assets

Future economic benefit has been used as the criteria in assessing whether an intangible asset meets the definition and recognition criteria of International Accounting Standard 38. The standard defines future economic benefit as “revenue from the sale of products or services, cost savings or other benefits resulting from the use of the asset by the entity”.



Given the short useful lives and low values of intangible assets, the Scottish Legal Aid Board has elected to adopt a depreciated historical cost basis as a proxy for fair value for intangible assets.

When capitalising internally generated intangible assets, such as in-house developed software, directly attributable costs, including staff costs and staff-related costs, are capitalised. On first time-adoption there has been no retrospective capitalisation of internally generated assets because of the inability to apportion historic cost information to specific intangible assets.

Intangible assets are amortised over the shorter term of the length of life of licence and its useful economic life. Intangible assets during construction are not amortised until the asset is brought into use.

## 29.10 Income and expenditure recognition

Income and expenditure is accounted for in the year to which it relates and not when cash payments are made or received. Where income and expenditure has been recognised but cash has not been received or paid, a receivable or payable for the corresponding amount is recorded in the Statement of Financial Position. For expenditure, only invoices over £500 are accrued or prepaid.

## 29.11 Operating leases

Rentals applicable to operating leases are charged to the statement of comprehensive net expenditure on a straight-line basis over the period of the lease.

## 29.12 Provisions for liabilities and charges

Provisions for liabilities and charges are based on realistic and prudent estimates of the expenditure required to settle future legal or constructive obligations, arising from past events that exist at the statement of financial position date.

## 29.13 Short term employee benefits

Short term employee benefits (such as accrued holiday pay) are valued and, if material, included in current liabilities.

## 29.14 Pension costs

The Legal Aid (Scotland) Pension Scheme 1988 (as amended) is an unfunded pension scheme providing benefits based on pensionable pay. The liabilities of the scheme are reported separately from those of the Fund. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability. The amounts charged to the statement of comprehensive net expenditure represent both the service cost (that is, the cost of the additional benefits earned because of employees' service in the current year) and the finance charge for the year arising from the interest on the scheme notional liabilities, in line with the requirements of International Accounting Standard 19 "Employee benefits".

## 29.15 VAT

The organisation is not registered for VAT and all costs are shown inclusive of irrecoverable VAT.

## 29.16 Losses and special payments

Operating expenditure includes certain losses which would have been made good through insurance cover had the Scottish Legal Aid Board not been bearing its own risks. Losses and special payments are disclosed separately in a note to the accounts (note 41).

## 29.17 Related party disclosures

Related party transactions are identified, considered and disclosed in line with the requirements of International Accounting Standard 24 “Related party disclosures” (note 44).

## 29.18 Financial instruments

The classification of financial assets is determined on initial recognition and comprises only receivables with fixed or determinate payments. Financial assets include trade and other receivables and cash at bank in the statement of financial position. Receivables are recognised at fair value less any provision for non-recovery, which is charged to the statement of comprehensive net expenditure. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or been substantially transferred from the organisation.

Financial liabilities are classified at the point of initial recognition and comprise trade and other payables. Financial liabilities are valued at fair value and derecognised when they have been extinguished, that is discharged, cancelled or expired.

## 29.19 Changes in estimation techniques

There have been no material changes in estimation techniques between 2022-23 and 2023-24.

# Board Financial Statements

## 30 Segmental analysis

These divisions are the basis on which the Scottish Legal Aid Board monitors its operations and upon which decisions are made by SLAB.

	Operations £000	Legal Services £000	Corporate Services & Accounts £000	Strategic Development £000	Chief Exec Office £000	Total £000
Staff costs	3,976	246	4,924	906	466	10,518
Operating costs	72	(4)	2,814	46	10	2,938
<b>Total expenditure</b>	<b>4,048</b>	<b>242</b>	<b>7,738</b>	<b>952</b>	<b>476</b>	<b>13,456</b>
Income	-	-	(842)	-	-	(842)
<b>Net operating costs 2023-24</b>	<b>4,048</b>	<b>242</b>	<b>6,896</b>	<b>952</b>	<b>476</b>	<b>12,614</b>
Net operating costs 2022-23	3,708	242	6,333	1,014	463	11,760

Reconciliation of the total segment measures to respective amounts included in the financial statements includes the following items, which it is either impossible or impractical to allocate between reportable segments:

	£000
<b>Segmental net costs</b>	<b>12,614</b>
Pension scheme service costs	1,689
Depreciation and amortisation	459
Loss on disposal	1
<b>Net operating costs before interest per statement of comprehensive net expenditure</b>	<b>14,763</b>

## 31 Staff

Staff costs	2023-24 £000	2022-23 £000
Staff salaries	9,546	9,083
Social security costs	970	947
Pension scheme service costs	1,689	4,855
Agency/temporary/contract	2	-
<b>Total</b>	<b>12,207</b>	<b>14,885</b>

Staff numbers	2023-24 Average WTE	2022-23 Average WTE
Operations and legal services	151.6	146
Administration and support functions	93.9	96
Agency/temporary/contract	2.2	2
<b>Total</b>	<b>247.7</b>	<b>244</b>

# Board Financial Statements

## 32 Other administrative expenses

	2023-24 £000	2022-23 £000
Accommodation	814	729
Audit fee	53	53
Staff related costs	161	161
Travel and subsistence	27	22
Postage, stationery and telephones	131	110
Office equipment and maintenance	1,154	1,033
External research	34	15
Corporate publications, leaflets and forms	14	4
Costs of operating leases	6	5
Other administrative costs	544	234
<b>Total</b>	<b>2,938</b>	<b>2,366</b>

## 33 Income from shared services

	2023-24 £000	2022-23 £000
Accommodation services provided to third parties	842	636
Income from shared services provided to third parties	-	-
<b>Total</b>	<b>842</b>	<b>636</b>

## 34 Property, plant & equipment

	Land £000	Buildings & Plant £000	Office equipment and furniture £000	PC/computer hardware £000	Motor vehicles £000	Total £000
<b>Cost or valuation</b>						
Balance at 1 April 2023	1,780	7,982	230	989	35	11,016
Additions	-	-	12	58	-	70
Revaluation	(23)	(902)	-	-	-	(925)
Disposals	-	-	(23)	(286)	-	(309)
<b>As at 31 March 2024</b>	<b>1,757</b>	<b>7,080</b>	<b>219</b>	<b>761</b>	<b>35</b>	<b>9,852</b>
<b>Depreciation</b>						
Balance at 1 April 2023	-	356	146	870	35	1,407
Disposals	-	-	(23)	(285)	-	(308)
Revaluation adjustment	-	(672)	-	-	-	(672)
Provided during year	N/A	338	27	85	-	450
<b>As at 31 March 2024</b>	<b>-</b>	<b>22</b>	<b>150</b>	<b>670</b>	<b>35</b>	<b>877</b>
<b>Net book value at 31 March 2024</b>	<b>1,757</b>	<b>7,058</b>	<b>69</b>	<b>91</b>	<b>-</b>	<b>8,975</b>
Net book value at 31 March 2023	1,780	7,626	84	119	-	9,609

# Board Financial Statements

Property, Plant and Equipment includes SLAB's head office building, Thistle House. Whilst title to this property remains with Scottish Ministers, the Scottish Government transferred full operational, and management rights and responsibilities, to SLAB who have full use of the building on an ongoing basis and are responsible for all property management, maintenance and running costs. Thistle House is generally revalued in years three and five of a 5-year cycle (in line with our policy in note 29.7) however it was revalued at 31 March 2024 (year two of the 5-year cycle) after discussion with our auditors Forvis Mazars.

## 35 Intangible assets

	Software £000
<b>Cost or valuation</b>	
Balance at 1 April 2023	38
Additions	12
Disposals	-
<b>As at 31 March 2024</b>	<b>50</b>
<b>Amortisation</b>	
Balance at 1 April 2023	24
Disposals	-
Provided during year	9
<b>As at 31 March 2024</b>	<b>33</b>
<b>Net book value at 31 March 2024</b>	<b>17</b>
Net book value at 31 March 2023	14

## 36 Trade and other receivables

	2024 £000	2023 £000
<b>Bodies external to Government</b>		
Trade receivables	222	157
Prepayments	1,008	1,324
<b>Total</b>	<b>1,230</b>	<b>1,481</b>

Management have assessed that there is no impairment in relation to the trade and other receivables balance. At 31 March 2024 none of the debt was past its due date.

## 37 Trade & other payables

	2024 £000	2023 £000
<b>Bodies external to Government</b>		
Trade payables	18	16
Accruals	235	236
<b>Total</b>	<b>253</b>	<b>252</b>

# Board Financial Statements

## 38 Contingent liabilities

There are no contingent liabilities for Admin.

## 39 Financial Instruments

	2024 £000	2023 £000
<b>Financial assets</b>		
Trade and other receivables (see note 36)	222	157
Cash	1,201	945
<b>Financial liabilities</b>		
Other - trade and other payables (see note 37)	18	16

The organisation is exposed to credit, liquidity and market risk, but management believe that these risks are low. Trade and other receivables and trade and other payables are those arising during SLAB's routine business. Other than an interest paying current account, the organisation has no interest-bearing assets or liabilities, substantially eliminating the impact of changes in interest rates, and is not exposed to foreign exchange rates. Financial instruments are carried at cost as an approximation of fair value.

## 40 Pension arrangements

SLAB operates a contributory defined benefit pension scheme.

The Legal Aid (Scotland) Pension Scheme 1988 (as amended) sets out the conditions for entitlement and determines the rate at which benefits are payable. The scheme is set up under paragraph 8(3) of Schedule 1 to the Legal Aid (Scotland) Act 1986 which gives the organisation power to make rules to provide pensions, allowances or gratuities for its employees. The scheme is administered on behalf of the organisation by the Scottish Public Pensions Agency, an Executive Agency of Scottish Government at a cost of £64,200 per annum.

From 1 October 2010 the scheme was split into 2 sections, the Pre-October 2010 section for existing members and the Post October 2010 section for new members. The Pre-October 2010 section calculates pension benefits on the best year's pensionable pay in the last three years of service whilst the Post October 2010 section uses an average of the best three years' consecutive Pensionable Pay in the last 10 years.

Although SLAB operates a single scheme for all staff, the income, costs and liabilities are apportioned between staff funded by the Scottish Legal Aid Fund, presently Public Defence Solicitors' Office, Solicitor Contact Line and Civil Legal Assistance Office staff, and staff funded from the Scottish Legal Aid Board's grant-in-aid. This disclosure, therefore, relates to staff other than Public Defence Solicitors' Office, Solicitor Contact Line and Civil Legal Assistance Office staff.

There being no assets held, the scheme is unfunded. The pensions and other benefits are met as they fall due from grant-in-aid. Scheme members pay contributions of 6% of pensionable salaries amounting to £538k (2022-23: £505k). These contributions, along with any transfers from other schemes, are used to offset SLAB's grant-in-aid expenditure up to a limit of £250k. Excess receipts are surrendered to the Scottish Government, and excess expenditure on pensions, including transfers out of the scheme over £327k, is met by the Scottish Government.

# Board Financial Statements

An actuarial valuation of the scheme was carried out as at 31 March 2024 by Buck Consultants, the agreed fee for this service was £13,800. The major assumptions used by Buck Consultants were:

	31 March 2024	31 March 2023
Discount rate per annum	5.10%	4.15%
Revaluation of deferred pensions	2.55%	2.40%
Increases to pensions in payment	2.55%	2.40%
Long-term salary increases	See below	See below
Long-term inflation	2.55%	2.40%

In line with government policy, the measure of inflation used in the scheme is the Consumer Prices Index ('CPI'). The assumption adopted for salary increases is 7% to 31 March 2024, 3.95% from 1 April 2024, and 3.05% from February 2030 onwards.

Mortality assumptions are determined based on standard mortality tables. The assumptions are based on the Continuous Mortality Investigation Bureau's tables as recommended by our actuary, and imply the following life expectancy:

Life expectancy in years	2023-24	2022-23
Male - aged 60	86.2	87.1
Female - aged 60	88.8	89.5
Male - aged 40	88.2	89.0
Female - aged 40	90.3	91.0

Analysis of the amount charged to operating costs	2023-24 £000	2022-23 £000
Current service cost (see note 30)	1,689	4,855
Finance charges on pension scheme liabilities	2,801	2,331
<b>Total</b>	<b>4,490</b>	<b>7,186</b>

Reconciliation of the liability in the scheme over the year:	2024 £000	2023 £000
Scheme liability at the beginning of the year	68,607	151,434
<b>Movement in year</b>		
Current service cost	1,689	4,855
Benefits paid	(2,245)	(2,090)
Finance charge	2,801	2,331
Changes in financial assumptions	(11,791)	(87,828)
Changes in demographic assumptions	(1,647)	(600)
Actuarial loss/(gain)	27,156	505
<b>Scheme liability at end of the year</b>	<b>84,570</b>	<b>68,607</b>

The pension liability is split between the Scottish Legal Aid Fund and the Scottish Legal Aid Board. The full liability is £93.5m (2022-23: £80.5m). Amounts for the current and previous four years are as follows:

# Board Financial Statements

	2024 £000	2023 £000	2022 £000	2021 £000	2020 £000
Defined benefit obligation	84,570	68,607	151,434	134,839	123,215
Experience adjustments on plan liabilities	(27,156)	(505)	(480)	1,098	(454)

The defined benefit obligation has been calculated by our actuary using the major assumptions detailed above. Estimation of the net liability depends on several complex judgements which are sensitive to changes.

The effect on net pensions of changes in the major assumptions are detailed in the table below:

Assumption	Change in Assumption	Change in Pension Scheme Liability £000
Discount rate per annum	-0.25%	3,579
Long-term salary increases	0.25%	962
Long-term inflation	0.25%	2,792
Life expectancy	+1 year	1,932

This table shows the impact of changing each assumption in isolation, with all the other assumptions remaining unchanged. A 0.25% decrease in the discount rate assumption at 31 March 2024, from 5.10% to 4.85% would therefore increase the pension scheme liability from £84,570k to £88,149k (an increase of £3,579k). The effect of changing the assumption in the opposite direction would be to reduce the liabilities by a similar amount.

## 41 Losses & special payments

	2023-24		2022-23	
	No of cases	£0	No of cases	£000
Losses	5	1	10	3
Special payments	1	12	-	-
<b>Total</b>	<b>6</b>	<b>13</b>	<b>10</b>	<b>3</b>

## 42 Capital commitments

No capital commitments existed at the end of reporting period.

## 43 Operating Leases

There are no operating leases greater than 12 months.

## 44 Related party transactions

The Scottish Legal Aid Board is a Non-Departmental Public Body funded by Grant-in-Aid from the Scottish Government. During the year, the organisation had a number of other transactions with government departments and other Non-Departmental Public Bodies, including the Department of Work and Pensions, the Scottish Public Service Ombudsman, the Scottish Court and Tribunals Service, the Judicial Appointments Board, the Office of the Chief Investigating Officer, the Scottish Parliamentary Standards Commissioner, and the Scottish Public Pensions Agency.



## 45 Assumptions about the future and other major sources of uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions about the future or that are otherwise uncertain. Estimates are made considering historical experience, current trends, and other relevant factors. However, because balances cannot be predicted with certainty, actual results may differ materially.

The items in SLAB's accounts as of 31 March 2024 for which there is significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if actual results differ from assumptions
Pension Liability	Estimation of the net liability depends on several complex judgements which are sensitive to changes. These include the discount rate used, the rate at which salaries are predicted to increase, inflation rates and life expectancy. A firm of actuaries is contracted to conduct an actuarial valuation of SLAB's scheme and provide expert advice about the assumptions to be applied.	The effect on the net pension liability of changes in individual assumptions can be measured. For instance, a change of -0.25% in the discount rate assumption would result in an increase in the pensions liability of £3.6m, a change of +0.25% in the salary increase rate would result in an increase in liabilities of £1.0m, a change of +0.25% to the inflation assumption would result in an increase in liabilities of £2.8m and increasing the life expectancy assumptions by 1 year would result in an increase to liabilities of £1.9m.

## 46 Events after the reporting period

No events have occurred since the end of the reporting period and the time these accounts were signed that would materially affect the information provided.

# Direction by Scottish Ministers



## THE SCOTTISH LEGAL AID BOARD

### DIRECTION BY THE SCOTTISH MINISTERS

1. The Scottish Ministers, in pursuance of Section 5(2) of the Legal Aid (Scotland) Act 1986, hereby give the following direction.
2. In accordance with Section 5(1) of the Legal Aid (Scotland) Act 1986, the Scottish Legal Aid Board has a duty to prepare a separate statement of accounts in respect of the Scottish Legal Aid Fund (the Fund) and the administration of the Fund (the Board). The statement of accounts, of both the Fund and the Board, for the financial year ended 31 March 2006, and subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FRoM) 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. This direction shall be reproduced as an appendix to the statement of accounts. The direction given on 13 June 2002 is hereby revoked.

*Michelle H Brannan*

Signed by the authority of the Scottish Ministers

Dated 13 December 2005