



Annual Report and Accounts

**For the year ended
31 March 2025**

The Scottish Legal Aid Board

www.slab.org.uk

Contents

The Performance Report 3

The Accountability Report 27

The Fund Financial Statements 51

The Board Financial Statements 75

Direction by Scottish Ministers 91

Laying reference: SG/2025/137

The Performance Report

In this section we cover:

2024-25 in numbers	4
Our Focus	5
The Chair’s welcome	6
Chief Executive’s overview of the year	7
Overview - Legal aid explained	9
The risks we faced	12
The basis of going concern	13
Performance analysis	14
Our performance against our strategic objectives	14
Supply and demand in legal assistance in 2024-25	15
Our financial performance	18
Our operational performance	22
Equality and diversity	23
Environmental impact and sustainability	25

2024-25 in numbers

£ 169M

Legal aid (Fund spend)



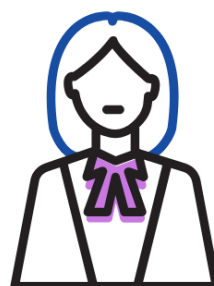
£ 15M

Administration spend



£142M

**Paid to solicitors, advocates,
and solicitor advocates**



170,000

**Grants of legal assistance
made**



12%

Increase in Fund spend



380

Employees as at 31 March
(66% female, 34% male)



“ Feedback has been very positive, especially for how you tailored presentations to help us understand how the legal aid process works, what we need to do, and what services are available for our clients. With many thanks. ”

Our Focus



MAKING
SCOTLAND
FAIRER



OUR PURPOSE: to fund, deliver and advise on services that enable people to exercise their rights and live in a fair society that respects the rule of law.

OUR MISSION: to help people access the legal support they need.

WE WILL DELIVER THIS THROUGH OUR CORPORATE OBJECTIVES:



High Quality Administration

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



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.



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.



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.



OUR VISION: our values, principles and clarity of purpose empower our people to deliver and shape a legal aid system that supports a just, safe and resilient Scotland.



OUR PRINCIPLES

- Our services are designed with our customers’ needs in mind
- Our work is grounded in data & evidence
- We take an inclusive “digital first” approach to service design
- We seek continuous improvement in all our work
- We promote equality, diversity & sustainability
- We value our people & support them to deliver their best & fulfil their potential
- We work collaboratively, internally & externally.

OUR VALUES

- **Accountability**
- **Impartiality**
- **Proportionality**
- **Responsiveness**
- **Transparency**
- **Trust**

A word from the Chair and Chief Executive

The Chair's welcome

This is the first Scottish Legal Aid Board (SLAB) annual report I have had the pleasure of introducing since I was appointed as Chair in April 2024.

In my first year I have been struck by the complex nature of the day-to-day operation of the legal aid schemes that have developed since our governing legislation was introduced in 1986.

I have been continually impressed by the depth of knowledge shown by SLAB staff and the desire to simplify and improve the system. That desire extends to both its current form and in our advice to Scottish Government on the future. I would like to thank them for this endeavour.

A key objective for me in my first year has been to communicate to Scottish Ministers the continued importance that the SLAB Board places on legal aid reform. The Board has had positive engagement with Siobhian Brown, Minister for Victims and Community Safety, who recognises the need for that reform. I am confident that this engagement will continue as we assist Scottish Government with the proposals set out in its discussion paper published in February 2025.

Legal aid is one of the main pillars of the justice system in Scotland, underpinning values of fairness and justice. But change is needed.

The pressure for the legal aid system to meet new demands is constant and the recent introduction of automatic legal aid for family members involved in deaths in custody Fatal Accident Inquiries illustrates this. Even in the short time I have been Chair I have listened to calls for reform coming from the public, the legal profession, and from my colleagues in SLAB. Affecting that change has therefore become a key theme for me as Chair.

But we cannot do this on our own. It is a complex issue and there needs to be a collective enterprise. I look forward to engaging with others, particularly the Law Society of Scotland, on this in 2025.

I would also like to put on record my thanks to our Board Members for their work this year. They have overseen the successful delivery of the organisation's corporate initiatives and performance benchmarks that are set out in this report.

Bill Moyes

Chair, Scottish Legal Aid Board.



Bill Moyes

Chief Executive's overview of the year

I am pleased to present our annual report for 2024-25, the second year of delivery against our [Corporate Plan 2023-26](#). We have made substantial progress this year and are on track to deliver the bulk of our public commitments in that plan.

The cost of legal aid

Whilst there is much current debate in Parliament and beyond about the effectiveness of case-by-case legal aid funding and options for reform, the current legal aid schemes continue to help thousands of people. There were 170,000 grants of legal assistance made in the last 12 months and the total cost this year was £169 million. In cash terms, this is the highest ever annual expenditure on legal aid and marks a 12% increase on the previous year. The total is also higher in real terms than at any point since 2017-18.

Trends and supply in legal assistance

We continue to see changes in the provision of civil legal assistance and have been told of the challenges some people face finding a solicitor for certain types of cases. With that in mind we have published a [detailed analysis of the long-term trends in civil legal aid](#). This has involved analysis of our own administrative data using subject matters and geographic variables including applicant location, solicitor location and court location. This has helped us identify shifts in patterns of supply and usage of civil legal aid for different case types nationally and locally.

There is no clear overarching picture emerging from the analysis – the trends differ widely between areas of law and also by geography. Analysis also shows that there are fewer, but busier, solicitors who deliver the service. The data does not support the view that rural and island communities have become legal aid deserts, the biggest reductions in grants being seen for clients in major urban areas like Glasgow and Dundee.

The complexity of this picture, and the mix of upward and downward trends, does not suggest an overall crisis, but nor does it suggest that there are no areas of concern.

Although we recognise the concerns the Law Society of Scotland continues to express around the sustainability of the criminal legal assistance supply base, we are not aware of evidence that applicants are currently facing the same challenges securing a solicitor as for certain civil cases. Payments to solicitors and solicitor advocates in this area were £80.8 million this year, a 15% increase on last year.

Our work and performance this year

I would like to personally thank the staff at SLAB for the work they have done this year to deliver our corporate objectives. There have been several highlights for me.

Our objective to be more customer focused saw us submit advice to Ministers on how the financial eligibility system could be simplified. Our focus on excellence in our network of employed solicitors resulted in a range of positive steps to encourage solicitors into a career in this valuable service. We pursued our objective of shaping the future of legal aid by advising and supporting the Scottish Government as Ministers developed their [legal aid discussion paper](#), which was published in February. To ensure that our organisation can continue to deliver excellence in the legal aid system of today and prepare for a potentially changed role in a reformed system, we successfully ran a major



Colin Lancaster

leadership development programme that I expect to have lasting benefits for both customers and staff.

Our key measures of operational performance are designed to reflect the customer's experience of the legal aid journey from start to finish. This means we focus not only on how quickly we are able to take decisions on applications and accounts, but also on how often we can reach a final position without having to go back to the solicitor or applicant for more information. This encourages us to find ways of increasing the quality of information we receive at the outset by continuously improving our systems, guidance, and communication.

I am pleased to report that we have performed well overall against our performance benchmarks. We did face some resourcing and workload challenges in the earlier part of the year, but we prioritised the reversal of that trend as the year progressed through a review of resourcing levels alongside cross-training of staff. I am proud that these efforts resulted in performance in accounts meeting or exceeding all accounts benchmarks by the end of the year. This has given us the confidence to introduce more stretching benchmarks in several areas for the year ahead.

The future

I am pleased that Scottish Government's discussion paper on legal aid reform has been published. I also look forward to engaging with any recommendations made by the Equality, Human Rights and Civil Justice Committee following its inquiry into civil legal aid.

Our written and oral evidence to the Committee emphasised the strengths of the current case-by-case legal aid system. But we also highlighted its significant limitations: it is reactive, unplanned, and has very few mechanisms to direct resources towards particular areas of need. Instead of strategic decisions on funding that shape how stated outcomes will be delivered over a period of years, the system is driven by hundreds of thousands of micro-decisions each year. A case-by-case funding system designed in the 1950s cannot be expected to fully meet the range of needs that we now see in the 21st century or do so in a way that embeds modern principles of holistic service design and customer-focused delivery. We are unlikely to be able to meet such wholly justified expectations without significant changes to legislation.

Joint working

Continued collaboration and joint working with partners in the private, public and third sectors will be key to delivering both continuous improvement and more meaningful change through strategic legal aid reforms. I look forward to exploring ways in which we can build on existing constructive relationships in the months ahead.

New colleagues

I will sign off by putting on record a formal welcome to our Chair, Bill Moyes, who was appointed in April 2024. I would like to thank Bill for his support and challenge this year and look forward to working with him and our committed, knowledgeable, and enthusiastic Board members as we embrace both the opportunities and challenges the next year will present.

Overview - Legal aid explained

The Scottish Legal Aid Board (SLAB) was established in 1987 to manage legal aid in Scotland.

SLAB is a Non-Departmental Public Body (NDPB), it operates independently but is accountable to the Scottish Government, who are responsible for the overall direction of legal aid policy with an extensive and complex body of legal aid legislation.

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.

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.

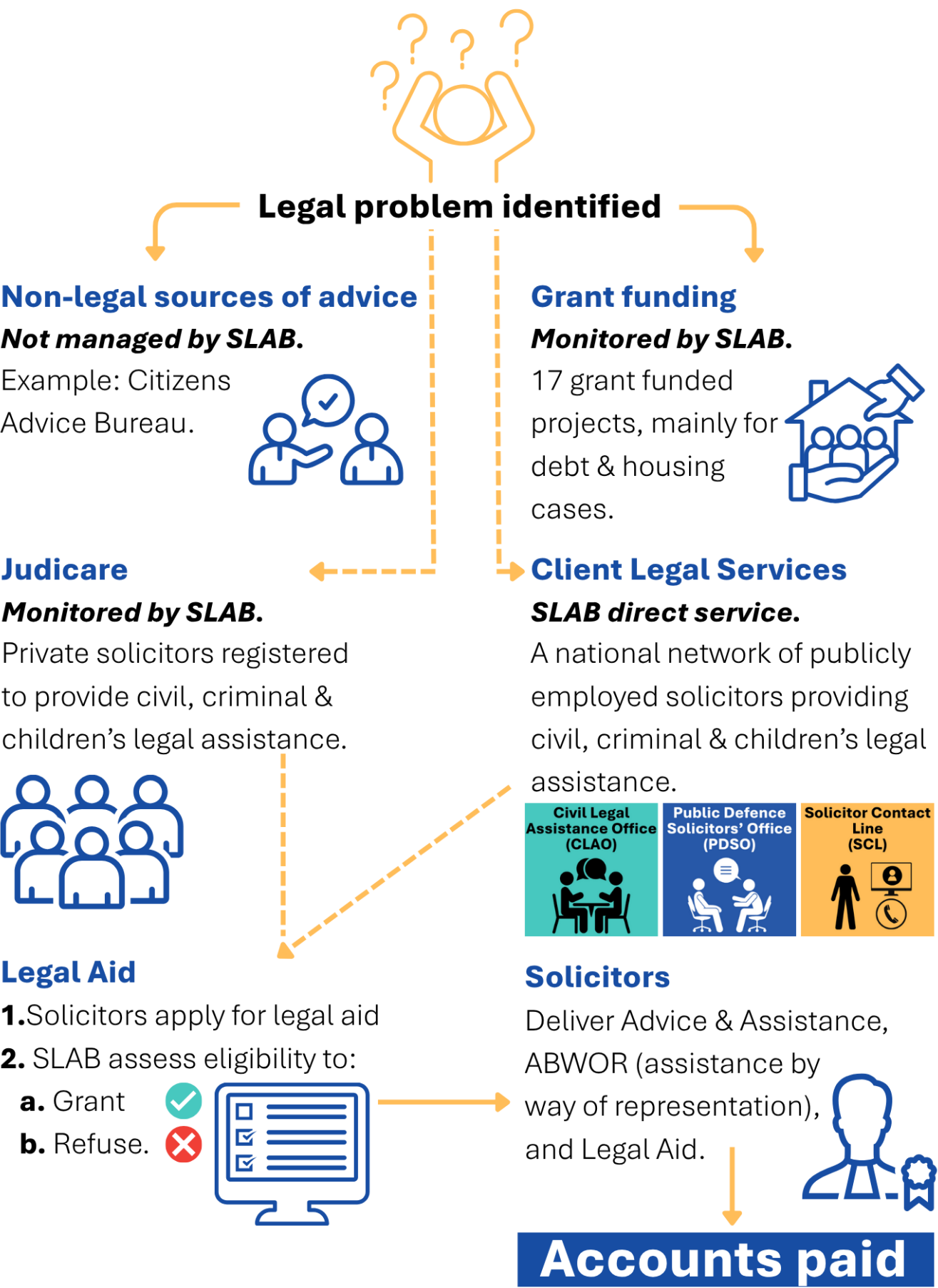
Funding for legal aid cases is demand led. This means that decisions on eligibility and payment are made irrespective of any budgetary provision and the Scottish Government must make funding available if required to pay for services covered by the legal aid schemes, even if this is higher than expected 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.

Organisational structure

Legal Aid funding is split (as per the directive from Scottish Ministers on the last page of this document) into Legal Aid Administration costs and Legal Aid Fund costs. The former being the staff and costs required to run the organisation, assess legal aid applications, administer grants on behalf of Scottish Government, review and pay solicitor and advocate accounts and ensure compliance/detect potential fraud. The latter (and much larger of the funding streams) being the direct costs of legal aid which are the amounts paid to solicitors and advocates (often referred to as *Judicare* costs) and the costs of our Client Legal services Directorate, a national network of publicly employed solicitors providing civil, criminal and children's legal assistance.

We are structured around four Directorates, three Administration and one Fund, as per the organogram on page 32.

Scotland’s legal aid model



Performance Report

Our contribution to Scottish Government outcomes

Legal aid provides a vital service at both individual and societal level. It enables people to pursue or defend their rights or manage their personal affairs. This will often be at challenging times in their lives. The individual outcomes achieved with the legal assistance legal aid funds can be life changing.

Beyond the positive impacts on those helped directly by legal aid, the services we fund also makes an important and often under-recognised contribution to the wider outcomes pursued by the Scottish Government as set out in the National Performance Framework (see below).

Legal aid enables people to pursue and protect their human rights and challenge discrimination.

Legal aid empowers people to challenge the state and institutions.

Legal aid is used for solicitors to represent children at children’s hearings.

Legal aid funds businesses to deliver legal services.



Performance Report

Summary Performance

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

We have made good progress against our public commitments in the Corporate Plan 2023-26. We have also contributed to wider justice system reform through our work with justice partners and our direct delivery of legal services.

Operational performance has been good across most areas. Applications have largely seen targets met or above target across Civil, Children's and Criminal however there have been some instances of below target for first decisions on Solemn cases. Accounts have seen a similar pattern however the first 8 months of the year saw some areas of below target in Criminal, especially in Solemn cases. For more information on performance, please see the link to our published performance data on page 22.

Expenditure continues to rise with thousands of grants being made to people across Scotland. We continue to see clear changes in the provision of civil legal assistance and anecdotal evidence of people having challenges finding a solicitor. Grants for family related cases continue to fall with grants for cases involving Adults with Incapacity still high.

The risks we faced

Our purpose is to fund, deliver, and advise on legal aid services. In the last year we have continued to monitor and mitigate risks which would prevent us meeting our purpose and objectives.

Cyber Security

In 2024, half of businesses and a third of charities reported having experienced some form of cyber security breach or attack in the last 12 months.

We have been awarded cyber essentials plus accreditation for a fourth year. However, we continued to invest in mitigations, including phishing awareness training for all staff, as well as ensuring essential systems implementation and updates did not cause loopholes resulting in security or software weaknesses.



Public expenditure

Messaging of a challenging economic inheritance from the new UK Government in July 2024 meant that the UK and Scottish budgets remained a key risk this year. The potential impact on the organisation of a flat cash or a reduced budget settlement were analysed and prepared for, which included the potential impact of the change to National Insurance contributions by employers. Over 80% of our running costs are staff-related, meaning that any changes in budgets or related policies would be acutely felt and put considerable pressure on the pay bill.



Towards the end of 2024-25 concerns around our 2025-26 financial settlement lessened on confirmation of our budget from Scottish Government. The risk for future years remains.

Legal Aid Reform

Our work to assist Scottish Government with its reform agenda was recognised as a significant risk. These risks included our ability to influence the reforms, management of the reform project, and certain stakeholders' opposition to reform. There was an evolution of reform related risks in the year, as the delivery mechanism changed from that of a Bill to secondary legislation.



The risk of stakeholders opposing reform and refusing to engage in change consistently sat outside our Board's risk appetite. While we are not able to directly control the levers for many of the issues that the profession views as problematic, we continued to work closely with government colleagues and to use policy and research tools to inform proposals which would better influence positive stakeholder engagement.

The year ahead

Looking ahead to the 2025-26 financial year ahead, the risks above will continue to be live.

The basis of going concern

Scottish Legal Aid Board (SLAB)

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 £77.4m (2023-24: £73.4m). 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.

Funding for 2025-26, 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.

Performance Report

As a result of this and the inclusion of pension liabilities, the Scottish Legal Aid Fund statement of financial position shows net liabilities of £65.1m (2023-24 £65.9m). 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 2025-26, 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 contains links to published data on how we performed against our performance benchmarks.

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.

The strategy will enable us to better target changes to our policies and procedures and inform our indicators of performance. It will be finalised early in 2025-26.

☒ We have made changes to our internal systems to create more accessible and user-friendly procedures that enable quicker processing of decisions.

We moved a range of application types onto our new systems platform in June 2024 and March 2025.

☒ We continued our review of financial eligibility assessment in civil legal assistance.

Our advice to Scottish Government on the development of standardised discretionary allowances in the assessment of applicants' disposable income resulted in the proposal being included in their legal aid reform discussion paper published in February 2025.

☒ We published a Vulnerable Customer Policy.

The policy sets out how we will deal with our customers who identify as vulnerable.



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 successfully piloted a law student internship, with a second opportunity being offered in 2025-26. We embedded a framework to facilitate shadowing for individuals interested in pursuing a career in legal aid work. We established a Client Legal Services traineeship, drawing on our unique position as Scotland's largest legal aid provider by offering experience of civil and criminal law.

We have continued to grow our national influence through responding to consultations and being key players in pilots of new ways of working.



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.

✓ We reviewed our staff performance management policy and will consult with staff in early 2025-26.

✓ We ran a 12-month leadership programme for senior managers.

46 of our staff completed the 12-month development programme, and learning has been put into practice through peer-to-peer support and project work.



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 developed our approach to workforce planning to ensure our staff have the skills and resources needed to deliver our future responsibilities

We agreed a methodology for our approach to a corporate workforce plan, with several workshops held with Directors throughout the 2024-25 period.

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

We have continued to assist with advice on options for reform to enable Ministers to make decisions about the future. This advice was instrumental in the publication of Scottish Government's legal aid discussion paper in February 2025.

Supply and demand in legal assistance in 2024-25

Grants of legal assistance

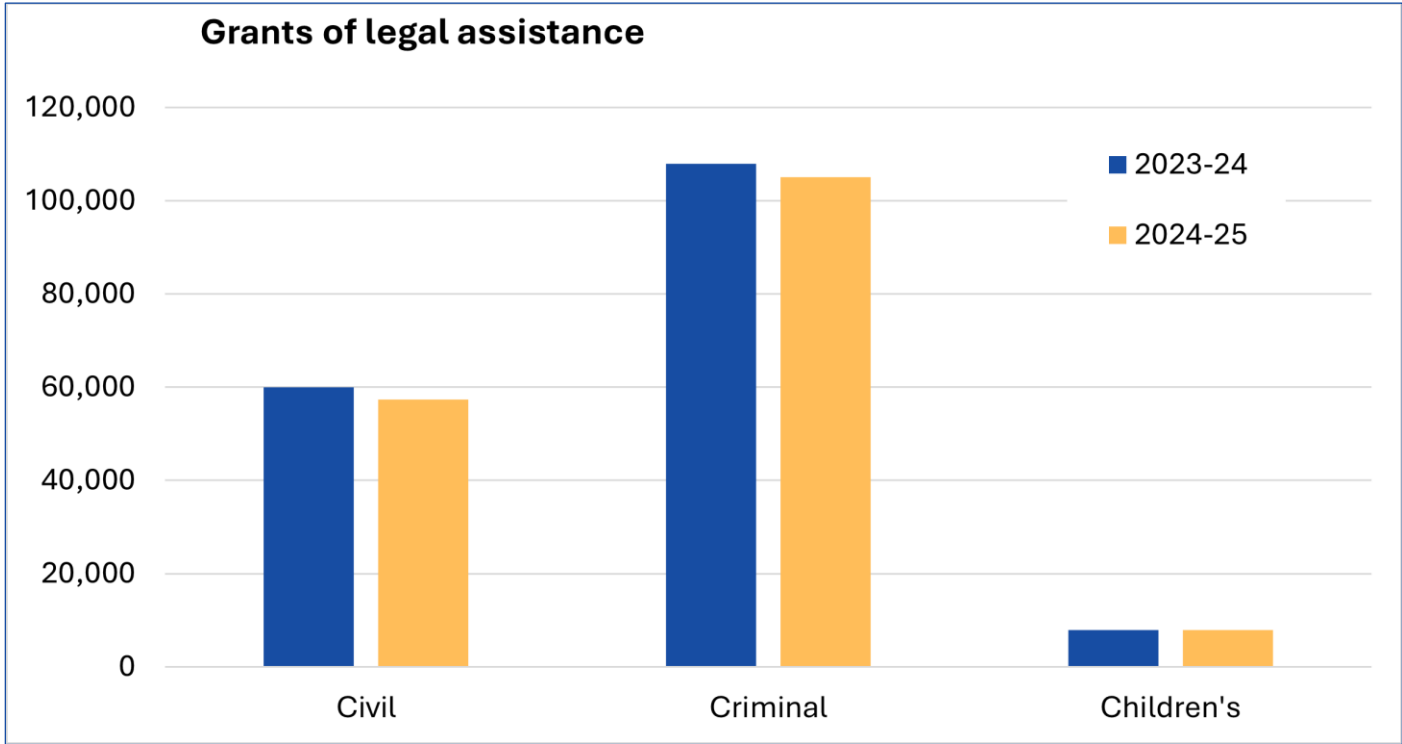
Total grants of legal assistance decreased by 3% to 170,000 as the post Covid-19 surges subsided. The fall occurred in both civil (down 4%) and criminal (down 3%) legal aid, but children's legal aid saw a 1% rise in grants.

Performance Report

Civil advice and assistance (A&A) saw constant levels in immigration, nationality & asylum, and mental health; all other areas of civil A&A declined.

Civil legal aid saw declines in non-family (down 7%) and in adults with incapacity (down 2%).

Family civil legal aid was level overall but within it some areas, primarily children focused, have seen increases in the number of grants made.



In criminal, the expansion of the Summary Criminal Case Management programme across Scotland is thought to be the reason for grants of ABWOR (assistance by way of representation), primarily used for guilty pleas in summary cases, increasing by 7% to 27,000.

Summary Criminal Case Management facilitates earlier resolution of summary cases.

Grants of summary criminal legal aid decreased by 7% to 36,000; the overall volume of ABWOR and summary legal aid decreased by 1%.

This overall decrease in summary is not unexpected given the courts registered 5% fewer summary complaints in 2024-25.

Grants of solemn criminal legal aid decreased by 9% to 11,000 as the surge from the backlog clearing subsided. The level of solemn grants pre Covid-19 in 2019-20 was also 11,000.

In children's legal aid, there were slight increases in the levels of children's A&A and sheriff court grants.

Providers/supply of legal assistance

There were 567 solicitor firms active¹ in 2024-25. This is a 5% reduction on the figure of 596 active firms reported last year.

¹ Firms that have submitted one or more legal aid applications.
Scottish Legal Aid Board - Annual Report 2024-25

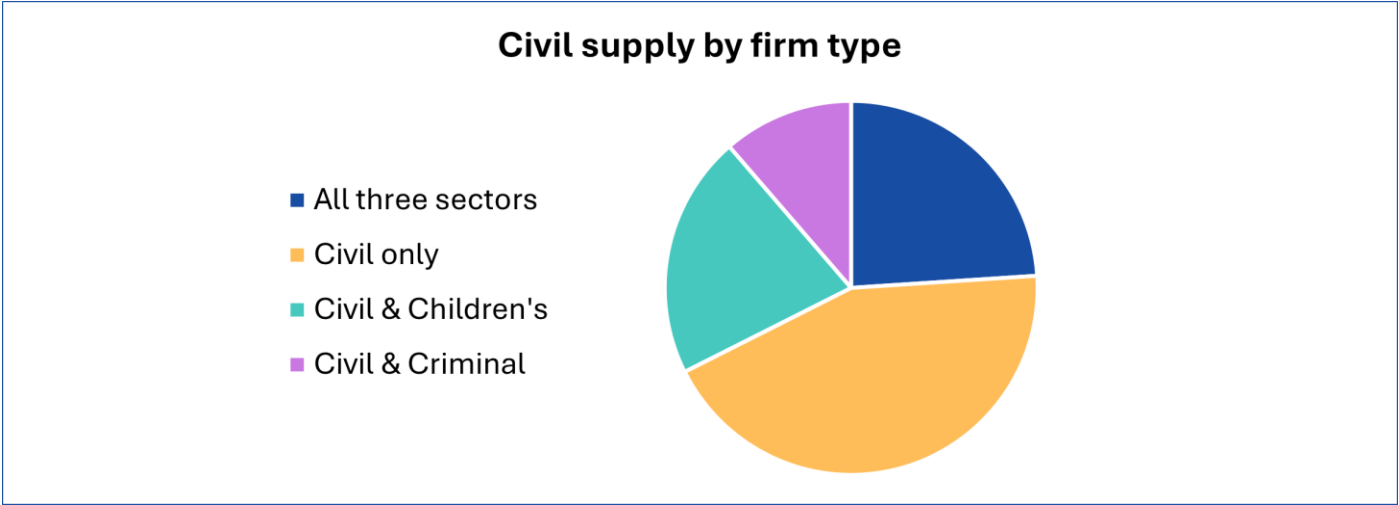
Similarly, there was a 4% fall, to 169,000, in the number of applications made.

Within this, 183 firms (32% of the total) focused on civil legal aid only, 162 firms (29%) delivered criminal legal aid only, and at the multi-sector end there were 109 firms (19%) delivering all types of legal aid.

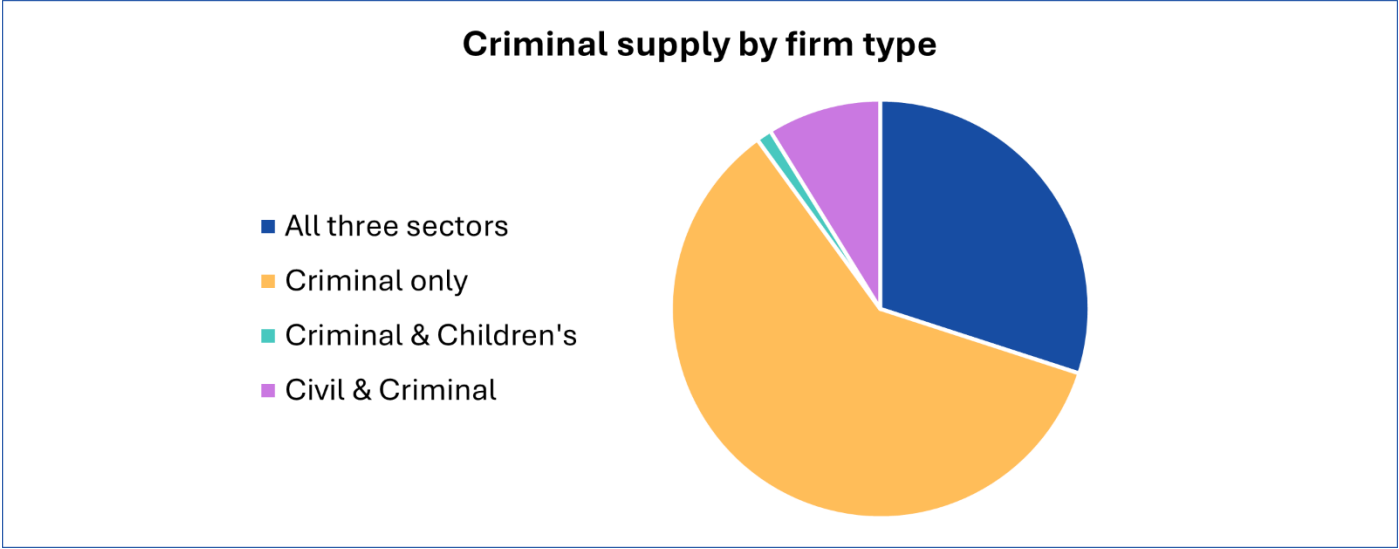
The share of work undertaken by firms operating in all three sectors of legal aid is reducing. In 2023-24 they were responsible for 35% of all applications and this share has now reduced to 30%.

This reduction in share for the multi-sector firms is mirrored by an increase in the share of the specialist firms.

Firms delivering only civil were responsible for 44% of all civil applications in 2024-25, which is up from 42% in 2023-24.

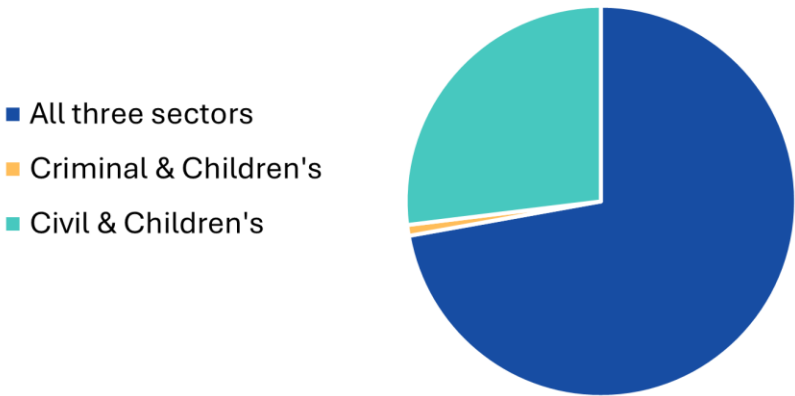


Firms delivering only criminal were responsible for 60% of all criminal applications in 2024-25, which is up from 57% in 2023-24.



In children’s legal aid there are no firms that specialise solely in children’s work; most of the work here is done by all three sector firms. The total number of firms carrying out children’s work has decreased by 15% from 208 in 2023-24 to 176 in 2024-25.

Children's supply by firm type



Our financial performance

What legal aid funded in 2024-25

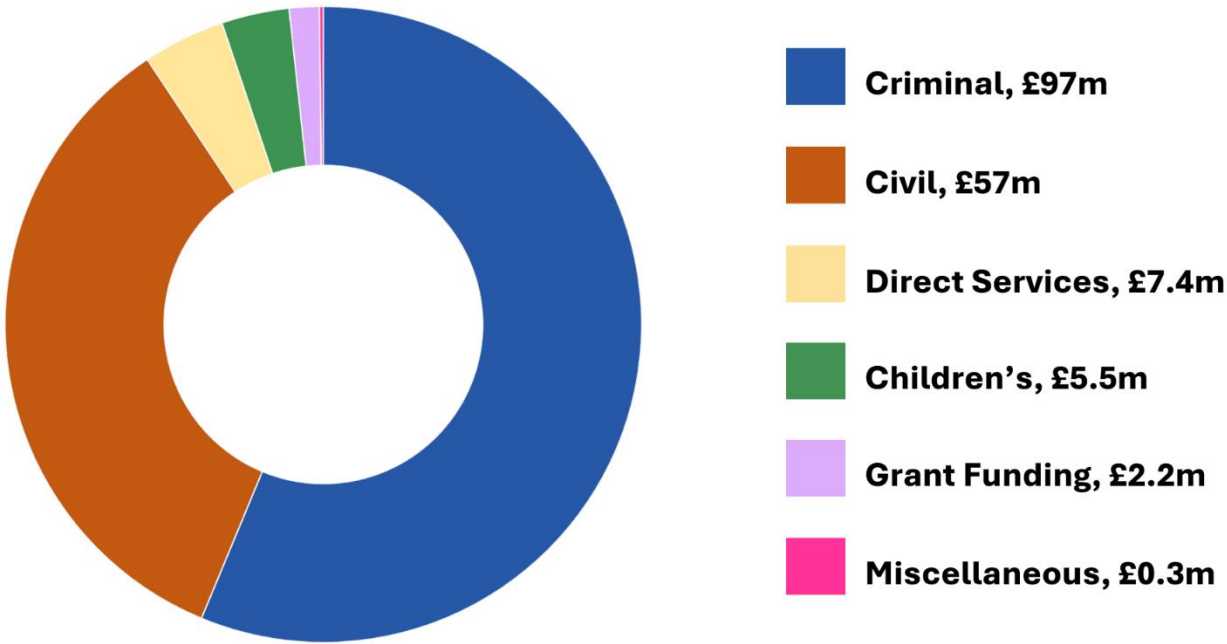
The chart below details cash spend for the legal aid fund, as cash is the basis on which funding is received from the Scottish Government. The figures may be different to those detailed in the financial statements, which are compiled on an accrual basis.

The total cost of legal assistance between April 2024 and March 2025 was £169 million. This is a 12% increase on 2023-24 and a 25% increase on 2022-23.

The expenditure increase has been driven by the uplift in criminal expenditure which is up 13% to £97 million. Within this we have seen a large increase in the cost of criminal ABWOR of 21%. This is linked to the expansion nationally of the Summary Case Management project in criminal justice.

Civil costs have also increased. All areas are seeing rising costs as the cumulative effect of recent years' fee increases is now being seen in accounts received and processed.

Net expenditure by delivery method



Performance Report

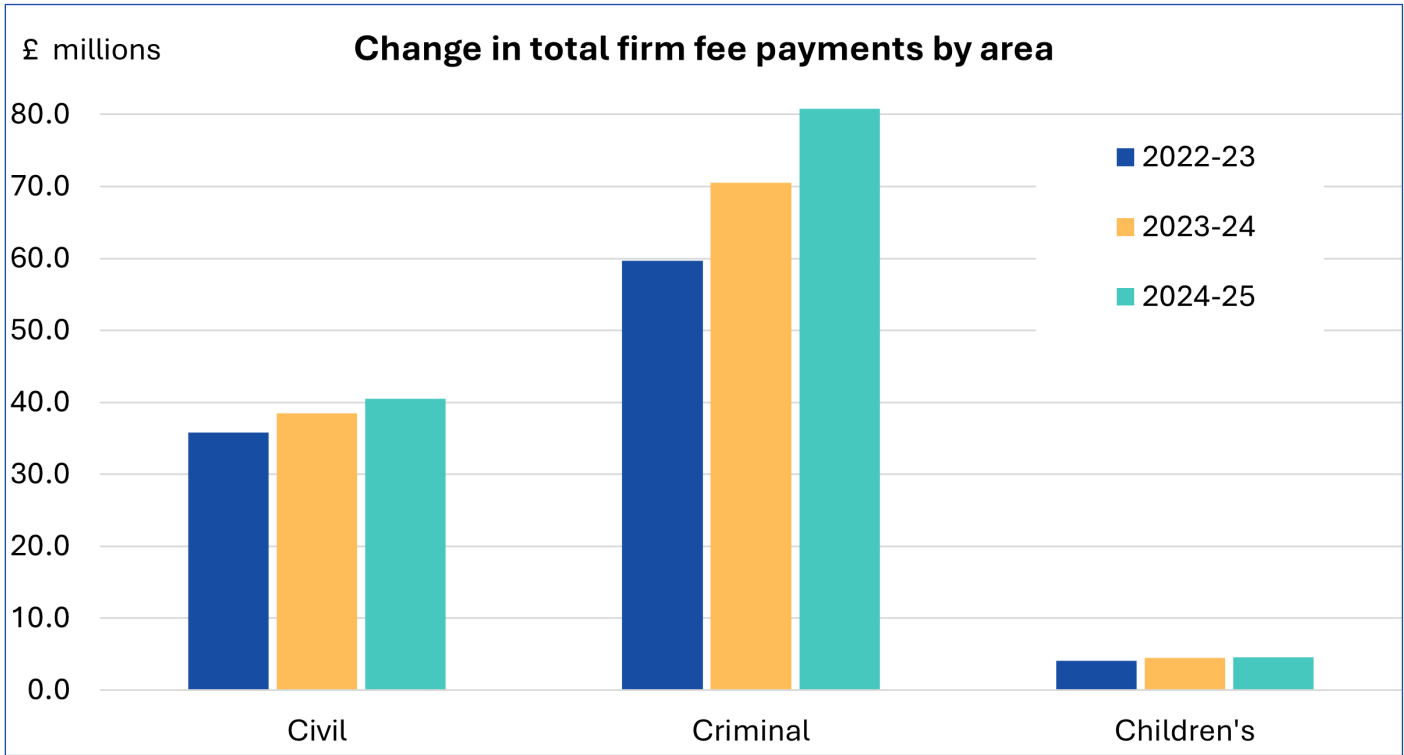
Due to the demand led nature of the Legal Aid Fund, the budget from Scottish Government is not capped, we are allocated a budget by Scottish Government annually and this is adjusted accordingly in line with forecast demand. In 2024-25 our allocated budget, after Scottish Government’s spring-budget-revision, was £173m , final year end spend (as noted above) was £169m.

Payments to firms and advocates

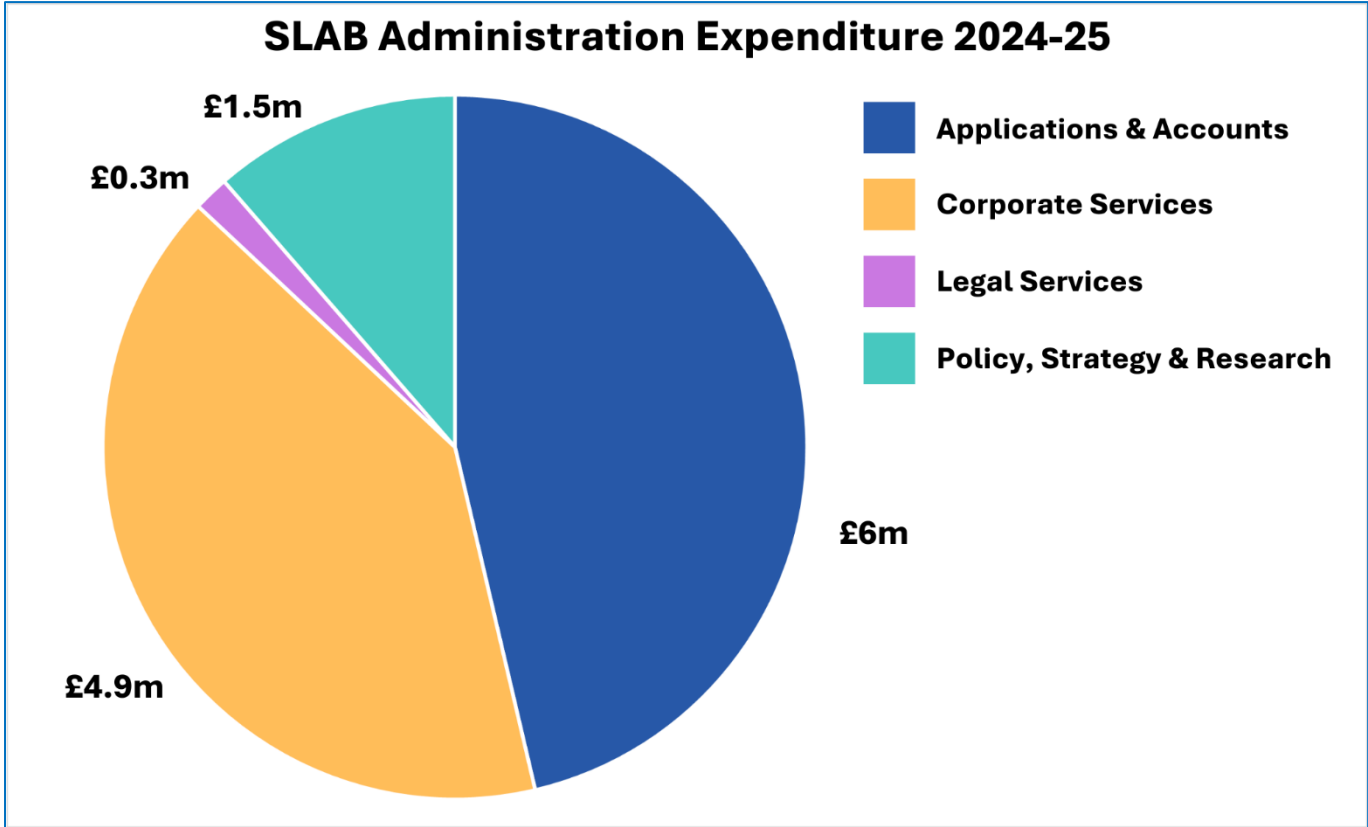
Whilst grant volumes are mostly level or falling, we have seen a large increase in the levels of payments to solicitor firms. Fee payments in civil have increased by 5%, in children’s by 2%, and in criminal by 15% to £81 million.

Payments to solicitors and solicitor-advocates in total were £126 million. This is an 11% increase on last year.

Payments to advocates were £16 million, which is an 8% increase on 2023-24.



How we spent our Administration budget in 2024-25



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 (£6m) 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 SLAB (on a cash basis - as shown in the statement of cash flows) is broken down as follows:

Performance Report

Cash Spend	2024-25 £000	2023-24 £000
Staff costs	13,508	12,809
Running costs	1,590	1,783
Capital	76	83
Total administration spend	15,174	14,675

Staff costs include pension benefits paid (due to our pension scheme being unfunded). Pension benefits were £151k higher than the previous year due to the volume of retirements in the year. The main reason for increased staff costs is the effect of Scottish Government Pay Policy along with a pay and grade review and benchmarking exercise.

Running costs are decreased due to the prior year including the cost of significant investment in our Information Systems.

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) and ensuring our building is maintained to a good standard. Further investment in our Information Systems (with a view to obtain future staff savings through system efficiencies) will be actioned and 2025-26 will see the implementation of 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 76 shows net operating costs, including pension costs, of £19.7m (2023-24: £17.5m).

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 SLAB's accounts to the budget allocated to us by the Scottish Government.

SoCNE (page 76)	Outturn £000	Budget £000	Variance £000
Staff and administrative costs (net of income)	12,993	15,210	2,217
Depreciation, amortisation plus loss on disposal	442	550	108
Pension scheme service and finance costs	6,195	6,500	305
Net operating costs	19,630	22,260	2,630

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 (for 2024-25 £2.4m). 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 78.

Performance Report

Our operational performance

Performance Reporting

SLAB has 33 Key Performance Indicators (KPIs) in the applications and accounts operational areas. Details are published on our website in our quarterly [SLAB Operational Performance Overview Reports \(SOPOR\)](#). Performance for each of these is measured against their own benchmarks. The benchmarks can be adjusted each year according to the aims of the business and the wider operating environment. The KPI and benchmark system were developed for the strategic objectives of:

- delivering improvements to our legal aid processes that increase efficiency and improve the experience of system users and customers
- ensuring that our organisation has the culture and capability to be responsive to our customers, the justice system, and developments in legal and advice sectors.

The KPIs are designed to promote the timely and effective handling of applications and accounts with an emphasis on “getting it right first time”. A high initial grant rate, or payment in full rate, is of benefit to stakeholders (the legal profession, assisted persons and the justice system) but also to SLAB for improving the efficiency of our administration.

Of the 33 KPI's, 9 (2 Applications KPI's and 7 Accounts KPI's) had periods of 'worse than' within the year (for reasons as laid out in the CEO foreword) however performance did improve and the vast majority of KPI's fall into the 'better than' or 'met' category.

Applications

In applications there are 14 KPIs and in 2023-24 the aggregate performance was 81%.

Six benchmarks were made more challenging in 2024-25 and three benchmarks, in solemn applications, were relaxed slightly due to the difficult conditions in 2023-24, including the surge of cases because of backlog clearing in the criminal justice system at that time.

Applications performance improved markedly to 96%.

Accounts

In accounts there are 19 KPIs and in 2023-24 the aggregate performance was 80%.

There were several challenges in the delivery of accounts benchmarks, but huge efforts were made to turn performance around. Accounts have been investing in cross-training across teams and load balancing across the whole department. The criminal teams also dealt with the increase in the volumes of accounts due to the backlog clearing within the justice system.

Despite these challenges, Accounts performance also improved to 85%.

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, as well as 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. Our [current set of equality outcomes](#) was developed and published in 2023.

Summary of progress made against our Equality Outcomes for year two (March 2024-April 2025)

1. Create the conditions to narrow the gender, disability and ethnicity pay gaps.

We have started a workforce planning strategy and identified key principles for this work, which will inform corporate planning for 2025-26.



2. Gather and use equality data to inform our policies and improve our services.

We have produced reports on legal aid applicants for 2023-24 and reviewed research gaps to identify internal needs regarding equalities information.



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.

We have submitted advice, informed by high level equality impact assessments, to Scottish Government on legal aid reform. We have also drafted a report on applicant equality data to analyse trends in supply of legal aid services by relevant protected characteristics.



4. Make key information about our work and legal aid accessible to those who need our help.

We have updated our information on legal aid, including accessible videos and commissioned BSL information. The information is also available on leaflets that have been translated into the three most prominent languages of our applicants (Polish, Arabic, and Farsi).



The full progress report can be found on [our website](#).

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:

1. Executive Team (ET)

Chaired by our Chief Executive, the ET reviews progress on work to achieve our equality outcomes and actions to mainstream equalities. All department reports to the ET highlight equalities as appropriate.

2. Board and Committee members

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.

3. Business plan

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.

4. Equalities Project Group

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 EqIA 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 an EqIA and mainstreaming the Public Sector Equality Duty (PSED) into their work.

The 23 EqIAs published in the reporting period are available on our website's [Equalities and diversity](#) page.



We provide workshops to all new managers to support them. 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 provided in addition to our equality and diversity corporate training, which must be completed by all new members of staff and is retaken periodically.

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

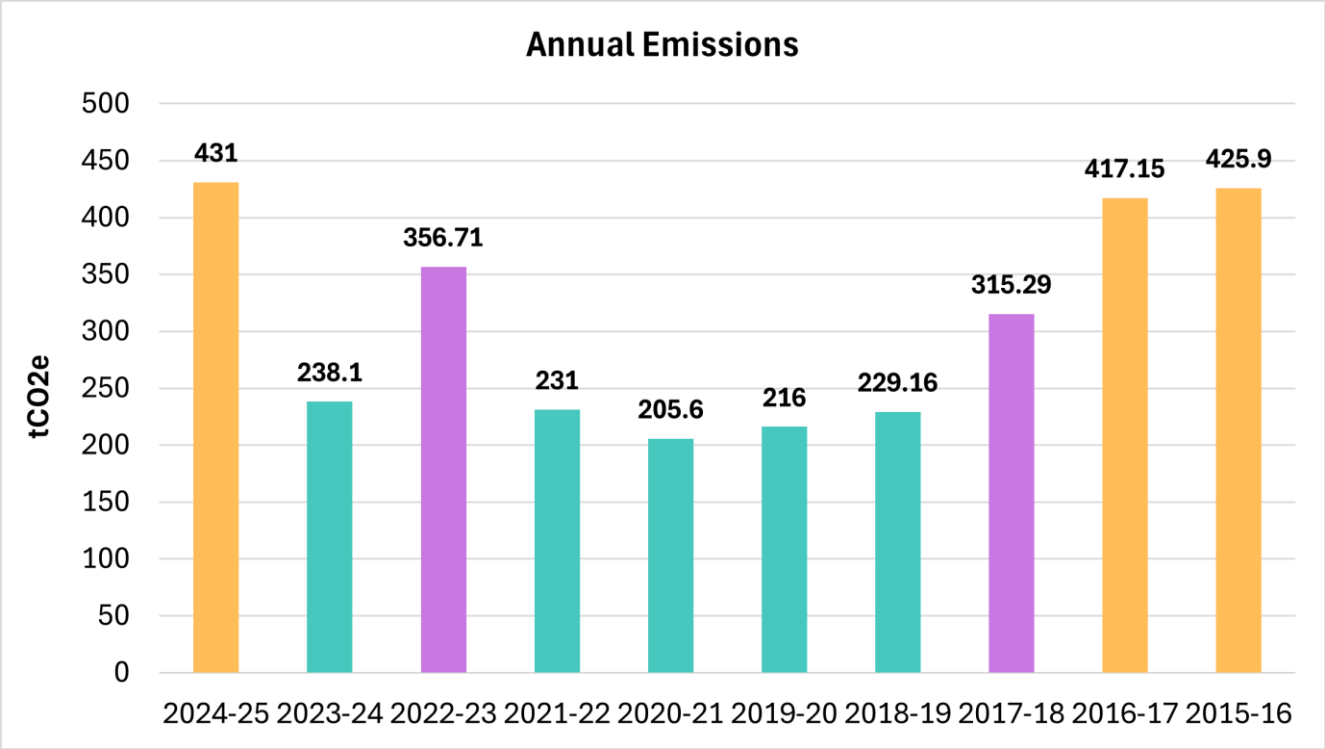
Research with stakeholders helps us collect evidence where there are known inequalities to explore differences in experience and can help us increase the participation of equality groups. This financial year, we have published a [literature review on immigration and asylum](#), and [research on experiences with children's legal assistance](#), including valuable insight into the experience of different applicants.

Environmental impact and sustainability

SLAB 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 44% to 2023-24 against the baseline year of 2015-16. The 2024-25 figure is significantly increased due to the adoption of indirect, emissions reporting for the first time.



We are currently revising our Carbon Management Plan, setting out our ambitious road map to further reduce emissions, as well as considering homeworking and the inclusion of our full estate within our reporting framework. Following relocation to Thistle House in January 2015, 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 (tCO2e) 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](#).



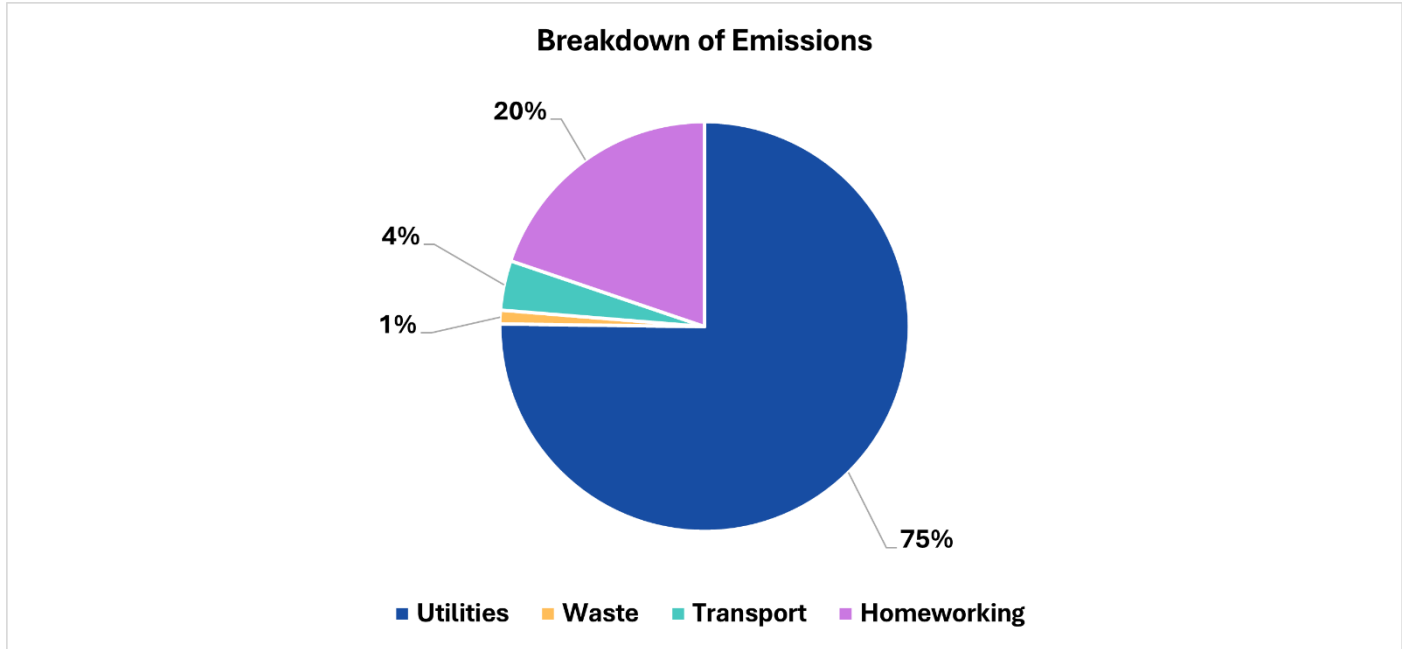
Performance Report

introduced for homeworking during financial year 2021-22, now accounting for 20% of our overall emissions. This is a reduction on the prior year as we see more staff return part time to the office and refine our data on homeworking.

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

The 2024-25 figure increased due to the adoption of [scope 3](#), indirect, emissions reporting for the first time. Unfortunately, we do not have this data for prior years which would allow us to make the figures in the graph above more comparable. Our Sustainability reporting is being reviewed in 2025-26.

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 disposed in landfill while contributing towards the circular economy.

Going forward, we will continue to measure our carbon footprint and develop our new Carbon Management Plan.

Colin Lancaster
Chief Executive and Accountable Officer

The Accountability Report

In this section we cover:

Director’s Report	28
Statement of Accounting Officer’s responsibilities	28
Governance Statement	29
Remuneration and staff report	35
Employee Information & Equal Pay	41
Learning & Development	43
Parliamentary accountability	44
Independent auditor’s report	46

Director's report

Directors

The directors of the Scottish Legal Aid Board (SLAB) are the Executive Team and non-executive Board Members, whose details are set out in the [Governance statement](#).

Register of interests

Executive Team and board members complete a declaration of interests. No significant company directorships or other interests were held which may have conflicted with their management responsibilities and no member of the board had any other related party interests which conflicted with their responsibilities. We keep a register of Board members' interests [available on our website along with biographies](#).

Audit

Forvis Mazars carried out the audit of the organisation's accounts for the financial year ended 31 March 2025, covering both the Scottish Legal Aid Fund and SLAB accounts.

The agreed fee for this service was £65,040 (2023-24 £63,800), 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 SLAB 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 SLAB, 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.

Accountability Report

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.

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 and its Committees

The SLAB Board shapes and sets strategic the direction. It also sets risk appetite, the risk management framework and provides oversight and scrutiny of the organisation's operational and financial performance.

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 on our website. The Chief Executive and some Executive staff attend Board meetings.

Accountability Report

Dr William Moyes (Chair) 	Stephen Humphreys 	Raymond McMenamin 	Brian Baverstock 
Started: 01/04/2024	Started: 01/04/2018	Started: 01/04/2018	Started: 01/04/2018
Appointment to: 31/03/2027	Appointment to: 31/03/2026	Appointment to: 31/03/2026	Appointment to: 31/03/2026
Committees: Legal Assistance Policy Committee, Remuneration and Appointments Committee	Committees: Legal Assistance Policy Committee, Remuneration and Appointments Committee	Committees: Legal Assistance Policy Committee	Committees: Audit Committee, Remuneration and Appointments Committee
Sheriff John Morris KC 	Gerry Bann 	Brigid Whoriskey 	Judith Robertson 
Started: 01/04/2018	Started: 01/04/2021	Started: 01/04/2021	Started: 01/04/2023
Appointment to: 31/03/2026	Appointment to: 31/03/2026	Appointment to: 31/03/2026	Appointment to: 31/03/2026
Committees: Legal Services Cases Committee	Committees: Legal Assistance Policy Committee	Committees: Audit Committee, Legal Services Cases Committee	Committees: Audit Committee, Legal Assistance Policy Committee
Gavin Stevenson 	Fiona Cook 	William Cowan 	David Massaro 
Started: 01/04/2023	Started: 01/04/2024	Started: 01/04/2024	Started: 01/04/2024
Appointment to: 31/03/2026	Appointment to: 31/03/2027	Appointment to: 31/03/2027	Appointment to: 31/03/2027
Committees: Audit Committee	Committees: Legal Services Cases Committee	Committees: Legal Assistance Policy Committee	Committees: Legal Services Cases Committee

Accountability Report

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.

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. Although the Committee has a defined membership, the Committee is open for all Board Members to attend.

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.

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.

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

Attendance during 2024-25

Meeting	Board	Audit Committee	Policy Committee	Cases Committee	R&A Committee
Number of meetings	5	4	4	9	2

Meetings attended	Board	Audit Committee	Policy Committee	Cases Committee	R&A Committee
William Moyes	5	4	3	8	2
Gavin Stevenson	5	4			
Brian Baverstock	4	1			2
Brigid Whoriskey	5	4		9	
Judith Robertson	5	4	3		
Sheriff John Morris KC	3			8	
Raymond McMenamin	5		4		
Stephen Humphreys	4		4		1
Fiona Cook	5			8	
David Massaro	5			9	
William Cowan	5		3		
Gerry Bann	3		2		

Accountability Report

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 and oversight. This is based on a framework of regular management information, administrative procedures, and a system of delegation and accountability, which includes:

- a Delegated Authority Matrix that documents the minimum level of decision-making authority in specified areas, including operational decision-making and incurring of expenditure
- setting and monitoring of strategy and priorities, and reporting regularly on progress to the Executive Team and the Board
- monitoring published operational performance benchmarks by the Executive Team and the Board
- allocation of the annual administration budget, which is approved by the Board, and regular monitoring of the financial position by the Executive Team and the Board; provision of regular forecasts of Legal Aid Fund expenditure based on analysis of previous trends, legal aid demand, and other evidence
- an internal audit function that carries out a risk based programme of internal audit work approved and overseen by the Audit Committee.

Risk management and control

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.

Accountability Report

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
- 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.

The framework was reviewed for its effectiveness in 2023. Further detail about the risks managed during 2024-25 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 2024-25.

Numbers of data breaches are small when compared to the amount of correspondence, and personal data processed. Four data breaches were reported to the Information Commissioner's Office (ICO) during 2024-25. The ICO did not consider it necessary to take any further action.

Fraud, corruption and bribery

Fraud risk was an active consideration on the corporate and functional risk registers, and a consideration by the Audit Committee, through 2024-25.

An Applicant Investigation function carried out full investigations into the information provided by 1,323 legal aid applicants. Of the 1,220 cases that have concluded, 48% of 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 118 audits of criminal legal aid firms. As a result of this and other proactive work, £217k 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

Accountability Report

- 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
- 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 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 2024-25.

The Head of Internal Audit has issued an Annual Report to the Audit Committee, which the Accountable Officer can use to inform the Governance Statement. Their opinion is that the internal controls are satisfactory.

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 2025, 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.

Accountability Report

Remuneration and staff report

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

SLAB 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 SLAB. 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 5% from 1 April 2024.

In 2024-25 all other members of the Executive Team's salaries were uplifted by 3%, 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, the current pay policy from Scottish Government prohibits bonus payments.

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 2024-25 (2023-24: 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 2024-25 and 2023-24 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 2024-25 £000	Salary 2023-24 £000	Pension benefits accrued in 2024-25 £000	Pension benefits accrued in 2023-24 £000	Single total remuneration 2024-25 £000	Single total remuneration 2023-24 £000
C Lancaster	125-130	120-125	58	-**	185-190	120-125
M Fox	100-105	100-105	32	16	135-140	115-120
L Ross	95-100	90-95	38	54	135-140	145-150
A Ford	95-100	85-90	31	47	125-130	135-140
C McLeod	95-100	90-95	28	26	125-130	115-120
I Dickson	100-105	100-105	33	15	135-140	115-120

** due to changes in the pension liability (caused by changes in actuarial assumptions), one director had negative Pension benefits accrued. As per the FReM, this was capped at £0 for the purpose of this table.

Pension benefits **

The pension benefits table below provides a breakdown of pension benefits for members of the Executive Team in 2024-25 and 2023-24 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 2025.

Employee	Real increase/ (decrease) in pension & related lump sum £000	Accrued pension at 31 March 2025 & related lump sum £000	Cash equivalent transfer value at 31 March 2025 £000	Cash equivalent transfer value at 31 March 2024 £000	Real increase/ (Decrease) in cash equivalent transfer value £000
C Lancaster, Chief Executive					
Pension	2.5-5.0	40-45	-	-	-
Related lump sum	7.5-10.0	120-125	-	-	-
Transfer value	-	-	957	862	73
M Fox, Strategic Development Director					

Accountability Report

Pension	0.0–2.5	25-30	-	-	-
Related lump sum	2.5–5.0	85-90	-	-	-
Transfer value	-	-	634	579	38
L Ross, Corporate Services and Accounts Director					
Pension	0.0-2.5	10-15	-	-	-
Related lump sum	N/A	N/A	-	-	-
Transfer value	-	-	242	50	185
A Ford, Operations Director					
Pension	0.0-2.5	0-5	-	-	-
Related lump sum	N/A	N/A	-	-	-
Transfer value	-	-	70	39	24
I Dickson, Principal Legal Advisor					
Pension	0.0–2.5	30-35	-	-	-
Related lump sum	5.0–7.5	95-100	-	-	-
Transfer value	-	-	851	794	37
C McLeod, Client Legal Services Director					
Pension	0.0–2.5	0-5	-	-	-
Related lump sum	N/A	N/A	-	-	-
Transfer value	-	-	54	25	23

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.

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.

Accountability Report

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 **

SLAB 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:

Pay Multiples	2024-25	2023-24
Band of highest paid director's remuneration (Chief Executive)	£125-130k	£120-125k
Remuneration at 25th percentile	£29,000	£27,500
Median remuneration	£37,420	£34,760
Remuneration at 75th percentile	£51,300	£45,905
25th percentile ratio	4.4	4.5
Median ratio	3.4	3.5
75th percentile ratio	2.5	2.7

The banded remuneration of the highest paid officer at SLAB in the financial year 2024-25 was £125-130k (2023-24: £120-125k). This was 3.4 times the median remuneration of the workforce (2023-24: 3.5), which was £37,420 (2023-24: £34,760).

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 moved into the next £5k band, having been static in the lower band for three years. The average overall increase for staff members (average of all staff excluding the highest paid) was 7.8 and for the highest paid director the increase was 5%. The banded remuneration of the lowest paid employee at SLAB in the financial year 2024-25 was £20-25k (2023-24: £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 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.

Accountability Report

Remuneration (excluding any accrued pension benefits) of the Board members for 2024-25 was as follows:

Name	2024-25 £000	2023-24 £000
Ray Macfarlane (Former Chair)	-	35-40
William Moyes (Chair)	35-40	-
Lesley Ward	-	10-15
Sarah O'Neill	-	10-15
David Sheldon KC	-	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	10-15
Gavin Stevenson	10-15	10-15
Fiona Cook	10-15	-
William Cowan	10-15	-
David Massaro	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 2024. 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	
	2024-25 average WTE	2023-24 average WTE	2024-25 average WTE	2023-24 average WTE
Permanent staff	105	102	234	246
Other staff	11	7	4	2
Total	116	109	238	248

	£000	£000	£000	£000
Staff costs	6,541	6,273	13,076	12,207

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 were no exit packages during the year.

Employee communication

News items are posted regularly to our intranet, ranging from Executive Team updates and internal developments to justice sector news and social 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.

Strategic work is carried out to review the effectiveness of our internal communications channels and ensure they are meeting our corporate and staff needs.

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.

Health and Safety at Work

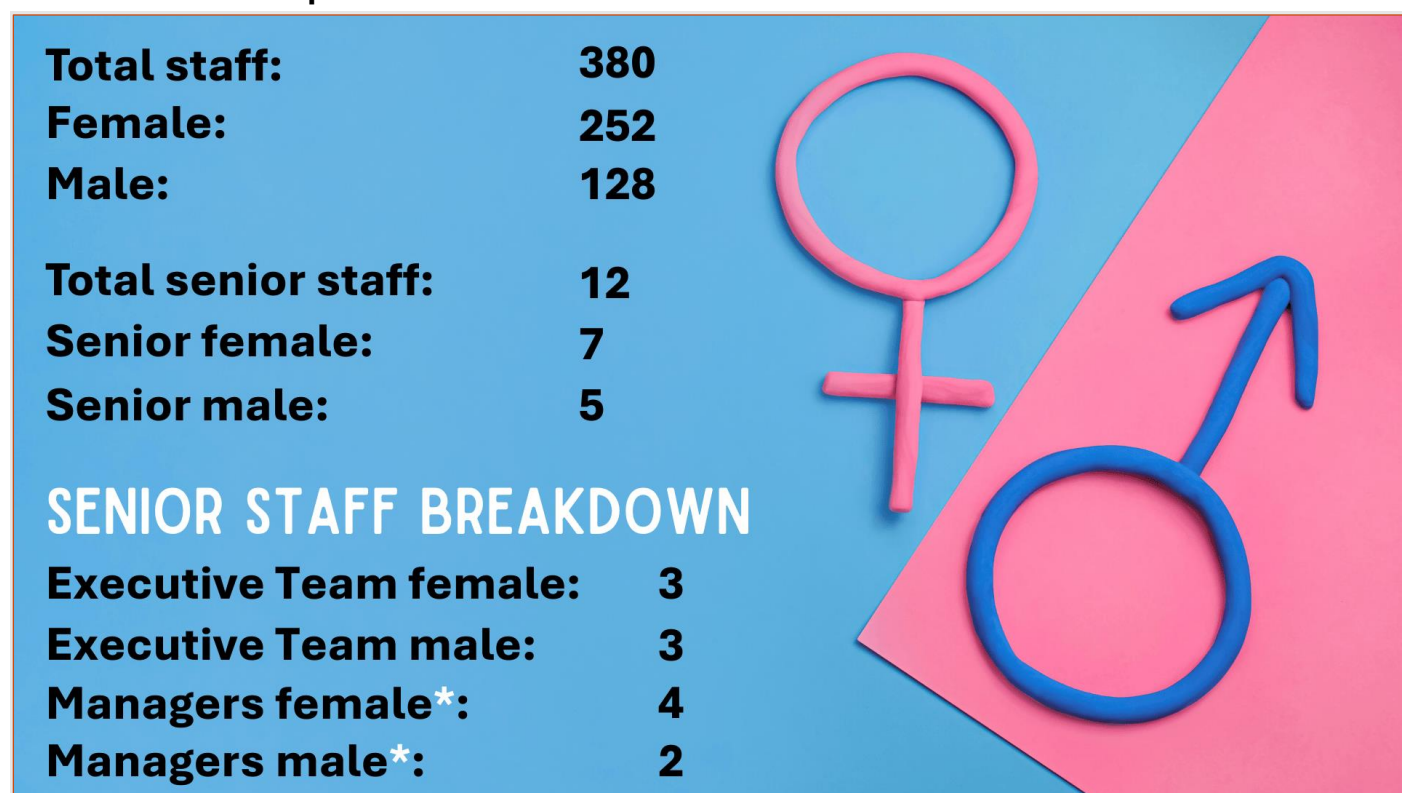
We have a Health and Safety Committee, chaired by the Director of Corporate Services and Accounts, which meets regularly and is comprised of staff members from across the organisation, as well as representatives of the trade union and Facilities management.

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 2025



* Senior managers' salaries are the equivalent of senior civil service level. In 2024-25, six senior managers were paid within the band £80-85k. In 2023-24, four senior managers were paid within the band £65-75k, and two were paid within the band in £75-80k.

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 and analysis for the period 1 April 2024 to 31 March 2025 is published [on our website](#).

What our employee data tells us

Current workforce

The demographic of our workforce remains similar to what was reported as at March 2024. The largest shift (as a percentage of total staff) was amongst staff with a disability (minus 1.2%). Whilst there were a range of other changes, these were similarly small. The lack of more significant changes reflects our continuing low levels of turnover.

Other features of our workforce include:

- a majority female workforce, which is not uncommon within the public sector

Accountability Report

- an older workforce when compared to the national picture of people in work, with people aged 25-34 particularly under-represented – this can be explained in part by low rates of turnover within the organisation
- an under-representation of minority ethnic people amongst employees when compared to the Scottish workforce
- a slightly larger proportion of Disabled people make up our workforce than the Scottish workforce generally.

Recruitment

In looking at the profile of the applicant pool for 2024-25, across various protected characteristics, minority groups (for instance, white and non-white ethnic minorities, persons following an ‘other religion or belief’, and LGBTQ people) tend to be better represented than within the existing SLAB workforce, suggesting that SLAB is successfully attracting a diverse applicant pool.

However, in looking at recruitment *outcomes*, these groups also tended to be somewhat less likely to be appointed. For instance, whilst persons declaring ‘other national identity’ made up 20-25% of applicants, they comprised only 10-15% of those appointed (it should be noted that this was not the case for *all* protected characteristics, however). This may have an impact on the rate at which SLAB’s workforce profile changes. All recruiting managers now must complete unconscious bias training. We will look to investigate this further to see what barriers may be preventing these groups from being successfully recruited.

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.

In March 2025, our mean gender pay gap for all staff (full and part time) was **7.3%**. Our mean gender pay gap has decreased this year from 9.6% in 2024 and is now lower than the 8.5% figure reported in 2023, which demonstrates positive movement in the right direction. The mean gender pay gap for all employees in Scotland (using **ONC/ASHE data**) in 2024 was **8.3%**, meaning that SLAB is now outperforming the national position on this metric.

SLAB’s median gender pay gap remains unchanged at **17.7%**, which was also the figure in both 2023 and 2024. In comparison, the median gender pay gap for all employees in Scotland (using **ONC/ASHE data**) is **9.2%**.

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.

Accountability Report

Our mean disability pay gap is **-9.8%** (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).²

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.

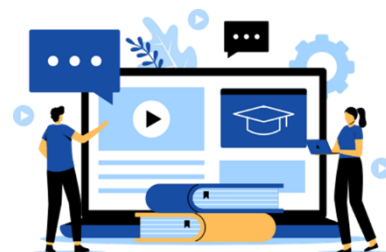
Our mean ethnicity pay gap is **12.2%**. Our median ethnicity pay gap is lower than the mean, at **8.3%**. This contrasts with the position for the gender pay gap, where the median is higher than the mean. The most recent reliable Scotland data for 2019, at which point the median pay gap reported by the ONS was 10.3%, which is slightly higher than ours. However, the 2019 median ethnicity pay gap for the UK was 2.3%.³

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

Learning & Development

167 formal training days were rolled out from April 2024 to March 2025.

The formal evaluations showed that all training courses were well received by delegates and met training needs.



Central Learning Plan

From April 2024 to March 2025, the total cost of the central training plan was £164,200. The core focus of the training plan was:

1. Leadership & Management Development

Think Works Leadership & Management Development programme, one-to-one Management Coaching. **31%**.

2. Training related to new people-related policies

Dignity at Work workshops for all managers, domestic abuse awareness training for People & OD staff, and a domestic abuse webinar for all employees). **11%**.

3. Training resources and materials

Learning Management System, Cardinus health & safety system, and Vinci works e-learning content platform. **13%**.

4. Health & Wellbeing

Mental Health awareness, Health & Wellbeing conferences, resilience training. **8%**.

5. Digital Skills. **6%**.

² [Disability pay gaps in the UK - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk/peopleandwork/inequalityandpoverty/articlesandreports/disabilitypaygapsintheuk)

³ [Ethnicity pay gaps - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk/peopleandwork/inequalityandpoverty/articlesandreports/ethnicitypaygaps)

Accountability Report

Additionally, there was a variety of ad hoc training courses covering counter fraud, call handling, report writing, statistics, presenting data, project and programme management, internal CPD sessions, health and safety, and first aid.

Over the next year we will be implementing our new Learning & Development policy alongside continuing to invest heavily in upskilling our employees in a range of different areas including performance management, conflict resolution, facilitated conversations, and sexual harassment. This training has been identified because of policy development.

Employee sickness absence

The absence rate for SLAB is 3.6% which equates to 9.4 days lost per whole time equivalent (WTE). This is a decrease in days from 2023-24 where we had 4.8% (11.6 days) lost per WTE.

This is a positive decrease, which reflects the proactive approach managers are taking to absence management. We introduced a new sickness absence policy in July 2023 and have trained all managers on implementation. This is having a positive impact as it has reduced the number of long term absence (over 28 days). Our absence percentage is made up of 1.21% short term (under 28 days) and 2.42% long term absence.

We will continue to monitor the sickness levels within SLAB. Sickness levels across the UK are seeing an increase (CIPD), and our levels are higher than we would like and have an impact on some operational areas. Our absence rates are lower when compared to Scottish Government who are sitting at 3.8% absences for Q4 2024 (SLAB 3.6%). The ONS has not yet published figures for 2024.

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. SLAB is committed to working in partnership with our recognised trade union, demonstrated through our bargaining framework and supported by an ongoing recognition agreement with our recognised trade union, GMB.

The Trade Union (Facility Time Publication Requirements) Regulations 2017 place a legislative requirement on relevant public sector employers to collate and publish a range of data on the amount and cost of facility time within their organisation. Our data for 2024-25 is [published on our website](#).

Parliamentary accountability

The Scottish Legal Aid Board (SLAB) presents its accounts for the financial year ended 31 March 2025.

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 SLAB.

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 2024-25. 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.

Accountability Report

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 £7.6m 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.

SLAB accounts show income of £1.2m 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.

Independent auditor's report

Independent auditor's report to the members of SLAB, 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 the Scottish Legal Aid Board for the year ended 31 March 2025 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 financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the 2024/25 Government Financial Reporting Manual (the 2024/25 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 2025 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 2024/25 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 the Scottish Legal Aid Board for the year ended 31 March 2025 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 financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the 2024/25 Government Financial Reporting Manual (the 2024/25 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 2025 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 2024/25 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 opinion

We conducted our audits of the Fund and Board in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Auditor General for Scotland. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were

Accountability Report

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 opinion.

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. 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.

Accountability Report

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. 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.

Reporting on other requirements

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

Accountability 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

4 September 2025

The Fund Financial Statements

In this section we cover:

Statement of comprehensive net expenditure for the year ended 31 March 2025	52
Statement of financial position as at 31 March 2025	53
Statement of cash flows for the year ended 31 March 2025	54
Statement of changes in taxpayer’s equity for the year ended 31 March 2025	55
Notes to the Accounts for the year ended 31 March 2025	56

Fund Statements

Statement of Comprehensive Net Expenditure for the year ended 31 March 2025

	Notes	2024-25 £000	2023-24 £000
Civil legal assistance			
Civil legal aid	3	38,634	44,057
Civil advice & assistance and advice by way of representation	3	23,426	23,399
Civil Legal Assistance Office	3	2,293	2,022
Grant funding	3	2,278	2,313
Gross civil legal assistance expenditure		66,631	71,791
Less operating income	4	(7,616)	(7,964)
Total net civil legal assistance expenditure		59,015	63,827
Criminal legal assistance			
Criminal legal aid	5	75,233	72,716
Criminal advice & assistance and advice by way of representation	5	17,295	13,849
Public Defence Solicitors' Office	5	4,672	4,259
Solicitor Contact Line & Glasgow Courts	5	1,307	1,422
Total criminal legal assistance expenditure		98,507	92,246
Children's legal assistance			
Children's legal aid	6	2,834	2,530
Children's advice & assistance	6	2,700	2,512
Total children's legal assistance expenditure		5,534	5,042
Other expenditure			
Contempt of court	7	154	190
Counsel Interest costs	2	0	0
Quality assurance costs	2	106	125
Advice Standards	2	135	122
Miscellaneous legal aid expenditure	2	67	57
Bad debt (including impairment charges)	12	658	26
Total other expenditure		1,120	520
Net			
Net operating costs before interest		164,177	161,635
Pension scheme finance costs	21	451	493
Net operating costs		164,628	162,128

Fund Statements

Statement of Financial Position as at 31 March 2025

	Notes	2024-25 £000	2023-24 £000
Non-current assets			
Property, plant and equipment	13	23	36
Intangible assets	14	3	0
Right of use assets	15	954	776
Trade and other receivables	16	6,360	6,598
Total non-current assets		7,340	7,410
Current assets			
Trade and other receivables	16	1,273	1,126
Cash and cash equivalents	17	9,584	12,735
Total current assets		10,857	13,861
Total assets		18,197	21,271
Current liabilities			
Trade and other payables	18	(3,150)	(3,509)
Right of use lease liabilities	15	(171)	(131)
Provisions	20	(47,321)	(48,577)
Total current liabilities		(50,642)	(52,217)
Non-current assets less net current liabilities		(32,445)	(30,946)
Non-current liabilities			
Right of use lease liabilities	15	(852)	(674)
Provisions	20	(21,594)	(25,364)
Pension scheme liability	21	(10,226)	(8,919)
Total non-current liabilities		(32,672)	(34,957)
Assets less liabilities		(65,117)	(65,903)
Taxpayers' equity			
General fund		(65,117)	(65,903)
Total taxpayers' equity		(65,117)	(65,903)

The Accountable Officer authorised these financial statements for issue on 04 September 2025.



Colin Lancaster

Chief Executive and Accountable Officer.

The notes on pages 56 to 74 form part of these accounts.

Statement of Cash Flows for the year ended 31 March 2025

	Notes	2024-25 £000	2023-24 £000
Cash flows from operating activities			
Net operating cost before Scottish Government funding		(164,627)	(162,128)
Adjustments for non-cash items			
Depreciation on property, plant and equipment and amortisation of intangible assets	13 & 14	35	35
Depreciation on right of use assets	15	178	156
Loss on disposal of property, plant and equipment	13	0	0
Movements in working capital			
(Increase)/decrease in trade and other receivables	16	91	(141)
Increase/(decrease) in trade and other payables	18	(359)	1,244
Movements in provisions			
Increase/(decrease) in provisions	20	(5,026)	8,168
Pension scheme service and finance costs	21	926	1,299
Payments in respect of pension scheme	21	(166)	(106)
Net cash outflow from operating activities		(168,948)	(151,473)
Cash flows from investing activities			
Purchase of property, plant and equipment	13	(12)	(6)
Purchase of intangible assets	14	(13)	0
Right of use assets acquired	15	(383)	0
Net cash outflow from investing activities		(408)	(6)
Cash flows from financing activities			
Scottish Government funding and retained pension contributions		165,960	161,875
Right of use lease financing	15	383	0
Right of use payments made	15	(138)	(137)
Net cash inflow from financing activities		166,205	161,738
Net decrease in cash and cash equivalents		(3,151)	10,260
Cash and cash equivalents as at 1 April	17	12,735	2,475
Cash and cash equivalents as at 31 March	17	9,584	12,735

Statement of Changes in Taxpayer's Equity for the year ended 31 March 2025

	Notes	2025 £000	2024 £000
Balance at 1 April		(65,903)	(69,849)
Changes in taxpayers' equity			
Net cost of operations		(164,627)	(162,128)
Net movement on pension scheme	21	(547)	4,198
Total recognised income and expense		(165,174)	(157,930)
Funding from the Scottish Government		165,584	161,271
Retained pension contributions & transfers in		376	604
Total funding		165,960	161,875
Balance at 31 March		(65,117)	(65,904)

Notes to the Accounts for the year ended 31 March 2025

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 2024-25 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.

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. Only low value or leases ending in less than 12 months are included here, the rest are included as right of use assets (see 1.10).

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 (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*".

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 no material changes between 2023-24 and 2024-25. More detail on the major assumptions used in estimations can be found at note 26.

Fund Statements

2 Segmental analysis

	Civil legal £000	Criminal legal £000	Children's legal £000	Total £000
Legal aid				
Solicitors' fees	22,154	55,622	2,001	79,777
Advocates' fees	3,537	11,753	546	15,836
Solicitor advocates' fees	34	4,110	1	4,145
Outlays	12,887	3,748	286	16,921
Expenses paid to successful unassisted persons	22	0	0	22
Total	38,634	75,233	2,834	116,701
Advice & assistance and advice by way of representation				
Solicitors' charges	16,496	16,932	2,595	36,023
Outlays	6,930	363	105	7,398
Total	23,426	17,295	2,700	43,421
Client Legal Services				
Outlays	125	332	0	457
Salaries and wages	1,475	3,882	0	5,357
Social security costs	163	437	0	600
Pension scheme service costs	162	313	0	475
Accommodation	147	455	0	602
Audit fee	3	5	0	8
Rentals under operating leases	2	31	0	33
Depreciation, amortisation & loss on disposal	9	23	0	32
Right of use depreciation	28	149	0	177
Right of use interest	5	13	0	18
Other operating costs	174	339	0	513
Total	2,293	5,979	0	8,272
Grant funding	2,278	0	0	2,278
Total expenditure	66,631	98,507	5,534	170,672
Operating income	(7,616)	0	0	(7,616)
Net operating costs 2024-25	59,015	98,507	5,534	163,057
Net operating costs 2023-24	63,827	92,246	5,042	161,115

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

	£000
Segmental net operating costs	163,057
Contempt of court	154
Counsel Interest costs	0
Quality assurance costs	106
Advice Standards	135
Miscellaneous legal aid expenditure	67
Bad debt (including impairment charges)	658
Net operating costs before interest per statement of comprehensive net expenditure	164,177

3 Civil legal assistance expenditure

	2024-25 £000	2023-24 £000
Civil legal aid		
Solicitors' fees	22,154	29,223
Advocates' fees	3,537	3,159
Solicitor advocates' fees	34	23
Outlays	12,887	11,640
Total	38,612	44,045
Expenses paid to successful unassisted persons	22	12
Total	38,634	44,057
Civil advice & assistance and advice by way of representation		
Solicitors' fees	16,496	17,758
Outlays	6,930	5,641
Total	23,426	23,399
Civil Legal Assistance Office		
Civil defence costs – outlays	125	128
Salaries and wages	1,475	1,193
Social security costs	163	125
Pension scheme service costs	162	277
Accommodation	147	117
Audit fee	3	2
Rentals under operating leases	2	8
Depreciation and amortisation	9	8
Right of use depreciation	28	17
Right of use interest	5	0
Other operating costs	174	147
Total	2,293	2,022
Grant funding	2,278	2,313
Gross civil legal assistance expenditure	66,631	71,791
Less operating income (see note 4)	(7,616)	(7,964)
Total net civil legal assistance expenditure	59,015	63,827

These figures include estimates of the value of work done for which payment is outstanding at 31 March 2025 (see note 20).

4 Civil legal assistance income

	2024-25 £000	2023-24 £000
Contributions by assisted persons ¹	1,616	1,663
Expenses recovered ²	4,977	5,320
Amounts recovered out of property recovered or preserved by assisted persons ³	138	(65) ⁴
Amounts recovered from damages	885	1,046
Total operating income	7,616	7,964

¹ 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.

² 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.

³ 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 2024-25, including accrued interest, is £307k (2023-24: £332k).

⁴ The negative value in 2023-24 had been caused by low values in the year being entirely offset by reversing accounting entries from the prior year.

5 Criminal legal assistance expenditure

	2024-25 £000	2023-24 £000
Criminal legal aid		
Solicitors' fees	55,622	53,998
Advocates' fees	11,753	11,359
Solicitor advocates' fees	4,110	3,834
Outlays	3,748	3,525
Total	75,233	72,716
Criminal advice & assistance and advice by way of representation		
Solicitors' fees	16,933	13,429
Outlays	362	420
Total	17,295	13,849
Public Defence Solicitors' Office (PDSO)		
Criminal defence costs – outlays	321	335
Salaries and wages	2,805	2,574
Social security costs	321	289
Pension scheme service costs	273	337
Accommodation	455	246
Audit fee	4	4
Rentals under operating leases	31	37
Depreciation, amortisation and loss on disposal	22	24
Right of use depreciation	149	138
Right of use interest	13	8
Other operating costs	278	267
Total	4,672	4,259
Solicitor Contact Line & Glasgow Courts (SCL)		
Criminal defence costs – outlays	11	10
Salaries and wages	1,077	1,081
Social security costs	116	106
Pension scheme service costs	40	192
Accommodation	0	0
Audit fee	1	1
Depreciation, amortisation and loss on disposal	1	3
Other operating costs	61	29
Total	1,307	1,422
Total PDSO and SCL	5,979	5,681
Total criminal legal assistance expenditure	98,507	92,246

These figures include estimates of the value of work done for which payment is outstanding at 31 March 2025 (see note 20).

Fund Statements

6 Legal aid for children

	2024-25 £000	2023-24 £000
Children's legal aid		
Solicitors' fees	2,001	1,860
Advocates' fees	546	409
Solicitor Advocates' fees	1	0
Outlays	286	261
Total	2,834	2,530
Children's advice & assistance and ABWOR		
Solicitors' fees	2,595	2,403
Outlays	105	109
Total	2,700	2,512
Total children's legal assistance expenditure	5,534	5,042

These figures include estimates of the value of work done for which payment is outstanding at 31 March 2025 (see note 20).

7 Contempt of court

	2024-25 £000	2023-24 £000
Solicitors' fees	126	167
Advocates' fees	5	8
Solicitor Advocates' fees	20	12
Outlays	3	3
Total	154	190

These figures include estimates of the value of work done for which payment is outstanding at 31 March 2025.

8 Public Defence Solicitors' Office (PDSO) Staff

	2024-25 £000	2023-24 £000
Staff costs		
Staff salaries and wages	2,805	2,574
Social security costs	321	290
Agency/temporary/contract	0	0
Pension scheme service costs	273	337
Total	3,399	3,201
	2024-25 Average WTE	2023-24 Average WTE
Staff numbers		
Operations and legal services	36.3	30.7
Administration and support functions	25.4	23.3
Agency/temporary/contract	0.6	4.4
Total	62.3	58.4

PDSO pensions and other benefits are payable out of the Scottish Legal Aid Fund account.

9 Solicitor Contact Line (SCL) and Glasgow Courts Staff

	2024-25 £000	2023-24 £000
Staff costs		
Staff salaries and wages	1,077	1,081
Social security costs	116	106
Agency/temporary/contract	0	0
Pension scheme service costs	40	192
Total	1,233	1,379

	2024-25 Average WTE	2023-24 Average WTE
Staff numbers		
Operations and legal services (SCL)	16.1	16.9
Administration and support services (GC)	2.0	2.4
Agency/temporary/contract	0.5	0.7
Total	18.6	20.0

SCL and GC pensions, and other benefits, are payable out of the Scottish Legal Aid Fund account.

10 Civil Legal Assistance Office (CLAO) Staff

	2024-25 £000	2023-24 £000
Staff costs		
Staff salaries and wages	1,475	1,193
Social security costs	163	125
Agency/temporary/contract	0	0
Pension scheme service costs	162	277
Total	1,800	1,595
	2024-25 Average WTE	2023-24 Average WTE
Staff numbers		
Operations and legal services	14.7	16.9
Administration and support functions	14.0	9.8
Agency/temporary/contract	3.8	1.8
Total	32.5	28.5

CLAO pensions and other benefits are payable out of the Scottish Legal Aid Fund account.

11 Advice Standards Staff

	2024-25 £000	2023-24 £000
Staff costs		
Staff salaries and wages	97	89
Social security costs	10	9
Agency/temporary/contract	2	0
Total	109	98
	2024-25 Average WTE	2023-24 Average WTE
Staff numbers		
Administration and support functions	2.5	2
Total	2.5	2

12 Bad Debt (including impairment charges)

	2024-25 £000	2023-24 £000
Irrecoverable amounts (including impairment charges)	658	26

The sums written off during the year were £688k (2023-24: £765k). The figures shown above are the overall movement in the provision which has decreased this year by £30k (from £2,379k to, £2,349k). The £658k increase shown is the decrease in provision of £30k plus the add-back for amounts utilised (written off) in the year of £688k.

13 Property, Plant & Equipment

	PC/computer hardware £000
Cost or valuation	
Balance at 1 April 2024	150
Additions	12
Disposals	(10)
As at 31 March 2025	152
Depreciation	
Balance at 1 April 2024	114
Disposals	(10)
Provided during year	25
As at 31 March 2025	129
Net book value at 31 March 2025	23
Net book value at 31 March 2024	36

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

14 Intangible Assets

	Software £000
Cost or valuation	
Balance at 1 April 2024	13
Additions	13
Disposals	0
As at 31 March 2025	26
Amortisation	
Balance at 1 April 2024	13
Provided during year	10
Disposals	0
As at 31 March 2025	23
Net book value at 31 March 2025	3
Net book value at 31 March 2024	0

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

Cost or Valuation	£000
Balance at 1 April 2024	1,080
Additions	383
Adjustments ⁵	(27)
As at 31 March 2025	1,436
Depreciation	£000
Balance at 1 April 2024	(304)
Provided in year	(178)
Disposals	-
As at 31 March 2025	(482)
Net book value as at March 2025	954
Net book value as at March 2024	776
Lease Liability 2024-25	£000
Balance at 1 April 2024	(805)
Additions	(383)
Adjustments ⁵	27
Interest charge	(18)
Repayments made	156
As at 31 March 2025	(1,023)
Due within 1 year	(171)
Due after more than 1 year	(852)
Total	(1,023)

⁵ The lease liability for one office was adjusted due to a contract change during 2024-25.

Fund Statements

16 Trade & Other Receivables

	2025 £000	2024 £000
Bodies external to Government		
Contributions due from assisted persons	4,153	4,594
Expenses to be recovered	741	513
Amounts due out of property recovered or preserved by assisted persons	2,283	2,212
Prepayments and other debtors	457	405
Total	7,633	7,724
Amounts falling due in less than one year included above are:		
Bodies external to Government		
Contributions due from assisted persons	706	643
Expenses to be recovered	32	21
Amounts due out of property recovered or preserved by assisted persons	79	57
Prepayments and other debtors	457	405
Total	1,273	1,126
Amounts falling due after more than one year included above are:		
Bodies external to Government		
Contributions due from assisted persons	3,447	3,951
Expenses to be recovered	709	492
Amounts due out of property recovered or preserved by assisted persons	2,204	2,155
Total	6,360	6,598

SLAB have more amounts falling due after more than one year as many of our assisted persons have multi-year payments plans in place.

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

Balance as at 1 April	2,379	3,118
Increase in provision	658	26
Provision utilised in the year	(688)	(765)
Bad Debt impairment allowance as at 31 March	2,349	2,379

17 Cash & Cash Equivalents

	2024-25 £000	2023-24 £000
Cash at bank and in hand	8,641	11,859
Principal sums* (note 18)	883	818
Funds held under arrestment pending resolution (note 18)	59	58
Total	9,583	12,735

* 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.

Fund Statements

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

	2024-25 £000	2023-24 £000
Balance as at 1 April	818	1,071
Received during the year	630	1,399
Interest received during year	12	12
Total	642	1,411
Less:		
Sums repaid to assisted persons	(245)	770
Interest paid to assisted persons	6	3
Amounts recovered from damages received	816	891
Amounts transferred to fund	0	0
Total	577	1,664
Balance as at 31 March	883	818

18 Trade & Other Payables

	2025 £000	2024 £000
Bodies external to Government		
Accruals	294	194
Amounts due to solicitors and advocates	1,914	2,439
Principal sums (note 17)	883	818
Arrestments (note 17)	59	58
Total	3,150	3,509

19 Financial Instruments

	2025 £000	2024 £000
Financial assets		
Trade and other receivables (see note 16)	7,176	7,319
Cash	8,460	11,708
Financial liabilities		
Other – trade and other payables (see note 18)	(1,914)	(2,439)

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.

Fund Statements

The maximum exposure to credit risk at 31 March 2025 was £7,176 (31 March 2024: £7,319k). 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

	2025 £000	2024 £000
Provision for amounts outstanding on granted legal aid cases		
As at 1 April	73,940	65,773
Additions and increase to provision	64,850	76,875
Amounts used in the period	(43,425)	(40,063)
Unused amounts reversed in the period	(26,451)	(28,645)
As at 31 March	68,914	73,940
Split between:		
Current liabilities	47,321	48,577
Non-current liabilities	21,594	25,364

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 saw a change in this percentile and unless there is a material change it will not change again until 2026-27 in order ensure comparability between years (see note 26 for more details).

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

The provision has reduced this year, and this is largely down to the clearing of case backlogs which had accumulated during the Covid-19 pandemic.

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 £63,600 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 SLAB'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 £304k (2023-24 £258k). 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 2025 by Gallagher Benefit Services - UK, the agreed fee for this service was £16,200. The major assumptions used by Gallagher Benefit Services – UK were:

	31 March 2025	31 March 2024
Discount rate per annum	5.15%	5.10%
Revaluation of deferred pensions	2.65%	2.55%
Increases to pensions in payment	2.65%	2.55%
Long-term salary increases	See below	See below
Long-term inflation	2.65%	2.55%

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 9% in total to 31 March 2027, 4.05% from 1 April 2027, and 3.15% 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	2024-25	2023-24
Male - aged 60	86.1	86.2
Female - aged 60	88.7	88.8
Male - aged 40	88.0	88.2
Female - aged 40	90.2	90.3

Analysis of the amount charged to operating costs	2024-25 £000	2023-24 £000
Current service cost (see notes 8, 9 & 10)	475	806
Finance charges on pension scheme liabilities	451	493
Total	926	1,299
Reconciliation of the liability in the scheme over the year	2025 £000	2024 £000
Scheme liability at the beginning of the year	8,919	11,924

Fund Statements

Movement in year		
Current service cost	475	806
Benefits paid	(166)	(106)
Finance charge	451	493
Changes in financial assumptions	(52)	(1,819)
Changes in demographic assumptions	(189)	(162)
Actuarial (gain)/loss	788	(2,217)
Scheme liability at the end of the year	10,226	8,919

The pension liability is split between the Scottish Legal Aid Fund and SLAB. The full liability is £98.5m (2023-24: £93.5m).

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

	2025 £000	2024 £000	2023 £000	2022 £000	2021 £000
Defined benefit obligation	10,226	8,919	11,924	30,201	24,499
Experience adjustments on plan liabilities	(788)	2,217	(211)	(196)	(1,731)

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%	619
Long-term salary increases	+0.25%	198
Long-term inflation	+0.25%	359
Life expectancy	+1 year	191

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 2025, from 5.15% to 4.90% would therefore increase the pension scheme liability from £10,226k to £10,845k (an increase of £619k). The effect of changing the assumption in the opposite direction would be to reduce the liabilities by a similar amount.

22 Losses & Special Payments

	2024-25		2023-24	
	No of cases	£000	No of cases	£000
Write-off of bad debt/claims waived or abandoned	782	724	627	790
Losses	6	2	2	0
Special payments*	9	12	12	6
Total	797	738	641	796

* 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

SLAB 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.

	2024-25 £000	2023-24 £000
G Bann ¹ (Board Member and Partner at Adams Whyte Solicitors)	2,055	1,624
F Cook ² (Board Member and Partner at Cook Stevenson & Co Solicitors, and Peer Reviewer)	233	-

¹ Values shown are total earnings for Adams Whyte Solicitor Firm.

² Values shown are total earnings for Cook Stevenson & Co Solicitors of £231k plus Peer Reviewer costs of £2k. F Cook only become a board member April 2024.

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:

	2025		2024	
	Land & buildings £000	Other £000	Land & buildings £000	Other £000
Leases expiring:				
In one year or less	9	0	8	0
Between one and five years	0	3	0	0
In five years or more	0	0	0	0
Total	9	3	8	0

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 2025 for which there is significant risk of material adjustment in the forthcoming financial year are as follows:

Fund Statements

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, 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 £0.6m, 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.
Fund Provision	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 £2.2m from £68.9m to £71.1m. The impact of changing the assumption in the opposite direction would be to reduce the liability by a similar amount (£2.0m reducing the liability to £66.9m).
Bad Debts	At 31 March 2025 SLAB has a debtor balance (before provision) of £10.0m. A sample of debts reviewed for the impairment of doubtful debts suggests that adjusting the provision for doubtful debts to £2.3m (£2.4m in 2023-24), 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:

Statement of comprehensive net expenditure for the year ended 31 March 2025	76
Statement of financial position as at 31 March 2025	77
Statement of cash flows for the year ended 31 March 2025	78
Statement of changes in taxpayer’s equity for the year ended 31 March 2025	79
Notes to the Accounts for the year ended 31 March 2025	80

Board Financial Statements

Statement of Comprehensive Net Expenditure for the year ended 31 March 2025

	Notes	2024-25 £000	2023-24 £000
Expenditure			
Staff costs	31	13,076	12,207
Depreciation and amortisation	34 & 35	442	459
Loss on disposal of plant, equipment and intangibles	34 & 35	0	1
Other administrative expenses	32	3,050	2,938
Operating costs		16,568	15,605
Income			
Income from shared services	33	(1,150)	(842)
Net operating costs before interest		15,418	14,763
Pension scheme finance costs	40	4,252	2,801
Interest Receivable		(40)	(15)
Net operating costs		19,630	17,549

All income and expenditure is derived from continuing activities.

Board Financial Statements

Statement of Financial Position as at 31 March 2025

	Notes	2024-25 £000	2023-24 £000
Non-current assets			
Property, plant and equipment	34	8,681	8,976
Intangible assets	35	0	17
Total non-current assets		8,681	8,993
Current assets			
Trade and other receivables	36	968	1,231
Cash and cash equivalents		1,494	1,201
Total current assets		2,462	2,432
Total assets		11,143	11,425
Current liabilities			
Trade and other payables	37	(281)	(253)
Total current liabilities		(281)	(253)
Non-current assets plus net current assets		10,862	11,172
Non-current liabilities			
Pension scheme liability	40	(88,265)	(84,570)
Total non-current liabilities		(88,265)	(84,570)
Assets less liabilities		(77,403)	(73,398)
Taxpayers' equity			
General fund		(84,258)	(80,199)
Revaluation reserve		6,855	6,801
Total taxpayers' equity		(77,403)	(73,398)

The Accountable Officer authorised these financial statements for issue on 04 September 2025.

The notes on pages 80 to 90 form part of these accounts.



Colin Lancaster

Chief Executive and Accountable Officer.

Board Financial Statements

Statement of Cash Flows for the year ended 31 March 2025

	Notes	2024-25 £000	2023-24 £000
Cash flows from operating activities			
Net operating cost before Scottish Government funding		(19,630)	(17,549)
Adjustments for non-cash items			
Depreciation on property, plant and equipment and amortisation of intangible assets	34 & 35	442	459
Loss on disposal of property, plant and equipment	34	0	1
Movements in working capital			
(Increase)/Decrease in trade and other receivables	36	263	251
Increase/(Decrease) in trade and other payables	37	28	1
Movements in provisions			
Pension scheme service and finance costs	40	6,195	4,490
Payments in respect of pension scheme	40	(2,396)	(2,245)
Net cash outflow from operating activities		(15,098)	(14,592)
Cash flows from investing activities			
Acquisition of property, plant and equipment	34	(76)	(71)
Purchase of intangible assets	35	0	(12)
Net cash outflow from investing activities		(76)	(83)
Cash flows from financing activities			
Scottish Government funding and retained pension contributions		15,467	14,931
Net cash inflow from financing activities		15,467	14,931
Net Increase/(Decrease) in cash and cash equivalents		293	256
Cash and cash equivalents as at 1 April		1,201	945
Cash and cash equivalents as at 31 March		1,494	1,201

Board Financial Statements

Statement of Changes in Taxpayer's Equity for the year ended 31 March 2025

	Notes	2025 General Fund £000	2025 Revaluation Reserve £000	2024 General Fund £000	2024 Revaluation Reserve £000
Balance at 1 April		(80,199)	6,801	(63,863)	7,053
Changes in taxpayers' equity					
Net cost of operations		(19,630)	0	(17,549)	0
Net movement on pension scheme	40	104	0	(13,718)	0
Revaluation reserve movement		0	54	0	(252)
Total recognised income and expense		(19,526)	54	(31,267)	(252)
Scottish Government grant in aid		14,907	0	14,380	0
Retained pension contributions & transfers in		560	0	551	0
Total funding		15,467	0	14,931	0
Balance at 31 March		(84,258)	6,855	(80,199)	6,801

Notes to the Accounts for the year ended 31 March 2025

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 2024-25 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 SLAB 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 SLAB 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. 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.

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 SLAB 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, SLAB has elected to adopt a depreciated historical cost basis as a proxy for fair value for intangible assets.

Board Financial Statements

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 SLAB 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 2023-24 and 2024-25.

Board Financial Statements

30 Segmental analysis

These divisions are the basis on which SLAB 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	4,227	266	5,138	1,009	493	11,133
Operating costs	62	8	2,926	39	10	3,045
Total expenditure	4,289	274	8,064	1,048	503	14,178
Income	0	0	(1,150)	0	0	(1,150)
Net operating costs 2024-25	4,289	274	6,914	1,048	503	13,028
Net operating costs 2023-24	4,048	242	6,896	952	476	12,614

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
Segmental net costs	13,028
Pension scheme service costs	1,943
Depreciation and amortisation	442
Loss on disposal	0
Net operating costs before interest per statement of comprehensive net expenditure	15,413

31 Staff

Staff costs	2024-25 £000	2023-24 £000
Staff salaries	10,037	9,546
Social security costs	1,041	970
Pension scheme service costs	1,943	1,689
Agency/temporary/contract	55	2
Total	13,076	12,207

Staff numbers	2024-25 Average WTE	2023-24 Average WTE
Operations and legal services	146.2	151.6
Administration and support functions	88.6	93.9
Agency/temporary/contract	2.9	2.2
Total	237.7	247.7

Board Financial Statements

32 Other administrative expenses

	2024-25 £000	2023-24 £000
Accommodation	888	814
Audit fee	57	53
Staff related costs	267	161
Travel and subsistence	23	27
Postage, stationery and telephones	123	131
Office equipment and maintenance	1,080	1,154
External research	28	34
Corporate publications, leaflets and forms	17	14
Costs of operating leases	1	6
Other administrative costs	566	544
Total	3,050	2,938

33 Income from shared services

	2024-25 £000	2023-24 £000
Accommodation services provided to third parties	1,150	842
Income from shared services provided to third parties	0	0
Total	1,150	842

34 Property, plant & equipment

	Land £000	Buildings & Plant £000	Office equipment and furniture £000	PC/computer hardware £000	Motor vehicles £000	Total £000
Cost or valuation						
Balance at 1 April 2024	1,757	7,080	219	761	35	9,852
Additions	0	0	21	55	0	76
Revaluation	240	(540)	0	0	0	(300)
Disposals	0	0	(54)	(19)	0	(73)
As at 31 March 2025	1,997	6,540	186	797	35	9,555
Depreciation						
Balance at 1 April 2024	0	22	149	670	35	876
Disposals	0	0	(54)	(19)	0	(73)
Revaluation adjustment	0	(354)	0	0	0	(354)
Provided during year	0	356	28	41	0	425
As at 31 March 2025	0	24	123	692	35	874
Net book value at 31 March 2025	1,997	6,516	63	105	0	8,681
Net book value at 31 March 2024	1,757	7,058	69	91	0	8,975

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). It was revalued at 31 March 2025 (year three of the 5- year cycle) in line with policy.

35 Intangible assets

	Software £000
Cost or valuation	
Balance at 1 April 2024	50
Additions	0
Disposals	0
As at 31 March 2025	50
Amortisation	
Balance at 1 April 2024	33
Disposals	0
Provided during year	17
As at 31 March 2025	50
Net book value at 31 March 2025	0
Net book value at 31 March 2024	17

36 Trade and other receivables

	2025 £000	2024 £000
Bodies external to Government		
Trade receivables	294	222
Prepayments	674	1,008
Total	968	1,230

Management have assessed that there is no impairment in relation to the trade and other receivables balance. At 31 March 2025 none of the debt was past its due date.

37 Trade & other payables

	2025 £000	2024 £000
Bodies external to Government		
Trade payables	23	18
Accruals	258	235
Total	281	253

38 Contingent liabilities

There are no contingent liabilities for Admin.

39 Financial Instruments

	2025 £000	2024 £000
Financial assets		
Trade and other receivables (see note 36)	294	222
Cash	1,494	1,201
Financial liabilities		
Other – trade and other payables (see note 37)	23	18

The organisation is exposed to credit, liquidity and market risk, but management believes 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 £63,600 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 SLAB'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 are no assets being 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 £560k (2023-24: £538k). 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 2025 by Gallagher Benefit Services - UK, the agreed fee for this service was £16,200. The major assumptions used by Gallagher Benefit Services – UK were:

	31 March 2025	31 March 2024
Discount rate per annum	5.15%	5.10%
Revaluation of deferred pensions	2.65%	2.55%
Increases to pensions in payment	2.65%	2.55%
Long-term salary increases	See below	See below
Long-term inflation	2.65%	2.55%

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 9% in total to 31 March 2027, 4.05% from 1 April 2027, and 3.15% 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	2024-25	2023-24
Male - aged 60	86.1	86.2
Female - aged 60	88.7	88.8
Male - aged 40	88.0	88.2
Female - aged 40	90.2	90.3

Analysis of the amount charged to operating costs	2024-25 £000	2023-24 £000
Current service cost (see note 30)	1,943	1,689
Finance charges on pension scheme liabilities	4,252	2,801
Total	6,195	4,490

Reconciliation of the liability in the scheme over the year:	2025 £000	2024 £000
Scheme liability at the beginning of the year	84,570	68,607
Movement in year		
Current service cost	1,943	1,689
Benefits paid	(2,396)	(2,245)
Finance charge	4,252	2,801
Changes in financial assumptions	(481)	(11,791)
Changes in demographic assumptions	(615)	(1,647)
Actuarial loss/(gain)	992	27,156
Scheme liability at end of the year	88,265	84,570

The pension liability is split between the Scottish Legal Aid Fund and SLAB. The full liability is £98.5m (2023-24: £93.5m). Amounts for the current and previous four years are as follows:

	2025 £000	2024 £000	2023 £000	2022 £000	2021 £000
Defined benefit obligation	88,265	84,570	68,607	151,434	134,839
Experience adjustments on plan liabilities	992	(27,156)	(505)	(480)	1,098

Board Financial Statements

The defined benefit obligation has been calculated by our actuary using the major assumptions detailed above. Estimation of 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%	3,655
Long-term salary increases	+0.25%	934
Long-term inflation	+0.25%	2,903
Life expectancy	+1 year	2,132

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 2025, from 5.15% to 4.90% would therefore increase the pension scheme liability from £88,265k to £91,920k (an increase of £3,655k). The effect of changing the assumption in the opposite direction would be to reduce the liabilities by a similar amount.

41 Losses & special payments

	2024-25		2023-24	
	No of cases	£000	No of cases	£000
Losses	14	4	5	1
Special payments	1	0	1	12
Total	15	4	6	13

42 Capital commitments

No capital commitments existed at the end of reporting period.

43 Operating Leases

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

	2025		2024	
	Land & buildings £000	Other £000	Land & buildings £000	Other £000
Lease expires in one year or less	0	0	0	0
Lease expires in between one and five years	0	5	0	0
Lease expires in five years or more	0	0	0	0
Total	0	5	0	0

44 Related party transactions

SLAB 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 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 Financial Statements

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 2025 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 £3.7m, a change of +0.25% in the salary increase rate would result in an increase in liabilities of £0.9m, a change of +0.25% to the inflation assumption would result in an increase in liabilities of £2.9m and increasing the life expectancy assumptions by 1 year would result in an increase to liabilities of £2.1m.

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 (FReM) which is in force for the year for which the statement of accounts are prepared.
3. The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year.
4. 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