



Scottish  
Legal  
Aid  
Board

# Finance Strategy

2026-29

## SLAB Financial Strategy 2026-29

Our financial strategy sets out the principles and practices which will ensure the medium to long term financial sustainability and resilience of SLAB while enabling delivery of our core strategic objectives.

The strategy also aligns with the Scottish Government Medium-Term Financial Strategy (SG MTFS) and the Government Finance Function (GFF).

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*“Sustainable public finances are fundamental to achieving the Scottish Government’s four central priorities. We must therefore remain resolutely focused on the actions we can take to mitigate fiscal pressures and to prepare for future shocks.”*

*-- SG MTFS*

*“We put Finance at the heart of decision making. Delivering value for money. Strengthening public trust.”*

*-- GFF*

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The financial strategy supports our Corporate Plan’s themes of **Service**, **People** and **The Future**, and will focus on **three workstream objectives**, with progress tracked through annual action plans.

To implement and maximise the effectiveness of our objectives, we must have a sustainable Finance & Procurement department made up of adequately skilled and capable employees. The department will support SLAB to continue achieving corporate objectives in, what is expected to be, a challenging financial environment.

Finance & Procurement completed a workforce planning exercise, where key skills, scenarios and essential requirements were identified. The workforce plan will be continually reviewed (and revised where necessary) throughout the next three years. Opportunities will be taken as and when they arise to ensure the strongest team possible.

## Financial Objectives – strategies to maintain financial resilience and stability.

### 1: Robust financial control and compliance

- Robust internal financial controls that reflect the Scottish Public Finance Manual and sponsor department requirements
- Transparent and timely financial reporting.

#### Workstreams

- Robust budget setting and monitoring with strong establishment and procurement controls
- Development of Oracle system and use of technology to support (for example automation, dashboard)
- Procurement strategy/policy.

### 2: Achieve value for money / Best Value

- Efficient use of resources and continuous improvement
- Curate a culture of financial awareness, compliance and accountability.

#### Workstreams

- Continuous improvement and benefits realisation
- Automation and Simplification of processes
- Culture of financial awareness, compliance and accountability across the organisation
- Improve education and awareness of financial processes, compliance and value for money

### 3: Maintain financial resilience and stability

- Workforce planning
- Effective risk management
- Scenario planning.

#### Workstreams

- Ensure alignment and support a programme of workforce planning
- Supporting planning of Legal Aid Reform through provision of robust information
- Financial scenario planning process reflecting the impact of SG pay policy, Inflation and other pressures.

## Strategic context

### Inflation

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*High inflation experienced in 2023-24 is expected to have a long lasting impact on public spending in Scotland, yet funding has not kept pace with this... As a result, public spending in Scotland is currently projected to grow at a faster rate than our central forecasts of funding.”*

*-- SG MTFS*

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In general, we have applied a 3% inflation rate to our forecast expenditure. However, where we expect costs to rise by more than this – such as with certain Digital Services or cleaning contracts, particularly where we ensure living wage – we have reflected the higher increases in our estimates.

### Pay policy

There will be an expectation to apply Scottish Government pay policy. For this strategy, 3% has been assumed year on year (based on recent historical pay policy from Scottish Government).

The impact is to increase forecast Admin staff costs by circa £600,000 to £650,000 per year and Client Legal Services staff costs by £300,000 to £350,000.




### Projected expenditure requirements for the next three years

SLAB's Admin budget is heavily weighted toward people costs, with almost 90% spent on staff and pensions. In Client Legal Services, around 75% of the budget is attributable to staffing. This slightly lower proportion reflects higher per-head running costs – driven by small remote offices – as well as reduced pension costs due to a lower proportion of retirees.

The primary cost driver across both areas is Full-Time Equivalent (FTE) staffing levels. Scottish Government pay policy continues to increase annually, and because pay constitutes our largest expense, these uplifts have a significant financial impact. To manage this, we need to find more efficient ways of delivering our objectives, enabling a gradual reduction in FTE over time, primarily by taking advantage of natural attrition as staff leave.

**OUR PURPOSE:** To fund, provide, and advise on services that secure access to justice.

**OUR VISION:** Our work transforms lives through modern, responsive, and accessible legal aid services.

Theme	Strategic Objective	Financial controls and compliance	Value for money	Financial resilience and sustainability
<b>Service</b> 	Customer Experience	✓	✓	✓
	Data Utilisation	✓	✓	✓
	Automation & Simplification		✓	✓
<b>People</b> 	Capability, Leadership & Resilience	✓	✓	✓
	Engagement, Wellbeing & Reward			
	Adaptability, Workforce Planning, & Service Redesign		✓	✓
<b>The Future</b> 	Change for the Better		✓	✓
	Influencing Change			✓
	Legal Aid Reform			✓