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John T Logue Deputy Crown Agent Operational Support Crown Office 25 Chambers Street Edinburgh EH1 1LA

31 March 2017

Dear John

## SLCC Consultation on Operating Plan and Budget for 2017-18

Many thanks for your letter of 10 March responding to our consultation.

As you may be aware, the SLCC Board met on 21 March to make a final decision on our proposals and all responses – including your own – were fully considered at that meeting. After much discussion, our Board decided to implement the proposals, including the 12.5% rise in the SLCC levy for next year.

Our Board gave very careful consideration to the point you raised regarding the impact of imposing this increase across the whole of the profession, including in-house solicitors within the public sector, and agreed that a more risk-based charging mechanism should be explored. To that end it has been proposed that a project be added to the Operating Plan for 2017-18 to investigate options for a more sophisticated and proportionate charging regime. This could examine looking at how costs could be best attributed to the key drivers of complaints, and therefore costs (conveyancing, family law, litigation, will and executries, and criminal law), to achieve efficiencies in the system. This would potentially shift cost from the in-house sector to those areas which generate most complaints. We would of course be happy to engage with you as part of that exercise.

I would also emphasise that we continue to focus on efficiency work. Prior to deciding the budget, our Board again examined each stage of the eligibility process. This included recent changes which have been piloted and their impact, a presentation from our external legal advisers on the minimum requirements of the 2007 Legal Profession and Legal Aid Act, and a presentation on the statistical model we have developed, with outside expert help, to assess process throughput. We will continue to strive for efficiency but must deliver multiple decisions at eligibility which can withstand appeal (a single unsuccessful Court of Session appeal often equating to the cost of a full-time member of staff for a year – a stark choice in terms of risk and proportionality).



Last year we published a paper on what reform might be possible - **#ReimagineRegulation** <u>https://www.scottishlegalcomplaints.org.uk/reimagine-regulation.aspx</u>

Whilst I appreciate that this will only have potential benefits for in-house solicitors in future years, it is perhaps worth noting that the rise in the annual levy for in-house solicitors next year from £95 to £107 represents a reduction of over 5% from a levy of £113 which was in place back in 2012/13. As you may know, whilst in the intervening years we have reduced or frozen this level, this was only achievable through drawing on our limited levels of reserves – an option which was always going to be unsustainable going forward.

Finally, I should like to thank you again for contributing to our consultation and I look forward to working further with you, and your colleagues, in the year ahead.

Yours sincerely,

N. Herry

Neil Stevenson Chief Executive