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# The Law Society Delivering for our members Business Review 2016-17















# Foreword

This Business Review sets out our achievements during the 2016-17 financial year. This publication is one of the ways we report on our progress and sets out what we have delivered for our members.

We are run by and for our members, influencing and promoting our profession. We aim to be members' source of legal news, as well as their practice enabler and career companion. During a year of significant developments, we have made great progress on the work we do and here we highlight just some of our key achievements and examples of the impact we have had.

The legal sector is evolving and we are committed to supporting solicitors to make the most of these opportunities, meeting the needs of our community and responding to challenges. We remain committed to putting members at the heart of everything we do. Whether we are seeking to influence governments, campaigning for justice, delivering training or promoting solicitors to the public, we work to make sure your voice is heard, your needs are met, and your business is supported. Whether you work in a high street practice, a commercial, regional or City firm, an ABS (alternative business structure) or in-house for a private, public or charitable organisation, the Law Society exists for you.

The international standing of English and Welsh law and England and Wales as a centre of legal excellence continues to enhance our international reputation and facilitates global business. We also fulfil, on behalf of the solicitor profession, an important public interest role supporting access to justice, upholding individual rights and freedoms, supporting public legal education and upholding the rule of law. We will continue to use your feedback to help us develop how we support you. As your Law Society, we are determined to make the most of our resources, by delivering products and services you value, as efficiently and effectively as we can. We will make sure you always get value for money, both from your practising fee and if you choose to purchase our products and services.

We are always open to hearing your views and hope you enjoy reading this review.



Joe Egan Law Society president

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# What we achieved in 2016-17



The number of members the Law Society library has helped with legal research enquiries during 2016-17



We issued 156 media statements last year, with 4,651 articles mentioning the Law Society and 1,046 featuring the president



Our new brand campaign reached over 16.2m people through outdoor advertising, alongside 219,000+ social media engagements and 903,000+ video views



On average we had 660,000 visits per month to our Find A Solicitor website



The Gazette website had a 15 % increase in visits and exceeded its annual revenue target by 13 %



Our anti-money laundering bi-monthly newsletter has over 22,000 subscribers. The anti-money laundering helpline received 2,700 calls



We made 17 interventions on behalf of solicitors around the world over the past 12 months, promoting human rights and independent solicitors



We were mentioned positively 233 times in Parliament, invited 9 times to give oral evidence and mentioned over 40 times in parliamentary committee reports



Our Professional Development Centre hosted 71 webinars and courses, including 6 new courses. Over 7,000 people took part in out webinars, with over 49,000 participating in our courses



The Excellence Awards received a record number of 427 nominations across its 19 categories with 654 attendees on the night

# Promoting our profession

We promote solicitors, highlighting their ethical and professional standards, legal education and training, and the value of using a solicitor at home and abroad. We raise the profile of the profession through our campaigns and promote the value solicitors bring. We celebrate the best work in the profession and encourage the best people to join it, regardless of their background.

## At home

#### Solicitor brand campaign

Our 'Solicitors: Here to Help' campaign positioned solicitors as the expert source of legal advice, using both digital and print materials to promote the profession to businesses and consumers. The multi-channel campaign included poster advertising on buses in key cities in England and Wales, on selected railway stations and roadside digital screens. Digital engagement brought legal issues to life using animation and illustration, and we produced a suite of videos featuring our members.

We ran campaigns on social media across Twitter, Facebook, LinkedIn and Instagram, alongside advertising on YouTube and the ITV Hub. We advertised in regional newspapers and business publications and online across news websites. Working with our agency partner we also created a website allowing solicitors to customise campaign posters with their own logos and contact details.

We exceeded the campaign targets with:

- 4,835,311 visits to the Find α Solicitor website
- gaining 9.1 million social media impressions
- 219,206 social media engagements
- 903,519 video views
- reaching 16.2m people through outdoor advertising

#### Find a Solicitor

Find a Solicitor is our online member directory with customisable profiles, helping you build your business. We have focused on making the service more efficient to increase leads for our members and their firms by taking the enquiries service back in-house to our Support Centre. Since then, the website traffic increased to an average of over 660,000 visits per month, with nearly 7,000 calls per month to the helpline.

#### The Excellence Awards

Our Excellence Awards represent a cross section of the diversity of the legal profession and are especially valued by smaller and mid-sized firms because of the positive attention being short-listed or winning brings to their firms or to them as individuals. This year we received a record number of nominations and ceremony attendees, with 427 nominations across the 19 categories, up from 416 in 2016, and 654 attendees on the night.

# "

A glittering opportunity for solicitors and their employers to promote their worth; to be valued and to feel part of a worthwhile community.

# "

Michael Robinson, solicitor Emmerson's Solicitors

#### Women solicitors

With the support of our vice-president Christina Blacklaws, we progressed with the formation of our women and the law strategy. We organised a roundtable with 25 women solicitors, and a seminar on diversity in the legal profession during the Opening of the Legal Year.

#### Pro bono

We launched our Pro Bono Charter to encourage firms to make a public commitment to undertaking and encouraging pro bono work, and to ensure it is done to a high quality. We secured over 50 signatories to the Charter within the first year, reaching our target ahead of schedule.

#### Consultations

We published our report *Better Employment Practices for Better Work*, which set out 11 key recommendations that could be taken forward by the government as part of its review into working conditions within the gig economy. We had 9 of our 11 recommendations incorporated in Matthew Taylor's final report, which was presented to the government.

Lord Justice Jackson released his report on Fixed Recoverable Costs (FRCs), launching it at the Law Society. The report took on board several recommendations we made in previous calls for evidence and consultation responses. He scaled back his original plan to fix recoverable costs for all civil claims up to the value of £250,000. We argued at the time that the one-size-fits-all approach would not work, and any change would require careful adjustments to balance court costs with access to justice.

#### Accreditations

Our accreditation schemes are our recognition of the expertise of scheme members in different areas of law. Through consultation and research with our members, we identified areas where they sought accreditation to reflect their expertise and experience. In response, we launched three new accreditations. The Occupational Injury and Catastrophic Injury Accreditations were launched, alongside the Mental Capacity (Welfare) Accreditation.

We continue to review our existing schemes, such as our Family Law, Immigration and Lexcel Accreditations, to ensure they remain relevant and valued by the membership. Following consultation with members, we decided to close the Civil and Commercial Mediation Accreditation and the Planning Law Accreditation as they were no longer relevant to practitioners.



**7,152** total accreditations awarded

5,273 entity accreditations

1,879 individual accreditations

**19.2%** increase on the number of accreditations awarded the previous year

# Abroad

#### Proud of our global legal centre

We have been campaigning to promote England and Wales as a global legal centre. This continuing campaign highlights the benefits of the law of England and Wales, the judicial system and our world class legal profession.

Many senior practitioners have given their support in a series of promotional videos, which include solicitors from Roche, Hinduja, Allen & Overy and Morrison & Foerster. These can be viewed on our YouTube channel. The Chancellor of the High Court, Sir Geoffrey Vos, spoke at our launch event for the campaign, which was attended by over 60 senior representatives of the profession.

# Opening new markets for English and Welsh solicitors to practise

#### China

In China, we strengthened links with Chinese counterparts including the China Law Society, All China Lawyers Association and the Ministry of Justice. We gained access to the most senior legal adviser to Xi Jinping, ranked in the top 25 of the 70 million strong Chinese Communist Party, to discuss market access issues for members while promoting the expertise of the profession and England and Wales as a global legal centre.

#### North Asia and the Pacific regions

In the North Asia and the Pacific regions we set up a strong channel of communication between our members and the UK government. We did this by facilitating a series of market access roundtables in the key markets of Japan, South Korea, Australia and Hong Kong.

#### South Korea

After completing a successful UK Prosperity funded project with the British Embassy in Seoul to support the further liberalisation of the South Korean market, we successfully secured an additional £17,000 to support continued Law Society activities in South Korea for the benefit of members and the local legal profession into 2018.

#### India

The Indian government and profession resumed discussions on opening-up their legal services sector to foreign lawyers. We continue to work with members, the Bar Council, the SRA, the Ministry of Justice and the British High Commission to lobby for market opening.

#### Africa

In Africa we are well positioned as a key partner for organisations across the continent. Our engagement has been actively sought by bar associations, from participation in regional conferences to information exchanges on issues such as regulatory and governance change. While many African jurisdictions remain closed to international law firms, our strong relationships with bar associations around the continent means we are well placed to support our members doing business there.

#### Kazakhstan

Within the framework of our International Rule of Law programme, we hosted a delegation of fourteen judges from the Supreme Court of Kazakhstan for six months, providing training on English common law and rule of law principles, in preparation of their appointment to the Astana International Financial Centre.











countries and territories visited

delegates attended 3 English

Law days in Krasnodar (Russia),

Almaty (Kazakhstan) and Kyiv (Ukraine)



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hosted delegations including Ching. Kazakhstan, Kyrgyzstan and Philippines





bilateral meetings with key international bar associations

meetings with law firms



# more members based in Europe were met

intervention letters sent in relation to cases in Tajikistan, Turkey, Guatemala, China, Colombia, Egypt, Saudi Arabia, Pakistan, Cameroon, Poland and Tanzania



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# Influencing for impact

We act as the voice of the profession on the issues that are important to our members. We represent solicitors in Westminster, Cardiff, Brussels and with other governments across the world. We work for law reform in the profession's and public's interest by influencing, responding to consultations and strategic litigation.

# Working to reform the law

Across the year we responded to 97 consultations and, alongside our relationship with the media, our influencing and party conference activities made sure our members were heard. We intervened in legal cases to protect our members' interests and acted in the public interest on issues which raised concerns about rights, freedoms and access to justice.

Brexit has remained an important issue and priority for us and for our members. In addition, the General Election and the continuing barriers to access to justice, have presented a further series of challenges.

On Brexit we sought to influence the government's position on the EU negotiations in matters relating to the justice system and legal services. We also raised awareness of these key issues with UK parliamentarians so they can act as advocates for our policy recommendations.

Highlights included:

- all our major asks on civil justice co-operation were adopted in the government's paper on cross border civil judicial cooperation
- the Lord Chancellor recognised publicly the importance of mutual market access in legal services in his speeches at Party Conference and at the evidence session at the Justice Select Committee
- the Justice Select Committee adopted our recommendations in their report on Brexit and legal services.

We continued our campaign work on access to justice, gaining support for our campaign objectives across a range of stakeholders. Some of the key outcomes were:

- the Shadow Lord Chancellor mentioned our Legal Aid Deserts campaign numerous times in his speeches at Labour Party conference, wrote an article about it in the Guardian and mentioned it in his response to the Bach Review
- our 'LASPO 4 years on' report resulted in mentions of our recommendations as part of the government's postlegislative memorandum and in an Early Day Motion tabled by a cross-party group of MPs
- the Justice Select Committee adopted our recommendations in their report on court fees and tribunals. The government subsequently scrapped the fees for immigration cases.

# **Influencing in Wales**

We worked across Wales promoting the Law Society as the voice of the profession and as a credible stakeholder in the legal services industry. We have influenced developing policy and legislation whilst ensuring member participation in consultations and responses. We kept members informed of developments across the legal sector in Wales and aware of business opportunities and funding for their business.

We engaged with key institutions, including the Welsh government, the National Assembly for Wales, the Welsh Revenue Authority and the Council for Economic Development. More than 150 people attended our Welsh Summer Reception, including judiciary, academics, with the keynote speaker Sir David Lloyd Jones.

# **Influencing in Brussels**

We are a credible stakeholder on Brexit matters in Brussels, influencing the debate on issues affecting our members. We kept our members well-informed about the stage of the negotiations and of the interests of those involved. We organised seminars on Brexit to showcase the knowledge of members and published papers looking at key legal issues for the ongoing negotiations.

# Influencing internationally

Since the EU Referendum vote, our work in Europe has largely focused on issues arising from Brexit. We supported members in their international practise by providing valuable information and intelligence, especially in a post-EU Referendum environment. We represented and promoted members' interests in the global legal marketplace, and promoted international solidarity through our work on lawyers at risk.

Our Lawyers at Risk programme followed-up on the case of four lawyers charged before military tribunal in Cameroon. We wrote three intervention letters to the president of Cameroon to express our concern over the breach of international human rights standards in this case. We submitted a contribution to the Universal Periodic Review of the UN Human Rights Council of Cameroon, highlighting this issue.

# Party Conferences

We attended the party political conferences of the Liberal Democrats, Labour and Conservatives. At the Conservative conference the Lord Chancellor, Justice Minister, Solicitor General and City Minister spoke at our events along with the Law Society president. At the Labour Conference we had the Shadow Lord Chancellor, Shadow Attorney General and Shadow Lords Brexit Spokesperson all speak at our events. At the Liberal Democrat conference we shared a panel session with the Liberal Democrat Spokesperson on Justice.

# Influencing through the media

We issued 156 media statements last year, with 4,651 articles mentioning the Law Society and 1,046 featuring the Law Society president. We also sent 4,030 tweets, which were seen 13.66 million times and interacted with 134,000 times. Our Twitter following on our main Law Society account grew by 13.1%, reaching 87,100.

Our spokespeople covered issues as diverse as Brexit, combat immunity and the SRA handbook through to employment tribunal fees and criminal injury compensation. We featured across outlets such as Sky, BBC News Channel, Women's Hour and ITV's Good Morning Britain through to CNN and Australia's ABC.

## Interventions

We intervene in cases where we can provide the court with balanced, informative and useful submissions advocating fundamental rights and public interest considerations. We are committed to supporting and representing solicitors and promoting access to justice in the public interest.

Several of the cases related to the costs regime following the Jackson reforms and LASPO Act. The CJEU handed down judgment in the case of Watson, a challenge to the Investigatory Powers Bill, in which we intervened. We made submissions relating to the importance of safeguarding legal professional privilege. The decision was favourable and supported our position.

In Jhuti v Royal Mail Group we made written representations to the Employment Appeals Tribunal in support of a mentally vulnerable claimant's right to appoint a litigation friend. The Tribunal agreed with our submissions and commented on our helpfulness and expertise.

# Serving our members

We support solicitors whether they work for themselves, in-house or a law firm. We offer helpline support and advice, improved websites, new practice notes, toolkits, events, access to communities and published research on key issues. We focus on doing all this efficiently, mindful that we are spending members' money.

# We kept our members up to date

#### The Law Society Gazette

A recent survey found that 83% of practising solicitors said they read The Gazette. The Gazette website saw a 15% increase in visits across the year, a 13% increase in page views for the editorial pages and exceeded its annual revenue target by 13%, helping us to fund the work we do. This also helps us deliver an improved service for members through the print version of the Gazette, which still reaches over 90,000 members each week.

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Congratulations to the editorial team at the Gazette on your sustained momentum in keeping the breadth of our profession up to date with manageable bite sized chunks of information, without neglecting more in-depth analysis of the more important issues.

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Amanda Stevens, CEO Hudgell Solicitors

#### **Digital Communications**

Our main Twitter channel has gained 10,000 new followers, a 13% increase on the end of the previous year, with engagement increasing from 0.7% to 1% as well. We know there is an increasing use of tablets and mobile phones for viewing emails, so our Professional Update (PU) has led the way for our e-newsletters with redesign making it accessible across all devices. So now most of our e-news titles have also migrated to the responsive design. We have taken a data led approach to the production of PU, focusing on delivering more of what our subscribers are interested in, which is our commentary, tips and original content. This has resulted in increased engagement. Our blog has also increased in popularity, with 20 posts receiving over 2,000 unique page views.

#### **My Law Society**

We transferred over 150 practice notes to our free to use My Law Society platform. This ensures that Practice Notes are still available for free to all website users, delivering excellent advice for our users. Members are also able to find out what region or council constituency they are in and who their representatives are.

The average number of registrations per month has increased significantly from 1,600 in the two months before the Practice Notes were moved, to over 3,000 in the five months since.

## We supported practice excellence

#### Legal Aid Roadshows

The Legal Aid Agency launched a tender round for Civil Legal Aid contracts and our members wanted guidance on the process. In response, we held ten roadshows across the country to help 450 members understand the tender process and the changes to the legal aid contract. We met with members from Newcastle to Plymouth and heard directly from them about the issues they are facing. We also explained to members the steps we took on their behalf to influence the contract and tender process.

#### Anti-Money Laundering (AML)

Our AML Conference is the largest the events team organise, attracting over 360 policy makers, law enforcement, regulators, academics and industry experts to look at the changes ahead and current policy development approaches in financial crime. Delegates heard from specialist experts and discussed common challenges whilst sharing their experiences, best practice and hearing practical tips from both peers and speakers. Delegate attendance has increased 50% between 2014 and 2016.

The 2017 Money Laundering Regulations were published only days before coming into force. We quickly provided interim guidance on the main differences from the 2007 Regulations, before preparing comprehensive legal sectorwide guidance in collaboration with the other UK AML supervisory bodies. The guidance helps our members to comply with their professional obligations, and to protect their clients, their business and their reputations from the risks of exploitation by criminals.







AML Toolkit produced

AML training provided for MLROs and others

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22,000 subscriptions to the AML bi-monthly newsletter

Our free and confidential helpline offers advice on a range of AML topics including customer due diligence, sources of funds and high-risk jurisdiction lists.

#### **Regulatory Affairs**

We deal with regulatory changes that impact the profession. Our role is to represent the profession and influence stakeholders so that the public interest is protected, and the needs and interests of the profession and its clients are at the heart of reform.

#### **Apprenticeships**

The new trailblazer solicitor apprenticeships help to reduce the cost of qualifying as solicitors to individuals. They also represent an opportunity to recruit non-legal staff and to train existing members of staff. We promoted understanding and awareness of the new trailblazer standards so that the profession has full confidence and so there is parity between those who complete the apprenticeship and individuals who have taken a more traditional route into the profession.

#### Solicitors Qualifying Examination (SQE)

The SRA plans to introduce the Solicitors Qualifying Examination from 2020. We represented the views of our members in responses to numerous consultations and we continue to argue that the SQE must uphold the highest standards of intellectual and practical training so that future solicitors are fully equipped to undertake their professional duties. We also continue to make the case for clear guidance and funding to be made available, so candidates from any background can succeed. Some of our most important proposals have been adopted by the SRA.

#### **Ethics**

We continue to emphasise the high ethical standards that the profession adheres to, while also providing tools and events which support the profession in maintaining these standards.

Our events included key outside speakers from the legal industry and other sectors alongside our own experts. We continue to develop online ethical scenarios, with the aim of providing ethical training in an enjoyable and engaging way and in time to build a sizeable resource that will be of lasting value to the profession.

#### **Price Transparency**

Both the Competition and Markets Authority and the SRA have been considering the issue of whether the solicitors profession should be mandated to publish price and service information online, with the aim of helping clients choose between legal service providers.

We have continued to highlight to regulators the risks of imposing a rigid regulatory solution on the profession which may be misleading to clients and therefore unhelpful in allowing them to choose a legal services provider. We published a response to the SRA's Regulatory Data and Consumer Choice in Legal Services consultation as well as releasing the <u>Price and Services Transparency Toolkit</u> to help members consider the best ways to provide clients with the right information at the right time.

#### SRA Regulatory Reform

The SRA continues to review the handbook, seeking to reduce its size and provide more flexibility. We have continued to engage with our members to inform them about the SRA proposals and seek their views. We published and disseminated three briefings to members on phase one and two of the consultations and provided further information via newsletters and the Gazette. In addition, we held meetings with our members across the country to discuss the impact of the changes.

#### **Regulatory Processes**

We represent the profession's interest on key regulatory processes, for example by engaging with the Legal Ombudsman (LeO) and the Solicitors Disciplinary Tribunal.

We responded to consultations on the LeO's business plan, emphasising the importance of providing feedback and evidence from complaints to solicitors to improve standards, whilst emphasising that non-regulated firms should contribute to LeO's funding rather than regulated firms subsidising LeO's work in other areas.

Regarding the Solicitors Disciplinary Tribunal, we issued a discussion paper on the standard of proof employed by them. We are seeking the views of the profession to ensure that we are well-placed to engage with a future review of the rules.

#### **Risk and Compliance**

Our annual Risk and Compliance Conference continues to be one of our best attended events, with 262 delegates attending this year, the highest for four years. This year we also launched a regional version of the conference in Birmingham.

These events deliver practical advice on compliance issues to benefit our members. They also allow us to continue establishing our reputation as the authority on risk and compliance for solicitors and the Birmingham event provided regional engagement and collaboration with the Birmingham Law Society.



This was certainly one of the better events for compliance that I have been on. There were some very interesting speakers and I thought that Pearl was relaxed, knowledgeable and funny

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Robert Bryant, solicitor Norton Peskett Solicitors

#### **Professional Indemnity Insurance**

Our annual professional indemnity insurance (PII) survey revealed that members were still benefiting from a socalled 'soft market'. This situation has persisted for several years now and in a series of interviews with PII brokers, a clear majority said that the soft market, and its favourable effects, were unlikely to end any time soon.

These interviews were conducted in preparation for an upcoming consultation on reforming PII minimum terms and conditions, which the SRA is currently intending to launch early in 2018. The outcome of which could have serious and far-reaching consequences for our members and their clients.

#### **New Practice Notes**

We published new practice notes, including, <u>Acting in</u> <u>the absence of a children's guardian</u>, which provided guidance to solicitors appointed by the court to represent children in proceedings where there are delays between the order appointing and allocating a children's guardian in specified proceedings.

Our Representing Clients at s2 Criminal Justice Act interviews practice note was published in response to Serious Fraud Office (SFO) operational guidance on the presence of an interviewee's legal adviser at a section 2 Criminal Justice Act 1987 interview. This drew members' attention to the potential issues raised by the SFO guidance, and gave advice on related interactions with the SFO.

# Capturing Technological Innovation in Legal Services report

This report helped us raise awareness of the technology and process innovation possibilities in our sector. We looked at how firms are engaging with different technologies to remain competitive in a changing market, including what types of technology are available and case studies of how these are being used. We also captured the way firms think about, and act towards, innovation. The report was well received by the media, featuring in publications such as The Times, Legal Futures and Solicitors Journal. The web page summary has received over 8,000 unique views and the report downloaded over 4,000 times.

#### The legal services sector forecast report

To plan their own activity, our members need information on how business conditions in the legal sector are likely to evolve over the next 5-10 years as a result of wider economic, technological and regulatory factors. Using our extensive knowledge of legal sector data, drivers of change and technical modelling expertise, we created our own model of the legal services sector, a unique tool in the marketplace. <u>The report</u> received 18 pieces of media coverage including the Gazette, articles in The Times Brief, Legal Week, Legal Futures, and Global Legal Post.

#### Law Society Library

Our Law Society Library team won the 2017 LexisLibrary Award for Best Legal Information Service in the non-commercial sector, recognition of the great service the team provides to all our members. We dealt with 9,384 member enquiries across the year, coming from members based across the world and from all types of organisations.

#### Cybersecurity

We developed our cybersecurity services, launching a new centralised area on our website. The legal sector is at a greater risk of cybercrime, cyber attacks and scams. PriceWaterhouseCooper's 2015 Annual Law Firms' Survey revealed that 62% of law firms reported a cyber attack, a 17% increase on the previous year.

We brought together all our activities relating to cybersecurity, presenting them in a way that makes it easy for our members to build their awareness and knowledge, helping them take appropriate action to mitigate cybersecurity risks. Since its launch, these webpages have had over 20,000 views.

#### We were members' career companion

We give our members the tools to develop their careers, expertise and businesses. We helped them plan for, and take, their next career step.

#### **Gazette jobs**

The Law Society Gazette Jobs website helps members find their next roles and helps employers find the right candidates. We saw a 25% increase in average daily users, with 20% of all advertised jobs available through Gazette Jobs. We also saw a 12% increase in new business spend through Gazette Jobs.

#### **Professional Development Centre**

To support our members deliver high standards of professional competence, our Professional Development Centre (PDC) helped them meet their continuing competence requirements. The new e-learning platform is being used by more than 27,000 unique users already. Members can record all their learning and development on one single platform and record external training in addition to any taken with the Law Society.



webinars hosted



7,498 total webinar participants

3.8/5 member satisfaction



courses added



#### Work across our regions

We have helped more members contribute to our work. We set up a working group to inform our guidance to the wider profession on the General Data Protection Regulation (GDPR). We also worked with members to ensure they are making the most of apprenticeships in an ever-competitive market, organising a roundtable in October, engaging government stakeholders and firms.

#### North

Following the publication of our first report on Brexit, and prior to the referendum, our regional team in the North helped deliver roundtables across the country in Manchester, Bristol, London, Birmingham and Leeds to discuss the report with our members in top 200 firms. This was to understand their position on how this would affect their firms, particularly those operating internationally. These events were attended by Managing Partners of the top 200 firms. We held a second series of roundtable events, chaired by our president. These were attended by Managing Partners or Brexit partners, where the firms had assigned this responsibility. These events helped us to understand the impact on law firm's operations and changes to their business models. We also learnt how major corporate clients of law firms were adjusting to Brexit and what the short, medium and long term effects would be on regional economies.

This insight and intelligence from firms fed into our lobbying and campaigning, shaping our response and developing our policy.

#### **Midlands and South West**

We engaged with our members to help us fully understand the issues for firms in the Midlands and Southwest. This provided us with the clarity of information needed for us to make informed decisions. We also delivered events across the region, facilitating networking and forums to consider best practice from fellow firms, including:

- Southwest risk group meeting
- Midlands compliance group meeting
- Leicestershire GDPR event
- National compliance conference in Birmingham

#### The City

We delivered an apprenticeship roundtable, with three speakers. This event was a response to feedback gathered from our firm visits, to provide an update on new government information on apprenticeships and to provide a networking opportunity for City HR directors. The roundtable showcased best practice from a relevant different sector, which saw 30 HR directors from top 200 firms attend.

We delivered a high-profile roundtable for American firms, a growing sector of our membership, bringing together leading practitioners to contribute to our practice note. This practice note assists solicitors in England and Wales in understanding Part 3 of the Criminal Finances Act 2017. The Act creates a criminal offence for any entity that fails to prevent the criminal facilitation of tax evasion by associated persons. The offence brings a risk of criminal liability to solicitors' firms not just for their employees' actions, but for the actions of others with whom they are associated.

The new offence has grave implications particularly to American firms and to private client and high net worth individuals' firms. Representatives from HMRC attended and spoke with members about the new legislation, including 15 American firms.

#### London, South East & East

We delivered a series of Cyber Crime roadshows in the east of England. Using firm visits and meetings with stakeholder groups, such as local law societies. We found that a major concern for practices in the East is the threat of damage from a cyber security breach. Members were not readily aware of the society's activities and support in this area.

In response, a series of roadshows were delivered in partnership with local law societies, firms and the police. The regional police lead on cybercrime in the East assisted in promoting these roadshows, and contributed too as a valuable speaker. These events provided members with practical and valuable advice on both cyber crime and GDPR at no cost. Events took place in:

- Norwich
- Southend
- Kings Lynn
- Peterborough
- Ipswich

#### Support for local law societies

We organised and delivered our Presidents' and Secretaries' Conference, showcasing our work. This year the conference included a new aspect, The Law Society Marketplace, where we engaged with delegates to inform them of the work they undertake on behalf of the profession. In addition, representatives from public affairs, legal & regulatory policy, communications, relationship management, Council members, office holders and our chief executive all spoke at conference sessions.

The entire conference programme was relevant and useful to the needs of local law societies, taking in both delegate feedback from 2016 and making full use of an organising committee consisting of staff and Council members who could consider the challenges faced by local law societies. The programme was highly practical, offering members hints and tips on how they can increase their own engagement through the local law societies and attracted a high calibre of external speakers including Sir Ed Davey, Clive Coleman and individual members of the IOD, RICS, ICAEW and CII.

#### Law Society Publishing

We published two new books, providing guidance to solicitors on key legislation and publishing the 24th edition of the Conveyancing Handbook. The Criminal Finances Act 2017 and the EU General Data Protection Regulation are important for all our members. We also published legislation guides to help ensure they comply with these regulations, as the penalties for members for not doing so can be severe.

#### Legal Technology

We have positioned ourselves at the centre of the discussion on how legal tech can support members and move the industry forward. Throughout the year we have taken part and led on several activities to raise awareness amongst the profession around emerging technology and help the industry develop and deliver solutions that our members need and want. We launched our <u>Technology and Innovation report</u>, spoke at the Future of Law event and sponsored the Legal Geek conference.

#### **Member Research**

Our Insights Community provides feedback from our members across the range of issues spanning our strategic priorities. Members learn about our activities and actively contribute to the work we do. We conducted 12 research projects with Insights Community members, including looking at the development of Find a Solicitor, our Education and Training Strategy and our Horizon Scanning projects.

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This is a great opportunity to have a say about our profession and to participate. Good to be part of the legal community without having to take time out of a busy day – can join in when it's convenient and share thoughts and experience

## "

Law Society member

#### Communities

Our communities, made up of divisions and sections, provide tailored support, advice and networking opportunities.

#### **Private Client Section**

We delivered regional education and continuing competency training for private client solicitors on recent case judgements and changes to private client case law to ensure they understand the latest rulings. This helped members give their clients the correct guidance and are compliant with developing laws. We ran seminars regionally in London, Birmingham and Manchester for ease attendance for members. We also ran a successful campaign to educate and raise awareness of the new Criminal Finances Act 2017, specifically the criminal facilitation of tax avoidance part in relation to the work of private client solicitors and the associated fines. Over 200 Private Client solicitors attended our Private Client Section annual conference.

#### **Career Clinics**

We introduced a career clinic service to provide support for potential and existing members to make informed choices with their career development. These are open to LLB/LPC/ GDL students, paralegals, final seat trainees and qualified solicitors, and involves a one-off free and confidential 45-minute one-to-one consultation with a career coach/ legal recruiter. We have found that 90% of users are members looking to return following a career break or those looking to change career direction.

#### **In-House Division**

This newly formed division has focused on relevant communications for our users, basing content on the main issues and challenges faced by in-house members. This was achieved by increasing the issues of InsideOut, the In-house Division online magazine, from 3 to 4 issues per year. We also delivered events covering the main issues and challenges in-house members face, based on feedback and consultations with the In-house Division Committee. As a result, nearly a quarter of in-house members read our e-newsletters and magazine, an increase of nearly 10 % from last year and the number of members registering for our In-House Division events increased by over 25 %.

#### **Small Firms Division**

We engaged with members from small firms at a local level, a demographic that is facing increasing economic pressure. Supported by the small firms committee, we piloted a set of low cost neighbourhood events to build relations with hard to reach small firm solicitors and sole practitioners. We set these up as informal topic based discussions with networking, hosted by a local small firms committee member or Council representative in community venues.

#### **Diversity and Inclusion**

We have worked to support and celebrate our increasingly diverse membership and help firms consider their approach to equality and inclusion. Alongside our divisions, one of our highlights were our 2017 Social Mobility Ambassadors. In its third year we recruited 10 new ambassadors, who shared their experiences of entering the profession, including the challenges they faced and how they overcame them.

Other highlights included our LGBT History month activities, Pride, International Women's Day events and celebratory events to mark Eid, Diwali and Black history month.

# Operational improvements

We focus on being more efficient whilst better managing and understanding our costs. Improvements in our technology and governance structure help us work more effectively. All of this helps us reduce expenditure against our budget and deliver value for money for our members.

# Marketing

We deliver a range of products and services to support our members improve their practice excellence. We drive awareness and take-up of these resources by sending out timely and relevant communications to members.

This year we out-performed on a number of marketing campaign targets and achieved significant cost savings. The team undertake a wide variety of marketing campaigns. We exceeded the commercial events delegate forecast target on several occasions, most notably for the Risk and Compliance annual conference, the Private Client Section cross-border conference, the Risk and Compliance regional conference and the Private Client Section annual conference.

We exceeded our publishing sales targets on two key titles, Conveyancing Handbook 24th Edition and EU General Data Protection Regulation, by 10% and 65% respectively. We also achieved cost savings of 32% on email despatches and 10% on postage.

#### **Commercial Focus**

We have improved our understanding of profitability across our key commercial activities, enabling us to improve our profit generation, and reduce our reliance on the practising fee. We have two high margin revenue lines; forms licensing and partnerships. By conducting a profitability analysis, we were able to see which revenue sources generated the most contribution. These two areas generate over 80% before the general overhead is deducted. In the case of licensing, to ensure we were correctly reviewing and collecting all forms licence revenue correctly, we undertook a comprehensive audit of each licensee. This found a £160k underpayment from one provider and ensured we delivered higher revenue for forms licencing and a margin of 85%.

# Partnerships

We developed new, positive partnerships that helped our members save more money and be better informed, alongside generating significant revenue for the Law Society.

Our affinity programme connects our members to a wide range of products, services and benefits provided by a diverse set of carefully endorsed partners. We improved our member benefits offering, including a 10% saving on a brand-new Volvo, subscriptions to the Economist and offered law firm employees real savings through employee benefits including, for example, Waitrose. We have seen an 11% increase in partnership revenue, decreasing our reliance on the PC fee and supporting our wider work.

#### Riliance

We divested our shareholding of Riliance, a company providing support for law firm COLPs and COFAs, yielding an excellent return, providing revenue to support our vital work around access to justice and the rule of law. Following negotiations, it was agreed Riliance would pay a total of  $\pm 1m$  for our shares, including two years of endorsement to December 2018. This sale represented a return of 300 times our original investment.

#### **IT Transformation**

The Law Society Group's IT estates have been in poor technical health, preventing delivery of new services and reducing operational efficiency. The existing infrastructure is expensive and impacts on staff performance, reducing the ability to serve our members effectively, increases costs and creates a challenging member experience digitally.

A complete IT transformation is now under way, from infrastructure to applications and both internal and member-facing, to provide an improved member experience and enable staff to deliver an effective and efficient service. Moving us away from costly third-party suppliers to Microsoft Office applications will reduce costs and eliminate risks associated with outdated supporting infrastructure.

#### Governance review

Our Council resolved to replace the four Law Society Boards with a single board, known simply as 'the Board'. An Implementation Board was established to develop proposals for an appropriate substructure to support the work of the Board. The Policy and Regulation Committee (PRC), a Membership and Operations Committee (MOC) and the Board will all be in operation by the beginning of March 2018.

This is part of a wider initiative designed to enable elected and appointed members, whether on Council or on committees, to work more effectively with one another and with Law Society staff. Our aim remains to operate a less complicated structure, enabling us to make and communicate decisions more quickly, setting the pace in the leadership and promotion of the profession and the settling of Law Society policies on the profession's behalf.

#### Summary

This review is just a summary of the work we did for our members across England and Wales. Over the next financial year, we will continue to keep you updated with the work we are doing, to promote the profession and influence the legal and regulatory framework. We will also tell you more about our work to be your informed source of sector news, support practice excellence and support you at every stage of your career.



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