



# Corporate Plan 2009/10

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7 August 2009

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## Executive Summary

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This corporate plan sets out the Society's objectives for the forthcoming year. The Society is very aware of the external factors that are having an impact on the profession and is committed to improving the services that we provide to our members. We will continue to represent the public in relation to the solicitors' profession.

Recognising the pressure on a significant proportion of the profession as a result of the economic downturn, the Society intends to reduce the cost of practising by £100 for the forthcoming year. While such a reduction will impact on some of the Society activities, the plan aims to ensure that the Society can deliver an improved representative, support and regulatory service to our members.

Our newly formed representation team will focus on key areas which impact on the profession and its work and lead on issues including the Legal Services Bill and the review of the Scottish civil courts. We will continue to represent member interests with government and organisations including the banking sector, Scottish Legal Aid Board (SLAB) and the Scottish Legal Complaints Commission (SLCC).

As part of our focus on professional representation and support, we will carry out research with members to listen to their views on the Society's services and improve the range and quality of the support that we provide. We encourage members to contribute to that research.

Our registration team will continue to implement our new database system which will lead to greater efficiency and flexibility of use by both members and staff. We continue to assist trainee solicitors in challenging times. We will also continue to assist people to find a solicitor who can represent them.

As well as maintaining the quality of complaints handling, the regulation team will be looking at the regulatory framework required for legislation on alternative business structures (ABS). At the same time they will continue the transition of service complaints from the Society to the SLCC.

Our education and training policy team will introduce a revised route to qualification for solicitors and improve the policy for Continuous Professional Development (CPD).

The corporate plan has been put together by the staff at the Society with strategic input from office bearers and your representatives on both Council and the Board. Views, feedback and suggestions expressed by members at meetings, faculty visits, the AGM and in direct discussion and feedback to the staff at the Society have also contributed to this plan.

The President of the Society, Ian Smart and Jamie Millar, the Vice President, have endorsed the progress and modernisation that began in recent years and will continue the programme of change during their terms in office. As part of those changes we are, for the first time, publishing our corporate plan and budget, stating our aims and reflecting the ongoing restructuring and refocusing of the Society's work for the coming year.

## Key Issues

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The Society has identified a number of key issues that it believes will affect the profession in the next five years.

### **1. The Economy**

The impact of the recession remains a critical concern. In particular, redundancies, the lack of employment opportunities for those made redundant and those new to the profession, reduction in fee incomes, the housing market and the potential for increased claims from indemnity and the Guarantee Fund.

### **2. Alternative Business Structures (ABS) and future sources of competition**

At the 2008 AGM, the profession supported a move to allow ABSs. The government is now working on legislation to permit them. This will alter the legal landscape and while there will be opportunities, there are also concerns to be addressed. Details of the regulatory model and the impact on the Guarantee Fund and Master Policy are unclear. While ABSs will give clients greater choice, there will be greater competition and at this stage their final impact is uncertain.

### **3. Access to Justice**

Any reform or alteration to the fee rates, processes or structure of the legal aid system could impact on the provision of legal assistance and access to justice. Demand for legal aid is likely to increase during the recession. The continued reduction in rural coverage and fewer new solicitors choosing court practice could affect the availability of legal services.

### **4. Future structure of the profession**

By 2011, we will have implemented a revised route to qualification for Scottish solicitors. Results will include flexible options for entry to the profession, and flexible options for training organisations. The impact of modern business practices and new technology will drive change in working practices. Such changes will require solicitors to augment their existing knowledge and skills.

For the last few years, demand for traineeships has outstripped supply. This is particularly true during the recession. Improvements in the route to qualification, and managing expectations through our New Lawyers' Engagement Strategy, will be key.

### **5. The Law Society**

The dual functions of regulation and representation will be debated and considered as we move towards new regulatory structures with ABS. The governance of the Society must be business-like and ensure representation of the whole profession. We will increase our engagement with the profession to ensure that our work is relevant and useful. With greater focus on the cost of practising, the additional expense of the SLCC levy and the effects of the downturn, there is a corresponding need for greater support of the profession.

## 6. Scottish Government

We are working with the current administration on the Legal Services Bill. Government policy on legal aid, spending restrictions in the Crown Office and Procurator Fiscal Service and safeguarding against poor legislation or over-regulation are some of the areas which require continued representation. Although we do not know the details of forthcoming proposals for court reforms, we are aware of the Civil Courts Review and will consider the reforms that flow from it.

## Key Objectives for 2009/10

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1. To continue to invest in developing the representational elements of our work – improving and communicating their relevance and effectiveness for *all* our members
2. To conclude policy development on, and implement from September 2011, (i) a revised route to qualification for Scottish solicitors and (ii) an improved lifelong learning (CPD) policy, in association with universities, training organisations, ‘new lawyers’, and the practising profession
3. To develop appropriate and proportionate regulatory frameworks and processes both for low level misconduct and for the regulation of ABS entities. At the same time, continue to work with the SLCC to ensure a smooth transition of service complaints handling by October 2010
4. Maintain effective dialogue with the Scottish Government particularly on the Legal Services Bill, the Civil Courts Review and legal aid (to ensure the continuing provision of legal aid practitioners and access to advice for clients in both civil and criminal areas)
5. To ensure we support the development of a profession that is ‘fit for purpose’ in the coming decades
6. To ensure the Society’s constitutional and governance arrangements provide the necessary framework for an efficient, value-for-money operation, which represents the profession and safeguards the public interest as required by statute
7. To continue improvement of the Society’s business practices and implement a new service charter for users of the Society’s services by spring 2010

## Area Plans

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Below are the objectives and work plans for the key areas of the Society: Representation and Support, Membership and Registration, Regulation and Education & Training Policy.

## Representation & Support

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### Representation

It is important that the Society represents the interests of the profession and the public well during periods of change. We will:

- Maintain effective dialogue with the Scottish Government particularly on the Legal Services Bill, the Civil Courts Review and legal aid
- Work with regulators and legal organisations such as SLAB and the SLCC
- Review and comment on key legislative proposals from UK and Scottish Governments and also from the European institutions
- Represent members' commercial interests with banks and building societies and other financial organisations
- Report the Society's work and progress on representation to the profession
- Continue to engage with and ask for feedback from the profession to ensure that their views are accurately represented
- Support dialogue between Council members and their constituents

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*Success in terms of representation will be achieved when we effectively influence legislation, policies and decisions of other bodies - on behalf of our members and the users of their services. An element of that success is clear communication of the representative work that is carried out.*

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### Support

The Society provides a range of support functions to the profession. The ongoing research with the profession will give the Society feedback; not just to ensure that the current support is relevant and of a sufficient standard but also to determine what support may be required in the future as the nature of legal services evolves. The team will:

- Improve and adapt the existing services, remove services that are no longer relevant and introduce new services to a range of interests within the profession
- Improve the quality of support in response to the profession's feedback
- Complete the ongoing reorganisation of support functions into one department
- Maintain the quality of service provided by the professional practice team
- Continue to improve the quality of CPD service and event management
- Continue to negotiate best rates for the Master Policy and encourage diligent risk management to reduce claims

- Deliver on our stakeholder engagement strategy – in Scotland, UK, Europe and overseas – to promote the values and merits of Scottish solicitors and the benefits of the Scottish legal jurisdiction
- International engagement will focus on interaction with other Law Societies, jurisdictions and markets to share best practice and help improve business opportunities for the profession

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*Success will be measured through on-going membership research both in terms of the type and range of services offered and satisfaction with them. The research carried out before the end of the current financial year (2008/09) will set a benchmark against which subsequent results will be measured. Improvement will also be measured through the number of website visits, e-bulletin hits, cost-benefit analyses, events delegate numbers, event feedback forms and use of online and other services.*

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## Membership and Registration

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In 2009, the Society's restructuring has brought the Registrar's Department, records, admissions and trainee support together. Our new single-platform database will include members' data on qualifications, experience, fields of expertise and activity, involvement with the Society's committees, CPD records and attendance at events and meetings. It will significantly improve the effectiveness and efficiency of the Society. The team will:

- Have a fully automated and online system for the renewal of practising certificates for 2010/11
- Use the new database to enable members to keep their own records up-to-date on-line and ultimately renew their membership and practising certificate on-line
- Continue to provide support and advice to trainees and trainers
- Continue to assist members of the public looking for a solicitor and legal advice
- Consult the profession on a new Society constitution and standing orders which will aim to provide a more efficient and flexible framework to enable the Society to expand its regulatory interest across ABS entities

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*Success will be achieved when the benefits of the new database system are acknowledged by members to be delivering more effective service, the online renewal system is fully operational and when implementation delivers efficiencies to the running costs of the Society. Other areas of the department's activities, such as traineeship advice and support, will be measured with the membership survey. Initial success of the new constitution and standing orders will be achieved if approved at 2010 AGM and operating effectively and efficiently by 2010/11.*

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## Regulation

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The Society's regulation activities support the profession by setting, improving and promoting standards in the legal profession. It ensures that any failure to meet the required standards is appropriately addressed by the Council or referred to the Scottish Solicitors' Disciplinary Tribunal (SSDT) or the courts. We provide information and assistance to the profession to help members comply with regulations and continue to meet the standards required. The team will:

- Deliver high standards of complaint handling while the transition of service complaints to the SLCC and the introduction of new conduct complaints system continue
- Develop a regulatory model to enable ABSs to operate in the legal services market
- Complete the move to a risk based financial compliance regime which is proportionate and continue to assess the resources required to meet expectations
- Manage Guarantee Fund operation in the interests of both the public and the profession
- Liaise with SLCC in relation to its oversight of the Master Policy and Guarantee Fund
- Evaluate and, if appropriate, establish the use of proportionate sanctions for low level misconduct issues rather than involving the SSDT
- Ensure that the interventions team protects the public interest when solicitors' practices fail
- Move to Phase 3 review of the Civil Legal Aid Quality Assurance Scheme
- Continue to assist practices to meet the current standards and consider developing a kite-mark or other accreditation scheme

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*Key indicators that we are meeting our objectives will be an increased number of members complying with rules and delivering on standards of service and diligence, leading to fewer complaints to the SLCC and fewer referrals to the SSDT. There are specific targets to be agreed with the Scottish Legal Complaints Commission for complaints handling which we will be measured against.*

*For financial compliance, success will be measured when members consider the 'burden' of inspection to be proportionate, focused on early detection of issues for remedy and the sharing and encouragement of best practice. Again, this will be reflected in feedback from the inspection visits and in surveys of members. Success for interventions is achieved by maintaining and resolving clients' interests and minimising the impact on insurance claims and Guarantee Fund \* resources. Early detection of 'problem firms' is also a key factor in successful protection of the public interest.*

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\* See separate Guarantee Fund budget for more details

## Education and Training Policy

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### **The Future of Legal Education**

Phase II of this project is the implementation of a new framework for (i) education and training and (ii) lifelong learning (CPD) for Scottish solicitors. Key activities will include

- The re-accreditation of universities that wish to deliver new courses from academic session 2011/12
- Delivery of new university courses from 2011/12
- Improved traineeship, including the replacement of the professional competence course with trainee CPD, from 2011 - with a pilot from 2010
- New CPD regime from 2011 – with a pilot from 2010.

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*Success can be measured against the targets and milestones set out in the Phase II project plan, new database project plan, and the 2010/2011 pilots.*

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### **Registered Paralegals**

The Society and the Scottish Paralegal Association intend to jointly launch the Registered Paralegal scheme.

This project will create a regulated status for paralegals for the first time in Scotland. Those afforded the 'Registered Paralegal' status will adhere to a code of conduct, be subject to a complaints regime mirroring that of solicitors, and will be subject to an annual CPD requirement.

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*Success can be measured by (i) feedback on the final policy paper of late 2008, (ii) the number of registrations over the course of the first five years of the scheme, against numbers which have been projected over those five years and (iii) the amount of income generated.*

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## Governance

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The first stage of the planned governance change is now complete with the introduction of a Board whose members are the President, Vice President, Past President, Treasurer, Chief Executive, three Group Conveners and four elected Council members. The Group Conveners have responsibility for Representation and Support, Regulation and Registration and Membership. The Board's role is to provide direction and scrutiny of the Society's committees and executive on behalf of Council.

The second stage will review the committee structure, in terms of focus, working practices and communications with the aim of improving the Society's effectiveness as a representative organisation and in delivering financial savings.

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*Success will be achieved when there is greater efficiency and effectiveness in the running of the Society and its business.*

*Success will be measured by improvements in communications; such as when regular reports of Council meetings are made available to the Council, our members and, when appropriate, the public. This is already happening to some extent, but greater clarity and regularity will be brought to these communications, partially through a new members section on the website. Specifically, this entails making Board papers available to Council and Council minutes available to the profession through the website.*

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## Diversity

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Delivering on our responsibilities in this area impacts on the reputation of the Society and the profession. The aims are to:

- Continue to implement the three-year diversity strategy approved by Council in Nov 2008 (full details can be found on the Equality and Diversity section of the website)
- Ensure clear understanding across the Society and the profession of our obligations on diversity
- Promote the new publication 'A practical guide to equality and diversity for Scottish Solicitors'

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*Success will be achieved when there is clear understanding across the Society and the profession of our obligations in relation to Diversity matters*

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## Financial Strategy

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The Society has been planning for a 'significant reduction' in the PC Fee for 2009/10 since January this year. Our target has been for a £100 reduction, to £565.00. This will be achieved by:

- Delivering savings in the current financial year
- Cost-cutting and prioritisation of work across the Society
- Using some accumulated reserves – while mindful of the Treasurer's objective to maintain sufficient reserves for three months' normal operating costs.

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*Success will be measured by the monitoring of monthly management accounts, quarterly departmental forecasting, daily cashflow management and maintaining reserves – all at agreed levels, monitored by the Finance Committee and the Board.*

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## Finance

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The Society's new governance structure will require changes to the Society's financial reporting procedures. New reporting formats will be developed for different stakeholders – executive team, senior management team, Finance Committee, Board, Council, members, government, faculties, other member organisations, bank, suppliers and the media.

It is important that the Society is financially prudent and that it increases the transparency of its financial reporting and annual accounts. This will clearly demonstrate how the PC fee is spent and the resulting benefits for the profession and the public. The team will:

- Budget diligently and prioritise resources to ensure that all funds are spent economically, efficiently and effectively. This will be achieved using key performance indicators, environmental accounting for sustainability, human resource accounting and reporting on competencies
- Continue to develop financial reporting to ensure speed, flexibility, accuracy and relevancy
- Improve operational effectiveness and business management by using quarterly integrated forecasts
- Introduce and implement three-year planning cycle
- Include reviews of non-financial progress of departmental plans into the quarterly reviews
- Continue to investigate efficiency savings

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*Success will be achieved when there is transparent reporting and greater understanding through clearer explanation of our budgets and financial performance – as evidenced in our annual report, at AGM and in other member communications. Success will be achieved when costs in the administrative and processing areas are reduced and more efficient methods for handling of documents, mailings and other distributions are successfully introduced.*

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See separate budget document for details.

## Business Support Departments

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There is considerable work 'behind the scenes' in maintaining the general business platform of the Society. These activities include:

### Communications and Marketing

This department operates across the entire business of the Society. The team work to enhance our reputation management and relations with the media and stakeholders using various communication channels. The team will:

- Ensure that we communicate the Society's key areas of work and achievements to various audiences
- Use the new database to communicate more effectively with members, groups of members and stakeholders, consult on specific issues and promote relevant training courses
- To follow up on research carried out in 2009, refine the channels of communication and use the new database to deliver more targeted information. This particularly involves the further development of e-communications including website, e-bulletins and social media

### Business Development

- Continue to develop and grow the non-subscription based, commercial revenues of the Society and enhance the benefits of membership

### IT Department

The significant investment in 2009 to improve database capability leads directly into this year's aims which are to:

- Continue implementation of our new membership database
- Maintain current levels of support and training to other departments to ensure business continuity and assist them to achieve their objectives and plans
- Maintain reliable and robust systems to enable e-communication with members
- Maintain systems to enable flexible delivery of CPD and investigate new and emerging solutions (e.g. Web 2.0)

### Human Resources

Over the coming year, HR aim to ensure that we have the right staff to deliver the corporate plan. We have implemented a recruitment freeze due to the economic situation and attention will focus on re-positioning staff within the changed management and operational structure. The department will:

- Retrain and redeploy as the impact of investment in improved database and process handling systems is embedded
- Maintain the programme of management development and in particular change management training
- Refine our performance appraisal and competency system to align these to emerging corporate /departmental goals & objectives

- Continue to harmonise staff benefits and conditions for all staff

### **Facilities**

The facilities team's key objectives are to maintain the Society's premises adequately, ensure compliance with health and safety regulations and manage the Society's contingency planning. The aims are to:

- Ensure that the work environment is safe and well-maintained
- Ensure that downtime on any machines or facilities is minimal
- Continue to improve processes

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