



# Annual Report 2022

1 November 2021 to 31 October 2022



Law Society  
of Scotland

# Annual report 2022

Welcome to the Law Society of Scotland's annual report for the period of 1 November 2021 to 31 October 2022.

This report covers our performance against the objectives set out in our 2021/22 annual plan, which was the second year of activity under our **interim two-year strategy**, developed in response to the Covid-19 pandemic.

If you have any questions about our annual report, **please get in touch**.

## Explore our annual report

Our annual report 2022 is made up of the following sections:

- **President's welcome from Murray Etherington** (p.2)
- **Chief executive's welcome from Diane McGiffen** (p.3)
- **Our year in numbers** (p.5)
  - An infographic highlighting key stats from 2021/22.
- **Financial review 2022** (p.6)
  - Our financial review of 2021/22, including our full accounts and Governance report.
- **The five pillars of our Strategy 2020-2022:**
  - **Assure** (p.14)
    - How we assured the quality of legal services, the public interest and the reputation of the profession.
  - **Influence** (p.20)
    - How we used our influence in 2021/22 to preserve an independent solicitor profession and fair legal system.
  - **Evolve** (p.22)
    - How we evolved during the year to maintain our financial sustainability and support a recovering legal services sector.
  - **Support** (p.24)
    - How we supported members during 2021/22 to meet the challenges of a recovering legal services market and economy.
  - **Excel** (p.27)
    - How we sought to excel as a world-leading professional body with technology and inclusion at our core.



## **President's welcome** **Murray Etherington, Past President (President** **May 2022 – May 2023)**

As the Law Society's President during the majority of the period of this annual report, I'm very pleased to give an overview of my time in office and the work carried out to ensure we continued to provide a powerful voice for the profession, the public and our jurisdiction.

Our commitment to promoting a thriving legal sector was at the heart of our new five-year strategy, which set out how we will both support our members to help them succeed, despite the ongoing challenges they face, and ensure we are a strong regulator. Importantly, it was developed by drawing on the experience and insight of the profession, recognising the crucial role they play both in the work of the Law Society and in our wider society.

Critical among those roles is the provision of legal support for the most deprived in our communities, often during some of the toughest times of their lives. While the Scottish Government announced an increase in spending across both criminal and civil legal aid during the year, the funding, due to be released in 2023, is likely to prove little more than a short-term sticking plaster given the deep-rooted damage to the system caused by a generation of underfunding. Worryingly, an analysis carried out for the Law Society showed that thousands of our poorest families face the prospect of representing themselves in court due to a chronic shortage of civil legal aid firms, with 139 of the most disadvantaged communities in Scotland, resident to around 100,000 people, sharing just 29 practices between them. A long-term viable solution needs to be found and our work on the issue will continue under my successor Sheila Webster.

Likewise, some progress was made tackling the backlog of cases built up in our courts during the Covid-19 pandemic. But the issue continued to present a serious challenge, with the backlog not expected to be cleared until 2026 – and then only if the appropriate resources are in place. We will continue making the case for essential investment to the Scottish Government. Every delayed trial, delays justice.

During the period covered by this annual report, we submitted our response to the government's consultation on reform of legal services regulation. Much of the existing legislation covering the regulatory system is out of date and unfit for purpose. We continued to press for a new Bill to reform and modernise the regulatory framework, which will better protect consumers and allow the legal services market to thrive, with the Law Society continuing as the regulator of Scottish solicitors, as proposed in our response to the consultation.

Undoubtedly, one of the most rewarding aspects of my role has been getting back out around the country during roadshows and other events, meeting members face to face and listening to their needs and concerns. One particularly troubling issue they have raised is the threats, harassment and, in some cases, violence that solicitors face as they carry out their work, which we condemn in the strongest terms. In response, our Council agreed that work should be carried out to quantify the extent of harassment and abuse, with consideration also given to what further action may be necessary to support our members' wellbeing. One solicitor abused just for doing their job is one too many.

That's why the Council published a motion in October last year condemning all forms of abuse against the profession. We are committed to calling this out wherever we see it.

The legal profession has a special duty to stand up for the rule of law. I was very proud therefore that the Society's Council also passed a motion reaffirming its condemnation of the illegal invasion and expressing profound sympathy with the people of Ukraine. Scotland's legal sector has welcomed and provided a sense of community to more than 80 Ukrainian lawyers who have sought refuge here. While I had many memorable experiences as President of the Society, I was incredibly humbled to become an honorary member of the Ukrainian National Bar Association alongside other members of the Society and the Faculty.

Finally, I would like to thank all of my Council colleagues for their support and our committee and working group members for all the work they carry out on behalf of the profession and the public; supported by Law Society colleagues, the time and expertise they contribute are invaluable.



## **Chief executive's welcome** **Diane McGiffen, Chief executive**

In October, we published the Law Society of Scotland's new five-year strategy. We built the strategy by consulting with members and stakeholders, including the amazing team who work at the Law Society. It's hard to remember that much of the consultation was done through online meetings and surveys, as the consultation phase happened while Covid restrictions were still in place.

Our **Strategy 2022-2027** outlines how we will support our members to thrive in a growing and well-regulated sector. Our members are clear that they want a Society that supports them throughout their careers, wherever they work and which enhances the profession, the jurisdiction, access to justice, public protection and the independence of our legal system. Promoting health and wellbeing and the use of technology in the legal sector also have particular importance.

Sustainability is another key feature of our strategy. During the year we decided to build on the excellent work we had undertaken in the lead up to Cop 26, by setting up a new Sustainability Committee. It will focus on leading the profession to do its part to respond to the climate crisis and play an active role in policy and legislative developments.

The Society has a dual role in supporting diversity and inclusion – supporting the profession to lead in the area and, as an employer, ensuring we build a fair and supportive workplace. We've been mindful to build on much of the excellent work the Society has already undertaken.

Work during the year included producing a report into racial inclusion within the Scottish legal profession. The report found an increasingly diverse and progressive sector that wants to do more, but is hampered by slow progress, lack of visible minority role models and experiences of bias. Alongside the report, we issued an action plan to help address the issues and challenges identified. During the summer, we again achieved Investors in Diversity accreditation for workplace best practice.

As ever, we worked tirelessly throughout the year to improve the way the Society works for members and in the public interest. Much of our work has involved helping the profession navigate the significant challenges they face by providing relevant services, training and guidance while supporting wellbeing. There is a lot still to do.

There have been many highlights since taking the post of Chief Executive in 2022 – and meeting more members, colleagues and stakeholders in person as the year progressed has really stood out. I greatly appreciate the time everyone has taken to share their experiences and thoughts with me as we identify how to make the most of the challenges and opportunities that exist.

The past year was also filled with many exciting developments. I would like to thank the commitment, in particular, of those members who volunteer their time and effort to make the Society the very special organisation that it is and the dedicated colleagues at the Society who work so hard to deliver our strategy on behalf of members and in the public interest. It feels like a winning combination and, with all your continued support, I look forward to seeing what we can achieve together next year.

# Our year in numbers



## Annual Report 2022 - a year in numbers

**Strategy**

We launched our new five-year Strategy 2022-27

**Consultations**

We commented on **16 Bills**

We responded to **86 consultations**

**Street Law**

**14** programmes delivered in schools around Scotland

**35** Street Law trainers given specialist training

**10** online Street Law sessions held at external events

**International**

**1,241** solicitors working outside of Scotland

**Trainee**

**791** traineeships commenced

**Complaints**

Between 1 November 2021 and 31 October 2022,

**205** complaints were received

**248** investigations were closed

**Enquiries**

Between 1 November 2021 and 31 October 2022,

**11,600** enquiries were received by our Professional Practice team across both email and phone

**Awards**

We were awarded the Investors in Diversity accreditation

**Investors in Diversity Award**

Achieved. Valid Until December 2023

**Members**

**12,872** solicitors at end of year

56.5% female / 43.5% male

**622** newly admitted solicitors

417 female / 202 male

**CPD**

Our online portfolio saw the addition of **37** new seminars and conferences, totalling an additional **210 hours** of online CPD content.

**Conferences**

**397** registered delegates at our Annual Conference

**413** registered delegates at our Law and Technology Conference

## Financial review 2022

## Overview and principal activity

The Law Society of Scotland (the 'Society') is the professional governing body and regulator for Scottish solicitors. It promotes excellence among solicitors through the support and regulation of its members. It also promotes the interests of the public in relation to the legal profession. The Society was established by statute in 1949 and its core legislative framework is set out in the Solicitors (Scotland) Act 1980. All practising solicitors are members.

The Society operates through five directorates covering its main areas of work:

- regulation and standards
- member services and engagement
- education, training and qualifications
- external relations
- finance and operations.

Within these directorates, a range of teams provide regulatory and representational services to members.

The work of the Society is supported by solicitors and non-solicitor volunteers who contribute their time and expertise through many committees and working groups.

The Society also controls and administers the Client Protection Fund, the operating name of the Scottish Solicitors' Guarantee Fund (SSGF). The fund exists solely to protect clients who have lost money as a result of dishonesty of a solicitor or a member of their staff in connection with the practice of the solicitor. It is paid for entirely by solicitor firms without the use of taxpayer money from government. The fund is only available to clients who use solicitors who are employed by legal firms regulated by the Society.

## Review of the financial year

### Group

In compliance with Financial Reporting Standard 102, the Society's financial statements have been consolidated with those of the Scottish Solicitors' Guarantee Fund (SSGF) and with The Law Society of Scotland Services Limited and presented as financial statements for the Group. The statutory basis, day to day management and governance oversight of the SSGF is unaltered by consolidation. The SSGF is included within the consolidated financial statements in recognition of the Society exercising control over the management, governance and operation of the fund.

As required by statute, all income received by the SSGF is legally ringfenced to meet only future claims and therefore not available under any circumstances for the Society's use. Similarly, the reserves of the SSGF are legally designated for that purpose and do not under any circumstances form part of the Society's free reserves. Control of the SSGF is, however, bestowed on the Society by law, and, more widely, the SSGF is considered to be of benefit to the Society in helping underpin the positive reputation of the profession.

### ***Profit (prior to actuarial adjustments to defined benefit pension scheme) – Group***



The Group reports a loss (prior to the actuarial adjustments to the defined benefit pension scheme) of £666,000 for the financial year ended 31 October 2022 (2021: profit of £1,311,000). This comprises the following components:

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Law Society of Scotland	(5)	583
The Law Society of Scotland Services Limited	(14)	12
Scottish Solicitors' Guarantee Fund	(647)	716
<b>Total - Group</b>	<b>(666)</b>	<b>1,311</b>

Loss reported by the Group after actuarial adjustment was £792,000 (2021: profit of £1,203,000).

### **Investments – Group**

The Group's investment portfolios reflect the general decline in financial asset values during the year, with market values as at 31 October 2022 as follows:

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Law Society of Scotland	3,079	3,677
The Law Society of Scotland Services Limited	93	106
Scottish Solicitors' Guarantee Fund	5,396	6,146
<b>Total - Group</b>	<b>8,568</b>	<b>9,929</b>

### **Cash – Group**

Cash balances for the Group as at 31 October 2022 were as follows:

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Law Society of Scotland	14,828	11,665
The Law Society of Scotland Services Limited	129	130
Scottish Solicitors' Guarantee Fund <i>(not available for the Society's use)</i>	2,067	1,995
<b>Total - Group</b>	<b>17,024</b>	<b>13,790</b>

### **Reserves – Group**

Group Reserves decreased from £14,019,000 to £13,227,000 at the year end. The breakdown is as follows:



	2022 £000	2021 £000
Law Society of Scotland	5,822	5,953
The Law Society of Scotland Services Limited	212	226
Scottish Solicitors' Guarantee Fund	7,193	7,840
<b>Total - Group</b>	<b>13,227</b>	<b>14,019</b>

Reserves held by the SSGF are legally designated solely for the purposes of the SSGF and are not available to the Society. At 31 October 2022 the SSGF reserves were £7,193,000 (2021: £7,840,000).

## The Society

The Society reports a loss (prior to the actuarial adjustments to the closed final salary pension scheme liability) of £5,000 for the financial year ended 31 October 2022 (2021: profit of £583,000).

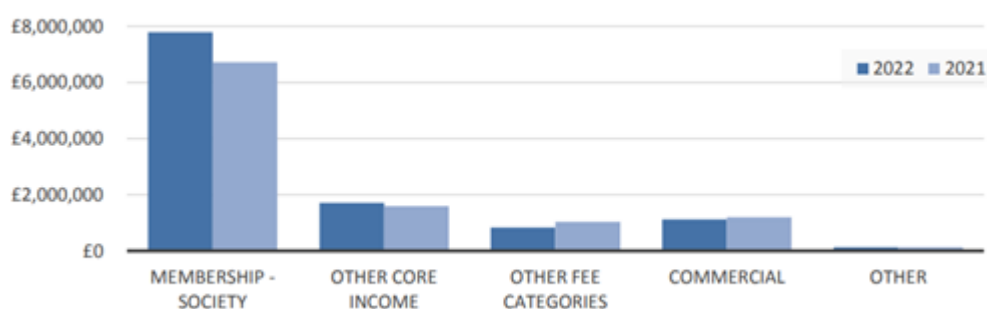
A significant reduction of £598,000 in the value of the investment portfolio held by the Society contributed to the overall loss of the Society. The Society is investing in funds for the longer term and the portfolio is managed according to defined criteria. The investment objective is to achieve a balanced return, seeking long term capital gains and some income. A medium risk profile is adopted.

Overall, the Society performed well at an operating level compared both with the budget set, and against the prior year, with an operating profit of £339,000 (2021: £76,000). Revenues began to recover, with a move in fees back towards pre-covid levels. Similarly, operations began to increase following the pandemic, with costs reflecting this welcome return to a more normal level of activity. One of the main items in the Society's Income Statement is the unrealised movements in investment values, and the general reduction in financial asset values during the year is reflected in the overall result for the Society, as outlined above.

Loss reported by the Society after actuarial adjustment was £131,000 (2021: profit of £475,000).

## Operating income – Society

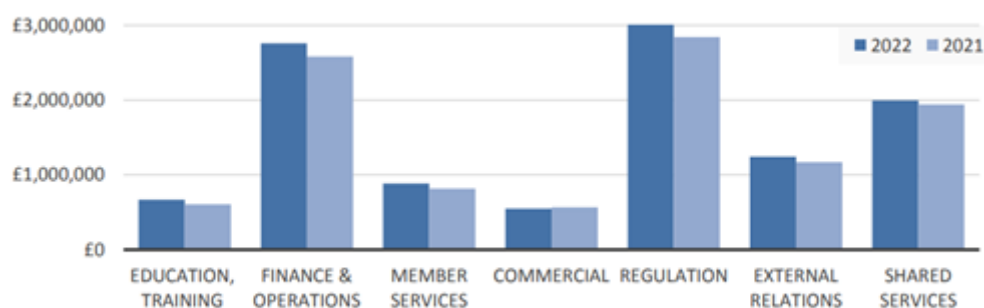
Income for the year (excluding investment gains) was £11.5 million, an increase of 8% from the previous year. Income is analysed as follows:



Membership income comprises practising certificates, retentions and non-practising member fees. Other core income comprises fees from regulatory activity. This includes an element of the Scottish Solicitors' Guarantee Fund accounts fee paid by firm principals towards financial compliance and interventions, recovery of costs awarded to the Society by the Scottish Solicitors Disciplinary Tribunal, and commission and recoveries from Judicial Factories. In the course of the covid-19 pandemic, the Society provided a support package amounting to circa £2.2 million over two years to the profession in the form of discounted membership fees. The practising certificate fee and accounts fee for the 2020/21 practising year were discounted by 20% resulting in a significant reduction in income compared to the previous year. This support package is delivered over two years, with a discount of 10% applied to both fee categories for the 2021/22 practising year.

## Operating expenditure – Society

Expenditure (excluding actuarial movements in closed pension scheme) was £11.2 million, an increase of 5.9% from 2021. Expenditure is analysed as follows:



While some of the reduced activity, which resulted from the Covid-19 pandemic, continued into the 2021/22 financial year, with a number of operations and events being conducted virtually, there began a welcome return to previous levels of activity. Costs continued to be managed closely throughout the year. Operating cost increased compared with the prior year across most areas, reflecting this return of activity, and the filling of a number of vacancies required to deliver these activities. While continuing to practice good cost control, inflationary pressures across the cost base, for people, programmes and operations, have also contributed to the overall expenditure increase compared with the prior year, together with continuing necessary investment in IT infrastructure and security.

## Pension debt and actuarial movement

The Society is responsible for a defined benefit pension scheme which was closed to future accrual from 1 May 2010. The most recent full actuarial valuation was carried out on 31 March 2019 by a qualified actuary, independent of the scheme's sponsoring employer.

The overall deficit shown by most recent valuation on 31 March 2019 was £1,423,000 (March 2016: £1,722,000) with the value of assets covering 86% (March 2016: 78%) of the value of the liabilities. The main reasons for the improvement in the funding level were the contributions paid by the Society over the intervaluation period, combined with better than expected investment returns and the adoption of new mortality tables. However, these factors were offset by changing market conditions, falling gilt yields and rising inflation which resulted in an increase in the value of the liabilities.

The deficit recovery repayment plan agreed in 2017 has resulted in aggregate contributions of £1,559,000 in the three years to March 2020. The Society meets the scheme running

costs as they fall due. The Society finalised negotiations with the scheme trustees in August 2020 to determine the next recovery plan. Following the finalisation of the March 2019 triennial valuation in 2020, the next recovery plan was agreed covering a ten-year period. £170,000 was paid in March 2020 as year 1 of the revised plan. From March 2021 for nine years, £99,000 will be due to be paid annually, increasing at a rate of 5% per annum, with £104,000 having been paid in March 2022.

Financial Reporting Standard 102 applies less prudent assumptions than those in the triennial actuarial valuation (as explained in note 13). Consequently, the sum paid to the scheme this year has resulted in a reduction in reserves as the FRS102 valuation resulted in a surplus. The valuation surplus is not carried as an asset in the financial statements as the Society does not have an unconditional right to any surplus funds remaining at the cessation of the scheme. The actuarial valuation reported a loss for the year of £126,000 (2021: £108,000).

At 31 October 2022 there was no scheme deficit for financial reporting purposes (2021: deficit £nil).

## Reserves

The Society's reserves reduced from £6 million to £5.8 million at the year end. The principal reason for this movement was the change in the value of the investment portfolio in the course of the year.

Council approved an updated Operating Reserves Policy in January 2021. The purpose of the Operating Reserve Policy is to ensure the stability of the activities and ongoing operations of the Society in support of the Society's strategy and annual operating plan. The Society's policy for operating reserves (excluding designated SSGF reserves) is to hold between three and six months' average operating cost for the Society. The policy makes provision for the lower end of this range, or the minimum target, to be varied to reflect changes in the overall business environment. The calculation of the monthly operating cost is based on projected expenditure in future periods. In setting reserve targets the Finance Sub-committee also recognises the remaining operating lease commitment for the rent of the Society's premises (note 16), as reflected in future cash flow projections.

Operating reserves cover calculation as at 31 October 2022:

	<b>£000</b>
Total Capital Employed	5,822
<b>Less:</b> Net book value of fixed assets	<u>(1,303)</u>
Reserves per policy (A)	4,541
<b>Projected</b> operating and capital expenditure for the next 12 months - Society only (B)	14,172
<b>Number of months' coverage from reserves (A / (B/12))</b>	<b>3.8 months</b>

The Operating Reserves Policy makes provision for a recovery period in the event that the use of reserves has been approved by Council and the supporting financial forecast indicate that two or more consecutive future year ends may see reserves measured below the minimum target level. During a recovery period, additional reporting and monitoring is required, including the review of a rolling 12 month forecast by the Finance Sub-committee and the Board on a quarterly basis. The above reserves cover calculation shows the Society

hold sufficient reserves to meet the requirements of the reserves policy and so is not considered to be in a recovery period.

The Finance sub-committee reviews the appropriateness of the policy on an annual basis.

## Financial statements

- [Download the signed financial statement 2021/22 for the Law Society of Scotland](#)
- [Download the signed financial statement 2021/22 for Law Society of Scotland Services Limited](#)

## Governance report 2021/22

### The Society's role

We are the professional body and regulator of Scottish solicitors. We have responsibility for promoting the interests of the solicitors' profession in Scotland and the interests of the public in relation to the profession. Our responsibilities as a professional body and regulator are overseen by both our Council and our Regulatory Committee. The Council consists of up to 48 seats, of which 31 are elected solicitor members, up to nine lay members, eight co-opted solicitor members, and such ex officio members as may be required.

### The UK Corporate Governance Code

We are a statutory body governed by the Solicitors (Scotland) Act 1980 with a constitution made under that Act and accompanying standing orders. We are committed to the principles of good corporate governance and seek to comply with the relevant parts of the 2018 UK Corporate Governance Code where it is practicable given our scale and operations.

### Strategic management

Our governing body is the Law Society Council, which sets the overall strategy as well as the annual corporate plan and associated budget. A new **five-year strategy for 2022-27** sets out how we will support members within a growing and well-regulated legal sector. It follows a two-year strategy implemented in 2020 in response to the Covid-19 pandemic. The Council manages the overall strategic direction for the Society within the context of the annual operational plan and annual budget. The Council also measures our performance against our annual operational plan within the context of our longer-term goals, as currently set out in our two-year strategy. The Council delegates the monthly oversight of our implementation of the annual operational plan to the Board. The Board is chaired by our President and is made up of the Vice President, Past President, Treasurer and five other elected Council members. Sitting beneath the Board is the Chief Executive, the senior leadership team and our managers, who all work together to implement the annual operational plan, deliver the organisation's strategy, as well as managing the Law Society on an operational basis.

## Governance

There are a number of checks and balances within our governance model which seek to ensure an appropriate and fair discharge of our statutory responsibilities as a professional body and regulator. These checks and balances include the monthly reporting of progress on the implementation of the annual operational plan to the Board and the Council. The regulatory functions of the Council are discharged by the Regulatory Committee through a delegated authority scheme in conjunction with the various regulatory sub-committees and our employees.

Our Audit Committee has, as one of its main roles, responsibility for reviewing and making recommendations on our internal control and risk management systems, in order to monitor and assess the effectiveness of those procedures and management and reporting systems. The convener of the Audit Committee reports to the Council on these matters as well as to the members at the annual general meeting. The Audit Committee also benefits from the provision of internal audit services provided by Wylie & Bisset CA.

We have a Finance Sub-committee chaired by a Council member who is the Society's Treasurer. The Finance Sub-committee has responsibility for producing and then presenting the annual budget for approval by the Council. The Finance Sub-committee also proposes the annual practising certificate subscription, first to the Council and then to members for approval at the annual general meeting in May. There is a Nominations Committee chaired by the immediate Past President member, which oversees the system for the appointment of members to our committees as well as making recommendations for the appointment of the conveners for such committees.

The Public Policy Committee is the principal representative committee in relation to the formation of public policy and law reform for the Society. Its modus operandi is now well established. This committee replaced the former Law Reform Committee. The principal role of the committee is to oversee all the public policy work that we undertake, and to ensure that it is in line with our year strategy.

## **Office bearers**

We have three office bearers: the President (who is the Chairperson of the Society), the Vice President, and the Past President. Each of these three office bearers takes office for one year. The Vice President becomes President, with the handover taking place at the Council meeting in May. The office bearers, together with the Chief Executive, are our main ambassadors and represent the Society at home and abroad.

## **Chief executive / Secretary**

The role of the Chief Executive is to provide the leadership and vision necessary to enable the organisation to be a world-class professional body, effectively representing the interests of its members, whilst setting and upholding standards that strive for excellence and ensure the public can have confidence in the Scottish legal profession.

The Chief Executive is accountable for the strategy, planning, and good governance of the operational aspects of all that the Society is responsible for. The Chief Executive is also formally the Secretary to the Society and is ultimately accountable for its good governance and compliance with all relevant legislation, both the specific Acts which govern the organisation and the general legislation which affects any organisation (eg employment law; equalities legislation; health & safety; the General Data Protection Regulation). The Chief Executive needs to have positive relationships with senior individuals in third-party organisations, including government ministers; senior members of the judiciary; CEOs of partner/sectoral organisations.

## Council

The Council's responsibilities are set out in statute, the constitution and the standing orders. The principal role of the Council is to approve the strategy, annual corporate plan and the annual budget for the Society. The Council also sets the most significant fees for members as well as recommending the practising certificate subscription for members to consider. There is also a code of conduct which sets out the standards of behaviour expected of Council members. The Chair of the Council is the President. Greater details of our governance arrangements are [available elsewhere on our website](#).

## The Board

The principal roles of the Board are:

- to provide guidance to our executive on initial drafts of strategy and the annual corporate plan, which will include resource plans, before their submission to the Council for approval
- to provide direction to both the executive and committees on any strategic-level initiative or project before submission to the Council for approval
- to monitor the Society's quarterly performance against our targets contained in the annual corporate plan and report any major variance to the Council
- to regularly monitor our financial performance against budget and to ensure that all risks identified in our risk register are managed and escalated to the Council for those which the Board considers to have the potential to have a high impact on the work of the Society, and with a medium to high likelihood of occurring

## The Regulatory Committee

The principal roles of the Regulatory Committee are:

- to ensure that the standards for the profession are set by way of making relevant and appropriate rules and guidance, to be applied in a uniform and consistent way and regularly reviewed
- to ensure on an ongoing basis that the internal processes, policies and procedures adopted by the regulatory sub-committees are effective, appropriate and proportionate in order to ensure the making of consistent regulatory decisions for the protection of the public and the profession and to ensure that the sub-committees comply with Section 3B(2)((a) and (b)) of the 1980 Act
- where any rules policy, process or procedural changes are not in the authority of the Regulatory Committee to change, to make recommendations for any changes to the appropriate governance group in the Society (eg the Council; the Law Society Board; Finance Committee; Chief Executive) or, in the case of rules, to a general meeting of members and the Lord President

**Loraine Strachan**  
**Executive Director of Finance & Operations**



## Assure

We planned to assure the quality of legal services, the public interest and the reputation of the profession.

### Key facts and figures



### Assure projects 2021/22

Action	Outcome	Complete / not complete
<p><b>Deliver an alternative route to qualification</b> We will expand the ways to become a solicitor by launching a work-based route to qualification.</p>	<p>Initial work for this project was carried out in conjunction with a university partner that subsequently withdrew from the project. We undertook further work internally on developing a work-based route to qualification built upon existing work-based alternatives to the LLB and the Diploma. Some initial concerns about blending those elements were raised by the Admissions Sub-Committee and further detail has yet to be considered by that sub-committee.</p>	Not complete
<p><b>Financial compliance and anti-money laundering</b> We will continue to embed our proportionate and risk-based approach to anti-money laundering (AML) regulation and the financial inspection of law firms.</p>	<p>We continued our development of a risk-based approach to inspection prioritisation to target areas of highest risk. The development of revised Accounts Rules was completed and will be implemented in January 2023. The revised rules have been modernised and simplified, while enabling further development of a risk-based approach through, for example, assessment of Cashroom Managers' Accounts Rules knowledge. The Law Society's AML team undertook a significant and unplanned exercise to assess members' exposure to risk related to Russia and Belarus and report to HM Treasury/OPBAS. A planned thematic review focused on the AML policies, controls and procedures within the profession was also advanced in the year. It will be published in 2023. We continued to engage with government in relation to AML fining powers, which has since been reflected in the draft Economic Crime and Corporate Transparency Bill. We carried out a review to improve the Law Society's ability to identify practice units at risk of financial failure and ensure regulatory resource can be allocated in accordance with the risk. A fully refreshed AML sectoral risk assessment was launched in March 2022. It provides an updated, much more detailed assessment of AML risks tailored to the circumstances, demographic and context of the Scottish profession. This is expected to be considered as part of firms'</p>	Complete



	own risk assessments and drive their AML policies, controls and procedures. Improvements to our risk-based approach to AML supervision saw additional dedicated AML resource; improvements to AML Sub-committee processes, procedures and decision-making criteria; AML team inspections processes and templates; lower-risk firm supervision; and availability of management information.	
<p><b>Fit and proper solicitors</b> We will ensure robust entry standards for the profession, by improving our policies and processes around the 'fit and proper' testing of solicitors.</p>	A revised draft of the fit and proper testing and guidelines has been developed. The proposals will be considered by the Admissions Sub-Committee in 2022/23.	Not complete
<p><b>Licensed Legal Services Providers</b> We will work with the Scottish Government to commence the licensing of new legal service providers with alternative business structures.</p>	Significant progress was made on the policies, processes and systems that will allow the Law Society to license and regulate legal services providers (LPs), new types of businesses that are licensed to provide legal services to the public. They will differ from a traditional legal practice, which can only be owned by solicitors, whereas LPs can be owned by other regulated professionals who are not lawyers. This work will be continued and completed in 2022/23 to allow applications to become a licensed legal services provider.	Not complete
<p><b>Reform legal services regulation</b> We will engage in the Scottish Government's consultation on legal services regulation and work to ensure reform is considered a priority within the Scottish Parliament.</p>	We submitted a detailed and comprehensive response to the Scottish Government's consultation on reforming legal services regulation in December 2021 to improve consumer protection and allow the Scottish legal services market to thrive. Since then, we continued to engage with the Scottish Government and were pleased to see plans for a new Bill to be included in the Programme for Government for 2023.	Complete
<p><b>Develop a regulatory impact assessment</b> We will develop and implement a new, robust method of assessing the regulatory impact of our solicitor practice rules.</p>	Principles in relation to a new regulatory impact assessment methodology were agreed by the Law Society of Scotland Regulatory Committee. The committee agreed that the executive should prioritise other work over the year and this objective will be completed in 2022/23.	Not complete
<p><b>Improve consumer liaison</b> We will engage with the new Consumer Scotland body and form our own independent representative consumer reference panel for consultation on key regulatory matters.</p>	Consumer Scotland was launched in the summer of 2022, subsequently resourcing and developing the organisation and creating work plans. It was therefore premature to engage Consumer Scotland in relation to our regulation. The work to set up our own consumer reference panel was nearly completed during the year as we awaited confirmation of representation on our consumer panel from other consumer bodies. The Society's new consumer panel is due to meet in January 2023.	Not complete

## **Regulatory Committee annual report 2021/22**

The Regulatory Committee has had another busy year executing the Law Society's regulatory function and contributing to regulatory strategy and policy.

As we emerge from the Covid pandemic, the committee has been keen to welcome back face to face meetings where possible, finding direct discussions to be more conducive to collaborative committee work focused on delivering its regulatory objectives and contributing to regulatory policy at the highest level.

### **Committee changes**

Following a short period as interim convener, after the departure of Craig Cathcart in December 2021, the committee was pleased to appoint David Gordon as its convener in April 2022. Under legislation, the convener is chosen by the committee from among its lay membership.

We welcomed three new members to the committee during the year. Jacqui Low and William Braes joined in the first half of the year as lay members, with Laura Connor joining later in the year as a solicitor member. The new members bring a wealth of knowledge and experience which will further enhance the committee's expertise and awareness of regulatory matters. Together, the committee brings a wide range of experience to serve the public interest from inside and beyond the legal profession including: litigation, in-house, academia, non-executive directorship, privacy and professional regulation.

In August Esther Duncan, solicitor member, stepped down from the committee to focus on other professional commitments.

October saw the sad passing of David Mair. David joined the committee in January 2018 as a solicitor member, and his significant contributions to the committee's work will be greatly missed.

Lindsay Leslie stepped down as a lay member of the committee in October, having been on a leave of absence since May. Between May and December, Lindsay's position was filled by Janet Moss as a co-opted lay member.

As we approached the end of 2022, the committee appointed William Braes as its lay vice-convener, supporting the role and responsibilities of the convener.

At the end of 2022, the committee had eight members (four solicitor and four lay members) with two vacancies. It is anticipated that these vacancies will be filled in early 2023.

### **Standing orders of the Law Society of Scotland**

In August the committee brought forward changes, which were subsequently approved by the Council, to the standing orders to increase the number of terms a member of the committee may serve, increasing from two terms to three.

The reasons were to provide consistency with the maximum number of terms members of its sub-committees may serve and also, more importantly, to retain the extensive and valuable knowledge and experience within the committee for a longer period

## Regulatory Committee remit

The committee was in collaborative and productive discussions with the Society's Council about reviewing its remit for the first time since it was agreed in 2015. The purpose of the review was to develop a remit more reflective of the committee's statutory responsibilities in delivering its independent regulatory function and the Society's constitution.

It is intended that the committee's new remit will provide greater clarity and certainty and will allow the committee to move forward with overseeing the Society's regulatory regime in a way that is proactive and proportionate and ensuring that the interests of consumers of legal services are and remain at the forefront of the committee's work.

## Rule amendments

The committee agreed two Practice and Account Rule amendments during the year:

- Accounts Rule B6 – several amendments were made, intended to provide improvement to definitions which have previously caused some issues for financial inspections.
- Conduct Rule B17 - Duty to Co-corporate with the Commission, which seeks to remind members of their obligation to engage and provide the Scottish Legal Complaints Commission (SLCC) with requested information in a timely manner.

## Legal services review

In November 2022, the committee appointed three members (the convener, one lay member and one solicitor member) as the committee's representatives on the Society's dedicated Legal Services Review Working Group. The working group membership is shared equally between the committee and the Council.

In December, the Scottish Government published its response and proposals for regulatory reform, following its consultation exercise in 2021. The committee welcomes many of the proposals which reflect the government's recognition and confidence in the Society and in the committee's track record in maintaining professional standards and protecting the public.

The committee is looking forward to engaging with the Scottish Government and other stakeholders as work progresses towards the introduction of a Bill to reform the regulation and delivery of legal services in Scotland.

## Regulatory consultations

With the assistance of its sub-committees and colleagues within the executive, the committee reviewed and approved three regulatory consultation responses, each relating to SLCC rule changes and its oversight powers.

## Success Fee Guidance

In the early part of 2022, the committee concluded and approved the Success Fee Guidance. This was a significant piece of work, that had taken almost 18 months of careful drafting and consideration, the focus of which was to produce guidance to accompany the Society's Style Success Fee Agreement (SSFA).

This guidance was produced to promote and encourage Scottish solicitors to use the Society's SSFA and to highlight the solicitor's responsibilities when doing so. The guidance highlights factors the solicitor must consider when advising the client, and those that must be drawn to the client's attention to ensure that the client is fully informed and understands the nature of the agreement which they are entering.

## Licensed legal services providers

As the Society moved forward to open its doors to applications from businesses seeking to be a licensed legal services provider in Scotland, under the Legal Services (Scotland) Act 2010, work picked up for the committee and its sub-committees to ensure that a robust regulatory regime is firmly in place.

The committee has delegated, where it is appropriate to do so, its decision making powers to its specialist sub-committees, while retaining overall oversight. In November the committee approved the complaints processes and procedures applicable to licensed legal services providers.

In 2023, and as work progresses at a swift pace, the committee anticipates a significant increase in matters that will need consideration and decisions before the Society can accept initial applications.

## Regulatory decisions

Throughout the year the committee considered and made decisions in many regulatory matters, in addition to those mentioned elsewhere in this report. These included:

- Agreeing to establish its Consumer Reference Panel and the panel's terms of reference. Work has progressed on this and the panel was scheduled to meet for the first time in January 2023.
- The committee agreed to establish a working group to consider if there are any regulatory gaps within its current regulatory powers that may be detrimental to consumer interests. The group is expected to report in early 2023.
- Agreeing several proposals to improve the complaints process to enhance and better manage the experience of complainers.

The committee is lucky to have the benefit of more than 100 volunteers across its many sub-committees, who all provide their time, experience and knowledge without financial reward and for the benefit of the profession and public. They all contribute significantly to the committee's regulatory work. The committee would like to take this opportunity to convey its thanks to all those volunteer members.

During the year the committee approved the appointment and reappointment of 19 sub-committee members. Notwithstanding the significant number of appointments, the committee is aware of the challenges faced by the sub-committees in maintaining their membership at quorate levels.

## Scottish Solicitors' Guarantee Fund annual report 2020/21

The Scottish Solicitors' Guarantee Fund exists to protect clients who have lost money because of the dishonesty of a solicitor or a member of their staff. The fund is paid for entirely by solicitor firms without the use of taxpayer money from government.

The fund was created by statute under S.43 of the Solicitors (Scotland) Act 1980. The Scottish Solicitors' Guarantee Fund trades as the Client Protection Fund.

The Law Society of Scotland's Client Protection Sub-committee has delegated authority for all claims and investment decisions. It further delegates minor claims to the Director of Financial Compliance, with these decisions being sample checked by the sub-committee regularly.

[Download the full annual Guarantee Fund report and financial statements](#)

## Professional Conduct Complaints 2021/22

The Law Society investigates conduct complaints made against Scottish solicitors. The Society has the power to make findings of unsatisfactory conduct. In more serious cases it can prosecute a solicitor for professional misconduct before the independent Scottish Solicitors' Discipline Tribunal.

## Complaint investigations and decisions 2021/22

### Complaints investigations in 2021/22

The number of complaints we received	205
The number of investigations closed	248
The active investigations at year end	358

### Professional Conduct Sub-committee decisions

Complaints rejected	159
Complaints continued	16
Misconduct (solicitor referred to fiscal for prosecution before the tribunal)	28
Misconduct (solicitor not referred to fiscal for prosecution before the tribunal)	0

### Unsatisfactory professional conduct (UPC)

Censure	2
Censure and fine	3
Censure and training order	0
Censure and training order	0
Censure, fine and training order	9
Censure, compensation and training order	1
Censure, fine and compensation	22
Censure, fine, compensation and training order	0

### UPC fines

Total fines	£18,600
Total compensation	£30,470

## Gender pay gap report 2021/22

We have published our gender pay gap figures since 2018 in accordance with the statutory reporting regulations. The UK Government requires businesses and organisations with 250 staff or more to report their gender pay figures annually. With around 140 employees, we report voluntarily as part of our commitment to equality and inclusion.

**You can read our most recent report for 2022 [here](#)** and more on our EDI work in the **Equality and Diversity** section of our website.

## Influence

We planned to preserve an independent solicitor profession and fair legal system. From 1 November 2021 to 31 October 2022, we focused on doing this through the following activities.

### Key facts and figures



### Influence projects

Action	Outcome	Complete / not complete
<p><b>Not proven verdict</b> We will make sure the interests of justice are preserved in the Scottish Government's review of the three verdicts system.</p>	<p>We responded to the Scottish Government consultation on the three verdicts and other reforms, indicating our opposition to the abolition of not proven or to the removal of the requirement for corroboration. Other reforms, such as changes to jury majorities or wider independent legal representation in sexual offences cases were areas that we believed further consideration could be helpful. We will continue to make these representations as we await the publication of a criminal justice reform bill by the Scottish Government in 2023.</p>	Complete
<p><b>Overseas business opportunities</b> We will work to ensure the legal sector benefits from the UK's new and emerging trade agreements.</p>	<p>The Law Society has agreed a new international strategy for 2023 onwards. We supported the International Council for Commercial Arbitration (ICCA) 2022 in Edinburgh, helping to promote our members to an international audience, and worked with the Department for International Trade (DIT) to educate members on overseas opportunities.</p>	Complete
<p><b>Our international position</b> We will review our international engagement and member support post-COVID and transition to new ways of working following changes to our Brussels Office contract.</p>	<p>Our new international strategy was approved by our Council in October 2022. This sets out clear objectives for our international activity and engagement, and takes account of the decision of the Law Society of England and Wales to close its Brussels Office, an operation which we had received a number of services from.</p>	Complete
<p><b>The courts</b> We will engage with the Recover, Renew and Transform (RRT)</p>	<p>We engaged regularly with the Scottish Courts and Tribunals Service and other stakeholders around managing down the court backlog through the year. A particular focus was around the use of virtual custodies as a response and we expressed</p>	Complete



<p>programme, ensuring our members' views influence the process and that arrangements for addressing court backlogs are fit for purpose.</p>	<p>our concerns at the stage that Coronavirus legislation extended the powers to conduct virtual business until at least 2023 and potentially up to 2025. We also supported the development of Evidence and Procedure Review (EPR) pilots allowing for earlier disclosure, and looked to resolve legal aid issues that might impede this work.</p>	
<p><b>Legal aid</b> We will ensure legal aid firms are effectively supported through the changes to our courts and press the Scottish Government to create sustainable fees levels and structures on legal aid.</p>	<p>Work through the year focused on the need for additional funding to address the current legal aid crisis. The number of firms providing legal aid continues to decline, even as the number of court cases increases to address the backlog developed during the pandemic period. An additional funding package of £11 million was offered by Scottish Government and will be implemented in April 2023. This comprised a 10.3% increase to civil and children's legal aid fees on a global basis, and a fee reform package for criminal legal aid fees intended to achieve the same increase overall. Initial work was undertaken on the need for an effective, periodic fee review mechanism, and on the reforms likely from the Legal Aid Reform Bill, which remains expected within the current parliamentary session. We also conducted a public-facing legal aid campaign, highlighting the lack of provision of legal aid in deprived communities across Scotland.</p>	<p>Complete</p>
<p><b>Complaints handling</b> We will work with the Scottish Government and other stakeholders to secure approval of reforms to the complaints system, and review our own processes so conduct complaints are dealt with as effectively as possible.</p>	<p>Significant improvements were made to our internal conduct complaints processes over the year, including implementing new document management policies and a new Reporter's Recommendation template. The Scottish Solicitors' Discipline Tribunal had not yet published its consultation on its Rules, so this work will be carried forward to the 2022/23 year. The Scottish Government decided to postpone amendments to the Legal Profession and Legal Aid (Scotland) Act 2007. Its intention is to include the changes in the general legal services reform Bill to be brought forward in 2023.</p>	<p>Not complete</p>



## Evolve

We planned to maintain our financial sustainability and support a recovering legal services sector. From 1 November 2021 to 31 October 2022, we focused on doing this through the following activities.

### Key facts and figures



### Evolve projects

Action	Outcome	Complete / not complete
<p><b>Grow our associate member categories</b> We will further increase the numbers of Lawscot associate members, both in and outside of Scotland.</p>	<p>There was a net gain in accredited paralegal numbers for the year, despite slightly higher lost members than anticipated. We ended the year with 595 accredited paralegals, approximately a 2.5% increase. There are now 45 Law Society of Scotland Fellows, rising from 35 in the previous year. Legal technologists gained three new members and retained all of those from the previous year, ending on 14.</p>	Complete
<p><b>Financial support</b> We will continue to build our commercial income, allowing us to support the sector's recovery by minimising core membership and practice fees.</p>	<p>We successfully achieved commercial income of £1.12m for the year, exceeding our target by 23%.</p>	Complete
<p><b>IT transformation - core systems</b> We will review and implement changes to our core IT systems, including</p>	<p>We enhanced security and resilience across all our systems including our membership CRM and internal collaboration e for managing our and document management. We defined our requirements for new membership management and</p>	Complete

<p>our central database for managing our membership.</p>	<p>finance systems, with implementation due to take place in 2022/23.</p>	
<p><b>IT transformation - infrastructure</b> We will drive forward improvements to the technology infrastructure underpinning our work, enhancing performance, connectivity, security and resilience.</p>	<p>A new IT strategy for 2022-25 was approved by the Law Society Board. This will support all five pillars of the five-year Law Society strategy. New project management and change management methodologies have been implemented, with supporting processes and templates to ensure the success of the IT Transformation project. We introduced a new modern wi-fi system for easier maintenance and increased security. A new phone system has been implemented which can support a hybrid working environment. A new video conferencing system has also been implemented. We introduced improved cybersecurity education for colleagues.</p>	<p>Complete</p>
<p><b>Hybrid working</b> We will plan and design our office space to fit the future of hybrid working for staff, volunteers and members.</p>	<p>The office space at Atria One has been reconfigured to create flexible and collaborative working space for new hybrid working patterns. Meeting rooms have been improved, with new video conferencing equipment. We also surrendered a part of the office which brought a significant cost saving.</p>	<p>Complete</p>

## Support

We supported members to meet the challenges of a recovering legal services market and economy. Between 1 November 2021 and 31 October 2022, we did this by carrying out the following activities.

### Key facts and figures



### Support projects

Action	Outcome	Complete / not complete
<p><b>Lawscot Tech</b> We will complete our current LawscotTech strategy; agree a new strategy for beyond 2022; promote legal technologist accreditation; and embed legaltech in the route to qualification.</p>	<p>Work from the previous Law Society strategy, which ran from 2020 to 2022, was completed, with wider strategic aims included in the Law Society's new strategy 2022-2027. In other work, a roundtable was held with LawscotTech community members to inform plans for 2023; recruitment of new Advisory Board members began as the governance review was complete and restructure approved; Legaltech courses were offered by several of the Diploma in Professional Legal Practice providers, with courses increasingly leaning towards technology content. The Law Society's CPD team also launched the Legal Tech for All Lawyers Foundation Course, a series of on demand 15-minute microlessons, in September 2022 to help members better understand tech terminology and the role and future of</p>	<p>Complete</p>

	tech, allowing them to improve in their practice and drive their firm forward. Since its launch, 40 solicitors have passed this course.	
<b>Social mobility</b> We will enhance our work on social mobility, helping to bring down the barriers that stop talented people from entering the legal profession.	Our social mobility annual objectives for the year were met. Nine new students were selected for the Lawscot Foundation in 2021-22. In addition to the bursary, each was matched with a mentor and, throughout the year, a number of career development opportunities were made available to the students. We also ran our Celebrating Inclusion event and Law Fair in October 2022, which was open to students from all 10 LLB universities to attend for free. Our long-running Street Law programme delivered 14 programmes within schools around Scotland and specialist training to deliver the sessions was provided for 35 Street Law trainers. A new strategy was also drafted for next year to improve the project. We also put on 10 online Street Law sessions throughout the year at external events, such as with our sponsor Pinsent Masons and at the University of West Scotland. A total of 64 schools took part in the Donald Dewar Memorial Debating Tournament 2022, with the final taking place at the Scottish Parliament.	Complete
<b>Equality and diversity</b> We will continue to promote the benefits of increased diversity throughout the profession, focusing on gender equality, racial inclusion and disability.	We published the report of the Racial Inclusion Group and worked with the profession to understand the findings of that report. We began a plan to implement our response to the Group's report and this will continue into 2023. Our Gender Equality Action plan, stemming from roundtables held in 2019, successfully ended with all milestones met. We hosted a number of disability-focused events in 2022, including a session with Scottish Autism, a session on disability inclusion in the profession, and a focus on the work of the Legal Service Agency's Disability and Social Justice Project. We enthusiastically supported the foundation of a new group for disabled solicitors. This was part of a wider range of free equality events hosted over the year covering pay and progression, bystander training, sexual harassment, improved line management and many more. Hundreds of members attended these free sessions. Our inclusion calendar commemorated, celebrated and marked important dates, including a Pride event co-hosted with a large law firm, messages around International Day Against Homophobia, Biphobia and Transphobia (IDAHOBIT) and work around Black History Month amongst many other matters raised.	Complete
<b>Digital signatures/cards</b> We will ensure our Smartcard meets the changing needs of the legal sector, evolving its use as digital ID and in electronic signatures.	The Smartcard was delivered throughout Scotland during 2022 and to members in England and Wales. We continued to work with our Spanish partners to deliver a cloud-based solution, which we expect to see within the next two years. Our Qualified Electronic Signature guidance was reviewed to ensure it remains up to date.	Complete
<b>Member engagement</b> We will grow our member	Our member engagement activities evolved over the course of the year, taking a flexible approach to hosting online	Complete

<p>engagement programme through high-quality content that helps our members to recover and build resilience for the future.</p>	<p>versus in-person events. We completed the 2021/22 presidential tour as a series of virtual meetings and will return to an in-person roadshow for the 2022/23 tour. Ten presidential visits took place. Online, we hosted: four faculty leaders' forums; five events for in-house solicitors; one fellows' forum; one sole practitioner and high street event; and the strategy engagement forum. In person, we hosted a number of events, which included our annual dinner; the inaugural Law Society Fellows' lunch; a General Counsel roundtable; a reception for our members in England and Wales; conference stands at the International Council for Commercial Arbitration, World Congress on Adult Capacity and the Society's Annual Conference; as well as tables at corporate lunches and dinners. Our big firm engagement focused on hosting key individuals as guests at events and supporting our chief executive's schedule of introductory meetings with managing partners at law firms.</p>	
<p><b>CPD &amp; training</b> We will build on the success of our accessible online programme of continuous professional development (CPD) and training, growing content and introducing hybrid conferences that return in-person learning.</p>	<p>We had 5,360 paid registrations attending our CPD and training during the year, up from 4,756 last year. Of these, we had 250 attendees in person at our two hybrid flagship conferences, Law and Technology and our Annual Conference 2022. The Annual Conference ran with 397 registered delegates, our highest number to date. The Law and Technology Conference ran in September, with 413 registered delegates. Our online portfolio saw the addition of 37 new seminars and conferences during the year, totalling an additional 210 hours of new CPD content online. Our Certification Courses grew in number and popularity – we now run seven courses and certified 177 members during the year. The Trauma-Informed Certification Course is first of its type amongst UK law societies and has been nominated for legal awards.</p>	Complete
<p><b>Support resilience</b> We will ensure our suite of services and guidance responds to the demands of the recovering legal sector, including business resilience, use of technology, and health and wellbeing.</p>	<p>Our strategic partnership programme ensured a range of sector-specific offerings in the fields of wealth management, anti-money laundering, cyber and resilience, finance, and accountancy. The Cloud Computing Guide, Electronic Signature Guide and IT Procurement Guide were updated and published. We reviewed and published best practice guidance on our website. Our Member Benefits programme offered a range of services to members from over 25 businesses and authored over 50 articles pertaining to legal services and market needs across our media channels. The New Partner Practice Management Course now includes wellbeing, equality and diversity, and legal tech as part of the compulsory elements for all new partners of law firms.</p>	Complete
<p><b>Reduce complaints</b> We will help our members use best practice guidance on preventing complaints and managing complaints when they arise.</p>	<p>We continued to publish best practice guidance on our website and promote this to our members via the Journal, Lawscot News and our other communications channels. This has included the importance of cooperating with the complaints process. A new rule was introduced to codify that expectation. The Practice Management Course, which is mandatory for all new partners at law firms, also features</p>	Complete

	speakers from the Scottish Legal Complaints Commission and the Law Society's Professional Practice team to provide information that can help solicitors prevent complaints occurring, for example by ensuring good client communications, and to manage those which do arise.	
--	---	--



## Excel

We planned to excel as a world-leading professional body with technology and inclusion at its core. From 1 November 2021 to 31 October 2022, we did this through the following activities.

### Key facts and figures

## Strategy

We launched our new five-year Strategy 2022-27



Law Society of Scotland  
**Strategy**  
2022-2027

## Awards

We were awarded the Investors in Diversity accreditation



**Investors  
in Diversity  
Award**

Achieved.  
Valid Until  
December 2023

### Excel projects

Action	Outcome	Complete / not complete
<p><b>Equality, diversity and inclusion at the Society</b> We will be a leading organisation and employer on diversity, obtaining a national accreditation which recognises this work.</p>	<p>During the year, we were awarded the Investors in Diversity accreditation. We have agreed an action plan with the help of the National Centre for Diversity to ensure we will be on track to be re-accredited in 2024.</p>	Complete
<p><b>Our impact on the environment</b> We will lessen our impact on the environment by agreeing and implementing a new carbon management programme.</p>	<p>An updated carbon footprint assessment and carbon management programme were completed, reflecting a base year and two years of carbon footprint data. Our travel policy was updated to reflect our commitment to the environment, encouraging the use of public transport and active travel, while discouraging short-haul air travel.</p>	Complete
<p><b>Our governance</b> We will design and implement new policies and processes for the effective management of</p>	<p>We significantly improved our committee recruitment activities to ensure that we can attract excellent candidates to join our committees. This was achieved by an improved application process; adverts placed in strategically targeted platforms not used before; improved committee content on our website; a</p>	Complete



<p>our committees, as well as key operational processes.</p>	<p>more consistent selection process across committees; and a dedicated member of staff. Further recommendations have been incorporated into the Society's Annual Plan for 2023. A detailed policy gap analysis was completed within the Law Society's Finance and Operations Directorate. A number of policies were amended, or created, within the Finance, IT, Governance, and Member Registration areas.</p>	
<p><b>A new five-year strategy</b> We will agree a new five-year strategy for 2022-27.</p>	<p>The Law Society's new strategy was developed with input from our members. We hosted an online forum in February 2022, which was open to all members to attend, where we operated facilitated breakout discussion groups on various themes to draw on their experience and insight, in addition to contributions from the Law Society's Board, Council, committees and staff team. The strategy was formally launched on 20 October 2022 at an online event for members and was publicised through our main communications channels, including social media, Lawscot News and the Journal. The new strategy is available to read on the Law Society's website.</p>	<p>Complete</p>
<p><b>Value for money</b> We will maximise our value for money by implementing a revised procurement policy and associated new processes.</p>	<p>We made good progress with the implementation of a procurement policy and a contracts register. A key part of improving our purchasing process, however, is the implementation of a new finance system. This project forms part of our wider IT Programme and Strategy, which is on track overall, but was not completed in the year under review.</p>	<p>Not complete</p>
<p><b>Cyber security</b> We will work towards our medium-term goal of security accreditation by continuing to implement the agreed recommendations from our review of our IT security.</p>	<p>We put in place a programme of work focused on cyber security improvements based on an independent audit allowing us to prioritise accordingly. Significant progress was made through various workstreams including new wi-fi and telephone systems. We introduced cyber security training for all colleagues, continuing our work to educate colleagues on the risks around cyber security.</p>	<p>Complete</p>