



## Dear Colleague

This will be my first Society AGM as CEO, having been in post since January.

It has been a busy time as I've got to grips with the complexities and variety of all the Society's activities and the profession's work. I have really enjoyed meeting government and organisations but most of all I have enjoyed getting out to meet you, our members, to hear about your needs and expectations of your membership organisation, which have, if anything, increased in the economic downturn. I would like to share with you some of my early impressions.

I have found that many think of the Law Society of Scotland simply as a 'regulator', but the range of activities undertaken by the staff, Council, Committee members and volunteers from across the profession have an important impact on civic Scotland. We represent your views, we challenge and inform government policy, legislative and judicial change and assist in developing the professional infrastructure and services which help you to deliver an excellent standard of service and advice to your clients. We do that for all members whether you are in private or in-house practice.

I was heartened to see the Society's level of engagement with you, our members, and the general public. I was aware of the engagement and information through the Journal, website, e-bulletin and other communications but had not really understood before I arrived that

- we visit many local faculties and firms of solicitors every year (over 40 visits since Nov)
- we receive 94,000 incoming calls a year from the profession and the public
- our Professional Support teams alone receive around 45000 emails from members looking for advice or information on professional rules and guidelines, training, development and legal education
- we run over 100 training and development events for upwards of 5,000 delegates – equivalent to almost half our members attending one of our events

As the 'new start' at the Society, I've also been looking at some of the Society's recent wins for the profession which your Council, Office Bearers and I are determined to build on as we move forward.

For example:

- last month we convinced Abbey to reinstate all solicitors with ongoing transactions to their panel and to reconsider panel membership
- we successfully argued that the government should pay the start up costs of the Scottish Legal Complaints Commission (SLCC). Solicitors in England and Wales face paying start up costs of £13.7m for the Legal Services Board
- we made sure that the SLCC had sifting powers to avoid the Society/SLCC having to investigate every complaint regardless of merit – at significant additional expense to even the present costs

- we successfully argued that the Society should not be subject to an overarching ombudsman, which would have added further cost
- we successfully argued for reductions in the SLCC budget from £409 (full year one) to £275 in 09/10
- during 2005/6, we successfully defended the status of the Master Policy during the OFT investigation following claims that the policy was anti-competitive. Colleagues in other jurisdictions arrange their own PI insurance and are unable to enjoy the 'bulk-buy' of the Master Policy which is overseen by our experienced Insurance Committee and Registrar
- The Society is central in steering the current debate on alternative business structures (ABS). Having debated and canvassed the profession the Society ensured that your views on access to justice, client needs, level playing field and the Scottish marketplace are shaping the government's proposals on ABS's for Scotland.
- we set up the Regulation Liaison Team to represent the membership's interests when dealing with the Complaints Commission and to help members understand changes in regulation.
- we introduced revised Professional Standards for solicitor's conduct and service

These examples represent some of the work 'behind the scenes' in which there is an investment of an **equivalent** proportion of your PC Fees to the investment in the Society's regulatory function (of which you are probably more aware) is made. In the 2007-08 year, Regulation accounted for 40.24%, Representation and Support 40.32%% and Registration and Membership 19.45% of our costs.

#### Representation

Representation is critical for the profession. Government and the parliaments prefer to deal with professional bodies. Our integrity, reputation for fair dealing and a stated objective of promoting the interests both of the profession and the public are recognised and welcomed by many.

#### Members' involvement

The Society's highly organised committee system ensures that our members are supported in working directly with government and civic Scotland on legislative reform and business development.

Committee involvement also allows members to raise the profile of their organisation as well as their profession. I'd encourage you to watch out for the regular advertisements in the Journal and press for committee members, and to bring your expertise and experience to the work of the Society, on behalf of your profession.

#### Rules and Guidelines

We constantly monitor, review and publish practice guidelines for the profession which react to changes on the market and the law. Recently we have issued guidance on interest on client accounts, liability on client accounts in the event of a bank collapse, settlement by cheque and loan redemption, acting as a director of a client company and file management - document control and tracking, archiving and scanning, ownership and destruction.

#### Finances

Looking more broadly at the Society's finances, Jamie Millar, our outgoing Treasurer who becomes our Vice President in May, has done an excellent job in stabilising the Society's financial position. This stability enabled us to freeze the practising certificate fees for the year 2008-09. Jamie has worked with the senior management and finance staff to bring rigour to our

financial planning, oversight of expenditures and running costs. Investment in document-handling and record-keeping systems is helping to streamline the business. We will continue to drive efficiency and cost savings in the forthcoming years.

#### Planning, modernisation and improvements

The Society's corporate planning process now ensures critical examination of all areas of our business in pursuit of value-for-money and efficiencies.

This has been backed-up with management decisions taken this year:

- to reduce our headcount from previously agreed levels
- to implement an on-line system for managing staff and Council/committee expenses
- to use temporary contracts and agency staff to fill essential vacancies
- and our staff have accepted a pay freeze

These actions have reduced our running costs by around £300,000 and were taken in response to downturns in revenues from other areas of the business affected by the economic situation – such as income from training, Journal advertising and sponsorship.

Our goal is to deliver member services and our statutory obligations in a cost-effective way. Last year the Treasurer delivered a budget which ensured a zero increase in the cost of the PC. This year we are committed to go further and deliver a reduction in the PC fee. We are acutely aware of the pressures on our members in every sector who are balancing their own budgets and having to reduce costs in difficult economic times.

The cost of membership of the Society in Scotland continues to be lower than most UK and European jurisdictions.

In summary, I want to assure you that in my role as CEO of the Society I am committed to delivering effective representation and relevant, effective and value-for-money support and services to you, our members. I hope this outline gives you an idea of the tremendous experience, skill, initiative and commitment at the Society. The work on modernising the Society is already delivering positive results and I intend to deliver more. I know that your Council, Office Bearers and the Society staff share that commitment.

I am asking you to support that commitment and our undertaking to deliver regulation and representation on a lower practising certificate fee at the AGM. Detailed fee costs will then be brought to the SGM in September once the budget planning is completed. I am asking for your support so that the Society can support you and the profession of the future.

I look forward to meeting you at the AGM but if you cannot attend then please send your proxy in favour of the Council's motion to our Registrar or give it to a colleague who is attending.

Kind regards,

Lorna Jack  
Chief Executive