



Leading Legal Excellence

Our strategy 2015-2020

Foreword



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The legal market is going through unprecedented change. The challenge and opportunity of the digital era coupled with new expectations from clients requires those within the legal profession to adapt, to innovate, to modernise, to take risks and grasp new opportunities.

There have been other changes such as the significant rise in the use of paralegals, legal executives and legal technicians. We have also seen a growth in legal outsourcing centres, often staffed with non-solicitors. Even without the provisions of the 2010 Act on alternative business structures being enacted, we have seen new and innovative business models being used by firms.

The general state of the Scottish and UK economies has also changed. When we published our last strategy in 2011, the economy remained in a fragile state. More recent evidence suggests the economy is on a stronger road to recovery with welcome rises in employment.

Economic forecasts for 2015 are predominantly positive with both the manufacturing and services sectors expected to grow.

That is why our Council felt it was the right time to review the Law Society's longer term strategy. When we did, we realised that just like the changing legal market, the Law Society had to change its approach too.

We recognised that, if we are to assure the public, serve our members, influence our stakeholders, to excel and grow as an organisation then we needed to once again look forward and pick up our pace of modernisation.

Put simply, we needed to be bolder, more ambitious and even more effective.

That is why we are publishing this new strategy *Leading Legal Excellence*. It comes after listening to and speaking with those working throughout the legal market. We sought to consider the challenges they face and understand how the market will develop over the coming years.

This strategy sets new objectives and stretching targets. At its heart is a determination to be relevant to our members and the wider public. To do this, we need fresh thinking and to challenge our traditional ways of working.

This includes opening up the Law Society membership to those who make such a significant contribution to the success of the legal sector but who are restricted from joining us because they are not solicitors. It includes an ambitious effort to grow our commercial income, exploiting the benefits which come from our new offices. It also includes a broadening of the support we offer, so that every member has the opportunity to use a Law Society service every single day.

We now want to use this strategy to spark a conversation with our members and other stakeholders. We want to engage people right across Scotland and beyond.

Our aims are simple – to lead legal excellence, to be a world-class professional body and to deliver for all those who rely on us and the services we provide.

When the Law Society published its last strategy in 2011, we predicted some big changes:

A consolidation of private practice, with fewer larger firms emerging from acquisitions and mergers

An impact from continued reductions in public spending

A need for some legal firms to look outside of Scotland to sustain their businesses

The growing commoditisation of legal services

A legal profession which would become younger, with the gender balance swinging decidedly towards females

Reforms to our courts and further devolution of power from Westminster to Holyrood

All of these things have come to pass.

The context for this strategy

Economic

After the worst economic downturn in a generation, there are many reasons to be cautiously optimistic about the state of the Scottish and UK economies.

Current levels of low inflation and interest rates coupled with high levels of employment and business investment have created more positive expectations in terms of economic performance over the coming years.

There do however remain challenges such as the continuing uncertainty within the Eurozone alongside weaker economic forecasts for some other developed and developing countries. Even here in the UK, poor relative rates of productivity are seen as a barrier to higher levels of growth.

The election of a majority Conservative Government in May 2015 means the UK can expect further significant reductions in total public spending in a bid to cut the fiscal deficit. The UK Government has also given a commitment not to increase income tax, national insurance or corporation tax.

Meanwhile, the Scottish Government has also continued to promote a pro-business and pro-growth agenda. As such, we expect Scotland and the UK will retain comparably competitive positions for businesses to grow and create employment. This in turn creates a potential positive impact for the legal profession in terms of increased commercial business in the private sector.

Even taking into account changes in the devolution settlement, changes in total UK public spending are expected to have significant consequences for the Scottish Government budget. This will have an impact on legal professionals working throughout the public sector as well as those firms who are contracted to carry out legal work on behalf of government departments and public bodies.

In developing this strategy, we looked carefully at the external environment in which we and the legal profession operate. We spoke with members and stakeholders to understand how the legal market would likely develop up to 2020 and beyond.

The Legal Sector

We expect the legal profession to continue to become younger and more female overall. Leadership will be required if the challenges on gender equality are to be tackled.

Females continue to lag behind in terms of pay and seniority, even though new female entrants to the profession outnumber men by two to one. We know work will also be required to tackle other diversity issues such as race and socioeconomic background where there has been limited progress over recent years.

Through the work and reputation of Scottish universities, we expect to continue to attract high quality individuals in terms of studying law. However, given the competitive market that exists, we expect the career options facing legal graduates to become even wider.

We also used our external political and business relationships to understand the wider changes we can expect over the next five years.

We used all of that intelligence to shape our thinking. In some cases, we have also chosen to make informed assumptions and assess how that will impact the legal profession.

The number of employed solicitors within private practice and in-house solicitors will continue to make up an increasing proportion of existing membership. We also expect further structural change in the form of increasing employment of other legal professionals, such as legal executives and paralegals, and a continued outsourcing of legal work.

We expect the consolidation of private practice to continue, maintaining the trend towards fewer and larger legal firms. This will include large cross-border entities which will continue to be major employers of Scottish solicitors but who will be headquartered outside the Scottish jurisdiction.

We also expect a continuation of the trend which has seen legal firms adopt new alternative business models even without the provisions of the 2010 Act on licensed legal services providers. This creates some risk around pockets of unregulated legal services and we will need to be vigilant in terms of maintaining consistent levels of consumer protection.

As the market responds to the challenges and opportunities of globalisation, we also expect more law graduates to seek an internationally recognised and portable qualification that allows them to practise across traditional jurisdictional boundaries.

To that end and in line with recent trends, we expect a rising percentage of our members to live and work in other parts of the United Kingdom and an increasing number based in other countries around the world. ▶

Social

Thanks in part to the revolution in digital communications, individual, business and institutional consumers of legal services are more informed and have more choice than ever before.

Latest marketing research has served to underline the importance of trust in building customer loyalty and repeat business. Access to the internet has empowered people in terms of accessing information for themselves with comparison sites and social media allowing for an unprecedented exchange of information. All of this is expected to increase the importance of brand and reputation.

This will require the providers of legal services to concentrate on delivering consistency and excellent customer service. For the Law Society as a professional body, it requires a relentless focus on setting and maintaining excellent professional standards whilst seeking to build the brand and reputation of our members.

The effects of the economic downturn have also driven consumers to seek increased value for money as well as greater certainty over legal costs through more commoditised services. This all places pressures on the margins of firms working in the legal sector and presents opportunities for those who innovate to meet such client demands.

Coupled with the general improvement in the economy, we expect changes within society to contribute to further growth in the legal services market. The propensity of legislatures and institutions to create new laws and regulations creates new legal requirements and demands for legal services. Even within Scotland, the transfer of work from the highest courts to local courts and a sustained push on the use of alternative dispute resolution, both for individual and corporate cases, creates new sources of business.

Political

We expect the political position within our immediate jurisdiction to remain highly fluid.

This follows the referendum on Scottish independence which led to unprecedented levels of political engagement and activism.

The Scottish result from the UK general election also provided one of the greatest structural shifts in politics in the last 100 years.

We know that further powers will be delivered from Westminster to Holyrood which will give Holyrood greater ability to create new laws and set different policy priorities.

However, we also expect the fundamental questions to continue. Whatever individual views on the position of Scotland within the UK, there is much expectation that a further referendum on Scottish independence will be held in the next ten years. More immediately, there is the vote on whether the UK should remain a member of the European Union. Both debates create uncertainty and the outcomes of both will bring major implications for the Law Society and those we serve.

Nevertheless, the Law Society starts from a position of strength in having excellent relationships with both governments and across the whole political divide.

More immediately, we know the current Scottish Government is committed to continuing its programme of reform to criminal law, civil law and our wider justice system and taking forward a major programme of modernisation and digitalisation of our wider justice system. The Law Society will need to play a full and active role as these debates proceed.

How we will deliver

This strategy will be at the centre of our thinking as we head towards 2020. In order to be open and transparent with our members and stakeholders, we will publish an operating plan for each of the next five years.

This will detail the activity we believe is necessary to meet the aims and objectives set out within this strategy. Our staff team will report on the progress in meeting that annual plan to the Law Society Board and Council each month and regularly report on a series of challenging key performance indicators.

We will publish a full annual report each year to explain what we have done and report on our progress in meeting our goals.

Our strategy

This strategy's purpose and mission describes what we are fundamentally aiming to do and what we are trying to be.

Our purpose is to lead legal excellence – this reflects our leadership role and our pursuit of excellence, taking us beyond simply being successful and respected and recognising that our members operate in and outside of Scotland.

Our mission is to be a world-class professional body – if we are to lead legal excellence then we need to benchmark ourselves in international terms.

We then agreed five strategic goals that if delivered would allow us to meet our purpose and mission.



We will **ASSURE** our members' clients and employers by setting and upholding standards that ensure they receive excellent legal and customer service.



We will **SERVE** our members through a detailed understanding of their needs, providing tools and services which they can use every day.



We will **EXCEL** by operating as a world-class organisation.



We will **INFLUENCE** the creation of a fairer and more just society by being an international centre of excellence in thought leadership.



We will **GROW** our membership and income by being a vibrant, influential and inclusive organisation.



We will ASSURE

We take our duty to the public extremely seriously. From the pages of statute to the activities of our Council and staff, we have a responsibility to protect the public interest and maintain the reputation of the profession we serve.

Setting excellent standards must always be the highest priority for any world-class professional body. If we are to lead legal excellence then we must set and enforce high standards for individuals, from the route to qualification through to continuing professional development and specialist accreditation.

By doing this, the qualifications we provide will be recognised and respected, not just in Scotland but around the world.

Equally, the rules which we set must be effective and proportionate, providing a robust and modern framework for firms providing legal services.

Alongside setting standards, we must also take action whenever those standards are breached. Within the Scottish system of co-regulation, we will always work in partnership with others such as the Scottish Legal Complaints Commission and Scottish Solicitors' Discipline Tribunal in order to protect consumers and maintain both the public's and the profession's confidence.

However, we know Scotland's system of regulation needs to adapt if it is to keep pace with the rapidly changing legal services market. That is why we will argue the case for a new legislative framework which provides a modern approach and better serves the public interest.

By 2020, we will ASSURE our members' clients and employers by setting and upholding standards that ensure they receive excellent legal and customer service:

Our education and training standards are flexible, promote equal access to and drive excellence within the legal profession

Based on a new empowering Act, our regulation is proportionate, effective and responsive for those who depend on legal services

Our professional standards are recognised as world-class and our members respected for holding one of the most rigorous and globally valued professional membership accreditations



We will **SERVE**

Our members are and will always be at the heart of our organisation. Our success must lead to their success. In return, their achievements will lead to a stronger, more respected and more effective Law Society.

As we all face the challenges and opportunities of the digital age, we know the demands on our members are ever changing. A world-class professional body must continuously strive to better understand the work and needs of its members, serving those needs through a broad range of services and support.

As we move towards 2020, we want to be a professional body that is relevant and useful to all its members, wherever they are and whatever their area of practice. To do that, we need to gain a deeper knowledge of our members' professional needs and be innovative as we develop new services that help them to thrive.

By 2020, we will **SERVE** our members through a detailed understanding of their needs, providing tools and services which they can use every day:

Our products and services help our members to innovate, grow and deliver world-class legal services whilst our advice on professional standards is the "go to" place for members seeking guidance

Our programme of support meets the ambitions of our members to develop their careers both within and outwith the legal sector, inside and outside of Scotland

Our products and services meet the challenge of the digital age with a bold technology plan at the heart of our operation which opens up those services to all our members



We will EXCEL

Our people – our Council, committees and staff team – are critical to our success. We need to use their expertise and skills in the most effective way possible and help them to be proud ambassadors for the Law Society.

A world-class professional body must also have a structure that allows for robust and efficient decision making. It must involve people, both in its governance and its staff, who are diverse in their backgrounds and their thinking, who live and work to the values of the organisation every day.

As we move towards 2020, we want to be that kind of world-class organisation, one that is recognised for its efficiency and effectiveness. Working from our new offices, we need to deploy new technology and new ways of working so we can better engage a wider pool of members and stakeholders.

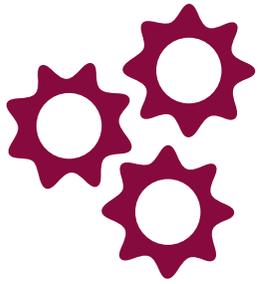
As we do this, we will look at examples of excellence within other professional bodies, learning from best practice whilst offering our own expertise and skills through partnerships with other organisations.

By 2020, we will EXCEL by operating as a world-class organisation:

Our governance and delivery structure is nimble, efficient and reflects wider society

Our diverse team of staff and volunteers reflects our purpose, mission, goals and values

Our brand is modern, dynamic, engaging and trusted and in turn gives our members a competitive advantage



We will **INFLUENCE**

The Law Society holds a special and privileged place in civic Scotland and beyond. Our reputation as a fair, balanced and non-partisan organisation has been built over 66 years.

Our membership includes international experts and leading thinkers. We benefit from the voluntary involvement of specialists working outwith the legal profession and our diverse team of staff brings different perspectives, knowledge and skills. That resource has never been more important as Scotland and the UK have sought to answer some fundamental questions, not least the recent debate on Scottish independence.

As well as supporting the profession it serves, a world-class professional body must play a wider role in the world. For the Law Society, we believe in working towards a free and fair society at home and abroad, where the rule of law is upheld and where human rights are protected.

As we move towards 2020, we want to speak with a voice which carries authority and is respected. In an age of globalisation and with many of the key issues cutting across geographical boundaries, we want that voice to carry weight, not just in Scotland but throughout the world.

By 2020, we will INFLUENCE the creation of a fairer and more just society by being an international centre of excellence in thought leadership:

Our voice, which is respected throughout the world, communicates the views of our members and the clients they serve

Our research, expertise and policy development influences civic society on the rule of law, access to justice, legal issues and the market for legal services

Our work in legal education is recognised as ground breaking



We will GROW

We believe the Law Society will succeed by being ambitious and working to a sustainable business model.

Our membership of practising Scottish solicitors has grown dramatically over the last 66 years. Even during the recent economic downturn, our membership steadily grew each and every year to over 11,000.

A world-class professional body not only serves its existing members but aspires to grow that membership. First and foremost, we must retain the members we have by providing an internationally respected qualification. We also need to deliver valuable services, including for non-practising members and those who work outside the Scottish legal jurisdiction.

We also need to rethink our profile of membership. As we move towards 2020, we need to be open to involving more of the professionals who provide legal services and contribute to the success of our justice system, such as legal executives and paralegals. To be sustainable, we also need to grow and diversify our income. We know that every pound we earn through commercial activity is a pound we can use to deliver our activity and a pound we will save on membership fees.

By 2020, we will GROW our membership and income by being a vibrant, influential and inclusive organisation:

Our membership will include 12,000 practising certificate holding solicitors including more members working outwith Scotland

Our membership responds to the evolution of the legal market through involving 10,000 additional paying members including registered foreign lawyers, paralegals and legal executives

Our commercial non-fee income rises to £3 million per year

Our Values

We developed and agreed a set of five values in 2013. After reviewing and refreshing our strategy, we believe our values are as relevant today as they were two years ago.

At the Law Society of Scotland, we aim to provide a high level of service to all those who depend on our services. To underpin this commitment, we have published a set of service standards and a process that allows anyone to raise concerns if they believe we have not met these standards.

Respect

We value treating everyone with consideration and dignity.

Integrity

We value being accountable, responsible and professional in the decisions that we make.

Inclusion

We value having excellent working relationships with our colleagues, stakeholders, the public and our diverse membership.

Openness

We value being helpful, accessible, responsive and transparent in the way we work and operate.

Progress

We value continuously improving existing and new services.



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