



Law Society
of Scotland

Annual Report 2021

1 November 2020 to 31 October 2021



Annual report 2021

Welcome to the Law Society of Scotland's annual report for the period of 1 November 2020 to 31 October 2021.

The Law Society of Scotland is the professional body for 12,630 Scottish solicitors.

We are a regulator that sets and enforces standards for the solicitor profession, which helps people in need and supports business in Scotland, the UK and overseas. We support solicitors and drive change to ensure Scotland has a strong, successful and diverse legal profession. We represent our members and wider society when speaking out on human rights and the rule of law. We also seek to influence changes to legislation and the operation of our justice system as part of our work towards a fairer and more just society.

This report covers our performance against the objectives set out in our 2020/21 annual plan. This was the first year of activity under our **interim two-year strategy**, which was 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 2021 is made up of the following sections:

- **President's welcome from Ken Dalling** (p.2)
- **Chief executive's welcome from Diane McGiffen** (p.3)
- **Financial review 2021** (p.4)
 - Our financial review of 2020/21, including our full accounts and Governance report.
- **The five pillars of our Strategy 2020-2022:**
 - **Assure** (p.12)
 - How we assured the quality of legal services, the public interest and the reputation of the profession.
 - **Influence** (p.21)
 - How we used our influence in 2021/22 to preserve an independent solicitor profession and fair legal system.
 - **Evolve** (p.24)
 - How we evolved during the year to maintain our financial sustainability and support a recovering legal services sector.
 - **Support** (p.27)
 - How we supported members during 2021/22 to meet the challenges of a recovering legal services market and economy.
 - **Excel** (p.31)
 - How we sought to excel as a world-leading professional body with technology and inclusion at our core.



President's welcome **Ken Dalling, President**

In a year that continued to be dominated by Covid, solicitors once again went above and beyond to provide essential advice and expertise to those most in need. Working longer and harder to mitigate the effects of the pandemic, they showed trademark fortitude in delivering vital legal services. And it is a tribute to their commitment that public satisfaction remained impressively high, with the number of those satisfied with the service they received from their solicitor increasing slightly to 93%, according to our own survey at the end of the year. Particularly given the circumstances, that is a huge vote of confidence in the profession.

Tellingly, the same survey also showed an improvement in the trustworthiness of Scottish solicitors, up to 84%, supporting a previous independent review that concluded Scotland was home to a well-educated, well-respected legal profession with a high degree of public trust. When the Scottish Government published a consultation on reforming the regulation of the legal services sector during the year, the Society warned that some of the options set out risk undoing what already works well and has delivered strong public confidence and trust in the profession. Worryingly, it could also push up the cost of legal services and risk the independence of the legal profession from the state through unacceptable levels of political interference.

We conducted an extensive communication campaign with members and stakeholders and developed a robust but measured response to the consultation, including own proposals for reform. The response fell after the period covered in this report, and the Society will continue to attempt to build a consensus for a package of effective, and necessary, reforms in 2022.

In other regulatory work during the year, the Society worked to improve our complaints handling – engaging closely with the Scottish Legal Complaints Commission and Scottish Government on our preferred legislative changes – and reduce complaints numbers, supporting our members and promoting best practice. In working towards the licensing of new business models, we submitted a revised Regulatory Scheme to the Scottish Government in the summer.

Protecting legal aid and access to justice remained key priorities for the Society throughout the year, with much of the focus on the financial shock of the Covid pandemic and ensuring the sustainability of the sector through the challenges ahead. Our achievements included securing a £20 million support package from the Scottish Government, comprising: a 10% uplift to fees over two years; a £9 million resilience support fund for firms; and a £1 million fund for 40 part-funded traineeships.

However, the current crisis in legal aid is a generation in the making. The Society will continue to press the government to invest properly in legal aid to ensure the most vulnerable in our society receive the advice and services they need and solicitors are fairly paid for the work they do.

The Society worked in many other ways to ensure the voice of the profession was heard during the year, including promoting the jurisdiction following Brexit and keeping legal issues at the heart of the 2021 Holyrood election.

Finally, I would like to thank our Council, committee and working group members for dedicating their time and expertise to the work of the Society. Supported by the Society's

fantastic staff, they make a huge, and vital, contribution to the solicitors' profession and the public interest.



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

It was an honour to take up the post of Chief Executive in January 2022, which of course was after the period covered by this annual report, so by way of introduction, I am keen to look at what's ahead for the Society.

Since joining the Society, I have been listening to colleagues across the legal sector, discussing key themes facing the Scottish legal profession and thoughts about the impact of the pandemic. I have been struck by the pride in, and focus on, supporting and developing the Scottish legal sector. The Society and our members are active across so many areas of civic life, and members share their expertise generously to help support access to justice and the rule of law. This commitment to, and a pride in, legal excellence is shared equally by those who have given many years of service and those who are newer to the profession or the Society, including myself. There is a genuine desire to do the best in the public interest and for the profession, as both a regulator and membership organisation.

Since the start of the year, we have been developing our next strategy with our Council, members and colleagues. Due to launch in October 2022, our strategy will help us navigate some big issues: economic recovery; legal services regulation; protecting access to justice through the proper resourcing of legal aid; maintaining wellbeing in the legal profession; championing equality and diversity, and much more.

We know 2022 will have considerable focus on aspects of justice reform, including the consultation on reforming the three verdicts system, something that has caused concern within the profession. We are also working with the Scottish court service to find innovative ways to tackle the court backlog, while protecting and preserving fair trials. It is vital that the recovery of the economy, our courts and the justice system take place in a way that is fair and equitable – and all that already works well is retained.

In closing, I would like to pay tribute to my predecessor, Lorna Jack. During her 13 years in the position, Lorna made an outstanding contribution as Chief Executive, transforming the Society into a truly world-leading professional body. On a personal level, she was also kind and gracious in helping me get ready for my new role.

I greatly look forward to getting to know more members around the country, listening to thoughts and concerns, and working more closely with the Society's colleagues and volunteers, whose hard work and commitment to the principles of justice during the most demanding of times has been formidable.

Financial review 2021

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 profit (prior to the actuarial adjustments to the defined benefit pension scheme) of £1,311,000 for the financial year ended 31 October 2021 (2020: £679,000). This comprises the following components:

	2021 £000	2020 £000
Law Society of Scotland	583	410
The Law Society of Scotland Services Limited	12	(12)
Scottish Solicitors' Guarantee Fund	716	281
Total – Group	1,311	679

Profit reported by the Group after actuarial adjustment was £1,203,000 (2020: £489,000).

Investments – Group

The Group's investment portfolios achieved significant growth during the year and the market values as at 31 October 2021 were as follows:

	2021 £000	2020 £000
Law Society of Scotland	3,677	3,095
The Law Society of Scotland Services Limited	106	90
Scottish Solicitors' Guarantee Fund	6,146	5,173
Total – Group	9,929	8,358

Cash – Group

Cash balances for the Group as at 31 October 2021 were as follows:

	2021 £000	2020 £000
Law Society of Scotland	11,665	11,905
The Law Society of Scotland Services Limited	130	130
Scottish Solicitors' Guarantee Fund (<i>not available for the Society's use</i>)	1,995	1,957
Total – Group	13,790	13,992

Reserves – Group

Group reserves increased from £12,816,000 to £14,019,000 at the year end. The breakdown is as follows:

	2021 £000	2020 £000
Law Society of Scotland	5,953	5,478
The Law Society of Scotland Services Limited	226	213
Scottish Solicitors' Guarantee Fund	7,840	7,124
Total – Group	14,019	12,816

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 2021, the SSGF reserves were £7,840,000 (2020: £7,124,000).

The Society

The Society reports a profit (prior to the actuarial adjustments to the closed final salary pension scheme liability) of £583,000 for the financial year ended 31 October 2021 (2020: £410,000).

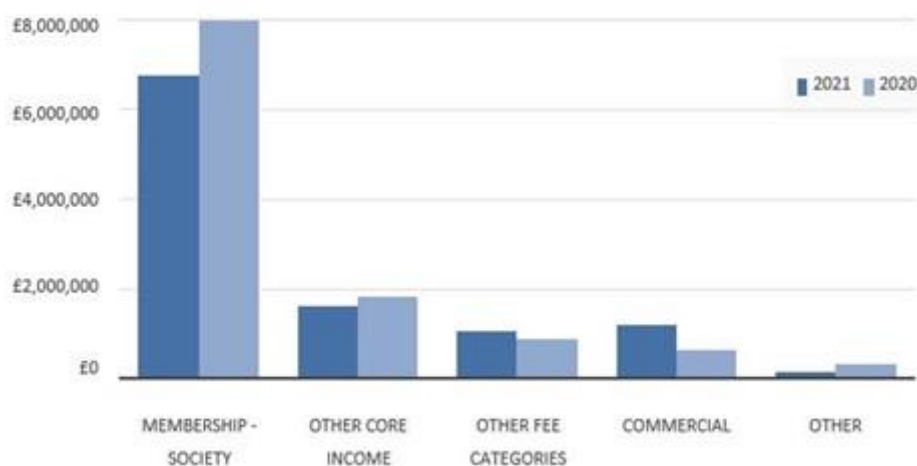
A significant gain of £618,000 on the value of the investment portfolio held by the Society contributed to the profit of the Society. The Society is investing in funds for the longer term and the portfolio is managed according to defined criteria. The investment objective is to achieve a balanced return, seeking long-term capital gains and some income. A medium risk profile is adopted.

Overall performance against the budgeted operating loss of £1,500,000 for the year was exceptionally positive. The budget assumed a reduction in the number of members, which did not materialise. Income has been enhanced further by an increase in commercial income, including online events and training programmes, against budget. Operating costs were closely managed with savings against budget achieved, mainly due to limited in-person activity as a result of continued Covid restrictions and some vacancies in the year.

Profit reported by the Society after actuarial adjustment was £475,000 (2020: £220,000).

Operating income – Society

Income for the year (excluding investment gains) was £10,600,000, a decrease of 8% from the previous year. Income is analysed as follows:

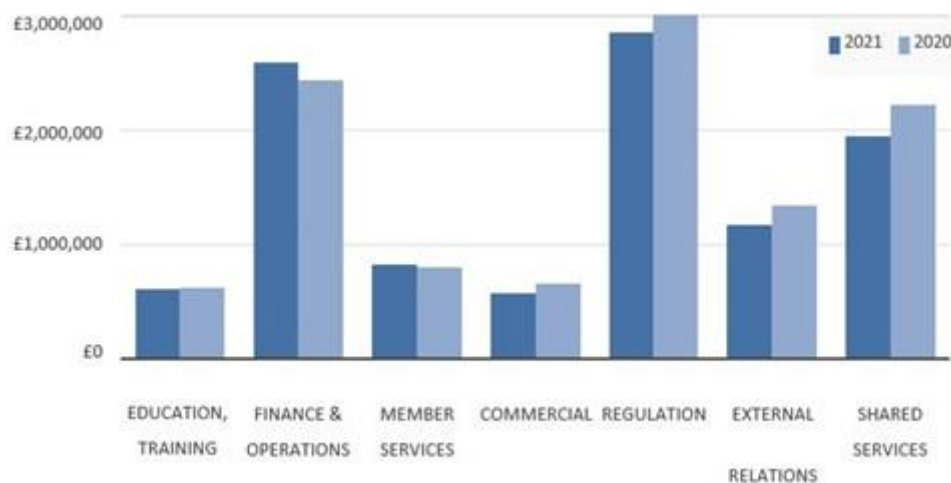


Membership income comprises practising certificates, retentions and non-practising member fees. Other core income comprises fees from regulatory activity. This includes an element of the Scottish Solicitors' Guarantee Fund accounts fee paid by firm principals towards financial compliance and interventions, recovery of costs awarded to the Society by the Scottish Solicitors' Disciplinary Tribunal, and commission and recoveries from judicial factories.

The Society provided a support package amounting to circa £2,200,000 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 £10,500,000 million, a decrease of 5.3% from 2020. Expenditure is analysed as follows:



The Covid-19 pandemic resulted in significant reductions in Society activity from March 2020. Some of this reduced activity continued into the 2020/21 financial year and many activities were conducted virtually instead of in-person. Costs were managed closely throughout the year. Operating cost was less than the prior year in regulation due to some staff vacancies and some changes in financial compliance operations, and in external relations, where engagement activity was restricted. Shared services saw a reduction in costs compared to the prior year due to property costs savings while our office remained closed or restricted, reduced spend on legal and professional fees as well as a reduction in provisions for bad and doubtful debts. Continued investment in IT infrastructure and security is the main reason for the increase in spend compared to the prior year in finance and operations.

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 are 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 2020 triennial valuation, the next recovery plan was agreed covering a 10-year period. £170,000 was paid in March 2020 as year one 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 due to be 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 £108,000 (2020: £190,000).

At 31 October 2021, there was no scheme deficit for financial reporting purposes (2020: deficit £nil).

Reserves

The Society's reserves increased from £5,500,000 to £6,000,000 at the year end. The principal reasons for this movement were the better than budgeted membership and commercial revenue, good cost control throughout the year and the recovery in valuation of the Society's investment portfolio.

The 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 in the full set of accounts), as reflected in future cash flow projections.

Operating reserves cover calculation as at 31 October 2021:

	£000
Total Capital Employed	5,953
Less: Net book value of fixed assets	<u>(1,269)</u>
Reserves per policy (A)	4,684
Projected operating and capital expenditure for the next 12 months – Society only (B)	12,252
Number of months' coverage from reserves (A / (B/12))	4.6 months

The operating reserves policy makes provision for a recovery period in the event that the use of reserves has been approved by the Council and the supporting financial forecast indicates 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 holds 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 full accounts for the Law Society and the Law Society of Scotland Services Ltd:

- [Law Society of Scotland – October 2021.pdf](#)
- [Law Society of Scotland Services Limited – October 2021.pdf](#)

Governance report 2020/21

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 **two-year interim strategy** put in place by the Council in response to the Covid-19 pandemic will come to an end in 2022. During the period of this report, work has been ongoing to develop a new five-year strategy, which is due to be delivered by late 2022. 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

Action	Outcome	Complete / not complete
Reforming legal services regulation We will engage in the Scottish Government's consultation on legal	The Scottish Government issued the consultation on Legal Services Regulation Reform in Scotland on 1 October 2021 and responses were due on 24 December 2021. The Society's response to the consultation was submitted before the deadline. An extensive communication campaign with	Not complete

<p>services regulation and work to ensure reform is considered a priority in the next session of the Scottish Parliament.</p>	<p>members and stakeholders was carried out. As the response was submitted after the year covered in this report, this objective will remain incomplete at year end and be carried forward to next year.</p>	
<p>Improving complaints handling We will work with Scottish Government, the SLCC and the Faculty of Advocates to secure Scottish Parliament approval for regulations that improve the system for dealing with complaints. We will also review our own systems and processes for conduct complaints to ensure they are dealt with as efficiently and effectively as possible.</p>	<p>We improved our internal processes in relation to handling professional conduct complaints more efficiently and effectively. We continued to work closely with the Scottish Legal Complaints Commission (SLCC), including in relation to their oversight powers. Engagement with both the SLCC and the Scottish Government on our preferred changes to the 2007 Act continues. We await publication of the Bill. The outstanding elements of this objective will be carried forward to next year.</p>	Not complete
<p>Reducing complaints numbers We will help members to use the latest best-practice guidance on preventing complaints and managing complaints when they arise. We will also work with legaltech providers to develop new solutions that further reduce complaint numbers.</p>	<p>We have worked through the year with the SLCC to establish our collective resources that support our members. This ensures we avoid duplication or conflicting messages. The SLCC along with our own Professional Practice Committee both hosted sessions at the Practice Management Course, which is now entirely online, to help our new partners understand best practice. We have facilitated members' access to legaltech providers who can help reduce complaints and speed up service.</p>	Complete
<p>Continuing to improve regulatory decision making We will continue to improve our regulatory decisions through improved induction and enhanced training for those taking key public interest decisions on our regulatory sub-committees.</p>	<p>The Society's two-year strategy and the Regulatory Committee's sub-strategy were rolled out to all the regulatory sub-committees. We designed and delivered regulatory decision-making training to our regulatory sub-committees and also updated our induction materials for committee volunteers.</p>	Complete
<p>Licensing new business models We will work with the Scottish Government to</p>	<p>We submitted a revised Regulatory Scheme to the Scottish Government in July 2021. The Scottish Government initiated a targeted consultation with the SLCC, CMA and the Lord President's office in October 2021. Therefore, we do not</p>	Not complete

commence the licensing of new legal service providers under the Legal Services (Scotland) Act 2010.	anticipate receiving authorisation allowing us to license legal services providers under the 2010 Act until the next operational year. Production of the new internal systems, processes and documents required to implement the scheme is under way and will continue into the next operational year.	
Ensuring fit and proper solicitors We will update and improve our policies and processes around the fit and proper testing of solicitors and others as part of robust standards for entering the profession.	This item has been carried forward to the first quarter of the 2021/2022 year.	Not complete
Reforming our approach to financial compliance and anti-money laundering We will continue to embed our proportionate and risk-based approach to anti-money laundering regulation and our financial inspection of solicitors.	We successfully continued our move to a proportionate and risk-based approach to anti-money laundering supervision and financial inspection compliance. We also initiated a review of the accounts rules to ensure that they reflect modern accounting and supervisory methodologies. The UK Legal Sector AML Guidance was updated to reflect requirements of the 5th money laundering directive.	Complete
Raising the profile of our regulatory work We will raise the profile of the strong regulation work we carry out and build further client confidence in a resilient sector.	We increased promotion of the regulatory role of the Society, including the role of the Regulatory Committee, to the profession and the public. We also updated the website and other communication channels to promote regulatory activity and to make it easier to find regulatory materials.	Complete
Delivering an alternative route to qualification We will expand the routes to qualify as a solicitor by continuing our work on graduate apprenticeships and a new work-based route to qualification.	Initial work on a graduate apprenticeship route to qualification as a Scottish solicitor was carried out with a university partner. As the partner was unable to proceed at present, work commenced on developing an alternative work-based route to qualification. Research was undertaken with those who were in the process of completing the existing alternative route and further development, involving a pilot group of firms, will take place in 2021/22.	Not complete

Regulatory Committee annual report 2020/21

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

Given the current and ongoing Covid pandemic, the committee continued to meet remotely. The committee moved to monthly meetings from January 2021 (with the exception of July and December). This helped to reduce the business conducted outwith regular meetings and therefore increased the opportunity for thorough discussion on regulatory matters within the committee.

Our work in 2020/21

Regulatory Committee sub-strategy

The committee finalised and published its sub-strategy in March 2021. This new two-year strategy aims to improve regulatory processes, enhance competition in Scotland's legal sector and ensure robust consumer protections. The sub-strategy sets out five overarching objectives – Protect, Scrutinise, Enhance, Align, and Develop – that will shape the work carried out through the committee. The strategy is also designed to improve awareness of the Law Society's regulatory structure and the work it undertakes, as well as to provide quality assurance and ensure operational effectiveness. Among its goals over the two years is the formation of a consumer reference panel to gain its perspective on regulatory matters, and the development of regulatory impact assessments to ensure considered and proportionate regulation.

Price transparency guidance

The price transparency guidance was originally scheduled for publication in April 2020. However, the committee agreed to postpone this original publication date, recognising the challenges that were emerging for the profession due to Covid. The committee agreed instead to publish guidance at the end of January 2021. The limited feedback to date suggests that firms are seeing a commercial advantage in adopting the guidance. The committee has committed to evaluating in 2022 the extent and impact of the guidance to determine any necessary changes to ensure the guidance meets its objectives.

Regulatory consultations

With the assistance of its sub-committees and colleagues within the executive, the committee has reviewed and approved six consultation responses. These have related to proposed or considered reforms that would impact on the Society's work as a regulator. For example, the Scottish Legal Complaints Commission's proposed rule amendments and oversight function changes, and the Scottish Solicitors' Discipline Tribunal's consultation on awarding damages.

Amendments to the complaints process

In January 2021, the committee considered, provided input and approved the response to the Scottish Government consultation on amendments to the current complaints process. The committee was assisted in this by several of its sub-committees and executive colleagues, in particular the Professional Conduct Team. This work has been ongoing since 2018 and it is hoped that the proposed and agreed reforms will improve the complaints process and better manage the expectations of both consumers and the legal profession. The committee understands that draft regulations will be published by the Scottish Government in early to mid-2022 and looks forward to considering them in due course.

Success fee guidance

Throughout 2021, the committee continued to develop its proposed guidance to accompany the Society's Style Success Fee Agreement (SSFA). This guidance has been 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 into. The SSFA also sets out the associated risks and the obligations of both the solicitor and client.

The complexity of this area of law (civil litigation funding and conditional fees) has necessitated wide discussions with other Society committees – Professional Practice and Civil Justice – in order to produce guidance which achieves its objectives. The committee plans to conclude this work in early 2022.

Rules amendments – Rule B6 / B9

The committee agreed to make amendments to the Account Rule B6, reducing the number of signatories required on account certificates from two to one (the firm's cashroom manager). This is intended to support a more streamlined and digitalised process. Amendments were also made to the anti-money laundering (AML) rules. Rule B9 was amended to:

- introduce a charging power for re-inspections, as allowed under Section 34 (1D) (c) of the Solicitors (Scotland) Act 1980;
- reduce the number of signatories required on AML certificates from two to one (mirroring changes to account certificates); and
- change AML reporting periods to a calendar year.

Remits of the sub-committees

The committee introduced several amendments to its sub-committee remits to better reflect the current standing orders of the Society and promote greater consistency. For example, providing the power to sub-committees to co-opt members in specific circumstances to help overcome challenges arising through any shortfall in a sub-committee's membership numbers.

Matters of interest

In 2021, the committee encouraged its sub-committees to bring to its attention any matters of concern from a regulatory perspective. This has proved beneficial from a 'horizon scanning' perspective by helping to highlight potential emerging issues which the committee has then been able to consider and advise to the respective sub-committee. For example, potential issues that may arise in relation to the accounts rules should negative interest rates be introduced and potential issues arising in the context of conduct complaints.

Legal services review

In October 2021, the Scottish Government published its consultation on regulation of legal services. The committee was represented on the Society's 80/20 group by its convener, one solicitor member and one non-solicitor member. [Full details of the Society's response](#) have been set out.

Committee changes

2021 saw several changes in the committee. In April, Professor Jim Gallagher CB FRSE stepped down after three years on the committee and 10 years overall of wider service to the Society. We wish to thank him for his wise and thought-provoking contributions to our regulatory work over such a long period. Then

in December, Craig Cathcart stepped down after a total of nine years on the Regulatory Committee, the last three as convener. Craig has been a constant presence on the committee for these years. He was instrumental in establishing the committee's sub-strategy, contributed strongly to the Society's work on the legal services review, oversaw the committee's introduction of the Society's Price Transparency Guidance and guided the committee through a difficult and busy period on the emergence of the Covid pandemic. He and others were also very welcoming to new members, helping them get up to speed with the work of the committee.

We welcomed four new members of the committee over 2021. Christopher Morgan and Mohsen Din joined as solicitor members and Lindsay Leslie and David Gordon joined as lay members. 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, professional regulation and business development.

Under legislation, the convener is chosen from among the lay membership of the committee. As the year ended, David Gordon was appointed interim convener when Craig Cathcart stepped down. We wish David well pending a longer-term decision on the conveyership.

David Gordon
Regulatory Committee Convener

Scottish Solicitors' Guarantee Fund annual report

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](#)

Gender pay gap report 2021

The Law Society of Scotland is the professional body for governing solicitors. We have an overarching objective of leading legal excellence and to be a world-class professional body, understanding and serving the needs of our members and the public.

Overview

We are pleased to set out our gender pay gap report in accordance with the statutory regulations. Although not legally required to publish our report, we are doing so voluntarily to demonstrate our commitment to equality and to challenge our thinking about our workforce.

The gender pay gap figures reported are based on the difference between the hourly rate of pay for full-pay relevant male and female employees. The performance award gap figures are based on the difference between the performance awards paid to relevant male and female employees during the specified 12-month period.

Gender Pay & Performance Award Pay Gap

	Mean	Median
Gender Pay Gap	21%	24%
Gender Performance Award Gap	0%	0%

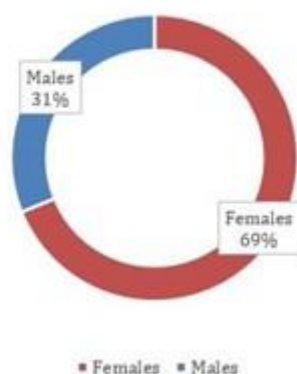
Our median gender pay gap is 24%, which represents an increase of 1% from the previous year. Our mean gender pay gap remains at 21%. Our mean and median bonus gap is 0% as no awards were made in 2020.

Covid

During the specified 12-month period, we had six colleagues placed on flexible furlough; these individuals have been excluded from the calculations as they were not receiving full salary during these periods. The inclusion of these individuals would have positively impacted our reporting figures.

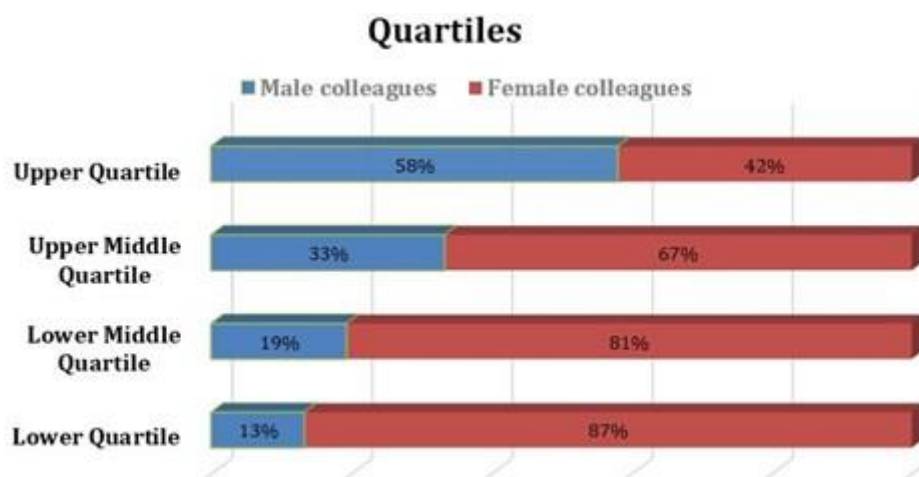
Profile of employees

Gender Distribution - All Employees



Quartiles

The percentage of male and female full-pay relevant employees working across pay quartiles.



Understanding the gap

The gender pay gap represents the difference in the average rate of pay of males versus the average rate of pay for females. Since 2018, we have reported a small increase annually in our gender pay gap as shown in Table 1.

Year	Mean Gender Pay Gap (%)	Trend (%) on previous year	Median Gender Pay Gap (%)	Trend (%) on previous year
2018	19	-	21	-
2019	21	>2	21	0
2020	21	0	23	>2
2021	21	0	24	>1

Table 1: Annual Gender Pay Gap Trends

Our gender pay gap is heavily influenced by the fact two-thirds of our workforce are female, yet a higher percentage of our female employees are concentrated in the lower quartiles. Although in the upper quartile, almost half of our workforce is female; females in this quartile are underrepresented compared with the percentage of females employed overall. The distribution of females and males across our pay quartiles largely accounts for our gender pay gap.

Monitoring of our recruitment and selection processes has shown that we are attracting, shortlisting and appointing females into senior roles, which we expect to have a positive impact on our gender pay gap over time. We also operate a blind shortlisting process to ensure candidates are shortlisted based on their skills and experience. We will continue to monitor our recruitment and selection processes to ensure we attract a diverse workforce, particularly into the upper quartile.

Our gender pay gap serves as a reminder that small changes in our workforce can impact heavily on our gender pay gap. We are also aware that our gender pay gap can fluctuate around the time of gathering our data since only full-pay relevant employees are included in the calculations. Those on reduced or nil pay, such as family-friendly leave, are excluded and this year also includes those on flexible furlough on reduced pay. As a small organisation, these changes in our snapshot data can have a significant impact.

Our commitment to tackling our gender pay gap

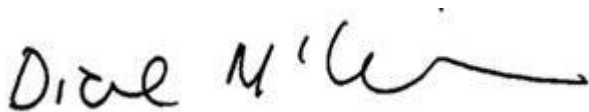
We have undertaken several actions to promote the importance of gender equality to our organisation, mainly through our commitment in pursuing an equality and diversity accreditation through the National Centre for Diversity. Through the process of achieving the accreditation, we hope to develop a working environment that is truly inclusive, transparent and enhances how we communicate with a diverse range of people. Our cross-sector work on our accreditation allows us to tackle gender equality issues that may arise in any area of our workplace.

Looking forward

We realise we need to do more to challenge our approach on equality and diversity in the workplace. We need to take extra steps to continue our efforts in addressing our gender pay gap and developing talented females across the organisation. To deliver on this, we have committed to pursuing a diversity accreditation which will place gender equality high on our strategic agenda and make equality the responsibility of everyone throughout the organisation. Pursuing a diversity accreditation is a positive way forward for us in demonstrating our commitment to making a difference to gender equality. We are enthusiastic about the changes we anticipate this will bring to us as an organisation and for our workforce.

Declaration

We confirm that our gender pay calculations are accurate and meet the requirements of the regulations.



Diane McGiffen
Chief Executive

Influence

We planned to influence to preserve an independent solicitor profession and fair legal system.

Key facts and figures



Influence projects

Action	Outcome	Complete / not complete
<p>Protecting legal aid We will work to sustain proper access to justice and legal aid provision, addressing both the ongoing impact of Covid-19 and the development of a new Legal Aid Bill.</p>	<p>We completed work around the fee review panel. The panel did not, unfortunately, establish the expected framework for periodic review of fees in line with inflation but instead sought additional research around the financial situation for legal aid providers. This work will be commissioned by the Scottish Government shortly and we will monitor and respond in the 2021/22 year.</p> <p>A Legal Aid Reform Bill was committed to in the Scottish Government programme for 2021/22, though in the life of the current parliament to 2025 rather than the next 12 months, and we will continue this work as legislation is finalised.</p> <p>The major focus for the 2020/21 period has been in two areas: resolving the challenges around the financial shock of Covid-19 on the sector and ensuring the sustainability of the sector through the challenges ahead through the Recover, Renew, Transform (RRT) programme.</p> <p>For the former, we secured Scottish Government commitment to a £20 million support package, comprising:</p>	Complete

	<ul style="list-style-type: none"> □ a 10% uplift to fees over two financial years, with the first implemented in March 2021 and the second due in March 2022 □ a £9 million resilience support fund for firms □ a £1 million fund for 40 part-funded traineeships into the sector <p>For RRT, the challenges for legal aid practitioners have been more fundamental. Firms providing legal aid had declined by 25% for criminal and 19% for civil in the decade prior to the pandemic; fees had seen cash cuts or real terms cuts from inflation through the same period. Recent uplifts to Scottish Government and Crown Office salaries have exacerbated the challenges of recruiting, particularly at NQ level.</p> <p>The expanded court demands for COP26 exemplified these challenges and firms and local faculties across Scotland have declined to participate. Our Legal Aid Committee has written to ministers to request an urgent and significant increase to fees, to address the legal aid crisis, limit the recruitment and retention difficulties across the sector, and reverse the significant and ongoing reduction in the number of firms registered for legal aid.</p>	
<p>Shaping the recovery and digitalisation of our courts</p> <p>We will provide a strong voice for the profession in the development of new models for civil and criminal courts, improving processes while maintaining face-to-face services where needed.</p>	<p>We held fortnightly criminal resilience group meetings through the year, to secure feedback locally and nationally, and to feedback challenges to justice partners at regular RRT meetings.</p> <p>Coronavirus measures around digital justice were continued from September to March 2022. The Scottish Government consulted on extending these beyond that date and our committees were due to respond in November.</p> <p>We represented the profession on a number of working groups around digitisation, including virtual custody and virtual summary trial groups and responded to the latter on the experience of the trials pilot.</p> <p>We held regular meetings of a working group with the Scottish Courts and Tribunals Service and reported our work to members. We also responded to a consultation by the Scottish Civil Justice Council.</p>	Complete
<p>Maintaining a strong profession post-Brexit</p> <p>We will promote our jurisdiction internationally and promote Scotland as a destination for dispute resolution and legal expertise. In doing so, we will work to ensure our</p>	<p>We continued to engage with both the Scottish and UK Governments to promote the jurisdiction post-Brexit. An engagement plan has been agreed with the new Scotland DIT office to help members understand the opportunities arising from FTAs. Our engagement on various groups has enabled us to share thought leadership with the profession.</p>	Complete

<p>members maintain access to international clients through trade deals that benefit the legal sector.</p>		
<p>Keeping legal issues at the heart of the 2021 Holyrood election We will present a comprehensive package of priorities to Scotland's political parties ahead of the Holyrood elections and engage with members of the newly elected parliament.</p>	<p>Our priorities document for the 2021 election was successfully published in February with encouraging print media coverage. Post-election, engagement meetings were held with the new Cabinet Secretary for Justice as well as opposition spokespeople. We engaged with various committees in public evidence sessions since the elections, including on legal aid, child and family issues and the impact of Covid-19 on the justice sector.</p>	<p>Complete</p>

Evolve

We planned to evolve to maintain our financial sustainability and support a recovering legal services sector.

Key facts and figures



Outside Scotland:

- solicitors working outside Scotland **1,007**
- **51** multi-national practices (including limited companies, LLPs, and traditional partnerships)
- number of registered foreign lawyers **2,194**

744

traineeships started

581

accredited paralegals

2,754

student associates

Evolve projects

Action	Outcome	Complete / not complete
<p>Enhancing our accredited paralegal and law accountant memberships</p> <p>We will review our accredited paralegal scheme of operation and consider the introduction of a new online paralegal qualification. We will also promote our law accountant associated membership scheme.</p>	<p>It was encouraging to see the number of accredited paralegals rise during the year ending, with 581 accredited at the end of October. A review of the scheme of operation which underpins the accredited paralegal status was undertaken. This included a review of the standards of conduct and the general competencies required. We successfully implemented a new application process, making it easier for potential applicants as well as making it more efficient and quicker to administer.</p> <p>We market-tested the feasibility of a new accreditation in immigration work and, following a positive response, started work on building the accreditation.</p> <p>The decision was taken not to proceed with the law accountant associate membership.</p>	Not complete
<p>Recovering our commercial income and replenishing our reserves</p> <p>We will broaden our commercial income through enhanced accreditations and certification programmes. We will use technology to ensure that, post-Covid-19, our services are accessible to all members wherever they are in the world. In doing so, our commercial activity will continue to help keep the core costs of the practising certificate fee as low as possible.</p>	<p>Overall commercial revenue increased as we established new partnerships and sponsorship arrangements.</p> <p>We shifted our CPD sponsorship opportunities online, focusing particularly on the Annual Conference in April and the Law & Tech Conference in September.</p> <p>We successfully tendered for a new wealth management partner, securing St James's Place as our new strategic partner.</p> <p>We worked closely with our Journal publishers to maintain the digital presence throughout lockdown and brought back a reduced distribution of print in March.</p>	Complete
<p>Evolving our membership and improving retention</p> <p>We will increase alternative forms of associated membership to include more of those working at the heart of the Scottish legal system, retaining members retiring from practice through our new 'Fellow' membership. Our representation on</p>	<p>We carried out work to highlight membership options for members who intimated that they intended to retire from practice, and it was encouraging to see the number of Fellows grow throughout the year.</p> <p>There was a very modest growth in the number of accredited legal technologists, which prompted us to rethink this area of work. With a relatively high bar for accreditation in a relatively niche area, we will be looking to create a technology certification which will appeal to a wider number of applicants and will, in time, act as a pathway to the accreditation.</p>	Complete

<p>Scotland's Dispute Resolution Collaboration Group will ensure our members also sit at the heart of work to ensure Scotland sits as the jurisdiction of choice for dispute resolution.</p>		
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Support

We planned to support members to meet the challenges of a recovering legal services market and economy.

Key facts and figures



Support projects

Action	Outcome	Complete / not complete
<p>Providing services for recovery and resilience We will work to refine our services so our members can recover, build resilience and flourish; including support services for wellbeing, cyber and business resilience, AML and legaltech. We will also review all guidance affected by Covid-19 on a</p>	<p>In a year where cyber risk became even more critical for our members, our cyber partnership with Mitigo proved very successful, delivering regular updates on risk management and practical advice as well as the cyber hotline launched in January and a diagnostic tool for law firms launched in June. Mitigo also contributed speakers to several conferences and a big firm roundtable which had the highest attendance we have ever seen.</p> <p>Having worked with AAB on our accountancy panel, we decided to move them into a strategic partnership role as their support and advice throughout the past 18 months has</p>	Complete

<p>risk-based approach whilst our online resources will support unemployed members, those newly qualified and those recently graduated in a challenging jobs market.</p>	<p>been invaluable.</p> <p>Our partnership with Amicus continued to strengthen and they delivered a number of anti-money laundering sessions for us. The uptake of the Amicus solution from member firms has increased significantly over the past two years, which is evidence of the quality of their offering.</p> <p>Two new member benefits were added to our scheme, offering IT support and offering compliant outsourcing of cashroom services. We also expanded the scheme to include qualified electronic signature providers.</p> <p>We upgraded our Expert Witness Directory to improve search and application processes.</p> <p>We reviewed a number of pieces of general guidance. Where changes were required, they were passed to the Rules, Waivers and Guidance Sub-committee for approval.</p>	
<p>Delivering innovative conferences, training and events</p> <p>We will evolve our online conference, training and event programme to ensure we can reach all Scottish solicitors and paralegals in all parts of the world. We will ensure our popular courses are online and grow our CPD content to reflect the significant changes in practice and law following Covid-19 and develop new training options for certification, specialist accreditation and our accredited paralegal programme.</p> <p>We will also adapt our online Trainee CPD, Practice Management, and Rights of Audience courses to introduce greater flexibility.</p>	<p>We saw increased demand from across the profession for our CPD training with all training (black letter law, regulatory, essential skills, Trainee CPD) being held online. Content from our flagship conferences was made available online for purchase up until the end of the practice year. We also extended the range of our training, introducing several new courses including certificated courses, advocacy-focused workshops and new essential skills courses.</p> <p>TCPD migrated online quickly and easily and continued to grow and sell well and the Practice Management Course also moved online successfully, running three times during the year. The backlog in rights of audience training was cleared and both civil and criminal ran successfully online.</p> <p>Particular highlights included the Anti-money Laundering Conference, which we ran in August, the Law & Tech Conference in September and our three family law conferences.</p>	Complete
<p>Engaging our members through new digital platforms</p> <p>We will continue to increase our virtual member engagement</p>	<p>Our engagement activity was a fully virtual programme, engaging, supporting and interacting with members through presidential tours, faculty leaders forums and other events and seminars. Events were well attended.</p> <p>While many would have welcomed a return to in-person</p>	Complete

<p>meetings and develop online platforms for our members to engage with each other. Our engagement programme will include our LawscotTech partners to help members understand the solutions available and give them opportunities to influence future development.</p>	<p>events, online engagement allowed us to visit constituencies in a shorter period of time and reach more members.</p> <p>Four meetings were held with big firm leaders, covering topics such as the new Glasgow Cabinet Office and the financial crime levy and we successfully ran a number of hot topic events for our in-house members.</p> <p>We promoted legaltech partners at events throughout the year, including those hosted by external parties such as the Department of International Trade (DIT) event.</p>	
<p>Promoting LawscotTech We will launch a new post-Covid-19 LawscotTech strategy that brings together members, stakeholders, legaltech providers, thought leaders and business groups. We will encourage more legal technologists to develop skills that strengthen the resilience of the sector and our work with universities to enshrine legaltech in the route to qualification.</p>	<p>There was increased interest in, and recognition of, LawscotTech over the past year and we established/increased collaboration with stakeholders, including LawTech UK, the Solicitors Regulation Authority, Registers of Scotland and the court service.</p> <p>We were invited to contribute to both local and international events and trade missions, giving us the opportunity to showcase both the programme and companies in our community.</p> <p>We ran two roundtables with the law schools in the spring, enabling discussion between the profession and LLB/Diploma providers.</p> <p>While the development of qualified electronic signatures (QES) was not in the annual plan, the need for guidance and information in this area led to the creation of a QES working group and the launch of a QES panel to help members understand their options. QES guidance was also produced.</p> <p>In September, we launched a new Procurement Guide, providing a practical resource for smaller firms when buying new IT systems or equipment.</p>	Complete
<p>Championing equality and diversity We will continue to promote the benefits of increased diversity in the profession with particular focus on gender equality and racial inclusion, working with relevant external groups.</p>	<p>The Racial Inclusion Group undertook wide-ranging research and reported its findings to the Council at the year end.</p> <p>We continued to work with the Scottish Government's Cross-Justice Group on Race & the Workforce.</p> <p>We analysed the diversity data from the practising certificate renewal process for 2020/21 and shared this information publicly.</p> <p>We ensured that diversity data collection was a part of the traineeship fund arrangements to help ensure a diverse range of people were successful in gaining the 40 funded traineeships.</p> <p>We completed all of the objectives of the first year of the Gender Equality Action Plan.</p>	Complete

	We continued to celebrate, mark and commemorate a diverse range of festivals and events.	
<p>Providing new digital signatures and ID card solutions</p> <p>We will transition to new solutions for both digital signatures and forms of solicitor identification, engaging with market leading providers to provide a smooth path at minimum cost.</p>	<p>The Board agreed a new Smartcard strategy that extended the partnership with Red Abogacia in Spain by three years. We restarted our programme to issue Smartcards to members following a pause during Covid restrictions.</p> <p>We analysed the QES market and submitted a review to the Board which led to an approved QES strategy (mentioned above in LawscotTech).</p>	Complete
<p>Driving social mobility throughout the profession</p> <p>We will enhance our existing social mobility work to ensure students from all backgrounds have a fair chance of qualifying as solicitors.</p>	<p>We expanded the reach of the Lawscot Foundation, with eight additional students selected for the full bursary and paired with a mentor and a further five awarded a one-off digital bursary payment, a mentor and career development opportunities. A total of £96,000 was raised for the charity.</p> <p>We held an online summer school in July, with over 70 pupils attending from throughout Scotland.</p> <p>A social mobility event was held in September focusing on links between universities and recruiters. Four firms signed up with us to use Rare contextualised recruitment software, representing a total of 34 trainees recruited using this process. In October, we held our second Celebrating Inclusion Law Fair, attracting over 30 firms and organisations and with over 400 students registered.</p>	Complete

Excel

We planned to excel as a world-leading professional body with technology and inclusion at its core.

Key facts and figures

12,100

Visits per month to our find a solicitor tool

NB this period included the introduction of a new cookie control system to further protect visitors' privacy, which reduces the amount of data that can be collected

Excel projects

Action	Outcome	Complete / not complete
<p>Enhancing our IT security We will identify and work with a new security partner to create and support our security framework and deliver improvements as we work towards a medium-term goal of achieving new security accreditation standards.</p>	<p>We have engaged the services of an IT security partner to conduct a review of our IT estate. An improvement plan has been agreed and implementation, prioritised according to risk and affordability, has commenced. Improving our cyber security continues to be an ongoing key focus and objective.</p>	Complete
<p>Building resilient and collaborative working for our staff team We will review and enhance our systems for remote working and network access, improve connectivity, security and performance.</p>	<p>We implemented a number of enhancements to our network, including a new point-to-point connection to our iMIS data hosted off site and new internet lines.</p> <p>We implemented new hardware VPN to improve home working remote access and security was deployed along with standardised hot desks in the office to simplify flexible working.</p> <p>Outlook was migrated to Exchange Online Microsoft 365 and integrated with Microsoft Teams to provide a unified experience.</p>	Not complete
<p>Reviewing our systems for membership records and engagement</p>	<p>We completed our assessment and review of options to move our main membership database to a cloud-based version of the current system. This assessment included consideration</p>	Complete

<p>We will assess the viability of moving to a cloud-based version of our existing core system for membership and stakeholder records or moving to a new platform.</p>	<p>of challenging areas to move to the cloud-based version, scoping and costing for a supplier to support the move to the cloud, engaging with our supplier on the recommended path to the cloud and an external review with a trusted third-party supplier. Based on the assessment, we concluded that the best value for money will be achieved if we considered available products or platforms in the market.</p>	
<p>Ensuring value for money We will review our non-payroll expenditure, improve our procurement procedures, supply systems and contract management.</p>	<p>We continuously review our non-payroll spend as part of our regular forecasting process to ensure appropriate budgetary control. A contracts register has been created which will be monitored and updated going forward. We have drafted and implemented a procurement policy and high-level processes. All of these incremental improvements form the building blocks to continue our focus of ensuring value for money in our spend.</p>	Complete
<p>Driving technology solutions to facilitate remote engagement We will push the use of remote engagement in place of in-person, face-to-face meeting; reviewing and, if needed, replacing our preferred video-conference platform with a more flexible and lower-cost solution.</p>	<p>Our requirements for remote engagement were identified and agreed following a review and scoping exercise.</p> <p>Pilot committee meetings were used to test and validate our technology and approach using Microsoft Teams, and the Microsoft Teams solution has been successfully deployed across a number of our committees.</p>	Complete
<p>Embracing equality and diversity in our organisation We will create an action plan for implementing and completing actions required in respect of our agreed equality and diversity accreditation.</p>	<p>We are committed to lead by example through our inclusion work to ensure everyone in our organisation can bring their true selves to work. Our programme of work is a continuous journey as we promote and support diversity and social inclusion. As part of our equality, diversity and inclusion (EDI) commitment, we have been pursuing a national accreditation with the National Centre of Diversity. We placed as 93 in the top 100 most inclusive places to work, which recognises companies across the private, public and charity sectors that are best at promoting EDI, and fairness in the workplace, through policies that deliver transformational change. Throughout the last operating year, an active working group has focused on us gaining our accreditation and looking at where we can better promote and support diversity and social inclusion. In pursuing a relevant accreditation, we hope to support our aim in being recognised as an inclusive workplace in which employees feel confident to be themselves. In turn, this will enable us to recruit and retain a talented workforce that contributes to a high-performing culture. We remain on track to go forward for full accreditation in 2022.</p>	Complete
<p>Delivering effective project management of IT projects</p>	<p>We established an IT programme board in the early part of the year. We refined the governance and operation of the board during the year, which allowed us to assess requests</p>	Complete

We will improve our delivery of critical IT projects through robust internal governance, enhanced processes, and quality training.	for development or configuration of our systems based on strategic priorities, risk and team capacity. The effectiveness of the board's work is evident in the successful delivery of 84.4% of monitored annual plan projects versus a target of 80%.	
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Carried forward from 2019/20

Action	Outcome	Complete / not complete
Climate change We will benchmark and improve on the Society's green credentials.	Our new environmental policy has been published and shared with all colleagues. This policy will be key to our plans for the future and will have an impact on many of our other operational policies. Our carbon footprint assessment for our baseline year and year one are now complete and we have agreed the recommendations from the carbon management plan. These are key steps in an exciting journey to improve our green credentials and define our ambition around our impact on the environment.	Complete
Review our Values We will revisit our existing Values and ensure they remain relevant and fit for purpose.	Project completed and shared with colleagues.	Complete

Corporate social responsibility

For the last few years, the principal focus of our CSR activity has been to utilise all resources efficiently to reduce our carbon footprint, engage in various activities that promote health and wellbeing and promote ourselves as a good neighbour, assisting and contributing in the community and charitable causes.

Within our offices, we have segregated waste recycling points, we stopped providing disposable cups a few years ago, and we encourage colleagues to only print where necessary.

2021, like 2020 before it, was a remarkable year due to the Coronavirus pandemic. Our Edinburgh office has been closed for much of the last two years, with most colleagues working from home and, when government guidance and legislation allowed it, some colleagues have chosen to work from the office.

Colleagues are entitled to donate blood during the working day, and this has continued to be supported throughout the pandemic.

All colleagues are entitled to take one (or two half) 'CSR' days, the only qualification being that the time is spent dedicated to a charitable or socially responsible activity.

Throughout 2021, only two members of staff participated in a CSR day. This is down from 19 the previous year. This is understandable considering the current climate and continued restrictions on our lives.

For the first time, due to the pandemic, colleagues collectively took the decision to continue supporting Camphill Blair Drummond for a second year, rather than choosing a new charity partner. As the pandemic continued to impact the level of fundraising and events we could organise, this seemed a good way of

maximising what we could raise for the organisation. We undertook a number of step and walking challenges, continued with online quizzes and Easter and Christmas fundraising competitions. At the end of the 24 months supporting Camphill Blair Drummond, we raised a total of £9,168.82.