



Law Society
of Scotland

Annual Report 2020

1 November 2019 to 31 October 2020



Annual report 2020

Welcome to the Law Society of Scotland's annual report for the period of 1 November 2019 to 31 October 2020.

The Law Society of Scotland is the professional body for over 12,000 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 2019/20 annual plan. This was the fifth year of activity under our Leading Legal Excellence strategy. If you have any questions about the content of our annual report, **please get in touch**.

Explore our annual report

Our annual report 2020 is made up of the following sections:

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- **Chief executive's welcome from Lorna Jack** (p.3)
- **Financial review 2020** (p.5)
 - Our financial review of 2019/20, including our full accounts and Governance report.
- **The five objectives of our 2019/20 annual plan:**
 - **Assure** (p.13)
 - How we assured our members' clients and employers by setting and upholding standards.
 - **Serve** (p.22)
 - How we served our members through a detailed understanding of their needs, providing tools and services which they can use every day.
 - **Excel** (p.26)
 - How we sought to excel by operating as a world-class organisation through five key projects.
 - **Influence** (p.29)
 - How we used our influence to create a fairer and more just society by being an international centre of excellence in thought leadership.
 - **Grow** (p.32)
 - How we grew our membership and income by being a vibrant, influential and inclusive organisation through four projects.



President's welcome Amanda Millar, President

Welcome to the Law Society's annual report for 2019/20 which was, by any measure, the most extraordinary year for the organisation in its 72-year history.

The Covid-19 pandemic took hold shortly after the first quarter of our financial year. Our focus immediately turned to how we could best support our members through the uncharted waters they were navigating including the sudden closure of our courts; the closure of Registers of Scotland and a dramatic decline in the housing market; and changing requirements on wills and notarial execution. With calls to our Professional Practice team increasing by 400%, we provided a range of advice and guidance covering a multitude of new and often complex situations.

In April 2020 we announced a **£2.2m package of support for our members**, reducing both the practising certificate and accounts fees by 20% for the forthcoming practising year and not requiring any client protection fund contribution to be paid.

We increased the frequency of our member newsletter to weekly, ensuring members were signposted to the latest guidance and support; we lifted the mandatory CPD requirement, whilst ensuring a host of free CPD was available and accessible online; and we moved all our member engagement online.

We also worked with the Scottish Legal Complaints Commission (SLCC) to share how complaints arising during lockdown might be handled, and assisted members in managing client expectations with dramatically reduced court time and many solicitors on furlough.

The Scottish Government consultation on reform to legal services regulation had been planned for summer 2020 but was postponed due to Covid-19 until after the Scottish Parliament elections. We will engage and respond to the consultation when it is launched to ensure we continue to have a robust system of regulation that protects the public and allows the legal profession to recover and thrive.

We engaged fully with the Competition Markets Authority in its research on the legal services market in Scotland, and have recently implemented new guidance to improve price transparency and help consumers make informed choices as they buy their legal services.

Despite the challenges of the pandemic, we continued to work with the SLCC and the Scottish Government to improve the current system for dealing with complaints against solicitors. The proposed changes offer an important chance to significantly improve and speed up the complaints process to the benefit of both the public and the profession.

Significant work was undertaken through the year around developing a package of reforms to support the legal aid sector through the Covid-19 crisis. Whilst discussions were ongoing at the end of the financial year, the Scottish Government announced a new financial package of support for legal aid firms in December 2020 including an across the board 10% uplift in legal aid fees over the next two years. This is an important step forward in addressing a generation of underfunding in legal aid and agreeing a sustainable long-term funding plan that ensures access to justice for the most vulnerable in our society.

The Covid-19 pandemic has underlined the vital importance of mental health and wellbeing in the profession. In June, we launched a **three-year action plan**, which aims to tackle stigma around mental health in the legal sector. This followed a major survey of Scotland's legal profession on mental health in the workplace in 2019, the first of its kind to be carried out on a sector-wide basis in Scotland.

We continued to promote the benefits of increased equality, inclusion and diversity within the profession, including preparatory work for the launch of the newly formed Racial Inclusion Group in February 2021 and a series of social media campaigns throughout the year which included Pride, religious festivals and One Profession, Many Journeys. The last month of our operating year saw us celebrate Black History Month, curating and posting blogs from members on the topic.

One consequence of the pandemic has been the need to embrace new technology and virtual meetings for our membership engagement and outreach. I have been fortunate enough to be able to visit faculties across the country and engage with more members over a shorter space of time than I would have been able to in 'normal' times. This is something we want to maintain and build on as we emerge from this crisis and adapt to our 'new normal.'

While an enormously challenging opportunity, it has also been a great privilege to have been both Vice President and President throughout 2020. Thank you to all members of our governing Council, our committees and working groups and Law Society colleagues for all their hard work for the benefit of the profession, civic Scotland and the wider public. The value of our volunteers is immeasurable, and never more so than in the times of a global pandemic.



Chief executive's welcome Lorna Jack, Chief Executive

The year 2020 will forever be ingrained in all our memories. While the COVID-19 pandemic presented huge challenges, I believe the Law Society's response showed the organisation at its very best.

As the pandemic took hold, our immediate concern was the safety and wellbeing of our staff and volunteers. This meant closing our office in central Edinburgh, moving our entire staff team to home working and running all our Council and committee meetings via virtual platforms. I

am proud that this sudden and unplanned transition to new working practices was delivered so smoothly and without impacting on most of our day-to-day operations.

It became clear early in the pandemic that we needed to revisit the operating plan we agreed in the autumn of 2019 and refocus our attention to supporting our members through the challenges that lockdown presented. With agreement from our Board and Council, we agreed a new prioritisation plan which still meant we completed 15 of our 28 planned projects (54%).

Of the remaining 13 projects, we still made substantial progress, most of which have been rolled forward into our 2021/22 operating plan. The full detail of our delivery against all these projects form the body of this report. One key change in our operating plan, and against the backdrop of the economic and social challenges presented by the pandemic, was the

decision to not proceed with producing a new five-year strategy. Instead, we agreed to develop an interim two-year strategy. **Leading Legal Excellence 2020-22** sets out how we will continue to support members and build public confidence in the profession during these challenging times.

We continued to support the profession's embrace of new technology via LawscotTech, a hub that matches legal expertise with technology talent. We developed a new two-year strategy for LawScotTech in response to the pandemic and hosted our largest ever online technology conference that attracted 190 delegates, 43 speakers and five sponsors. We also successfully led our cyber resilience programme to support the profession to better protect their businesses and appointed a cyber resilience strategic partner.

Following lockdown, our member engagement work and continuing professional development programme for our members moved wholly online. All flagship conferences were held online with our annual conference postponed until April 2021. It is testament to our staff team and the positive engagement and collaboration of our members that we were able to directly engage with more members than would ordinarily be possible.

We collected diversity data as part of the annual practising certificate renewal process for the first time to support and advance our equality and diversity work. We also undertook extensive research on diversity and equalities accreditations, and have now identified a well-respected accreditation to be implemented within the Law Society in 2021.

We continued to be an influential voice on Brexit, with our policy team carrying out a substantial amount of work including briefings, amendments, consultation responses and engagement with parliamentarians. This work was vital to promote the interests of our members and UK and EU citizens through what was a difficult and complex process.

Early preparatory work was undertaken for the Scottish Parliament elections in 2021 but was inevitably held up due to the pandemic. Whilst not complete by the end of our operating year, I am pleased to say we have now launched our **Priorities for the Scottish Parliament Elections 2021**.

As ever, our organisation's many achievements of this unprecedented year, alongside the very significant amount of unplanned work brought about by the pandemic, has only been possible because of the unwavering support, hard work and commitment of my staff colleagues and our community of volunteers who offer their expertise and guidance. This year marked the end of an era as our long-standing colleague Philip Yelland retired as Executive Director of Regulation. Phil was well known and well regarded in the profession, and it is sad to see him step away. However, in his successor Rachel Wood we have welcomed on board an extremely able and knowledgeable professional ready to lead our regulatory teams into the future.

I am immensely proud of everything we have achieved, keeping our organisation safe and working, serving and supporting our members and our future members, serving the public and the public interest. This year has shown the true dedication of our staff and volunteer team and I am grateful for their continued support.

Financial review 2020

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.

Major event

During the early part of 2020, the Covid-19 pandemic struck the world. The severe threat to health in the UK has resulted in widespread disruption to ordinary life and has presented major challenges to individuals and organisations. The significance of this event is reflected within this report and is given particular prominence within the going concern section where detailed commentary is provided.

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 group financial statements. 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.

It should be noted that, 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. However, control of the SSGF is 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.

The Group (as defined above) reports a profit (prior to the actuarial adjustments to the closed final salary pension scheme liability) of £679,000 for the financial year ended 31 October 2020 (2019 - £899,000). This comprises the following components:

	2020 £000	2019 £000
Law Society of Scotland	410	39
Law Society of Scotland (Services) Ltd.	(12)	(7)
Scottish Solicitors' Guarantee Fund	281	867
Total - Group	679	899

Significant cost reductions in the Society, mostly due to lower activity levels caused by the Covid-19 pandemic, as well as continued low volume of claims against the SSGF, contributed to the increase in profit reported by the Group.

Profit reported by the Group after actuarial adjustment was £489,000 (2019: £698,000).

The Society

The Society reports a profit (prior to the actuarial adjustments to the closed final salary pension scheme liability) of £410,000 for the financial year ended 31 October 2020 (2019 - £39,000). Further detail of the Society's financial performance is given in the Income Statement on page 19 of the full set of accounts attached below.

There was significant investment market volatility in the year due to the uncertainty caused by the Covid-19 pandemic. As a result, the investment portfolio held by the Society suffered a reduction in fair value of £115,000 (4%). In 2019 the equivalent figure was a gain of £215,000 (7.5%). These investments are held for the long term and produce an income of around £90,000 per annum. An element of market volatility is accepted.

Looking ahead, in the context of the Covid-19 outbreak, Council is fully aware of the difficulties faced by the profession but must also focus on the ongoing viability of the Society. Significant steps were taken during 2020 to support the profession, including material reductions in core membership fee levels. Detailed commentary is provided within the going concern section of the full report attached below.

Profit reported by the Society after actuarial adjustment was £220,000 (2019: £162,000 loss).

Operating income – Society

Income for the year (excluding investment losses) was £11.6 million, a decrease of 0.1% from the previous year. Income is analysed as follows:

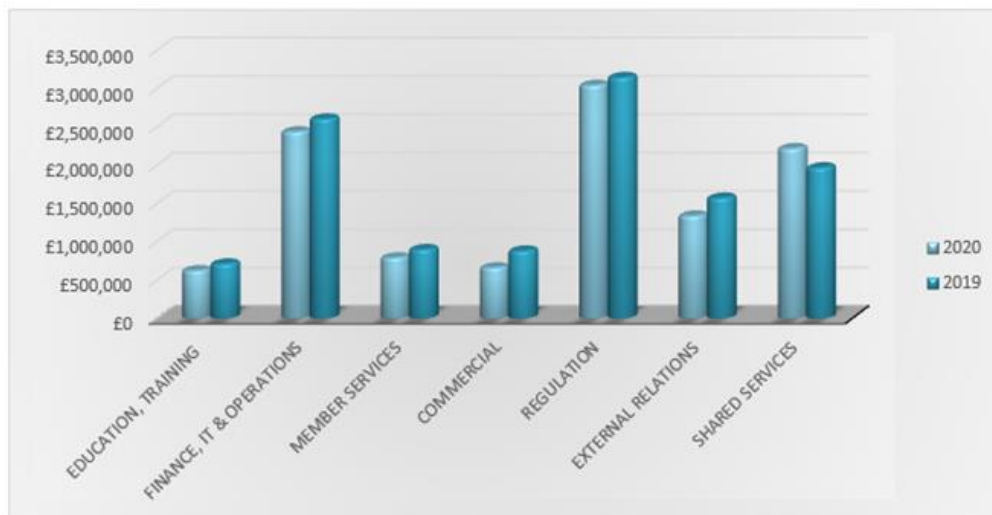


Membership income comprises practising certificates, retentions and non-practising member fees. Other core income comprises fees from regulatory activity. This includes an element of the Scottish Solicitors' Guarantee Fund accounts fee paid by firm principals towards financial compliance and interventions,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

Income was marginally lower (£29,000) than 2018/19, driven principally by a reduction in commercial revenues of £424,000 (39%). This was due to the impact of the Covid-19 pandemic on our ability to deliver face to face CPD and other revenue generating events including the Annual Conference. This reduction was partially offset by an increase in membership income of £273,000 resulting from the modest increase in the practising certificate subscription in 2019/20.

Operating expenditure – Society

Expenditure (excluding actuarial movements in closed pension scheme) was £11.1 million, a decrease of 5.7% from 2019. Expenditure is analysed as follows:



The Covid-19 pandemic resulted in significant reductions in Society activity from March 2020. This is reflected in the reduced expenditure across all directorates. Shared services, however, saw an increase in costs, which was driven by an increase in legal and professional fees related to one off situations, as well as increased provisions for bad and doubtful debts. IT costs also incurred one off increases as the Society made changes to infrastructure and process improvements around the creation of a work-from-home

environment. Some additional costs were incurred to protect against the increased risk of cyber-attacks.

Investments – Group

The Group's investment portfolio was impacted negatively during the year, as a result of uncertainty and volatility in the markets due to the Covid-19 pandemic. The investment valuations returned losses against the market value at 31 October 2020 of £421,000 (2019: £539,000 gain), equating to approximately 5% of investments held. The Finance sub-committee monitors investments at least quarterly and reserves are diversified to enable investments to be held over the long term (defined as 5-10 years). The balance of cash and investments held is monitored. Fluctuations in investment values are accepted and the portfolio produces a much higher dividend yield than achieved by interest rates on deposits.

Cash		
Cash balances for the Society and its subsidiaries at the year-end were:	2020 £,000	2019 £,000
Law Society of Scotland	11,905	10,646
Law Society of Scotland (Services) Ltd.	130	227
Scottish Solicitors' Guarantee Fund <i>(not available under any circumstances for the Society's use)</i>	1,957	1,676
Total - Group	13,992	12,549

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 at 31 March 2019 by a qualified actuary, independent of the scheme's sponsoring employer.

The overall deficit shown by most recent valuation at 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 2019 triennial valuation the next recovery plan was agreed covering a ten-year period. £170,000 was paid in March 2020 as year 1 of the revised plan. From March 2021 for nine years, £99,000 will be due to be paid annually, increasing at a rate of 5% per annum.

Financial Reporting Standard 102 applies less prudent assumptions than those in the triennial actuarial valuation (as explained in note 13 of the full set of accounts below). Consequently, the majority of sums paid to the scheme this year have 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 £190,000 (2019: £201,000).

At 31 October 2020 there was no scheme deficit for financial reporting purposes (2019: deficit £nil).

Reserves

The Society's reserves increased from £5.3m to £5.5m at the year end. The principal reasons for this movement were the increase in membership income from practising certificate subscriptions, combined with the significant cost savings achieved through materially reduced activity in some areas during the year.

Reserves held by the SSGF are legally designated solely for the purposes of the fund and are not available to the Society. At 31 October 2020 the SSGF reserves were £7.1m (2019: £6.8m).

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 strategic plan outcomes and objectives, and annual operating plans. 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. This target range was not adjusted by the recently approved policy, but the policy does make 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 will be based upon projected expenditure in future periods.

Reserves for this purpose are calculated as follows:

Operating reserves calculation at 31 October 2020		£,000
Total capital employed		5,478
Less: Net book value of fixed assets		(1,597)
Reserves per policy (A)		<u>3,881</u>
Projected expenditure for the next 12 months – operating costs, Society only (B)		10,522
Number of months' coverage from reserves (A / (B/12))		4.4 months

The updated Operating Reserves Policy makes provision for a recovery period in the event that the use of reserves has been approved by Council and the supporting financial forecast 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 approved budget for 2020/21 with a projected loss of just over £1.5m (see more detail under Financial year 2020/21 in the full set of accounts below) resulted in a projected target reserves level below the minimum level. The executive team continues to monitor the position with the view to recover the reserves position to well within the target range.

The Finance sub-committee reviews the appropriateness of the policy on an annual basis. In setting reserve targets the 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 below), as reflected in future cash flow projections.

Financial statements

Download the full accounts for the Law Society, the Law Society of Scotland Services Ltd and Lawscot Foundation:

- [Law Society of Scotland – October 2020.pdf](#)
- [Law Society of Scotland Services Limited – October 2020.pdf](#)
- [Law Society of Scotland Education Foundation – October 2020.pdf](#)

Governance report 2019/20

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. The Council, in light of the Covid-19 pandemic, has put in place a **two-year interim strategy**, rather than the originally planned 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 the 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, along with the Regulatory Committee Convener and the Vice President Elect as observer members. Sitting beneath the Board is the Chief Executive, the senior leadership team and management team, 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 of the Society

The Chief Executive's key responsibilities include the provision of leadership and the vision necessary to create a professional body which effectively regulates and represents the interests of its members and delivers a range of services and products as required by the profession. The Chief Executive is responsible for advising the Council and the Board on the development and implementation of policy as well as managing our staff and resources. The Chief Executive works alongside the Office Bearers and Council in providing effective and meaningful communications and representing us as an organisation. Additionally, the Chief Executive is responsible for ensuring effective relationships with members, external bodies (including governments) at the highest level and internationally, and with all other appropriate third parties, the public and the media. The Chief Executive is also responsible for ensuring that the respective parts of our governance structure operate effectively and efficiently.

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, to be applied in a uniform and consistent way and regularly reviewed
- to ensure 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 and to build and develop relations with appropriate third parties to ensure confidence in the work of the profession and our regulatory regime.

David Cullen
Registrar

Assure

We planned to assure our members' clients and employers by setting and upholding standards that ensure excellent legal and customer service.

Key facts and figures



Assure projects

Action	Outcome	Complete / not complete
Legal Services Review (Roberton) Legal Services Review (Roberton) We will seek to	The Scottish Government consultation on reform to legal services regulation had been planned for summer 2020 but was postponed due to Covid-19. Substantial work was undertaken in the early part of the year as part of the joint	Not complete

<p>retain a robust and proportionate regulatory system by engaging fully with the Competition and Markets Authority in its review of the Scottish legal services market and the Scottish Government's consultation which follows the Robertson Report.</p>	<p>working group established by government officials. Whilst the aim was to develop a consensus on a single alternative model, the group concluded by considering three options. One of these options remains the full Robertson model of creating a new single regulatory body which we believe continues to present significant issues in terms of increased costs and potentially undermining the independence of the profession from government. The publication of the Scottish Government consultation paper remains on hold. This element of the action has been rolled over into next year's plan. We engaged fully with the CMA in its research on the legal services market in Scotland. Its report centred on the need for more price transparency in the marketplace and we responded by agreeing new guidance to encourage firms to be more proactive in publishing price information upfront. The guidance was originally published in January 2020 and due to come into effect on 1 April 2020, but its implementation was postponed until 31 January 2021 due to the pandemic.</p>	
<p>Apprenticeships work with Skills E Scotland We will design an apprenticeship route to qualification; set up pilot group of employers and a university provider.</p>	<p>Due to the university provider putting the project on hold temporarily, apprenticeships did not commence in 2020. Relationships are still open and work will recommence in 2021.</p>	<p>Not complete</p>
<p>Social mobility We will continue to develop a programme to promote social mobility and encourage firms to follow our guidance on best practice in recruitment processes to ensure all graduates have a fair chance of obtaining a traineeship, regardless of their background and personal circumstances.</p>	<p>Our second year of Rare recruitment got underway with Morton Fraser and Dickson Minto utilising the data for their recruitment processes. Three sessions focussing on social mobility and best practice in graduate recruitment and racial fairness planned took place in October 2020. The Lawscot Foundation diversity fair and conference also took place in October, with 27 firms and organisations attending and generating £9,500 for the Foundation.</p>	<p>Complete</p>
<p>Complaints system improvements We will work with Scottish Government, the Scottish Legal Complaints Commission (SLCC) and the Faculty of Advocates to bring forward regulations to the Scottish Parliament to improve the current system for dealing with complaints. We will review our systems and processes for dealing with</p>	<p>We continued to work with the SLCC and Scottish Government to bring forward regulations to improve the current system for dealing with complaints. The Scottish Government provided a further draft of the proposed consultation paper for changes to the Legal Profession and Legal Aid (Scotland) Act 2007 at the end of October 2020 on which we (and the SLCC) commented. The proposed changes to the 2007 Act present interim measures which we believe will significantly improve and speed up the complaints process and which can be delivered by way of regulations ahead of more significant reforms delivered through the legal services review (Robertson). Our internal review of our own systems and processes continued but was not completed in</p>	<p>Not complete</p>

conduct complaints to ensure that complaints will be dealt with as efficiently and effectively as possible.	this financial year. This action has been rolled over into next year's plan.	
Financial Compliance reforms We will continue embed the risk-based approach to AML regulation in firms including the implementation of the 5th Directive and continue to develop and implement changes to the current inspection regime in terms of a risk-based approach.	After the initial lockdown period, we established and implemented a programme of remote inspections focused on the completeness of client accounts and accounting records. Prior to year-end further steps were taken to initiate a more comprehensive approach to risk-based scheduling. Other elements of the inspection action plan have not been fully implemented due to the pandemic and will be rolled into next year's plan. We completed a review of our AML sub-committee after its first twelve months of operation which will be considered by both the sub-committee itself and the Regulatory Committee.	Complete

Regulatory Committee annual report 2020/21

The Regulatory Committee had an ambitious agenda for the 2019-2020 year. The unanticipated coronavirus pandemic inevitably impacted this, yet the committee successfully delivered its objectives as well as continuing to ensure fair and proportionate regulation of the solicitor profession and contributing to regulatory policy at the highest level.

This is a testament to the dedication and hard work of the members of the committee. Throughout the pandemic, the committee has continued to meet remotely on a bi-monthly basis and I am grateful for the input and commitment from its members during this challenging time.

We adapted our approach and outcomes in recognition of the challenges faced by the solicitor profession, whilst ensuring that we continued to protect the public and the public interest throughout. The result is continued strong regulation and an excellent regulatory platform to build on as we enter 2021.

Our work in 2019-20

Covid-19 adaptation

Not surprisingly, the committee has considered several matters that have arisen as a result of the pandemic. These have required careful consideration and informed decisions directed to both support the profession in these difficult times and ensure there is no detriment to consumer protections. Throughout the year, the committee has regularly reviewed the introduction of the Price Transparency Guidance, which was initially due to come into force in April 2020. Recognising that this could present challenges to firms in these difficult and uncertain times, the committee postponed the introduction until January 2021, giving firms an additional 10 months to make the necessary changes to embrace the guidance.

The committee also reviewed the Continued Professional Development (CPD), and Practice Management Course (PMC) requirements. Again, taking into account and recognising the difficulties faced by both solicitors and training providers as there was a transition to online courses, the committee agreed that a flexible but proportionate approach should be taken to the requirements. The committee suspended the mandatory thresholds for the remainder of the (2019 -2020) CPD year, and instead the requirements were given the status of indicative figures to be met by the solicitor if possible. In recognition of the fact that the PMC is a crucial requirement of public protection focused on ensuring that a solicitor is competent to

manage a law practice, the committee agreed that the PMC requirement not be suspended. The PMC was delivered online instead of face to face and, given the geographic variances in relation to broadband and internet connectivity, the committee agreed that a degree of flexibility should be applied to applications for waivers on an individual, case by case basis.

The committee was also kept updated on issues and challenges that the pandemic raised in the context of trainee solicitors, law students and accredited providers. The committee welcomed and supported work by both the Education and Training (Standard Setting) and the Admissions sub-committees, and also colleagues within the Law Society staff team to help address the problems and uncertainties faced by new and prospective entrants into the profession.

Regulatory Committee sub-strategy

As the Law Society's existing five-year strategy came to an end, the committee identified the necessity and value of setting its own strategic objectives to help define and focus its work and strengthen its independence, whilst supporting and aligning itself with the Law Society's overall strategy.

The committee formed a Strategy Working Group to generate ideas and develop key overarching strategic objectives centred on better regulation principles and best regulation practice. In developing the Regulatory Committee sub-strategy, the working group ensured that it reflected the overarching Law Society's **new two-year strategy (2020-2022)** and, in particular, that part focused on the theme of Assure.

Colleagues within the senior executive and the wider committee have also been instrumental in providing valuable feedback which has helped to inform the final strategic objectives. **The Regulatory Committee's sub-strategy was finalised in early 2021.**

Fit and Proper testing

In April 2020, the committee approved the commencement of a project to consider the Society's Fit and Proper (FP) regime, recognising that there are currently gaps within fit and proper testing for those who leave and then re-join the profession. Those who join the profession are subject to rigorous fitness to practise requirements at the commencement of their solicitor career. However, there is nothing currently in place to ensure those re-joining continue to meet the appropriate and suitable standards and there are discrepancies between the relevant requirements contained in the Solicitors (Scotland) Act 1980 (the 1980 Act) and the Legal Services (Scotland) Act 2010.

The FP project, which features in the Society's Annual Plan 2020-2021, will consider the most effective way to address these gaps and discrepancies, ensuring that the reputation of the profession and the protection of the client remain central themes. The project will be informed by best practice across other regulated sectors and other legal service regulators and will bring forward reasoned recommendations on what improvements could be made to better support the achievement of the regulatory objectives.

Amendments to Practice Rules

The committee approved an amendment to the Practice Rules (Practice Rule D5 -Incorporated practices) which sought to overcome to a limited extent the problems arising due to a lacuna within the 1980 Act. On the rare occasions when there is a single qualified solicitor in an incorporated practice and the practice is unable to continue to operate due to the ill health or disqualification from practice of that individual, the Society was previously prevented from taking appropriate action to protect the interests of clients.

The rule amendment effectively requires that when a solicitor is setting up an incorporated practice, and is the only qualified individual, then provisions are in place to ensure the practice can continue should the sole qualified individual be unable to continue to fulfil their responsibilities for any of the aforementioned reasons. This significantly strengthens consumer protections and ensures that client matters can continue

to be managed appropriately in the absence of the sole qualified individual. The amended rule is intended to be a temporary measure until such time as primary legislation comes forward to fully address the issues.

Fit for the Future – Legal Services Review

The committee has been updated regularly on progress of the independent review of legal services regulation in Scotland since the publication of the 'Fit for the Future' report in October 2018. It has provided feedback and input when requested by Scottish Government, although progress has been interrupted and understandably slower than expected due to the pandemic.

We remain opposed to the core proposal of creating a single external regulator for all legal services and have provided input to the development of a number of regulatory model options which it is believed will feature in the forthcoming Scottish Government consultation.

The committee looks forward to that consultation in the course of 2021.

Complaints – proposed reforms

Since 2018 the Society has collaboratively engaged with the Scottish Legal Complaints Commission (SLCC) and the Scottish Government in identifying reforms to improve the complaints process for the benefit of both consumers and the legal profession. Ultimately modernising and improving the process for complaints handling can only be achieved through primary legislation as part of the wider legal services review. In the meantime, the Society and the SLCC, with the agreement of the Faculty of Advocates and Association of Commercial Attorneys, have developed proposals for interim improvements which update the powers of the SLCC to create a more flexible and proportionate complaints system under the existing framework of the 2007 Act. This work has been greatly informed by input from the Regulatory Committee which has been expertly guided by colleagues from within the Executive, who have also kept the committee regularly updated on progress.

The Regulatory Committee was pleased to note that the Scottish Government published the consultation in December 2020. Attention is now focused on preparing an appropriate and full response from the Society with input from the Regulatory Committee.

Reflection

2020 was a year of changes, not least in the form of farewells and introductions. At the end of the year the committee said goodbye to three longstanding members: Joe Boyd, Frank Hughes, and Alan Plumtree. I am grateful for their wise, insightful and good-humoured contributions to the work of the committee over the years. Like all our committee volunteers, their service is not only to the profession or the Society: it is to the integrity of the legal system, and thus to the rule of law from which we all immeasurably benefit.

Earlier in the year, along with many other well-wishers we said a fond farewell to Phil Yelland, who hung up his rule book after over 30 years' service, latterly as Executive Director of Regulation. I would say that Phil had forgotten more about legal regulation than most of us would ever learn, but absent mindedness was not one of his qualities. His encyclopaedic knowledge most certainly was, along with a canny sense of the often-political context in which legal regulation sits, and an understated but evident passion for the law and the profession. I am enormously grateful for the support I got from him over the years.

On the other side of the ledger, along with new committee members we welcomed Rachel Wood as the new Executive Director. Rachel comes from an accomplished private practice background and brings both a practitioner's perspective and a strategic sense of the regulatory landscape.

As and when the pandemic passes, some of the enforced changes may well stay in place. For example, meeting online rather than in a fixed space in Edinburgh has allowed greater participation in committee

meetings, and it may be that in the future a hybrid form of meeting becomes one part of the new normal. Financial compliance inspections have also moved online, which may well prove more efficient for the Society and less disruptive for firms.

Whatever shape the future takes, as we approach the first anniversary of pandemic disruption, I am hugely appreciative of the resilience and real time adaptations people have made to allow our crucial regulatory work to continue. Based on recent experience, I am confident that the public and the profession are well served and protected by the continuing dedication of everyone involved in the regulation of Scotland's solicitors.

Craig Cathcart
Regulatory Committee Convener

Scottish Solicitors' Guarantee Fund annual report 2020

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

Equality and Diversity Report

In 2019/20, we took forward an inclusion calendar which celebrated the diversity of our membership. This included – amongst many other events – a #PrideInside event, campaigns marking major religious festivals and work around Black History Month. The output of the **Gender Equality Roundtables** was published in June 2020 and led to the formulation of a wide-ranging gender equality action plan.

Work also commenced to better understand the experience of our Black, Asian, and Minority Ethnic members which will continue in 2020/21. At practising renewal 2020, for the first time we gathered diversity information in a pseudonymised way to better understand if our members reflect the population they serve.

Throughout the year work was done to support members including hosting events to support parents in the profession; launching flexible working advice and information and guidance on remote working; and launching a menopause support resource.

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%	23%
Gender Performance Award Gap	0%	0%

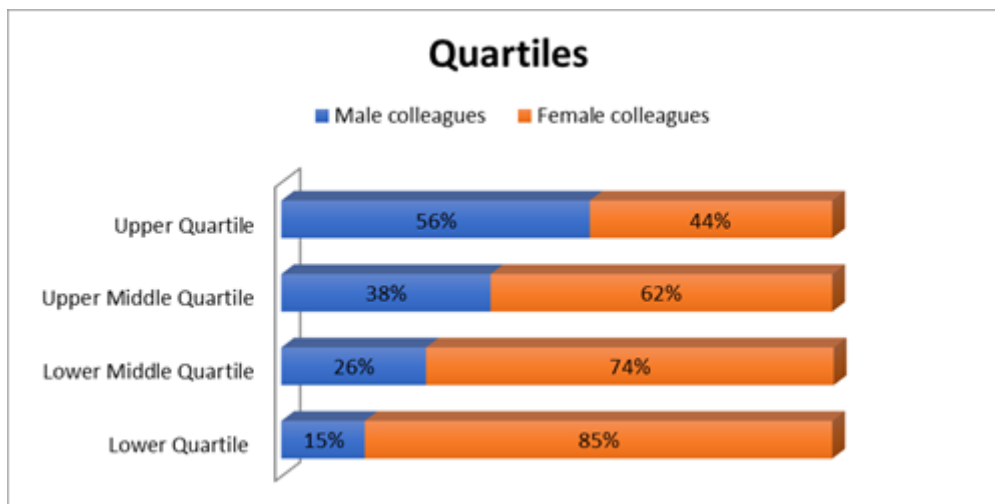
Our median gender pay gap is 23 percent which represents an increase of 2 percent from the previous year. Our mean gender pay gap remains at 21 percent. Our mean and median bonus gap is zero percent.

Profile of employees

Our employee profile is 66% female and 34% male.

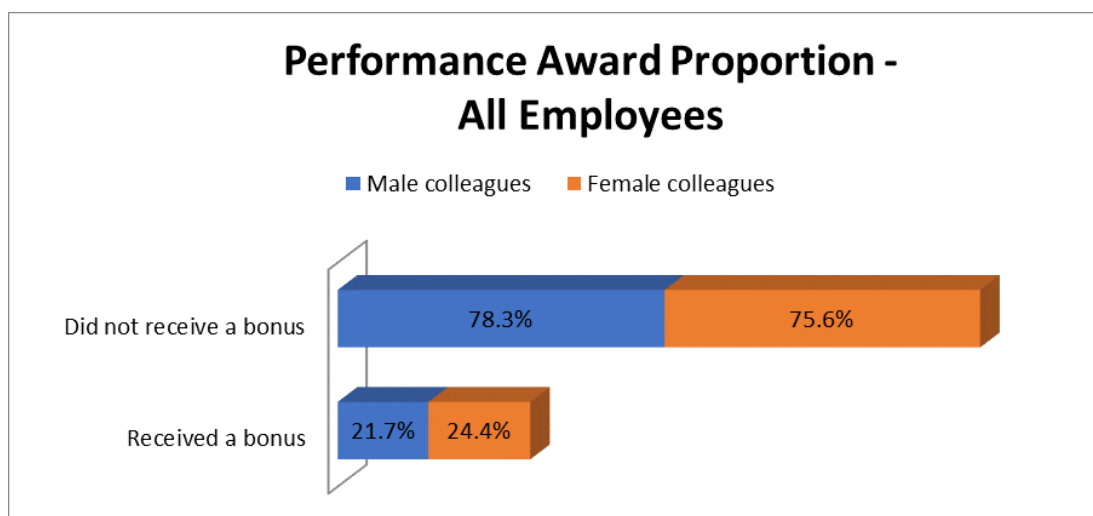
Quartiles

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



Performance Award Proportions

The percentage of male and female relevant employees receiving a performance award payment in a specified 12-month period.



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 below.

Year	Mean Gender Pay Gap (%)	Trend (%)	Median Gender Pay Gap (%)	Trend (%)
2018	19	-	21	-
2019	21	>2	21	0
2020	21	0	23	>2

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 are 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.

To support career development, we have also implemented a mentoring scheme which will continue to support the career progression of our employees across each pay 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. 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, these include:

- removing salary history from our recruitment and selection processes
- offering unconscious bias training to all our employees
- continuing our commitments as a living wage employer
- implementing a mentoring programme to aid with career development and succession planning
- benchmarking our employment practices to ensure we are an inclusive workplace
- championing gender equality through the commitments of our senior leadership team
- monitoring the gender breakdown at each stage of the recruitment and selection process to identify any areas of improvement.
- continuing to anonymise candidate data in our selection process to remove the potential for bias
- ensuring we use inclusive language in our job adverts
- continuing to develop and promote our work on equality in the legal profession
- continuing to support a strong flexible working culture.

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

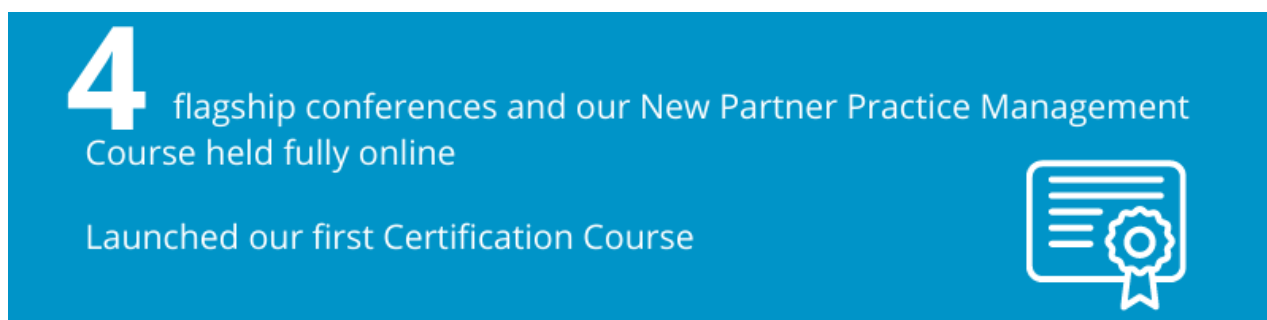
We confirm that our gender pay calculations are accurate and meet the requirements of the regulations.

Lorna Jack
Chief Executive

Serve

We planned to serve our members through a detailed understanding of their needs, providing tools and services which they can use every day.

Key facts and figures



Serve projects

Action	Outcome	Complete / not complete
<p>World class services We will develop new and refine existing services that support our members, with a focus on emotional well-being, AML, technology, business development, and tools that enable firms to improve efficiencies.</p> <p>We will review guidance on a risk-based approach</p>	<p>The first five months of the year focused on scheduled activity working with our partners in wealth management, financial planning and accountancy to provide general advice and services for members. As priorities shifted from end of March 2020, we worked closely with these partners and others to provide critical advice on:</p> <ul style="list-style-type: none"> • accessing business support • practical financial measures & cashflow • employment law & furlough • electronic signatures • remote working • communicating with your client 	Complete

<p>and produce “Pocket Prof Prac” video content.</p>	<ul style="list-style-type: none"> • online AML verifications <p>Enquiries into the Professional Practice team increased by around 400% as they, in addition they provided a wealth of practice updates ensuring members were kept up to date with changes. These include guidance for conveyancers following the closure of Registers of Scotland and information on witnessing the signing of wills and notarial execution.</p> <p>The CPD team and Education, Training and Qualifications jointly delivered a series of wellbeing events in June supported by one of our approved partners Clio.</p> <p>We secured LexisNexis as sponsors of our in-house activities, gaining access to their wealth of content as well as income against activities such as the new In-house Guide and roundtables.</p>	
<p>Conferences, training and events</p> <p>We will continue to grow our portfolio of continuous professional development (CPD) and training, maximising our new online platforms to make our services more accessible, developing new content and expanding titles that support specialist accreditation and our accredited paralegal programmes.</p> <p>We will support our members through the implementation of the “5th Money Laundering Directive” if brought into domestic legislation.</p>	<p>All 2020 flagship conferences were still held but moved online except for the Annual Conference which was moved to April 2021 and a “recovery” conference for our High Street members was held in July 2020 to aid the profession rebound from the first lockdown.</p> <p>We held our Practice Management Course online in September 2020 and a new date was added for Spring 2021.</p> <p>Between April 2020 and the end of October 2020 we had 1215 signups for online webinars and 787 registrations for online conferences.</p> <p>We worked with a number of new and existing sponsors for all online conferences, adapting opportunities to ensure they had exposure and value.</p>	Complete
<p>Member Engagement and Support</p> <p>We will listen to our members and continue to develop a deep understanding of their needs and concerns, and increase our engagement across big firms, the high street, the in-house sector and those working outside of Scotland.</p> <p>We will support our members on the issues</p>	<p>In the first few months of the practice year, ahead of the lockdown period, we focussed on our traditional in-person engagement activities across all our member groups and sectors, including 1-2-1 meetings, presidential visits and exhibiting at and attending third party conferences and events with our partner organisations.</p> <p>Following lockdown, our member engagement work shifted entirely online. Activity included targeted support emails for all member groups, virtual presidential visits, faculty leadership forum events and virtual roundtables, again across all member groups and sectors.</p> <p>This new approach enabled us to engage with more members than would ordinarily be possible, with the</p>	Complete

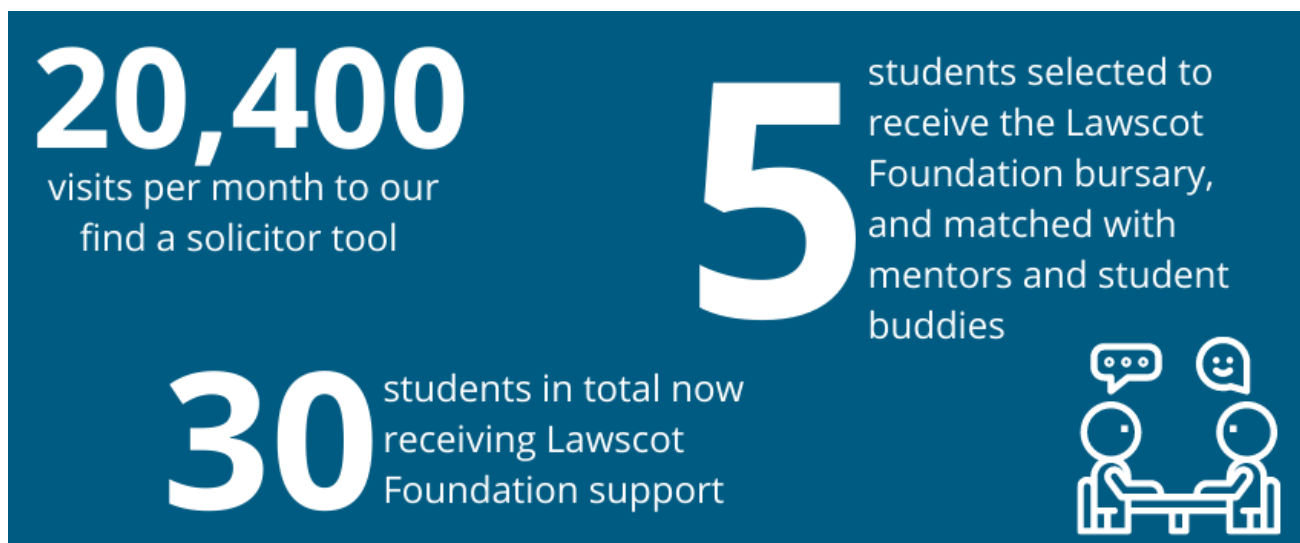
<p>that concern them and ensure their voice is heard by ensuring feedback captured at meetings is recorded and shared internally.</p> <p>We will also develop a new forum for Fellow members.</p>	<p>President meeting with every Council Constituency bar one within the first five months of her presidency, this has never been achieved before. We also introduced monthly Faculty Leaders' Forums to work collaboratively across the jurisdiction.</p>	
<p>Support our members to reduce complaints We will support members to understand the latest best practice guidance on how to reduce complaints, and how to handle those that are made to reach the most positive outcome.</p>	<p>We worked with the SLCC to share how complaints arising during lockdown might be handled. We also assisted members in managing client expectations with dramatically reduced court time and many solicitors on furlough.</p>	<p>Not complete</p>
<p>Cyber-Resilience We will lead a cyber-resilience programme to support the profession in taking appropriate steps to protect their businesses.</p>	<p>We ran a tender for a cyber resilience strategic partner throughout the first quarter of the year and appointed Mitigo. Since launching, Mitigo has provided a series of topical articles and blogs aimed particularly at small and medium sized firms and has spoken at three of our online events. We now have an 'incident report' protocol which will assist firms who may find themselves targeted by cyber crime along with an emergency hotline on our website.</p> <p>Alongside this, Lockton continue to provide advice on cyber risk in association with the master policy and other insurance options.</p> <p>Our internal processes have been updated to include regular reporting on our cyber-resilience programme.</p>	<p>Complete</p>
<p>LawScotTech We will support the profession as it embraces technology in the delivery of legal services and compliance with regulation, championing innovation and leading LawScotTech, a hub that matches legal expertise with technology talent.</p> <p>We will support the ongoing market development for software to improve members' service to clients as well as regulatory compliance.</p>	<p>We have developed a new covid response two year strategy for LawScotTech, and we now have 30 stakeholders within the LawScotTech community. We are working in collaboration with Fintech Scotland and Scotland IS and are actively engaged with the Lawtech UK Sandbox programme.</p> <p>We hosted the largest ever Law Society of Scotland technology conference, with 190 delegates, 43 speakers and five sponsors.</p> <p>We surveyed the profession on legaltech to be shared with the community and we championed new solutions for client onboarding, cyber resilience and secure communications.</p>	<p>Complete</p>

<p>Equality and Diversity We will continue to promote the benefits of increased diversity within the profession.</p>	<p>A group focusing on racial inclusion launched in early 2021, following preparatory work during 2020.</p> <p>We undertook work with the Scottish Government's newly formed Cross-Justice Group on Race & Workforce, and produced menopause support guidance, supplementing that with a well attended event.</p> <p>We curated and posted blogs during Black History Month, inviting media interest.</p> <p>We collated diversity data for the first time when members renewed their membership, with 80% of members providing their data.</p>	<p>Complete</p>
<p>Celebrate 30 years of Solicitor Advocacy We will work with the Society of Solicitor Advocates to develop a plan to celebrate 30 years of solicitor advocacy in 2021 that will showcase the immense contribution of this important part of the profession.</p>	<p>During the year, we developed a plan to celebrate 30 years of solicitor advocacy in 2021, working with our recently appointed Law Society Council representative as well as the Society of Solicitor Advocates in Scotland.</p>	<p>Complete</p>

Excel

We planned to excel by operating as a world-class organisation through five key projects.

Key facts and figures



Excel projects

Action	Outcome	Complete / not complete
<p>Improve Finance and Operations Directorate systems and processes We will develop our Finance and Operations systems and team to improve the delivery of service excellence through use of customer feedback and technology, and to ensure decision records and information is readily available for regulatory committees and sub committees.</p>	<p>The development of our Digital Strategic Roadmap was placed on hold in March as the pandemic hit. This allowed us to focus our Finance and Operations directorate resources fully on the immediate need to migrate to a work from home model. A clear plan to address the main priority of a replacement membership database is included in 20/21 annual plan.</p> <p>Service excellence was delivered by immediately transitioning to support a remote working environment as the pandemic impacted. Operational facilities were made available, safely and securely, for critical needs.</p> <p>The Finance and Operations directorate staff engagement and satisfaction survey score increased by 33% with improvement in every one of the 20 different question categories.</p>	Not complete
<p>Improve Council and Committee member induction and efficiency of systems We will improve our processes for internal reporting to our Council, Board and committees by</p>	<p>We carried out research with Council and committee members regarding holding virtual committee meetings - as a consequence we published a best practice guide for committee members for virtual meets and undertook to review the technology used.</p> <p>We introduced our first committee member engagement forum, hosted online by our President and attended by almost a third of our committee volunteers.</p>	Complete

better using technology and automation.	The induction training for Council and committee members has moved completely online through the use of remote access video training.	
Climate Change We will benchmark and improve on the Society's green credentials.	Due to the changes brought about by the Covid-19 pandemic, virtual meetings have now become the new norm. With our focus on 'digital first', our committees will continue to meet virtually and we will continue to meet our external stakeholders and other third parties online too, as we transition back to the 'new normal'.	Not complete
Diversity and Social Inclusion We will promote and support diversity, ensuring that the Society is recognised as an inclusive workplace.	Following extensive research, a well-respected diversity and equalities accreditation has been identified for implementation, forming a key part of annual plan for 2020/21. A diversity and equalities questionnaire was successfully introduced to our annual membership renewal processes, achieving an 80% completion rate.	Complete
Refresh our five-year Strategy and associated values We will develop a new strategy for the next 5 years involving our members, staff and other stakeholders. We will revisit our existing values and ensure they remain relevant and fit for purpose.	A substantial engagement exercise with the profession and stakeholders was undertaken in the early part of the operating year. This aimed to understand the context for a new five-year plan. However, in response to the coronavirus pandemic and given the financial backdrop facing the Society, our Council agreed not to proceed with producing a new five-year strategy and instead agreed to develop an interim two-year strategy. This retains the same structure of the current strategy but has updated strategic objectives and a series of new aims. Whilst a five-year strategy was not produced, the work undertaken this year will still be of value when we work to create such a plan for commencement in 2022/23.	Not 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 & 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.

2020 has been a remarkable year due to the Coronavirus pandemic, and with our offices currently closed, all our colleagues have been working from home since March 2020.

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 2020, 19 members of staff participated in a CSR day which equates to 15% of colleagues. This is a decrease of 10% in last year's figures, but understandable in the current climate. Before the pandemic struck, we continued with our paired reading scheme through Business in the Community with a local primary school, in a deprived area of Edinburgh. This scheme has now ceased. A number of colleagues also spent the day in a residential care home, helping with aspects of decorating, gardening and preparing the residents' lunch.

Two of our colleagues used their CSR day allocation to attend charitable Board meetings, one as a Board member, the other to offer advice on the charity's constitution and structure, as well as support with the taking of minutes.

This year our charity partner of the year has been Camphill Blair Drummond, nominated and voted for by colleagues. Due to the coronavirus pandemic, we have not been able to organise as much fundraising as we normally would, however we have successfully run a virtual bake sale fundraiser and a virtual pub quiz. We have also organised a step challenge where colleagues competed in teams for the most steps taken in an eight-week period, as well as a 'lockdown locks' competition, where colleagues submitted photos of their pandemic induced haircuts!

In light of reduced fundraising this year, colleagues have agreed to support Camphill for a further 12 months, rather than vote for a new charity partner for 2020/21.

Influence

We planned to influence the creation of a fairer and more just society by being an international centre of excellence in thought leadership.

Key facts and figures



Influence projects

Action	Outcome	Complete / not complete
<p>Continue to be an influential voice on Brexit We will continue to provide a leading, non-partisan voice as the UK moves towards leaving the European Union, ensuring the interests of the profession and the public are properly considered by political decision makers.</p>	<p>Our policy team carried out a substantial amount of work to ensure that the Society remained an influential voice on Brexit, including briefings, amendments and engagement with parliamentarians on no fewer than eight Bills, as well as additional inquiries and consultation responses.</p> <p>Through our Brussels Office we met with EU civil servants, parliamentarians and stakeholders to promote the interests of our members and UK and EU citizens, through continued civil and criminal judicial cooperation. We continue to be represented on the Lord Chancellor's Brexit Law Committee (now International Law Committee) and we have engaged extensively with both the UK and Scottish Governments on the progress of trade negotiations with the EU, ensuring that as far as legal services are concerned, Scottish interests are highlighted as part of the bigger UK picture.</p>	Complete
<p>International Trade in Legal Services We will promote the jurisdiction internationally.</p> <p>We will seek to ensure that, post-Brexit, our members maintain access to international clients and</p>	<p>Due to the pandemic we have been unable to promote our jurisdiction as we had hoped. Our own promotional event is on hold. We re-established contact with the Ministry of Justice GREAT campaign, and look to continue that work in 2021.</p> <p>We have been very involved in discussions at government level on UK trade negotiations with US, Australia and New Zealand and have responded to numerous inquiries on these,</p>	Not complete

<p>markets and have access to resources devoted to promoting legal services internationally.</p> <p>We will promote Scotland as a destination for dispute resolution and legal expertise.</p>	<p>ensuring that the Scottish perspective is included in the promotion of trade in legal services.</p>	
<p>Influence reform of Legal Aid</p> <p>We will seek to influence the Scottish Government in creating a long term, sustainable funding arrangement for legal aid in Scotland.</p>	<p>Legal aid legislation was not brought forward for the 2020-21 parliamentary year, and work on the legal aid fee review panel was discontinued because of the Covid-19 crisis.</p> <p>However, significant work was undertaken through the year around developing a package of reforms to support the sector through the crisis. Interim fee measures were agreed commencing in April, allowing for the feeing of work-in-progress.</p> <p>Discussions around wider support for the sector took place from June, with possible areas including implementation of s76 fees, increases to criminal and civil blocks, support for trainees and advance payments from the Legal Aid Fund. Whilst these discussions were ongoing at the end of the financial year, the Scottish Government announced a new financial package of support for legal aid in December 2020 including a 10% uplift in fees over two years. We continue to work with government to ensure access to support grants is straightforward for firms.</p>	Complete
<p>Secure position for the Law Society and its members in ADR / Mediation reforms</p> <p>We will ensure solicitors and access to justice issues are central to legislative change around mediation and alternative dispute resolution.</p>	<p>Legislation to implement new alternative dispute resolution (ADR) schemes was not brought forward as anticipated, because of the Covid-19 crisis, though the use of ADR as a means to divert from court and mitigate backlogs remains a potential option. The public consultation on ADR is also still awaited, though we have participated in the initial meetings of the Collaborative Partnership on Dispute Resolution.</p> <p>Our Access to Justice committee reviewed the use of ADR and we responded to the pilot programme for mediation information and advice meetings in the Children (Scotland) Bill.</p>	Complete
<p>Continuing Competence</p> <p>We will ensure that our approach to assuring competence compares favourably with other jurisdictions and professions.</p>	<p>A report was considered by Education & Training Committee and Regulatory Committee. Our continuing competence does compare favourably with other professions and jurisdictions.</p> <p>There may be some additional policy work in this area next year depending on Regulatory Committee priorities.</p>	Complete
<p>Prepare for Holyrood elections</p> <p>We will commence work to</p>	<p>The Public Policy Committee agreed a new timetable which aimed to create a set of policy priorities for the 2021 election</p>	Not complete

create a set of policy priorities for publication ahead of the 2021 Scottish Parliament elections.	by the end of December 2020. These have now been published.	
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Grow

We planned to grow our membership and income by being a vibrant, influential and inclusive organisation through four projects.

Key facts and figures



Grow projects

Action	Outcome	Complete / not complete
<p>Accredited Paralegal Scheme We will review the success of the Accredited Paralegal Scheme, promote the revised Scheme of Operation and consider new practice areas in line with market need.</p> <p>We will Increase our number of accredited paralegals to 650.</p>	<p>We ended the year with 548 Accredited Paralegals with 26 applications in progress. Of the 548, 24 are trainees. A number of traineeships were extended beyond the 12-month period due to the high number of trainee paralegals put on furlough.</p> <p>The review of the Scheme of Operation was delayed with work resuming in Q4. Estimated completion date for the work is Q2 of 2020/1.</p>	Not complete
<p>Specialist Accreditations We will review uptake of current categories and consider new categories and their relevance to the profession both now and in the future.</p>	<p>A review of the update of the various accreditations commenced in late 2019 and had been partially completed before the disruption caused by the pandemic took hold in March 2020. Due to the impact of the pandemic on the work of our members, we chose to put any further work on this objective on hold until the next practice year.</p>	Not complete
<p>Help keep the cost of the practising certificate (PC) lower We will:</p> <ul style="list-style-type: none"> • Grow non-core income through commercial activity to help keep the cost of practice as low as possible and reduce the dependency on the core practising certificate fee • Increase our market share for the provision of CPD in Scotland for solicitors and those employed in firm. 	<p>Despite the uncertainty brought about by the pandemic we continued to onboard new member benefits and one new strategic partner.</p> <p>The impact of the pandemic of did mean that we did not meet our original commercial income targets however we mitigated the impact by growing the portfolio as demand for technology increased exponentially.</p>	Not complete