

Annual Report 2023

1 November 2022 to
31 October 2023



Welcome to our annual report

Welcome to our annual report for the period of 1 November 2022 to 31 October 2023.

This report covers our performance against the objectives set out in our 2022/23 annual plan, which was the first full year of our [five-year strategy](#) published in October 2022.

If you have any questions about our annual report, [please get in touch](#).

Explore our annual report

Our annual report for 2023 is made up of the following sections:

- [President's welcome from Sheila Webster](#)
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- [Financial review and governance](#)
- The five aims of our Strategy 2022-2027:
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President's welcome

Sheila Webster, Past President (President May 2023 – May 2024)



As president of the Law Society for the latter part of this reporting period, I'm very pleased to provide an overview of my presidency, outlining some of the key challenges and the progress achieved during that time.

The Law Society continued to be a powerful voice for the profession and the public, not least in relation to the proposals to reform the way legal services are regulated in Scotland.

Unsurprisingly, the Regulation of Legal Services (Scotland) Bill, introduced in April last year, dominated much of my presidency.

While we have long called for legislation which would improve and modernise the current regulatory framework, we were deeply shocked at the Bill's proposals for new ministerial powers to intervene directly in the regulation of the legal profession for the first time.

This would see direct government intervention on the rules and structures that decide who can and cannot be a solicitor, decide the professional requirements placed upon solicitors, and decide the way in which legal firms operate – opening the prospect that the state could regulate law firms directly. This was unlike anything we've previously seen in other western democracies.

In a free and democratic nation, solicitors are often responsible for challenging excessive use of government power or defending their clients against prosecution from the state. It is essential that they can act freely, with no risk of government interference.

It is why we alongside many others from across the profession and beyond, including Scotland's senior judges and the International Bar Association, responded so swiftly to challenge the Bill and call for these sections to be removed. It is a reminder to us all of the importance of never being complacent about the need to protect the independence of both the legal profession and the judiciary.

While we have been assured that these provisions in the Bill will not be included, we are yet to see the government's amendments at the time of the annual report's publication. I hope that next year's annual report can record positive progress on the Bill.

Last year also saw proposals for major reforms to the criminal justice system, under the Victims, Witnesses and Justice Reform (Scotland) Bill. We have supported plans to create a Victims and Witnesses Commissioner for Scotland



and the principle of trauma-informed practice in criminal and civil proceedings. More challenging however were the proposals for a juryless trials pilot in sexual offences cases and the removal of the not proven verdict, without appropriate safeguards introduced. While supportive of the overall legislative aim to deliver a more person-centred approach within the Scottish criminal justice system, we are clear that reforms must not undermine the fundamental right to a fair trial, and we will continue to speak out on this.

This focus on the justice sector made the absence of investment in legal aid and long-term planning to protect access to justice for those who need it most all the more disappointing.

Despite a 10% increase to legal aid fees taking effect shortly before becoming president last year, and the significant effort and ongoing liaison with government around setting up a mechanism for regular fee reviews, there has been little to no progress. In a period marked by high inflation and a cost-of-living crisis, it's even more critical that we invest in areas to help those who need it most.

These challenges will continue to be a focus for the Society and our members.

Despite these high profile and challenging issues during my presidency, there have been so many positive aspects.

Chief among them is the opportunity to personally meet, listen to and learn from solicitors right across the country. It was such a privilege to spend time with our members from Aberdeen to Ayr, Paisley to Perth, Stirling to Stornoway and hear about the issues that affect them and how the Society can help. While a number of shared concerns were raised at many of those meetings, getting out on the road really did open my eyes to how committed our members are to the work they do and the diversity of clients and communities they serve.

Another key highlight has been welcoming new solicitors to the profession. It has been an absolute joy to meet the next generation of Scottish solicitors and see their enthusiasm, ambition and pride in their chosen profession as they start out in their careers, surrounded by friends and family.

An issue I care about deeply, and have spoken about on several occasions, has been women in the profession. The profession is now predominantly female, but this belies the ongoing issue of progression in the profession and women reaching senior levels. We have many more visible female leaders which is important, however the numbers of women leaving the profession at mid-career stage remains an issue. It's why the Society's equality, diversity and inclusion work is so critical - to ensure that the profession not only attracts talented individuals from a whole range of backgrounds, but that they choose to stay and fulfil their potential.

Throughout my time as president what has been apparent to me is that despite the variety of roles, whether in-house or private practice, newly qualified or in later career stages, location or practice area, we remain a collegiate profession



bound by our professional values, commitment to the rule of law and to helping others uphold their rights.

I continue to have huge pride in being a Scottish solicitor and it has been the utmost privilege and honour to lead the profession. I thank all of my Council colleagues, our committee and working group members, and Law Society colleagues for everything they do on behalf of the profession and the public. The time, dedication, and expertise you all contribute are invaluable to the profession and to our wider society.



Chief executive's welcome

Diane McGiffen, Chief Executive Officer



This year was the first full year of our **five-year strategy** following its publication in October 2022, and I'm pleased to report that we have made good progress across each of our five key strategic aims.

Supporting our members to thrive

We work to ensure the high professional standards that Scottish solicitors are well known for, and that our members can thrive in a competitive and increasingly global legal services market.

We reviewed and updated several areas of guidance for members and we have continued to evolve our CPD offering to meet the needs of our members – last year over 600 delegates attended our flagship annual conference and over 500 delegates registered for our Law and Technology conference. We delivered 148 CPD and training events for members. We held 21 members forums which gave us the opportunity to hear directly from members across Scotland about their interests and concerns, and we revitalised our LawscotTech initiative, to provide support which helps solicitors in their day-to-day practice.

Our support for members includes valued technical advice on rules and guidance, seminars on black letter law, and goes beyond that to consider practitioners' professional and career goals, and wellbeing. We continue to strive to reduce the stigma around mental health and regularly ran events focused on wellbeing, further developed our Lawscot Wellbeing resource, launched our first guide to help our members develop a wellbeing strategy in their organisations, and supported the training of 24 accredited mental health first aiders, now located in legal practices across Scotland.

Our major Profile of the Profession survey, which garnered over 3,000 responses, also covered wellbeing issues for the first time. This major study is carried out every five years to give us a deeper understanding of issues affecting our members and to help drive change.

Modern and effective regulation

We work to deliver modern and effective regulation that is independent, proportionate and risk-based and that protects the public interest and ensures public trust. This year we implemented several improvements to our internal regulatory processes, such as updating the investigation process for hybrid complaints, carried out in partnership with the Scottish Legal Complaints Commission. We also updated our Accounts Rules Guidance, revised financial compliance reports and templates, and implemented our cashroom manager assessment as part of our risk-based approach to AML regulation.



The Society has long sought new legislation to modernise the way we regulate, with much of what we do still governed by legislation that is over 40 years old. However the introduction of the Regulation of Legal Services (Scotland) Bill last year caused deep alarm within the profession and beyond with its proposals for sweeping new powers for Scottish Minister to have a direct role in the way the profession is regulated.

We have spoken out strongly against these proposals which threaten the rule of law and independence of the legal profession and Scotland's judiciary. The Bill represents an important opportunity to create a stronger system of regulating law firms and we will continue to call for changes to the legislation and play an active role as the Bill progresses.

Innovation and efficiency

Sustainability was another key focus for us. In January 2023 we established a new Sustainability Committee to examine the role that the Law Society should play in the impact of climate change on the law and practice of our members, as well as the type of support and information needed. I'm proud of the work we are doing in this area to lead and support the profession and delighted to say our sustainability resource for members is up and running.

As our commercial activity continues to recover from the impact of the pandemic, we can report further growth in our CPD training and working with our valued stakeholders across the business community.

Influential voice and leading the profession

Rule of law, independence of the legal profession and access to justice are fundamental to all of us in society. It's why the Law Society acts on behalf of the profession and in the public interest to support sound public policy decision-making. In 2022/23, our respected policy team and committees responded to 61 consultations, worked on 12 Bills and participated in 10 parliamentary evidence sessions across issues ranging from agriculture and rural communities, to wildlife management law, and everything in between.

A big success in September last year was the launch of a new university course for paralegals, the first of its kind in Scotland. We partnered with Robert Gordon University in Aberdeen to offer an accredited qualification tailored to paralegals. Our Accredited Paralegal Committee provided invaluable input in this project which responds to employers who tell us they want a more structured career path for their paralegals. We also saw 46 people gain Accredited Paralegal status during the year, bringing those with the accreditation to 641.

There were so many more highlights over the year and these achievements were all made possible by the many solicitors and lay members who volunteer their time and effort and who, alongside my dedicated colleagues at the Society, work incredibly hard to deliver our strategy on behalf of members and in the public



interest. My thanks to everyone who has been involved in driving our progress over the course of the year – we couldn't do it without you.

You can read more about our work in our annual report 2022/23. Please do get in touch about the aspects that interest you.



Our year in numbers



Annual Report 2023 - a year in numbers

Conferences



608
registered delegates at our Annual Conference



522
registered delegates at our Law and Technology Conference

Street Law



11
programmes delivered in schools around Scotland



24
Street Law trainers given specialist training



6
Street Law sessions held at external events

Membership

13,347

solicitors at end of year



58%
female



42%
male

759

newly admitted solicitors



68%
female



32%
male

*A small population of our members do not identify as male or female.

Complaints

Between 1 November 2022 and 31 October 2023,



262
complaints were received



237
investigations were closed

Engagement



Between 1 November 2022 and 31 October 2023, we hosted

21

Member Forum events with the the Society's President and CEO across Scotland

Trainees



757

traineeships commenced by 31 October 2023

Mental Health



24

members received mental health first aid training

Anti-money laundering

Between 1 November 2022 and 31 October 2023,



over 80

attestations were received from law firms as part of our risk-based AML strategy

Policy



12
Bills commented on



61
consultations responded to



10
evidence sessions participated in

CPD



148

CPD and Training courses were delivered, both online and in-person



7,200

engagements with members took place

POP



More than

3,000

members completed our Profile of the Profession survey, examining issues that impact the profession.

For the first time, it included questions about members' wellbeing.

Enquiries



6,657

public enquiries were handled



10,800+

member enquiries were received by our Professional Practice team



Financial review and governance

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 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 £878,000 for the financial year ended 31 October 2023 (2022: loss of £666,000). This comprises the following components:

	2023 £000	2022 £000
Law Society of Scotland	951	(5)
The Law Society of Scotland Services Limited	(8)	(14)
Scottish Solicitors' Guarantee Fund	(64)	(647)
Total – Group	878	(666)

Profit reported by the Group after actuarial adjustment was £620,000 (2022: loss of £792,000).

Investments - Group

The Group's investment portfolios reflect the flat performance of financial asset values during the year, with market values as at 31 October 2023 as follows:

	2023 £000	2022 £000
Law Society of Scotland	3,146	3,079
The Law Society of Scotland Services Limited	91	93
Scottish Solicitors' Guarantee Fund	5,325	5,396
Total – Group	8,562	8,568

Cash - Group

Cash balances for the Group as at 31 October 2023 were as follows:

	2023 £000	2022 £000
Law Society of Scotland	17,476	14,828
The Law Society of Scotland Services Limited	93	129
Scottish Solicitors' Guarantee Fund (<i>not available for the Society's use</i>)	1,831	2,067
Total – Group	19,400	17,024



Reserves - Group

Group Reserves increased from £13,227,000 to £13,847,000 at the year end. The breakdown is as follows:

	2023 £000	2022 £000
Law Society of Scotland	6,514	5,822
The Law Society of Scotland Services Limited	204	212
Scottish Solicitors' Guarantee Fund	7,129	7,193
Total – Group	13,847	13,227

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 2023 the SSGF reserves were £7,129,000 (2022: £7,193,000).

The Society

The Society reports a profit (prior to the actuarial adjustments to the closed final salary pension scheme liability) of £951,000 for the financial year ended 31 October 2023 (2022: loss of £5,000).

A loss of £172,000 (2022: loss of £598,000) in the value of the investment portfolio held by the Society reduced the profits. The Society is investing in funds for the longer term and the portfolio is managed according to defined criteria. The investment objective is to achieve a balanced return, seeking long term capital gains and some income. A medium risk profile is adopted.

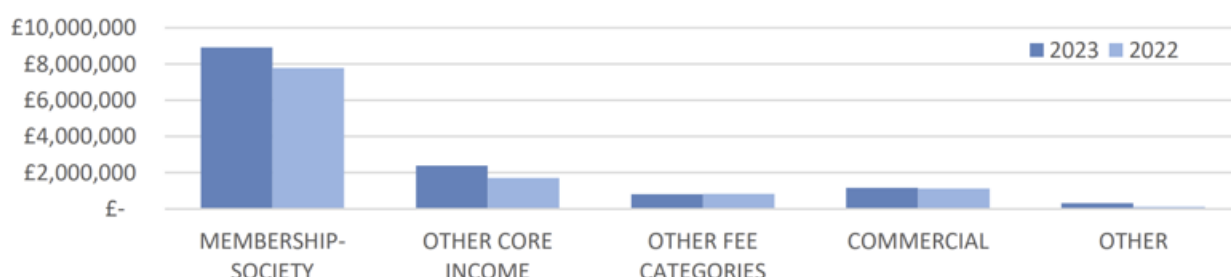
Overall, the Society exceeded expectations at an operating level compared both with the budget set, and against the prior year, with an operating profit of £670,000 (2022: £339,000). Revenue uplift has positioned the Society to weather inflation increases already suffered and anticipated. Operational expenditure has risen with the return of post pandemic operating activity, however, resource management has been impacted by a challenging and competitive recruitment market where delayed recruitment has created a financial upside. One of the main items in the Society's Income Statement is the unrealised movements in investment values, and the general improvement in financial asset values during the year is reflected in the overall result for the Society, as outlined above.

Profit reported by the Society after actuarial adjustment was £692,000 (2022: loss of £131,000).



Operating income – Society

Income for the year (excluding investment gains) was £13.1 million, an increase of 16% from the previous year. Income is analysed as follows:

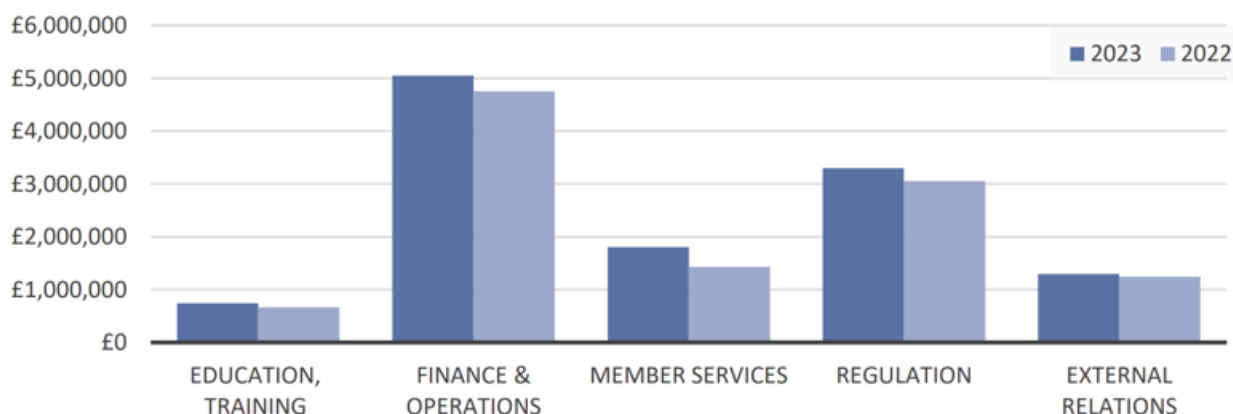


Membership income comprises practising certificates, retentions and non-practising member fees. Other core income comprises fees from regulatory activity. This includes the accounts fee paid by firm principals towards financial compliance and interventions, recovery of costs awarded to the Society by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

In the course of the covid-19 pandemic, the Society provided a support package amounting to circa £2.2 million over two years to the profession in the form of discounted membership fees. The practising certificate fee and accounts fee for the 2020/21 practising year were discounted by 20%, with a discount of 10% applied to both fee categories for the 2021/22 practising year. In 2022/23 fees were realigned to pre covid levels with significant increases agreed for the 2023/24 practising year, driven by high inflation pressures within a changing economic environment whilst maintaining appropriate reserves.

Operating expenditure – Society

Expenditure (excluding actuarial movements in closed pension scheme) was £12.5 million, an increase of 11.6% from 2022. Expenditure is analysed as follows:





In 2022/23 the return to post-pandemic levels of activity was consolidated. Operating cost increased compared with the prior year across most areas, reflecting this return of activity, despite the challenge of filling of vacancies required to deliver these activities. While continuing to practice good cost control, inflationary pressures across the cost base, for people, programmes and operations, have also contributed to the overall expenditure increase compared with the prior year, together with continuing necessary investment in IT infrastructure and security.

Pension debt and actuarial movement

The Society is responsible for a defined benefit pension scheme which was closed to future accrual from 1 May 2010. The most recent full actuarial valuation was carried out on 31 March 2022 by a qualified actuary, independent of the scheme's sponsoring employer.

The overall deficit shown by most recent valuation on 31 March 2022 was £800,000 (March 2019: £1,423,000) with the value of assets covering 92% (March 2019: 86%) of the value of the liabilities. The main reasons for the improvement in the funding level were the contributions paid by the Society over the intervalation period, combined with better than expected investment returns, higher interest rates and gains on member settlements. These factors were partly offset by changing market conditions, mainly higher inflation rates with the overall net effect resulting in an increase in assets and a reduction in liabilities.

The deficit recovery repayment plan agreed in 2017 has resulted in aggregate contributions of £1,559,000 in the three years to March 2020. The Society meets the scheme running costs as they fall due. The Society finalised negotiations with the scheme trustees in August 2020 to determine the next recovery plan.

Following the finalisation of the March 2019 triennial valuation in 2020, the next recovery plan was agreed covering a 10-year period. £170,000 was paid in March 2020 as year 1 of the revised plan. From March 2021 for nine years, £99,000 will be due to be paid annually, increasing at a rate of 5% per annum, with £109,000 having been paid in March 2023.

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 £259,000 (2022: £126,000).

At 31 October 2023 there was no scheme deficit for financial reporting purposes (2022: deficit £nil).



Reserves

The Society's reserves increased from £5.8 million to £6.5 million at the year end. The principal reason for this movement was net operational surplus, as a result of fee income ahead of inflationary and base operating cost increases.

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

Operating reserves cover calculation as at 31 October 2023:

	£000 2023	£000 2022
Total Capital Employed	6,514	5,822
Less: Net book value of fixed assets	<u>(1,333)</u>	<u>(1,303)</u>
Reserves per policy (A)	5,181	4,519
Projected operating and capital expenditure for the next 12 months - Society only (B)	17,389	14,172
Number of months' coverage from reserves (A / (B/12))	3.6 months	3.8 months

The Operating Reserves Policy makes provision for a recovery period in the event that the use of reserves has been approved by Council and the supporting financial forecast indicate that two or more consecutive future year ends may see reserves measured below the minimum target level. During a recovery period, additional reporting and monitoring is required, including the review of a rolling 12 month forecast by the Finance Sub-committee and the Board on a quarterly basis. The above reserves cover calculation shows the Society 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 2022/23

- [Download the financial statement 2022/23 for the Law Society of Scotland](#)
- [Download the financial statement 2022/23 for Law Society of Scotland Services Limited](#)

Governance report 2022/23

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

Governance

There are a number of checks and balances within our governance model which seek to ensure an appropriate and fair discharge of our statutory responsibilities as a professional body and regulator. These checks and balances include the



monthly reporting of progress on the implementation of the annual operational plan to the Board and the Council. The regulatory functions of the Council are discharged by the Regulatory Committee through a delegated authority scheme in conjunction with the various regulatory sub-committees and our employees.

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

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

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

Office bearers

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

Chief Executive/Secretary

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

The Chief Executive is accountable for the strategy, planning, and good governance of the operational aspects of all that the Society is responsible for. The Chief Executive is also formally the Secretary to the Society and is ultimately accountable for its good governance and compliance with all relevant legislation,



both the specific Acts which govern the organisation and the general legislation which affects any organisation (eg employment law; equalities legislation; health & safety; the General Data Protection Regulation). The Chief Executive needs to have positive relationships with senior individuals in third-party organisations, including government ministers; senior members of the judiciary; CEOs of partner/sectoral organisations.

Council

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

The Board

The principal roles of the Board are:

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

The Regulatory Committee

The principal roles of the Regulatory Committee are:

- to ensure that the standards for the profession are set by way of making relevant and appropriate rules and guidance, to be applied in a uniform and consistent way and regularly reviewed
- to ensure on an ongoing basis that the internal processes, policies and procedures adopted by the regulatory sub-committees are effective, appropriate and proportionate in order to ensure the making of consistent regulatory decisions for the protection of the public and the profession and to ensure that the sub-committees comply with Section 3B(2)((a) and (b)) of the 1980 Act



- where any rules policy, process or procedural changes are not in the authority of the Regulatory Committee to change, to make recommendations for any changes to the appropriate governance group in the Society (eg the Council; the Law Society Board; Finance Committee; Chief Executive) or, in the case of rules, to a general meeting of members and the Lord President.

Gender pay gap report 2022/23

We have published our gender pay gap figures since 2018 in accordance with the statutory reporting regulations. The UK Government requires businesses and organisations with 250 staff or more to report their gender pay figures annually. With around 150 employees, we report voluntarily as part of our commitment to equality and inclusion.

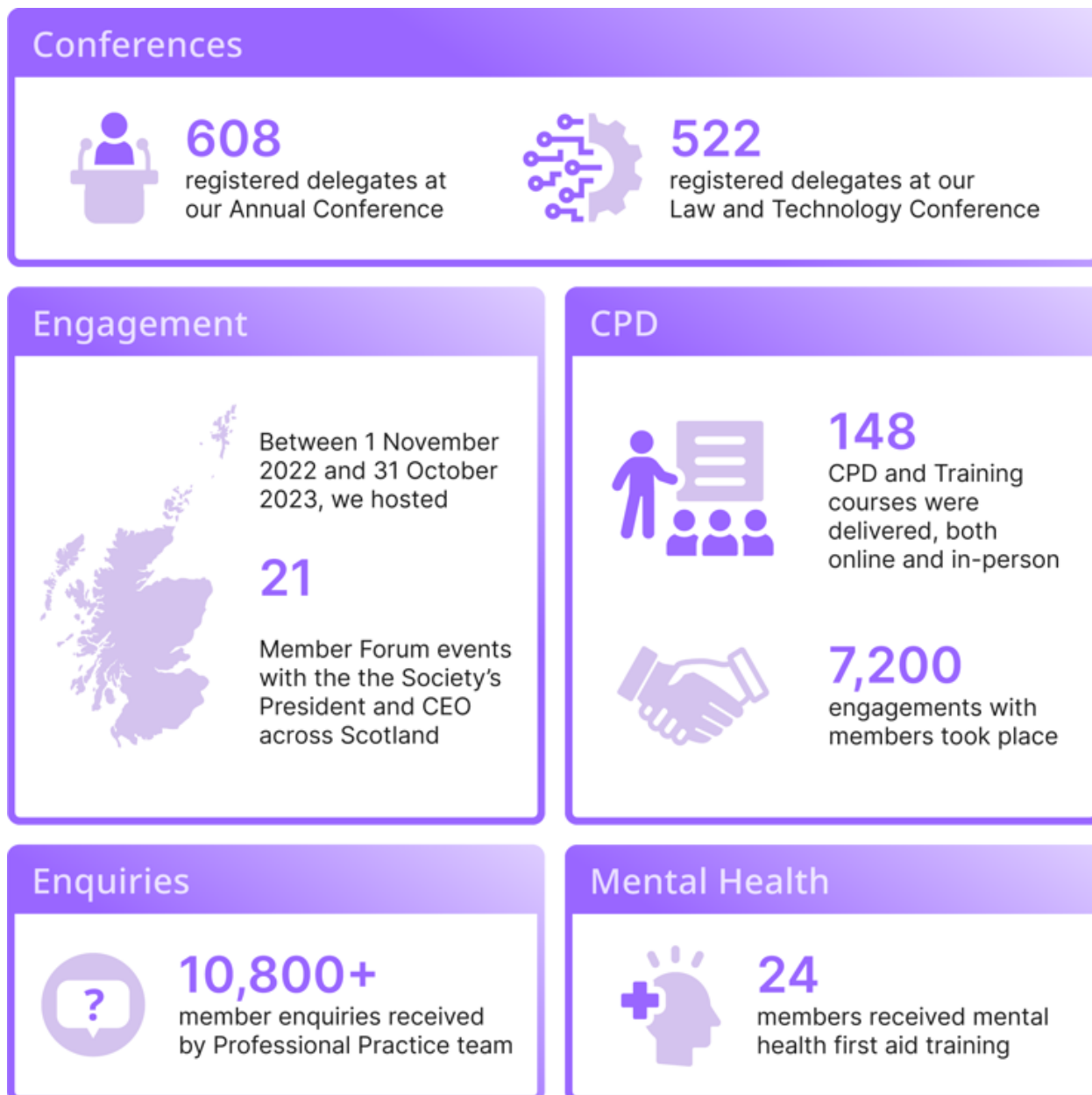
[You can read our most recent report for 2023 here.](#)



Supporting our members to thrive

We planned to support our members to thrive through: wellbeing resources; support and guidance to deliver high quality legal services; continuing professional development; and strategic collaboration to help members adopt technology.

Key facts and figures





Projects 2022/23

Action	Outcome	Complete / Not complete
<p>LawscotTech We will lead the conversation on legaltech in Scotland through LawscotTech, which brings together the profession, technology providers, academia and other stakeholders including cross-border regulators.</p>	<p>The LawscotTech Advisory Board underwent a complete overhaul, with new positions including the chair and vice chair, brought in to meet the evolving demands of its work. Two strategic planning sessions took place, and the outcomes will extend into the 2023/24 practice year. We updated our guides in collaboration with other Law Society committees and have been actively partnering with the Society's CPD team to create new legaltech courses.</p>	Complete
<p>Support our members and their teams in practice We will reassess our suite of services and guidance to ensure that they meet the demands of our members and the legal sector, including business resilience, use of technology, and health and wellbeing.</p>	<p>As part of our overall review of services and guidance for members, we have reviewed 12 pieces of Guidance, Advice and Information. We agreed a contract with a new Journal publisher from January 2024 which saw content being sent to members on a weekly basis instead of monthly. We developed new guides to assist members, covering electronic signature updates, how to create a wellbeing strategy for firms and organisations of any size, and we updated our GDPR guide. We reviewed our member benefits portfolio ensuring that we continue to deliver valued services and support.</p>	Complete
<p>CPD & Training We will continue to evolve our successful programme of continuous professional development (CPD) and training, by growing content and introducing more hybrid options to support both online and in-person learning and development.</p>	<p>We held eight certification courses alongside two re-certification courses. Our Annual Conference ran over four days from 9-12 October, with three days of online content and a hybrid in-person event on the final day. The conference attracted 608 registrations over the four days. Our Legal Tech Conference attracted 522 registrations, and was one of three hybrid conferences this year. We ran a total of 148 courses, including the addition of 12 new essential skills</p>	Complete



	<p>courses. We also introduced an "O Shaped" TCPD model tailored for in-house trainees. There were 7,200 member engagements over the course of the year.</p>	
<p>Member engagement We will maintain a two-way dialogue with members through our engagement programme, ensuring that we understand the effectiveness of our work and the challenges facing the legal profession.</p>	<p>We organised 21 Meet the President events in total, covering all constituencies. These have been rebranded as Member Forums for the 2023/24 practice year. As part of our Council engagement programme we also facilitated four Faculty Leaders Forums, conducted online legal service review information sessions, hosted a celebratory reception for solicitor advocates, hosted a launch event with Legal Women magazine, held an in-house lawyer strategy session, organised the Council's Law Society annual dinner and the Fellows' lunch. We also participated in various third-party dinners, including the Society of Scottish Solicitors in London annual Burns Supper.</p> <p>We refreshed our engagements with big firms hosting quarterly leaders lunches in Edinburgh and Aberdeen. We continued to liaise with big firms on international opportunities with the Ministry of Justice and the Department for Business & Trade. We enhanced admissions letters to better guide members towards support services. Additionally, we carried out work to enable the launch of a new online platform for in-house lawyers in 2023-2024.</p>	<p>Complete</p>
<p>Financial Support We will continue to grow additional income from commercial activity to fund further support for the profession, without adding greater pressure to core membership and practice fees.</p>	<p>We have met our growth plans for commercial income, generating in excess of £1.16m from CPD training and working with our valued stakeholders across the business community.</p>	<p>Complete</p>



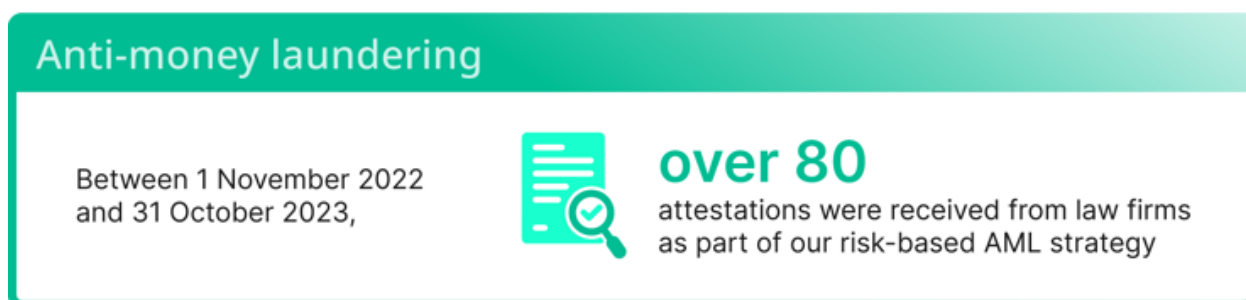
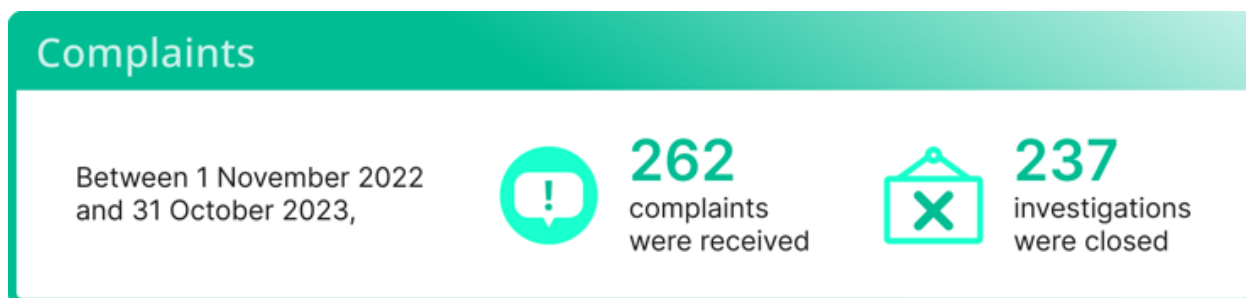
<p>Wellbeing We will strive to reduce the stigma around mental health throughout the profession and provide a range of new resources for our member firms and organisations to enable them to support their staff employee wellbeing.</p>	<p>We organised a number of wellbeing events during 2022-2023. This included events for International Stress Awareness Week, Mental Health Awareness Week and Suicide Prevention Day. We launched a successful Bring a Guy campaign, and we engaged with the Men's Wellbeing Group to understand trends. Our 2023 annual conference had a notable emphasis on wellbeing, including a dedicated session on the significance of diversity, inclusion, and wellbeing, which attracted 171 attendees. At the conference, we unveiled the Creating a Wellbeing Strategy Guide, which attracted sponsorship, as a supportive resource for members. We conducted a student survey, garnering over 400 responses, to gain a better understanding of the future of the profession, with the results published and shared with partners. We are developing an action plan based on the findings. Additionally, a student section has been established as part of the Lawscot Wellbeing resource. The 2023 Profile of the Profession included targeted questions to gather insights into the mental health and wellbeing of the profession. We organised the first Mental Health First Aid training session for members, with 24 individuals being trained. We also established a LinkedIn group to share wellbeing information and resources, garnering over 80 members actively engaging with the content.</p>	<p>Complete</p>
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Modern and effective regulation

We planned to deliver modern and effective regulation through ensuring: robust education, training and admission standards; our regulation is fair, proportionate, risk-based and independent; our regulation promotes and protects the public interest and public trust; and our alternative business models provide opportunities for innovation and competition in the sector.

Key facts and figures



Projects 2022/23

Action	Outcome	Complete / Not complete
<p>Licensed Providers We will commence the licensing of new legal service providers with alternative business structures.</p>	<p>Significant progress was made on the Licensed Provider project throughout the year. Our policies, processes, governance and systems were completed and ready for implementation, with one exception. Final approvals from Scottish Ministers and the Lord President were not obtained until the end of August 2023, resulting in a delay in finalising and publishing our Regulatory Scheme. From September 2023, we chose to pause the completion of the project to allocate resources to other priorities, including our annual practising certificate renewal process and the Regulation of Legal Services (Scotland) Bill.</p>	<p>Not complete</p>



<p>Reform complaints handling We will work with the Scottish Government and other stakeholders to secure approval of reforms to the complaints system, and review our own processes so conduct complaints are dealt with as effectively as possible.</p>	<p>Throughout the year, we engaged extensively with the Scottish Government regarding legal services regulation reform, including reform to the statutory complaints process. In April 2023, the Regulation of Legal Services (Scotland) Bill was introduced, incorporating some of our requested changes to complaints processes. We continued our discussions with the Scottish Government on the Bill which is set to modernise and improve legal services regulation. The Bill is still in progress and that work will continue in 2024. We submitted two comprehensive responses to consultations by the Scottish Solicitors' Discipline Tribunal (SSDT) regarding Rules changes, as well as addressing a further SSDT consultation on expenses. In 2022/23 we implemented several improvements to our internal processes in relation to complaints. This included restructuring the Professional Conduct Team and creating a new Disciplinary Proceedings Manager role, which has been filled. We also created an overarching process map of the conduct complaints process and improved our template documents, letters, and guidance. We developed new guidance relating to common standards relevant to our work and drafting issues of complaint. Additionally, we fully implemented a simultaneous investigation process for hybrid complaints in partnership with the Scottish Legal Complaints Commission. Moreover, we created a more proportionate policy for reviewing and quality assurance work, planned for implementation in 2024.</p>	<p>Not complete</p>
<p>Proportionate and Risk-Based Regulation We will reform our</p>	<p>The Cashroom Manager Assessment was created and implemented, to provide additional assurance that</p>	<p>Complete</p>



<p>processes and approach so that our regulation is proportionate and risk based.</p>	<p>cashroom managers possess a sufficient understanding of the Accounts Rules' requirements. Follow up steps are in place to address cases where cashroom managers are unable to complete the assessment successfully. This assessment is now a routine component of our financial compliance regime.</p> <p>We received over 80 AML attestations from firms, reflecting each firm's self-assessment of the adequacy of their AML policies, controls, and procedures. We carried out follow up testing with 16 of these firms, ensuring the accuracy of their attestations and providing further assurance. This new process significantly strengthens our approach to the AML supervision of practice units rated as low and medium risk.</p> <p>We implemented all necessary steps to ensure that new Accounts Rules were successfully approved, followed by effective implementation by the Financial Compliance Team and the profession.</p>	
<p>Independent exercise of regulation by Regulatory Committee We will improve the transparency of the independent exercise of regulation by the Regulatory Committee.</p>	<p>Due to the workload associated with the Regulation of Legal Services (Scotland) Bill and the Regulatory Committee's involvement in development of the Law Society's five-year strategy, we decided not to develop a new Regulatory Committee sub-strategy this year. We published a new Regulatory Committee remit. This new remit meant that no further changes were required for the regulatory sub-committee remits.</p>	<p>Not complete</p>
<p>Public trust / public interest We will promote and protect the public interest and ensure public trust in our regulation.</p>	<p>Work on reviewing how best to regulate systemic issues in practice units was completed, with the Regulatory Committee agreeing to propose additional powers in the Regulation of Legal Services (Scotland) Bill during the second</p>	<p>Complete</p>



	<p>stage of the Bill. We considered implementing new rules regarding the general financial health of practice units within the systemic issues project and concluded that such rules would not be created at this point. The Regulation of Legal Services (Scotland) Bill includes provisions that will enable us to address general financial health issues in a proactive but proportionate manner. Throughout the year, we monitored the ongoing Post Office enquiry, keeping the Complaints and Oversight Sub-committee informed with updates. Additionally, our staff members attended relevant hearings pertaining to criminal convictions of Post Masters. This monitoring will continue into the next year. We submitted a response to the HM Treasury consultation regarding structural changes to the UK's AML supervisory regime. We maintain close communication with stakeholders and the government regarding the proposals.</p>	
<p>Route to qualification review We will review admission to, and the structure and content of, the Diploma in Legal Practice and determine whether a work based route to qualification is viable</p>	<p>We consulted on updated PEAT 1 and PEAT 2 Outcomes, which have been published. Reforms to the Diploma in Legal Practice (DPLP) access have been embedded and will serve as a foundation for future developments. Skills Development Scotland did not have funding to take forward further collaboration on an apprenticeship route, with funding unlikely to be available in the near future.</p>	<p>Complete</p>



Regulatory Committee annual report 2022/23

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

Committee changes

2023 saw several changes in the committee. In November 2022, the committee appointed William Braes (a current lay member of the committee) as its lay vice-convenor, supporting the work and role of the committee's convener, David Gordon. We also welcomed two new members to the committee over 2023: James Campbell joined in the first half of the year as a new solicitor member, with Donna O'Boyle joining later in the year as a lay member. The new members bring a wealth of knowledge and experience which will further enhance the committee's expertise and awareness of regulatory matters. The committee also agreed the appointment of Jacqui Low as its ex-officio representative member of the Society's Finance Committee.

Regulatory Committee Remit

After collaborative and productive engagement with the Society's Council over many months, the committee's revised remit was agreed in August 2023. This was a significant and important piece of work. The revised remit provides greater clarity and certainty with regards to the committee's independent regulatory function, ensuring that the committee continues to deliver a proactive and proportionate regulatory regime focused on the interests of consumers of legal services.

Regulation of Legal Services (Scotland) Bill

Consideration and discussion of the Regulation of Legal Services (Scotland) Bill featured, and continues to feature, heavily in the committee work programme.

The committee has welcomed many aspects of the Bill, which will introduce new forms of regulation over legal businesses and will provide a further strengthening of regulatory powers. In addition, the committee welcomed the intention to further enhance its independence in its delivery of the regulatory functions and is supportive of proposals to bring greater transparency and accountability of its performance.

The committee is closely following developments and is regularly updated on these by its representative members on the Society's dedicated Legal Services Review Working Group, a joint group made up of members of the committee and the Society's Council.

As the Bill progresses through its parliamentary passage, the committee looks forward to continued collaborative engagement with the Scottish Government and stakeholders.



Regulatory Consultations

With the assistance of its sub-committees and colleagues within the Executive, the committee has reviewed and approved three regulatory consultation responses in 2023. These include responding to:

- Scottish Solicitors' Discipline Tribunal Rule changes;
- His Majesty's Treasury consultation on the reform of the Anti-Money Laundering and Counter Terrorism Financing Supervisory Regime;
- and Scottish Legal Complaints Commission rule changes and its oversight powers.

Information sharing agreements

Reflecting anti-money laundering (AML) regulatory requirements, the committee approved two information sharing agreements which set out the lawful basis for the exchange of information and intelligence data. These agreements, with HMRC and Police Scotland, allow the Society to share and receive important information in support of the Society's AML Supervisory responsibilities and objectives.

Regulatory powers

In 2022, the committee established a working group to consider if there are any regulatory gaps within its current regulatory powers that may be detrimental to consumer interests. The group concluded its considerations and reported in mid-2023. The report presented several recommendations to further strengthen the regulation of legal services in Scotland and it was agreed that these be taken forward as part of the Society's overall strategy and approach to the Regulation of Legal Services (Scotland) Bill.

Licensed Legal Services Providers (ABS)

As the Society moves forward to open its doors to applications from businesses seeking to be a licensed legal services provider in Scotland, under the Legal Services (Scotland) Act 2010, the committee made several decisions in 2023 necessary to facilitate commencement. These have included approving delegation arrangements to sub-committees and Society staff and agreeing policies and processes relating to a regulatory complaints framework.

Regulatory decisions

Throughout 2023, the committee has considered and made decisions in many regulatory matters, in addition to those mentioned elsewhere in this report. These have included:

- approval of a new process for dealing with small client account deficits under £20K which are identified by the Society's Financial Compliance and the Client Protection Sub-committee and as an alternative, in appropriate circumstances, to seeking appointment of the Judicial Factor.
- approval of new Equality Guidance to support Practice Rule B1.15. This guidance has been developed to promote and raise the profession's



awareness and understanding of equality and diversity and to support compliance with Rule B1.15. This Rule promotes diversity and prohibits discriminatory behaviours in any professional dealings.

- endorsing the Society's Climate Change Resolution.

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

In 2023, the committee approved the appointment and reappointments of 16 sub-committee members. Notwithstanding the significant number of appointments, the committee is aware of the challenges faced by the sub-committees in maintaining their membership at quorate levels.

[Scottish Solicitors' Guarantee Fund annual report 2022/23](#)

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 annual Guarantee Fund report and financial statements](#)

[Professional Conduct Complaints 2022/23](#)

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



Complaint investigations and decisions in 2022/23

Complaints investigations in 2022/23

The number of complaints received	262
The number of investigations closed	237
The active investigations at year end	397

Professional Conduct Sub-Committee Decisions

Complaints rejected	157
Complaints continued	36
Misconduct (solicitor referred to fiscal for prosecution before the tribunal)	37
Misconduct (solicitor not referred to fiscal for prosecution before the tribunal)	1

Unsatisfactory professional conduct (UPC)

Censure	6
Censure and fine	7
Censure and training order	0
Censure and compensation	11
Censure, fine and training order	1
Censure, compensation and training order	0
Censure, fine and compensation	15
Censure, fine, compensation and training order	0

UPC fines

Total fines	£14,000
Total compensation	£14,955



Innovation and efficiency

For our innovation and efficiency aim, we planned to ensure that we are: well organised and reflect and represent a diverse society; socially and environmentally responsible, attracting the best talent; properly funded and robust for the future; and investing in our infrastructure to deliver efficient systems and easy-to-use processes.

Projects 2022/23

Action	Outcome	Complete / Not complete
Sustainability We will continue to develop our sustainability impact plans.	A colleague engagement plan was developed and implemented, featuring regular updates and promotion of key dates in the sustainability calendar. Additionally, we revised and published our environmental policy, along with implementing new waste management procedures.	Complete
Governance We will develop our Governance Framework to support streamlined, efficient and effective Processes and good governance.	Due to competing priorities in other departments, work on operational policies and procedures within the Society's Finance and Operations Directorate was continued into the 2023-24 operating year. Improvements to committee recruitment and associated policies and processes were put in place, with the conclusion of recommendations from an internal report on committee governance set for the first quarter of 2023-24.	Not complete
Value for money We will embed value for money as a principle consideration in decision making to ensure we create and maximise value for members.	We focused on implementing our new finance system, while maintaining and improving standard analysis and reporting. The focus for 2023-24 will be embedding the new finance system, expanding functionality and further improvements to reporting that will enhance value-based decision making.	Not complete
IT transformation We will improve our	Our move to a new CRM is broadly on track with implementation to be	Not complete



systems and processes and use this to drive efficiencies.	carried out during the 2023/24 practice year.	
IT transformation We will transform internal collaboration through new IT systems.	New internal systems were implemented on schedule. The training and adoption pilot was implemented and evaluated. A training project for 2023-2024 was agreed and scheduled, based on the assessment of the pilot.	Complete
IT transformation We will improve the technology infrastructure underpinning our work, enhancing security and resilience.	We have made a number of improvements to our technological infrastructure, including enhancing our IT security and disaster recovery processes and decommissioning old servers.	Complete
Data analytics We will use our new systems to drive cross platform reporting and improved BI.	Our progress in moving to a new CRM underpins our data analytics strategy - particularly in providing context-sensitive dashboards to our internal teams as well as sophisticated cross-platform analysis.	Not complete
People strategy We will develop a people strategy which will place our people at the heart of our five-year strategy and plans, and build on our value based work environment.	Following a process of engagement, work to shape our people strategy was concluded. Our people strategy prioritises colleagues as central to the business strategy and provides a structured framework for supporting our long-term objectives. Work will continue in the 2023-24 operating year to deliver on our commitments.	Complete
Committee volunteers We will recruit the best people possible into our committees and governance structure and maximise contribution from our volunteers through effective and efficient processes and systems.	We streamlined our volunteer recruitment approach, completing four successful rounds, with new platforms for advertising vacancies identified. Additionally we published policies, processes, and new induction documentation. Further improvements were identified for implementation in the 2023-2024 operating year.	Complete



<p>Equality, diversity and inclusion at the Law Society</p> <p>We will maintain our Investors in Diversity accreditation and ensure that the Law Society is a safe space to be your true self, whether you are a colleague or volunteer.</p>	<p>We have maintained virtual communications systems established during Covid, ensuring continuity for our staff team and volunteers. New equality, diversity and inclusion (EDI) training, including refresher training on unconscious bias, was delivered to all members of staff. We ensured new colleagues were clear about the Society's organisational culture and values and that they were aware of the support available to them. We implemented a new performance review policy, emphasising discussions on professional development and career advancement opportunities. The performance award was replaced by a new appreciation scheme. Additionally, a new EDI section on our website has been created along with updates to our intranet to showcase the internal EDI initiatives we undertake. We have revised our recruitment and selection policy to promote inclusivity at all organisational levels. Additionally, we celebrated key EDI dates, including International Women's Day, Pride, Mental Health Awareness Week, and religious calendar dates, demonstrating our commitment to diversity and inclusion.</p>	<p>Complete</p>
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Influential voice

We strove to be an influential voice that enhanced our legal sector and justice through: our insight into the legal services market providing the evidence for good public policy decision making; speaking up for the profession and protecting the rule of law in Scotland and internationally; lobbying for policy reform that helps to revive the legal aid sector and ensure access to justice for all; and working to ensure our dynamic plans for modern and robust regulation of the legal sector are implemented.

Key facts and figures



Projects 2022/23

Action	Outcome	Complete / Not complete
<p>Not proven We will make sure the interests of justice are preserved in the Scottish Government's review of the three verdicts system and other criminal justice reform.</p>	<p>In April 2023, the Scottish Government introduced its Victims, Witnesses, and Justice Reform (Scotland) Bill, which proposed substantial changes to the criminal justice system.</p> <p>We engaged extensively and contributed to the debate on the Bill. We welcomed several provisions that could positively impact the public perception of our criminal justice system and the experiences of victims and witnesses. These include the establishment of the Victims and Witnesses Commissioner for Scotland, the implementation of the principle of trauma-informed practice and special measures in civil cases, and the establishment of independent legal representation for complainers.</p> <p>However we expressed serious concerns regarding provisions related to the change in the number of jurors,</p>	Complete



	<p>the creation of the Sexual Offence Court, and the implementation of the single-judge pilot for rape and attempted rape cases. In some of these provisions, we identified potential threats to judicial independence and the rights of the accused. The Bill remained at stage 1 at the end of the operating year.</p>	
<p>Legal Aid We will ensure legal aid firms are effectively supported through the changes to our courts and press the Scottish Government to create sustainable fees levels and structures on legal aid for the long term.</p>	<p>The Scottish Government confirmed an additional £11 million for a 10% increase in fees, which came into effect in April 2023, and we continued to advocate for long-term reform.</p> <p>We also continued to push the Scottish Government for further action to address the exodus of solicitors from the sector, as well as the issue of legal aid being increasingly unattractive to newly qualified solicitors.</p> <p>We pressed for regular fee reviews to replace the current ad-hoc approach, aiming to put an end to decades of underfunding for legal aid. Implementing a system of regular reviews would revitalise the legal aid sector and ensure access to legal advice for all to uphold their rights. We argued that a fee review mechanism should be handled independently of a benchmarking process to provide confidence in the process to the profession. However, the Scottish Government committed to a fee review mechanism, with benchmarking necessary not only to establish baseline fees but also to identify factors that may influence the review mechanism. We continued to press the government on interim measures, stressing it was unsustainable for fees to remain frozen during this intervening period. The Society's Legal Aid Committee co-conveners Ian Moir and Pat Thom and Fiona Menzies, secretary to the</p>	<p>Complete</p>



	<p>committee, were appointed to sit on the Research Analysis Group to represent the Society. The work was third on the waiting list for a buyer in October 2023. Scottish Government Procurement was to undertake a tender process. This was not completed in 2023.</p>	
<p>Scotland Constitution We will take a leading non partisan role which facilitates an informed debate on Scotland's constitutional future ahead of any new referendum.</p>	<p>At the beginning of the year, the Lord Advocate had referred to the Supreme Court the devolution issue and question of whether legislation providing for an independence referendum would relate to a reserved matter in terms of the Scotland Act 1998. As with the 2014 referendum, we wished to be prepared to play a full and non-partisan role in any debate that was to come.</p> <p>In November 2022 , the UK Supreme Court judgment ruled that the Scottish Parliament cannot pass legislation without the agreed consent of the UK Parliament. Due to the this and the unlikelihood of a new referendum before the next UK general election, work on this matter was halted during the operating year.</p>	Complete
<p>Reform legal services We will engage with the Scottish Government as it finalises its policy plans on reforming legal services.</p>	<p>In April 2023, the Scottish Government introduced the Reform of Legal Services (Scotland) Bill to the Scottish Parliament. This followed an independent review and a consultation in 2021.</p> <p>While the Bill includes several positive aspects, many of which are as a result of the Law Society's own suggestions, serious concerns were raised over proposals to introduce sweeping new powers for political control and intervention in the way solicitors are regulated. This undermines the fundamental principles of independence of the legal profession and the rule of law.</p>	Complete



	<p>We engaged extensively the Scottish Government, MSPs and various stakeholders, and as the operating year concluded, remained committed to advocating our case during the Stage 1 process in the Scottish Parliament, while preparing amendments for Stage 2, expected in 2024.</p>	
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Leading the profession

We planned to lead the profession through our: social mobility and diversity work; Lawscot Sustainability initiative; activity to help the profession thrive in cities, towns and rural areas; and Accredited Paralegal accreditation and specialist training.

Key facts and figures



Projects 2022/23

Action	Outcome	Complete / Not complete
<p>Lawscot Sustainability We will launch Lawscot Sustainability to develop and implement the Society's strategy as it relates to sustainability matters.</p>	<p>The Sustainability Committee was formed in January 2023, and in April of that year, held a strategy session to agree its key priorities: to bring forward a resolution, develop a resource hub, and host events. The resolution was agreed at Council in November 2023. This resolution serves as the committee's strategy. The resource hub was launched in the first quarter of 2024. Stakeholder engagement continued, with participation in events including the Holyrood Climate Summit, International Climate Change Law Association Roundtable, and regular liaison with various law associations such as IBA, LSNI, LSEW and professional bodies, ICAS and CITMA.</p>	Complete



<p>Grow associate members We will increase our accredited Paralegal and Fellow communities as part of our commitment to the professionalisation of the wider sector.</p>	<p>The largest group within our associates categories are Accredited Paralegals. The number of accredited paralegals grew by 7%, with a starting count of 595 and ending with 641. There was a small rise in the number of Fellows to 48 by the year end.</p>	<p>Complete</p>
<p>Equality and diversity We will continue to promote the benefits of increased diversity throughout the profession, focusing on gender equality, racial inclusion and disability.</p>	<p>We published the Profile of the Profession report on 2 November 2023, with more than 3,000 members having completed the POP survey in early 2023. More than 12 equality, diversity and inclusion events were agreed, and training offered to members is ongoing.</p>	<p>Complete</p>
<p>Social mobility We will enhance our work on social mobility, helping to bring down the barriers that stop people from entering the legal profession.</p>	<p>This was another successful year for the Society with its work on social mobility. The Lawscot Foundation secured new sponsors and saw record numbers of applications, reflecting the effectiveness of its promotion, particularly within schools. The foundation has supported 55 students in total, with 36 still being supported. Seven students secured traineeships, including three with sponsor firms. After three years of running our summer school, we are delighted to observe participants applying to both the Lawscot Foundation and Street Law programmes. This indicates the effectiveness of our engagement with students as early as the third year of secondary school. Several law students who approached the Law Society team at university law fairs had participated in the summer school or Street Law.</p>	<p>Complete</p>