



Strategic Review: December 2015

Welcome to December's edition of the Relationship Management Strategic Review. As we close the year and look forward to 2016, the Law Society launches its new strategy. Following wide-ranging and open conversations with members about our future role, the [strategy](#) focuses on representing, promoting and supporting solicitors.

In addition, this edition provides an update on the market, further information from the government in the form of the Autumn Statement and the latest Treasury announcement, as well as details of the latest events, practice notes and SRA consultations.

Market update

According to the [Bank of England's latest business summary](#) activity had continued to grow solidly on a year ago, but at a slower rate than earlier in the year. That slowing had been most notable in manufacturing, where investment intentions had also weakened. Growth in services had remained buoyant, supported in part by robust consumer confidence.

Weaker overseas demand growth and the strength of sterling had continued to weigh down on exports, and had also increased competition in domestic markets from businesses abroad. That was negatively affecting confidence among some businesses, particularly within manufacturing.

Separate surveys reveal that law firms' confidence and consumers' satisfaction are both increasing

Law firms are feeling more confident about their business prospects than at any time since at least the mid-1990s, according to a recently published [survey](#).

Some 99% of practices polled by accountants Smith & Williamson (S&W) have a positive outlook for the year ahead, exceeding the previous high of 96% in 2006, just before the economy crashed. S&W's law and professional practices survey has been running since 1994. Seven out of ten law firms responding this year also said competition had increased in the last 12 months, driven by new entrants to the market and new ways of working. Just over half (51%) of firms are planning to increase the range of services they offer in the next 12 months; 65% are proposing to grow their marketing spend; and 79% plan to increase investment in IT.

From the clients' perspective a new major survey has found that consumers are increasingly satisfied with their lawyers. There are positive signs about improving consumer satisfaction with how they find, compare and then use law firms, major [research](#) by the Legal Services Consumer Panel (LSCP) has revealed.

Autumn Statement

Apprenticeship levy to hit law firms

A new levy of 0.5% on company payrolls, announced in the spending review, will be imposed on businesses with wage bills of over £3m a year and be charged from April 2017. The government says the scheme will raise £3bn a year by 2019-20 and fund three million apprenticeships.

Early research shows that some 200 law firms could fall within the scope of the new [apprenticeship levy](#).



Personal Injury

During the review, the Chancellor proposed a ban on general damages for 'minor' soft-tissue injuries and a rise to £5,000 of the small claims limit for all personal injury claims. The ban would be effective from April 2017, although the small claims limit change could be brought into force earlier as it would not require primary legislation.

The [Law Society](#) is concerned that plans outlined in the chancellor's Autumn Statement will contribute to the continued erosion of access to justice for ordinary people.

Treasury announcement on legal regulation and competition

The Treasury has published a policy document called 'A better deal: boosting competition to bring down bills for families and firms', which sets out proposals to increase competition in a wide range of areas, with the aim of giving consumers more choice and as a result reducing costs.

In relation to legal services, they propose to remove barriers to entry for alternative business structures (ABSs) - making it easier for businesses, for example supermarkets and estate agents, to offer legal services - and to make regulators independent from representative bodies. The government plans to consult by Spring 2016.

The Law Society has [responded](#) to the announcement.

Innovation

Innovation is a frequently used term in the legal services market these days.

According to the SRA it too is "committed to helping current providers of legal services develop their businesses in new ways and to supporting new types of organisations who are thinking of delivering legal services for the first time." With this in mind the SRA has launched [SRA Innovate](#) to provide support and guidance to businesses considering new ways of offering legal services.

Robots won't replace lawyers says tech chief

The chief technology officer at top-25 firm DWF has said that artificial intelligence systems will be the key IT development for the next five years at least. Speaking at a conference in Manchester, Richard Hodgkinson revealed his own firm has been in discussions about developing AI for the last two years.

Law firms are showing increasing levels of interest in how artificial intelligence engines that create automated processes can be used to improve efficiency and bring down costs. Hodgkinson said the AI attractive to the legal sector will be different to that which is commonly envisaged – and he sought to dispel the idea that systems can replace the expertise of lawyers. Read the full article [here](#).

Law Society responds to pre-consultation on urgent review of civil court structure

We have responded to the first stage of a review of the structure of the civil courts in England and Wales. In our pre-consultation response to the wide-ranging Briggs Review, we set out our views on four topics identified by Lord Justice Briggs:

- an online court
- delegated judicial officers
- number of civil courts, and
- routes of appeal



[Read our response to the first stage of the review](#)

Send us your views by emailing Briggs@lawsociety.org.uk

Legal profession welcomes unbundling decision

A Court of Appeal ruling that solicitors may offer ‘unbundled’ services without being held liable for matters beyond those in their client retainer has been widely [welcomed](#) by the profession.

SRA Update

Risk Outlook - Autumn 2015 update

The SRA has updated its [priority risks online tool](#) which provides an at-a-glance view of the [Risk Outlook](#). This resource includes trends information, case studies and tips on how to manage risks to the public and the rule of law.

Run your own professional standards in-house session

Following the “*A question of trust* voting session” at the recent SRA COLP-COFA annual conference, the SRA has developed a [pack](#) so that you can now run your own voting session in-house.

Made up of 15 questions, scenarios you can work through include

- a solicitor embellishing their CV,
- being caught fare dodging on a train, and
- leaving confidential files open for anyone to see.

You could use these slides on their own or to make a training session more interactive and consider what professional standards mean to your staff.

SRA open consultations

Quality Assurance Scheme for Advocates

The Joint Advocacy Group’s (comprising of legal regulators Bar Standards Board (BSB), Solicitors Regulation Authority (SRA) and CiLEX Regulation) is [consulting](#) on minor changes to the operation of the Quality Assurance Scheme for Advocates raised during the judicial review process.

Closing date - 24 December 2015

A question of trust

In accordance with the better regulation principles, the SRA aims to demonstrate consistency and proportionality its decision-making and to be open with both the public and the profession about what they think is serious in relation to the conduct of the individuals the regulate. Read more [here](#).

Closing date - 31 January 2016

Practice notes

[SRA Handbook and approved certificate of title](#)

Approved certificate of title agreed between the Law Society and the Council of Mortgage Lenders to be used from 30 November 2015.



[Working with transgender employees](#)

This practice note is designed to help everyone in your firm to work respectfully with transgender people.

[Recommended minimum salary for trainee solicitors](#)

The Law Society is recommending that providers of training contracts should pay their trainees £20,276 in London and £18,183 outside of London.

A full list of Law Society practice notes are available [here](#).

Events

Thu 10 Dec 2015 [Get a Grip - on team performance: a breakfast booster session](#) London

The aim of the Law Management Section RMP networking events are to bring together managers and partners of firms and others involved in law firm management to discuss issues of mutual interest – they are open to both Law Management Section members and non-members.

Thu 10 Dec 2015 [Human Rights Day Seminar on Freedom of Expression](#) London

To mark international Human Rights Day and to coincide with European Lawyers Day on 10 December the Law Society of England and Wales and the Bar Council will be holding a joint seminar on Freedom of Expression.

Thu 17 Dec 2015 [Myanmar Conference 2015](#) London

Are you interested in gaining an in-depth view of the Myanmar market? Come along to our one day Myanmar conference and network with VIPs from the region.

Thu 14 Jan 2016 [Compliance support forum for COLPs/COFAs: Protect your firm from cyber crime](#) London

With their regulatory responsibilities, COLPs and COFAs are at the forefront of protecting their firm's online security and integrity, whilst ensuring that all staff are aware of their individual responsibilities.