

An e-Strategy for the Law Society

February 2005



The Law Society





The Law Society

An E-strategy for the Law Society

February 2005

1. Introduction	2
2. Solicitors and ICT.....	2
3. Transformation of the legal marketplace.....	4
4. Electronic government	8
5. Developments in foreign jurisdictions.....	13
6. Public interest issues	16
7. Representing the profession and offering support	19
8. A medium-term workplan for the society.....	22
9. Conclusion and recommendations.....	24
Table 1 : E-government — infrastructure and standards	26
Table 2: E-government — major initiatives for solicitors	27
Table 3 : E-business — supporting the profession	28
Table 4 : E-business — the main legal policy issues.....	29

**To order this document in alternative formats please contact us via
email: alternativeformats@lawsociety.org.uk or telephone 0870 606 6575**

1. Introduction

- 1.1 The solicitors' profession has constantly adapted to change — changes in the law and changes in business practices. But many firms could be on the brink of their greatest challenge: new business practices driven by the continuing information technology revolution and the introduction of alternative business structures.
- 1.2 The Society's e-Strategy explores how solicitors currently use information and communications technology (ICT), how the legal marketplace could be transformed in the next few years by a combination of business drivers and new technology, and how electronic government is likely to play a major role in this transformation. It also explores developments abroad and looks at a number of public interest issues including electronic privacy and the danger of an ever widening 'digital divide'.
- 1.3 The e-Strategy outlines how the Society will continue to represent and support the profession during what may be a period of unprecedented change and sets out a medium-term work plan to focus help where it is most needed. Its aim is to ensure that 21st century technology can be used to enhance legal professional practice and client care and ensure that:

the rights of clients are protected,
firms are helped to adapt and
that the overall effect of e-government and e-business initiatives is to
strengthen the role of solicitors in delivering legal services in England
and Wales.

2. Solicitors and ICT

- 2.1 Most solicitors already use information technology; how they do so can be as varied as other aspects of their practices. Many firms use networked personal computers (PCs) with Internet access; much legal research takes place on the Web and most legal documents are produced using word processors. Most firms have a Website offering at least basic information; many have an intranet.
- 2.2 A lot of firms make use of more sophisticated IT: accounts and practice management systems which may incorporate workflow, risk management and management reporting alongside financial and case management. Some use customer relationship management (CRM) packages. Many acquire the legal software systems in the Law Society's Software Solutions Guide (SSG). Some legal software systems integrate case management and e-mail and others support customer extranets and even online legal services.

Research evidence

- 2.3 The picture of IT use by solicitors is mixed and it is changing. To understand the legal IT landscape, and to provide an evidence-base to help the Society develop strategic policy in the field of legal e-business, the Society undertook a two-stage research project in 2002-03. On the assumption that large firms were already effective users of ICT, the study focused on small and medium-sized firms — those with ten or fewer partners. The first stage of the project was a quantitative review. It sought to gather basic data and identify barriers to greater sophistication in the use of ICT by solicitors. The second stage was a qualitative study using solicitor focus groups to explore attitudes to ICT in depth.
- 2.4 The studies found that small and medium-sized firms were likely to have PCs (94%) and that these were mostly networked (66%). Unsurprisingly networks were less common in the smallest firms. Over 90% of firms with PCs had Internet access and used e-mail for external communications.

Effectiveness of use

- 2.5 However, the studies also raised questions about the intensity and effectiveness of ICT use by solicitors. Whilst it was possible to say that most small and medium-sized firms had PCs, the research also revealed that only 49% of fee earners had a PC on their desks. By far the most common reason was that the fee earner preferred not to use one and, perhaps related to this, the focus groups revealed that staff reluctance and lack of training were perceived to be the main barriers to the introduction of new ICT.

A digital divide

- 2.6 A second important finding from the research was the identification of a gulf in the use of ICT between the smallest firms and the rest. For example, the 4% of firms who made no use of ICT were all sole practitioners (representing 8% of all sole practitioners). The studies' authors concluded that 'almost without exception, uptake and use of PCs and Internet technologies was lowest for sole practitioner firms and highest for firms with 5-10 partners - often, the greater the total staff number within firms, the better the uptake and use.'
- 2.7 This finding is in line with other research and with international experience. The Department of Trade and Industry's (DTI) *'Business in the Information Age - International Benchmarking Study 2003'* concluded that micro and small businesses face a challenge both in deploying ICT and in the more sophisticated forms of use (generally facilitated by in-house IT specialists) that unlock productivity gains. The study describes the trend of smaller businesses 'clicking off' as 'unmistakable...particularly marked in the UK... and sustained for the last three years'. It identified this as a 'new digital divide'.

Latest research

- 2.8 The DTI's latest benchmarking study (2004) suggests that UK micro and small businesses are re-establishing a Web presence. It identifies a 'marked' increase over 2003 in the proportion of UK micro and small businesses with a Website (51% up from 35% and 77% up from 61% for micro and small businesses respectively) and suggests that the emergent digital divide between businesses is now closing. It attributes this reversal to falling prices for Website design, lower connection costs and a better understanding of the business benefits.
- 2.9 Preliminary findings from the latest Law Society research (an 'Omnibus' survey of individual solicitors working in private practice, commerce, industry and government – for which fieldwork was completed in January 2005) seem to confirm growing ICT sophistication amongst lawyers.
- 2.10 Ninety percent of fee-earners in firms with less than ten partners now have a PC on their desk (up from 49% in 2002); 86% of sole practitioners have their own PC and only 3% have no access to a PC at all. Around 80% of solicitors in private practice work in a firm with its own Website and, overall, only 10% of respondents were in firms that did not plan to have a Website. Moreover, nearly 50% of respondents said their use of e-mail had increased 'a lot' in the past twelve months and only 1% thought it had declined.

3. Transformation of the legal marketplace

Innovation and demand

- 3.1 The developing information society has enormous potential to transform every knowledge-based industry and profession; it also has the potential to shift the relationship between the citizen and the state — as evidenced by Government proposals for a range of central databases including a National Identity Register.
- 3.2 ICT and the Internet have not, so far, transformed the way most solicitors work or their relationships with clients or third parties, but the latest research evidence suggests that they are starting to do so. Further change is on the way.
- 3.3 Many large multinational firms have already developed innovative on-line products to leverage the international reach of the Internet; entirely new online business models have emerged with legal services at their core. New organisational structures and investment will drive further innovation.

- 3.4 Demand too will increase. As ICT and the Internet increasingly permeate society a greater number of businesses, professions and clients will expect to deal with solicitors electronically.

Innovation in the legal marketplace

- 3.5 One of the oldest, but still innovative, online services offered by a large international law firm, Linklaters' 'Blue Flag®', is approaching its tenth anniversary. It is 'the way Linklaters delivers legal services electronically' — ranging from Blue Flag Derivatives (ensuring that transactions are binding on counterparties) to Blue Flag Regulatory (a cross-border legal risk management tool).
- 3.6 Services continue to be introduced. In 2000, Linklaters launched a 'Client Extranet' in order to offer a client gateway into their internal systems. The Extranet provides key contacts, matter information, collaborative working facilities and billing details. Another early offering was 'NextLaw' — Clifford Chance's extranet service launched in 1998; it is now 'Clifford Chance Online Services'. There are now many others.

Knowledge management

- 3.7 Such innovative online services are usually underpinned by advanced knowledge management systems. Knowledge management (however described) has long been an important component of legal practice. Increasing levels of complexity and specialisation mean that firms making more of their in-house expertise using IT gain competitive advantage.
- 3.8 The converse may also be true. Using qualified fee-earner time in routine work — work that can be effectively managed by less experienced or qualified staff supported by workflow systems or knowledge bases — is costly and inefficient.
- 3.9 In the past, these were essentially back-office matters but, in the developing online world, their effect will be amplified as firms' knowledge and expertise is available not just to fee-earners but is exposed to business partners and clients directly — whether through Intranets or as part of a Web service.

Legal 'infomediaries'

- 3.10 Knowledge management of a different kind is at the heart of being a 'legal infomediary'. Susskind envisages that infomediaries could '...specialise in helping clients to understand the nature and scope of their legal problems, identifying a suitable blend of human and technology-based service for each particular matter, and securing favourable commercial arrangements on the

strength of their bulk purchasing capabilities.¹ The Web is a good medium for delivering such services.

- 3.11 The online 'Legal Services Shop' is an example of this, providing both general advice in specific areas of the law (housing, consumer, personal injury etc) and a referral service to panel solicitors. They claim that, due to volumes, fees are 'generally 10% lower than if you walk in to a solicitors firm.'

Innovation and the small firm

- 3.12 Some small 'high-street' firms will find these developments threatening; some have discovered that they are an opportunity. The financial and other costs of introducing new technology and innovative working in a small practice can be lower, relative to size, than for larger practices. And it can be far easier for personal leadership to make a difference.
- 3.13 Many small firms have introduced work-generating Websites that offer services like online matter tracking or fee quotations. The Internet also provides access to informational resources that were not available to the largest firms a few years ago. ICT and the Internet can help even the smallest firm 'punch' above its weight.

Innovation and organisational structures

- 3.14 Reform of the legal services market will affect the development of legal e-business. The Government has already indicated that it supports the principle of opening the legal services market to new business entities and Sir David Clementi's Review has recommended that Legal Disciplinary Practices (LDPs) — potentially owned by outsiders and managed by non-lawyers — should be permitted.
- 3.15 The Review points out that business skills and IT expertise are essential elements in providing an effective service to clients; it also suggests that new capital and new investors could drive innovation in the delivery of legal services in 'consumer friendly' ways.
- 3.16 Corporations may be attracted to legal services by the prospect of using their existing IT infrastructures to exploit new e-business opportunities. Alternatively, they may be financially well-placed to invest in new infrastructure. They will almost certainly seek to use ICT both to drive down margins and monitor and improve speed and quality in delivering legal services.

¹ Richard Susskind, *Transforming the Law – Essays on Technology, Justice and the Legal Marketplace*. OUP, 2000.

- 3.17 In short, post-Clementi access to capital is likely to drive investment in IT and particularly investment in innovative online services with supporting back-end systems.

Innovation responds to demand

- 3.18 Early online services attempted to create their own demand. In future, they will respond to it. As ICT and the Internet increasingly permeate advanced societies the demand for online legal services and communications will grow.

Demand from businesses

- 3.19 The wider growth of e-commerce is already having an impact on solicitors. According to SRU research 18% of firms had received requests for electronic services from other bodies. Of these, 30% had come from banks and 19% from estate agents. The number of such requests is likely to grow and could eventually become a condition of doing certain business with bodies like the banks, building societies and large business clients.

Demand from other lawyers

- 3.20 Nearly 20% of solicitors have received requests from other solicitors for online services. In practice, up-to-date ICT is already a condition of securing instructions from in-house lawyers in large businesses or government offices who take for granted the ability to exchange documents and messages by email. And e-mail is an effective way of communicating with the Bar.
- 3.21 In the case of the most sophisticated transactions — mergers and acquisitions, for example — there may even be a requirement to establish secure Web-based work areas in which documents can be viewed and amended collaboratively from around the world.

Private clients

- 3.22 The Society has tested consumer satisfaction with existing models of delivery by solicitors in private practice and sought to gauge consumer appetite for innovation in the delivery of legal services. Over 30% of clients were willing to receive e-mail advice and this rose to 46% for conveyancing clients (80% of whom were also willing to receive advice by telephone).
- 3.23 Private client demand for online services will grow. Five years ago only one in ten UK homes had Internet access and few people were willing to buy goods or services online. Over 60% of the UK population are now Internet users and, despite security concerns, most buy goods or services online. Online Christmas sales in 2004 showed an increase of 64% over 2003 and have been estimated at around £4bn. Digital television will increase usage and

OFCOM has announced proposals to begin the switchover process in 2007 and complete it by 2012.

E-government: the real catalyst for change?

- 3.24 The aggregate effect of these forces for change could, in themselves, drive e-business transformation of the legal marketplace. It is e-government, however, that probably makes such transformation inevitable. E-government will act directly to change the legal ICT environment in many sectors and will act as a catalyst for wider reform.
- 3.25 This is already recognised by most solicitors. Asked to what extent their firms or organisations' IT strategy addresses future e-government developments, over a quarter of solicitors said that it did so 'to a great extent' and a further 29% 'to some extent'. Over 80% of solicitors in private practice said they already made use of online government services like Criminal Justice Secure e-mail, services from the Land Registry or Legal Services Commission online.

4. Electronic government

- 4.1 E-government in the UK has been stimulated by the Prime Minister's commitment that all government services to the citizen and business will be available electronically by the end of 2005. The latest forecast is that around 96% of the major 600 e-Government initiatives tracked by the Cabinet Office will be online by the deadline.

Efficiency savings and compulsion

- 4.2 Fundamental change is planned. The Government's *Efficiency Review* under Sir Peter Gershon sees the potential for 'complete transformation' of transactional services, such as the delivery of tax and benefits. By 2008, the Government hopes to save £20bn a year from re-engineered services and from cutting over 100,000 civil service posts. In part, these savings are dependent on take-up of e-Government services. One of the Review's key recommendations is that departments have to think through the balance between encouraging, incentivising and, in some instances, *mandating* the use of e-government services.

Mixed economy in e-government

- 4.3 The Government is seeking a mixed economy in the supply of online public services; it is keen to see the public, private and voluntary sectors working together. In the *Modernising Government* White Paper it suggested that electronic public services could be delivered through banks, the Post Office, supermarkets, broadcasting companies and others. In May 2003, it published a draft policy framework outlining its intention to create a marketplace where

intermediaries from the public, private and voluntary sectors could come together to deliver e-government services. The Gershon *Efficiency Review* recently recommended that the Treasury and the Cabinet Office's e-Government Unit (eGU) develop strategic benchmarks involving the improvement of e-government service delivery by involving third parties.

- 4.4 Rapid growth in e-business could create a hostile environment for firms that are ill-prepared for the competitive pressures that reform of the legal services market and greater private sector involvement in the delivery of transactional e-government could bring. The impact of these changes on the profession will not be evenly felt. They could be particularly significant for legal aid practitioners, criminal justice practitioners and conveyancers who are not currently e-enabled.

The legal aid practitioner

- 4.5 The Legal Services Commission (LSC)'s vision is that around 2007/8 they should, in the main, be dealing with their preferred suppliers via a 'mixed-economy' of contracts that will involve a far higher number of national contracts.
- 4.6 With downward pressure on the number of criminal contracts and with proposals for compulsory competitive tendering on the table, the profession needs to face the prospect of market consolidation creating larger firms. Deployment of ICT and the Internet in such firms — probably essential to drive out the necessary economies of scale — can be anticipated; so can a medium-term mandate for online returns.
- 4.7 The position is slightly different when it comes to civil contracts. The LSC is exploring opportunities to simplify the current arrangements before implementing any e-business solutions but overall the LSC's strategic direction is clear. Practitioners should anticipate that 80-90% of LSC business will be carried out electronically and suppliers should anticipate acquiring the ICT and Internet facilities to support this.

Criminal justice practitioners

- 4.8 The vast majority of criminal work is, of course, publicly funded but the impact of e-government on criminal justice practitioners will not be limited to the LSC's requirements.
- 4.9 Criminal Justice Information Technology (CJIT) is a government organisation whose objective, founded on the commitments in the *Justice for All White Paper 2002*, is to support the delivery of a modern, joined-up, Criminal Justice System (CJS). CJIT funding is in the billions of pounds.

- 4.10 CJIT's role is to develop and promote joined-up approaches to using technology (and, where necessary, the technology itself). It is developing a number of services. The first is Secure eMail. The service was introduced in September 2003 and has now been rolled-out to all Criminal Justice Areas. Solicitors are being encouraged to sign-up but take-up has generally been poor.
- 4.11 Secure e-mail is not intended to bring about major changes in the way the criminal justice system works. Where it has gone live, CJIT considers that Secure eMail has streamlined existing ways of working. It is, however, only the foundation on which the Government plans to build the Criminal Justice System Exchange (CJS Exchange) system. CJS Exchange has the potential to radically change the way criminal justice organisations work by giving them access to relevant case information on each other's IT systems. Practitioners will be expected to use the system as well. The services are based on Internet technology and will be available securely on the Web.

Land registration and electronic conveyancing

- 4.12. E-conveyancing is the single most significant e-government initiative for the profession. In stimulating legal e-business, the Land Registry's e-conveyancing plans will affect all practitioners, not just conveyancers.
- 4.13 New technology and the Internet are already fuelling the dynamism of the conveyancing market and the Government believes that Land Registry plans for full-scale electronic conveyancing could 'ignite the interest of potential new providers of conveyancing services' like banks and building societies.
- 4.14 The Land Registry's plans are complex. They encompass existing online initiatives running alongside development work across a number of 'full solution' work streams.

Current online initiatives

- 4.15 Current e-conveyancing initiatives fall into two main areas: the National Land Information Service (NLIS) and the Land Registry's e-conveyancing 'service building blocks': Land Registry Direct, Land Registry Online, Electronic Charges and Electronic Discharges.
- 4.16 NLIS offers online conveyancing searches via the Internet to solicitors and licensed conveyancers. Searches are sent electronically and results are received via a hub that acts as a gateway for information and services from a number of data providers alongside search tracking, billing and payment mechanisms. NLIS makes use of the National Land and Property Gazetteer (NLPG) to unambiguously identify land using its Unique Property Reference Number (UPRN). NLIS was developed in the late 1990s and has been fully

operational since 2000. The provision of online searches is regarded as a fundamental cornerstone of any full e-conveyancing solution.

- 4.17 Land Registry Direct is an Internet service that offers account-holding practitioners and lenders online Official Searches and a facility to view the Registry's Day List. The service already allows simple changes to the Register. This essentially involves a Solicitor e-mailing the Registry and telling them about the change whilst certifying that he or she has seen the relevant documentation (for example, a death certificate). Electronic Charges will take this initiative one step forward through electronic notification of changes that require a form to be completed. This is an important component of an incremental approach to e-Conveyancing.
- 4.18 Land Registry Online is a complementary Internet based service aimed at members of the public. For a small fee, since March 2002, it has offered online access to view the Register. File Plans will be added soon.
- 4.19 Finally, the Electronic Discharge pilot has makes use of secure links to allow lenders direct access to the Registry systems to discharge completed mortgages from the Register. Two major lenders have been involved in what is still a pilot initiative and by June 2004 80,000 discharges had been made. New lenders will be taken following initial data synchronisation exercises.

Full-scale e-conveyancing

- 4.20 HM Land Registry is planning full-scale e-conveyancing for England & Wales by 2007. The Land Registration Act 2002 gives the Government power to make e-conveyancing compulsory and the Council of Mortgage Lenders (CML) has called for this power to be used as soon as possible. Key elements of e-conveyancing include:

- Electronic conveyancing documents

- Most conveyancing processes and communication between parties to be on-line

- Simultaneous completion and registration, thus removing the "registration gap"

- Electronic Funds Transfer to co-ordinate payment of fees and balance transfers

- Increased availability and transparency of chain information

- 4.21 There are a number of unresolved questions about full-scale e-conveyancing. Amongst the most important is securing network access for practitioners across the Internet. The Registry plan to prototype a potential security solution in 2005. Whatever the solution, however, it is likely to raise the ICT complexity bar for conveyancers beyond simply Internet access.

Home Information Packs

- 4.22 The Government regards e-conveyancing as complementing its proposals for a home information pack (HIP). They consider that taken together, they will 'help to create a faster and more efficient home buying and selling system.' All residential properties offered for sale with vacant possession, either privately or through an estate agent, from 1 January 2007 onwards will need to provide a HIP.
- 4.23 Speed, accuracy and cost are likely to be the key ingredients in preparing HIPs. Although the Housing Act 2004 (which requires the production of a HIP) requires that a HIP must be in paper form when requested by the Buyer, it is almost inevitable that it will be put together electronically so that it can be available for estate agents for distribution in that format within 24/48 hours. Solicitors who do not have the facility to prepare HIPs and deliver them electronically risk losing out.

E-government: a broad programme

- 4.24 The LSC, CJIT and Land Registry initiatives, although of clear relevance to many practitioners, are only the tip of an iceberg. E-government is a vast programme that also includes the provision of online legal information: Acts of Parliament, Statutory Instruments, Hansard and supporting guidance issued by bodies like the Information Commissioner.
- 4.25 There is also an important Courts and Tribunals Modernisation Programme (CTMP). CTMP is an investment programme in new IT infrastructure and services for the civil and family courts. The level of investment is low (compared to the £2bn investment programme for criminal justice) and falls short of the Lord Chancellor's original proposals in *Modernising the Civil Courts* published in 2002. But it is significant. The programme is underpinned by the introduction of new IT infrastructure to support electronic working in the Courts.
- 4.26 There are, of course, many other initiatives ranging from the Government's Identity Cards proposals (which are now being locked into the wider e-government agenda) to major e-government work programmes in operational delivery departments like the Inland Revenue and the Department for Work and Pensions. There are also thousands of local authority initiatives. All of these will affect solicitors and their clients. It is impossible to review all the online services in which solicitors may wish (or be required) to participate or about which they may be called upon to advise clients. The programme is enormous.

Are firms ready for e-government?

- 4.27 Firms without Internet access are unable to make use of e-government services; they are unable to use the legal resources on the Web or to exploit LSC online, criminal justice secure e-mail or Land Registry Direct. It is probably difficult for them to advise their clients about online matters.
- 4.28 Firms making relatively unsophisticated use of technology are also in a poor position to exploit existing services and are unlikely to be able to make use of transactional e-government services like CJS Exchange or full-scale e-conveyancing.
- 4.29 Criminal Justice Practitioners do not appear to be strong adopters of ICT. And the Law Society's research demonstrates that the digital divide between larger firms and the smallest is slightly more acute for conveyancers. In 2002, although over 90% of firms with PCs had Internet access and used e-mail for external communications, in firms earning 25% or more of their gross fee income from conveyancing the figures were slightly lower:
- 90% had access to the Internet - 88% of sole practitioners, 90% of firms with 2-4 partners and 100% of firms with 5-10 partners;
 - 89% used external e-mail - 83% of sole practitioners, 96% of firms with 2-4 partners and 98% of firms with 5-10 partners.
- 4.30 In these early days, e-government appears to be a series of disconnected projects. Its rationale, however, is joined-up working. The technology currently being introduced supports this and new business practices to exploit it are being hammered out. Alongside wider developments in e-business, e-government will have an aggregate impact that goes far beyond the impact of any single initiative. Firms that are ill-prepared for e-government are ill-prepared for the future.

5. Developments in foreign jurisdictions

- 5.1 e-Business is a global phenomenon and many firms and their clients are multinational. Although the UK is a world leader in e-commerce and e-government there will increasingly be lessons for the profession in the UK from what happens in foreign jurisdictions.

E-Europe

- 5.2 Europe is active in promoting e-business and is the source of much e-business regulation. The eEurope 2005 Action Plan emphasises the availability of broadband for public administration alongside multiple platforms for accessing services to ensure social inclusion. It is undertaking a review of

electronic business legislation and is seeking to promote a 'culture of security' online.

- 5.3 All EU countries have significant e-government plans that affect both the Courts and the professions. They appear to face similar issues as the UK. Germany and Sweden, for example, identified as the 'most sophisticated nations in terms of planning ICT' had large numbers of micro businesses 'trading up or clicking off' in terms of Internet usage in 2003. Research on the legal profession is not, however, available. It is, however, on legal professionals in the United States.

The United States

- 5.4 The United States is a world-leader in e-business and has ambitious Federal and State e-government programmes.
- 5.5 The American Bar Association's 2003 technology survey of law firms clearly demonstrates that attorneys in the US make extensive use of ICT and the Internet with 97% using computers (of which 26% were laptops) and a similar percentage having access to the Internet (with 94% also having mobile access). Only 83% had Web browsing software in their firm.
- 5.6 Here too a gulf exists within the profession. For example, whilst all large and most mid-sized firms had networks only 81% of small firms (2-9 attorneys) and 39% of 'solo' practitioners did so. Moreover, solo attorneys were more likely to use dial-up access to the Internet (44%) than small firms who tended to use xDSL (56%). Many larger firms used T1/T3 lines (ultra high-speed connections to the Internet's 'backbone') alongside xDSL. A further indicator is that the number of solo practitioner Web sites dropped between 2002 and 2003 from 30% to 17%. Finally a electronic court filing is a feature of US Federal and State Courts. A much higher percentage of solo practitioners (73%) had never received court forms electronically than attorneys in small practices (52%).

British Columbia

- 5.7 The UK government's drive to get the courts and land registration services online is echoed overseas. British Columbia, for example, has electronic filing for land. The British Columbia Land Title Office (BC LTO) operates a system of land registration for a population of approximately 4m involving 180,000 title transfers and 500,000 charges or releases a year. The Registry images documents on receipt and hold about 6m images.
- 5.8 A full electronic filing service came into operation in April 2004 with electronic submission of forms for freehold property transfers, mortgages, charges and releases. Property Tax Transfer Returns are included as is electronic funds

transfer. Future phases will bring plans and other forms within scope. The system is not wholly electronic. Electronic forms are reviewed by LTO examiners and paper submissions are still permitted.

Australia

- 5.9 In Australia, the Federal Court of Australia's eCourt Strategy was introduced in 2001 and aims to improve access to the Court by applying new technology to its practices and procedures. eCourt is a Web-based courtroom that assists in the management of pre-trial matters by allowing directions and other orders to be made on-line. Using eCourt, the Court may receive submissions and affidavit evidence and make orders. A public transcript facility provides access to matters that have been dealt with as well as an electronic transcript containing a record of all messages posted by the presiding judge and parties to the eCourt in the selected matter.
- 5.10 The Court's electronic filing system allows users to send documents to the Court and, where appropriate, receive them back signed and sealed electronically. The Federal Court Rules supporting electronic filing also allow parties to serve documents, other than the originating process, by electronic means to a party's nominated email address for service. Enhancements include notification to clients of receipt and acceptance/rejection of their documents, capacity for users to amend their registration details and the inclusion of a comments box to enable users to communicate with court staff.
- 5.11 Electronic trials and appeals are court proceedings where the majority of documents and related papers are stored and accessed electronically throughout the conduct of the proceedings. Electronic trials are also known as 'paperless courtrooms.' During 2001-02, the Court piloted a completely electronic trial at first instance. Most of the trial was heard in a remote location in an area 470km south of Alice Springs, with staff of the Court supervising the technical aspects.

The Electronic Court in Singapore

- 5.12 Singapore introduced an electronic filing system in 2001. The system is part of an integrated, national network which will offer electronic filing and extract services, electronic service of documents and an electronic information service. Most of these are already available on the Internet via a Web-based front-end.
- 5.13 A Smart Card, issued by Courts in Singapore, is used for authenticating users. Each solicitor who wishes to file electronically is required to apply for a Smart Card. Only practitioners with valid practising certificates are allowed to apply.

- 5.14 Certification recognises that a law firm is fully geared-up to prepare and submit documents electronically to the courts. Once certification has been granted, law firms can use a logo on their letterheads and the law firm's name appears on a Website to indicate that they are certified.

Lessons for the UK

- 5.15 It is difficult to draw any simple lessons from initiatives in foreign jurisdictions. Unsurprisingly, online initiatives of relevance to lawyers appear to flourish in generally strong e-business environments. The United States, Canada, Australia and Singapore, for example, are all world leaders in both e-commerce and e-government. Canada too is in the forefront, being consistently ranked first in international studies of e-government 'maturity'. In Canada, as elsewhere, there is still a take-up problem but 70% of those eligible to do so already file their tax returns online (compared to about 10-15% in the UK).
- 5.16 From an international perspective the UK has an exceptionally strong environment for the growth of e-business. The Economist Intelligence Unit's (EIU) 'e-readiness' rankings examine the e-business environments of the world's 60 largest economies. Their 2004 survey put the UK in second place — just behind Denmark. This high ranking was based on a balanced scorecard of factors that indicate how amenable a market is to Internet-based opportunities. As the DTI's latest study shows, increasing broadband availability (and lower cost) may already be having an effect in getting smaller businesses back online.

6. Public interest issues

- 6.1 The further development of e-commerce and e-government has consequences for society and the individual that will be of particular concern to the profession. These legal policy and law reform issues include: the emergence of a 'digital divide' which may affect some solicitors and will certainly affect many clients; the growth of electronic surveillance in both the public and private sectors; the dangers of electronic attack and threats to the confidentiality, integrity and availability of electronic services and personal data. In short, as part of developing their own electronic services and using e-government services, solicitors will want to influence the wider public debate about electronic privacy, online security and access to online services.

Electronic privacy and data sharing

- 6.2 Government has recognised that personal privacy is threatened by increased data sharing. In the *Modernising Government* White Paper (1999) the Government committed itself to addressing public concern by demonstrating

its belief that 'data protection is an objective of information age government, not an obstacle to it.'

- 6.3 The Government report *Privacy and Data Sharing* (2002) reaffirmed this commitment but also raised new privacy concerns about a possible extension of data sharing powers. *Privacy and Data Sharing* recommended that the Government should 'pursue the twin objectives of enhancing privacy and making better use of personal data to deliver smarter public services.' It argued that it was possible and desirable to achieve both.

Data sharing is part of the vision

- 6.4 However, increased data sharing is an essential part of e-government. *Modernising Government* suggests that people 'should not have to worry about what part of government they are dealing with' and the policy paper *Electronic Government Services for the 21st Century* envisages joined-up electronic service provision across departmental boundaries in order to break down 'silo-based delivery networks.' More recently the Gershon *Efficiency Review* has re-emphasised the potential of e-government to provide joined-up services.

Central databases

- 6.5 One consequence is a proliferation of new, highly intrusive, databases at the centre of government. The flagship database is the National Identity Register (NIR) which will contain name, address, date of birth, gender, immigration status and two or three confirmed biometrics.
- 6.6 Alongside the NIR the UK Passport Service is developing a facial recognition biometric in UK passports from mid-2005 to counter identity fraud. The Driving and Vehicle License Agency is seeking to enhance the security of driving licences by introducing smartcards and is working with the Passport Service on identity authentication and automated sharing of data (notably photographs). The National Programme for IT in the NHS involves the creation of a basic health record linked to demographic data and address and plans to create a Citizens Information Project register holding similar information to the NIR was only recently put on hold.
- 6.7 Many other linked departmental projects are underway and the Cabinet Office e-Government Unit is leading work on rationalising the various identification numbers in use.

Private sector involvement

- 6.8 Third party involvement in the delivery of e-government services means that public sector data sharing will often be carried out within private sector

organisations. An additional aspect of this is government use of private sector data of all kinds to achieve security objectives. The trend is particularly pronounced in the United States. Linking, however indirectly, the extensive personal profiles in marketing and credit databases to the equally extensive personal records in centrally linked government databases clearly raises the spectre of a surveillance society. Equally clearly, there are legal implications and concerns.

The legal framework

- 6.9 The legal framework for data sharing in the UK is complex. It involves questions of administrative law, the Human Rights Act 1998 and the European Convention on Human Rights (ECHR), the common law tort of breach of confidence, the Data Protection Act 1998 (DPA) and European law. Current laws do much to safeguard the public. Departments and local authorities cannot share personal data unless they have legal authority to do so and the Data Protection Act offers further layers of protection, including the right of citizens to see information held about them. These laws need to be retained.
- 6.10 Administrative law is, perhaps, the main barrier to increased data sharing. Proposals in *Privacy and Data Sharing* to introduce overarching primary legislation that would allow data sharing powers to be given to public authorities under an appropriate Statutory Instrument were formally abandoned in March 2003. Nevertheless, a great many data sharing 'gateways' already exist that can be used in developing e-government services.

Security

- 6.11 E-government is also linked to the continuing policy debate on the appropriate balance between security and privacy and the extent of the State's surveillance powers to combat crime and terrorism (in this context, access to and retention of electronic communications). Lawyers have been active participants in this debate.
- 6.12 In the legal environment the main security issues associated with e-business revolve, as in other sectors, around treating information as an asset whose confidentiality, integrity and availability needs to be protected. This is a significant, though essentially practical, issue for firms developing online services. The balance to be struck is less between security and privacy (though privacy issues do arise in relation to the monitoring of employee's e-mail and internet usage) than between security, usability and functionality.

Access and the 'digital divide'

- 6.13 E-government can offer customer choice and make government services more accessible. But if traditional channels go, so will choice. And the choice may not be an attractive one: there is a danger that individuals (and some smaller businesses) will fall on the wrong side of a 'digital divide' between those who can 'click' for their services and those who must queue.
- 6.14 Age and income are the major factors affecting Internet use. Figures from the Office of National Statistics (ONS) show that only 12% of the lowest income households are online compared to 86% of the highest income households. Moreover, nearly 80% of young people (aged 16-24) are regular Internet users the figure for over 65s is just 16%. Both the ONS and the Oxford Internet Institute identify motivational barriers amongst the offline population: non-users are not convinced of the benefits of the Internet. Again, parallels can be drawn with small businesses and some solicitors.
- 6.15 The Government has invested over £400 million in establishing more than 6000 UK Online centres to provide Internet access for key target groups. It is now attempting to engage the 'hard to reach' groups who lack skills or motivation. In the longer term, 'digital' exclusion could become an additional problem for groups facing multiple forms of social exclusion.
- 6.16 It will be important that such groups continue to have access to legal advice and services. A possible future scenario is the emergence of an off-line community of digitally excluded (or digital-refusenik) businesses and individuals. It is unlikely to be viable for many solicitors to be full members of such a community. Government initiatives, and sheer economics, are likely to put them online or out-of-business.

7. Representing the profession and offering support

- 7.1 The Society can influence the development of legal e-business by seeking to:
- (i) influence e-government policy and departmental programmes and
 - (ii) offer support and guidance to practitioners.

Influencing e-government policy and departmental programmes

- 7.2 There are two distinct types of e-government programme that the Society may wish to influence:
- (i) the infrastructure and standards initiatives that set the framework within which programmes are carried forward and

- (ii) the key e-government programmes likely to have the greatest impact on the profession.

- 7.3 Table 1 describes the main infrastructure and standards of interest to the profession. The question of whether or not government departments (or local authorities) adhere to central standards and make use of the common infrastructure is important because standards and core infrastructure potentially offer the profession a consistent platform with which to interact with e-government across departmental boundaries. A straightforward example of this is that the e-government Interoperability Framework (e-GIF) mandates the browser as the key interface for all public sector information systems. Solicitors equipping themselves with standard browsers should be able to access all such information systems, irrespective of which department has implemented it. The e-GIF mandates a range of other, less familiar, standards that govern the exchange of information with government systems and that could be used to inform the profession's investment in IT.

- 7.4 Another example is digital certificates. If most government departments require a standard type of digital certificate to secure access to their online services, the Society could re-consider whether to issue such certificates as a service to its members. In response to initiatives like Company House accepting digital signatures for company registration, another professional body — the Association of Chartered Certified Accountants (ACCA) — has already put such arrangements in place.

- 7.5 The centre of government (the Cabinet Office, the Treasury, etc) has already identified the advantages of common standards and infrastructure. Their widespread adoption by departments, local authorities and even the business community, is one area where the strategic goals of the centre of government and those of the Society appear to be aligned.

- 7.6 The Society also has an interest in another area of concern to the centre: government best practice in IT project management and procurement. In 2000 the Cabinet Office issued a report (the SPRITE report) identifying ways to avoid high-profile government IT project failures. Amongst them were that IT-related projects should have visible leadership, a clear business rationale and be implemented in a modular, incremental way. These are all issues that the Society, as a stakeholder in key departmental e-government initiatives, has discussed from time to time with project teams. We have also participated in the formal reviews (known as Gateway reviews) that the Office of Government Commerce (OGC) conducts at key stages of an IT-related project to check if it is on track.

- 7.7 Alongside its potential role as a deliverer of transactional e-government or as an intermediary, the private sector also plays a major role as a supplier to government. The OGC is the Whitehall lead for procurement and its work

includes the development of framework contracts for use between departments and private sector suppliers. Standard clauses deal with such matters as the continuing provision of services by a supplier following termination and pending hand over to any new supplier. In wanting to ensure that the profession benefits from competitive service delivery, this is a further area in which the Society's strategic goal is aligned with the centre of government. Common, open standards, and the use of government's own core infrastructure as building blocks for departmental e-government initiatives are, of course, a further way of ensuring a level playing field.

- 7.8 Table 2 outlines three major departmental modernisation programmes that will directly affect the profession: conveyancing, criminal justice and the civil courts. These represent only the most prominent of the initiatives that will affect solicitors. Work is also underway in other areas and the Society is both 'horizon scanning' and checking the progress of other known projects: for example the computerisation and centralisation of Probate Registries.
- 7.9 In a strong e-business environment the aggregate effect of online central and local government services and e-commerce will affect solicitors in ways that extend far beyond the direct impact of changes to particular areas of legal practice like conveyancing, crime or litigation. They may be called upon to advise clients in relation to online government or commercial services and they may also wish to make use of e-business services themselves.

Support and guidance for practitioners

- 7.10 The Society already provides extensive support to practitioners through its network of Regional Offices, its Software Solutions Guide, the publication of guidelines, its research programme and the development of its own IT facilities — of which its new Website will be a key element. Table 3 summarises some of this activity.
- 7.11 As electronic government gathers momentum there will be an increasing need to influence both central and local government on behalf of the profession and to support solicitors in identifying and exploiting the opportunities that change will bring. As government thinking crystallises, and further e-government proposals and plans are revealed, there will be increasing demands on Law Society staff and specialist committees to explore and respond to a wider range of issues in ever greater detail.
- 7.12 Staff currently working in the fields of information and communications technology (ICT), e-commerce and e-conveyancing have been brought together to form a new e-business unit within a Business Development Team. The aim is to strengthen our response to technology-driven change and, as far as possible, influence the direction of change on behalf of the profession and their clients.

E-Business & E-Conveyancing policy work

7.13 The new e-Business and E-conveyancing teams will be taking forward major programmes of work that include:

- establishing the impact on the profession of key elements of e-government infrastructure and standards;
- influencing the continuing development of current e-conveyancing initiatives (particularly NLIS, the next phase of electronic discharges and the imminent consultation on electronic funds transfer);
- establishing HMLR proposals for the full e-conveyancing business case, user requirements & technical and security framework, including establishing solicitors' user requirements;
- participating in the Land Registry's security prototype at Project Team and Board level;
- completing the promotion of the CJIT Secure E-Mail Take-up initiative and evaluation and
- influencing the roll-out of the CJS Exchange Portal for XHIBIT including input to the National Working Group, the executive Project Board and security and training arrangements for practitioners.

7.14 The units are also developing proposals for additional work to support the profession. The first involves developing guidance (on the practical use of e-mail and basic IT security including business continuity) for hand-over to the Business Development training unit to work up into packages that could be delivered via external trainers and the Regional Office network.

eLexcel

7.15 The second is the development of a fuller IT component for Lexcel which we anticipate could be published in Spring 2005 as a consultative document for the profession and which would, in due course, form part of a revised Lexcel standard.

7.16 The unit is also engaging in regular DCA and CTMP liaison meetings and working groups and providing support and papers for the Electronic Law Committee. Finally, the unit contributes to the legal policy and law reform work of the Society particularly in relation to the privacy and security of proposed central government databases including the National Identity Register and EU and UK legislation affecting e-Commerce.

8. A medium-term workplan for the society

8.1 Our strategic analysis of solicitors' use of ICT and the challenges they face in the developing e-business and e-government environments suggests that, in

addition to its policy work in representing the profession and offering support, the Society could focus additional effort in three main areas:

supporting 'priority' adopters of ICT;
encouraging solicitors to become more confident users of ICT and
ensuring that decision-makers in firms are well-informed.

- 8.2 To achieve this, in 2005, the Society will launch a nation-wide programme of e-business events in collaboration with key government departments including the Land Registry. The aim will be to galvanise the profession into transforming itself into a 21st century profession that sets its own e-agenda.
- 8.3 Visible, leadership from the Society is essential in taking this work forward. So too are strategic alliances and partnership working – not just with government departments but also with senior members of the Judiciary and with the Bar. Opportunities to set up an appropriate high-level Senior Group will be sought.
- 8.4 Solicitors will be invited to join a network of e-Business Champions who will be supported by Local e-Business Experts based in the Society's Regional offices. In 2005 these networks will promote the themes of priority adopters, confident users and informed decision-makers. Staff in the e-Business and e-Conveyancing units will provide central support and guidance to the Local e-Business Experts.

Theme 1: priority adopters

- 8.5 A small percentage of the smallest firms are not making effective use of ICT. They need to be encouraged to explore the business case for doing so. Firms practising in areas like criminal justice and conveyancing have a particular need to consider ICT and Internet adoption.
- 8.6 As part of a medium-term programme of work the Society will take forward a **priority adopters programme** with the objective of:
- raising awareness of the benefits of ICT use by the smallest firms;
providing guidance and support materials to enable small firms currently on the 'wrong' side of the digital divide to get connected and
offering conferences and training to encourage them.
- 8.7 The Society, working as far as possible alongside relevant government bodies, will focus its efforts on those firms with the greatest need to get connected quickly — those doing publicly funded work or providing conveyancing services.

Theme 2: confident users

- 8.8 The low intensity and effectiveness of ICT use by some solicitors is another area that the Society will address. Its **confident users programme** will seek to encourage more fee earners to see the benefits of having a PC on their desk; it will encourage them to become confident, even enthusiastic, users of ICT and the Internet. This could be extremely important for two reasons:
- (i) to avoid firms at the low end of ICT usage 'clicking off' rather than 'trading up' and
 - (ii) as a platform for 'trading up' to the more sophisticated services that will be required by many e-government and e-commerce initiatives.
- 8.9 The Society will seek to encourage increased sophistication in the use of ICT by consulting on, and promoting, an eLexcel Standard, sharing best practice, and supporting regional training and seminars — though many of the initiatives at this level are likely to be initiated by Regional e-Business Champions.

Theme 3: informed decision-makers

- 8.10 Finally, an effective response to the challenges of e-business and e-government will require informed decision-making at the highest level in all firms. The Society will ensure that managing partners, practice managers and IS/IT strategists at all levels in firms are kept informed of the latest developments in e-government. This activity will be managed from the e-Business and e-Conveyancing Units at the centre.
- 8.11 Through a series of Lexcel events the aim would be to create an influential network that will give intellectual leadership to the profession and establish a forum for open debate.

9. Conclusion and recommendations

- 9.1 Early developments in e-business are already raising many legal, practical, business and policy issues of concern to the profession and the Society.
- 9.2 As the pace of change accelerates, driven by the growth of transactional e-government in a strong e-business environment with high levels of broadband access and Internet usage, it is essential that the Society seeks to shape these developments and help the profession to adapt. Reform of legal services could lead to intense pressure on firms unable to compete in the legal e-business market; but all firms are likely, sooner or later, to be faced with demands from their business associates and clients to make extensive use of Internet-based technology.

- 9.3 E-government also raises a number of novel legal policy issues to which the Society will take a constructive, but critical, approach in the public interest.

Recommendations

- 9.4 The Council is invited to:

approve the Society's e-Strategy

endorse the approach proposed for the Society in:

making representations to Government (and other stakeholders) on IT developments; and

helping the profession prepare for and adapt to e-developments

commenting, in the public interest, on major legal policy issues arising out of e-business

taking forward its medium-term work plan including seeking opportunities to set up a high-level steering group involving senior members of the Judiciary, the Bar and the civil service.

Table 1: E-government — infrastructure and standards

Initiative	Description	Future Plans	Key Issues	Law Society Response
Directgov Www.direct.gov.uk	'Topic' rather than departmental-based replacement for UK Online e-government citizen portal. Launched March 2004. Combines information from 18 different Websites. Also available on DTV	Full launch in Autumn 2004. Brand will be supported by TV advertising. Soon available on NTL as well as Sky and Telewest (10m households). Local authorities are developing linked platforms.	Major effort to increase take-up of online government services. Success will have knock-on effect on the e-business environment.	Monitor progress.
DotP Delivering on the Promise	With the Gateway (below) DotP is part of the common infrastructure for departments to take advantage of a 'build-once, use-many' architecture. Core DotP services are based around a Website content management system.	Treasury requires departments to use DotP & the Gateway unless they show equivalent market solutions are better value. Objective is for significant number of departments to be using DotP by end 2004. Available to local government and agencies	Adoption (and not just development) of core infrastructure by central and local government offers a foundation for the development of online legal services that draw on government services.	Any services developed by the Society should take account of DotP if it is widely adopted. Less significant than the Gateway but may need to develop guidance for the profession.
Government Gateway www.gateway.gov.uk	The Gateway is an authentication, routing & payment engine that allows secure authenticated transactions between joined-up government services to take place via the Web. Treasury requires departments to use Gateway unless there is a cheaper market alternative.	Should become the core component of e-government services & handle a substantial number of the estimated 5-6 billion government related transactions every year. Local authorities are being encouraged to buy components (DIS boxes) to enable them to offer services via the Gateway.	As with DotP the actual use of the Gateway by departments (and local authorities) is key to its significance. Chapter 5 of the e-conveyancing consultation envisages the Gateway as a core component of the new system.	Consider arguing for use of the Gateway, (including by the Land Registry) in order to resolve technical uncertainty and ensure consistency between departmental e-government implementations. Would provide basis for issuing guidance and developing services.
E-Government Interoperability Framework (e-GIF) www.govtalk.gov	The e-GIF defines the technical policies and specifications governing information flows across government and the public sector. Covers interconnectivity, data integration, e-services access and content management.	E-GIF is currently in version 6. Will be reissued every 6 months.	E-GIF essentially mandates Internet standards for all new government computer systems or systems wishing to link to government systems.	May provide a basis for developing guidance for solicitors and their software suppliers.
Frameworks for e-business	The government has published a range of framework documents ranging from Assurance to Electronic Records Management.	These documents are revised from time to time and new documents issued.	Significant for understanding e-government and may provide a basis for guidance. New frameworks are generally put out to consultation.	Monitor and review. Comment where appropriate.

Table 2: E-government — major initiatives for solicitors

Initiative	Description	Future Plans	Key Issues	Law Society Response
<p>Electronic Conveyancing</p> <p>www.landregistry.gov.uk/e-conveyancing/</p>	<p>HM Land Registry are proposing e-conveyancing for England & Wales. Key features of the system will be:</p> <ul style="list-style-type: none"> *Electronic conveyancing documents *Most conveyancing processes and communication between parties to be on-line *Simultaneous completion and registration, thus removing the "registration gap" *Electronic Funds Transfer to co-ordinate payment of fees and balance transfers *Increased availability and transparency of chain information 	<p>Since publishing their consultation document (May 02), HMLR have been developing their thinking on the e-conveyancing business case, business change, governance, stakeholder liaison, service delivery, procurement and technology solution.</p> <p>HMLR currently plans to develop the system using in-house teams supplemented by outside consultants.</p>	<ul style="list-style-type: none"> *Security for e-conveyancing. We are participating in a PKI Prototype study with the Registry *Whether the system will use the Government Gateway * Taking an incremental approach. *Uncertainty. HMLR's thinking is relatively 'high-level'. 	<p>The Society has engaged with HMLR at every stage, arguing for an incremental development. Many elements of e-conveyancing are already here: NLIS, LR Direct, LR Online, ENDS and EDs. More detailed discussion will be possible when HMLR is able to put forward detailed proposals.</p> <p>Use of the Gateway and the security requirement for e-conveyancing will be important issues as HMLR's decisions will affect any guidance / support the Society offers the profession: for example, on digital certificates.</p>
<p>Criminal Justice IT</p> <p>www.cjit.gov.uk</p>	<p>Cross-departmental unit delivering the IT vision <i>Criminal Justice — Justice for All</i> (2002) : (i) by 2003 to deliver secure e-mail (SeM) across the criminal justice system; (ii) 2005: all criminal justice organisations (CJOs) able to exchange case file information electronically (Exchange); (iii) 2005: all victims and witnesses able to track the progress of their own case online.</p>	<p>CJIT completed roll-out of the SeM facility to CJOs. Now seeking to encourage Criminal Justice Practitioners (CJPs) to use SeM. The SeM project formally ends in September 2004 (it will then be owned by local criminal justice boards). CJIT will develop an 'Exchange' system that support virtual case files in the criminal justice system. CJPs will be invited to take part.</p>	<ul style="list-style-type: none"> *Take-up of SeM by practitioners * Security requirements for the Exchange system and whether or not CJPs will need digital certificates to make use of it. 	<p>The Society is represented on the SeM Programme Board and we have been working with CJIT to encourage CJPs to consider using the facility (and to explore the barriers to take-up)</p> <p>We are also represented on Hooper LJ's Criminal Practitioner's Working Group</p>
<p>Courts & Tribunals Modernisation Programme</p> <p>www.dca.gov.uk</p>	<p>Under the CTMP, the DCA is introducing basic IT including non-secure e-mail to the courts.</p> <p>It has also introduced Money Claims Online (MCOL) an interactive system for making / defending money claims under £100k.</p>	<p>CTMP will run until March 2006. It is poorly funded (£75m) and more extensive plans (for example electronic case management and records) would need Treasury funding. DCA hopes to supplement MCOL with Possession Claims Online</p>	<ul style="list-style-type: none"> * Underfunding * Low take-up of e-mail and MCOL facilities by solicitors *need for secure e-mail facilities in the Family Courts 	<p>The Society has regular meetings with the DCA and is represented on Cresswell J's Civil Practitioner's Working Group.</p> <p>We are pressing for improved funding for the civil courts.</p>

Table 3 : E-business — supporting the profession

Resource	Description	Future possibilities	Key Issues
Regional Offices	The Society has a network of seven Regional Offices that deliver a range of training programmes to help solicitors cope with change.	<ul style="list-style-type: none"> * Developing IT focus groups for each English Region & Wales * Establishing contacts with regionally based organisations such as the Regional Development Agencies * Delivery of tailored IT training programmes * Possible joint work with IT suppliers (conferences etc) 	<p>The main target audience for Regional Offices tends to be High Street firms and future work would need to take account of their particular needs.</p> <p>Any joint work with IT suppliers or other commercial providers would need to be within the context of an agreed framework.</p>
Software Solutions	Software Solutions :A Guide to Legal Software Suppliers is currently in its sixth (2004) edition. It has an accompanying Website: www.it.lawsociety.org.uk	The Society will continue to publish the Software Solutions Guide.	
Guidelines	The Society already produces guidelines to help the profession adapt to change. It recently published revised e-mail guidelines for solicitors covering, amongst other issues, compliance with statutory requirements including monitoring at work, management of e-mails, and security.	<p>There is scope for the Society to produce extensive guidance on e-business topics ranging from more detailed guidance on IT security to electronic records management.</p> <p>In due course specific guidance on, for example, e-conveyancing, may be needed.</p>	Guidelines will have to be tailored to the needs of the profession. It will be important to identify these needs whether via feedback through the Regional Office network or by means of formal research.
Research	The Society has an active research programme. It has recently undertaken both quantitative and qualitative research into solicitors involvement in e-business.	Further research will help to steer the Society to meet the developing needs of the profession in relation to e-business.	It will be important that the Society undertakes research that it can act upon either in seeking to influence government (for example, alerting them to the danger of poor take-up for badly designed services) or to support the real needs of the profession.
Project Engineer	A major programme to ensure that the Society is able to deal electronically with its stakeholders. Central to Project Engineer is the new Website and streamlining of databases to ensure base targeted communications with the profession on a common information system.	The Society's aim is to move an increasing amount of its interaction with members on line.	

Table 4 : E-business — the main legal policy issues

Initiative	Description	Future Plans	Law Society Response
Electronic privacy and data sharing	E-government is predicated on extensive data sharing to provide joined-up electronic services and to re-use personal data in a way that reduces costs and makes savings from decreased fraud and abuse.	<p>Overly extensive data sharing (in which personal data gathered in one context is used in a different context) raises concerns about data quality, integrity and relevance.</p> <p>The development of large centralised databases (as proposed, for example by the Citizen Information Project or the National Identity Register) also raise questions about data security. Private sector data sharing can also be of concern. The increasing involvement of the private sector in the delivery of electronic government services emphasises the need for personal data to be handled appropriately</p>	<p>The Society has contributed to public consultations on central government proposals for more extensive data sharing and the introduction of identity cards.</p> <p>Whilst data sharing can be used to improve the delivery of public services it can also, in an electronically based society, lead to excessive routine surveillance of the population. In formulating its policy in this area the Society's starting points are Article 8 of the European Convention on Human Rights (which gives a qualified right to respect for private and family life) and the Data Protection Act 1998.</p>
Access and the digital divide	The Government considers that access to the Internet is now available to all. This is based on proximity to public access points. It acknowledges that <i>physical access</i> is only one issue: skills and confidence and willingness to use e-services are also important.	<p>There is a danger of a 'digital divide' opening up between those with good physical access to the Internet along with the skills and confidence to use it and those (generally poorer, older and less well educated) who do not.</p> <p>May be particularly important as opportunities for e-voting and e-participation increase. Already a number of consultation documents are only published on the Web. It is a fundamental issue for the development of e-government and the provision of legal services via the Internet.</p>	The Society will continue to argue that the needs of all sections of the community should be borne in mind in developing e-government services. The importance of e-government services that help to support, rather than undermine, the business model on which the High Street solicitors' practice is based is particularly important.
Trust and Security	Security is essential for the development of e-business	Security is an important component of privacy but can also conflict with it if government seeks to invade privacy in the name of security.	The Society is concerned to ensure that the government's approach to security and privacy are proportionate - for example, in relation to anti-terrorism legislation and retention of, and access to, communications data or access to private encryption keys.
The regulatory environment	The Government has recognised that e-commerce and, in particular, cross-border transactions, have created legal uncertainties. It has sought to promote a 'light-touch' domestic and international regulatory framework.	Balancing the interests of e-commerce providers and consumers and ensuring clarity in the law.	<p>The Society is a member of the E-Regulatory Alliance.</p> <p>We have tackled regulatory issues ranging from the E-Commerce Directive to the e-business implications of Rome 2 (draft Regulation on the law applicable to non-contractual obligations).</p>