



The Law Society

Item 9

COUNCIL
10 February 2010

Classification – Public

Purpose – For noting

REPORT OF THE CHIEF EXECUTIVE OF THE LAW SOCIETY

The Issues

The regular report by the Chief Executive. This edition covers the period from 30 November 2009 until 25 January 2010.

Policy Position

N/A

Financial and Resourcing implications

N/A

Equality and Diversity implications

This report contains information collated by Directorates covering the strategic remit of the Law Society. Equality and diversity issues, where appropriate, have been highlighted in the relevant Directorate reports.

Consultation

This report has been prepared for Council.

Director: Desmond Hudson
Author: Becky West
Date of report: 25 January 2010

Corporate Issues

Legal Sector Alliance

The Legal Sector Alliance (LSA) now has more than 144 firms as members, representing more than a third of solicitors in private practice. The LSA is expanding its focus to include broader environmental sustainability issues. Waste and transport will be the key focus areas for the LSA in 2010. An ongoing focus on broader carbon reduction initiatives will be reviewed to ensure that LSA members continue to share best practice and drive improvement in this area. The first LSA regional knowledge sharing forum of the year is being hosted by Bevan Brittan on January 20 and the Alliance members will be publicly reporting their 2008/9 carbon performance in February.

E-Learning Training

Following the successful roll out of online training for Law Society staff, the Equality and Diversity Committee has reviewed the needs of Board, Committee and Council members and a new programme of training is beginning to start for those groups. This training will be reviewed regularly. Training on the use and understanding of the Equality Impact Assessment tool and the product and the outcomes of its application will be part of the training for Board and Committee chairs and members.

Equality Impact Assessment (EIA)

Work to introduce an EIA tool for TLS is progressing. The EIA process will help to ensure that the Society is compliant with the relevant legislation and will enrich the Society's work on behalf of members. This will increase our understanding of the needs of a diverse membership and the changing environment in which they operate. The successful use of the EIA tool will also improve our development of services and representative activity bringing EIA issues into play at a much earlier stage of any policy product development. The EIA is in the pilot stage, the outcome of which will be reviewed by the Equality and Diversity Committee in July. The EIA process will be kept under close review by the Committee to ensure that it adds value to the work of the Society.

Bar Council Amity dinner 2010

The Amity dinner for Council members of the Law Society and the Bar Council, along with invited guests, is held every two years. The Society and the Bar Council take it in turns to host the dinner and the costs of the dinner are borne equally.

In 2010 the Bar Council will host the dinner, which is anticipated to be on a Friday, the eve of a Bar Council meeting. The cost implications for the Society in terms of travel and accommodation costs for Council members are significant. We estimate that the attendance of 50 Council members would incur travel and accommodation costs of around £12,000. This is in addition to a further £4,000, our share of the dinner costs.

It would be difficult to justify to Law Society members expenditure of around £16,000 on a largely social event, bearing in mind that the Amity dinner will be in addition to the formal Council dinners in July and December. The intention is, therefore, that Council members who wish to attend the Amity dinner should meet the 'ticket' cost of the dinner but, unlike the Bar Council, the Society will meet the travel and accommodation costs.

Migrant Lawyers

The Public Affairs Unit (PAU) continues its ongoing work with large employers in the legal sector to identify issues and concerns with the operation of the points-based system for immigration (PBS).

Many of the recommendations made to the Migration Advisory Committee (MAC) by the Society on behalf of City firms were adopted by the MAC in its report into Tier 1 of the PBS released on 4 December. These changes will enable law firms to employ highly qualified talent from overseas that is critical to ensuring the continued competitiveness of the UK legal services sector.

PAU participated in a UKBA working group to develop new PBS policy implementing recommendations of the recent report of the MAC report into Tier 1 and attended a policy discussion meeting organised by the Immigration Lawyers Practitioners Association. PAU also continued to administer the successful Law Society Tier 5 government authorised exchange scheme, which enables law firms to run placement, secondment and exchange programmes to facilitate business development.

Salary Survey Follow-Up

During the autumn of 2009 the Equality and Diversity team ran a series of focus groups around England and Wales for BME solicitors, seeking more detail on their experience of career progression. This was a follow up to the research into salaries in the legal sector which showed a significant differential between white and BME solicitors, and male and female solicitors. The Equality and Diversity Committee received a presentation of the findings and congratulated the team on their efforts. They asked that the findings be used to work up a protocol under the Diversity and Inclusion Charter around recruitment, retention and career progression for BME solicitors. The Committee asked that a similar strand of work on female solicitors' experiences be carried out as a matter of urgency. This will be a joint venture with AWS.

Promoting the profession to the public and business

Solicitor brand – Promotion

A number of press releases promoting the use of solicitors over other providers of legal advice have been issued, the most notable being our current focus, namely, that there is no need to go through claims managers to assess your injury resulting from the icy weather. These releases are picked up widely in local and regional press and sometimes in national newspapers, and they are an important part of our work to promote the solicitor brand.

With the SRA intervention into Wolstenholmes, the Chief Executive and Regional Manager North West and Birmingham have worked with Manchester Law Society and Birmingham Law Society to develop a scheme which saw local firms step forward to pick up ongoing matters for clients. This was particularly important as an addition to the Intervention Agent's work because so many of those affected had conveyancing work interrupted by the intervention. The Media and PR team coordinated publicity work with the local societies to ensure that a bad news story became an opportunity to promote the robust regulation as a whole, as well as a chance to promote the unique benefits of using a solicitor.

This is the first time that such an initiative has been undertaken and consideration is now being given to whether it should become automatic in interventions which affect

significant numbers of clients. We are facing, at least on this example, a cultural resistance to act in this way. This will require processes and protocols to be put in place between the SRA and Law Society and for Local Law Societies to be engaged so that they are prepared for such an event in their area.

Equality and diversity (E&D) benchmarking and working with other organisations

The Committee has overseen developing relationships with a range of organisations that can help to advance the E&D objectives of the Society. These organisations have been:

- Association of Woman Solicitors (AWS)
- Stonewall
- the Employers Forum on Age and Working Families.

Joint working with such groups will increase in 2010.

In 2008 and 2009, the Law Society took part in the Stonewall Work Equality Index (WEI) - a benchmarking exercise for employers. There are four law firms in the highly contested top 100 again this year: Simmons & Simmons, Pinsent Mason, Herbert Smith and Eversheds. While the Law Society did not make the top 100, it is clear that we have made vast strides in the last twelve months. Our overall score this year was 55.5%. This is 0.5% short of what we needed to enter the top 100 last year. The threshold was raised this year because of general improvements across the board. Our joint efforts during 2009 moved us from 307 in the rankings to 156.

While the Stonewall WEI focuses on issues for lesbian, gay and bisexual employees, the lessons we learn from participation apply across the entire employee group. We will take part in the WEI again in 2010 to measure progress. We will also take part in the Employers' Forum on Age benchmarking exercise for a different perspective.

Gazette

The advertising downturn has proven difficult for the Gazette editorial to maintain profitability. Assuming a (conservative) average of one paid-for feature commissioned externally per issue, across 48 issues, moving features in house produced an annualised saving of about £26,000 (£275 per thousand words per feature of 2,000 words). The Gazette currently has nine full-time equivalents in editorial, compared with 14 at both The Lawyer and Legal Week.

Further incremental developments to the Gazette's website have allowed us to continue to produce a broad-based offering across both platforms. Our social media drive, launched in recent weeks, continues to prosper. Twitter is now our biggest referrer after the major search engines and the Law Society website. We now have 400 plus followers.

Fewer pages have inevitably meant far fewer law reports, which tend to be lengthy. This situation is about to be rectified. We expect to sign a contract deal with Sweet & Maxwell that will allow us to carry up to eight law reports per week online, which we expect to be a major driver of traffic to the site. This is the equivalent of about three additional pages in the magazine per week.

Plans are advanced for the Gazette website to begin carrying podcasts, which will initially comprise interviews with senior legal figures. As a direct result of the huge success and advances on the website, the Gazette is now properly viewed as a two-platform medium. The advent of real-time news means that, notwithstanding print

deadlines, members are kept fully up to date about the most significant developments affecting them.

The website is also proving a valuable conduit for publicising the Law Society's policy position as events develop or through regular updates on talks over conveyancing panels. We can also offer a web platform for Chancery Lane figures to offer timely comment on key issues where space is tight in the print magazine. For example, a recent column entitled 'Dispelling the myths surrounding professional indemnity insurance', advertised in Professional Update, achieved 1,000 reads.

The Magazine unit published 7 products in December; the Gazette published 3 issues plus an Expert Witness supplement. For Sections the unit published the Probate Section Magazine, it also published Litigation Funding, and the directories unit published Charity & Appeals Directory.

www.lawgazettejobs.co.uk had the seasonal down turn in traffic that we would expect due to the holidays; however the unique user figures (20,625) and page view figures (195,968) were up against December 2008 by 9% and 14% respectively showing that the overall performance for the site continues to grow.

The 2009 overall recruitment advertising market ended the year 66% down against 2008 in terms of volume across the 3 weekly legal titles. In volume the market was down from 3,327 pages to 1,131 pages. As the year progressed the rate of decline began to steady with December only dropping 40% in volume across the board.

The volume of 'lineage' or classified recruitment advertising has shown a very small upturn for the second half of 2009, which is encouraging but nothing more. The display market place coped a little better with the volume declining by just 18% year on year, 824 pages as opposed to 1,024 pages in 2008.

In 2007 the Council approved a change to policy in relation to advertising. Put simply, any copy that complies with the ASA code is acceptable. The Society avoids any risk of approving or rejecting any particular advertisement.

With the difficult economic climate Gazette sales staffs are striving hard to drive up income, which in turn helps generate net profit that funds Law Society work. It would not be in our best interest to reverse our policy on advertising or the sales process.

Government Relations

Wolstenholmes

Council members will be aware of the major intervention into Wolstenholmes which SRA carried out shortly before Christmas. Plainly the timing of the intervention made it very difficult for the normal communication on issues of this sort to take place. Antony Townsend has sent an email to the Chief Executive following the raising of concerns about the intervention at a meeting the President and Chief Executive had with Charles Plant and Antony.

Email regarding Wolstenholmes [From Antony Townsend Chief Executive SRA to Des Hudson Chief Executive Law Society]

We spoke about the concerns arising from the Wolstenholmes intervention during the meeting between Charles, the President, you and me. We agreed that we need a better system for alerting the Law Society to impending interventions of major interest

as soon as we can legitimately do so, and Charles has written separately to Bob on that point.

Put briefly, a resolution to intervene was requested and made on 23 December 2009. The intervention was effected by the SRA at Wolstenholmes' premises on 24 December.

In accordance with the usual procedure, a pre-intervention email was sent to Law Society Regional Managers shortly after 5pm on 23 December. In accordance with the practice of the SRA (and of the Society before it) the fact of the intervention was not disclosed externally until after it had taken place. The Hon Secs of both the local law societies with an interest were contacted by telephone on 29 December (the first working day following the intervention). The SRA's press office confirmed that the intervention had taken place on 29 December in response to a query from the BBC.

From 4 January regular contact took place at staff level between the SRA and the Society, during which (within the necessary constraints of confidentiality) the steps we had taken were discussed, and there were discussions about a possible role for Manchester Law Society in offering help to clients seeking legal advice. Steps were also taken with the LCS and the intervention agents to co-ordinate the advice given to clients.

On 6 January I wrote personally to Jack Straw, the Secretary of State for Justice and to Mark Hunter, one of the local Members of Parliament, setting out the action we were taking. Copies of the letters were supplied to your staff on 7th January, and I attach them since they give considerable information about the extensive steps we have taken to protect the public interest.

You will understand that this is a major and continuing investigation, on which there are limits within which I can comment. I would strongly urge any Council member with particular concerns about Wolstenholmes' clients to contact me direct, so that we can resolve any immediate issues as swiftly as possible. We shall, of course, review this case – like any major case – to see whether there are any lessons to be learned.

There have been (as was customary on major interventions, even before the establishment of SRA) suggestions that it was well known locally that there was a problem with Wolstenholmes, and that intervention action should have been taken earlier. The Chief Executive has asked Antony Townsend to investigate the background, and to let the Law Society know whether he is satisfied that SRA action was taken as promptly as they reasonably could with the information they held. We must of course remember that intervention is a very serious action, which cannot be undertaken lightly. Indeed one issue to be explored is whether there are any mechanisms short of intervention which could protect client funds whilst the issues are investigated, rather than relying almost entirely on intervention to do that.

Following concerns reported to the Law Society by LCS, the Chief Executive has also asked Antony to ensure that the instructions to intervention agents about the respective roles of SRA and LCS are clear, and to ensure that there are appropriate protocols between SRA and LCS for handling of these matters.

It is not yet known whether Antony will be able to let us know the position on those matters in time for the forthcoming Council meeting, but Council members will be informed promptly.

Alternative Business Structures: Access to Justice

Tenders have been invited for the work the Society wishes to commission investigating the likely impact on access to justice of large ABS providers. We hope that we will be able to commission a firm to carry out the work within the next week or so. The Chief Executive will update the Council orally on that.

International and National Initiatives/Highlights

International

At the end of 2009, the International Division had 120 corporate members, 200 individual members and 1800 registered users of the International Division website. We are also in the process of finalising a sponsorship deal with Thomson Reuters who will become the International Division's main corporate sponsors in 2010.

On 24 November our second annual conference was held in the International Marketplace, which was again a successful event with around 120 participants from 25 countries involved during the day and around 250 attending the evening event.

Promotional Activity

China

As part of our programme of regional 'Think China' events, we took a delegation of lawyers from Tianjin to Bristol on 8-9 December. This visit included a roundtable meeting attended by over 30 representatives from South West firms and a programme of one to one meetings between regional firms and the visiting delegation. This is part of an ongoing strategy to ensure that Chinese lawyers are aware of legal centres outside London. A further visit of Chinese lawyers is planned to Birmingham in March.

Practice Rights and Other Bilateral Activity

On the bilateral front, the following have been the most significant developments or activities since the end of November.

Bulgaria

We were informed on 27 November by the British Embassy in Sofia that the Bulgarian Ministry of Justice, Margarita Popova, has set up a working group to look into making amendments to the Bulgarian Bar Act following our representations to the Bulgarian government and the European Commission. The Bulgarians had taken legal action against a number of UK firms (and others) with a presence in Bulgaria claiming that their practices did not comply with Bulgarian law, but this law was, in itself, in contravention of European law.

India

On 26 November we held a consultation meeting with approximately the 20 large commercial firms most anxious to secure the right to open an office in India. Lord Bach, the Ministry of Justice Minister responsible for international matters, spoke at the meeting about his recent meetings with Indian ministers and his expectations about how the Indian situation would evolve. At that stage the outlook for a decision from the pending Advocates Act court case in Bombay, which concerned the definition of the practice of law in India, was pessimistic.

If a decision had not emerged by the end of December before the Chief Justice retired, then the case would have had to have been heard again in its entirety. However, on 16 December, the Bombay Court issued a judgment, which confirmed its original 1995 ruling stating that the existing statutory framework did not provide for

the entry of foreign lawyers. Although on the face of it this looks to be a negative development, we are encouraged that the Court has put the matter firmly in the hands of government by calling on it directly to clarify the situation affecting foreign lawyers. In response to this ruling the Law Society has requested the Indian Minister of Justice to review the legal framework for the regulation of lawyers at the earliest possible opportunity.

Nigeria

In the first week of December, the Law Society organised an inward trade mission for the Nigerian Bar Association. The week-long programme enabled our members to meet with around 20 representatives of the top ranked internationally focussed Nigerian firms who were looking to establish mutually beneficial relationships and referral networks between the UK and Nigeria. As well as attending briefings and other sessions on practice management, meetings with UK industry experts and in-house counsel, the group visited the offices of several firms in London and Liverpool, where they were also hosted by the Liverpool Law Society.

EU Issues

The Treaty of Lisbon

We reissued an updated version of the Law Society's Guide to the Treaty of Lisbon for solicitors in early December following its entry into force on 1 December. This is intended to be a practical apolitical guide to the Treaty, drafted by the EU Committee, which sets out the implications of the Treaty for the profession and its clients.

Akzo Nobel

The Law Society is following the Akzo Nobel case before the European Court of Justice (ECJ) very closely. This case concerns the right of in house lawyers to have legal professional privilege in European Competition cases. The Law Society applied for leave to intervene in the case at the appeal stage but was denied. We have, however, been invited to join the European Company Lawyers Association which is a party to the case, before the next hearing at the ECJ on 9 February.

CCBE

The CCBE held a Plenary Session on 28 November. The two major themes of the plenary session were preparatory work in anticipation of the 2011-12 review of the Establishment Directive and a stocktaking of progress in the evolution of the EU's justice and home affairs programme and how the CCBE intends to be involved in this. In 2010 the CCBE will celebrate its 50th anniversary at a special meeting in Basle in September.

International Human Rights

The Law Society held an event jointly with the Human Rights Lawyers Association to mark International Human Rights Day on 10 December. This event focused on the role and development of the European Court of Human Rights. The event was chaired by Elizabeth Wilmshurst and speakers included Lord Lester, representatives from the AIRE centre and the Ministry of Justice.

In November and December, we sent interventions on behalf of lawyers who are under attack in Syria, Russia, Zimbabwe, Singapore, China and Palestine.

Commonwealth Bar Chief Executives

The Law Society has received funding from the Commonwealth Scholarships Trust for a further round of capacity building fellowships for the CEOs of bar associations from the following countries: Barbados, Pakistan and Malaysia. We also received

support from the Law Society Charity for the CEO of the Law Society of Zimbabwe and the CEO of the Rwandan Bar as these countries are not eligible for Commonwealth funding. The CEOs will join the Law Society for eight weeks from 11 January for a tailored programme of meetings.

National Initiatives (UK operations)

Diversity and Inclusion Charter

The Diversity and Inclusion Charter, launched by the Society last summer, has provided a framework to promote Equality and Diversity (E&D) across the legal profession. The Diversity and Inclusion Charter signatories continue to grow steadily, standing now at more than 85 practices.

On a recent presidential visit to Bristol, firms acknowledged that the Society's work on E&D made a significant difference and helped make their task easier. They singled out the Diversity and Inclusion Charter as a very useful tool which helps them engage with their clients. The impact of the Committee's work is greatly enhanced by the collaborative working between Committee members and the staff team.

The Equality and Diversity Toolkit for use by legal practices of every size and type is now at its pilot stage. It is being tested rigorously with a wide range of practice types and sizes to ensure that it is genuinely useful across the legal profession. The intention is to launch the Toolkit in March 2010. This will provide excellent support for legal practices and also make it easier for smaller practices to sign up to the ambitions of the Diversity and Inclusion Charter.

General

In conjunction with the Public Affairs Unit, the first of a series of seminars to discuss the emergence of Alternative Business Structures is to be held in Leeds at the end of February. This will explore the opportunities and ramifications of the new structure. It is hoped that the event will be a valuable forum for entrepreneurial lawyers and potential investors and intermediaries to exchange ideas and build networks.

The Head of UK Operations has been seconded to PC Fee Project to assist the co-ordination of communications with the profession. A number of individual workshops have been set up to present the proposals to different segments of the membership and to seek their views.

Top 100 firms

We have continued our close relationship management of the Top 100 firms and have several major activities. There will be a Presidential firm visit to 8 Regional Top 100 firms in January and two dinners with a further 38 Top 100 Regional firms. There is also a Presidential dinner with Lionel Barber, Editor of FT, 6 Top 100 firms, and 4 FTSE 100 Companies to discuss global issues with a particular emphasis on UK/US relations, the EU and the proposed question - *how dependent is the legal profession on the financial sector to succeed?*

In addition to these there will be Office Holder lunches with City firms. The Law Society will organise presentations by SRA and FSA on business continuity to City Forum. A presentation by Baroness Prashar to Top 100 Equality and Diversity Forum is also to be organised.

The full regional offices update can be found in Appendix A on Corporate Business.

Policy and Lobbying

Anti-Money Laundering (AML)

The Law Society has responded to the review of the Money Laundering Regulations 2007, conducted by HM Treasury and the Better Regulation Executive.

The issues raised by the Law Society in our response were consistent with our lobbying in this area since the first proposals for the Third European Directive were made in 2004. Since 2004 we have succeeded in achieving certain amendments which have made the law more proportionate and therefore of benefit to our members and consumers. However, there are some outstanding areas which we believe require reform; these issues remain a concern to our members. In this response we were able to demonstrate that some of the adverse consequences of which we had warned, were in fact occurring.

Key issues raised in our response were the need for:

- A better empirical understanding of the risks posed and the cost-effectiveness of the measures used to combat money laundering
- Greater sharing of methodologies within the regulated sector
- The risk-based approach to be fully applied to the requirements to identify beneficial owners and politically exposed persons (PEPs)
- A more pragmatic approach to be taken to “reliance” as set out in regulation 17
- The removal of criminal sanctions for breaches of the regulations.

A full copy of the response is available www.lawsociety.org.uk/antimoneylaundering

We expect HM Treasury to release a summary of the responses in January 2010 and their response to the consultation in spring 2010. We will continue to liaise with government in this area to ensure that the Regulations are as workable and proportionate as possible for the profession.

The European Commission has also commissioned a review of the implementation of the Third Money Laundering Directive. This review will be conducted by Deloitte. The Law Society, in conjunction with the Brussels office, will be responding to this review on behalf of the profession.

The provision of anti-money laundering support to the profession continues:

- AML training for autumn 2009 has been completed with consistently positive feedback. Planning is well advanced for AML training in spring 2010, with training sessions offered at three distinct levels - AML in practice, Advanced AML and a Master Class.
- Our AML conference is on 10 June 2010, for which we already have 40 advance indications of interest.
- MLRO groups for the winter commence on 13 January 2010, with over 600 bookings taken so far.
- The first on-line AML training programme is in production and we anticipate its release in spring 2010. This programme is an introduction to the Money Laundering Regulations 2007, and will provide a good grounding to enable MLROs to participate in our more advanced face-to-face training options.

Working in partnership with Legal Policy, we are scheduled to deliver 19 Money Laundering Reporting Officer Group meetings across England and Wales. These provide a forum for sharing good practice, providing information to members and obtaining feedback for future policy formulation. Regional Managers also provide opportunities for the Policy Officer to visit firms to talk about their particular issues and concerns.

Conveyancing

Paul Marsh represented the Law Society at an industry wide meeting with the Parliamentary under Secretary of State for Housing, Ian Austin MP. What was discussed was the economic market in its entirety. This included the continuing poor market conditions, the fragmented nature of the market and market conventions. The consumer experience by Which? and the Office of Fair Trading (OFT) was also topical.

The OFT has published four parts of its research and expects to publish its report on home buying and selling early this year, probably in February. The OFT has indicated that it proposes to carry out further work in relation to referral fees in the conveyancing market.

The Land Registry has announced major redundancies and office closures as a result of the marked downturn in levels of business. There are indications that they may dispose of certain parts of the business. TLS will respond to the 'Land Registry's Accelerated Transformation Programme Consultation on Office Closures'.

Meetings have taken place with the Land Registry in relation to fraud and identity issues. This may result in further joint work on these issues. The Land Registry considers some of its systems insufficiently robust and it seems likely that it will change its systems and its practice to place more risk and liability upon solicitors. The legal liability of solicitors is under consideration with a view to ensuring that the profession does not take on any more legal liability than necessary.

Delays in producing evidence that mortgages have been repaid remains a problem, although anecdotal evidence suggests that where lenders are adopting electronic methods of discharge this is assisting. These delays were a factor in the Land Registry deciding to introduce 'early completion'. There is a possibility that the delay in production of releases by some lenders has masked or enabled some types of non-registration frauds.

The Land Registry implemented its proposals for 'early completion' on 3 August 2009 and reported its practical experience to TLS on 1 December 2009. The Land Registry reported having completed over 16,000 applications under the new policy between its introduction in early August and mid November. However the Land Registry has some evidence that some conveyancers are delaying lodging applications to avoid the application of the policy and the impact of this is being reviewed.

Further communications have taken place with lenders in relation to mortgage fraud and the impact on both panel membership and the terms and conditions of appointment to panels.

Judicial Appointments

The Law Society will assist solicitors applying by organising meetings for those groups of solicitors with 3-4 solicitor judges who can communicate what is involved in being a judge. The aim is to reproduce the informal opportunities for social contact with the judiciary that barristers gain. The first of these events will run in early 2010.

Activity to increase the number of applications from solicitors and particularly solicitors from minority groups continues in collaboration with the Judicial Appointments Commission (JAC). It was recognised last year that a key stumbling block for solicitor applicants for judicial appointments was the role play exercise. The Law Society has produced a video of a mock role play using actors. Judge Geoffrey Kamil, former Council member, has provided a commentary. There has been some delay in securing the approval of the JAC for the publication of this aid to solicitor applicants because of concerns they had about the appearance that certain applicants might be being coached through this process. However, we now have JAC agreement to a launch in February.

We have arranged for Baroness Prashar to address the Law Society Firms Diversity Forum in February to look at the obstacles to solicitors from larger firms seeking judicial appointment and how the culture might be changed to make it more supportive of those ambitions. The Society continues to engage with the JAC's own diversity forum on a series of initiatives on how to widen the pool of applicants for judicial appointments. The Society's efforts are focussing on awareness raising around the opportunities and targeted training to assist applicants in the process. The Society is also establishing networking and very informal mentoring opportunities for applicants with solicitor judges.

Two pilot workshops for those interested in applying for judicial appointment were organised by the Society in August and November 2009. Each was attended by 10 BME solicitors who were acting as volunteers to dummy run the particular training provided. The feedback from those participating was overwhelmingly positive. Ideally the workshop should now be rolled out and made available to all solicitors and across the country at a reasonable charge. Law Society Services are looking currently at the viability of providing this type of training to the whole profession.

In order to promote judicial career development, in partnership with Legal Policy, there will be six joint events with the Judicial Appointments Commission across England and Wales. These will provide opportunities for members to understand the process and requirements. In addition, there will be a pilot run in London involving a panel of Solicitor Judges who will offer interested solicitors informal discussion and advice on the judicial appointment process. This may be replicated across the UK later in the year.

Law Reform

Costs

Lord Justice Jackson has now completed his review of civil litigation costs and he published his final report on 14 January 2010.

The main proposals highlighted by Jackson LJ are:

- Proportionality – the costs system should be based on legal expenses that reflect the nature/complexity of the case;
- Success fees and after the event insurance premiums to be irrecoverable in Contingency Fee Agreements; to offset the effects of this for claimants, general damages awards for personal injuries and other civil wrongs should be increased by 10%;
- Referral fees in personal injury cases should be banned;

- Qualified 'one way costs shifting' – claimants will only make a small contribution to defendant costs if a claim is unsuccessful (as long as they have behaved 'reasonably');
- Fixed costs to be set for 'fast track' cases (those with a claim up to £25,000);
- Establishing a Costs Council to review fixed costs annually;
- Allowing Contingency Fee Agreements (also known as Damages Based Agreements where lawyers are only paid if a claim is successful, normally receiving a percentage of actual damages won) in contentious business;
- Promotion of 'before the event' legal insurance, encouraging people to take out legal expenses insurance e.g. as part of household insurance.

The report is extremely lengthy and complex and many of the recommendations have inter-locking and related consequences. It should also be noted that this is not a Government report and many of the proposals will, in fact, require statutory change or Ministerial approval.

The Society will therefore work closely with Parliamentarians and decision-makers as the report is discussed and further debated to ensure that the voice of the public interest is heard. Many of the recommendations will have wide implications for the profession and these will be carefully considered as part of the Society's ongoing influencing work in this area.

Damages Based Agreements

As previously reported, the Lord Chancellor announced proposals to legislate to regulate damages based (contingency fee) arrangements in employment work. A response to the Government's consultation on Draft Damages Based Regulations has now been completed. These regulations are proposing to regulate all contingency fee agreements in employment matters (including those made with a solicitor).

If certain conditions are not complied with, the agreement will be unenforceable and it is proposed that damages will be capped at 25%. This is likely to impact on access to justice as more complex and lower value claims are likely to be unprofitable to proceed with on a 25% capped basis. The Society has expressed its concerns that, regarding solicitors, there was no evidence to support the necessity for these regulations and solicitors are already sufficiently regulated in the conduct of DBAs in non-contentious business.

Children, Schools and Families Bill

Ministers were reported to be considering an amendment to section 41 of the Children Act 1989 in the forthcoming Children, Schools and Families Bill. Section 41 of the Children Act places responsibility on the Court to appoint a named guardian to safeguard the interests of the child in proceedings. Consideration was being given to amending the section to designate CAFCASS as the guardian instead of a named individual guardian. The Law Society, in a letter to the Secretary of State, expressed concern over the intended amendment. The Law Society also became a signatory to the Interdisciplinary Alliance for Children, which is made up of 16 key stakeholders to voice concern over the proposed amendment to s.41 and the proposed new framework to enable the media to report the substance of family proceedings.

The Bill proposes a framework to enable the media to report the substance of family proceedings. The Law Society supports the aim of the Bill to provide a more

effective, transparent and accountable family justice system through the implementation of a single, consistent reporting regime. However, the Society considers that there are too many uncertainties and potential detrimental impacts underlying the proposed legislation for the Society to support this Bill. The Bill was presented to Parliament on 19 November 2009 and the Second Reading debate was on 11 January 2010. A briefing on the Bill was presented to Members of Parliament before the Second Reading debate. Comments for the Public Bill Committee are being prepared. Comments to be provided to the Joint Committee on Human Rights regarding the Bill are also being considered.

Regulation of will writers

In the wake of the Hunt report, the Wills and Equity Committee is reviewing the issue of regulation of will writers. The Society has previously made representations to the Government that unregulated will writers should be regulated, however this view has not been accepted. The Wills and Equity Committee is currently considering the most appropriate way to progress the Law Society's position further.

HMRC consultation on Working with tax agents

In 2009, a consultation document was published which addressed ways in which HMRC may interact with tax agents in the future to ensure that clients' returns and claims are correct when submitted. HMRC had concerns about the 30% of tax agents that were currently unregulated. A summary of responses to the consultation was published at the time of the Pre-Budget Report. In the previous consultation document it had been suggested that a registration system for all tax agents, including those that were already members of professional bodies, operated by HMRC would be established. The Society had argued against this in our response. HMRC have decided that a full system of registration for all tax agents, with accompanying regulation, would not be feasible.

A further consultation document has also been published. Chapter 4 of the consultation paper deals with proposals for revised procedures for disclosure to the professional bodies. There is already legislation in place to enable HMRC to report members to professional bodies, but they are proposing to lower the threshold at which they can do so to cover making persistent errors, or a lack of care or technical competence in the belief that the professional body would offer help and assistance to a member as thought necessary. The Society will be liaising with the SRA on this issue. The consultation paper also makes proposals to introduce powers to enable HMRC to access the working papers of tax agents who have been involved in deliberate wrongdoing which leads or is intended to lead to a loss of tax and to make a tax agent who has been involved in deliberate wrongdoing liable to a sanction which acts as an effective deterrent. The Society has concerns about the safeguards in place and will be responding to the consultation.

VAT and Disbursements

A formal application to intervene has been made to the Tribunal, to which HMRC has objected. A hearing was due to take place in November to determine the outcome of the application but this was rescheduled by the tribunal. This will now take place at the beginning of February. The policy team continues to support the legal advisers, and has been working closely with members of the Tax Law Committee on this issue, as well as making regular contact with the firm involved.

Legal Professional Privilege (LPP) and Compliance Checks

In the recent case of *Prudential -v- HMRC*, the High Court considered whether LPP could be extended to cover advice on tax law given by accountants (legal advice privilege rather than litigation privilege). *Prudential* had been asked to deliver

documents provided to it by its accountant advisers in connection with a marketed tax avoidance scheme and claimed LPP attached to these. The Court held that taxpayers can only obtain confidentiality as against HMRC in these circumstances when the advice is given by lawyers. The court expressed some sympathy with Prudential's case, recognising that it is slightly anomalous that tax lawyers and accountants are put in a different position despite the taxpayer's ability to choose from whom to take their advice.

It has been a long standing argument of accountancy bodies that there should be privilege for tax advice given by accountants. However, there is no case law in which the application of LPP to tax advice from accountants about tax law had been specifically addressed and answered and privilege has not been extended to tax advice from accountants by statute. For this reason, it is a significant case, particularly, as the judge suggested that *"there is force in the argument that a level playing field on the disclosure of legal advice to the clients of lawyers and accountants should be created"*. More worryingly he suggested that privilege over lawyers' advice should be cut back rather than privilege being extended to cover accountants' advice. Prudential have been granted leave to appeal to the Court of Appeal and the Society will be working closely with legal advisers on a possible intervention in this case.

Home Buying Review

Our consultation on Improving Residential Conveyancing closed in mid-September. We received fifty-five responses from a variety of respondents including local law societies, individual practitioners, law firms and organisations including the Land Registry. A summary of responses has been published. Building on the findings from the consultation we undertook a further round of analysis and stakeholder engagement including a workshop with consultation respondents to explore opportunities for a residential conveyancing membership scheme. Proposals for such a scheme have now been developed in outline and were presented to the Legal Affairs and Policy Board at its meeting in January. LAPB has approved the setting up of a cross-directorate Project Board to oversee the development of a full business case and risk analysis for taking these initial proposals forward.

Virtual Courts

The removal of the requirement that the defendant consents to a virtual court hearing, as a result of the Coroners and Justice Act 2009, came into effect on 14 December 2009. The Practice Note has been amended to take this into account, as well as the suitability criteria used by the police. The policy team and members of the Criminal Law Committee continue to attend regular Operations Team meetings, and a member of the Committee sits on the Local Implementation team for the Camberwell Green Magistrates' Court. Evaluators WM Enterprises are in the process of observations and interviews, and their interim report is expected in the near future. The pilot is expected to conclude in mid-summer. We understand that extended operating hours have also recently commenced. The Society continues to lobby on this issue.

Costs in Criminal Cases Regulations

Following a positive assessment by counsel of the likelihood of success in judicially reviewing the Costs in Criminal Cases (General) (Amendment) Regulations 2009, the Legal Department instructed Kingsley Napley to issue proceedings against the Lord Chancellor, alleging that he has acted contrary to the statutory purpose of the enabling Prosecution of Offences Act 1985, and/or otherwise unlawfully, irrationally and contrary to article 6 of the Human Rights Act 1998. The Law Society is seeking an order quashing the relevant parts of the regulations and/or a declaration as to

their true meaning and effect. Proceedings were filed with the Administrative Court on 7 January 2010.

Legal Aid

Civil and Family

Contracting

The current Unified Contract (Civil) will be extended to 13 October 2010. The new 2010 Standard Civil Contract will come into force on 14 October 2010. Practitioners will need to apply for and be awarded the new contract in order to carry out any new civil controlled and licensed work from October 2010. The bid round for immigration contracts has already opened. The tender deadline for immigration and asylum services is 12:00 on 28 January 2010. A separate tendering process to provide services at immigration removal centres closes at 12:00 on 5 February 2010. The bid round for all other categories is due to open in February 2010. We are preparing a Practice Note on the changes to both the Civil and the Criminal contract and the bidding process. Road shows are being held for the profession in each region to inform them of the implications for them of the process and the new contract terms.

Family funding

A new fee system for much of the work was published in November achieving harmonisation of remuneration for solicitor advocates. The new fees for private law children work appear low and some firms might need to consider new ways of managing the case load.

The Family Specification has now been published, and discussions will continue with the LSC on providing clear guidance for practitioners.

Community Legal Advice Centres (CLAC) and Networks

This is the update which the CEO undertook, at the last two Council meetings, to circulate, following ongoing developments on CLACs.

The LSC continues with its programme of CLACs/CLANs and continues to talk with other local authorities regarding joint commissioning post-April 2010.

Working with Legal Policy, we are co-ordinating a series of road shows on the current Legal Aid issues which will be delivered by Head of Legal Aid across England and Wales in early 2010. These will focus on providing support and assistance on contracting for civil legal aid practitioners. We are projecting approximately 50-60 delegates per event.

In late November, the LSC issued a formal statement indicating a slow-down in the commissioning of Community Legal Advice Services between 2010 and 2012. For the first time the LSC stated that the current model of joint commissioning was not appropriate for all areas and indicated that it would be working with stakeholders to develop alternatives to the single entity model that has been used so far. The LSC wants practical experience from the new consortium models which was effective from October 2009 to see if new methods of integrated services can be rolled out.

Two major research projects on CLACs and CLANs have been undertaken although the outcomes are not yet published. The Legal Services Research Centre is working on material on existing CLACs gathered over the past year, and the Welsh Assembly Government commissioned a report from DG.Legal on alternative methods of

delivering social welfare law. The outcomes of these projects will undoubtedly influence the future modelling of the delivery of social welfare law.

The LSC will be re-tendering over the next eighteen months for the five existing centres – Gateshead, Derby, Hull, Leicester and Portsmouth. The East Yorkshire Citizens Advice Bureau was the successful bidder for the East Riding CLAN and will work closely with Switalskis. The LSC has identified a preferred bidder in West Sussex and prepares to publish details shortly.

Bidding in Barking and Dagenham will close at the end of January and it is understood that several private firms are involved.

Manchester City Council seems determined to press ahead with three CLACs for the provision of legal advice services to Manchester residents only. There is a good supplier base in Manchester and local providers are understandably concerned. The local Regional Manager is in contact with them, meetings have been held, and Richard Miller will be meeting with Council officials on 4 February to highlight the consequences of joint commissioning. The LSC has decided not to hold a tender for new social welfare law contracts from October 2010. The Society has pointed out to Lord Bach the serious risk facing the Government in the quite likely event that the timetable for the Community Legal Advice contracting may slip; since the current civil contracts cannot lawfully be extended further, this could leave the Government with no social welfare law provision come October.

The LSC is also intending to launch a tender in Wakefield in January with the new service becoming operative in July 2010. Joint commissioning in the other areas listed in the Deed of Settlement has been deferred, except in Wales where decisions will be made following the publication of the Welsh Assembly Government's commissioned review.

The Access to Justice Committee appreciates that joint commissioning presents problems for local practitioners. A working party regularly meets to consider the detail of policy statements, and the practical help that can be given by the Law Society to those affected by this policy. The Law Society has published a list of experienced legal aid consultants to assist any solicitors faced with the prospect of a CLAC or CLAN and needing advice on bidding.

Crime

Criminal Contracts 2010

As a result of discussions with the Law Society and crime practitioners, the Ministry of Justice (MoJ) has 'invited' the Legal Services Commission (LSC) not to proceed with its planned pilots for BVT. An MoJ press release stated that Jack Straw and Lord Bach have "listened carefully to the representations made by the Law Society and by legal aid firms" and have been "persuaded that the scheme currently proposed is unlikely to lead to the efficient, re-structured legal services market envisaged by Lord Carter in his 2006 Review of Legal Aid procurement".

The MoJ states, however, that the Government "remains committed" to developing tendering processes with a more ambitious scope which reduce the overall costs for criminal legal aid, and have asked their officials to work closely with the LSC, the Law Society and individual practitioners to develop "improved proposals" by the end of March 2010.

The timetable for tendering for Crime contracts has been put back as a result of this decision not to continue with the BVT pilot. The application process will now start on Monday 15 February 2010, and close on Friday 12 March. All firms that wish to continue providing criminal defence services must participate in this process. All firms that meet the essential criteria will be allocated a contract.

Practical Support for Solicitors

Membership Services

Local Law Society list initiative 2010

On 22 December 2009 the CEO sent a letter and order-pack to all Presidents of Local Law Societies inviting them to take advantage of the opportunity to receive a free electronic list taken from the Law Society database to help undertake a recruitment or marketing drive to their constituents in 2010. The letter also contained news of a special discounted offer for repeat use of Law Society data and a discount rate for DX mailings.

The Law Society applied its usual terms that the data may only be used once and this must be within thirty days of receipt. This stipulation is made because the information on the Roll changes on a daily basis and it is important that direct mail lists are accurate and up to date. Use of out of date material has in the past resulted in communications being sent to incorrect addresses and in some cases deceased members. This nevertheless was queried by some local law societies.

For the above reasons, the Law Society has also asked that the data be used only for marketing purposes (i.e. a membership drive or for a promotional campaign) and that it should not be transferred into a data base for repeat usage. Local Law Societies have also been asked not to share or allow the data to be used by any other person or organisation, except for the fulfilment of LLS mailings.

Data will be sent out in four tranches in 2010. In order to receive data the following timetable will apply:

Orders must be returned, using the enclosed order form no later than:

- January 22 2010, for data to be sent to LLS in the first week of February 2010.
- March 19 2010, for data to be sent to LLS in the first week of June 2010
- June 18 2010, for data to be sent to LLS in the first week of August 2010
- September 17 2010, for data to be sent to LLS in the first week of November 2010

Work has been proceeding on the development of a Memorandum of Understanding to govern the relationship between the Law Society and local law societies. This Memorandum of Understanding sets out in a standard document the roles, responsibilities, duties and obligations of both the Law Society and local law societies.

Lexcel Applications

December 2009 figures show an increase in the number of Lexcel accredited firms of 17% in 2009 with a 19% increase in income from application fees. Twelve candidates have been short listed for interviews for the new Lexcel Assessment Panel. The

interviews will be taking place at the end of January and the new Panel will all meet in February.

Referral fees

Following the recent Council Member's motion on this matter, steps have been taken to promote the position adopted by Council. Unsurprisingly, the matter is being debated in the letter pages of the Gazette and this suggests that the profession is divided on this topic.

Books and Gifts

The Book publishing unit released 8 book titles as follows:

- Ancillary Relief (6 November)
- Precedent Library for the General Practitioner (2nd Ed) (24 November)
- Strategy for Law Firms (26 November)
- Assessment of Mental Capacity (3rd Ed) (14 December)
- Fixed Fees in the Criminal Courts (2nd Ed) (15 December)
- Conveyancing Checklists (2nd Ed) (15 December)
- Advising Mentally Disordered Offenders (2nd Ed) (21 December)
- Solicitors' Duties and Liabilities (2nd Ed) (18 December)
- Publication of Issue 4 of Legal Compliance Bulletin.

The books and gifts website ran a 15% off sale on the online bookshop for 25 selected recent titles and the full range of gifts throughout December. The online bookshop added 14 Sweet & Maxwell titles to its listings, including the leading practitioner works Wilkinson's Road Traffic Offences, Brooke's Notary and the new edition of Archbold.

CPD Centre

Work continued on the new online CPD Centre for training, booking and recording CPD. Material for the two existing courses has been updated and will be presented in an improved format whilst material for two new courses dealing with the Solicitors' Accounts Rules and Anti-Money Laundering have also been written.

Spreading the Cost of the PC Fee

This year saw the first marketing insertion within the renewal letters sent by the SRA to the membership for a finance product to assist with spreading the cost of the PC fee. Exclusive Benefits PLC commercial finance was our chosen provider and was responsible for lending just short of £9m to over 1500 members.

Mercedes Benz

The Mercedes Benz scheme sold a total of 161 cars to the membership in the last 15 months. This has represented over £150k of savings to the membership whilst being worth well over £100k in commercial returns to the Law Society. Discussions have begun to extend the contract by another year. We finished the year 26% ahead of the annual target for sponsorship with revenues of £328,375.

Client Care Project

This project has been successfully completed and 147 firms were visited. The feedback has been very positive and many firms have given examples of how they are embedding better systems and procedures to deliver better client care. The Complaints Commissioner, Zahida Manzoor, has responded to receipt of the final report on the project saying how encouraged she is by the outcome of this initiative.

The lessons learned and the formats of the project itself are being used as the basis for the launch of the compliance service in 2010.

Sole Practitioners

2009 was a difficult year for sole practitioners. Issues included attaining satisfactory PI insurance and a number of lenders terminating sole practitioners' membership of conveyancing panels. The Law Society and SPG are working closely together and successfully on both these issues. The SRA are consulting with SPG this month on the proposed new financial model for the practising certificate fee which will see a rise in the total contribution from sole practitioners. A one day conference from TLS for sole practitioners is being planned before Easter to offer support to members on risk management and regulatory issues.

Lawyers Disability Division (LDD)

There has been an on-line 'Costs' Survey, on who should pay if disabled solicitors take longer to complete a task than those who are able bodied. The closing date was 31 December and the results will be analysed and published. Barclays are hosting an 'In-House Legal Open Day' for student members of LDD on 13 January. The division is planning a meeting with the Bar Council in January to discuss holding a joint conference for disabled students who are thinking of entering the law, likely to be held after Easter. A visit to the New Supreme Court has been re-arranged for 25 January to look at their facilities for people with disabilities.

Association of Woman Solicitors (AWS)

AWS and the Law Society were mentioned in Prime Minister's Questions on 9 December 2009 in response to a question from Mr Jim Cunningham, Secretary of State for Justice. The question was "what recent progress has been made in increasing the level of access of women to senior positions in the legal profession?".

AWS are continuing to progress their campaigns on judicial and public appointments and will be providing members with two practical sessions, one with the JAC and one with the Public Appointments Commissioner in February.

Their equal pay campaign is progressing and the AWS are in the process of arranging, with the help of the Law Society, a round-table in Birmingham to identify how to address the problem in practice and to identify what assistance could be provided to firms to address this issue.

The AWS and the Law Society will be running a two-day Returner Course which will be held at the Law Society on 29 and 30 January 2010.

Junior Lawyers Division

JLD in association with the College of Law held a two day pilot retraining course in October on private client work aimed at assisting unemployed solicitors to get back to work. The course was fully subscribed and will be rolled out in the regions in 2010.

Following the success of the JLD's pilot expedition to Borneo in association with Raleigh, the JLD will be formally launching its international development project with Raleigh at an event on 2 February at Allen & Overy solicitors. The next expedition is scheduled for October and has already attracted a lot of interest from junior lawyers. The fourth JLD webinar was held on 25 November on the training contract aimed at first year trainees. It was well attended with very positive feedback.

Careers Events

Development work is under way to offer an enhanced set of careers support and improved information on the website. A number of careers events are being planned.

Inspiring Futures Organisation led an event on 12 January at Greenwich University. The organisation works with young people providing careers and educational guidance and skills development training. It was an all day event (10am-4pm) aimed at inner city students, 16-18 year olds that have an interest in a career in the legal profession. The day consisted of an introduction to the various careers, Q&A sessions and a series of legal challenges for students set by each of the participating organisations. A representative from the JLD gave a presentation on a career as a solicitor. This was held in collaboration with TLS, Bar Council, ILEX, CPS and the Institute of Paralegals, reaching full capacity of 100 students.

Prospects Law 2009/2010 has a publication aimed at graduates considering a career in the legal profession. Hard copies are distributed to all teaching institutions and it is also available on-line at <http://www.nxtbook.com/gp/gp/law0910/#/2> A two page free editorial from TLS is included.

Retraining

An introduction to Wills, Probate and Trust will be held on 3 March 2010 in Birmingham. This is a repeat of the successful pilot held in London in 2009. The Law Society developed this one day introductory training session to help solicitors considering a career move into wills, probate and trust. The session will cover an introduction to:

- Will drafting
- Disputed wills
- Trusts (including IT software)
- Probate

The session will be led by Gill Steel, a solicitor and member of the Law Society's Wills & Equity Committee. The session is accredited with 6 CPD hours.

Careers Crossroads

A repeat of the successful pilot held in London last year is scheduled for 25 March 2010 in Leeds. The interactive workshop (5.00pm-7.00pm) is designed to help members through career transitions. It is aimed at solicitors who are approaching retirement, may have taken redundancy with 8+ years experience, have had a career break or are contemplating a major career move.

The workshop will be led by Sapphire Partners, a specialist head-hunter with a strong track record in advising senior professionals as they plot their second or third careers.

The workshop will cover:

- Taking stock: the importance of thorough and realistic self-assessment
- The advantages and disadvantages of the main alternative career tracks
- How to use your network strategically
- What is a portfolio career and are you suited to it?
- The resources you might use: coaches, outplacement, head-hunters, recruiters
- Developing your 'elevator' pitch
- Best practice for CVs, e-mails, covering letters

- Tips for interviewing
- Mistakes to avoid

Library

The Library answered 27,000 enquiries in the course of 2009 and supplied 4,980 extracts from legal materials to members by email through its Lawdocs service. The Library received an average of 124 visitors per day through the year.

The web-based Law Society Library Online service was improved by a programme of enhancements carried out by LexisNexis in conjunction with the Library team. In the course of 2009 Law Society Library Online received a total of 43,962 visits.

Law Society Helplines

The **Practice Advice Service** has been receiving and responding to a number of different queries relating to Bank Panels. The Service is working cross-directorate on some of the more complex issues and members are appreciating the continued contact and support from the Society. December has seen conveyancing as the area of law that has generated the most enquiries, from panels to separate representation to Land Registry ID.

The **Anti-Money Laundering** arm of the Practice Advice Service is continuing to provide technical expertise and presenting at training sessions to our members at the MLRO groups across the regions. Excellent feedback has been received from the Regional Managers and members in relation to this inter-department initiative. This initiative has been extended to 2010 with a number of dates already in the diary.

Lawyerline has received a considerable 396% increase on a month on month basis in calls during 2009 when operated by the Law Society compared with the Legal Complaints Service. Lawyerline has recorded that the most common subject area on which callers seek assistance involves queries relating to the implementation of their own internal complaints handling process. In this regard, Lawyerline has achieved one of its primary objectives, namely to be a robust and pro-active service which delivers improvements in client care and assist solicitors in reducing the level of formal complaints.

The **Pastoral Care Helpline** continues to receive a steady number of enquiries. Given the economic climate in 2009, it is not surprising that employment continues to be the area that the Helpline receives the most calls on.

As the renewal date for PII has passed, this Helpline naturally receives fewer calls. However, members continue to receive support from the PII Helpline through its rationalisation and amalgamation into the Practice Advice Service.

Sections

Law Management Section (LMS)

Planning is under way for the one day annual conferences for LMS in April, Competition in May and Probate in July. The LMS Financial Benchmarking survey will be published in February and a webinar on the key results will be produced.

The **Dispute Resolution** section is to be renamed the Civil Justice section, following agreement with the Civil Justice Committee, so that there can be a better alignment of their work. Their first conference, on 23 February, is on the Jackson Costs review and will have LJ Jackson as key speaker.

Business of Law

Political Engagement

Following the Queen's Speech and the commencement of the final session of this Parliament, on 18 November, the Society briefed MPs on the Second Reading of the Financial Services Bill on Collective Proceedings on 30 November, the Report stage of the Equality Bill on 2 December and the Second Reading of the Children, Schools and Families Bill on 11 January 2010. The Society also briefed Peers on the Second Reading of the Bribery Bill on 9 December and the Second Reading of the Equality Bill on 15 December.

In addition to the Society's work on legislation, as part of the rolling programme of engagement with the three major parties in advance of the General Election, the Deputy Vice-President, John Wotton, met with Chris Huhne MP, the Liberal Democrat Shadow Home Secretary. Issues discussed with Mr Huhne included potential proposals for a Unified Penal Code, and future proposals for the reform and possible replacement of the Human Rights Act with a British Bill of Rights.

Work continues on the preparation of a Solicitors' Manifesto and arrangements for presenting the manifesto to the leading political parties are being progressed.