



Hello and welcome to the Relationship Management monthly report for August 2017 for the Midlands.

We hope you find the report useful and encourage you to share it with your members and colleagues.

If you have any comments or suggestions regarding the future development of our monthly report, please let us know.

Thank you for reading.

#### **The Midlands & Southwest team:**

**Rav Hothi** - Head of Relationship Management  
Midlands and Southwest  
07816929749  
[Ravinder.hothi@lawsociety.org.uk](mailto:Ravinder.hothi@lawsociety.org.uk)

**Sarah Richards** - Relationship Manager  
Midlands and Southwest  
07875579012  
[Sarah.richards@lawsociety.org.uk](mailto:Sarah.richards@lawsociety.org.uk)

**James Shepherd** - Relationship Management  
Executive  
Midlands and Southwest  
07580977099  
[James.shepherd@lawsociety.org.uk](mailto:James.shepherd@lawsociety.org.uk)

## Contents

### News

- Events and training
- The latest on Brexit
- SRA Handbook - briefing paper for members and FAQs on PII
- Money Laundering guidance 2017- an overview
- TLS welcomes The Taylor Review
- Update your Find a Solicitor profile

### Features

- Profile on Law Society President, Joe Egan
- It's risky business without a risk register

### Out and about in the Midlands

#### Consultation responses

- Reform of registered social landlords
- Sentencing Council consultation on domestic abuse
- A new route to qualification: the Law Society response to the SRA consultation

#### Open Consultations

- SRA: A new route to qualification: New regulations
- Consultations for Government that you may be interested in responding to...



## Data Protection for COLPs and COFAs: Practical steps to take now

**The Law Society, London** 6 September, 13:30 - 17:00

COLPs and COFAs need to stay on top of all their legal and regulatory obligations. This includes responsibilities in relation to data protection. The General Data Protection Regulation (GDPR) is coming into effect in the UK on 25 May 2018. It will herald changes affecting all European organisations that handle personal data, including law firms. The potential penalties are severe and as such failure is not an option.

[Find out more and book your place](#)

## Private Client Section seminars with Professor Lesley King

**London** 19 Sept, **Birmingham** 26 Sept,  
**Manchester** 28 Sept

These one-hour evening seminars with speaker Professor Lesley King will provide a review of current issues in private client practice. They will include coverage of the Guardianship (Missing Persons) Act 2017, the latest on the RNRB, the new trusts register, the implications of *Halsall v Champion Consulting* (negligent tax advice) and *Re Exler* (conflict of interests in the administration of an estate), plus post-election updates.

[Find out more and book your place](#)

## Small Firms Division annual conference

**The Law Society, London** 21 September, 13:00 - 18:30

The Small Firms Division is dedicated to meeting the needs of all smaller legal businesses, including sole practitioners. The Division's flagship annual conferences will take place in London and Leeds, and will provide practitioners with a half-day of small firms-focused conference sessions, practical tips and networking opportunities.

There is a strong interactive element to the conferences – the programme includes breakout groups, question and answer sessions and opportunities for networking with fellow delegates.

Conference topics have been tailored to address everyday issues faced by practitioners in small firms and will focus on issues including:

- pricing
- cyber crime
- crisis management for small firms
- how to get the best out of your small firm
- how to grow, if you want to

[Find out more and book your place](#)

For a full list of events, further detail and to book, please visit our [events page](#).



## The latest on Brexit

Click [here](#) for the latest round-up of news on Brexit . As the Repeal bill starts the biggest change to our legal system for more than 40 years - the unravelling of our relationship with the European Union.

[Read how Brexit borne uncertainty has spared PII premiums](#)

## SRA Handbook - briefing paper for members and link to FAQs on PII

You will recall that last summer we consulted on the proposed changes to the SRA Handbook. On 13 June 2017, the SRA announced that it was going ahead with its original proposals and announced

- Removal of restrictions on solicitors offering non reserved services to the public from unregulated entities
- A reduce set of six principles
- Shorter codes of conduct for solicitors and firms

The Law Society is concerned that the proposals will leave clients and consumers with less protection and could result in a two tier solicitors profession. The SRA will consult on the proposals in the autumn.

The Law Society has produced a briefing paper to give members more information and help them consider the implications. Read the paper [here](#).

The Law Society has also produced a list of responses to frequently asked questions about PII professional indemnity insurance, available at [www.lawsociety.org.uk/pii-answers/](http://www.lawsociety.org.uk/pii-answers/).

## Money Laundering guidelines 2017 - an overview

Take a look at our quick guide to the money laundering regulations for 2017 [here](#).

[Take our money laundering quiz to find out how much you really understand](#)

## TLS welcomes The Taylor Review

The Law Society welcomes the far reaching review of employment practices recently commissioned by the Prime Minister.

Read the article in full [here](#).

Read further details [here](#).



## Update your Find a Solicitor profile

Is your Find a Solicitor profile up-to-date? it only takes five minutes to complete.

Did you know that Find a Solicitor is popularly used by clients to search for specialists like you in company law, dispute resolution, energy and utilities and family law?

[Update yours now](#)



## Features



### Profile on Law Society President, Joe Egan

On 6 July, vice-president of the Law Society Joe Egan became the 173rd

president, taking over former president Robert Bourns. Joe delivered his inaugural speech at the Annual General Meeting, at the Law Society in Chancery Lane and pledged to continue to campaign for

- Pride in the profession,
- Access to Justice,
- Pro Bono Charter

Joe has also pledged to create a handbook for Local Law Societies, a useful resource on how to run an efficient and effective society, covering the principles of good management.

Joe Egan came to law late in life. He read sociology and economic history at Kent University and wanted to be a journalist. While trying to find a job he drove buses for a year then worked in Europe as a waiter. Finally he came back in the UK at the age of 30 and went to Trent Polytechnic and qualified as solicitor in 1982.

He secured articles in his home town of Bolton, moving to another law firm that was expanding but returned to Bolton in 1986 and set up his own high street firm Joe Egan Solicitors. He was the first solicitor in Bolton to achieve the right to appear in the Crown Court when he was granted higher rights in 1995.

Joe has been Secretary of Bolton Law Society for 15 years and as a past President, he is still very much involved. He has also been a council member proudly representing Lancashire and Greater Manchester since 2006.

On his appointment to his Presidential role Joe said

"It is a great honour to take up the role of president of the Law Society, I look forward to the task of continuing to promote the outstanding work that solicitors do throughout England and Wales. Every single day solicitors oil the wheels of justice and business in our country, and we have much to be proud of."

### It's risky business without a risk register



*Pearl Moses*

If you're not a Compliance Officer for Legal Practice (COLP), you might ask what a risk register is, and if you are a COLP, you should definitely have one.

#### What is a risk register?

A risk register is simply a tool (commonly used in business generally) in which all the potential risks to a firm are identified and assessed according to priority. They are monitored and assessed within a time frame in order to mitigate those key risks.

It is good practice to record your regulatory risks, or your most serious risks, in a risk register, as the SRA takes the view that firms demonstrating a responsible approach will be supported, making the need for enforcement action less likely.

## Regulatory requirements

Risk registers part of an existing knowledge base around the measurement and management of risk. From a regulatory perspective risk registers became more prominent after the SRA introduced outcomes-focused regulation (OFR) with the SRA Handbook 2011. This risk-based approach emphasised the need for firms to manage their own risk, not through adherence to strict rules, but to general principles, outcomes and behaviours.

There is no strict obligation to have a risk register but the SRA Code of Conduct, Chapter 7, Outcome 7.3, requires that:

*"you identify, monitor and manage risks to compliance with all the Principles, rules and outcomes and other requirements of the Handbook, if applicable to you, and take steps to address issues identified."*

To my mind, it would require several complex and connected documents to achieve the same desired outcome that a risk register would.

## The advantages of a risk register

A risk register can be used as a tool to identify, assess and manage risk to acceptable levels. Actions can then be taken to reduce the probability and potential impact of specific risks.

Of all the areas of compliance that the SRA requires you to address, risk management is the least tangible. To avoid spending more time on it than you can afford, you need a well constructed register that can:

- improve your internal risk management processes;
- heighten risk awareness across the firm;
- prioritise the identification of risks and the mitigation of them;
- operate as a useful management tool for making any strategic decisions for the firm as a whole;
- provide support for the COLP and COFA by ensuring systems are in place to meet the particular obligations of those roles;
- reduce your PI insurance costs; and

- meet the obligations of the SRA.

However, a risk register should not be a 'tick box' exercise. It's important that it's regarded both as a 'living' document in the firm's overall risk strategy and a proactive framework for continuously analysing and managing any shifting threats and challenges.

## Monitoring the register

To meet the challenge of continuous monitoring and updating the COLP should ensure that any changes feed into the firm's overall compliance plan and that there is buy-in from the strategic leadership within the organisation.

Useful tips for successful monitoring include:

1. Ensure that you capture new and emerging risk by keeping up-to-date. The [SRA's 'Risk Outlook'](#) is a useful guide to identifying high risk issues.
2. It is important that someone owns the risk register (usually the COLP) and co-ordinates all the key players in the organisation to feed into it.
3. Make sure the risk register has profile within the firm—it should be on the agenda at management meetings and have the buy-in of the most senior people in the organisation.
4. It pays to involve different departments as well as support staff in contributing to the register—different areas of the business will face different risks.
5. Used properly, the risk register can be a tool not just for monitoring risk but can reveal strategic opportunities for the firm that might not otherwise be apparent.

## Priority risks

The challenge is to keep the register under review and to regularly capture any new and emerging risks. Any risks that do emerge need to be measured and actions plans should be reassessed on a regular basis to ensure that targets are met.

Some of the key risks on our radar for 2016/17 include the following:

- Continuing threats from cybercrime



- Upcoming changes to data protection law
- Implications of the changes in anti-money laundering, including the new Money Laundering Regulations and the recent Criminal Finances Act 2017.
- The challenges and uncertainty over Brexit.
- Forthcoming changes to the SRA Handbook.

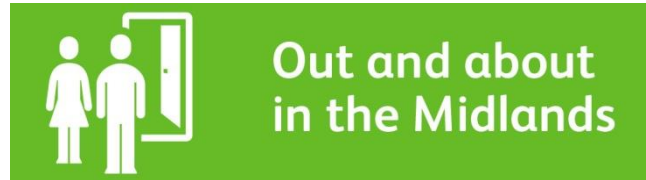
### Benefits

A risk register template can provide a quick and easy framework that is simple to complete and ensures you include all the elements necessary to assess, treat and manage the risks facing your organisation. Risk registers make sense—and firms who manage their risk effectively are more likely to enjoy:

- fewer complaints and claims;
- a reputation for quality;
- repeat business;
- preferential PII premiums;
- less management time spent dealing with the regulator; and
- less risk of incurring regulatory sanctions.

This allows you to achieve a consistent level of quality over time.

**Pearl Moses is Head of [Risk & Compliance](#) at the Law Society. To join the Service or for bespoke advice, email: [riskandcompliance@lawsociety.org.uk](mailto:riskandcompliance@lawsociety.org.uk).**



During August the team hosted by a lunch with Law Society Council Members representing constituencies and special interest groups across the Midlands.

The meeting was held to maintain and build upon the relationship between Council Members and the Midlands team by being more proactive in the sharing of information and supporting one another in terms of member engagement.



### Reform of registered social landlords

The Law Society's Housing Law Committee responded this week to a consultation by the Welsh government on proposals to reform housing associations in Wales.

Following the decision of the Office for National Statistics to reclassify Registered Social Landlords (RSLs) as public non-financial corporations in 2016, the Welsh government proposes to amend or remove some central and local government controls over RSLs. Its proposals include lowering the threshold for regulatory enforcement from misconduct and mismanagement to breach of any statutory duty.

Our response highlights that this proposal would expose RSLs in Wales to disproportionate enforcement actions. We recommend that the Welsh government reviews whether lowering the threshold is likely to satisfy the Office for National Statistics to reconsider their earlier decision.

Read the full response [here](#).

## Sentencing Council consultation on domestic abuse

The Society has responded to the Sentencing Council's consultation on draft guidelines for sentencing intimidatory offences and cases involving domestic abuse.

The guidelines will assist judges, magistrates and practitioners in arriving at the appropriate sentence for offenders convicted of offences involving harassment, stalking, disclosing private sexual images, threats to kill, controlling or coercive behaviour, and domestic abuse.

The Society's response welcomed the guidelines, and agreed with the Council's assessment that such offences should be regarded as particularly serious given they typically occur in the context of an intimate relationship and involve a violation of trust.

Read the full response [here](#).

## A new route to qualification: the Law Society response to the SRA consultation

The Law Society has responded to the Solicitors Regulation Authority (SRA) consultation on proposed regulations which will provide a framework for qualification as a solicitor and for the recognition of qualified lawyers.

The regulations are intended to facilitate the introduction of the Solicitors Qualifying Examination, the SRA's proposed new process designed to test whether individuals who wish to be admitted as solicitors have the skills and knowledge set out in the Statement of Solicitor Competence.

Our response highlights the importance of ensuring not only that the new tests are developed appropriately, but also that academic and work experience requirements receive proper scrutiny, to ensure standards are

maintained. We recommend the retention of current exemptions, and support the continuation of the EU lawyers' framework.

Read the full response [here](#).



## SRA Open Consultations

### Corporate Strategy 2017-20

The SRA is consulting on its Corporate Strategy for 2017-20. Its aim for 2017-20 is to continue to work in collaboration with the public, those it regulates, the justice system and other regulators. That will help the SRA to better understand and meet the needs of everyone it serves. To do this, the SRA is proposing five new strategic objectives for 2017-20.

**Closing date for responses** 21 September

[Find out more](#)

## Consultations for Government that you may be interested in responding to...

### Consultation on sentencing guidelines: child cruelty

This consultation seeks views on new guidelines for offences of cruelty to a child, causing or allowing a child to die or suffer serious physical harm and failing to protect a girl from the risk of FGM.

**Closing date for responses** 13 September

[Find out more](#)

### Regulatory performance assessment

The consultation seeks views on the proposed performance assessment framework the LSB intends to use for its regulatory oversight.

Following a review of previous process and a consultation with regulators the LSB has identified opportunities for improvement in areas as follows:

- The regulatory performance standards could be more representative of the key areas of regulatory risk (for example, they could cover authorisation and education and training) and there was scope to remove duplication and ambiguity amongst the indicators outlined under each standard
- There is an opportunity to be more systematic and to utilise an ongoing approach to gathering information and evidence about the regulators' performance
- The assessment process could be more proportionate, risk-based and targeted. It was also noted that greater clarity was needed as to whether the process assesses performance against minimum standards required for effective regulation or 'gold-plated' regulation, and
- The grading scale could more accurately reflect the regulators' current performance rather than the progress the regulators' have made and intend to make.

**Closing date for responses**      25 September

[Find out more](#)

For further information regarding any of the consultations please contact Lauren Rabaiotti, Executive Adviser, Legal and Regulatory Policy - [lauren.rabaiotti@lawsociety.org.uk](mailto:lauren.rabaiotti@lawsociety.org.uk)