

## **BUSINESS PLAN – IMPLEMENTATION OF PRACTICE RIGHTS SCHEMES January to December 2013**

This document sets out IPS' plan for implementing the practice rights schemes.

In producing this assessment IPS has made the following assumptions: in accordance with its rules the LSB will take in the region of 6 months to make an assessment of the practice rights applications; the applications will be submitted in March 2013, taking the 6 month time limit to September 2013; the applications are thereafter approved by the LSB in September 2013; IPS must be ready to implement the litigation and immigration practice rights schemes immediately thereafter, but statutory orders will be required for aspects of entity regulation. Entity regulation cannot commence until March 2014, by which time orders will have been secured.

The probate and conveyancing rights schemes require Parliamentary Orders. The Lord Chancellor will have until December 2013, under the 90 days allowed by statute, and Parliament will take up to 12 weeks to make the Orders. IPS has kept the Ministry of Justice apprised of potential Parliamentary time. Therefore IPS will be able to implement those schemes in March 2014.

This plan sets out the action that IPS will take commencing in January 2013 and concluding by end July 2013 for immigration and litigation practice rights and March 2014 for entity regulation and probate and conveyancing practice rights, to ensure that it is ready to implement the rights schemes. This plan is supported by a project plan.

### **1. Reorganisation and Recruitment**

IPS needs to restructure into teams focused upon key elements of its business activity and practice rights schemes. A new team structure chart has been developed. The first phase of transition to the new structure must be completed by July 2013.

IPS will finalise role profiles for the new structure. The job descriptions of existing staff will be mapped to new profiles to enable staff to be designated to new roles and to identify gaps which can be met through training and development.

IPS will then commence a programme to appoint to the additional roles created in the new structure. Early recruitment will take place of an Investigation Manager and Education Officer, followed by a Relationship Officer. Other appointments will be made on an incremental basis to ensure IPS is fully staffed to deliver practice rights schemes by July 2013, filling additional roles as demand for regulation increases.

Key deliverables	Timescale	Cost	Quality criteria
Develop role profiles for all posts	February 2013	HR and office time	Profiles capture role requirements, test role needs against organisation structure and functional needs
Mapping criteria developed and used to designate staff to new roles	March 2013	HR and office time	Mapping criteria set and followed
skills audit to identify training needs for designated staff	April 2013	HR, staff involvement	Skills audit identifies skills set in role profiles; meetings with staff to discuss skills audit and evidence for audit assessments
Identify vacant posts that need immediate recruitment; timing for recruitment; write job adverts and advertise in accordance with timing schedule	April 2013	HR, manager time; (recruitment budget).	Adverts and recruitment packs developed and written to attract candidates
Assess applications; shortlist and interview	May – June 2013	HR; managers	Interview process allows for assessment and selection of applicants
Recruitment completed	July 2013	HR	Appointments made against skills and experience criteria for role profiles
Staff fully trained	July 2013	Training costs – set in CILEx training budget	Training sourced to meet skills gaps, skills from training used in workplace

## 2. IT systems

A database must be in place to record key information about those IPS regulates. IPS has discrete areas of the 'Profile Concept' database to record information in connection with its existing activity. This needs to be developed to capture new activity: award of new practice rights; entity regulation; compensation claims; misconduct investigations against entities; committee management; and consumer programme.

Work has commenced with the IT team to develop an understanding of immediate IT needs, including the Specialist Lawyers website. The work has identified that existing databases are adequate for the immediate delivery of the practice rights and entity regulation functions as well as processing compensation claims and misconduct investigations. The IT team has identified

and planned for programming that needs to take place. Programming will complete by July 2013.

The system is fully tested and already used for misconduct investigation and capable of managing compensation claims.

The CILEx Group has decided to update the IT system. IPS is represented on the project group to ensure its needs will continue to be met by the new system and that future needs will also be identified and met. The 2013 calendar year will be used to develop a detailed understanding of needs and source a system provider. The 2014 calendar year will be spent on development of the system.

<b>Key deliverables</b>	<b>Timescale</b>	<b>Cost</b>	<b>Quality criteria</b>
IT database development identified	February 2013	IT and officer time	Follow flow charts for processes to identify required database processes
IT team to source database development time with system provider	March 2013	IT Director	Development time secured
System provider to develop database system and IPS to test it	June 2013	IT Director, IPS officers testing development, budget for system provider work	Development meets IPS requirements; adequately tested using data from benchmark visit programme
Database development completed	July 2013	IT office time	Database meets IPS requirements
IT review project – IPS to serve on new database project strategic group and on project team	December 2012 to December 2013	Office time, flowchart development (completed as part of rights development work)	IT review project includes project timeline
Specialist Lawyers website specification developed	May 2013	Office time, communications team, IT team support	Website to provide consumer facing element and customer feedback element
Source website developer	July 2013	Communications team, budget	Developer to meet specification criteria
Website developed	November 2013	Website developer	Communications team to oversee development
Content developed	November 2013	IPS team	Content written in accordance with specification
Content uploaded	February 2014	IPS team	Content meets specification
Website launch	March 2014	Communications team	Website tested and launched

### 3. Application procedures and policies

Application forms, supporting handbooks and guidance notes are required for practice rights applications, entity regulation applications, compensation claims, and misconduct investigations against entities.

Considerable development has taken place of application forms and documentary processes for entity authorisation and supervision processes. Any additional work required, such as adapting existing authorisation forms for the new practice rights, developing annual returns for entities and accountant reporting form and forensic investigation processes, will be undertaken by existing IPS staff including the managers of the new teams.

IPS will test its application forms and procedures with existing entities and practitioners undertaking unreserved legal activity who are CILEx members and with entities regulated elsewhere who have volunteered for testing, while it waits for the approval of its practice rights applications.

The testing will ensure IPS is ready with a sound and manageable framework to implement the practice rights schemes. IPS will also use the testing process to train its staff and thereby ensure they are able to carry out the required functions at implementation of the scheme.

IPS' policies and procedures will require development and, in the case of investigation, updating to encapsulate new activity. The managers of each team will undertake that development work by July 2013. IPS sets its Board activity schedule for each year. The schedule for 2013 includes consideration and authorisation of these policy documents.

Key deliverables	Timescale	Cost	Quality criteria
Practice rights application forms and guidance developed	June 2013	Office time	Cross match with competency frameworks
Entity application forms and guidance developed	March 2013	Office time	Testing through benchmark visit programme
Entity forms and guidance tested	July 2013	Office time, voluntary visits	Testing identifies suitability of forms and guidance and areas for improvement
Investigation forms, procedures (manual) and policies (sanctions guidance, adjournment, publication) updated	July 2013	Office time, board time	Review forms, policies and procedures documents taking into account feedback on existing forms and areas which include new remit.

Compensation claim forms, guidance and processes developed	July 2013	Office time, board time	Test forms and documents through proposed scenarios
Intervention and practice management procedures developed	July 2013	Office time	Test process through proposed scenarios
Intervention agents appointed	March 2014	Office time	Adverts, assessment and appointment process

#### 4. Establishment of decision making bodies

The practice rights schemes set up a number of decision making bodies, some of which are existing and others new. The existing bodies need to be trained for new functions. The new bodies need to be set up and trained, to take effect from implementation of the scheme.

The Admissions and Licensing Committee is an existing IPS Committee and will deal with practice rights applications. It needs to be trained on new roles.

The investigation functions will be carried out by the existing Professional Conduct Panel, Disciplinary Tribunal and Appeals Panel. Panellists serving on these bodies are aware of the proposed extensions to their remit. IPS carries out regular training sessions with panellists. Training in 2013 will incorporate training to ensure panellists are able to carry out their new responsibilities. The new rules lead to restructuring of panels. There will be some additional appointments and panellists will be allocated to either the Tribunal or Appeals Panel. Provisional designation will be undertaken by June 2013 and new recruitment and training by October 2013 and December 2013, respectively. The new roles and designations will not be effective until March 2014, when new Investigation, Disciplinary and Appeals Rules are implemented.

IPS needs to recruit trustees of its Compensation Fund and the members of the Strategic Risk Committee. IPS has considerable experience of recruiting and appointing panellists. Recruitment processes normally take in the region of 8 weeks followed by training within 3 weeks of appointment. The process will commence July 2013 and complete by December 2013. Appointments will be contingent upon securing the practice rights schemes and obtaining the Parliamentary Order to set up the Compensation Fund.

Key deliverables	Timescale	Cost	Quality criteria
Develop role profiles for panellists for new PCP, DT and appeal panels, SRC and Compensation fund trustees.	March 2013	Office time	Profiles cross matched against IDAR

Develop process for designation of PCP, DT and appeal panellists, which considers skills			
Contact existing panellists to commence designation process (PCP, DT & appeal) and seek their preference and outline of skills appropriate to new roles	April 2013	Office time	Sufficient information provided to panellists about designation process
Carry out designation process, considering panellists skills	May 2013	Office time, panellist consultation	Designation takes into account preferences, if possible, and skills and abilities of panellists to perform new roles
Disciplinary panellists designated to new roles	June 2013	Office time	Designation completed and vacancies identified
Advertise for all panel, committee and trustee vacancies	July 2013	HR support, advert costs	Adverts and application packs developed, along with selection criteria
Applications shortlisted and interviewed	September 2013	Office time, interviews, HR support	Applicants assessed against criteria
Recruitment of panellists, committee members and trustees completed	October 2013	HR, selection time	Appointments made against skills and experience criteria for role profiles
Training programme developed	October 2013	Office time, external trainer support	Programme aims to capture new responsibilities, procedures and skills for new role
Panellists, committee members and trustees fully trained	December 2013	Training costs – set in IPS panels training budget	Training sourced to meet new roles

## 5. External experts

The practice rights schemes place reliance on external resources where specific expertise is required. The externals must be sourced and trained on IPS schemes for appointment by September 2013 for the litigation and immigration schemes and by February 2014 for the probate and conveyancing schemes.

The practice rights schemes require external advisors to assess candidate portfolios of experience and knowledge of practice areas. IPS will need to appoint external advisors covering conveyancing, probate, immigration, practice management and accounts. It will also need to keep under review the demand

placed on existing external advisors who are responsible for litigation practice areas, to determine whether any additional resource may be needed.

IPS has investigated the availability of external advisors for the new schemes. It will make formal appointments for immigration and litigation practice rights and for practice management and accounts by September 2013 and probate and conveyancing by February 2014, to correspond with the timing when the scheme requirements will be close to implementation.

IPS has already identified an arrangement where it can seek external resources to cope with unexpected demand for entity regulation to cover authorisation, visits and monitoring processes.

<b>Key deliverables</b>	<b>Timescale</b>	<b>Cost</b>	<b>Quality criteria</b>
<b><i>Litigation, immigration, practice management and accounts</i></b> – external advisor role profiles and adverts developed	May 2013	Office time, adverts, HR support	Profiles developed to meet scheme requirements and set out required knowledge, skills and experience
Applications assessed and shortlisted	June 2013	Office time	Assessment takes place against role profiles
Interviews and appointment	July 2013	Office time	Appointments against role profiles
External advisor training developed and delivered	September 2013	Office time, trainers	Training to cover scheme procedures, role requirements and duties
<b><i>Probate and conveyancing</i></b> – external advisor role profiles and adverts developed	September 2013	Office time, adverts, HR support	Profiles developed to meet scheme requirements and set out required knowledge, skills and experience
Applications assessed and shortlisted	November 2013	Office time	Assessment takes place against role profiles
Interviews and appointment	December 2013	Office time	Appointments against role profiles
External advisor training developed and delivered	February 2014	Office time, trainer	Training to cover scheme procedures, role requirements and duties

## 6. Professional Indemnity Insurance

Insurance providers must be in place, with qualifying insurers agreement signed, to provide insurance with effect from September 2013.

IPS has worked with an insurance broker and an insurance provider to develop its professional indemnity insurance arrangements. Minimum wording for the scheme has been developed and agreed. The brokers have identified one provider who has committed to insuring IPS regulated entities. Other providers have expressed an interest in the open market scheme, which the broker will explore during 2013. They are confident that approximately five providers can be secured by implementation stage.

IPS will need a qualifying insurers' agreement with insurance providers. Work has commenced with a firm of solicitors to develop the agreement which will be completed early 2013. It will therefore be ready for implementation of the practice rights schemes.

Key deliverables	Timescale	Cost	Quality criteria
QIA finalised	March 2013	Office time, legal advisor drafting (budgeted)	QIA checked against PII rules, minimum wording, broker check
Insurers sourced	April to September 2013	Insurance broker, office time	Insurers able to meet agreement and minimum terms and conditions
Insurers appointed	September 2013	Broker time (budgeted)	Appoint insurers who deliver to minimum wording and agree to QIA

## 7. Compensation Fund

IPS will set up a Compensation Fund to protect clients against uninsured or uninsurable claims by March 2014.

CILEx has designated part of its reserves for the Compensation Fund. The Client Protection Officer will work with the Director of Group Services to set up the Compensation Fund and determine the level of contributions to be made by entities to the Fund at authorisation in 2014. This will then become an annual activity.

The Compensation Fund will be insured. Discussions between IPS and an insurer, facilitated by IPS' Broker, are nearing conclusion to develop the terms of the insurance scheme. Those discussions will conclude by June 2013 with the development of an insurance proposal ready for implementation by March 2014.

Key deliverables	Timescale	Cost	Quality criteria
Meet with bank to set up account	May 2013	DGS and office time	Account set up as Compensation Fund
Discussions lead to	September	DGS and IPS	Fund set up, meets



account set up	2013	office time, financial organisation time	Compensation Fund Rules
Discussions with Fund insurance provider finalised	July 2013	Broker, insurer and office time	Insurer understands IPS requirements and able to deliver insurance to protect consumers and agrees procedures for dealing with claims
Insurance of Fund set up	March 2014	Broker, insurance provider and office time (budgeted)	Insurance meets IPS needs
Mechanism for setting premium contribution from entities set up	March 2014	Office time	Fair and proportionate mechanism set up for each entity's contribution to insurance premiums

## 8. Promotion of regulatory arrangements

IPS will need to ensure that the new regulatory arrangements are brought to the attention of those it regulates. The practice rights schemes include revisions to the Code of Conduct and the Investigation, Disciplinary and Appeals Rules. Activity will take place from the point of approval by the LSB (assumed to be September 2013) to bring the new principles and outcomes as set out in the Code to the attention of those IPS regulates. This will include promotion of standards through the Legal Executive Journal and weekly email alert sent to all CILEx members. The CILEx Group communications team will support IPS on this work.

The new schemes and their associated regulatory arrangements will also be brought to the attention of members seeking authorisation to ensure they are fully aware of standards that IPS will require. This activity will include promotion through the Chartered Legal Executive Journal, the email alerts and general corporate documentation, which will be developed ready for publication once approval of the schemes has been obtained. In the case of probate and reserved instrument rights the promotion will include media aimed at non-CILEx members.

Key deliverables	Timescale	Cost	Quality criteria
Publicity programme developed	August 2013	Communications team	Separate project plan developed

## PRACTICE RIGHTS BUSINESS PLAN

### JANUARY 2014 – DECEMBER 2014

This document sets out IPS' plan for delivering the practice rights schemes from point of approval. IPS has assumed that in September 2013 the litigation and immigration rights schemes are approved and ready for implementation, for practice rights. IPS assumes entity regulation aspects of the litigation and immigration schemes will not be ready until March 2014, when Parliamentary Orders are secured. IPS has also assumed that the probate and conveyancing rights schemes will be ready to implement in March 2014.

#### 1. Reorganisation and Recruitment

By September 2013 IPS will have the resources in place to meet identified demand at years 1 and 2 of the practice rights schemes, as set out in the practice rights implementation business plan and supporting project plan.

As the probate and conveyancing rights schemes and entity regulation aspects for all schemes will not be ready for implementation until March 2014 subject to Parliamentary time, IPS will keep demand made for litigation and immigration practice rights under review to identify numbers of practitioners who will seek entity regulation and thereby identify the points at which to recruit additional staff. Monitoring will take place by reference to staff capacity which has been determined through IPS' scoping of regulatory activities, leading to additional recruitment as staff near capacity.

IPS conducted research to identify demand for practice rights in the short term (within 1 year) and medium term (between 2 and 5 years). IPS will keep demand under review and carry out additional research into likely demand to enable it to keep future staffing needs under review.

Key deliverables	Timescale	Cost	Quality criteria
Staff capacity kept under review	Monthly	Team managers and team head	Demand and capacity assessed against IPS activity scoping which outlines maximum capacity thresholds
Research into demand	Annually	Communications team	Demand of current and potential regulated community

## 2. Application procedures

IPS will have in place application forms, supporting guidance and frameworks and procedures for the assessment of applications for practice rights and entity regulation.

IPS will have tested the procedures. It will keep the forms and procedures under quarterly review during 2013 and thereafter under annual review to ensure that needs are met.

IPS' policies and procedures will be ready for implementation. They will be kept under review by the business development team to ensure they meet requirements set by the IPS Board and IPS regulatory arrangements.

Review periods will be scheduled into committee and IPS Board meetings, according to IPS' governance arrangements. It is recognised that reviews may lead to rule change applications to the LSB.

Key deliverables	Timescale	Cost	Quality criteria
Review effectiveness of application forms	Quarterly from implementation date	Team members time	Forms enable data to be collected to carry out regulation
Review effectiveness of policies and procedures	Quarterly from implementation date	Team members time	Policies and procedures enable regulatory objectives to be met

## 3. Establishment of decision making bodies

The practice rights schemes set up a number of decision making bodies, some of which exist and others are new. By February 2014 appointments will have been completed to all of the bodies and training taken place.

IPS will embed appraisal systems for all of its Panels and Committees. As with existing Panel members, all committee members and panellists will be required to complete a self-appraisal and be independently appraised annually. Training requirements will be identified through appraisals and feedback to office and kept under regular review. There will be at least one annual training event for all panellists.

Panellists retire by rotation from existing committees and panels. Recruitment of new panellists forms part of IPS regular activity.

The workload of panellists will be kept under bi-annual review in years 1 and 2 of the scheme and annually review from year 3 to determine that the

Committee or Panel process remains the most suitable approach and to determine the level of demand for meetings and workload panellists can meet.

<b>Key deliverables</b>	<b>Timescale</b>	<b>Cost</b>	<b>Quality criteria</b>
Develop and implement panel/committee member appraisal	March 2014	Business development team, IPS Board	Appraisals contain criteria and enable objective assessment of performance
Annual panel and committee member training	Annual	Team members, training cost (budgeted)	Training meets skills and knowledge gaps identified by panellists and by appraisals
Keep Committee/panel workload under review	Bi-annually in first two years	IPS Board and team	Panels and committees undertake manageable workload

#### 4. External Advisors

The practice rights schemes place reliance on external resources where specific expertise is required.

External advisors for litigation rights, practice management and accounts will be in place by September 2013. External advisors for probate and conveyancing will be in place by February 2014. IPS has assessed the capacity that each external advisor can handle. It will review monthly the number of applications made for practice rights, and thereby referred for external assessment, recruiting additional advisors as the existing advisors approach capacity.

IPS will hold annual moderation sessions with externals to ensure there is consistency of approach and that standards are maintained in the assessment of applications.

IPS has already identified an arrangement where it can seek external resources to cope with unanticipated demand for entity regulation. The work of externals will be reviewed by the manager of the relevant team and the Head of Business Development to ensure there is consistency in work and that standards are maintained.

<b>Key deliverables</b>	<b>Timescale</b>	<b>Cost</b>	<b>Quality criteria</b>
Keep external advisor workload under review	Quarterly from implementation date	Team members time	Externals undertake manageable workload
External advisor moderation	Annual	Meeting and external advisor cost	Moderation ensures consistency of standards

Quality of external suppliers reviewed	Monthly	Cost of external resource, team manager time	Suppliers deliver to IPS regulatory arrangements
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## 5. Consumer engagement

IPS has in place a consumer engagement action plan. The intelligence gained from IPS' consumer activities will be shared regularly with the operational teams so that they may keep their approach to risk, client protection and investigation under regular review. The intelligence will also be used by the policy manager to assess whether revisions are required to IPS' regulatory arrangements and policies.

The practice rights schemes propose a Specialist Lawyers website. This website will be set up by IPS in conjunction with the IT and Communications teams by March 2014. IPS' consumer engagement activities will include the analysis of data obtained through the website by the Business Development Team. The outcome of the analysis will be shared with IPS teams, as with its other consumer engagement initiatives.

Key deliverables	Timescale	Cost	Quality criteria
Intelligence on consumer expectations shared between IPS teams	Monthly	Team members time	Intelligence informs approach to regulation

## 6. Intelligence gathering

The regulatory activities of IPS will enable it to gather intelligence on the market and risks. The data will be collated by the Business Development Team and shared with IPS teams to enable reviews to take place on the approach to regulation.

Key deliverables	Timescale	Cost	Quality criteria
Intelligence shared between IPS teams	Monthly	Team members time	Intelligence informs approach to regulation

## 7. Professional Indemnity Insurance

The professional indemnity insurance scheme and list of qualifying insurers will be ready for September 2013.

IPS will hold quarterly insurance committee meetings to share information on risks and the market to inform its risk assessment work. The IPS insurance broker has confirmed that they will support the committee work.

The open market scheme, minimum wording and qualifying insurers' agreement will be kept under annual review by the IPS Board. The outcome of reviews will determine future activity.

As demand grows IPS, through its broker, will continue to maintain discussions with insurance providers to negotiate the introduction of new qualifying insurers. The financial stability of qualifying insurers will be kept under review to ensure they continue to maintain standards expected, are financially stable and thereby able to deal with claims.

Key deliverables	Timescale	Cost	Quality criteria
Quarterly insurer meetings take place	Quarterly	Team members time, broker costs, meeting costs	Intelligence obtained from meetings informs approach to regulation
Keep approach to PII under review	Annual	Office and broker time	PII continues to meet market needs and protect consumers

## 8. Compensation Fund

The Compensation Fund will have been set up and insurance scheme finalised. The level of contributions to be made by entities to the Fund at authorisation in 2014 will be set, based on IPS' research into demand. The mechanism for setting annual contributions will be kept under review each year, supported by on going research into increased demand.

The insurance scheme for the Compensation Fund will be implemented in March 2014. IPS will review its insurance requirements on an annual basis to ensure they remain appropriate and continue to be required to protect the Fund. Monitoring of claims through annual reports made by Trustees will take place to assess the effectiveness of the scheme and to gather intelligence on the market to inform IPS' approach to regulation.

Key deliverables	Timescale	Cost	Quality criteria
Set Compensation Fund contributions	Annual	Office time	Contributions sufficient to maintain and build fund and pay premiums and are proportionate
Keep approach to Fund insurance	Annual	Office and broker time	Insurance continues to protect Fund and is

under review			adequate for providing consumer redress
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## 9. Promotion of regulatory arrangements

IPS will need to ensure that the new regulatory arrangements are brought to the attention of those it regulates. The practice rights schemes include revisions to the Code of Conduct and the Investigation, Disciplinary and Appeals Rules. Activity will take place from the point of approval by the LSB (September 2013) to bring the new principles and outcomes as set out in the Code to the attention of those IPS regulates. This will include promotion of standards through the Chartered Legal Executive Journal and weekly email alert sent to all CILEx members.

The new schemes and their associated regulatory arrangements will also be brought to the attention of members seeking authorisation to ensure they are fully aware of standards that IPS will require. This activity will include promotion through the Chartered Legal Executive Journal, the email alerts and general corporate documentation, which will be developed ready for publication once approval of the schemes has been obtained.

Key deliverables	Timescale	Cost	Quality criteria
Promotion of new regulatory standards	December 2013	Communications team time, publicity material	All IPS' regulatory community are informed of new standards



# Research into Practice Rights Extension and Regulatory Demand

Chartered Institute of Legal Executives

Dr James Evans  
Peter Howe  
Sophie Spong  
Sarah Neat



For more information about this report please contact James Evans:  
CFE Phoenix Yard, Upper Brown Street, Leicester LE1 5TE  
T:0116 229 3300 James.Evans@cfe.org.uk www.cfe.org.uk

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## 1 | Summary

The Chartered Institute of Legal Executives commissioned CFE to undertake members' and non-members' surveys to help understand respondents' views on practice rights extension and potential regulatory demand from ILEX Professional Standards.

### Key messages: CILEx members' survey

**55.1%** of respondents said they would probably or definitely intend to apply to extend rights to practise in any one of Conveyancing, Probate and / or Litigation.

**21.7%** of all respondents (187 people) indicated that they will apply for an extension of their practice rights, and will subsequently practise independently (in any or all of Conveyancing, Probate and Litigation).

Of these 187 respondents, 148 (**17.2%** of all respondents) gave an indication of when they will begin to practise independently:

- > 61 (**7.1%** of the total responses) indicated that they will begin practising independently in the short term (within 2 years);
- > A further 67 (**7.8%** of the total responses) indicated that they will begin practising independently in the medium term (between 2-5 years);
- > A further 20 (**2.3%** of the total responses) indicated that they will begin practising independently in the long term (more than 5 years).

Of the 187 respondents who indicated that they will practise independently:

- > 41 (**4.8%** of all respondents) are likely to set up as a sole trader;
- > 120 (**14%** of all respondents) are likely to set up as an "other business";
- > 26 (**3%** of all respondents) don't know what type of business they will set up yet.

Of the 187 people who are likely to set up a business, 145 have indicated as to the timeframe within which they will do so:

- > 59 (**6.9%** of all respondents) are likely to do so in the short term (within 2 years);
- > 66 (**7.7%** of all respondents) are likely to do so in the medium term (within 2-5 years);
- > 20 (**2.3%** of all respondents) are likely to do so in the long term (more than 5 years).

Of the 41 sole traders: 17 (**2%** of all respondents) are likely to set up in the short term; 17 (**2%** of all respondents) are likely to set up in the medium term and 4 (**<1%** of all respondents) are likely to set up in the long term.

### Key messages: CILEx non-members' survey

The majority of respondents (**54.2%**) were either not at all or not very satisfied with their current regulator. Only **16.8%** were 'very' or 'extremely' satisfied. Despite this relative lack of satisfaction with their regulatory bodies, less than one-quarter would switch to an alternative regulator (**22.9%**).

**Fewer than 1 in 10** respondents stated that they were 'quite' or 'very likely' to switch their regulator to ILEX Professional Standards.

## 2 | Introduction

CFE were commissioned in the summer of 2012 by the Chartered Institute of Legal Executives to present an independent analysis of their members' views on practice rights extension and regulatory demand for ILEX Professional Standards. Legal entities within the industry were also surveyed in order to assess the likelihood of organisations changing their regulatory body. This report presents the findings from this research.

The Chartered Institute of Legal Executives (CILEx) is applying to the Legal Services Board (LSB) to seek practice rights for its members in three key areas: Conveyancing, Probate and Litigation. If the LSB approve the application then CILEx, through its regulatory body, ILEX Professional Standards (IPS) will develop into a robust entity regulator, which can grant practice rights to CILEx members and regulate practices, through which legal services in exercise of these rights may be delivered.

CFE designed, administered and analysed two surveys, of CILEx members and non-member, i.e. of those businesses not regulated by IPS. These surveys provide an understanding for CILEx of the likely demand for practice rights extension and regulation of organisations by IPS. They also help to inform the design of its regulatory model and to present to the LSB its capabilities and capacity to carry out this enhanced role.

### Methods

Two online surveys, one targeted at CILEx members and one targeted at general legal businesses were designed, administered and analysed in collaboration with CILEx.

#### CILEx members' survey

The CILEx members' survey was launched on the 11<sup>th</sup> September 2012 and was open for a period of three weeks. It was sent out to a total of 17,000 CILEx members and in total 860 responses were received, representing a 5% response rate. Our analysis of the CILEx members' survey comprised of frequencies, cross-tabulations<sup>1</sup> and Chi-Squared Automatic Interaction Detection (CHAID) heuristic decision-tree analysis<sup>2</sup>.

#### Non-members survey

The CILEx non-members' survey was launched on 19<sup>th</sup> September 2012, and was open for a period of just under three weeks. The survey was sent out to a minimum of 7,761 legal businesses. The survey was also circulated twice via the weekly 'Legal Futures' e-mail newsletter<sup>3</sup>.

The survey was targeted at those individuals who were either running businesses in the industry, or who made strategic decisions about their businesses future direction

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<sup>1</sup> Only statistically significant differences (by means of  $\chi^2$  Test ( $\alpha=0.05$ )) are presented in this report.

<sup>2</sup> CHAID explores and identifies variables or combinations of variables that, in this instance, most closely predict respondents' decisions to consider an extension of their practise rights and their subsequent decision to practise independently.

<sup>3</sup> <http://www.legalfutures.co.uk>

and whose business was not already regulated by IPS. Those that did not, or whose business was already regulated by IPS, were routed out.

A total of 107 responses to the survey were recorded. It is not possible to provide a response rate due to the unknown total sample<sup>4</sup>. Our analysis of the non-members' survey presents frequencies only and the findings (provided in Chapter 4) should be considered indicative only and not statistically significant.

### **This report**

The purpose of this report is to present our analysis of both the members' and non-members' surveys. It is not our intention to make recommendations to CILEx for their application to the LSB or to advise them in any further decisions they may wish to make as a consequence of the likely demand for IPS regulation.

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<sup>4</sup> It was possible for the survey to be forwarded to other legal organisations from the initial 7,761 businesses it was sent to, or through the Legal Futures newsletter.

### 3 | CILEx members' survey analysis

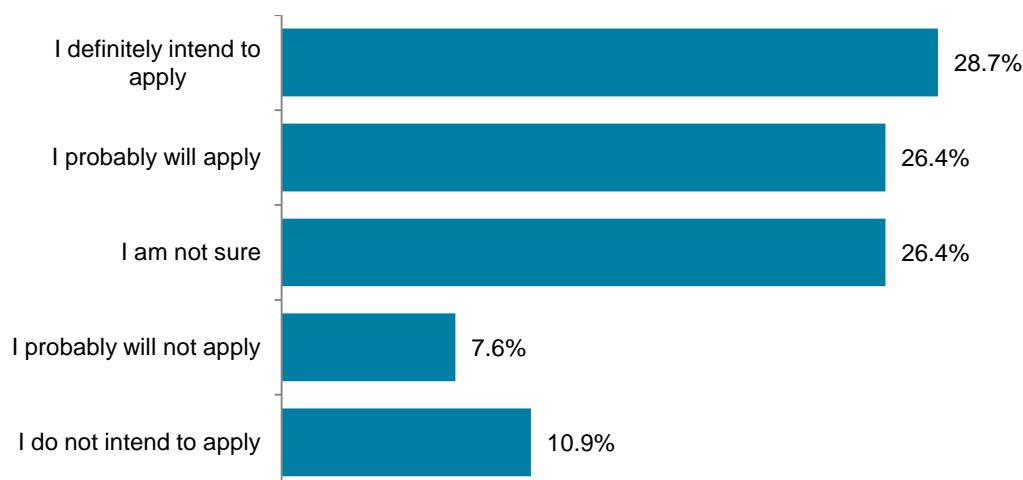
Here we present findings from the main CILEx members' survey.

This chapter presents findings from the main CILEx members' survey. It begins by analysing total responses, and then provides analysis of those who wish to apply for practice rights in each of Conveyancing, Probate and Litigation. The chapter concludes with an analysis of the respondents' employment and demographic characteristics.

#### Applying for an extension of practice rights and practising independently

CILEx members were asked how likely they would be to apply for extended rights to practise in Conveyancing, Probate, and / or Litigation:

- > 55.1% of respondents surveyed stated that they would 'probably' or 'definitely' intend to apply to extend rights to practise in any one of Conveyancing, Probate or Litigation;
- > 18.5% stated that they 'would not' or 'probably would not' intend to apply to extend rights to practise Conveyancing, Probate or Litigation.



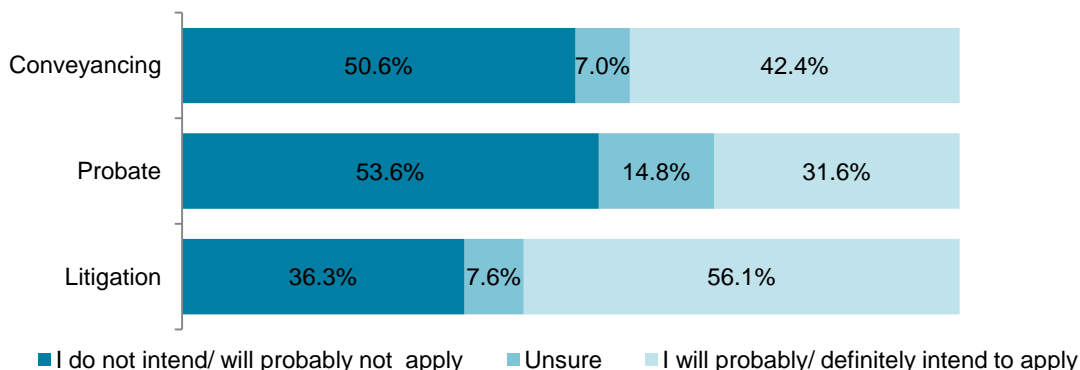
**Figure 1: How likely is your intention to apply for an extension to your rights to practise? (Base=860)**

Members can apply for an extension of their rights to practise in one, two or all three of these areas. As such:

- > **41.7%** (359) of all respondents stated that they will 'probably' or 'definitely' apply to extend their rights to practise in **one area**;
- > **9.3%** (80) of all respondents stated that they will 'probably' or 'definitely' apply to extend their rights to practise in **two areas**;
- > **3.7%** (32) of all respondents stated that they will 'probably' or 'definitely' apply to extend their rights to practise in all **three areas**.

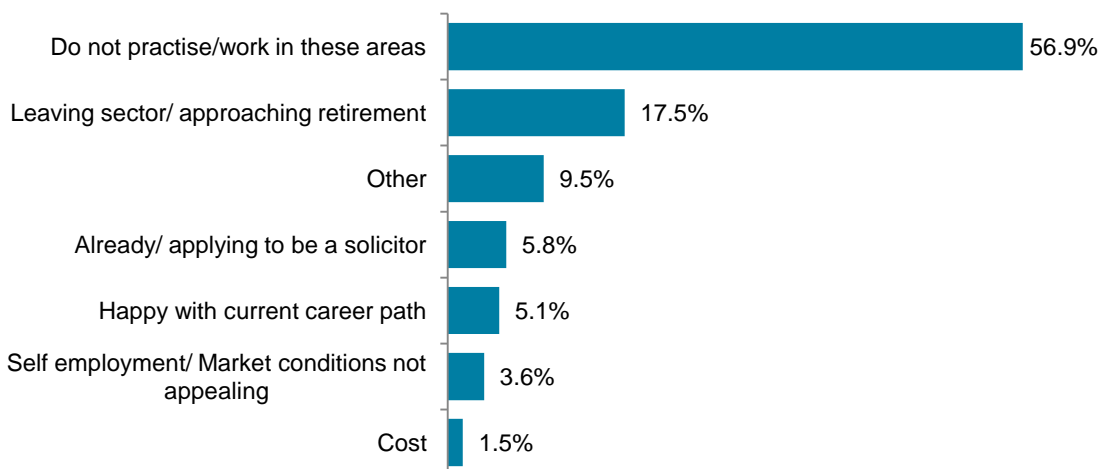
Of the total sample who stated that they would 'probably' or 'definitely' intend to extend their rights to practise in any of the three areas (471):

- > **42.4%** indicated that they would 'probably' or 'definitely' intend to apply to extend their rights to practise in Conveyancing;
- > **31.6%** indicated that they would 'probably' or 'definitely' intend to apply to extend their rights to practise in Probate;
- > **56.1%** indicated that they would 'probably' or 'definitely' intend to apply to extend their rights to practise in Litigation.



**Figure 2: How likely is your intention to apply for an extension to your right to practise in each of the specific areas? (Base =471)**

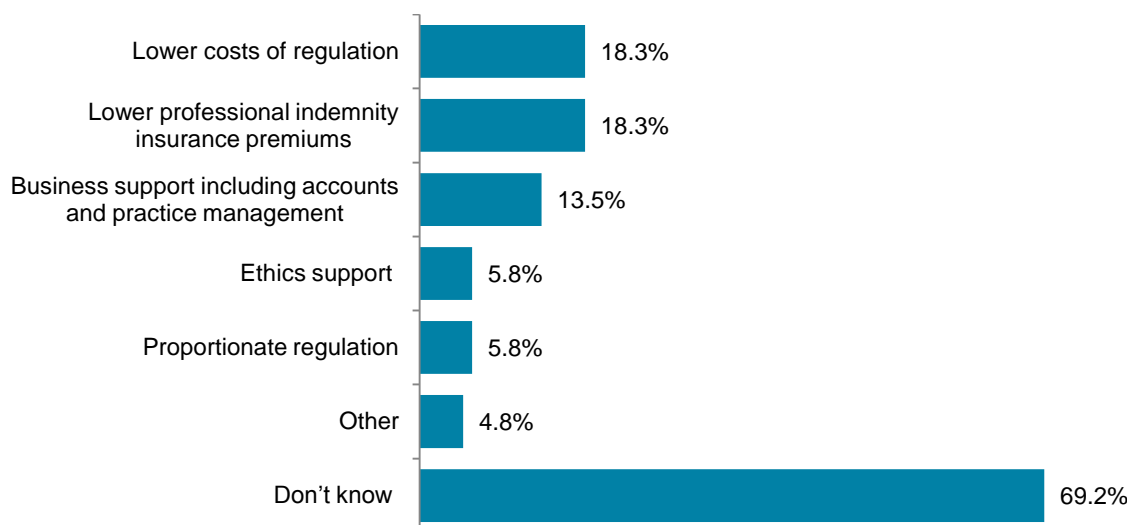
Of those respondents who stated that they would not consider extending their practice rights, the main reason was because they “do not practise / do not work in these areas”.



**Figure 3: Reasons for not extending practice rights. (Base=137)**

Of those respondents who were not interested, or who were not sure they wanted to extend their rights to practise, 'lower costs of regulation' (18.3%) and 'lower professional indemnity insurance premiums' (also 18.3%) would persuade them to reconsider applying for an extension of their rights to practise.





**Figure 4: Would any of the following additional factors persuade you to apply for rights to extend your practise in Conveyancing, Probate and / or Litigation? (Base=104)**

From the survey, **187 respondents** (or **21.7%** of all respondents) have indicated that they will apply for an extension of their practice rights and will then subsequently practise independently. This means that, an individual could practise independently in all of the three categories (Conveyancing, Probate and Litigation) but they will only be represented in the data once (i.e., that they have said they would practise independently). For more information regarding each category of practise, please see the corresponding Conveyancing, Probate or Litigation sections.

Of the 187 total respondents, **148** (or **17.2%** of all survey respondents, base of 860) have indicated when they will practise independently. Figure 5, below, shows the timeframe within which the number of members responding have stated that they will apply for an extension to their practice rights and practise independently. The analysis has been conducted across the following timescales:

- > Short-term: Within 2 years;
- > Medium term: Between 2 and 5 years;
- > Long term: More than 5 years.

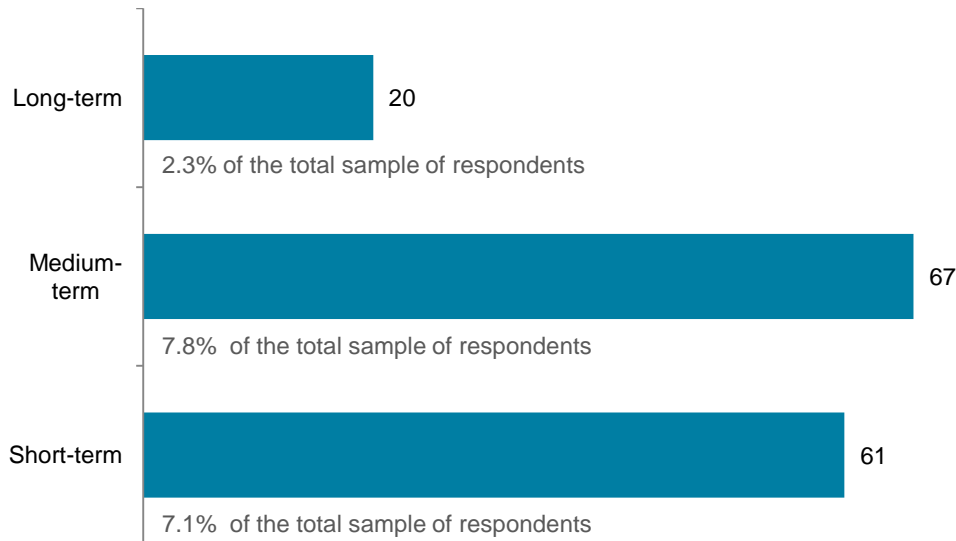
Figure 5 presents the output of analysing those respondents that answered favourably to applying for an extension of their practise rights (in whatever area), the timeframe within which they would apply, those that subsequently stated that they would practise independently and within what timeframe.

Therefore, a respondent to the survey could:

- > Apply for extension of practice rights immediately, and not practise independently for more than 5 years (categorised as long-term);
- > Not apply for extension of practice rights for more than 5 years and then practise independently immediate (also categorised as long-term);
- > Similarly, if a respondent had stated that they would apply for an extension of practice rights and practise independently in the short-term in Conveyancing, and in the long-term in Litigation, they will appear in figure 5, overleaf, in the 'short-term' category.

Taking all this into account, we can see that **61** respondents (or **7.1%** of the total sample of respondents) have stated that they will look to apply for an extension of practice rights and practise independently in the 'short-term'.

- > **67** respondents (or **7.8%**) are likely to apply for an extension of practice rights and practise independently in the 'medium-term';
- > **20** respondents (or **2.3%**) are likely to apply for an extension of practice rights and practise independently in 'the long-term'.

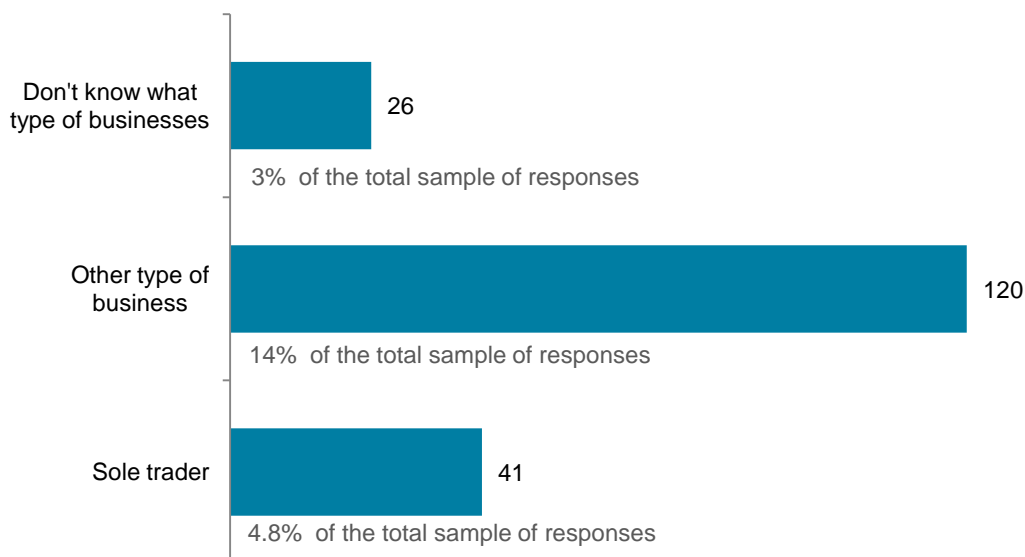


**Figure 5: The number of members who will apply and practise over the short, medium and long-term. (Base=860)**

Following on from this, of those 187 respondents who, having applied for an extension of their practice rights would have begun practising independently:

- > **41** stated that they would set up as a sole trader (**4.8%** of all survey responses);
- > **120** stated that they would set up as an 'other type of business'<sup>5</sup> (**14%** of all survey responses);
- > **26** didn't know as yet what type of business they would set up (**2.7%** of all responses).

<sup>5</sup> This includes, from responses from the survey: Partnerships of lawyers, companies managed by a mix of lawyers and non-lawyers, companies only managed by lawyers, partnerships of lawyers and non-lawyers and partnerships of CILEx members.



**Figure 6: Type of business member respondents said they would set up on practising independently. (Base=860)**

Of those **187** respondents who stated that they will set up a business (sole trader, 'other type of business' and 'don't know what type of business'), **145** have indicated as to the timeframe within which they are likely to set up this business:

- > **59** (40.7% of the 145 base; **6.9%** of the total 860 base) have stated that are likely to do so in the short-term (i.e., within 2 years)
- > **66** (45.5% of the 145 base; **7.7%** of the total 860 base) have stated that are likely to do so in the medium-term (i.e., between 2 and 5 years)
- > **20** (13.8% of the 145 base; **2.3%** of the total 860 base) have stated that are likely to do so in the long term (i.e., in more than 5 years).

The remaining **42** do not know when they will set their business up.

Figure 7, overleaf, shows the type and timeframe of businesses that are likely to be established by respondents to the survey.

Of the **59** respondents that gave an indication that they would set up a business in the short-term (within 2 years):

- > **17** (28% of the 59 base and **2.0%** of the 860 base) have stated that they will set up as sole traders;
- > **39** (66% of the 59 base and **4.53%** of the 860 base) have stated that they will set up as an 'other type of business';
- > **3** (5% of the 59 base and **<1.0%** of the 860 base) don't know what type of businesses will be set up.

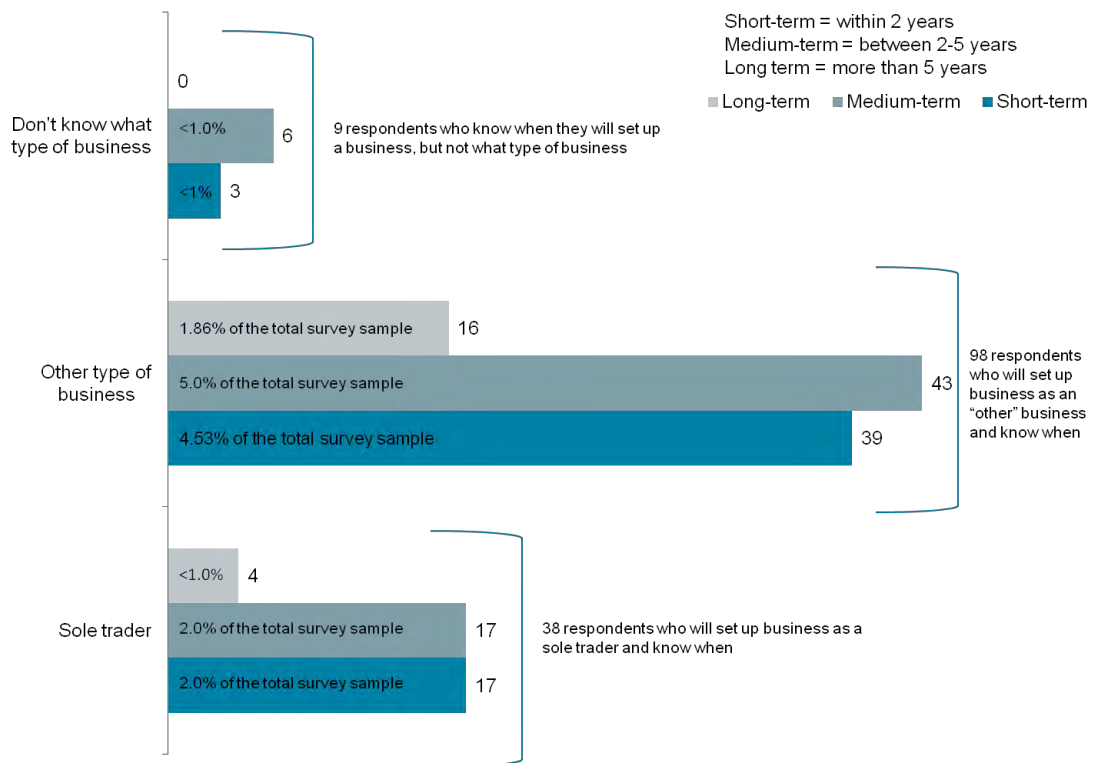
Of the **66** respondents that gave an indication that they would set up a business in the medium-term (between 2 and 5 years):

- > **17** (26.8% of the 66 base and **2.0%** of the 860 base) have stated that they will set up as sole traders;
- > **43** (65.2% of the 66 base and **5.0%** of the 860 base) have stated that they will set up as an "other" type of business;

- > **6** (9.1% of the 66 base and **<1.0%** of the 860 base) don't know what type of businesses will be set up.

Of the **20** respondents that gave an indication that are likely to set up a business in the long-term (more than 5 years):

- > **4** (20% of the 20 base and **<1.0%** of the 860 base) have stated that they will set up as sole traders;
- > **16** (80% of the 20 base and **5.0%** of the 860 base) have stated that they will set up as an "other" type of business;
- > **0** (0% of the 20 base and **0.0%** of the 860 base) don't know what type of businesses will be set up.



**Figure 7: The type and timing of businesses being set up. (Base=860)**

The type of business a respondent is likely to set up is influenced by the length of time they have been a CILEx member, if they have stated that they would apply for an extension of their practice rights and that they would practise independently.

- > More than 60% of those individuals that are likely to set up as a sole trader were respondents who had been members of CILEx for more than 6 years. This is in contrast to 9.8% who had been members between 2-6 years.

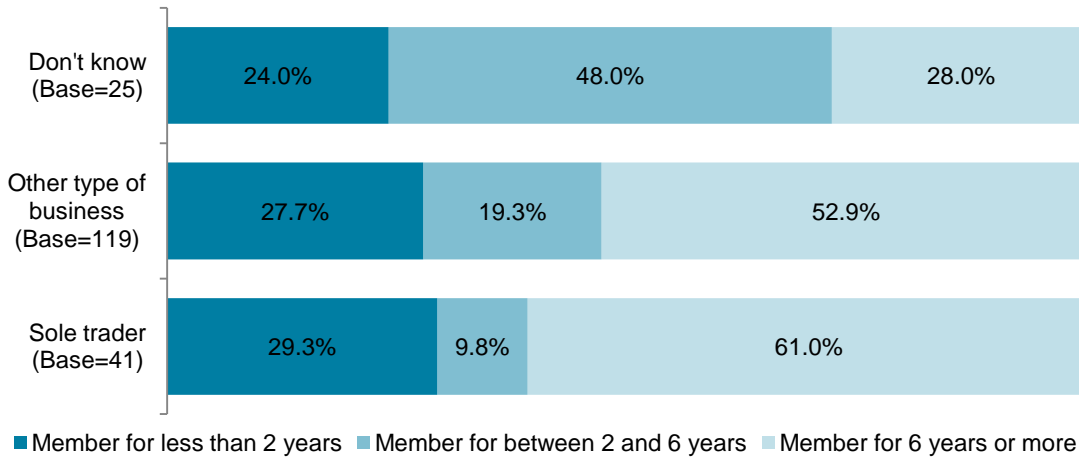


Figure 8: Respondents' length of CILEx membership by the likely type of business being set up.

Similarly, most people who are likely to set up a business are currently employed or have some other employment arrangement.

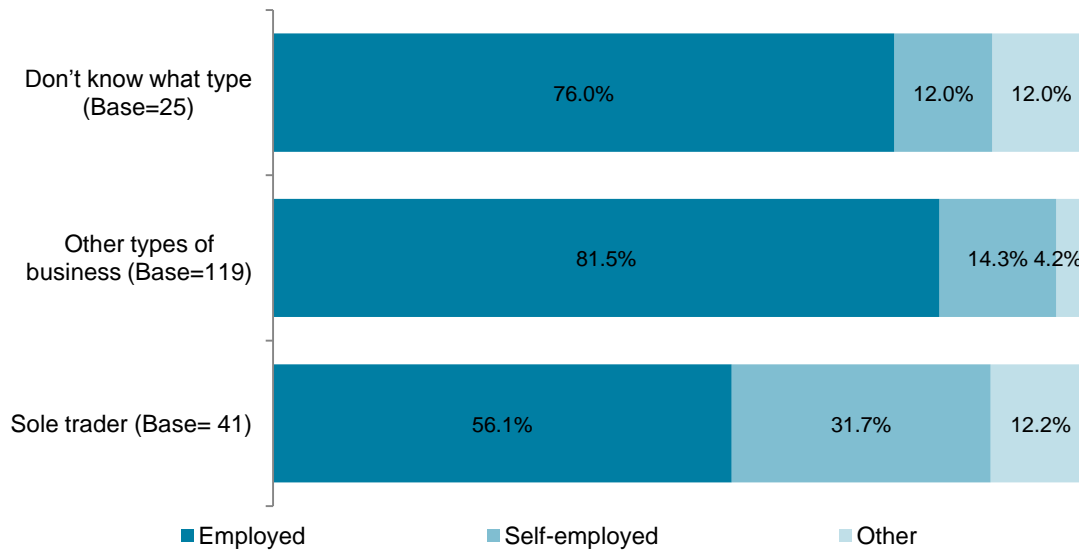


Figure 9: Respondents' employment status by the likely type of business being set up.

When analysing the respondents' age by type of business they are likely to set up, only 7.3% of those respondents who will set up as a sole trader are aged 30 years or younger. More than half (56.1%) are aged between 31-49.

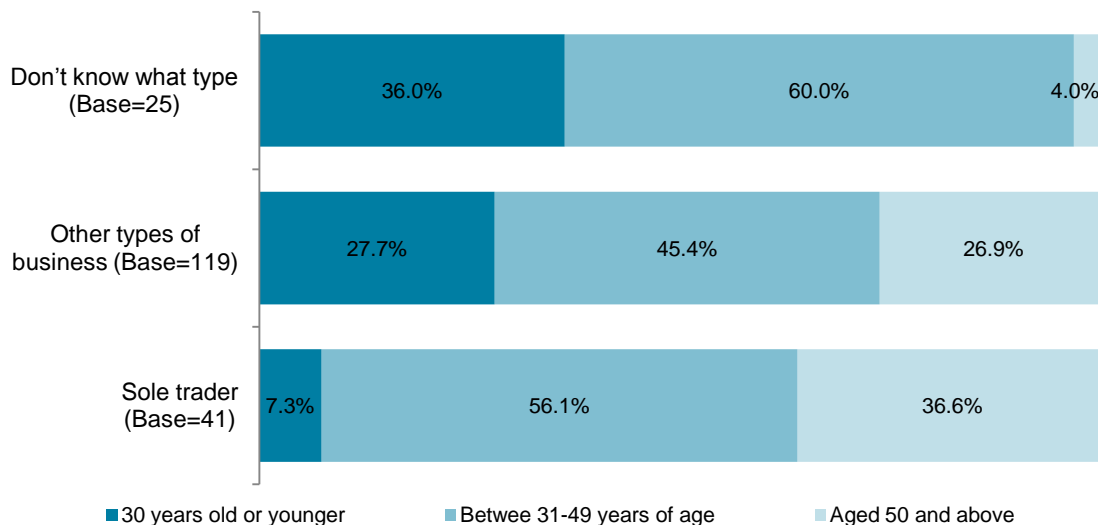


Figure 10: Respondents' age by the likely type of being set up.

When analysing respondents' gender by type of business they will set up, figure 11 shows that women are more undecided regarding which type of business to set up than men.

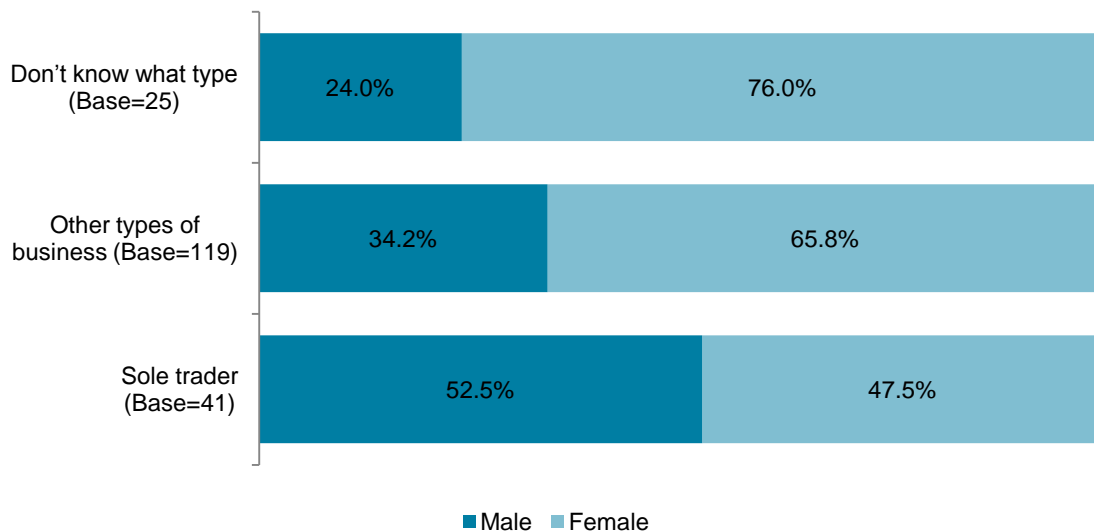


Figure 11: The respondents' gender by the likely type of business being set up.

Predictors of respondents' decisions regarding practice rights applications

Analysis<sup>6</sup> identifying the significant drivers of members' decisions to apply for practice rights extension is presented in figure 12, overleaf. Respondents were categorised as:

- > Those that are will apply for an extension of practice rights.
- > Those that are broadly undecided (probably will, unsure and probably will not).
- > Those that will not apply.

Analysis was run against the 'will apply' category. As a result:

<sup>6</sup> This section provides analysis through CHAID.

- > For those who will apply for an extension of their practice rights, **whether an individual wanted to further their career** was the most statistically significant factor in driving their decision. Furthering their career was most significant within this (616 responses compared to 244 for not furthering their career);
- > From furthering their career, the most statistically significant decision regarding whether they wanted to apply for practice rights extension was related to a respondent's **gender**. Men were more likely to want to further their career than women (452 and 164 responses respectively);
- > There was no statistically significant factor beyond 'they do not want to further their career';
- > There was no further statistically significant relationship beyond the respondents' gender.

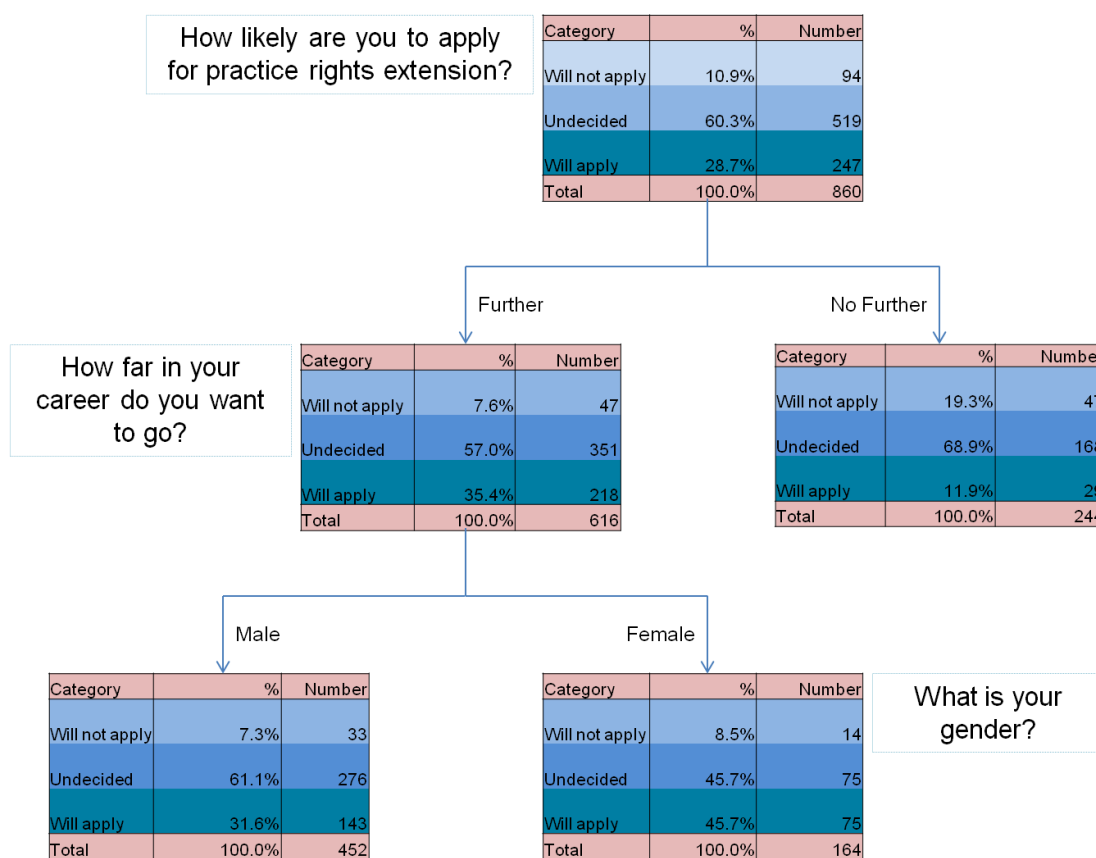


Figure 12: CHAID heuristic decision tree for the question “How likely are you to apply for practice rights extension?”

Analysis to identify the significant drivers of members' decisions to practise independently is presented in figure 13, overleaf. Respondents were categorised as:

- > Those that will practise independently.
- > Those that will not or are undecided regards to practising independently.

Analysis was run against the 'will practise independently' category. As a result:

- > For those who have stated they will practise independently, **employment status** was the most significant driving factor in this decision. Those who were employed (152 responses) rather than self-employed (35 responses) were likely to make this decision;
- > From this, the most statistically significant factor driving an individual's decision related to whether a respondent was employed, was whether an individual wanted to **further their career** (140 responses from those who wanted to further their career, against 12 responses for those that did not want to);
- > There was no further statistically significant driving factor beyond whether someone was self-employed;
- > The final statistically significant relationship is that of **gender** as a driver of whether someone makes a decision to further their career. In this regard men are more likely to make the decision to further their career than women (91 respondents against 49 respondents respectively);
- > There was no further statistically significant driving factor beyond whether a respondent didn't want to further their career;
- > There was no further statistically significant driving factor beyond the respondents' gender.

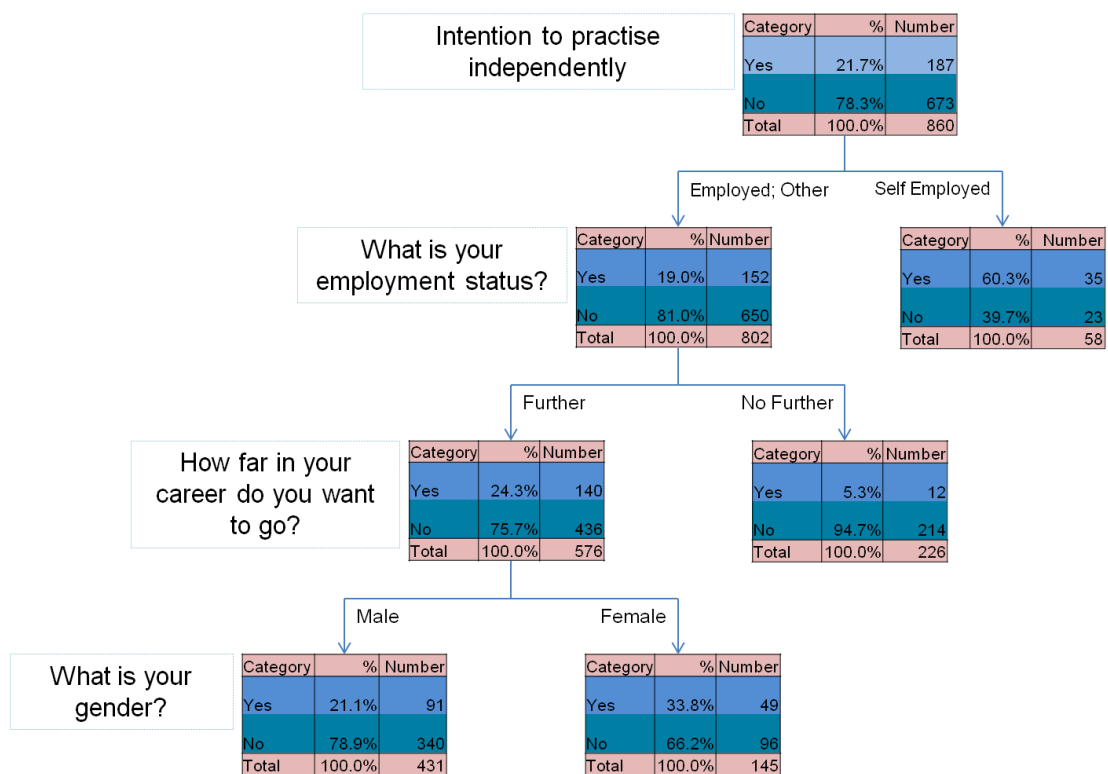


Figure 13: CHAID heuristic decision tree for the question “How likely are you to practise independently?”

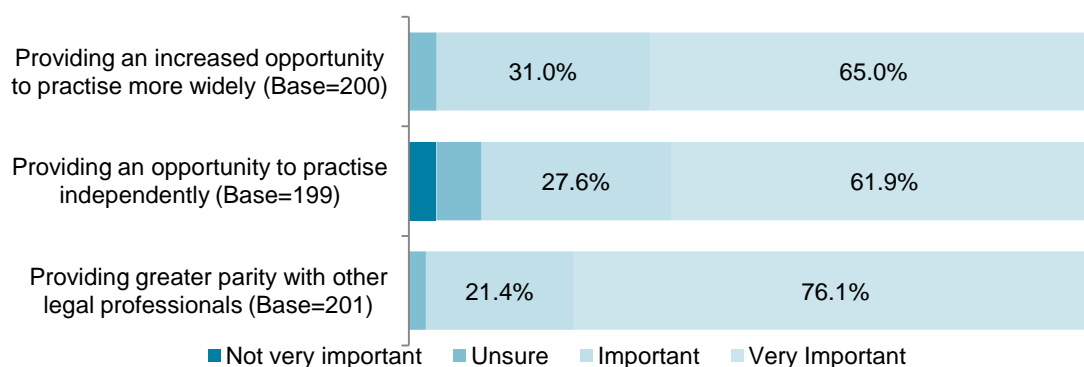


### CILEx members’ views on extension of rights to practise in Conveyancing

Of the total sample (base 860) of CILEx members responding to the survey:

- > **23.4%** indicated that they would ‘definitely’ or ‘probably’ intend to apply to extend their rights to practise in Conveyancing.
- > **11.0%** (95) indicated that they would ‘probably’ or ‘definitely’ intend to practise Conveyancing Independently
- > **2.1%** (18) indicated that they would set up a conveyance business as a sole trader

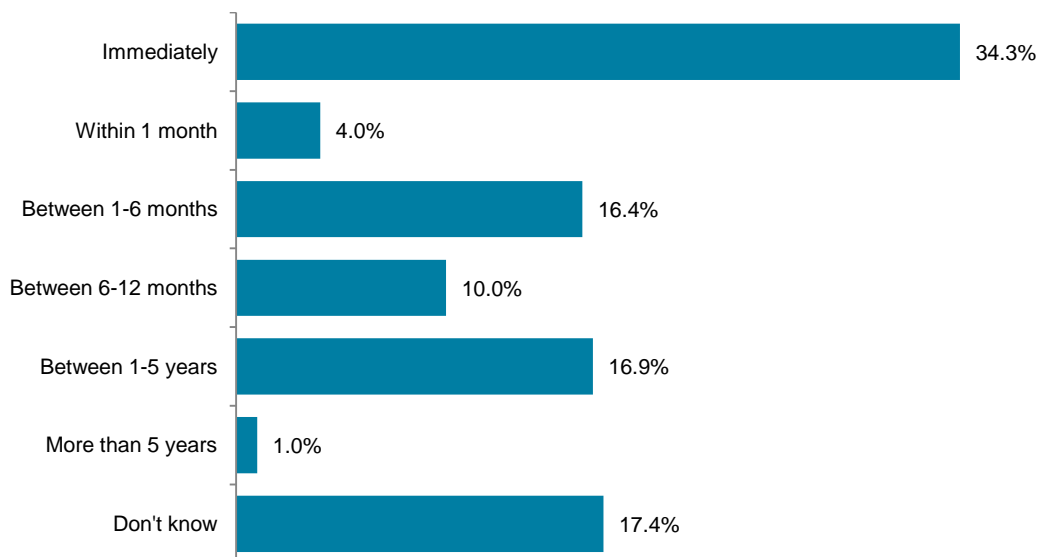
CILEx members were asked how important the following statements were in deciding to extend their rights to practise in Conveyancing; providing and increased opportunity to practise more widely; providing an opportunity to practise independently; and providing greater parity with other legal professionals. The results suggest that all three areas are considered ‘very important’.



**Figure 14: How important is each of the following factors in persuading you to apply for practice rights in Conveyancing?**

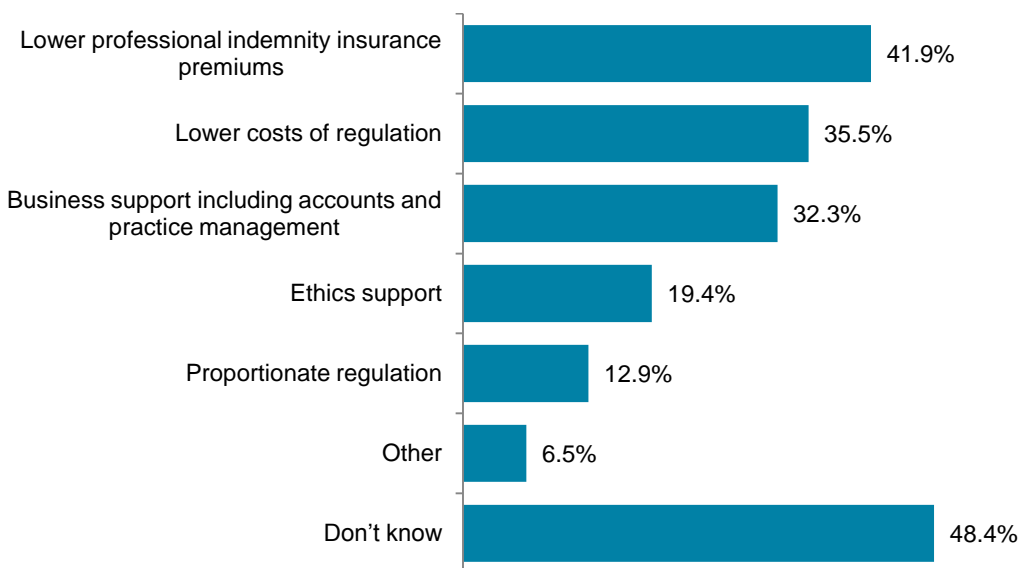
When asked how soon CILEx members would apply for an extension of their rights to practise in Conveyancing, more than one third (34.3%) stated that they would apply immediately on extension becoming available.

Nearly one fifth (17.9%), however, stated that they would wait for more than one year after extension becoming available.



**Figure 15: When do you intend to apply for an extension of your practice rights into Conveyancing? (Base=201)**

Of those 17.9% that would wait for more than a year, 'lower professional indemnity insurance premiums' (41.9%) and 'lower cost of regulation' (35.5%) were factors that would persuade someone to apply for an extension of their right to practise in Conveyancing sooner.



**Figure 16: Would any of the following forms of support persuade you to apply for practice rights in Conveyancing. (Base=31)**

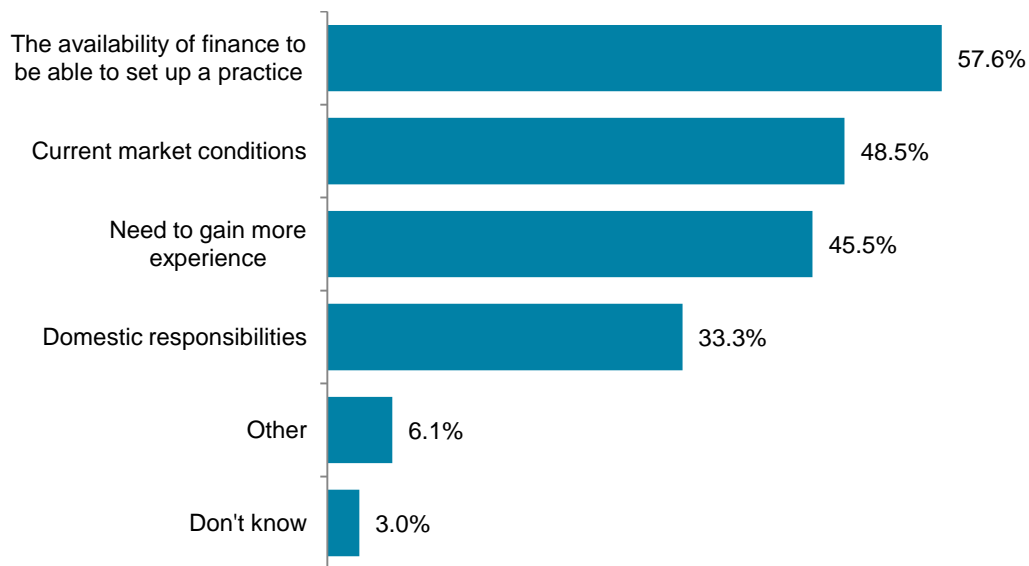
All CILEx members interested in extending their rights to practise into Conveyancing were asked whether they would practise Conveyancing independently. Seventeen per cent stated that they would not practise independently, while just under half (47.3%) stated that they would 'probably' or 'definitely' practise independently.



■ I do not/ probably will not practise independently ■ I am not sure ■ I probably / definitely will practise independently

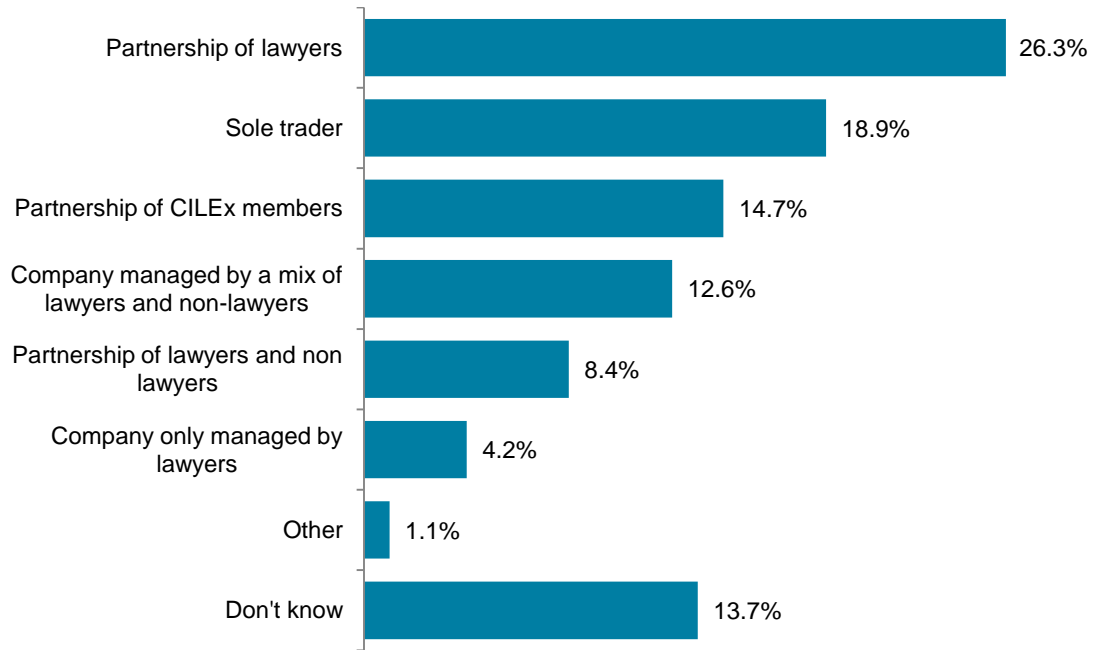
**Figure 17: How likely is your intention to practise in Conveyancing independently. (Base=201)**

CILEx members who stated that they would not practise independently were asked what was influencing their decision at this time. 'The availability of finances to set up a practice' (57.6%) and 'current market conditions' (48.5%) were the key inhibitors expressed by these members.



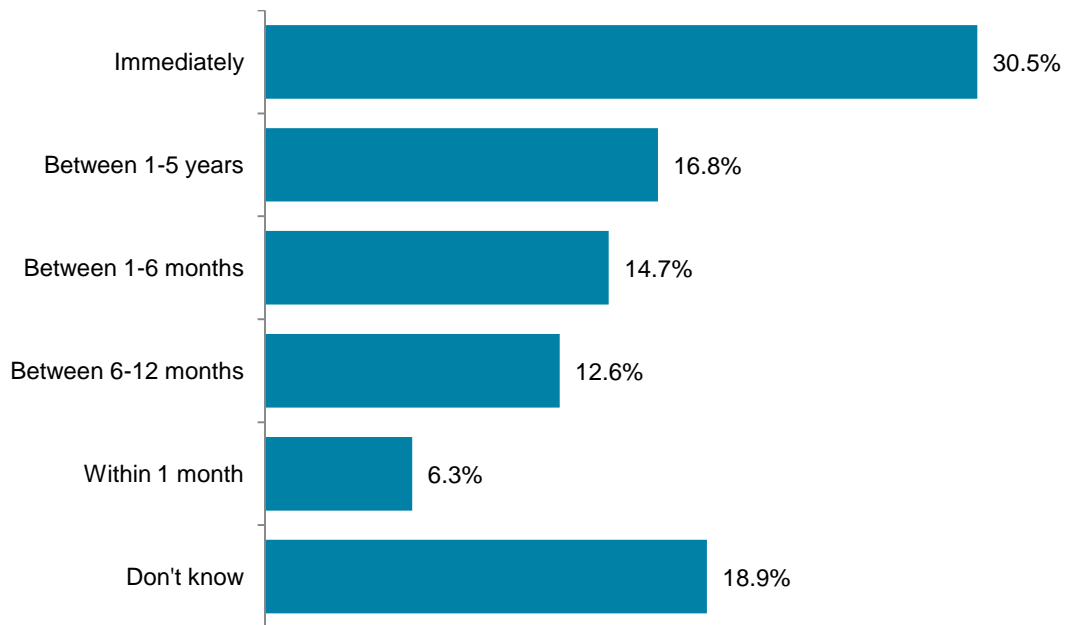
**Figure 18: You have said that you would not practise Conveyancing independently. Which, if any, of the following factors have influenced this decision? (Base=33)**

Of those members who stated that they would practise independently 26.3% reported that they would operate a 'partnership of lawyers', while 18.9% said they would act as a sole trade.



**Figure 19: In what type of business would you be most likely to seek to practise Conveyancing? (Base=95)**

When CILEx members interested in practising Conveyancing independently were asked how soon they would do so (having been granted an extension to their rights to practise) 30.5% stated that they would do so immediately. More than 16% stated that they would wait for between 1 and 5 years, while no members would wait for longer than 5 years.



**Figure 20: At what point, having been granted rights to practise Conveyancing, would you intend to start practising independently? (Base=95)**

Figure 21, overleaf, provides an estimation of the timeframe that respondents to the survey would firstly, apply and secondly, begin to practise independently in Conveyancing. The figure displays analysis of two sets of responses:

- > The timing of those wishing to extend their practice rights in Conveyancing;

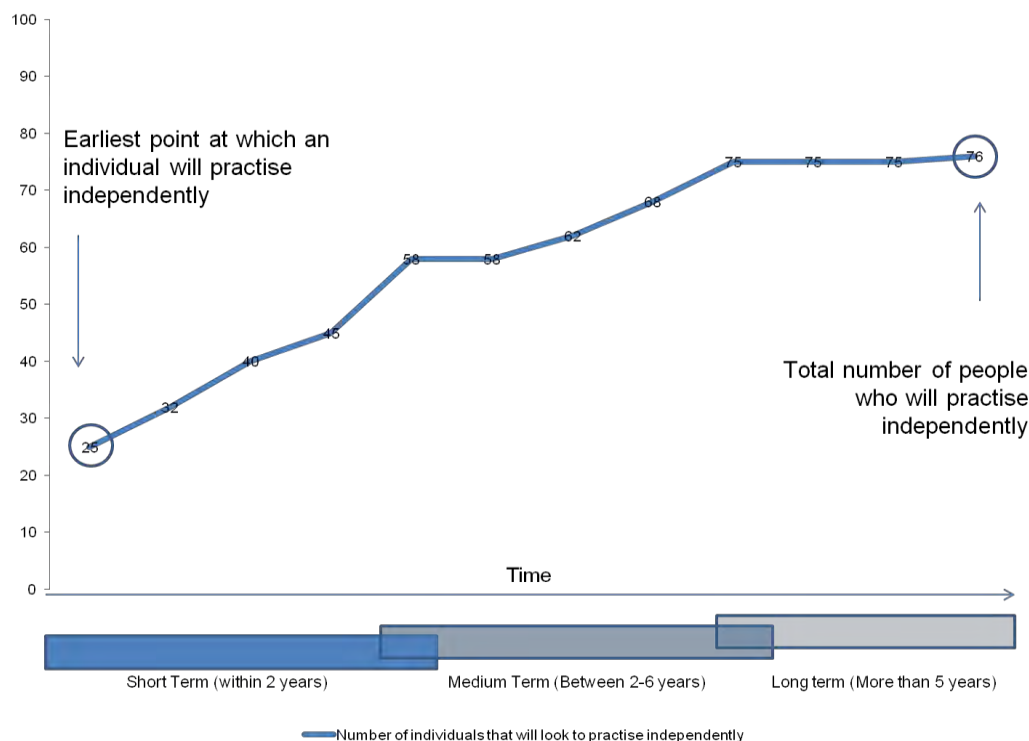
- > The timing of those individuals who, when they have extended their practice rights, decide to practise independently within Conveyancing.

Points to consider:

- > The timeframe is broken down into short-term (within 2 years), medium-term (between 2-6 years) and long term (more than 5 years).
- > The figures are estimates, as coding of the survey data requires timeframes to be brought together for meaningful analysis. However, the closer to the x-axis the figure is, the sooner the individual will begin to practise independently.
- > There is some overlap between the short, medium and long-term categories, where possible CFE have analysed the data and placed a specific response in a discreet, logical category.
- > It is not possible to add up each individual response across the three Conveyancing, Probate and Litigation categories, as there can be significant overlap. An individual practising independently in Conveyancing and Litigation for example will appear as individual responses in each category section, but only once for the total count (see text associated with figure 5).

Within this in mind:

- > 95 respondents intend to practise Conveyancing independently, of which **76** know approximately when they will look to do this. Between 25 and 58 will look to do this within 2 years.



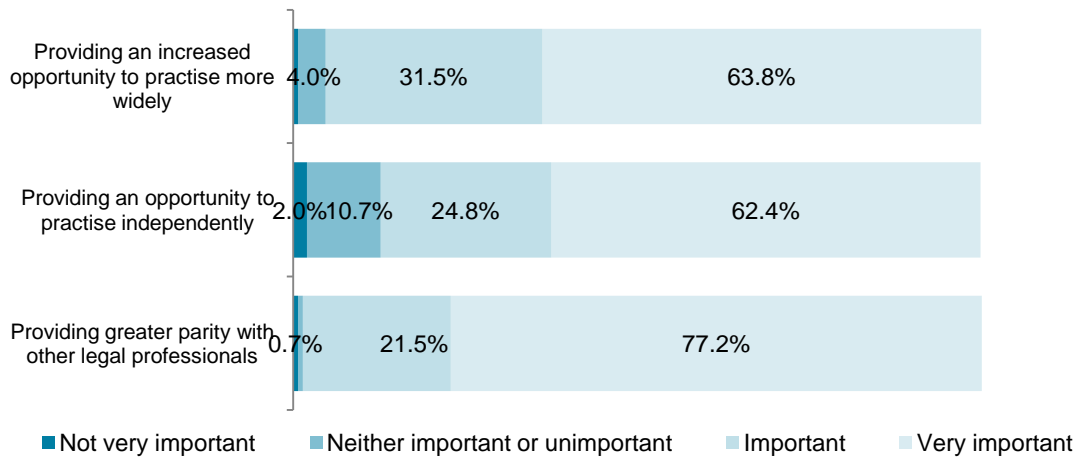
**Figure 21: Number of individuals that will look to practise Conveyancing independently. (Base=860)**

### CILEx members’ views on extension of rights to practise in Probate

Of the total sample (base 860) of CILEx members responding to the survey:

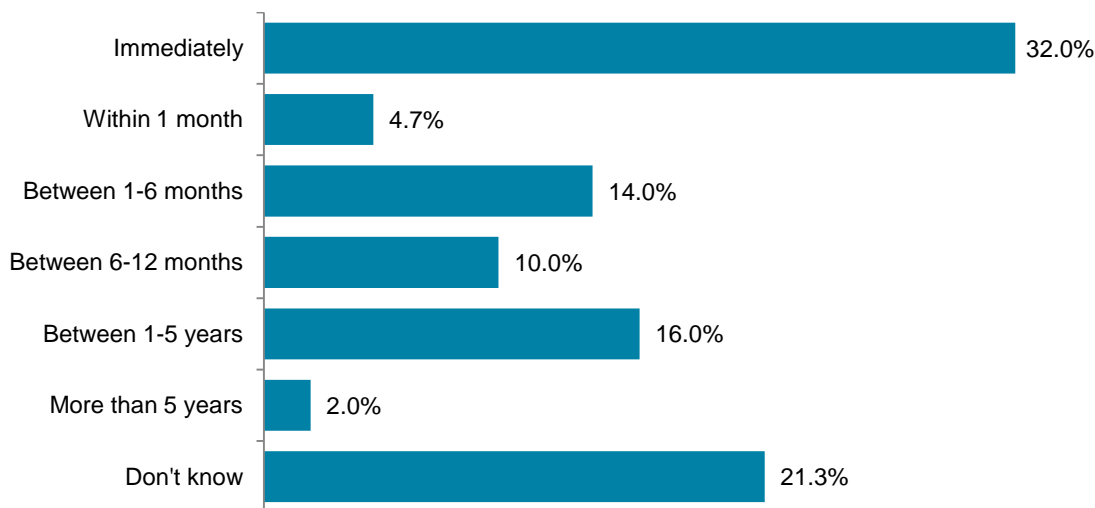
- > **17.4%** (150) indicated that they would ‘probably’ or ‘definitely’ intend to apply to extend their rights to practise in Probate.
- > **8.4%** (72) indicated that they would ‘probably’ or ‘definitely’ intend to practise Probate Independently
- > **2.8%** (24) indicated that they will set up a Probate business as a sole trader

CILEx members were asked how important the following statements were in deciding to extend their rights to practise in Probate: providing an increased opportunity to practise more widely; providing an opportunity to practise independently; and providing greater parity with other legal professionals. The results indicate that all three areas are considered ‘very important’.



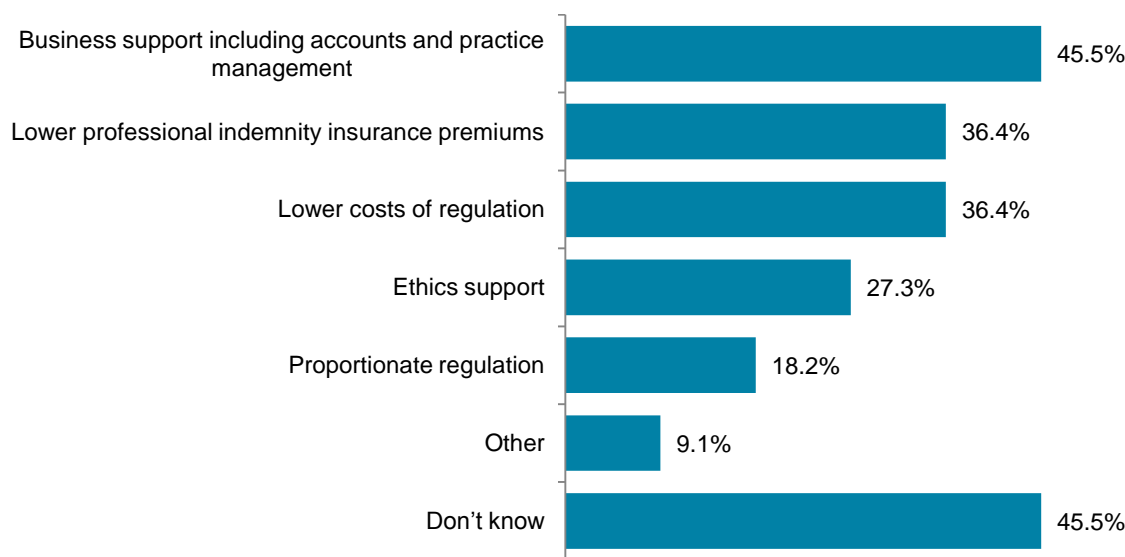
**Figure 22: How important is each of the following factors in persuading you to apply for practice rights in Probate? (Base=150)**

When asked how soon CILEx members would apply for an extension of their right to practise in Probate, more than one third (32%) stated that they would apply immediately on extension becoming available. Nearly one fifth (18%), however, stated that they would wait for more than one year after extension becoming available.



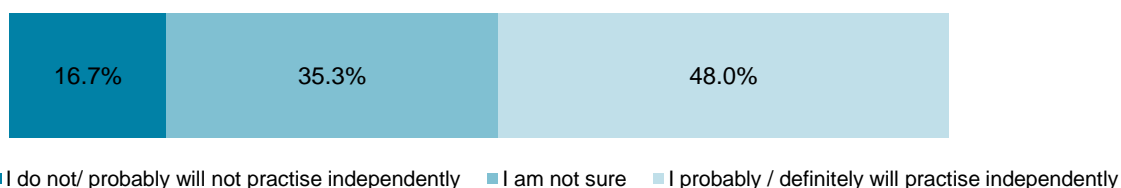
**Figure 23: When do you intend to apply for an extension of your practise rights into Probate? (Base=150)**

Of those 18% that would wait for more than a year, 'business support including account and practice management' (45.5%) and 'lower professional indemnity insurance premiums' (36.4%) were factors that would persuade members to apply for an extension of their right to practise in Probate sooner.



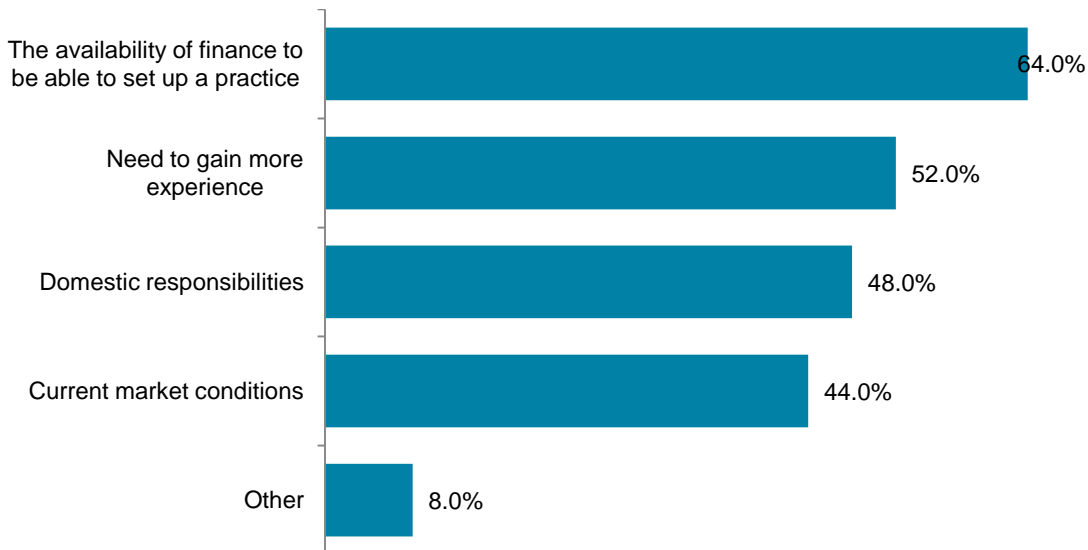
**Figure 24: Would any of the following forms of support persuade you to apply for practice rights in Probate sooner? (Base=22)**

All CILEx members interested in extending their rights to practise into Probate were asked whether they would practise Probate independently. Nearly 17% reported that they would not practise independently, while just under half (48%) stated that they would 'probably' or 'definitely' practise independently.



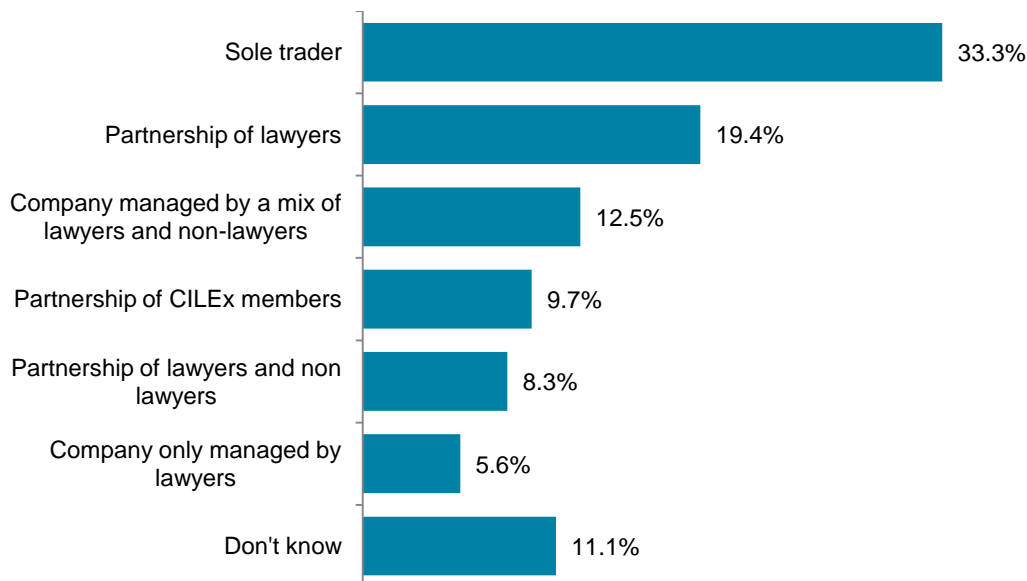
**Figure 25: How likely is your intention to practise in Probate independently? (Base=150)**

CILEx members who suggested that they would not practise independently were asked what was influencing their decision at this time. ‘The availability of finances to set up a practice’ (64%) and ‘the need to gain more experience’ (52%) were the key inhibitors expressed by these members.



**Figure 26: You have said that you would not practise Probate independently. Which, if any, of the following factors have influenced this decision? (Base=25)**

Of those members who suggested they would practise independently 33.3% stated that they would operate as a ‘sole trader’, while 19.4% said they operate in a ‘partnership of lawyers’.

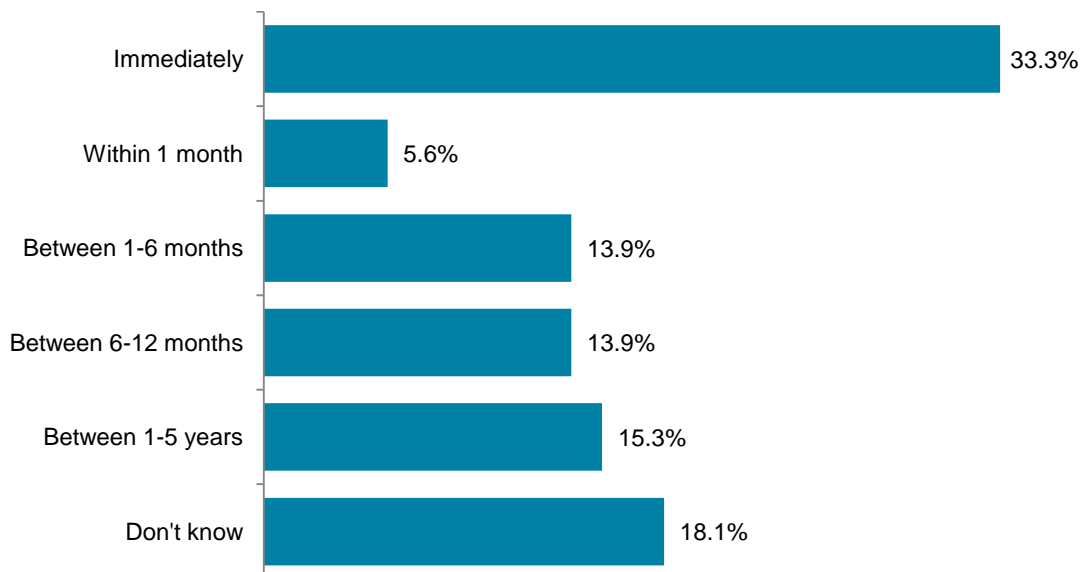


**Figure 27: In what type of business would you be most likely to seek to practise Probate? (Base=72)**

When CILEx members interested in practising Probate independently were asked how soon they would do so (having been granted an extension to their rights to practise) 33.3% stated that they would do so immediately. Nearly 16% (15.3%) stated



that they would wait for between 1 and 5 years, while no members would wait for longer than 5 years.



**Figure 28: At what point, having been granted rights to practise Probate, would you intend to start practising independently? (Base=72)**

Figure 29, overleaf, provides an estimation of the timeframe that respondents to the survey would firstly, apply and secondly, begin to practise independently in Conveyancing. The figure displays analysis of two sets of responses:

- > The timing of those wishing to extend their practice rights in Probate;
- > The timing of those individuals who, when they have extended their practice rights, decide to practise independently within Probate.

Points to consider:

- > The timeframe is broken down into short-term (within 2 years), medium-term (between 2-6 years) and long term (more than 5 years).
- > The figures are estimates, as coding of the survey data requires timeframes to be brought together for meaningful analysis. However, the closer to the x-axis the figure is, the sooner the individual will begin to practise independently.
- > There is some overlap between the short, medium and long-term categories, where possible CFE have analysed the data and placed a specific response in a discreet, logical category.
- > It is not possible to add up each individual response across the three Conveyancing, Probate and Litigation categories, as there can be significant overlap. An individual practising independently in Conveyancing and Litigation for example will appear as individual responses in each category section, but only once for the total count (see text associated with figure 5).

With this in mind:

- > 72 individuals intend to practise probate independently, of which **56** know approximately when they will look to do this;
- > Approximately between 24 and 41 will look to do this within 2 years.

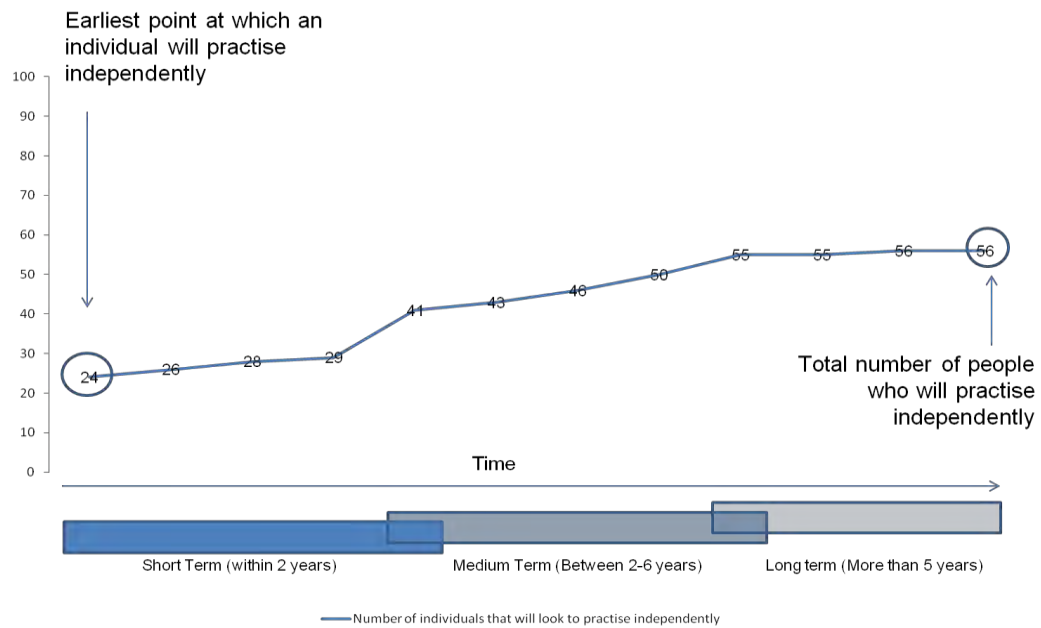


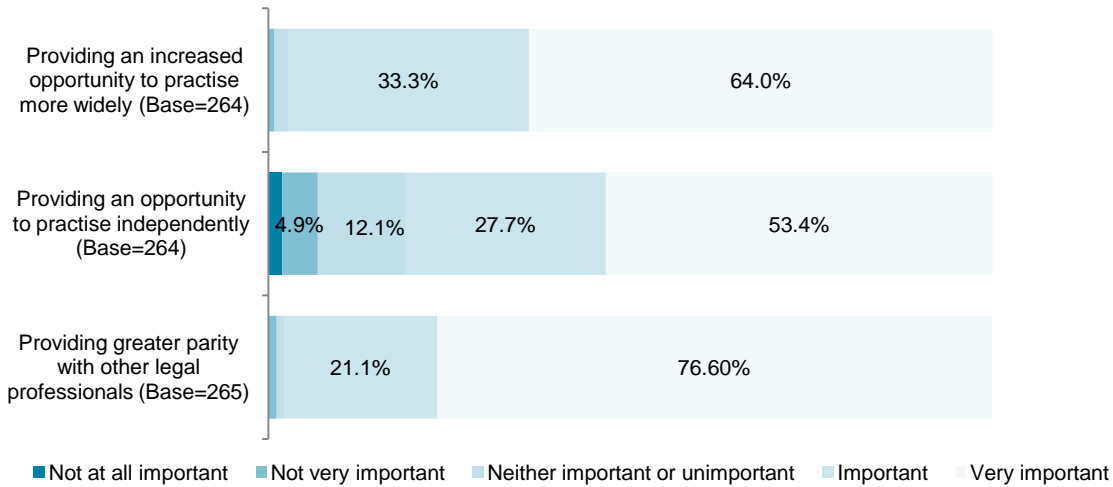
Figure 29: Number of individuals that will look to practise Probate independently (Base=860)

### CILEx members’ views on extension of rights to practise in Litigation

Of the total sample (base 860) of CILEx members responding to the survey:

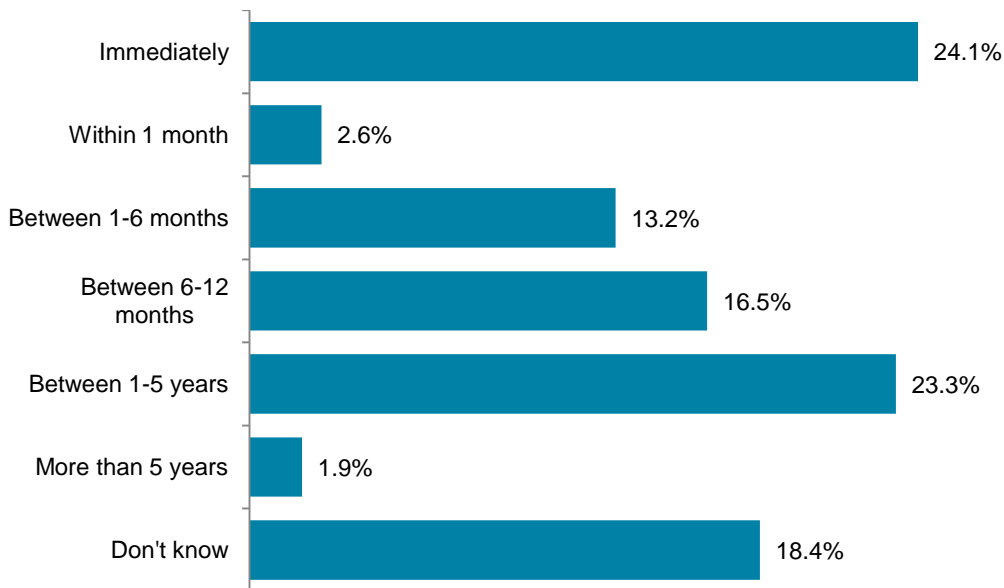
- > **30.9%** (266) indicated they would ‘probably’ or ‘definitely’ intend to apply to extend their rights to practise in Litigation.
- > **12.8%** (110) indicated they would ‘probably’ or ‘definitely’ intend to practise Litigation Independently
- > **2.7%** (23) will set-up a probate business as a sole trader

CILEx members were asked how important the following statements were in deciding to extend their rights to practise in Litigation: providing an increased opportunity to practise more widely; providing an opportunity to practise independently; and providing greater parity with other legal professionals. The results suggest that, all three areas are considered ‘very important’.



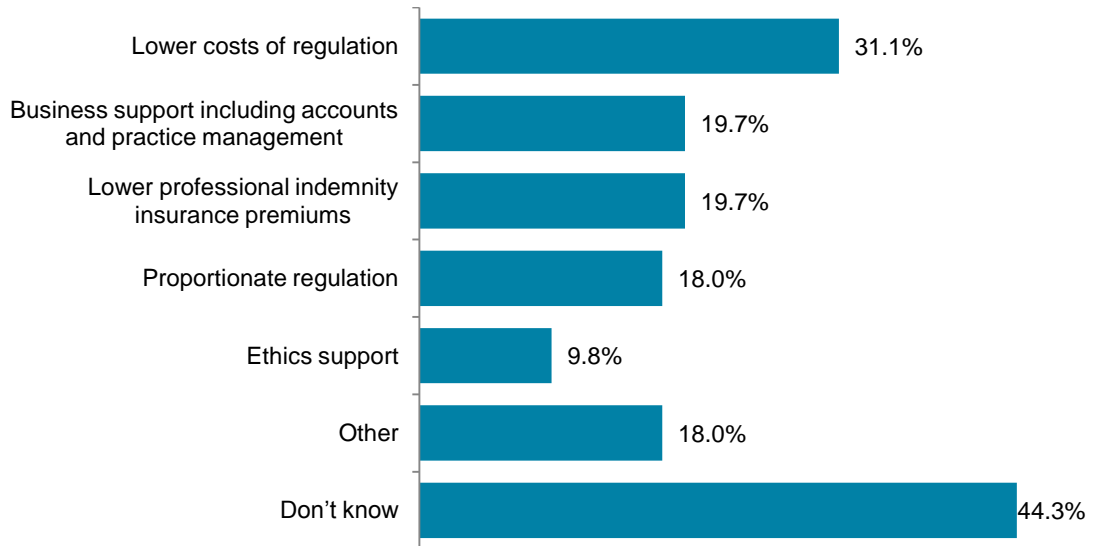
**Figure 30: How important is each of the following factors in persuading you to apply for practice rights in Litigation?**

When asked how soon CILEx members would apply for an extension of their rights to practise in Litigation, nearly a quarter (24.1%) stated that they would apply immediately on extension becoming available. More than a quarter (25.2%), however, stated that they would wait for more than one year after extension becoming available.



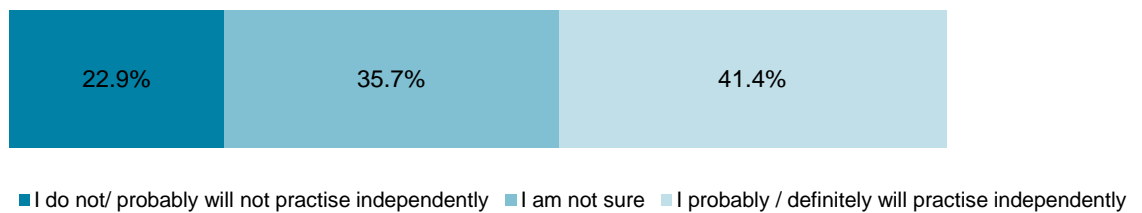
**Figure 31: When do you intend to apply for an extension of your practice rights into Litigation? (Base=266)**

Of those 24.1% that would wait for more than a year, 'lower costs of regulation' (31.1%), 'Business support including accounts and practice management' (19.7%) and 'lower professional indemnity insurance premiums' (also 19.7%) were factors that would persuade members to apply for an extension of their right to practise in Litigation sooner.



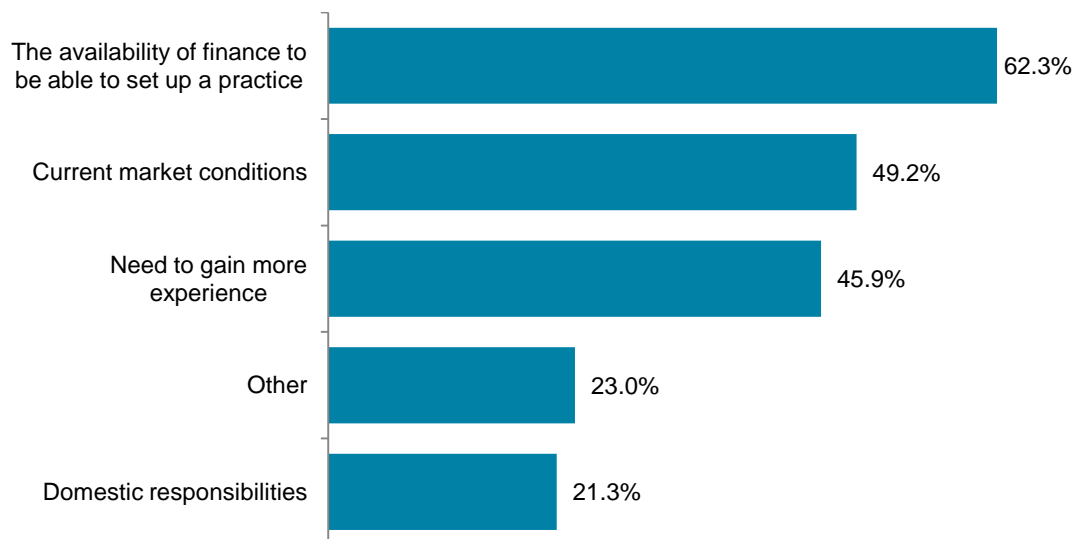
**Figure 32: Would any of the following forms of support persuade you to apply for practice rights in Litigation sooner? (Base=61)**

All CILEx members interested in extending their rights to practise into Litigation were asked whether they would practise Litigation independently. Nearly 23% reported that they would not practise independently, while 41.4% suggested that they would ‘probably’ or ‘definitely’ practise independently.



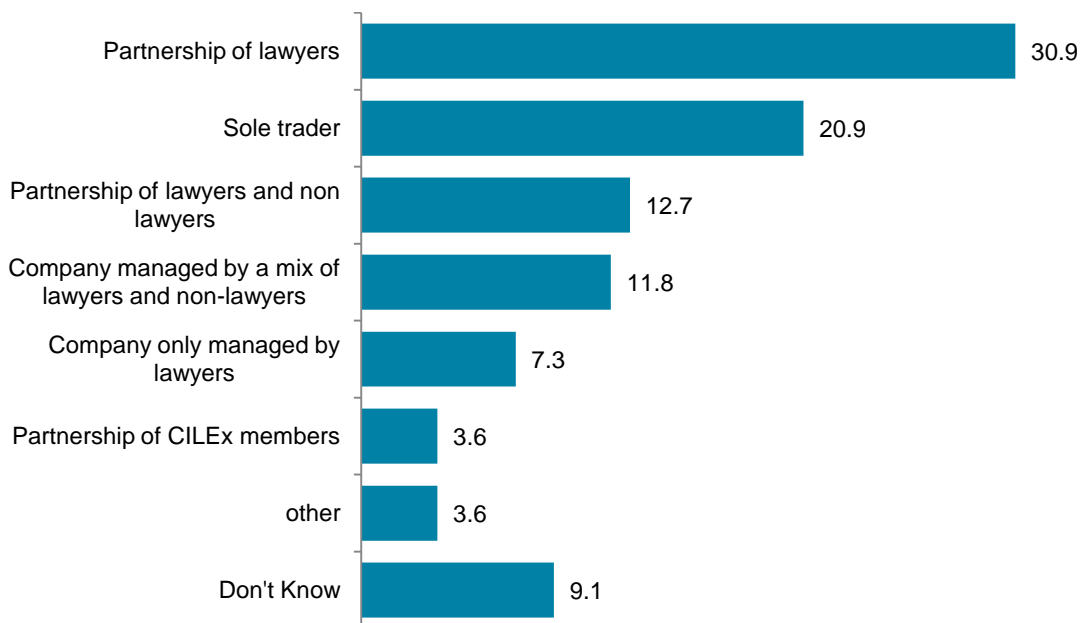
**Figure 33: How likely is your intention to practise in Litigation independently (Base=266)**

CILEx members who stated that they would not practise independently were asked what was influencing their decision at this time. ‘The availability of finances to set up a practice’ (62.3%) and ‘current market condition’ (49.2%) were the key inhibitors expressed by these members.



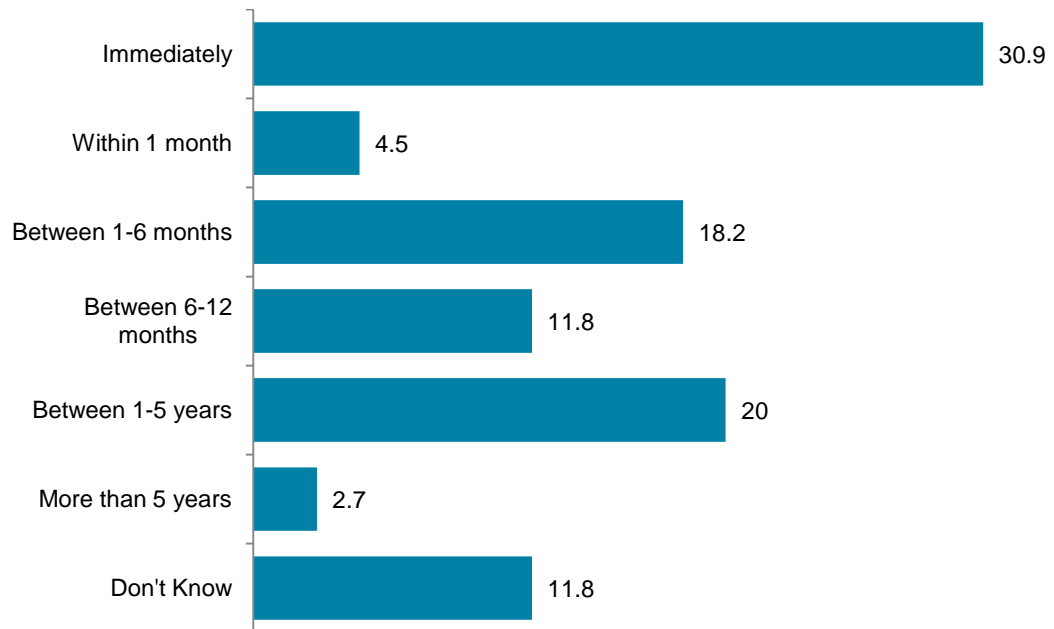
**Figure 34: You have said that you would not practise Litigation independently. Which, if any, of the following factors have influenced this decision? (Base=61)**

Of those members who suggested they would practise independently 30.9% said they would operate in a 'partnership of lawyers', while 19.4% stated that they would operate as a 'sole trader'.



**Figure 35: In what type of business would you be most likely to seek to practise Litigation? (Base=110)**

When CILEx members interested in practising Litigation independently were asked how soon they would do so (having been granted an extension to their rights to practise) 30.9% stated that they would do so immediately. Nearly 23% stated that they would wait for more than a year.



**Figure 36: At what point, having been granted rights to practise Litigation, would you intend to start practising independently? (Base=110)**

Figure 37, overleaf, provides an estimation of the timeframe that respondents to the survey would firstly, apply and secondly, begin to practise independently in Litigation. The figure displays analysis of two sets of responses:

- > The timing of those wishing to extend their practice rights in Probate;
- > The timing of those individuals who, when they have extended their practice rights, decide to practise independently within Probate.

Points to consider:

- > The timeframe is broken down into short-term (within 2 years), medium-term (between 2-6 years) and long term (more than 5 years).
- > The figures are estimates, as coding of the survey data requires timeframes to be brought together for meaningful analysis. However, the closer to the x-axis the figure is, the sooner the individual will begin to practise independently.
- > There is some overlap between the short, medium and long-term categories, where possible CFE have analysed the data and placed a specific response in a discreet, logical category.
- > It is not possible to add up each individual response across the three Conveyancing, Probate and Litigation categories, as there can be significant overlap. An individual practising independently in Conveyancing and Litigation for example will appear as individual responses in each category section, but only once for the total count (see text associated with figure 5).

With this in mind:

- > 110 individuals intend to practise Litigation independently, of which **96** know approximately when they will look to do this. Approximately between 26 and 61 will look to do this within 2 years.

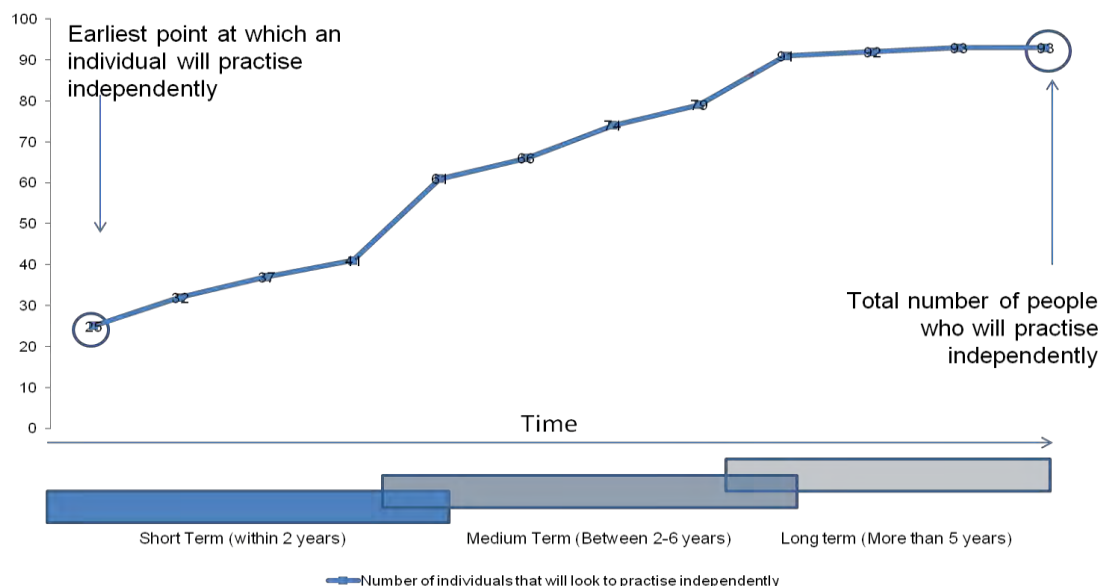


Figure 37: Number of individuals that will look to practise Probate independently (Base=860)

### CILEx Member Profile – Survey Respondents

This section of the report outlines the profile of those members who responded to the survey. Of the respondents:

- > 73.6% were female, 26.4% were male<sup>7</sup>;
- > 3.0% considered<sup>8</sup> themselves having a disability<sup>9</sup>;
- > 9.6% of members are 25 years of age or younger; 42.6% are aged 26-40; 46.3% are aged 41-65<sup>10</sup>;
- > 90.1% classified their ethnic background as White; 3.4% Asian or Asian British; 2.6% Black or Black British; 1.8% of Mixed ethnicity<sup>11</sup>.

Nearly 40% of respondents have been CILEx members for more than 10 years, while 67.8% have been members for more than five years.

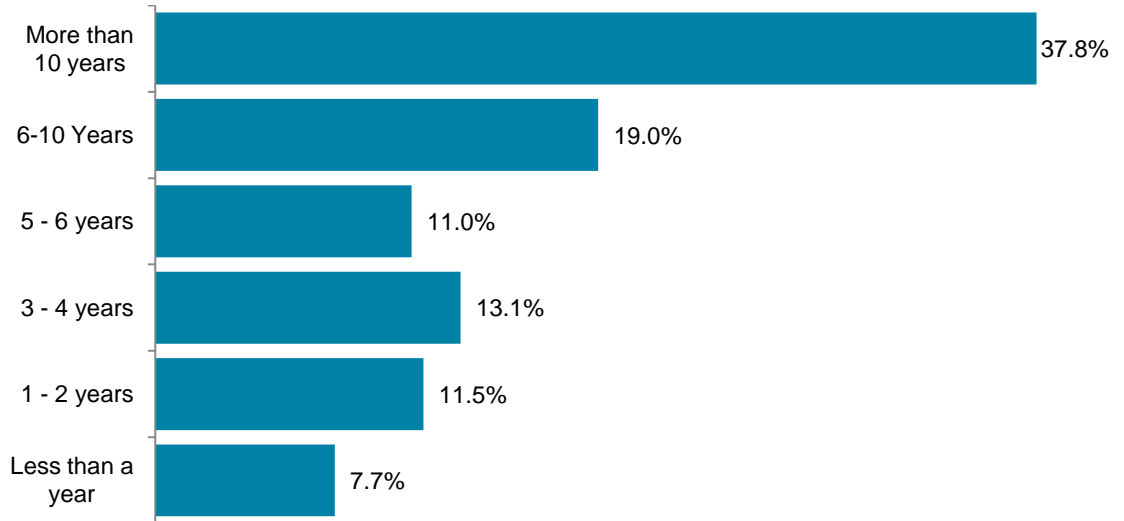
<sup>7</sup> 0.7% preferred not to answer the question.

<sup>8</sup> The definition of a disability is a physical or mental impairment which has a substantial and long-term adverse effect on a person's ability to carry out normal day-to-day activities.

<sup>9</sup> 2.4% preferred not to answer the question.

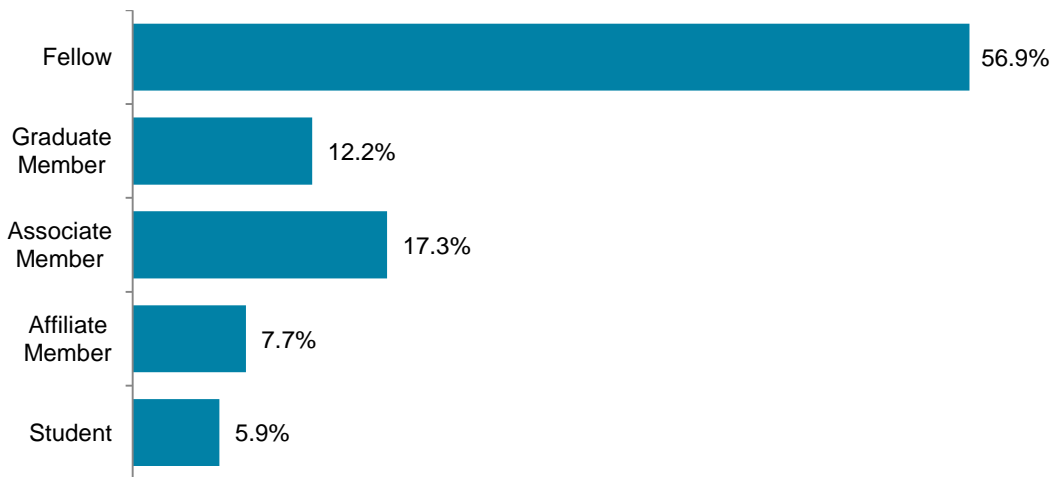
<sup>10</sup> 1.5% preferred not to answer the question.

<sup>11</sup> 1.9% preferred not to answer the question.



**Figure 38: How long have you been a CILEx Member? Base= 858**

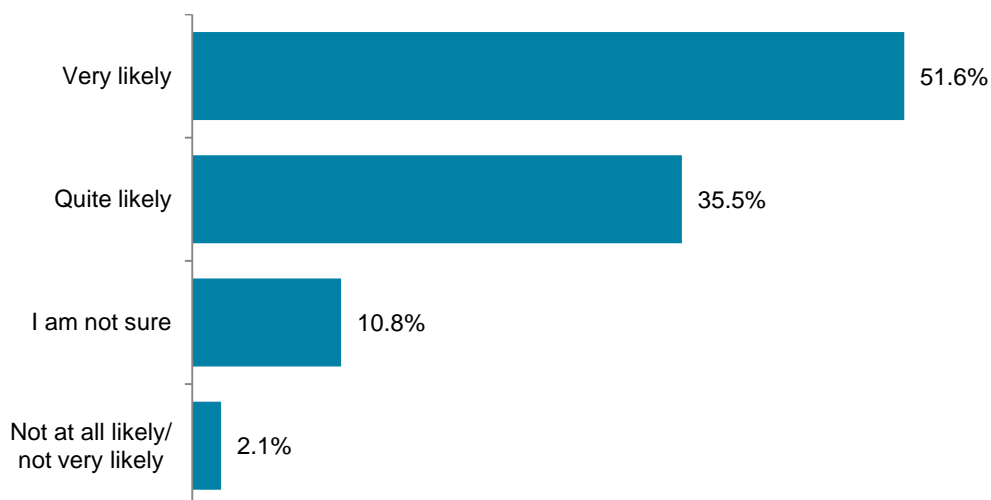
More than half of all respondents are CILEx Fellows.



**Figure 39: What is your membership grade? Base= 860**

Respondents were overall positive about recommending CILEx to colleagues and friends. Just over half were 'very likely' (51.6%) to recommend CILEx while 35.5% were 'quite likely' to recommend CILEx. Just 2.1% of respondents would not recommend CILEx Membership.

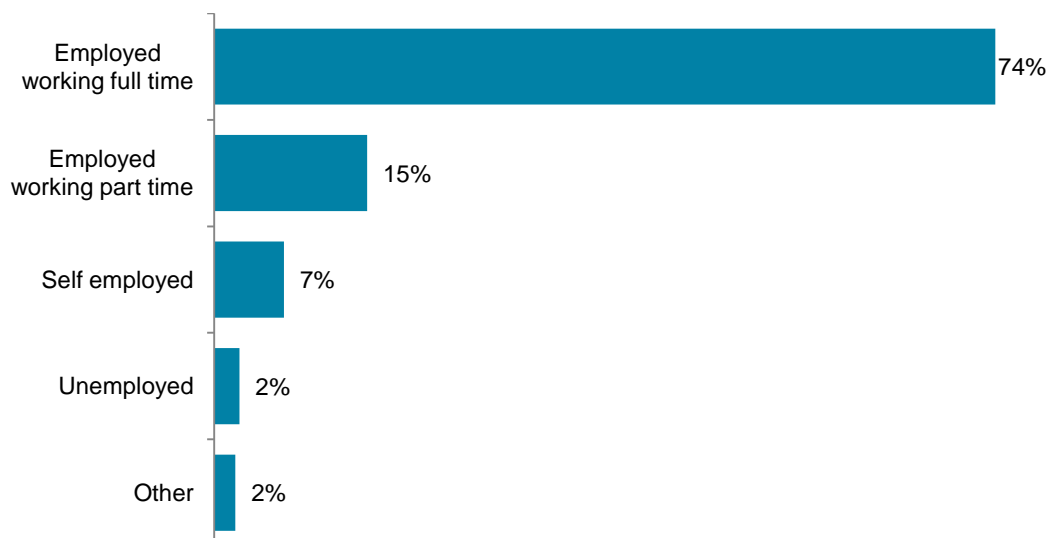




**Figure 40: How likely is it that you would recommend becoming a member of CILEx to a colleague or friend? (Base= 859)**

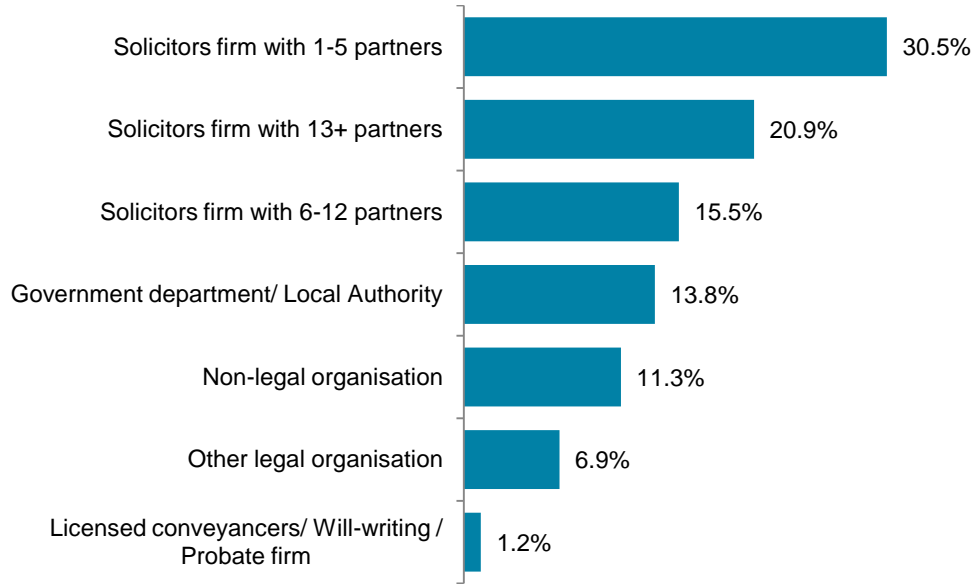
In terms of their employment:

- > 92% of respondents indicated that they currently work in the legal sector;
- > 7% of respondents indicated that they run a legal business;
- > Nearly three quarters (74%) of respondents work full time. Seven per cent are self employed while 2% are unemployed.



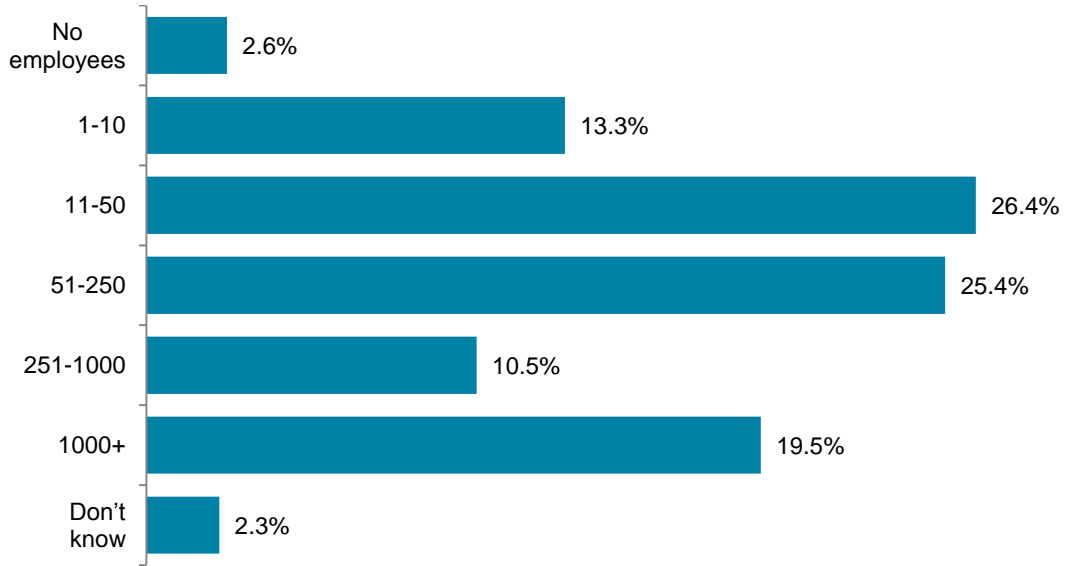
**Figure 41: Which of the following best describes your current employment status? (Base=859)**

Over two-thirds (66.8%) of CILEx members work at a solicitors firm, with over one-quarter of these members (30.5%) working in firms with between 1-5 partners. Some 13.8% of CILEx members work within a government department/ local authority and just over one in ten (11.3%) work in a non-legal organisation.



**Figure 42: What category best describes the organisation you currently work in? (Base=814)**

More than a quarter of respondents worked in organisations employing 11-50 and 51-250 staff respectively. A significant minority also work in large organisations (30% employing 251 or more staff).



**Figure 43: How many employees does your organisation directly employ (Base=819)**

Nearly half (43.6%) of all respondents work in a 'partnership of lawyers', this is by far the most common type of organisation.

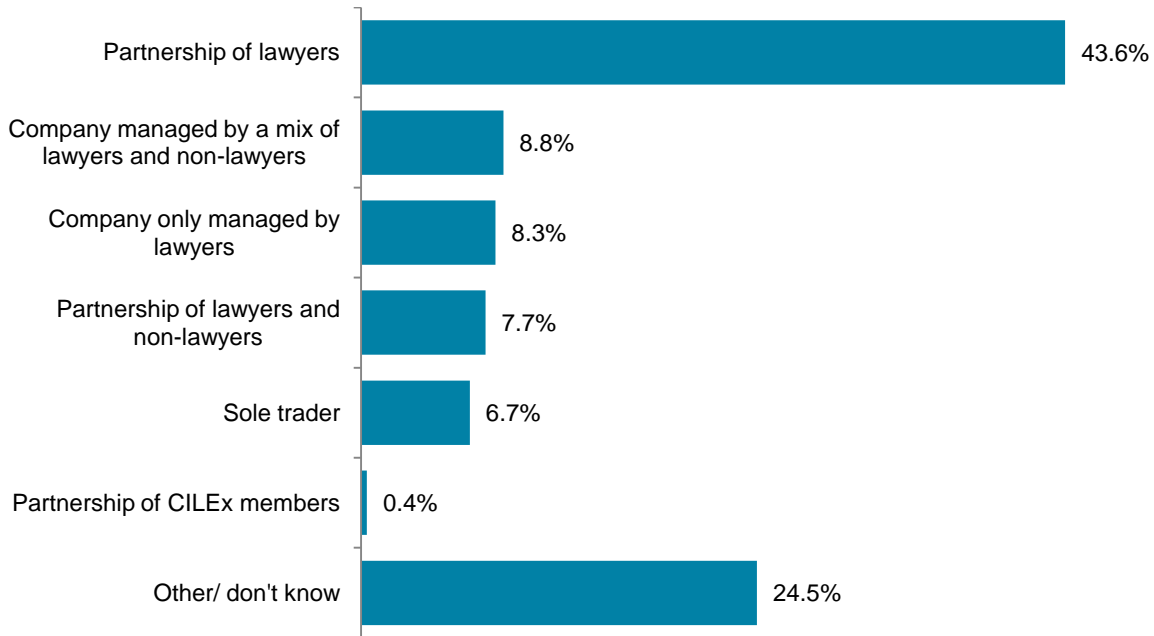


Figure 44: What description best describes the organisation you work in? (Base=817)

Nearly 6 in 10 respondents were employed as 'fee earners' within their organisation.

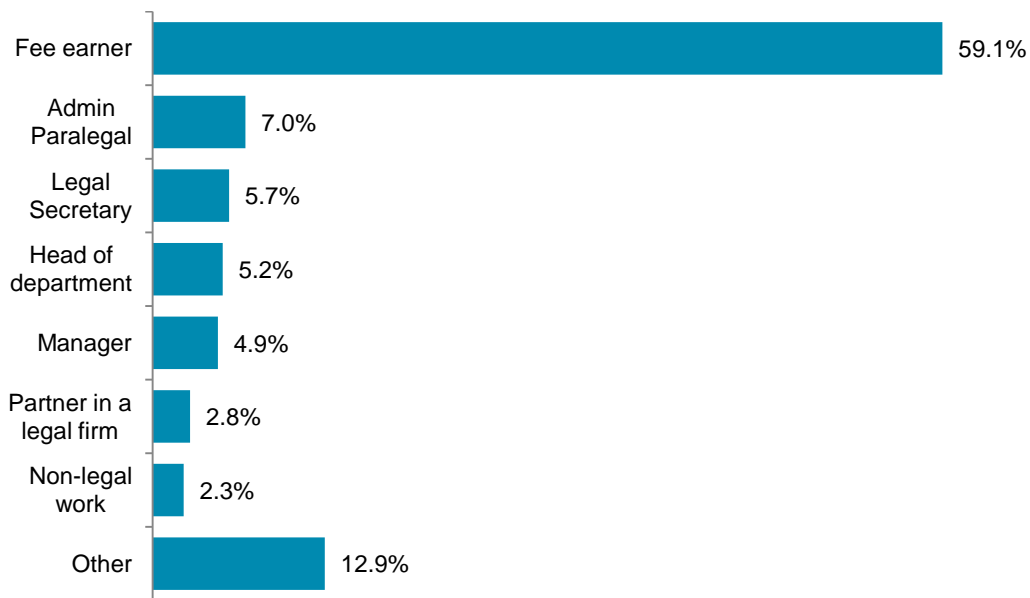


Figure 45: Which of the following best describes your role within the organisation? (Base=860)

More than 1 in 5 respondents' key specialism was in Conveyancing (21.5%), while Personal Injury, Probate and Family Law were also significantly represented (13.1%, 11.3% and 10.5% respectively).

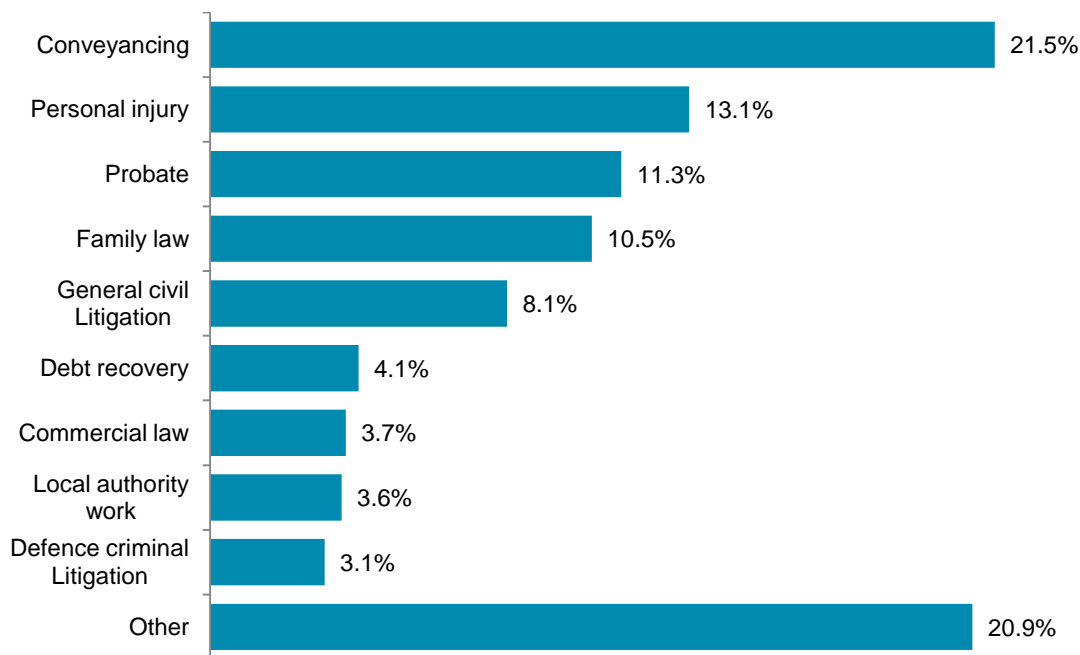


Figure 46: What is your area of specialism? (Base=860)

CILEx members were asked if, over the last year, the organisation they worked in had changed its working methods. While more than half said that there had been no change in working methods where changes had occurred, these were around ‘using increased numbers of LPC and law graduates to do paralegal work’ (13.9%), ‘use of case/task management systems for work that would have previously been done by a person’ (12.9%), ‘using increased numbers of admin level paralegals to do fee earning work’ (11.6%) and ‘merger with another firm’ (10.1%).

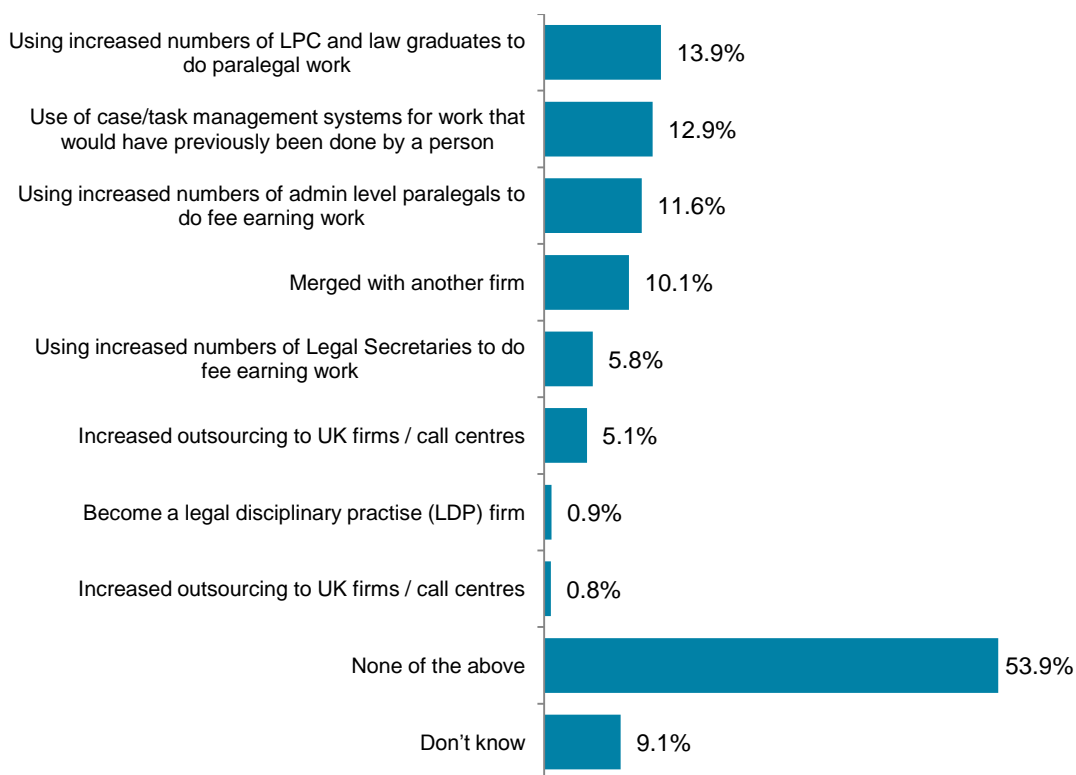


Figure 47: Over the last year has your organisation changed its working methods (Base=848)

The majority of respondents to the survey were either 'chartered legal executives' (65.5%) or 'qualified paralegal fee earners' (28.0%).

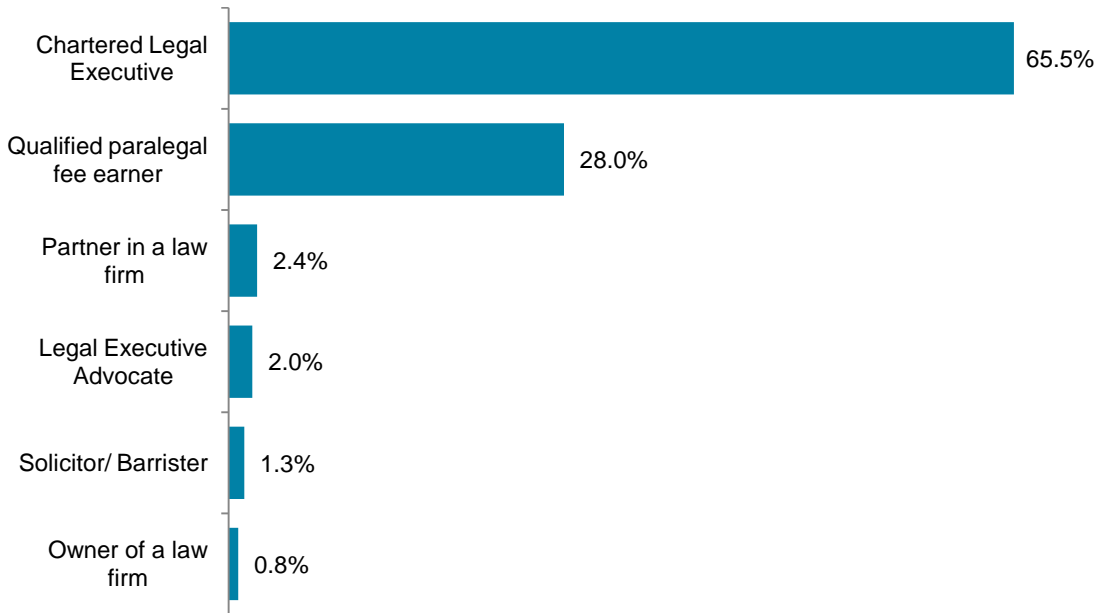


Figure 48: At what level in your legal career are you? (Base=754)

Following on from this, nearly 30% of respondents did not want to progress further in their career than their current role. However, 19.2% wanted to become 'chartered legal executives' and 17.1% wanted to become a 'partner in a law firm'.

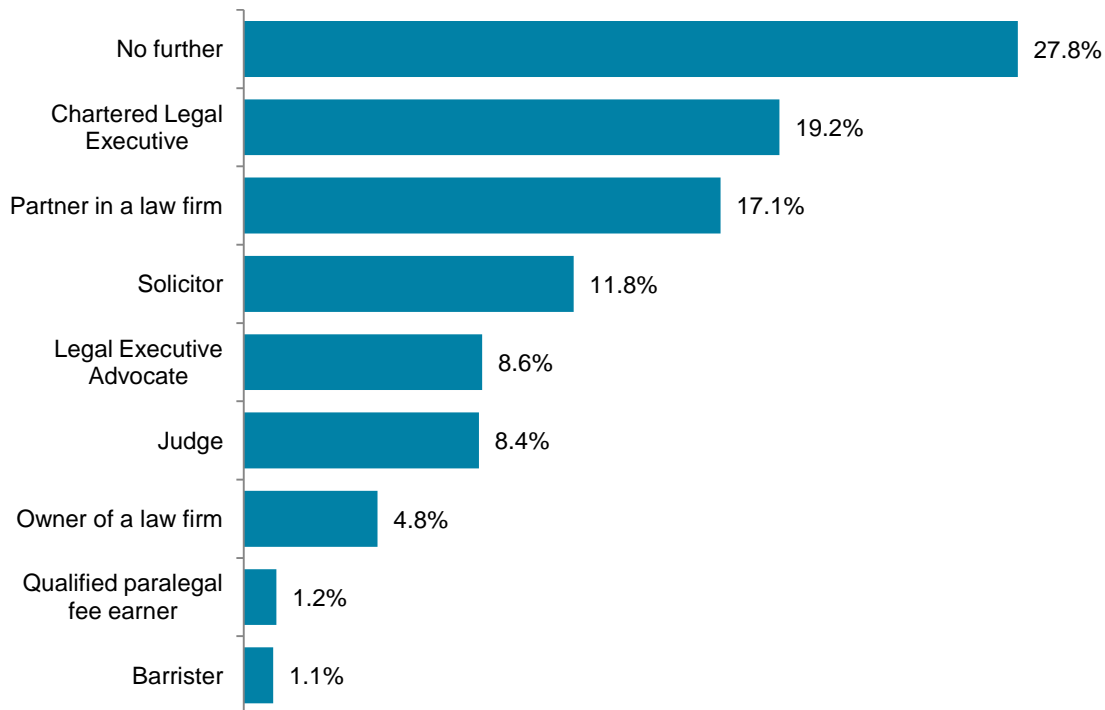


Figure 49: How far in your legal career do you intend to go? (Base=853)

## 4 | CILEx non-members' survey analysis

This final chapter presents findings from the CILEx non-members' survey.

The CILEx non-members' survey provides an analysis of the level of satisfaction legal professionals have with their current regulator. It looks to understand more about the regulatory system itself, and whether legal professionals are likely, or willing, to move between regulators<sup>12</sup>.

### Regulatory demand

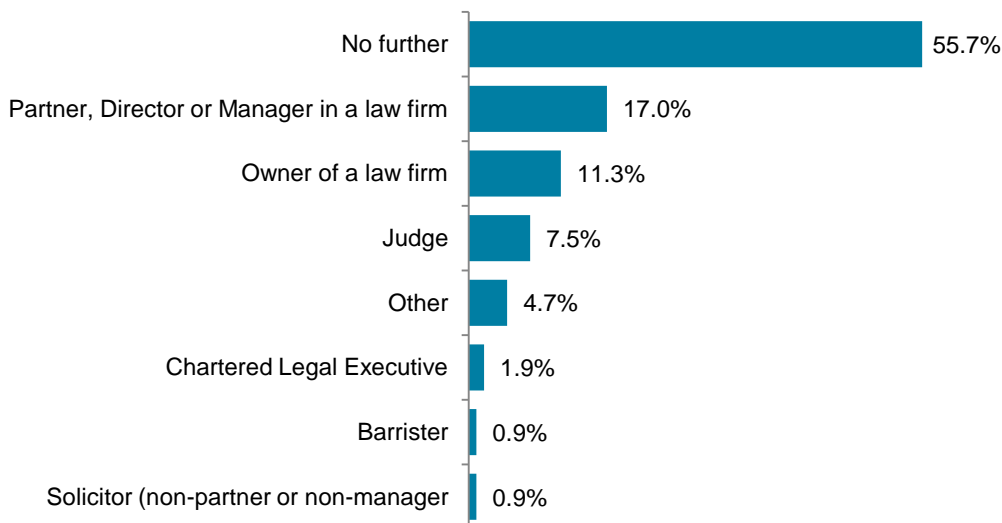
The majority of respondents to the survey were either 'partner, director or manager in a law firm (49.5%) or the 'owner of a law firm' (27.1%).



**Figure 50: The level of career of respondents. (Base=107)**

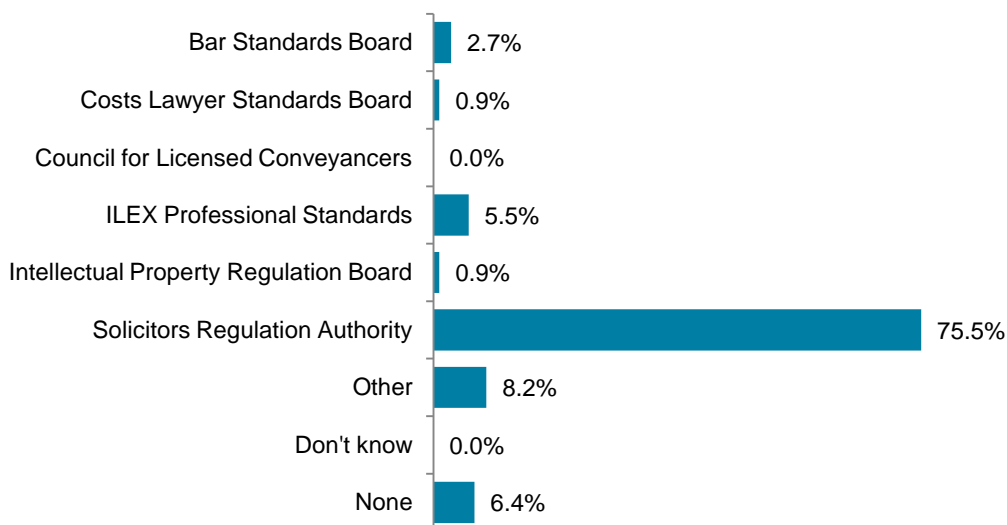
Following on from this, more than half of all respondents (55.7%) did not want to progress further in their career than their current role.

<sup>12</sup> Due to the large number of responses from businesses regulated by the Solicitors Regulatory Authority, it is not possible to conduct analysis on each of the regulatory bodies highlighted within the survey. As a result, the data presented in this chapter is for total responses, rather than individual regulatory bodies.



**Figure 51: How much further respondents expect to go in their career? (Base=106)**

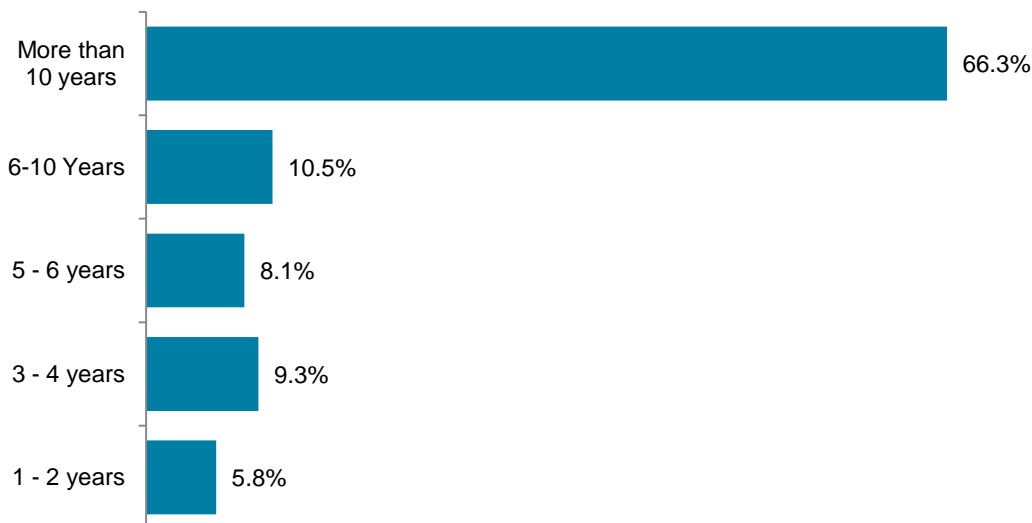
More than three-quarters of all respondents to the survey were regulated by the Solicitors Regulation Authority (75.5%). Those regulated by ‘others’ constituted 8.2% of respondents, while those regulated by IPS themselves accounted for 5.5% of all respondents<sup>13</sup>.



**Figure 52: Respondents' regulatory body. (Base=107)**

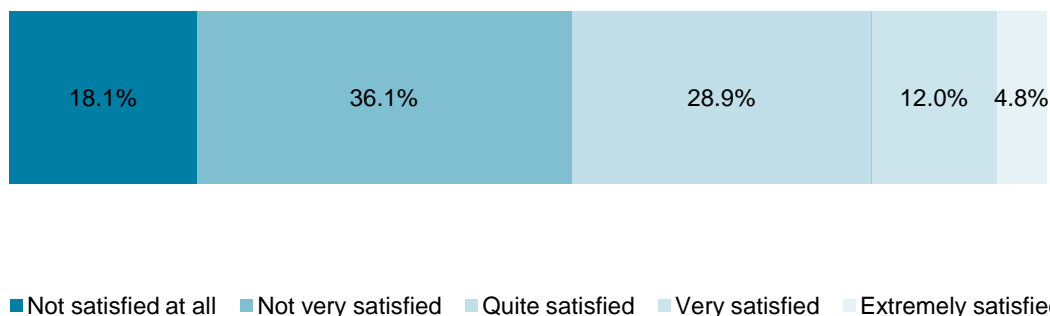
More than two-thirds of respondents had been members of their regulatory body for more than 10 years.

<sup>13</sup> Those regulated by IPS were subsequently routed out of the survey.



**Figure 53: The length of time respondents have been with their chosen regulator. (Base=83)**

When asked how satisfied respondents were with their current regulator, the majority were either 'not at all' or 'not very' satisfied (54.2%). Only 16.8% were 'very' or 'extremely' satisfied.



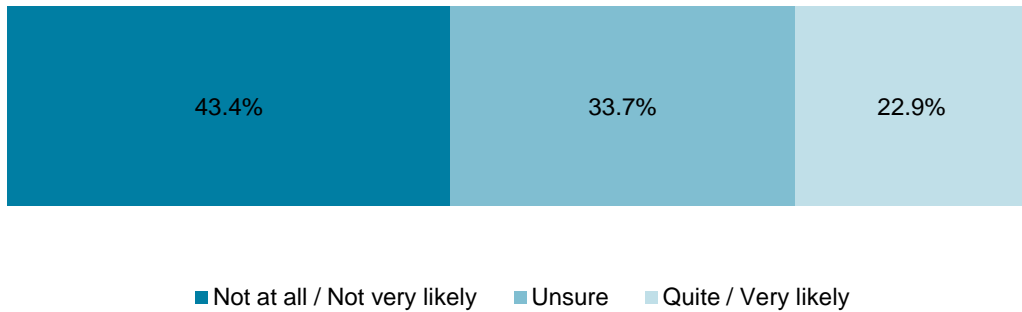
**Figure 54: Respondents' satisfaction with their regulator. (Base=83)**

Of the respondents who were dissatisfied with their regulator:

- > 23.3% stated that their dissatisfaction stemmed from too much bureaucracy or increased regulation (Base=43);
- > 16.3% stated that their dissatisfaction stemmed from a lack of strategic direction (Base=43);
- > 16.3% stated that their dissatisfaction stemmed from high fees or poor value for money (Base=43).

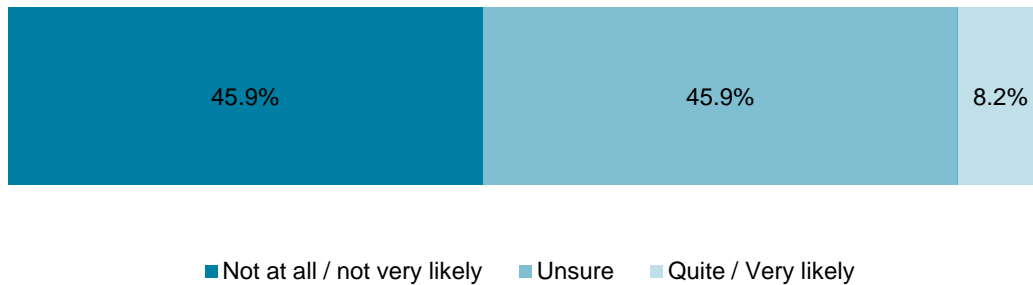
Despite this relative lack of satisfaction with their regulatory bodies, less than one-quarter would switch to an alternative regulator (22.9%). The majority either would not switch (43.4%) or were unsure whether they would switch (33.7%).





**Figure 55: The likelihood of respondents switching regulator. (Base=83)**

When asked whether respondents would likely switch their regulator to IPS, less than 1 in 10 stated that they were 'quite' or 'very' likely to do so<sup>14</sup>. The majority were either not likely to or were undecided.



**Figure 56: Likelihood of respondents switching their regulatory body to ILEX Professional Standards. (Base=85)**

'Proportionate regulation' (81.1%), 'lower costs of regulation' (73.6%) and 'lower professional indemnity insurance premiums' (67.9%) were factors that would have some influence in persuading respondents to switch regulation to IPS.

<sup>14</sup> There were no 'very likely' responses to this question.

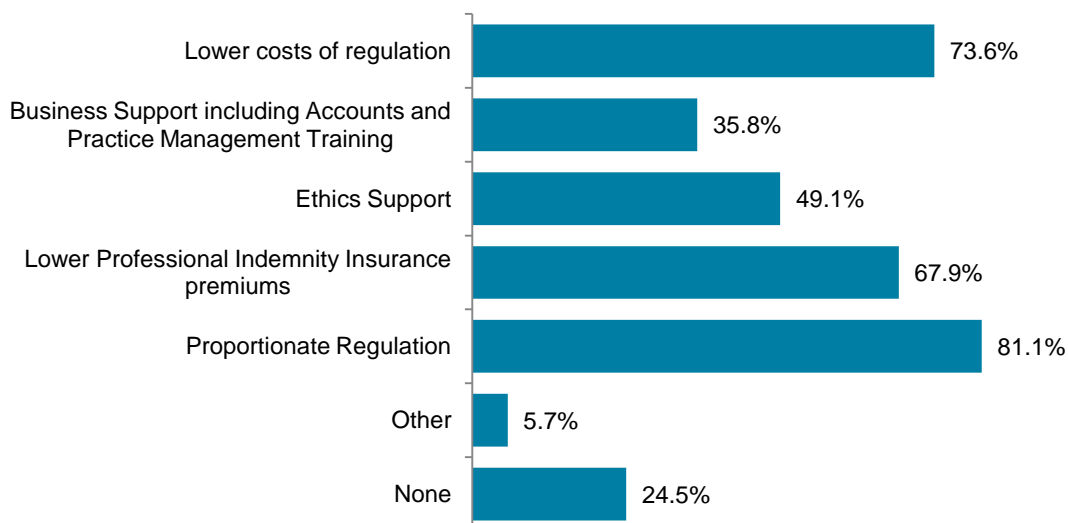


Figure 57: Factors which would influence the decision to switch regulator to IPS. (Base=??)

### Non-members' survey respondents profile

This section of the report outlines the profile of those CILEx non-members who responded to the survey. Of the respondents:

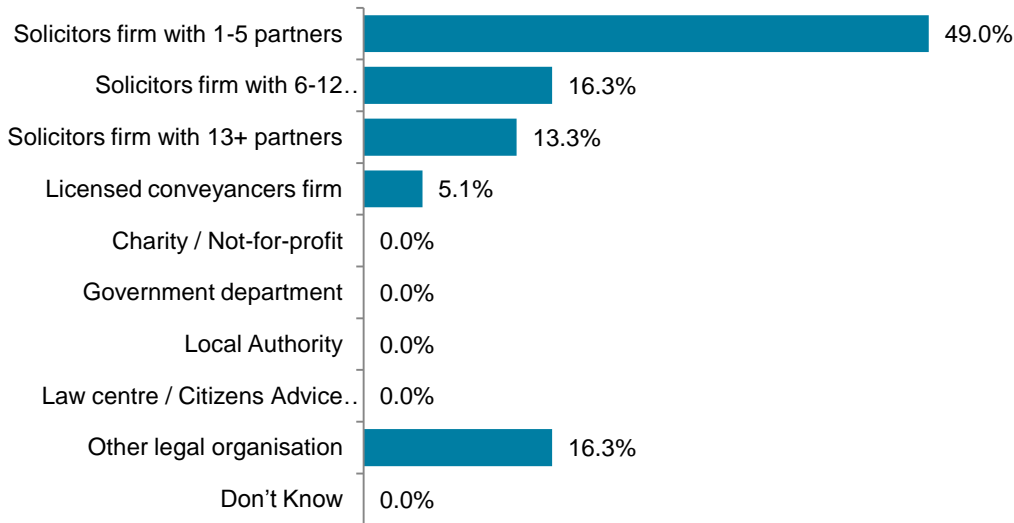
- > 29.2% were female, 64.6% were male<sup>15</sup>;
- > 5.2% considered themselves having a disability<sup>16</sup>;
- > 1% of members were 25 years of age or younger; 9.3% were aged 26-40; 89.7% were aged 41-65;
- > 84.4% classified their ethnic background as White; 4.1% were of Black or Minority Ethnic background<sup>17</sup>.

More than three-quarters (78.6%) of respondents work at a solicitors firm, with nearly half of these (49.0%) working in firms with 1-5 partners.

<sup>15</sup> 6.3% preferred not to answer the question.

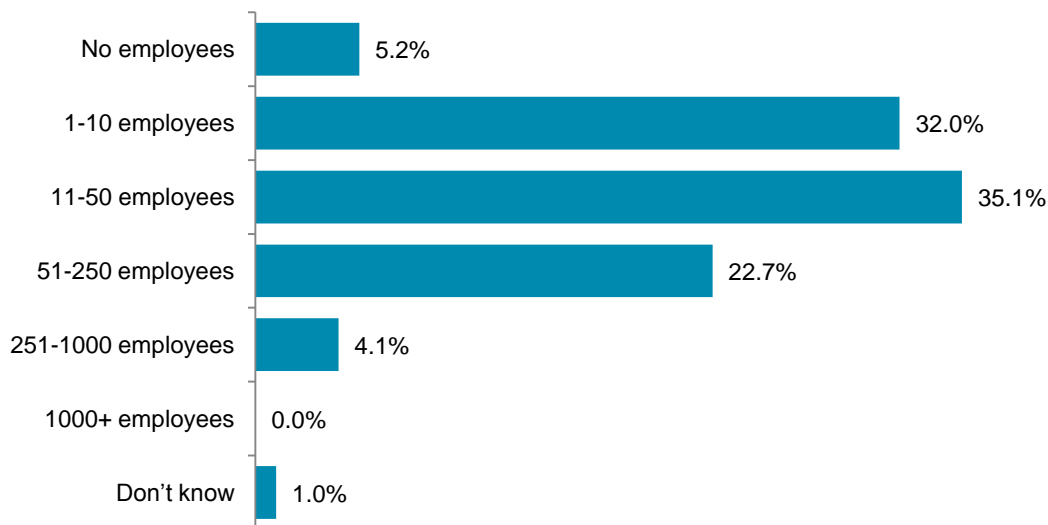
<sup>16</sup> The definition of a disability is a physical or mental impairment which has a substantial and long-term adverse effect on a person's ability to carry out normal day-to-day activities.

<sup>17</sup> 11.5% preferred not to answer the question.



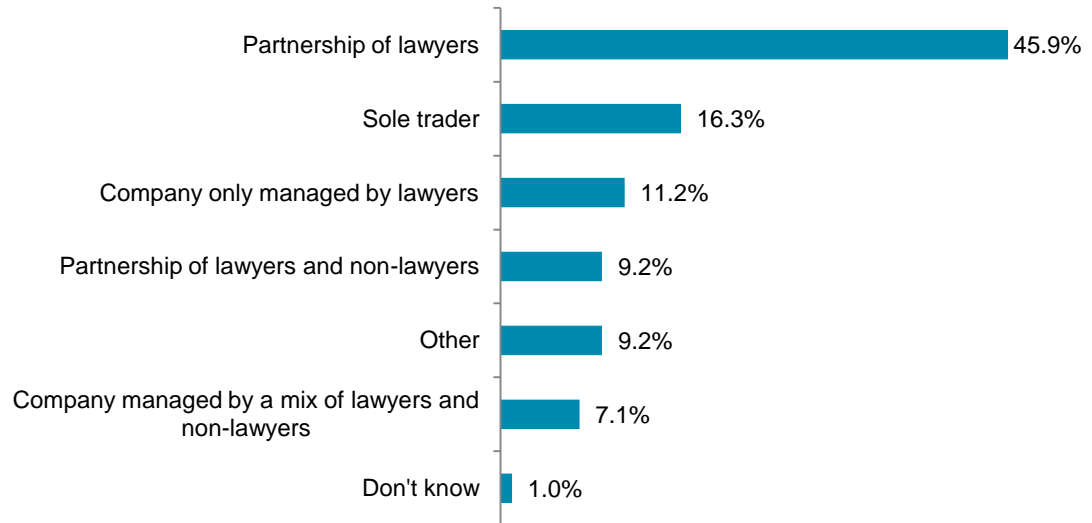
**Figure 58: The organisation in which respondents work. (Base=98)**

More than two-thirds (72.3%) of respondents work in organisations employing up to 50 people.



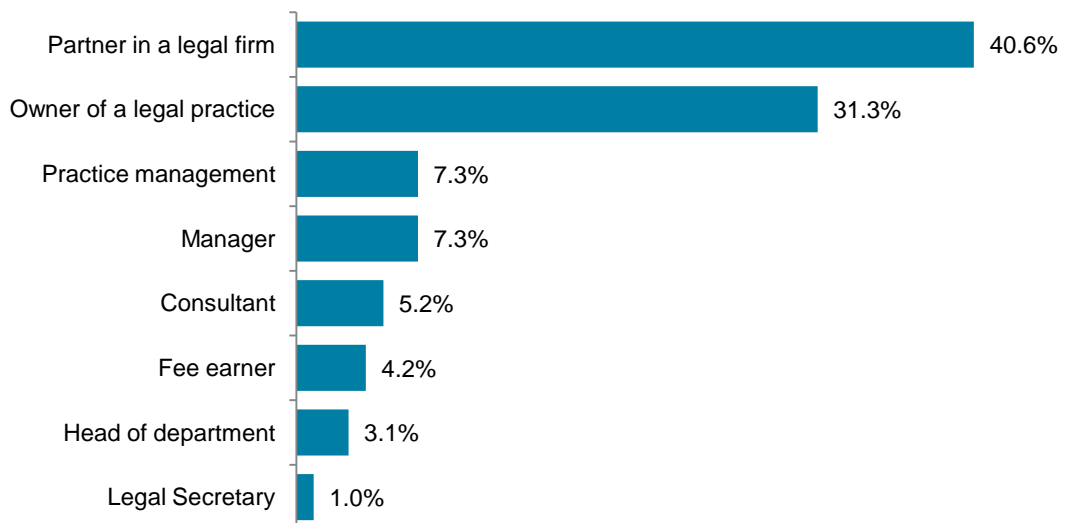
**Figure 59: The number of employees in respondents' organisations. (Base=97)**

Nearly half (45.9%) of all respondents work in a 'partnership of lawyers', this is by far the most common type of organisation.



**Figure 60: The type of organisation respondents work for. (Base=98)**

Of respondents to the survey 71.9% were employed as a 'partner' or 'owner' within the organisation.



**Figure 61: The role of respondents within organisations. (Base=96)**

Nearly 1 in 5 respondents' key specialism was in Conveyancing (17.7%).

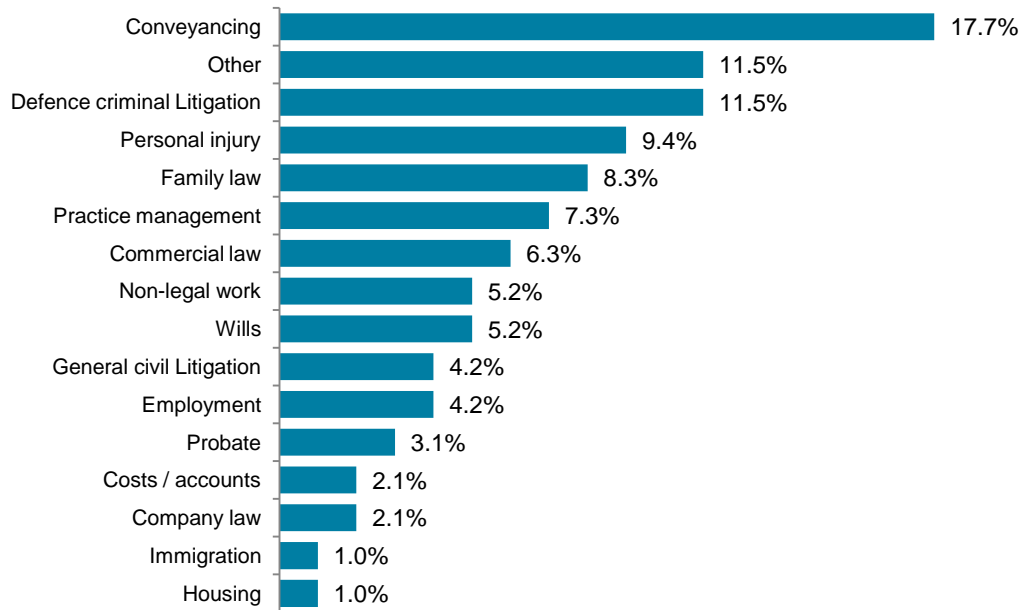


Figure 62: Respondents' area of specialism. (Base=96)

## Summary

In summary this chapter outlines the following:

- > The majority of respondents (**54.2%**) were either 'not at all' or 'not very' satisfied with their current regulator. Only **16.8%** were 'very' or 'extremely' satisfied.
- > Despite this relative lack of satisfaction with regulatory bodies, less than one-quarter would switch to an alternative regulator (**22.9%**).
- > **Fewer than 1 in 10** respondents stated that they were 'quite' or 'very likely' to switch their regulator to IPS.