



REPORT ON SURVEY APPLICATION TO REGULATE FURTHER RESERVED LEGAL ACTIVITIES

OVERVIEW

To support the ICAEW application to the Legal Service Board, a research project was undertaken to ascertain firms likely interest in applying to ICAEW for reserved legal services accreditation. Given its significance, it was important that the approach undertaken to establish the level of demand was robust. Research was conducted among ICAEW firms which currently offer tax services and employ up to 50 partners. See more details on the approach in the Appendix.

The research findings indicate that there is demand for reserved legal services accreditation; currently most of ICAEW firms are not accredited to offer these types of services. However, those interested are price sensitive, hence the final level of demand will be affected by the proposed costs as well as the communication of businesses benefits that the accreditation would bring. Nearly all of these firms lack properly qualified staff to provide the services – most would train existing employee but many would also employ properly qualified staff.

APPENDIX - RESERVED LEGAL SERVICES RESEARCH

Research was carried out among ICAEW firms which currently offer tax services. It was done by telephone to ensure a good representation of different types of firms as well as that responses given are robust and reliable.

254 telephone interviews were conducted in total. The number and profile of these firms were:

- Sole Practitioners – 50
- 2 to 5 partners – 100
- 6 up to 50 partners – 104

More interviews were carried out among 6 to 50 partners as this group was seen as the key target group. At the start of interview firms were screened out to check that they offer tax services. When the research was completed, statistical weighting was applied to the results to ensure that the sample profile reflects the profile of ICAEW firms.

Research findings were then extrapolated to the target population of ICAEW firms to provide an approximate number of those likely to apply for accreditation. The research results were extrapolated to this target population – 5,339 firms in total:

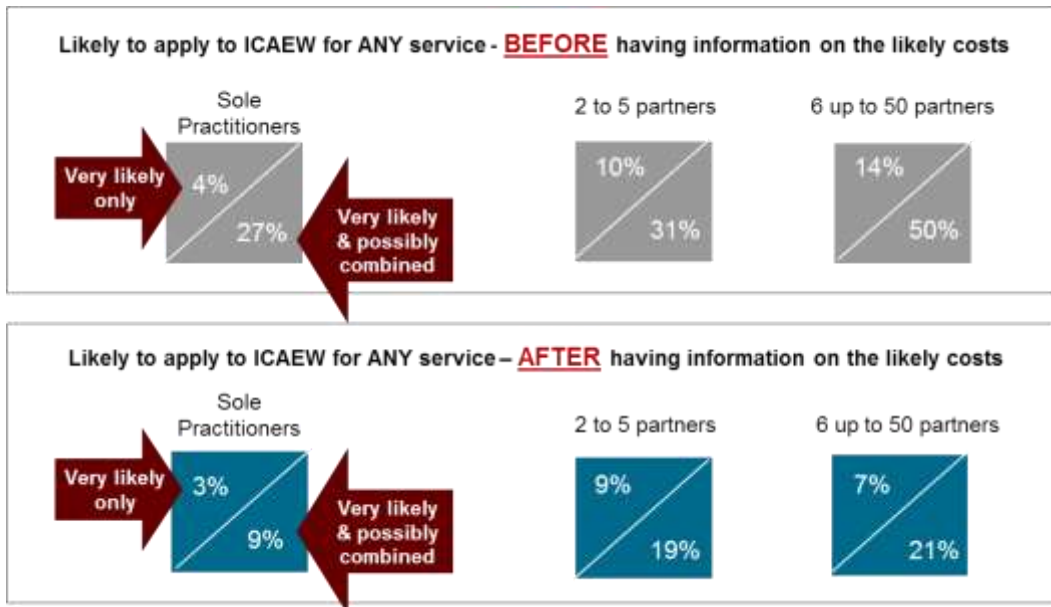
- Sole Practitioners - 2,708
- 2 to 5 partners – 2,289
- 6 up to 50 partners – 342

Sole practitioners aged 60+ and firms based in Scotland were excluded from the research as well as those with 50+ partners. With the large firms (50+ partners) ICAEW has regular contacts where their likely interest in applying for accreditation can be discussed.

FINDINGS

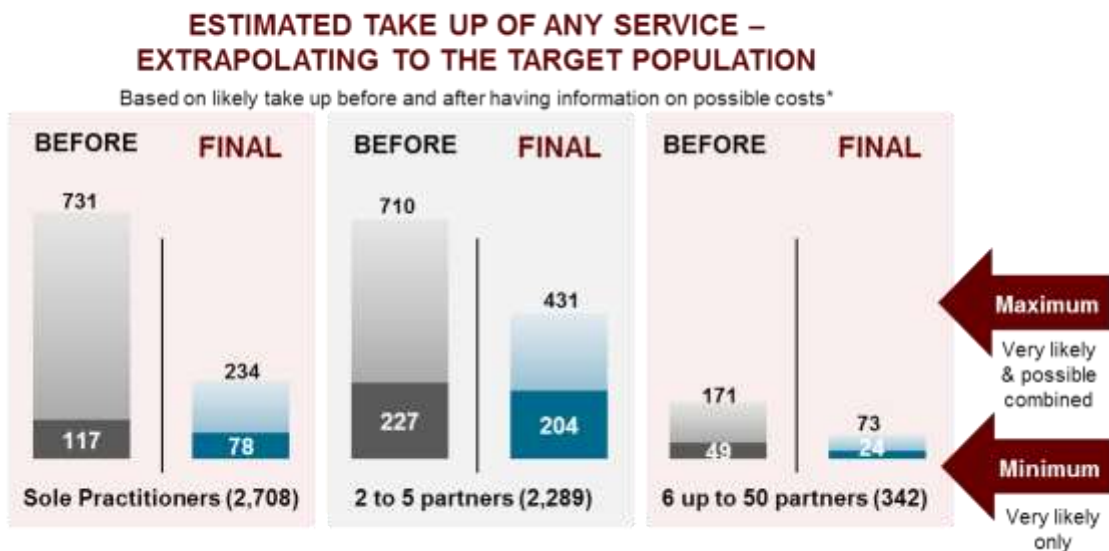
The research suggests that there is demand for reserved legal services accreditation, with the highest appeal among ICAEW firms with 6 up to 50 partners. Majority of firms expect to register no more than one office.

However, firms are price sensitive - level of demand falls once information on the likely costs is introduced (costs shown were based on probate accreditation and training costs). Consequently, firms are less likely to apply to any service and/or to apply for fewer services/register fewer offices/train fewer people.



Firms anticipate that they will need to consider the application more closely to understand what is required to help them decide whether to apply or not. It is worth noting that firms were provided with no information on business benefits of carrying out reserved legal activities and also on operating as an ABS.

Currently, most ICAEW firms are not accredited to offer these services, hence there is an opportunity for ICAEW to expand the services it regulates. However, the final level of demand will be affected by the proposed costs as well as the communication of businesses benefits that the accreditation would bring.



Nearly all of those firms interested in applying lack properly qualified staff to provide the services – most would train existing employee and many would also employ properly qualified staff. Firms expect to train up to 2 (firms with 2 to 5 partners) or 3 people (firms with 6 up to 50 partners).