Legal Recruitment News March 2025

Welcome to the March 2025 edition of Legal Recruitment News. It includes our legal job market report, locum hourly rates, a solicitor salary guide, CV, interview & careers advice and a spotlight on one of our charity donations. You can read the entire content below in an email, or read the newsletter in PDF format at <u>www.legal-recruitment.co.uk</u>.

Legal Job Market Report - March 2025

Here is our summary of the current state of the UK legal job market.

Locum Recruitment - Quiet

Locum work has got significantly busier since the start of the year. Conveyancing rates have now gone back up again due to demand (see our rate card below) - there is still the ongoing problem of firms wanting locums in offices, and locums not wanting to attend offices if possible. A quick look at the most recently posted roles shows fields of law include wills & probate, corporate and commercial contracts, commercial litigation, conveyancing and commercial property. Locum assignment <u>updates here</u>.

Permanent Recruitment - Busy

Permanent roles have dropped off substantially. We suspect in part this is due to world news (from conversations with candidates this is mostly centred around the behaviour of the USA !) but also because a lot of smaller firms, our traditional clients, have been incredibly busy in the run up to the Stamp Duty changes. A good proportion of permanent vacancies still remain unfilled after 3 months - mainly because of the lack of candidates generally and the wide discrepancy between employer specified work conditions and candidate expectations. There has been a substantial drop in the number of new candidates registering (see below). Permanent vacancies can be viewed here: <u>https://www.ten-percent.co.uk/vacancies/</u>

Law Firms for Sale - Very Busy

Very busy - in fact it is currently almost off the scale for the number of enquiries we are presently getting for law firms listed with us. It is a very good time to get listed as the market is going to remain busy for some time. There remains a good flow of buyer enquiries coming into us daily for our firms for sale. <u>Full details of firms currently for sale on our website</u> - list updated daily. For valuations, exit planning or a confidential discussion about a potential sale or acquisition generally please ring 01824 780937 or email jf@jonathanfagan.co.uk. You can also download our free detailed guides on <u>Buying a Law Firm</u> and <u>Selling a Law Firm</u>.

Ten Percent Group statistics for February 2025 (2024 figures in brackets)

- New locum roles added 26 (16)
- New permanent roles added 20 (30)
- New candidates added 51 (80)

KPMG & REC Report on Jobs UK - 9th March 2025

This is a monthly report prepared by KPMG following a questionnaire sent to over 400 UK recruitment consultancies, including ourselves.

- Starting salaries increase only modestly in February
- Staff availability picks up
- Vacancies fall further
- Permanent placements and temp billings decline at softer rates

Commentary from Jon Holt, CEO of KPMG UK

"While it is still a wait and see approach to hiring, with February data showing companies continue to hold back on recruitment, the softer decline could be an indication that expectations of further interest rate cuts and better than expected recent economic data are starting to release some of the pressures on business. But several headwinds to growth remain, and we should expect a Spring Statement that is fiscally constrained due to growing spending pressures and global uncertainty. Despite this uncertainty, businesses which are well capitalised will be looking for signals to support future planning and growth, and with that will come confidence to invest and create jobs."

Commentary from Neil Carberry REC CEO

"After a long winter, there are some hints of a turn in the labour market as we head into Spring. This is led by the private sector - despite recent tax rises – and that shouldn't be missed. Enabling companies to grow is at the heart of our prosperity. At the moment, though, things are still slow as companies hold their breath in the face of significant costs rises from April with changes to National Insurance and the National Living Wage. Despite a long slowdown, some areas still face skill shortages. This comes from mismatches, training gaps and the impact of an ageing population. Pay growth is easing and broadly unchanged across much of the country which should please the Bank of England rate setters.

Interim Lawyers - Hourly Rates of Pay for Locum Solicitors and Legal Executives March 2025

NB: Remote Working Role rates are about 10% lower.

- Civil Litigation £45-£55 per hour
- Commercial Contract £35-£75 per hour

- Commercial Litigation £50-£125 per hour
- Company Commercial £50-£80 per hour
- Construction (non-contentious) £60-£75, (contentious) £45-£60 per hour
- Conveyancing £40-£45 per hour
- Commercial Property £45-£60 per hour
- Employment Solicitors £50-60 per hour
- Family Solicitors (Legal Aid) £35 per hour
- Family Solicitors (Private) £45-£50 per hour
- Family (Child Care LA) £35-£45 per hour
- Immigration Lawyers £30-£55 per hour
- In House Counsel: 0-3 years PQE £35-£50 per hour
- In House Counsel: 3+ years PQE £50-£95 per hour
- In House Interim Lawyers (SMEs) £60-£85 per hour
- Insolvency £50-£55 per hour IP £55-80 per hour
- Personal Injury and Clinical Negligence 3+ years PQE £40-£50 per hour
- Professional Negligence £45-£55 per hour
- Property Litigation £45-£65 per hour
- Wills & Probate £40-£60 per hour

We have an online calculator to convert hourly rates to salary equivalents - <u>click here</u>. NB all rates exclude agency fees. The rates are for self-employed locums billing firms directly on a weekly basis. These are the ranges we have seen over the last 30 days from assignments.

Ten Percent Legal Salary Guide - March 2025

Each month we publish a list of any salary levels we become aware of from employers in relation to jobs offered and salaries indicated. These are the salaries we have had indicated by law firms to us for 3 years PQE and upwards. London figures in brackets where relevant.

- Commercial In House Solicitor (General) £80k £120k (£85k-140k)
- Commercial Litigation £45-£65k (£50k-£90k)
- Corporate Commercial £50k-£150k (£65k-£175k)
- Construction £65k-£95k
- Commercial Property £55k-£100k
- Insolvency £55k-£75k IP £50k-£90k
- Professional Negligence £45k-£65k
- Crime £40-45k
- Civil Litigation £40k-£60k
- Conveyancing £35k-£55k (£60k)
- Employment Solicitors £35k-£55k
- Family Solicitors £35k-£50k
- Immigration Lawyers £35k-£45k
- Personal Injury and Clinical Negligence £30k-£55k

- Property Litigation £45k-£60k
- Wills & Probate £45k-£60k

Support Staff

- Office Manager £40-60k
- Legal Cashier £30-35k
- Senior legal accounts professional £35k-45k
- Secretary £22-28k
- Paralegal £22-27k

Candidate Salary Expectations

Candidate salary expectations are very often higher than salaries being paid to existing staff within a law firm with less than a £2 million turnover. We regularly view staff lists when valuing law firms via our business broker service, and the salaries being paid by law firms to existing staff are invariably lower than candidate salary expectations for similar roles. There is also a huge disparity at the moment between expectations for remote working from candidates compared with firms' requirements - hybrid working is becoming the minimum requirement for a significant proportion of candidates. Salary Level Assistance If you would like assistance with salary levels, please contact our specialist permanent recruiter, Peter Gresty FIRP. Email pete.gresty@ten-percent.co.uk

The Destruction of CVs - AI Strikes Again!

Al has had something of a seismic effect on job applications: in some cases I would go as far as saying it has now destroyed an assumption that a CV can be relied on to filter and assess candidates for a role.

Take a recent post our sister company recruited for. We are working on a project to source a machine learning engineer (ironically!) for a government project we are invested in. We received over 200 applications for the post, and following the first wave of recruitment it was clear that a) we could not rely on the answers given on application forms and b) we could not rely on the content of CVs.

We interviewed candidates who quite clearly had asked Chat GPT to transform their CV to give them the best chance of a job interview. Some even clearly used ChatGPT during the interview to answer questions (the first round of interviews was via Zoom). The majority of candidates had very limited technical abilities. Their experience was not evident when they completed a practical test on a face to face basis. It made the whole process a complete waste of everyone's time and the project now requires a second round of recruitment. Employers and HR professionals are all beginning to get used to seeing AI CVs, which will usually be stuffed with keywords and buzz words Chat GPT has determined need to be included.

In larger organisations for some time now algorithms manage, filter, and determine which candidates are shortlisted. A lot of recruiters in sectors involving the numbers game (eg IT recruitment where there can be 10,000 applications for 1 role) rely on these systems via keyword matching and pattern recognition. Unfortunately AI now seems to have rendered some of this filtering a bit redundant, as candidates are using AI to "game" the system by optimising their CVs & applications to get past the algorithms. Manual CV reviewing may become more important again in these sectors we think.

The traditional CV, with its chronological career structure and standardised layout, has existed relatively unchanged for decades. The simple format gives the reader the ability to quickly skim read through and decide on whether to read on or dismiss. To a certain extent, law is a bit sheltered from damage by AI to its recruitment processes. If a candidate needs to be a 5 year PQE employment law solicitor in order to apply for a role, they cannot use AI to engineer their way in to a job interview. However, at a more junior level (for example paralegal) it can make quite a significant difference to the decision making process and has the potential to waste an awful lot of time.

Practical Alternatives

We think that manual CV reviews for all job applications are going to be essential, in order to filter out the AI CVs and avoid wasting time. Similarly, a face to face technical test at the outset for some roles may be essential. Other options include skills-based assessments - asking a candidate to look at a file and comment on the contents and what they would do next is a good and quick example of a way to assess ability. Digital portfolios have been talked about - suggestions that candidates produce a video talking about themselves (ie a CV but by the person). Simulation - you could ask members of staff to be clients and conduct a mock meeting to see how the candidate performs in a simulated environment.

Conclusion

The transformation sparked by AI's disruptive entrance into recruitment is irreversible and it will be interesting to see whether firms start to use videos, simulations or skill assessments at the outset instead of bothering with written applications & CVs. At present for senior roles it probably has a very limited effect, but for support staff and junior posts we foresee problems ahead for HR & recruiters!

Are All Law Firms Sellable and Do All Law Firms Sell?

We specialise in the sale and purchase of law firms and accountancy practices. The answer for accountancy practices as to whether all accountancy practices are sellable and do they all sell is yes, unless there is something significantly wrong with a business, all accountancy practices will sell at some stage for a price. However, this is not the same with law firms. All law firms are not sellable and not all sell for a price, although virtually all firms listing with us will receive offers of some sort.

It is important to say first of all that whenever we speak to new potential sellers or owners of law firms looking to discuss exit strategies, there are a number of key questions we always ask to to determine whether or not their business is going to be sellable.

Professional Indemnity Insurance - the curse of the legal profession?

The first question is the professional indemnity insurance history. If the professional indemnity insurance premium for a practice is so high that either the firm's broker is having a laugh or there is a very poor claims history, then in a lot of circumstances the firm is incredibly difficult to sell until the premium goes down again.

As a very rough rule of thumb, buyers tend to be comfortable with anything below 10% of turnover in PII premiums, but anything over 10% does tend to cause issues. This is not always the case and it is important to say that there are circumstances where practices with premiums of 20% or turnover will easily sell, but as a rule below 10% is where you need to be. In fact, if your practice has not had any claims in the last five years, annual premium is above 10% or looking somewhere around that, get in touch with us because we can recommend a broker with a good record of results - we have no commercial connection to him. We do get the feeling that some law firms get tied into a broker who then exploits that relationship and gradually increases premiums over a lengthy period of time for no apparent reason other than 'market forces'.

The professional indemnity insurance premium is a key point for all law firm sales. If yours is high due to a poor claims history or regulatory and compliance issues, then chances are your practice is not going to be very sellable.

Other Factors

Apart from the professional indemnity insurance, there are other factors that play a part, including the types of law your practice does, your location, turnover, number of partners and staff, ages of staff and much, much more besides. This is one of the reasons we offer detailed market valuations because every single law firm is different when it comes to a value. and it is not as simple as simply saying, oh yes, a practice is going to be worth X and easily sellable when there may be other factors affecting it that mean this is just not the case.

Deal Structure

Similarly, a law firm sale can look markedly different depending on the deal. Other than cash sales, with payments up front, staggered, linked to future profits or subject to clawback, quite a few firms agree deals that involve very little premium being paid, but the deal will will enable the law firm sellers to walk away without having to pay runoff cover, collect their work in progress and receive payment as consultants. This, of course, is very different to the type of arrangement where a buyer acquires the assets of a law firm (the clients & staff) and not the actual structure, so they do not take over any liabilities. The end game for retiring solicitors tends to be to a) avoid runoff cover and b) get value out of the business.

Solicitors selling a going concern with fully functioning teams of staff and ongoing work will almost always have a value attached to them because a buyer & seller will both be looking at the value of the business to them rather than the benefit to the seller of the buyer purchasing the business, which of course is the case for retirement sales.

Saleability

The vast majority of law firms are saleable. Even firms that have been listed with us that have not achieved a sale, and the partners have decided to close down after a period of trying, will have had offers of some sort from buyers. It may be that things simply just haven't worked out for one side or the other and for one reason or other one reason or another, but there were almost always offers that in the lowest level will give the sellers a chance to walk away from their business with some recompense and no run off cover.

Do You Sell All Law Firms Listed With You?

No they don't. A significant proportion achieve a sale at a value we would recognise the business to be worth. About 10% of law firms close down without doing a deal and a further 25% change their mind and continue to practice for a period of time. A small but significant number find a solicitor internally who expresses an interest in acquiring them (almost always the best type of deal we think). Virtually every law firm listed with us for sale will get an offer of some sort within six months of listing.

Trust & Personal Connection

Law firm sales are very much dependent on personal connections and trust. If a seller feels comfortable with a buyer and the parties trust each other, then deal will probably go through. whereas if the parties do not have that level of trust and something does not sit right then deals tend not to go through.

Summary

In summary, not all law firms are saleable, although most are in certain circumstances and not all law firms sell, although virtually all of them will get offers of some sort. If you would like a confidential discussion about the sellability of your practice or its value, please get in touch.

Is There an Age Bar to Locuming?

We have been asked this a few times recently. Firstly it is important to say that we have locums listed with us of all ages and in all locations of the UK. We have locums in their 80s and we have locums in their 20s. Whilst it is much harder to get work at these extremes, both groups manage it because either they have built up a reputation with clients who will then use them continually, or they will be very proactive in how they go about getting locum work.

It is much harder to get locum work if you are only a couple of years experienced and it is extremely hard to get locum work if you are for want of a better term very long in the tooth!

There are good reasons for this.

Inexperienced Locums

The first of these is that firms take on locums to take over a caseload and work it without supervision and competently. If you only have one to three years PQE, then there is a very good chance that you are going to need supervision, and in these circumstances, why would the firm want to pay you locum rates to do the job unless they were desperate? This is why somebody only recently qualified will often find it much harder to get locum work than someone who has 15 to 40 years PQE.

Highly Experienced Locums

As soon as you get to 70 years old and above, questions will be asked by some firms whenever a CV is sent across, unless the firm knows of you. This is the tipping point when some firms will start to ask about whether a candidate can type, their IT skills, their exposure to case management systems, their ability to access cloud services and essentially the parts of practice that have changed so much in recent years.

Take the example of a law firm with an online appointment system using Zoom. We have a client who uses locums to cover, but the locums have to be available on a remote basis to take calls from clients at certain times of the day via Zoom and these are set up externally without any say from the locum. So if you are locum at this particular practice they will expect you to field calls from clients at particular times that are booked in and to be able to access their case notes online, deal with cloud systems, conduct Zoom meetings and keep accurate records, which will involve good typing speeds. If you are a solicitor who has worked 30 years in a high street practice where you've had a secretary doing all your typing for you, your files are paper based, you have not worked with case management systems, Zoom is a strange and ethereal

distant place that you simply do not understand, then you are not going to enjoy this assignment very much!

Age Bar or Experience Bar?

We don't think it is an age bar, although there is always some stereotyping that seems to go on. The way to get round the issue is of course to identify if this type of role is going to be something you are comfortable and able to do and if it is, then you need to make firms aware of your skill set so that they can accurately recruit you for it. So if you are 78 years old and fully IT competent, happy to use case management systems, very comfortable with Zoom meetings and able to type at 40+ words per minute, all of these things need to be on your CV. If you are 2 years PQE but have over 15 years experience pre-qualification, again this needs to be very clear on your CV.

This type of detail is something that is sadly lacking from a lot of solicitors CVs and really makes a difference when it's there. NB: if you don't know your typing speed, go and do an online typing test. Unfortunately because there are still solicitors out there of a certain age and time who have never used case management systems or cloud software, there is an impact on everyone of a similar generation because some firms have been known to assume that all solicitors of a certain age and law firm background will not be able to function sufficiently well. Your job is to countermand this with evidence that actually you're very competent and you are able to do these things.

If you do this, your chances of increasing your saleability as a locum will increase dramatically. Bear in mind that locums operate on a business to business relationship, and so the firms can be choosy in who they want to take on and contract with to cover their assignments. Firms choose who they want to to fit a particular requirement and if they have the choice of 6 locums for an assignment, you need to make sure you stand out.

Make sure you are the person who fits the requirement and ensure that your CV reflects exactly what your skills & knowledge are.

The Positives and Negatives of Locum Work v Permanent Roles

We get candidates calling us all the time to discuss moving from permanent to locum work. They have been speaking to a locum in their current law firm who has been doing a week's cover and the locum has told them that they get paid huge amounts of money, they don't have to do much work, its simply babysitting a caseload for an absent colleague and at the end of the week, they put their invoice in and get paid a good amount of money that seems a lot higher than the candidate gets as a salary. The candidate then starts to think about their future and why they couldn't suddenly become a locum and earn lots of money as well!

Employers - NDA

Firstly, if you are an employer of reading this, you may want to think about getting locums to sign an NDA with you so that they are unable to reveal their hourly rate to any employees. Whilst this is an extremely rare occurrence (and I don't think any of our locums would be unprofessional enough to do it), it obviously happens because we get the phone calls from salaried staff who tell us about it!

Locum Reality

The assumption from candidates that the world of locuming is nice and cosy, and there's all this work being offered to them, they get paid huge amounts of money and get plenty of time off. Whilst it is true that some locums are able to fill their year with assignments and get paid a good amount of money to do so, it is also not the case that this is a easy path to take for most.

Competition

To start with because it takes quite a bit of time to build up a reputation and get lots of repeat bookings. Without repeat bookings, you are constantly chasing assignments; chasing assignments involves competing with lots of other locums, everyone has their price and someone will inevitably have a lower price than you.

Consistency

Furthermore, if you have a mortgage to pay or ongoing commitments, then locuming is something you need to think long and hard about because there will be times in the year when you get no work. and if you get no work, you'll have no income.

Permanent Jobs Ruled Out

It is not that long ago that during the recession, locums started to look around for permanent work and when doing so discovered that employers don't like recruiting locums to cover permanent vacancies because they know exactly what's going to happen when the market picks up again (the locums are going to return to locuming). We had a lot of locums register with us back in 2008-2012 who simply couldn't find work because no one was prepared to employ them.

So in times of plenty, doing locum work is great. There will be assignments everywhere, and if you're able to travel and take the assignments, you'll get plenty of work and all will be good in the world.

However, if the market drops for whatever reason, then there are good chances that your work will drop and you'll suddenly find yourself unemployable. There are lots of horror stories that were not reported in the media during the recession last time round where solicitors who had been doing locum work had to take jobs working night shifts in Tesco, and other such similar roles. because there was just no work for them anywhere else.

Summary

So when candidates call us with this question about whether being a locum is more rosy and beneficial than being a permanent member of staff, we always talk about the stability that permanent work offers and the guaranteed consistency of salary. The fact is that locums do not have everything as easy as it might seem in that one week of work in a particular practice. There are benefits to being a locum, such as flexibility, choosing when to work, choosing when to walk away from a firm if you don't like them and working on a self-employed basis. Similarly there are disadvantages such as the lack of consistency of work, the frequency of work at certain times of the year, the travel required if office-based and the pressure that locums are under to a certain extent when stepping into a role they don't know anything about and dealing with office politics. It works for some people, it doesn't work for others and permanent can be so much better in terms of career progression and future stability.

If you would like a confidential (and impartial!) conversation about switching to permanent work or to locum work, please get in touch and we would be happy to help.

Charity Donation - £500 to Door 84 Youth Centre in York



Toby Hirst (Ten Percent) and Carole Pugh (Door 84)

In 2025 our donations included £500 to Door 84, a youth centre in York. Carole Pugh is one of the trustees of Door 84 and also an academic at York St John University, one of our transcription clients.

Door 84 Visit

Door 84 is a charity we have supported for a few years now, and we sent Toby Hirst, one of our administrators, to go and have a look around. His article on the visit is available here: <u>https://tenpercentfoundation.org/visit-to-door-84-in-york/</u>

What is this all about?

Ten-Percent Legal, Interim Lawyers, and Jonathan Fagan Business Brokers donate 10% of annual net profits to charity via the Ten Percent Foundation, a charitable trust set up by our group of companies to distribute monies to charities in the UK and Africa. We have been doing this for over 25 years. The Foundation never incurs any administration costs (other than Triodos bank charges, which are minimal). All monies donated are distributed to charities and community organisations. www.tenpercentfoundation.org

Why do we donate?

We set up our companies over 25 years ago with the intention of being ethical in everything we do. As part of this, we decided that a percentage of our profits should always be earmarked for charitable work and set the rate at ten percent. A sudden burst of inspiration meant we called ourselves the Ten Percent Group.

Nominations 2024

We received over 60 charity nominations from academic clients, business clients, locums, solicitors, transcribers (via our sister company TP Transcription Limited) and staff. We have a strict list of criteria concerning our donation available on the Ten Percent Foundation website. Donations tend to be within the range of £500-£2000 per charity per year. However, in the past, we have supported charities over a period of 5 years with donations going towards specific ongoing projects.

Peaceful Weekend Getaways in Shropshire

St Milburga Chapel in the Shropshire Hills is a cosy 4 person, Grade 2 listed holiday home in open countryside overlooking the Clee Hills. Renovated in 2022, it is approximately 10 minutes' drive from Ludlow with its highly regarded restaurants, cafes and independent shops. The chapel is perfectly located for family holidays (Ironbridge & Church Stretton nearby), weekend

breaks and walking holidays. 10% of profits are donated to the Ten Percent Foundation. Rated 4 star accommodation by Visit England. Website: <u>https://www.stmilburgachapel.co.uk</u>

About Ten-Percent Legal Recruitment

We are a specialist legal recruiter, covering both permanent and locum roles across the whole of the UK. Over 12,500 lawyers are registered with us on our own database and we have access to a range of external & internal job boards and websites where we do not have candidates available ourselves. We also assist with recruitment advice and assistance, regularly advising partners and practice managers on suitable salary and package levels. Our company is unique for a number of reasons, including the fact that we are not shy to publish our fee structure and also donate a chunk of our profits to charity each year. We offer unlimited permanent and locum recruitment for a fixed monthly fee or one-off fees depending on the job. We also buy, merge and sell law firms.

The Ten-Percent Group of Legal Recruitment websites gives 10% of annual profits to charity. We have maintained this tradition since we formed the company 20 years ago. So far over £225k has been donated to charities in the UK and Africa including LawCare, Unlock and Reprieve.

We hope you have enjoyed reading our newsletter and look forward to hearing from you if we can assist further.

Warm regards

Jonathan Fagan

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