

Legal Recruitment News - 7th April 2021

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Good morning and welcome to the April 2021 edition of Legal Recruitment News. It includes our legal job market report, locum hourly rates, careers advice and suggested interview answers.

Legal Job Market Report - April 7th 2021

Here is our summary of the current state of the legal job market:

Locum Recruitment - Very Busy

Shortage of locums prepared to travel into offices to work in all fields of law, particularly conveyancing and wills & probate. It tends to be the travel that puts locums off rather than the actual office environment, as well as the thought of requiring local accommodation for the professional travelling locums. New locums are coming on stream after leaving permanent roles (tends to be in April after giving notice in the New Year), so still availability. Remote working is still a possibility for a significant proportion of firms, but it will be interesting to see whether law firms completely return to office based work or whether options will remain open for some home working. Initial indications are that most firms will require the majority of the week in the office. Increase in demand in all areas of work other than employment and PI. Commercial fields in private practice and in house both picking up.

Locum assignment updates here: <https://www.interimlawyers.co.uk/category/locum-solicitor-updates/>

Permanent Recruitment - Busy

Busy - we had an exceptionally large number of new vacancies registered during March and the market has shown no signs of slowing down. Whether or not firms are successful in recruiting is another matter - lots of lawyers staying put for the time being and holding off from deliberations on taking a new position unless absolutely necessary. Vacancies have been posted in March for IP, family, commercial contracts, conveyancing (lots), private client, in house counsel, immigration, crime and litigation.

Vacancies can be viewed here: <https://www.ten-percent.co.uk/vacancies/>

Law Firms for Sale - Busy

Law firm market still busy. Every firm listed on our website has received an enquiry of some sort

since Christmas. Buyers include solicitors leaving larger firms to set up on their own, firms seeking expansion by acquisition and larger businesses buying up multiple law firms.

Full list at <https://www.jonathanfagan.co.uk/law-accountancy-firms-for-sale/>. For a confidential discussion please ring 01824 780937 and speak to Jonathan Fagan or email jbfagan@ten-percent.co.uk.

Ten Percent Legal Recruitment Statistics

General Statistics for March 2021 (comparison is with March 2020)

New permanent vacancies added: 63 (11)

New locum vacancies added: 70 (22)

New candidates registering: 81 (66)

REC/KPMG UK Job Market Report

(we are members of the panel contributing to this report)

Key Findings

Permanent placements decline again

Temp billings expand only modestly

Upturn in candidate availability slows sharply

Demand for staff broadly stable after drop in January

KPMG Vice Chair Comment:

“Business confidence remained subdued in February, with a further drop in permanent appointments and the lingering pandemic uncertainty still evident. The jobs market remains on hold with hiring decisions stalled, people reluctant to seek new roles and the growth in temporary billings has also slowed. However, it’s encouraging that it’s not seeing the big drop in vacancies or hiring that were seen in the first national lockdown. There’s a long way to go to rebuild confidence in the UK jobs market. But with the Covid roadmap to recovery in place and the Chancellor’s Budget announcement to further support businesses and individuals, there is reason for optimism for the UK’s future workforce.”



Hourly Rates of Pay for Locum Solicitors and Legal Executives

April 2021 Locum Hourly Rates - Solicitors and Legal Executives

NB: Remote Working Role rates are about 10-20% lower.

Child Care - £35-£45 per hour.

Civil Litigation – £30-£35 per hour.

Commercial Contract - £35-£75 per hour

Commercial Litigation – £35-£75 per hour.

Company Commercial – £45-£85 per hour.

Construction (non-contentious) £60-£75, (contentious) £45-£60 per hour

Conveyancing – £35-40 per hour (for new assignments).

Commercial Property – £37-£45 per hour

Employment Solicitors – £30-£42 per hour.

Family Solicitors – £30-£40 per hour.

In House Counsel: 0-3 years PQE – £30-45 per hour,

In House Counsel: 3+ years PQE – £45-105 per hour

In House Interim Lawyers (SMEs) - £50-65 per hour
Insolvency - £35-55 per hour.
IP - £50-80 per hour
Personal Injury and Clinical Negligence – 3+ years PQE – £25-£40 per hour.
Professional Negligence - £45-£55 per hour.
Wills & Probate – £35-£45 per hour.

We have an online calculator to convert hourly rates to salary equivalents [-click here](#).
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.

Locums covering more than one field of law

We often get partners of law firms contacting us to request details of locums who are able to do conveyancing and wills and probate, residential and commercial conveyancing, family and litigation, employment and personal injury, commercial litigation and civil litigation, and many more besides.

Sometimes we get requests such as a corporate commercial solicitor who is able to deal with shipping or a construction solicitor who is able to cover a little bit of family law, or a Lithuanian speaking wills and probate solicitor who is able to cover a family role in Ipswich for three mornings each week. You name it, we've heard the lot in terms of combinations!

Locums Cover One Area of Law

When considering getting locum cover for a fee earner, it is a good idea to bear in mind a golden rule of locuming which is that most locums only do one field of law. Those that do more than one field are highly likely to simply dabble rather than have any specific level of skill or experience.

Jack of All Trades

The feedback after a placement for some generalist locums covering multiple areas of law is that they could cover a file in one particular area of law well, but they were not able to do a lot with others. Of course there are some amazing multi-skilled locums out there (you know who you are!), but numbers tend to be very limited.

It is quite common for firms to get in touch with us to request details of candidates who are specifically able to cover for a fee earner who deals with various fields of law within the practice, such as residential conveyancing, commercial conveyancing, wills and probate and family law. By requesting someone to cover all these areas or anything more than one area you narrow down your choices so considerably it can often make it virtually impossible to recruit.

By way of example, we have about 380 active conveyancing locums registered with us and about 145 wills and probate locums. If you had a remote working wills and probate role available we would probably have about 10 to 15 interested locums. If you had a remote working conveyancing locum role available we would probably have up to 20 candidates for you to consider.

If you had a conveyancing and wills and probate role it is highly likely we would only have one candidate available on a remote working basis. If you transpose those figures into office based then you are looking at the possibility of having maybe one candidate anywhere in the country who would be available at a particular time to cover. Prices also tend to reflect this scarcity!

One or More Area? Book More Than One Locum

So the better way of thinking about locum cover if there is more than one area is to have a think about which is the more important area, and whether or not you can survive without somebody specifically covering the other area of law so that you can at least get a locum in to cover one area. Perhaps there aren't so many files in one of the fields of law and perhaps they can be covered by someone else?

Failing that, you could look at getting two locums on a part-time or ad hoc basis. The opportunities for remote working have thrown open much larger markets for available consultants who can assist, as more and more lawyers start to appreciate the benefits of working from home and assisting firms anywhere in the UK. This means that a consultant can be working for four different firms at once undertaking cases and not having to be tied down to one and working out of an office. This means that in an example where the caseload is primarily residential conveyancing but there is the occasional bit of wills and probate, you could outsource the wills and probate to a remote working consultant to cover and use the services of a residential conveyancing locum to deal with the property caseload.

This would mean that there was somebody able to check in and make sure everything was okay with the wills and probate caseload but not necessarily be working full or part time, nor be based in your offices.

Selling a Law Firm – what's it worth?

There have been a flurry of interested partners of law firms looking to sell up, whether through retirement, weariness, cash flow issues possibly, or just generally feeling that their business has taken its course and looking to move on to pastures new. We get a lot of calls into our offices asking what the practice is worth, and I thought this might make a good article for others to read.

Factors for Sale Prices

We will usually ask for the turnover of the practice, the rough location, the claims history, the price paid for their professional indemnity insurance, the areas of law covered, whether the practice is on lender panels if the work is conveyancing, whether they have CQS or LEXCEL accreditations and also what the partners' plans are for the future – instant retirement and run away, staying with the practice short term or medium term, or looking to stay on as a consultant or fee earner going forwards.

We then use this to give the potential seller an idea of deals we have experienced at similar sized firms in order to give the practices an idea of the types of value they could be looking at.

Rule of Thumb

As of March 2021 there is a very rough rule of thumb that can be applied to a substantial number of the law firms that are coming up for sale through us.

Simply halve the last year's turnover.

I cannot emphasise how rough this is, because there are so many other factors in play, but nevertheless it is as good as we can get it and probably more accurate than a good number of other formulae you can see online.

So if your practice is a CQS conveyancing firm, on most lender panels, good claims history (i.e. no claims), and partners willing to stop on in the short term either as consultants or fee earners with a turnover of £400k, then as a starting point you're probably looking at a sale price in total of about

£200,000.

It is not necessarily the case that you would get that £200,000 all paid upfront to you, and it is possible the buyers will try and negotiate a hard path down to making some or most of this dependent on future events. The rough rule of thumb applies to the total value, and whether or not your deal is cash paid on the date of completion or some cash paid on date of completion plus future payments, we would expect the price to be somewhere around that figure of 50% of last year's turnover.

The Evidence for the Rule of Thumb?

There is no science to this, no economic justification, no factors and percentages of profits, this simply seems to be the sort of levels that we are currently seeing when deals occur.

Back in the Day

We were speaking to a potential buyer today who indicated that she had sold a practice back in 2019 with a turnover of £270,000 and managed to get a cash price of £100,000 for it. I don't know what the circumstances of that sale were but that would mirror our own experiences of the market not being particularly busy in 2019, which seem to be in part affected by Brexit, but hotting up since then into its current state of a reasonable number of enthusiastic buyers, both large and small, looking to buy practices and to pay a cash sum for them.

Value to Every Firm

There is a value to virtually every practice that goes up for sale, although if your turnover was £10,000, your professional indemnity was £20,000 and you have had five claims in the last six months, your value is going to be close to or less than zero!

For a list of questions to prepare responses to for selling a law firm, please visit:
<https://www.ten-percent.co.uk/questions-to-ask-yourself-when-preparing-for-the-sale-of-a-law-firm/>

For our current list of law firms for sale please visit www.jonathanfagan.co.uk

Interview Question 45 – Do you need other people around to stimulate you or are you self-motivated?

Advice

A loaded question, as so many are! You need to make sure you are self-motivated to a considerable extent, so that you do not imply that the only way you ever do any meaningful work is if there are people around you telling you what to do. It is one thing to be a team player but another thing completely to be someone who needs other people to motivate you in order to get you to do things. It is possible that anyone who does well in a career or progresses rapidly within a company is able to motivate themselves to perform to the best of their abilities and does not need other people around them to do this. Obviously people need other people around them often to make sure they remain motivated and focused, but a lot of motivation and perseverance comes from within. Make sure you get this across and distinguish between the inference in this question that you may not be able to motivate yourself and thus succeed from the question as to whether you are a team player or a loner or someone who prefers to work on their own.

Examples of Answers

"I am a self-motivated person who works well in a team or individual environments. You can see

from my CV that I have had jobs in the past where I have been a member of a team as well as jobs where I have worked on my own. I enjoy being around others and working as part of a team but I am happy to motivate myself to succeed without needing others to encourage me to do so.”

IR35 - something to worry about (this is a repeat article)

We have had a number of enquiries now about IR35, which comes into law today for the private sector. Locums seem panicked by it a bit, and firms appear to know that there is something called IR35 but not exactly what it is.

To summarise - most law firms are exempt from IR35 and this is why:

Small companies are exempt. A company is classed as a small company if it meets two of the following three conditions:

An annual turnover of less than £10.2 million, a balance sheet total of less than £5.1 million and fewer than 50 employees.

This applies to most law firms in most sectors and hence the IR35 rules will not usually apply. In these cases the contractor remains responsible for determining their own tax position.

Please note that this article is not intended as tax or legal advice to be relied on - simply our thoughts.

IR35, for those not in the industry, is a tax rule related to 'off-payroll working' and is all about levelling up tax contributions so that self-employed workers in theory pay the same as employed workers. It is therefore relevant to locums working in law firms and in house legal departments.

A change is coming in from April 2021 - from the 6th April the clients/fee payers will be responsible for managing IR35.

Firms will be required to state whether a role is 'outside of IR35', which will mean that the assignment in their opinion falls into the definition of self-employed work and will be paid gross/in full, or 'inside IR35', which means that it is caught by the legislation and hence net of tax and national insurance.

If a role is 'inside IR35' then it means that the hirer has decided that the worker is not truly self-employed and therefore will have to have NI and PAYE tax deducted from any payments made.

The rule has been applied to the public sector for some time and has caused a few nightmares for contractors, pushed up prices and made it harder to find temporary workers willing to shoulder the extra tax burdens that are passed onto them as a result of the legislation. This is particularly the case where hirers have applied IR35 rules on a blanket basis, mainly to avoid any future issues with HMRC and pass the burden of any unpaid tax onto the introducing agency or the contractor.

However... the main point if anyone talks about IR35 (and we are hearing the term used a lot by some locums!) is that it does not apply to smaller sized companies and hence does not become an issue.

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Blanket Assessments

We have come across local authorities and larger companies who will simply state that all their assignments are going to be inside IR35, regardless of actual status of the contractors in question. This has caused issues. The REC (the recruitment industry trade body) has produced the following list of reasons why this is a very bad idea. I am not sure some of them are particularly good arguments, but here it is..

The regulations require you to assess contractors on a case-by-case basis. So, if you're assessing everyone the same without looking at people as individuals and how they provide their service, that's not right.

Contractor relations affected. Contractors are rightly concerned about their tax liabilities if you're just making a blanket decision without considering what they actually do, or have done in the past. For example, contractors who have worked without supervision and have autonomy being classified as same as those who have worked under the direct supervision of the client. It would be understandable for contractors to feel undervalued and at risk.

Future litigation. Contractors will be able to take clients and agencies to court to claim back costs of wrongly working inside IR35. So not looking at contractors individually could have a big financial consequence later on.

Complex supply chain. If you're forcing your contractors to go PAYE, they may go through different routes to achieve that – direct employment or using a so-called umbrella company or even a sole trader. That will make your supply chain more complex and compliance more difficult to establish.

Additional benefits. There are regulatory changes that come with moving people to PAYE as they will have more legal entitlements. For example, you'll need to think through the Agency Workers Regulations and treating staff equally with your own employees on pay, hours and holidays.

The CEO of the REC finished his article with the following quote:

"There's a moral to this story. Just because the government hasn't thought through IR35 properly doesn't mean you should follow their example."

Here's hoping that the legislation never applies to smaller businesses!

Links:

<https://www.gov.uk/guidance/private-sector-off-payroll-working-for-clients>

<https://www.rec.uk.com/recruiters/legal/ir35>

<https://www.paystream.co.uk/helphub/ir35/articles/ir35-mythbuster-3-the-small-company-exemption/>

Charity Donations 2021 - £24,000 Fund - Suggestions

Welcome

The Ten Percent Foundation bank account currently has over £24,000 sat in it, which means that it is that time in the year again when the trustees of the Ten Percent Foundation meet to discuss our donation of 10% of the annual profits of the Ten Percent Group of websites.

Our donations meeting has been delayed last month due to trustee illness so we can still consider suggestions put forward over the next week or so. All current suggestions will of course be considered - thank you to all the firms and solicitors who have put forward ideas for donations - most appreciated.

We avoid charities with top heavy staffing & admin costs and welcome any suggestions from clients, candidates and general readers of our newsletters. We particularly like small charities with limited funds. Examples of donations made over the past 20 years can be found on our website at www.tenpercentfoundation.org. To suggest a charity please email Jonathan Fagan at cv@ten-percent.co.uk. We consider all requests very carefully.

Career Coaching & CV Review Services - free and paid

Ten Percent Legal has been coaching lawyers and reviewing CVs for over 20 years. We have worked on CVs at all levels of experience, from law students through to senior partners.

This is a guide to our services, both free of charge and paid. [Testimonials for our careers services can be found here.](#)

CV Reviews

We provide free CV reviews, providing you are willing for us to post our review live on our website - example of a recent one is here: <https://www.ten-percent.co.uk/cv-review-commercial-paralegal-with-experience/>

We review CVs as a paid service (£64.99) and application forms for all kinds of legal work (£75). We will review your CV or form, provide full feedback and suggestions on how to improve it as well as any additional follow up advice needed. [Details here.](#)

Career Coaching

We are offering a career coaching session with one of our consultants for a fixed price. One hour consultation by Zoom, usually on a Monday morning. We are always happy to answer any questions by email at no cost (we post our answers on our blog). [To request a session please click here.](#) Feedback on our legal career coaching service (established in 2001) [can be found here.](#)

CV Guides - no charge

CV Guides - [take a look at our CV guides](#) - all available at no cost online. <https://www.ten-percent.co.uk/cv-advice/>

Articles include: CV Myth - fitting a CV onto two pages, 20 second guide to writing a CV, Adding Extra Value, CV Writing Tips for Senior Solicitors (if you don't bother reading this it basically says write a lot more!), CV Writing for NQ Solicitors, Skills Sections, 5 Common Mistakes to Avoid, CV Writing for Locum Work, Avoiding Waffly Nonsense, Lying on CVs, Applying for Jobs after 25 years in the same role and many, many more. We have been writing CV guides for almost 20 years so there are quite a few.. Full index here - <https://www.ten-percent.co.uk/cv-advice/>

Low Cost Recruitment for Solicitors - Ten Percent Unlimited

Recruit as many staff as you like over a set period of time (3 or 5 years) for a low monthly fee starting at just £65 plus VAT. We offer this service to law firms and accountancy practices. There

are no restrictions on numbers and no other similar services exist in the recruitment industry. You can save £000s on your ongoing recruitment. Includes unlimited job posting on www.chancerylane.co.uk. Interested? Call Clare Fagan on 0207 127 4343 or email clare.fagan@ten-percent.co.uk. www.tenpercentunlimited.co.uk.

How to be a Locum - pdf guide

We have produced a guide on how to be a locum. This includes sections on getting work, realistic expectations, hourly rates, popular fields of law, payment, insurance, umbrella companies and much more. Available for download or to read online from www.interimlawyers.co.uk.

Outsourcing Typing

TP Transcription Limited is our subsidiary company offering outsourced typing work by legal and medical secretaries since 2003. We work on thousands of hours of recording every year for law firms, companies, the NHS, academic institutions and individuals and are preferred suppliers to a number of institutions. Try the service out - email your recording to anna@tptranscription.co.uk, upload your file using our secure systems at www.tptranscription.co.uk or call 01745 813306.

About Ten-Percent Legal Recruitment

We are a specialist legal recruiter, covering both permanent and locum roles across the whole of the UK. Over 11,000 lawyers are registered with us and we have access to a range of external and 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 and sell law firms. We donate 10% of our profits annually to charity, hence our name.

We have three recruitment consultants, Jonathan Fagan, Clare Fagan and Peter Gresty. As a team we have over 40 years of experience in the legal profession.

Ten-Percent Legal Recruitment also owns Interim Lawyers, a specialist locum service. We operate an outsourced UK based typing service as well – www.tptranscription.co.uk and are preferred suppliers to a number of institutional clients and law firms across the UK and overseas.

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 £125k 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

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