

Legal Recruitment News - 12th April 2022

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Good morning and welcome to the April 2022 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 2022

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

Locum Recruitment - Busy

Numbers of locum roles coming into the company have remained higher than usual and still steady. The conveyancing market is still very busy in most areas of the country, but we have had reports of it quietening down a bit by some firms. Another source of work remains the current permanent recruitment shortage - very few candidates available and looking for permanent work (see below). This has resulted in longer term locum contracts.

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

Permanent Recruitment - Very Busy

Salaried role work is very busy, and we have now seen an increase in new candidates registering with us for the first time in many months. This does not mean however that candidates are specifically looking for new jobs necessarily. There is still a lot of uncertainty for candidates who are being very cautious about when to make a career move and the second is the lack of catch up yet with the shift in work culture across wide sections of the market. Many firms are returning to full time office based work, but employees have got used to much more flexibility and hold out for remote roles.

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

Law Firms for Sale - Busy

Existing deals seem to be taking a lot longer to complete than anticipated at the moment but we are seeing numerous new enquiries coming through and an increase in the number of firms for sale, in

part because we are growing as a business but also because more partners are considering retirement and new entrants are struggling to get reasonably priced PII so looking to purchase an existing firm to get going.

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

Ten Percent Legal Recruitment Statistics

General Statistics for March 2022 (bracketed number is for March 2021)

New permanent vacancies added: 61 (56)

New locum vacancies added: 54 (39)

New candidates registering: 76 (79)

KMPG and REC Report on Jobs April 2022

Summary:

Permanent staff appointments rise at slowest rate for a year

Labour supply falls rapidly, driving record rise in starting salaries

Overall vacancy growth hits six-month high

Comment from KPMG

"There's no end in sight to the deep-seated workforce challenges facing the UK economy. Once again this month, job vacancies are increasing while there are simply not enough candidates in all sectors to fill them. With fewer EU workers, the ongoing effects of the pandemic, the economic impacts of the war in Ukraine and cost of living pressures, many employers will continue to struggle to hire the talent and access the skills they need. With unemployment staying low, there are many great opportunities for job-seekers to join or rejoin the workforce in all sectors."



Hourly Rates of Pay for Locum Solicitors and Legal Executives

April 2022 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 – £50-£90 per hour.

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

Conveyancing - £32 per hour and upwards (£35 the usual base rate). This will increase next month.

Commercial Property – £35-£55 per hour

Employment Solicitors – £28-£42 per hour.

Family Solicitors – £30-£40 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) - £50-£75 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 – £40-£55 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.

What is my law firm worth?

We often get contacted by partners and managers of solicitor practices in the UK, wanting to know what their business is worth. It may be that somebody has approached them to ask them if they want to sell, or it may be that they are looking to retire and one of their colleagues is keen to take over the practice. Similarly, they may have been in negotiations or discussions with a potential buyer and the buyer has asked them what they actually want for the business.

This is one of the hardest questions to answer if you are the owner of a business and need to come up with a figure as to the potential value of it.

No Easy Way to Value

One of the problems with solicitors' firms is that despite accountants' assertions, there is really no hard and fast way of calculating the value of a law firm without going through in quite a bit of detail what exactly that law firm consists of.

This is markedly different to other professions, where a factor can be applied or there are ongoing fees, for example in the case of accountancy practices. These companies are fairly straightforward to put a value to because a potential buyer can see that there is a value to the business going forwards, and it can be realised.

Law firms are very often a collection of small groups of lawyers servicing clients as and when they need help, without any ongoing fees in place, very few assets such as fixtures and buildings and no guarantee of anything much once the business has sold and the seller has departed.

This is made even harder in the case of a firm where the owner is retiring and leaving the practice completely. In these cases, the seller walks away potentially with all the goodwill attached to them and not to the practice they are selling.

Disposals v Sales

There are quite often law firm sales that are not sales in the sense that the person buying the practice is not actually paying any money for it, but instead taking over the liabilities and responsibilities that the practice had. This of course is because of the strange anomaly in law firms compared with quite a few other professions, where solicitors have to pay run off cover to their professional indemnity insurance brokers to cover any future losses if a claim arises after the practice has closed down. It is usually valued at somewhere between 2.5 and 3.5 times their annual indemnity insurance premium, albeit paid over a period of 6 years, but still quite punitive.

So, the question any potential seller needs to ask themselves is not what their practice should be sold for, but rather how the deal should be structured.

Deal Structures

This is because very often law firm sales are not a simple matter of a buyer handing over cash to a seller and acquiring the firm. It is more often the case that in the event of a sale, the buyer will either agree a favourable lease, offer a consultancy, pay a salary, require the seller to commit to the practice for a period of time, pay a sum over but have this contingent on a specific event occurring, and it is probably this question that needs to be dealt with rather than an actual figure to give to the buyer.

There are of course advantages to this as well, because if a seller indicates to a buyer that they want £200,000 for a practice and this immediately makes the buyer walk away, negotiations have finished. It may be that in that particular case a deal could have been struck where £75,000 of this money was paid up-front in cash and the rest was paid in the form of a consultancy over a period of two years. This would make the deal a lot sweeter for the buyer than the initial demand for an actual lump sum. The seller may well be comfortable with this in the circumstances, particularly if they have not had any other offers, but to actually counter an offer in this way automatically means that no deal occurs, and everyone walks away.

We have come across instances where deals could easily have been struck between two parties, but because a seller has come up with a required figure for the buyer, the buyer has immediately walked away thinking it was way too expensive, whereas if a deal had been done where a favourable lease was granted, a consultancy payment was made and commitments were undertaken to certain future events, then the whole thing could have been progressed and a deal could have gone through.

This also applies of course to buyers indicating low offers to sellers, and we often get contacted by our sellers, literally spluttering with rage because a buyer has put forward a deal that they think is ridiculously low and insulting to all the efforts and value they have put into their practice.

However, in the cold light of day it may well be that that particular deal can be very lucrative for the seller, but because there is no cash payment being put forward right at the start of a particular high value, the seller has immediately felt affronted and walked away without any further consideration.

It is for these reasons that I repeat the assertion that any seller ought to be thinking more about how to structure a deal than how to actually come up with a lump sum for the value, because this is going to be more interesting to any buyer, and also generate more negotiations than an actual lump sum figure.

Our Services

We can offer valuation services based on recent deals, and deals we have been involved with rather than just figures we are plucking from the sky based on valuation methods. We offer a more detailed service than our basic service which will give a full valuation from different approaches prepared by a qualified management accountant as well. If you would like a valuation of your law firm or would simply like a discussion with us as to the value, please get in touch.

CV Myth Exposed – Fitting a CV onto 2 Pages

There are a lot of resources out there from outplacement companies, CV advisers, HR consultants and recruitment consultants who all claim to be experts on writing CVs but who advise their clients to fit their CV onto two pages. They explain that if it is on more than this, people do not read it and that this is the recognised length of a CV.

This is absolute nonsense. People with a 25 year career history at partner level with six to seven different roles regularly try to cram the whole lot into two pages and fail abysmally to get across anything about themselves or their skills and experience to a potential employer. Less than 20% of the CVs that come into us are on two pages and the vast majority of these are only on two pages because an outplacement “expert” has advised them to do this.

In the legal profession, quite a lot of more experienced solicitors often do not realise the importance of having a very detailed CV that reads more like a business development plan than a 1 sentence list of each firm they have worked for. It really can make all the difference.

The evidence to back up a longer CV is as follows...

Recruitment Techniques have changed

I have spoken to redundant HR managers who have said that it is quite right that two to three years ago, if a CV was longer than two pages, they would simply rip the back pages off and keep the first two or consign the whole CV to the bin. This is across a whole range of industries and not just in one specific area.

The key point here is that the HR managers were able to rip the back pages off and this is the difference between recruitment even a few years ago and now. Most recruitment is now done online, whether you are applying to large or small companies. If the company is small, it is likely your CV will remain as an email attachment and not get printed off unless somebody wants to interview you. If the company is large, it is likely they will have the same software as recruitment agencies, which involves pressing a button on receipt of the CV and processing the CV straight into a database where it will never actually be seen by anybody unless you have a link to a specific post.

To give a specific example of this, if I am looking to recruit for argument's sake, a civil litigation solicitor in Lincoln to work in a medium sized practice, I may advertise the vacancy on the job boards such as Chancery Lane, Totaljobs, Jobsite and Reed, but it is more likely I would search my database of candidates as a recruitment consultant first. It may be that I have 700 civil litigation solicitors registered with my agency, but using the keywords indicated, specifically if there was an employer the client wanted us to concentrate on in terms of sourcing quality candidates, I could use additional keywords such as the location, length of experience, type of work covered and any particular company names that might appear on the CV. If you have a CV of two pages, it is possible that you are going to miss off bits of information from the CV that may get it picked out in such a search. This leads me to my next point, which is that if you have a CV that is full of keywords, it is more likely that you will be identified in any database searches, whether these are done through the company's own database or through a job site.

Keywords are the “key”

The number of keywords on your CV dictate how likely it is your CV will get picked up in some circumstances. To give two specific examples of this and the one I like to regale in career coaching sessions is the recruitment a company undertook for a large multinational with plants across the world. We got sent a job specification through for a senior management position, paid for access to Monster and Totaljobs, instructed a third party to sift 7,500 CVs for us to determine who were the most suitable candidates, and highlighted the most relevant five to six to contact further. The candidate who got the job had posted his CV onto Monster two and a half years before we came to search for it and was not currently looking for work. The only reason his CV came out at the top and meant that we contacted him first was because on page seven of his CV he had the word Norway from a post he had held in the early 1980s in a completely unrelated area (a DJ), which was one of the areas that the multi-national had a plant and were expecting, ideally, someone to have experience of working in. If that particular candidate had not had seven or eight pages of detail

concerning his CV, there is no way he would have been selected for that position in one of the key positions.

To summarise, there are two main reasons why a CV should be longer than two pages. Firstly because there is no reason to keep a CV to two pages anymore as on the whole, they are not printed out and secondly, because the vast majority of recruitment now is done using keywords and if your CV is keyword light, it is very likely that you are going to get overlooked for positions you otherwise may have been ideally suited for.

How not to offer equity to a junior partner or member of staff

We regularly get approached to provide valuation reports and advice to law firms and other businesses on offering equity stakes to members of staff or junior partners or salaried partners.

Here is our guide on how **not** to offer equity.

Decide your practice is worth considerably more than it is, and indicate a figure based on your assumptions rather than reality

This is very common and we see it time and again – owners of firms think their practice is worth considerably more than it is because they have either had an accountancy valuation based on a formula, or they have decided themselves what they think their practice is worth based on things they may have read on the internet, and therefore pitch their offer for equity at a level they think is reasonable, but the rest of the world probably thinks is utterly insane. Always base your offers of equity on reality and not on figures you would like to see.

Tell the junior partner how lucky they are that you are offering them equity

This is a similar mistake that partners make, because they have been partners themselves taking equity for many years, they see the benefits and they see how generous they are being to a potential new partner to come in to the partnership. Simply offering somebody equity is considered to be a huge benefit.

Unfortunately, members of staff and salaried partners do not see this in quite the same way. Firstly, they are suspicious as to why you are thinking about offering them equity in the first place – are you running out of money, and are you in need of new investment? Secondly, they are wondering why they would want to take an equity stake with your firm when they will then become liable for all the costs and errors of the business.

A substantial proportion of staff do not under any circumstances want to take equity, because they are absolutely terrified at the thought of what could happen if something goes badly wrong in the practice.

There are indeed lots of horror stories about junior partners being hauled up before the SDT because of something the more senior partners have done that has absolutely nothing to do with the junior partners, but because they have taken equity or taken a stake they are similarly liable for the mistakes made. You need to approach this whole thing that the person taking equity is probably doing you the favour rather than vice versa.

Tell the junior member of staff of all the extra things you are going to give them to do when they become an equity partner

Again, this is very common and easily done because you are thinking down the wrong route. In your

mind, you think you are doing the person a favour by offering them equity, and in their mind they think they are doing you a favour by taking equity. If you then add to this by saying you are going to give them lots of extra work to do and lots of extra responsibilities, then you can perhaps forgive them for being slightly hesitant about taking on the role.

After all, someone taking equity is likely to be foregoing some remuneration in return for future increased remuneration, and they are probably thinking what is in it for them. They probably also see you working incredibly long hours to deal with all the administration work, and if you start indicating there are going to be lots of extra duties they will then be wondering if these lots of extra duties will require them to work lots of longer hours and very little reward. Think very carefully about instantly offloading all the things you don't want to do onto the new equity partner.

Refuse to show your junior partner all the accounts when asked

Believe it or not, this does actually happen and I have come across it in practice. Firms think that because they are doing the junior member of staff a favour, the junior member of staff should take their word for it that the practice is in a good financial state, and when the junior member of staff asks them to provide full information and disclosure on accounts and further details about the firm, they immediately get very defensive and refuse to provide it.

This is a very bad idea, and you need to be appreciative that someone buying equity in your firm is going to want their own independent adviser to come in and look at the books.

NB: if you are a junior member of staff looking to buy into a practice, you need to bear this in mind and think very carefully about appointing an accountant and potentially a business adviser to come in and take a look at the firm to form a judgement as to its present state.

This is something we can assist with by the way, and if you do require our help, please get in touch.

Make sure, if you are the partners providing the junior member of staff with equity, that you give them everything they ask for and also make everything easy for their professional advisers to obtain the information they ask you for. Do not be defensive at all, and if there are any discrepancies or issues in the accounts, highlight them and explain them so you are not on the backfoot when they arise.

Fail to appreciate the word 'risk'

Quite a few firms completely fail to understand the risk that a new investor is taking when it comes to acquiring an equitable stake. You must factor in the potential risk to any prices you indicate for purchasing the equity. It is no use just valuing a practice at say £500,000 and then offering a 20% stake for £100,000 without actually appreciating that the person taking the 20% stake is going to be also taking a risk in putting that money into your firm. The risk has to be factored into the price, and failing to do so is going to make it difficult to secure the partner.

Not looking at the end game

The difficulty with finding new partners to join your business or to invest in it, is very underestimated. We come across so many businesses where the owners have failed to find younger and more junior members of staff to come in and take the practice or business over, and they end up in desperate situations, closing down the business or simply handing it over to someone else in order to get out. If they had started looking a long time before and been appreciative of the benefits of having a more junior member of staff invested in the business, then it would have meant a lot more chance of continuity going forward and achieving a value when they come to exit.

If you do not appreciate how hard it is to find someone willing to invest in your business, then you are probably going about this in the wrong way. Whilst you think your business is a wonderful asset that anyone should be grateful to come along and take a percentage stake of, it is not the view of someone who is looking to put money into a business. It is more likely that someone looking to put money into the business will be considering the favour that they are doing you, because they know that in the future you are going to want to either downsize your time in the business or sell up and move on, which will leave them with the business. Indeed, we get telephone calls for example from junior partners of law firms, where they are very worried that in five years' time most of the partners will have retired and they will be left with the practice without any way out, and a need to pay the runoff cover.

It is really important to look after the potential equity partners of your business, and to appreciate them, as this will be the future of your company and will in all likelihood offer you a good way out in future if you choose to reduce your hours working in the business or simply to retire and sell it.

Summary

In summary, finding investors to buy into your business is always difficult, particularly if you are well-established and they cannot see a huge demand for future growth, rather than just a consistent business, and it is really important to go about offering equity stakes in a generous way so as to ensure success.

We are very happy to assist with any queries, valuation reports, structure of deals, suggested prices for equity stakes, suggested future plans for a partnership where one of the partners is looking to retire, and any other assistance we can provide via our services. For full details, please get in touch with us via our website.

<https://www.jonathanfagan.co.uk>

Attaching Time Limits to Job Offers

Recently we have had dealings with a firm who are very well known and established, and have a good reputation in the market place.

However the firm have made an offer to one of our candidates and pushed slightly too hard, such that the candidate rejected the offer. I should start by saying that I understand entirely why firms would want to put a deadline on an offer and also push a candidate to get a decision one way or the other, and all recruitment consultants have dealt with those candidates who claim to be thinking about it but in reality are not bothered or using the offer to ramp up their salary at their current firm.

However, as soon as a firm sticks a time limit on an offer I can almost always see the writing on the wall – either the candidate will reject them immediately on the basis that they wouldn't want to work for such a pushy employer, or the relationship between the candidate and the firm will be shortlived – the candidate will always remember that they were pushed by the firm, and bears a grudge!

A better way to deal with the situation is to set a deadline from the outset, and then after that date indicate that there are other candidates out there who you need to interview. This is less confrontational, and can be the gentle nudge needed to push the candidate into making a positive decision. After working in recruitment for a number of years you do start to get a sense of *deja vu*!

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 (£65) 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 and some of our member firms have been using the service for over 10 years. 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 Translation & Typing

TP Transcription Limited is our subsidiary company offering outsourced typing & translation work by our team of over 200 secretaries and translators. Established in 2003, we work on thousands of hours of recording every year for law firms, the NHS, academic institutions and individuals. We 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 four recruitment consultants, Jonathan Fagan, Clare Fagan, Peter Gresty and Emma Ireland. Jonathan is a non-practising solicitor and Emma is a law graduate. 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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