

Legal Recruitment News - 9th December 2020

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Legal Job Market Report - December 9th 2020

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

Permanent Recruitment - Quiet

It remains quiet on the permanent side. We have had a few phone calls from partners to say that they are being inundated with CVs for permanent candidates from recruitment agencies so clearly the market is really busy. I suspect the reality may be that the recruitment agencies don't have a lot of work on so have the time to bombard law firms with CVs for candidates they have had on the books for a long time..

Locum Recruitment - Busy

Locum recruitment has been much busier than usual in November. We have seen a shortage of conveyancing locums prepared to travel to offices to work in the last few weeks and have struggled to fill office-based assignments as far apart as the East Midlands, Greater Manchester and the South Coast. Still pre-Xmas remote availability for conveyancing. New Year assignments - plenty of availability in all areas of law. Family locums are in short supply at the moment, but all other areas have plenty of locums looking for work in the New Year.

Law Firms for Sale - Busy

Law firm buyers remain active. In a nutshell sellers seek buyers with lots of cash, buyers seek sellers looking to hand over their firms for nothing. Our job as brokers remains to bring the two sides back to reality (I generalise of course!). Still a busy market with plenty of genuine buyers coming through for the right deals. New to market - a PI/Property firm in Lancashire. Drastically reduced sale price on a Bristol firm looking to sell up quickly by merging. Family legal aid firm in London wanting to sell before 31st December or close down.

REC/KPMG UK Job Market Report (we are members of the panel contributing to this report)

Key Findings

Modest reduction in permanent placements.....but temp billings continue to rise sharply.

Redundancies lead to further marked rise in candidate numbers.

KPMG Vice Chair Comment:

“The continual reluctance to recruit permanent staff and a further marked increase in people available for work, leaves the UK jobs market teetering on a precipice. However, looking ahead, there is reason for optimism with the welcome vaccine news, although challenges remain as the recent lockdown, new tier system and impending Brexit means it will be a long road back to the UK jobs market seen pre-Covid..”

Ten Percent Legal Recruitment Statistics - November 2020

General Statistics for November 2020 (comparison is with November 2019)

New permanent vacancies added: 25 (19)

New locum vacancies added: 20 (10)

New candidates registering: 63 (72)



Hourly Rates of Pay for Locum Solicitors and Legal Executives

December 2020 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 – £28-35 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 – £30-£35 per hour.

Commercial Property – £35-£45 per hour

Employment Solicitors – £30-£45 per hour.

Family Solicitors – £32-35 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) - £55-65 per hour

Insolvency - £30-60 per hour.

IP - £50-85 per hour

Local authority rates: variable.

Personal Injury and Clinical Negligence – 3+ years PQE – £25-£40 per hour.

Professional Negligence - £45-£55 per hour.

Wills & Probate – £35-£50 per hour.

NB all rates exclude agency fees. The rates are for self-employed locums billing firms directly on a weekly basis.

Law Firm Valuations

There are lots of different ways of valuing law firms. One is to put a finger in the air and see which way the wind is blowing, another is to calculate how much money it would take to persuade you to go into early retirement. Accountants and Business Brokers will all queue up to give you a figure

and charge upwards of £2,500 plus VAT, others will apply rules of thumb to produce a more generalised valuation which will involve using an industry factor, but in our experience each law firm is different and the way each law firm is valued is usually completely different, so most of the valuations you will get will either be figures you want to hear or way off the reality if you were to sell.

There is a quick guide online to the different techniques used to value law firms here:

<https://www.simplybusiness.co.uk/knowledge/articles/2018/05/how-to-value-a-business/>

For those who like to see examples of values of law firm sales, here follows our very (very) guide for values for law firms.

Scenario 1

A solicitors firm, sole practitioner, turnover £75,000, established 10 years, full claims history, no claims in the last five years, one member of staff, leased offices with five years left on the lease, subscriptions to a case management system and legal reference service (e.g. Lexus Nexus), full accounts available for the past three years and a PII premium of £5,000 per annum.

If you were to ask me to value this practice, I would say that chances are the practice would achieve a sale in the region of about £45-50,000 as a cash sum, or some kind of deal involving a cash sum of about £25,000 but with an arrangement involving either consultancy payments to the owner or a percentage split on cases coming in for a period of time, say 12 to 24 months. If you were set up as a limited company this can help if a buyer urgently needs to buy a law firm with limited company status (its easier to complete the transaction this way). If you have a specific work type – so for example in this case if most of the work was conveyancing and the practice was on as many lender panels as possible – this would add value to the overall price.

If this firm had claims against it in the last five years, it would probably have virtually no value at all other than the work in progress (WIP).

Scenario 2

Three partner solicitors' firm, set up as an LLP with a turnover of £400,000. High street practice undertaking conveyancing, wills and probate, commercial property, family and general civil and commercial litigation. One partner looking to retire, the others planning to remain as consultants, firm on all the lender panels, 10 year lease, five staff for TUPE, good claims history, 20 years established. PII premium of about £15,000.

We would expect a sale for this type of practice to be somewhere in the £200-250,000 bracket. This would invariably involve a consultancy arrangement with the remaining partners, on top of this going forward, all salaried senior roles, tied in for a period of either 24 or 36 months. The remaining partner would need to be bought out on top of the cash price paid for the practice, and all liabilities taken over at the point of sale. Sales of this type of firm can take a considerable amount of time.

Not the easiest firms to sell as buyers are dependent on the goodwill connected to the outgoing owners. Buyers tend to be traditionally hesitant spending this kind of money on something that has been built up by a couple of partners without employing senior staff who can continue to run the firm if the partners retire. Good sized personal injury caseloads or ongoing conveyancing work can make it an easier sell.

As a quick aside, this is one of the reasons why it can be such a good idea when running a business in any field, to try and detach yourself from it as best as possible so as to achieve a sale at some point in the future. We know how hard this is because we have the same problem ourselves and our directors are fully involved in all aspects of our businesses which one day will make it quite hard for us to sell some of them! However, this has to be the aim of most businesses – find yourself

someone else who is able to run the business whilst you concentrate on the management side of things.

Scenario 3

Three office practice, 25 staff, £1.5million turnover, a claims history involving claims going back over 10 years, two offices, one freehold, one leasehold, mix of work including all high street matters (conveyancing, wills and probate, commercial property and litigation). Two partners looking to retire, other partners planning to remain as consultants but not wanting any responsibility.

This type of practice can be the hardest of all to value because of the sheer number of variables that are involved. Take the staffing numbers as an example – if anybody takes this practice over, they are dependent on those staff remaining, and also continuing to be an economically viable unit. It may be that the partners have been doing all the work and some of the staff are unnecessary, but you won't know this until you take the business over. Whoever takes over the business is also taking a huge amount of liability on at the point of sale, because they're suddenly going to be hit with a rather large wage bill as well as ongoing costs. It is for this reason that usually this type of practice is virtually impossible to value.

However I would imagine that an overall deal price for this particular practice would probably be in the region of about £375-500k if it had no claims, but potentially with the freehold of the one premises on top. I think the price would definitely be extremely discounted to take into account the claims in this particular scenario.

Summary

The bottom line is that law firms have so many factors affecting their value that they can be virtually impossible to put a value on when it comes to sale. Limited companies sold in a low price band seem to attract more interest amongst buyers and so do ABSs (alternative business structures). The ABS structured firms are often asked about by non-lawyer buyers and seem to get quite a lot of interest. However very often non-lawyer buyers fail completely to appreciate the amount of regulation that is involved in running a law firm and get scared off as soon as they start looking into it in a bit more detail, so although ABSs are in more demand and attract a higher price, I think at times it can be harder to sell them.

If you would like a valuation of your law firm, please get in touch and we would be happy to have a discussion, whether in confidence and informally on the telephone or a written opinion. Jonathan Fagan - 01824 780937 or jbfagan@ten-percent.co.uk.

Getting Your Legal CV Noticed

Writing a CV and applying for a legal job can be a very simple thing to do, but writing a CV for a legal job and getting it noticed by a potential employer is a different matter entirely. We see CVs everyday from former senior partners, solicitors who have just qualified, paralegals, secretaries and everybody else looking at legal jobs, but what particularly makes a CV stand out?

Relevance

This is the one major bit of information on a CV that makes it stand out above all others. It is something that law graduates very often fail to appreciate and think, for example, that any legal experience they have is going to be of huge interest to anyone who's a lawyer. The same applies to qualified solicitors who can be notorious at applying for a job they may or may not be suited for, but failing completely in their CV to give any evidence at all that they've actually done any of this type of work before.

So relevance is the one thing on your CV that can make you stand out above all others - but how do you get your CV to be relevant?

Firstly, you have to make sure that your CV fits to the job that you are applying for, and you have not simply sent a CV in without actually matching it up to the role. Read the job description carefully, and tried to mirror what is said in the job description either in the summary at the top of your CV or in your work experience if this is possible.

Obviously if your CV is not relevant at all then you cannot fudge it so that it fits, and this is another thing that sometimes lawyers fail to appreciate – you cannot just apply for a job because you think it would be a good fit for you when you do not have the necessary skills or experience to be considered.

Remove Waffle

This is a bugbear of ours and something we have constantly written advice articles on for many years. It does not matter who you are and at what level of experience you are at, but writing waffle on your CV simply switches off the reader.

By waffle we mean words such as: “developing”, “capabilities”, “persuasive techniques”, “good rapport”, “teamwork”, “good communication”, “outstanding achievements”, “hard worker”, “achiever”, “extraordinary” and so on and so on. I know that a lot of academic careers advisors have recommended things like this on CVs because they want to emphasise the fact that you are trying to sell yourself to an employer, but I get the feeling at times that none of them have ever been an employer looking at a CV with a view to employing someone.

Our opinion is that a CV should be factual, straight to the point and include evidence and information relevant to a role only, and nothing that is subjective or just plain waffle.

Go through your CV and take out anything that you cannot back up with evidence, and have a think about what you would class as essential and what you have just included to fill in some space.

Personal skills sections can be the worst for this, and also summaries at the tops of CVs or personal descriptions or similar. If you have been advised to include a summary at the top of your CV, make sure it is only factual. So for example, “a conveyancing solicitor with four years PQE used to dealing with leaseholder enfranchisement and new builds, looking for a role within 20 miles of Chelmsford, Essex. Salary levels £45k, notice period three months.”

Now contrast this with “a gregarious and outgoing individual capable of good teamwork, hard work and possessing a good sense of humour. Looking for conveyancing work and prepared to work hard.”

You can see that in the first example I have given you everything you need to know about the CV in less than three seconds of reading, whereas in the second example anyone reading the CV will need to go all the way through it to establish what you’re looking for, what your experience is, and probably also come back to ask you various questions having received your CV.

If you follow these two points alone, your CV will stand out a mile compared with some of the terrible CVs we read every day of the week. I haven’t got on to the CVs where experienced lawyers don’t bother to include anything other than their name and the fact that they’ve worked for 35 years, but that’s a different article...

70% of employees request flexible or remote working

A PR company has issued a press release claiming that research shows that up to 70% of employees in the UK plan to ask their employers if they can work flexibly and/or remotely for at least some or all of the time.

70% of workers plan to ask for remote or flexible working of at least some kind from their employers following the pandemic in 2020. The whole pandemic situation has opened up huge opportunities for employers to save on costs going forward, and use home working as a way of either increasing their prospects of recruitment or by saving costs in terms of rates paid because people no longer have to travel all the time to their offices or places of work.

For employees enforced working from home has opened a lot of eyes to how much time each day is completely wasted travelling to and from a place of work, when for a number of jobs it is completely unnecessary to do so.

Not good news for the commercial property sector which is taking a battering along with the retail sector, but for firms looking to save money on their costs this is a very good and quick way of doing so, providing employers are comfortable with employees not being based in the office.

The pandemic has meant that employers seem much more relaxed now about the concept of home working and they seem to have developed a situation where they feel able to trust their employees to do the work on a daily basis without getting distracted by other things.

We have noticed in the environment of legal locums that a hugely increased number of professional locums will now only work remotely or in an office for some of the time, with the rest of the time spent working on a remote basis, because they've got so used to the way of working and of not needing to be based in the office anymore.

The pandemic may well have sparked a revolution in the whole concept of working from home, and has probably shifted views on the issue quite considerably into allowing it both from employee and an employer perspective, because employers can see that actually their employees can be trusted to do the work and are just as productive working from home as in the office, and employees see that it's not so bad working from home on a remote basis, even without all their colleagues in the same building.

So when you are recruiting in future, bear in mind that home working is the current fashion and if you are able to offer at least some flexibility in this, your choice of potential candidates will be drastically increased. If you refuse to allow any then the job of recruiting staff will be so much harder.

Interview Question 40 – Do You Enjoy Travelling?

Advice

This is a loaded question. It has hidden connotations and can trap the unwary. You need to think very carefully as you answer this question what any interviewer may be thinking of answers you choose to give. The problem with saying that you do enjoy travelling if the post you are going for is a static one is that the firm or company may suspect you have other ambitions lying outside their business. If the post in question involves travelling then obviously your answer would be considerably different. Do not think about this from a person angle but instead from an employer's angle and work perspective. It is a common mistake that can occur round the interview questions

where interviewees are unable to distinguish between questions linked to themselves but impact on a work type scenario.

Examples of Answers

“Yes. As part of my job I am very happy to travel and like the whole concept. I have been travelling in my job for the past 10 years and certainly have no problems either commuting into work or travelling around the world as necessary”.

Or:

“Yes. I am always happy to travel as part of my job and have travelled in the past both in my work life and my personal life”.

Or:

“Travelling is something I have always enjoyed and I like going to new places and exploring the world when I am on annual leave.”

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 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/>

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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

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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 19 years ago. So far over £100k 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
Director

E: jbfagan@tenpercentgroup.com

T: 0207 127 4343

London Office:

Ten-Percent.co.uk Limited
27 Old Gloucester Street
London
WC1N 3AX

Head Office:

Ty Brith
Llandegla Road
Mold
CH7 4QX

Jonathan Fagan is a solicitor, qualified recruitment consultant and Managing Director of Ten-Percent.co.uk Limited. His LinkedIn profile can be viewed here - www.linkedin.com/in/jbfagan

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