

Legal Recruitment News - 7th October 2020

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Legal Job Market Report - October 2020

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

Permanent Recruitment - Quiet

Still very volatile. One week we get a number of permanent vacancies in - the next very little. In theory the market should follow normal patterns and gradually drop to virtually nothing in the run up to Christmas. However we are not doing 'normal' in most things at the moment! We keep hearing about redundancies but no major exodus yet been seen anywhere in the UK. We are hearing from some parts of the country that there is very little work yet in other parts we get partners calling us up to say that they are flat out and as busy as ever. If we could summarise this it would be North = Quiet, South = Busy. One thing is for sure - there are very few desperate job seekers despite the best wishes of some firms wanting to pick up a bargain!

Locum Recruitment - Quiet

Traditionally the market winds down in September, with a slight spurt around October half term, but then very little until April. However as with permanent recruitment everything is completely randomised at the moment! We expect to plod along for the next 4-6 weeks before everything winds down for Christmas. No area of law is very busy and we still have plenty of locum availability. However serious issues in some parts of the country with securing office-based locums. A large number are not willing to work full time in offices and are only prepared to do remote working for some or all of the week.

Law Firms for Sale - Reasonably Busy

Busy. Plenty of bargain hunters - not many bargains. The market remains active across the UK. Still very few distressed firms. Plenty of retirement sales though. [For details of current law firms for sale please click here to view our list.](#)

CIPS UK Services Report (we are members of the panel contributing to this report)

Third successive month of growth, albeit at slower rate
Rise in new business linked to improved market conditions

Cost concerns lead to another round of job losses

Report Summary: The UK service sector continued its recent recovery from the sharp downturn related to the start of the pandemic earlier in 2020, with business activity rising for a third successive month. Growth was supported by another upturn in new work amid reports that market conditions continued to improve. However, growth across the services sector was uneven with gains principally focussed on areas such as business-to-business services.

Ten Percent Legal Recruitment Statistics - September 2020

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

New permanent vacancies added: 22 (28)

New locum vacancies added: 22 (17)

New candidates registering: 73 (101)



Hourly Rates of Pay for Locum Solicitors and Legal Executives

October 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 – £28-£35 per hour.

Commercial Property – £35-50 per hour

Employment Solicitors – £30-50 per hour.

Family Solicitors – £30-35 per hour.

In House Counsel: 0-3 years PQE – £25-40 per hour,

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

In House Interim Advisors (SME) - £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.

At Least 50% of Locums Will Think Twice Before Taking Office Based Assignments

A new phenomenon is occurring since about July 2020 – some locums are now very reluctant to take assignments that involve any or all of the time being based in an office rather than working

remotely.

Law Firms Traditionally Refuse Remote Working Options

This is an astonishing turnaround from days gone by, with a good number of locums shying away from firms who are offering remote working as an option, and instead opting to work in an office.

Locums Traditionally Avoid Remote Working Roles

It represents a complete change in the locum landscape from sending out assignments where a large number of locums would not respond if there was any hint of remote working, through to huge numbers responding now if a role is remote working, and not so many if it is office based.

Lower Hourly Rates for Remote Working

A good number of locums do not seem to appreciate that remote working invariably involves a lower hourly rate because of the sheer competition, and also the reduced costs involved in providing locum services, but there is so much competition there for every assignment with remote working that hourly rates are being ratcheted down to levels not seen since about 2008 to 2010.

Factors Affecting Remote Working Increase – Locum Age

One of the key issues of course is the age of the locum cohort and it is probably correct to say that at least 75% of locums are over the age of 50. Some have existing health conditions which resulted in their early retirement from practice, and for them to take up locuming. Others have other family members who require ongoing support and may have pre-existing health conditions themselves, so locums can be reluctant to take assignments where there is the possibility they pick up the coronavirus from a place of work and passing it on to family members.

Advice for Securing A Good Locum at a Reasonable Price

Our advice to firms looking for locums at the moment is to try and think carefully as to whether you really need somebody working from the office, or whether it can be arranged for them to work remotely providing you are comfortable working with the locum in question.

Bit Nervous About Remote Working Locums?

One way round not really trusting the locum at the outset of the assignment would be to have them on site for two to three days to start and then allow them to work remotely. This way you get to see who they are and the quality of their work, and then they get to work remotely once those first few days are up.

You will increase the number of applicants you get tremendously because it is getting increasingly hard to persuade anybody of the merits of taking an office based job in some parts of the country. It is particularly so where local lockdowns are in place, and locums are worried about taking an assignment for you that might have to be cancelled due to a lockdown, when they could be working remotely for another company.

Locums Turning Down Office Based Roles – An Example

This has happened in recent times with a locum who was offered an office based role in one part of the country for four months, but turned it down because he had been offered a remote post paying close to the same amount of money that was possibly four months but possibly shorter. In times gone by he would almost certainly have gone with the office based role, but because of the coronavirus and the potential lockdown in the area the office based role was in, he has gone with the remote role and turned down the office based role.

We are seeing this again and again at the moment, and so our advice to anybody is to think carefully before asking for a locum to be based at an office.

Pie in the Sky Law Firm Valuations

We've recently had a UK solicitors' firm up for sale with one partner and no assets other than a legal aid contract and a turnover that was in the region of c£50k in last 3 years. The firm received an enquiry from a potential buyer who was looking at the practice with great interest due to its legal aid contract.

The two parties started to discuss the matter and a conversation was had. It then came to the inevitable question of how much money the buyer was willing to put in to purchase it, and what the seller was willing to sell for.

Sellers Do Not Usually Have a Price

One thing you may not realise is that the vast majority of law firms for sale do not have a price attached when they are first advertised. Very often the owners do not know what they want to sell for and this only becomes apparent after a few discussions with potential buyers.

The buyer put forward a figure that to me seemed overly generous in the circumstances. The practice had very little in terms of assets; the seller was at retirement age and there was no stability at all following on from the end of the legal aid contract, which of course have a maximum shelf life of a couple of years at the best of times.

The buyer offered the seller a figure in the region of about £20,000 cash plus up to c£60k in future payments depending on performance. I have to say that I thought this was possibly at least twice as much as the practice was worth even with its legal aid contract.

Seller on Another Planet

You can imagine my surprise when I get a rather blunt email from the seller to say that the buyer was way off target and that he needed to come up with a cash figure starting at £200,000. As you would probably imagine, the whole thing quickly collapsed.

Calculations - Online Valuation?

I was racking my brains to work out how the seller had got to this figure of £200,000 as a minimum price, and can only conclude that they have used an online valuation tool, a rule of thumb or someone has told them what they ought to be selling the practice for without actually having any market intelligence.

£100k = £30-£60k*

Our experience of law firm sales tells us that if a practice is turning over in the region of up to £100,000 then the highest amount they are likely to get for a sale is going to be in the region of about £30-60,000. This would assume that there was something in it for the buyer, such as a legal aid contract, a will bank, a small team of staff, ongoing files which are generating business or good sources of referral. A shell law firm (ie one without clients) usually sells for about £20-25k, although ABS structures will be a lot more.

£100-500k = £50-175k*

A firm with a turnover in the region of about £100,000 to £500,000 is probably looking at achieving a sale price of somewhere in the region of £40k-175k, again depending on the assets being sold, the circumstances of the sale and ongoing work.

£200k Sale Price?*

To achieve a sale with a cash price of at least £200,000 we think that a firm would usually need to have a turnover heading upwards of about £600,000, if not considerably higher, or an asset or potential stream of work that they are able to virtually guarantee from the outset. Furthermore, such a sale would usually involve the firm selling files, fixed assets and transferring a team of staff to the new firm, which of course then gives the new practice ongoing work if that team of staff are generating it.

Life on Earth Not Mars

It is important when thinking about selling your practice to have a realistic idea as to what someone would want to pay for it. The usual way of working out what you think the practice is worth is to think what it would take someone to offer you for you to walk away. This has nothing to do with rules of thumb, valuations for business brokers, potential valuations of future work or any other circumstances. The value to you of a sale is the amount you would need in order to agree to a sale.

I'm Walking Away

If you are running a practice and it is turning over £35,000 a year, but for you to walk away you would want the stability of say five or six years income at that level, then the value to you of that practice is five or six times that turnover less expenses, which is highly likely to be in the six figure region.

The chances of you getting this amount are minimal. In these circumstances you probably do not need to sell your firm, because you are unlikely to get what you want for it and you're probably wasting your own time even thinking about it for the time being.

Buyers Want Assets, Sellers Want Cash

A buyer needs assets or identifiable benefits for giving you money to take over your practice. They will also usually want to try and tie you in as well (you are of course an asset usually). Benefits need to be identifiable and you need to be conscious of what they are and what they are worth to a potential buyer.

Similarly, if you are in need of a sale and want to get rid of your practice because it is a headache causing you untold amounts of stress, then you need to be very realistic in what the practice is worth to you. You have to weigh up essentially what you would walk away for against the stress your ongoing involvement is having and what you would pay to no longer have that stress. You need to take that figure off your initial valuation and keep it in your mind without putting any potential buyers off by issuing outlandish sums of money that in reality, although these are ideal, are not going to be achievable.

Rules Of Thumb - Hardly Ever Accurate

Rule of thumb valuations, as we say repeatedly to sellers, do not really give you an accurate figure of the value of your practice. Accountancy valuations similarly do not really help very much, other than get some ideas in your mind as to what you will be comfortable selling for, bearing in mind the value of assets the accountants have identified.

The True Value

The true value of your firm is the amount that you would feel comfortable selling it for with a thought towards what you need to deduct from that in order to remove any stress or ongoing involvement, if that is indeed an issue for you.

Aim High, Drop Down Low?

We would never recommend giving high figures that have no bearing to any of the amounts involved currently in your turnover or profit margin, unless you really don't care about selling. It creates bad feeling for buyers who think that we are somehow complicit in your outlandish valuation, but it also involves copious amounts of time spent dealing with enquiries that fail to progress.

*Please note - the figures above are not our valuations of law firms - they are our experiences of what firms usually get sold for when they fall into these turnover brackets. There are so many factors involved in a sale - fields of law, geographical location, freehold premises (rarely included in the sale price), partners staying on as consultants, WIP, PII claims history, staff and length of service, how well established a practice is, whether the sum paid is cash up front or paid on performance, instalments etc.. It is for these reasons that valuations can be so hard to give.

Tailoring your CV for a Job Applications - How Important is it?

We've recently received a CV from a litigation solicitor who was applying for a commercial litigation role. This solicitor has c.20 years experience and has been around the block, for want of a better expression.

Niche Area of Law CV

I am sure that the solicitor is quite capable of covering the commercial litigation role, but this CV has copious amounts of detail on one specific type of litigation and virtually nothing on everything else. The candidate's particular specialism is very niche and he has obviously done extensive numbers of cases including right up to the Supreme Court. At the same time his caseload has included commercial litigation, although this was not visible on the CV particularly.

The CV has about two to three pages of information on his niche litigation area and about three words on his commercial litigation experience. This particular candidate has been registered as a locum with us for years, but to date I don't think we've ever managed to find him an assignment.

Senior Solicitors - Major CV Error

It is quite common on senior solicitor CVs to have two word responses for specific types of work undertaken. So for example, we quite often see the entry 'residential conveyancing' for the work history of a solicitor with 40 years experience and if we ask for further information the solicitor will reply that this is unnecessary because they have written residential conveyancing on the CV and anyone worth their salt will know exactly what this means.

The same applies when a litigation solicitor applies for a role but does not actually think about what the role might entail, and simply sends across a CV detailing extensive amounts of information related to one particular specialism.

Tailoring your CV is vitally important.

Have a think about it from the employers' perspective – if you are looking for a litigation solicitor who has experience in the High Court handling costs between £100k and £500k in a range of sectors, and is able to draft Particulars of Claim, deal with CPR rules and generally manage a case from start to finish, why would you want to use the services of a solicitor who, according to their CV, has spent the last 10 years undertaking (for example) contentious probate cases?

Litigation - General Experience Important

When it comes to litigation we often find that the most successful candidates are those who have general experience on the CV, but also are aware that quite a lot of the work they do, even if it is specialist in one particular area, is transferable right across the spectrum of litigation work. So for example, if you have been undertaking contentious probate work it's very likely you will have been working extensively with CPR and therefore you are fully aware of the way they work.

If your CV does not indicate this and makes lots of reference to specific work types rather than to general statements about values of cases and the courts that those cases have been in, chances are you are not going to be getting very far with your applications.

Residential Conveyancing? There is Always More

In the example I've given above with the residential conveyancing on a CV, the same applies. If you simply state "residential conveyancing" rather than an explanation as to exactly what that residential conveyancing has related to, then chances are anyone looking at your CV will think that you have just done bits and don't wish to tell anybody this so are being deliberately vague.

Conveyancing Examples

We need to know numbers of cases, types of residential conveyancing, whether it involves right to buy, stair-casing, leasehold, freehold, sales and purchases, development work, number of cases worked on at any time, number of completions per month, billing levels, size of team you worked in, case management system you used and anything else you can tell us about your residential conveyancing work, then chances are your application is going to get overlooked.

Tailoring a CV to a Specific Job

Tailoring a CV is even more specific than this, and although quite often it's difficult to tailor a CV because the job descriptions can be very vague (particularly amongst smaller law firms), it is important to have a go wherever possible.

So if for example a firm are looking for a litigation solicitor able to deal with a mixed bag of partner disputes, contract issues, commercial debt and a bit of landlord and tenant and employment then your CV needs to have all of these things on if possible, and an explanation as to exactly what you did with them.

But its Already on my CV

Similarly, it is no good expecting a recruiter or firm to scroll through three pages to fish this information out.

You have a summary at the top of your CV (and if you don't it is advisable to put one in), and in this summary it's perfectly possible to include lots of information about your specific experience relevant to the application you are making. So in the example just given, you could indicate in your summary that you are a "20 year PQE solicitor with experience in a range of litigation work including commercial debt, landlord and tenant, employment, partnership disputes and contract issues, available for work across the UK as required."

Don't Forget the Three Second Rule

Working on the three second rule for CVs (most recruiters and firms will only look at your CV for about three seconds before making a decision whether to carry on reading it), you stand every chance of somebody reading your entire CV having read your summary rather than just pressing delete and ignoring it.

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.

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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

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