

2016 | H1

Legal

MARKET INSIGHT



H1 2016: overview

One of the most notable trends during H1 – particularly the latter part – was the slowdown in hiring ahead of the EU referendum. Predictably, the permanent market took the biggest hit – resulting in a higher demand for legal interim professionals.

Our paralegal team has seen an increase in demand in H1 - with legal recruitment teams investing a significant amount of time and effort into attracting the best paralegal candidates.

On the technology side, we are seeing an increase in legal experts working directly with sales, and becoming more business-orientated; with these professionals being required to be at the cutting edge of the industry.

Since the start of 2016 the following technology related skills have been requested in job adverts for legal professionals:



1,104 adverts

Technology, Media
& Telecommunications



1,079 adverts

Javascript



663 adverts

E-Commerce

The permanent market took the biggest hit – resulting in a higher demand for legal interim professionals

Increased regulation continues to boost demand for compliance professionals

Legal and compliance increasingly go hand-in-hand, and with the number of regulatory changes coming into force this year, any industries that are not regulated are re-evaluating their practice with a sense of urgency.

As a result, the demand for compliance professionals continues to grow; those companies keen to attract the best candidates on the market are therefore advised to ensure their benefits and remuneration packages are competitive – and to act quickly on the hiring front.



increase in legal jobs requesting some form of compliance as a skill (H1 2016 vs H1 2015)

Counteroffers rife as skills shortage threatens growth

As employers continue to vie for top legal talent, counter offers are extremely prevalent. Salaries have been affected by the state of the economy over the last seven years, and so when a valued employee threatens to leave, a higher salary can be offered in an effort to keep talent in-house.

It should however be noted that many candidates attribute reasons beyond those of a financial nature for their decision to leave. Employers would therefore be advised to explore any other motivating factors; for instance, if career development is the route of the unrest, can progression opportunities be offered?

Working closely with a recruitment partner such as Badenoch and Clark – who not only assess candidates, but focus on career coaching and development – can afford organisations a valuable insight into the psyche of job seekers.

Momentum shift for Pharmaceutical

The pharmaceutical sector was extremely quiet across Europe for the majority of H1 as consultant began to move into different industries; partially due to the regulatory cycle of their drug licences. The market is now beginning to recover however, and is expected to continue to rise as we enter further into H2.

In-house

The in-house market saw a strong start to the year, with a 23% rise in vacancies in the first quarter; the balance did however redress itself in Q2, with the interim market experiencing an increase in hiring.

The temp market continues to be predominantly candidate-led, with legal professionals on the market for a very short amount of time, and involved in multiple processes. In terms of vacancy type, we are still charting an increase in qualified vs non-qualified roles.

Lengthy interview process points to employer caution

The first half of 2016 saw a return to lengthier interview processes: transitioning from the usual three rounds, to as many as five. These elongated processes are believed to have been influenced by an air of caution in the market, and are used to 'buy time' for those employers wishing to have the utmost confidence in their hiring decisions.

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rise in vacancies in the first quarter

Skills gaps boosting salaries

Data protection specialists were in high demand during H1, leading to a sharp increase in the salaries on offer for that particular skill set. New industry experience, such as film and TV, has been especially hard to find amongst those who are 5+ years qualified.

Towards the latter part of H1, salaries began to creep up across the board, leading to an increase in the number of firms who are willing to invest in junior resource (owing to restricted budgets), with a view to upskilling on the job.

Sectors specific overview

Oil and gas has been decidedly quiet over H1, although we believe the sector could pick up towards the end of the year.

Hiring activity in the energy and utilities sector has increased slightly, while technology remains stable. Both the pharmaceutical and retail industries continue to suffer, although none more so than media, music and radio.

Increase in the number of firms who are willing to invest in junior resource, with a view to upskilling on the job



rise in advertised salaries
(Q4 2015 vs Q1 2016)

Contract recruitment continues to show strength

Towards the end of 2015 we saw demand for long-term, fixed-term contracts outweighing daily or hourly rate assignments; this was largely due to increased confidence in the market, and headcount becoming more readily available. In H1 of this year, contract recruitment remained strong, but daily rate roles also increased.

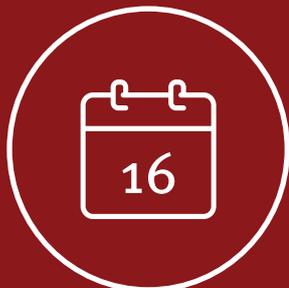
With hiring picking up on the temp side, employers are moving quickly in the temp space to secure their preferred candidates; commercial and corporate are particularly busy, with increased demand for IP and digital experience. However, despite the increase in activity, pay rates have remained fairly static.

BREXIT - WHAT NEXT?

Corporate and real estate demand has reflected London and the South East, with a real demand for strong lawyers with these areas of expertise.

The slow-down has continued post-Brexit as most firms are taking stock to see what transpires over the coming weeks and months. There is likely to be an upturn in demand for FTC/locum lawyers, as some firms continue to be reluctant to commit to permanent hires.

While the EU settlements will take some time to negotiate and implement, clients are questioning how it may impact their business. Areas of law more likely to be hit in the City are transactional, in contracts, FS Regulatory, EU/Competition, Parliamentary/public law, commercial contracts, and litigation, all of which could see an increase in demand from clients.



The year ahead

Due to strong competition, companies are becoming more flexible where the level of qualification is concerned – particularly at NQ-5 PQE level, where demand is always high. In addition, where permanent hires are made, we have seen an increase in the number of employers recruiting interims to cover the typical three-month notice period.

We are advising our clients to undertake regular salary and day rate reviews in order to stay competitive in the market place.

Private Practice

On the permanent side, recruitment has been healthier than in previous years

The right experience has been hard to find in H1 – particularly within real estate, corporate and finance – where demand is up, but solicitor qualifications are not being met. The offshore sector has been particularly popular so far this year, while real estate saw a dip owing to precarious economic conditions in the Middle East and China.

Perm market enjoys H1 upturn

On the permanent side, recruitment has been healthier than in previous years, with both corporate and litigation enjoying an upturn in activity. Mid-January to the end of March was especially busy, but things did quieten down from March onwards as we entered the new financial year.

Salaries have increased across the board in most firms, spurred on by heightened competition in the marketplace leading to price matching. Benefits have largely remained the same, but there has been a notable rise in the occurrence of flexible and home working.

Temp bucks usual slow-start trend

Regarding the temp market, Q1 was busier than expected (growth is ordinarily far more gradual), with residential property seeing increased activity owing to the change in the stamp duty threshold. There was also a corresponding boost for civil litigation, where increased workload led to a boost in temporary hiring.

Commercial property rocketed in H1 compared to residential (after the initial stamp duty rush), as people held off from purchasing houses ahead of the EU referendum. Salaries have followed suit, with more attractive remuneration packages on offer for candidates with commercial experience.

Regional knowledge

Temp

In the Midlands, conveyancing has been quiet – down YoY; while family law in both the Midlands and the South West has seen a surge, with divorce rates at an all time high. Employment law is also on the up with higher demand for talent, and within the larger firms (top 200), while temps have been more prominent as businesses struggle to recruit on a permanent basis.

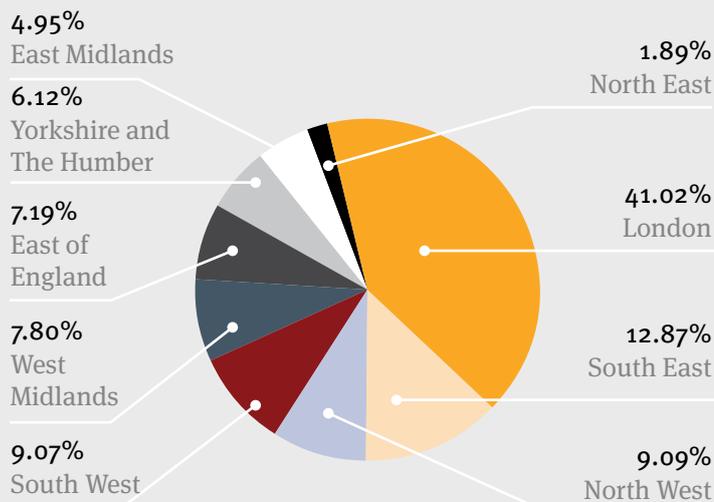
Perm

The permanent market told a similar story to its temporary counterpart: the property sector enjoyed market growth, and salaries increased across the board owing to heightened competition for top talent.

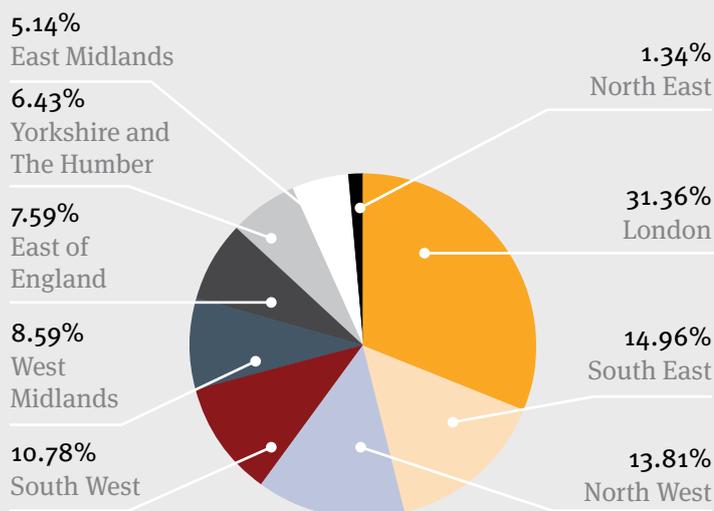
Secondments are an interest for law firms, now partnering with sister companies and growing in-house teams.

The property sector enjoyed market growth

REGIONAL BREAKDOWN OF PERMANENT LEGAL JOBS ADVERTISED DURING H1 2016



REGIONAL BREAKDOWN OF ALL NON-PERMANENT LEGAL JOBS ADVERTISED DURING H1 2016



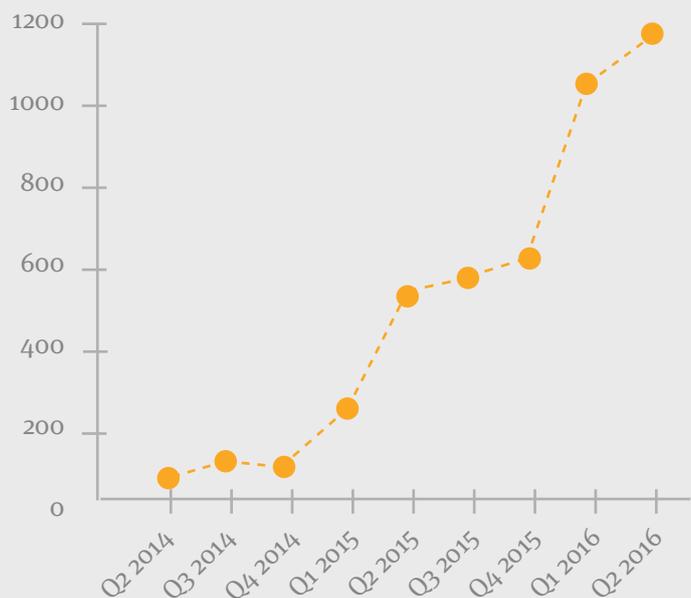
Paralegal

Paralegal salaries are rising to an average of £30-35k

While the market may have slowed prior to the EU referendum, the number of permanent roles still outstripped the availability of candidates to fill them – leaving us with a firmly candidate driven market. Paralegal salaries reflect this: rising to an average of £30-35k.

In response to heightened competition for legal talent, firms that previously refrained from offering training packages are increasingly investigating them as a way to retain and attract candidates – often resulting in increased employee loyalty.

JOB COUNT OF ALL JOBS INCLUDING THE WORD 'FINTECH' BY QUARTER



Paralegal hot spots

The private practice market was particularly buoyant in H1, along with the property, commercial and residential markets; within this, property finance and plot sales exposure were the skill sets in highest demand.

The technology industry continues to be an area that seems impervious to economic impacts. Acquisitions within the sector remain brisk, as shown by Microsoft's acquisition of LinkedIn and the FinTech industry continues to go from strength to strength. Any industry undertaking this much growth and change is always going to need legal assistance.

Poor performance

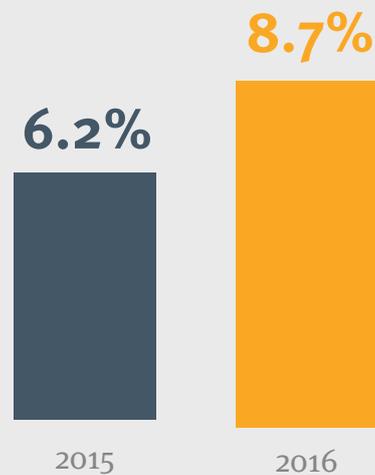
The oil and gas industry is still suffering, and although things may improve slightly by year end, it could be five years before things really pick up. Construction was also quieter than normal; partially due to the recessions in China and the Middle East – both of which typically invest a huge amount into UK infrastructure.

We are also seeing a shortage of trademark qualifications in the market, making it difficult for the growing number of companies who are looking for candidates with very specific trademark skills, rather than broader skills.

Flexible working key to talent attraction

While only 10% of the UK workforce currently takes advantage of flexible working, the dreaded commute is becoming a far more focal factor for candidates when considering a job offer. Some direct commutes do not present much of a problem owing to their direct nature, but beyond that, many professionals are tiring of train-hopping.

ADVERTISED JOBS THAT MENTIONED FLEXIBILITY



Source: Timewise Flexible Jobs Index & Joseph Rowntree Foundation

Only 10% of the UK workforce currently takes advantage of flexible working

Contact us

Take the first step in a lasting partnership.
Contact us to discuss your career or business goals.

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