



## **eNL Salary Survey 2010**

eNL specialise in placing lawyers and legal support staff in a variety of roles throughout the UK, in private practice, in-house and public sector legal departments. eNL are committed to the highest standard of recruitment practices as recognised by the Recruitment & Employment Confederation. Established since 1998 the Group also encompasses eNL Legal Online – a self service, flexible and affordable recruitment solution for organisations and law firms requiring permanent and contract legal personnel.

As reported by IRN Research there are over 10,000 law firms in England and Wales and 85% of these are small firms with 4 or less partners. Around 40% of all law firms are sole practitioners. Numerically, the sector may be dominated by small firms but, in revenue terms, power is heavily concentrated amongst the top players. The top 100 law firms claimed 74% of market revenues in 2009 while the top 10 firms generated 39% of all revenues.

Welcome to eNL's 2010 Market Review & Salary Survey of the UK legal services market.

### **2010 Market Review**

The economic downturn and the 2009 global recession has had an impact on many law firms, irrespective of their size and has led to many firms restructuring. Smaller high street practices, focusing on such activities as conveyancing and property law for example, have been hit, with the larger firms also struggling as M&A markets were badly affected, along with the a deteriorating financial services sector. More specific, robust pockets are insolvency, shipping, insurance, technology outsourcing, projects, energy, employment law and financial services regulatory.

As expected in 2009 fee income levels dropped and significant corrective measures were undertaken, for example reducing headcount through natural wastage, redundancies, extended unpaid sabbaticals, reduced working hours and salary cuts.

It is pleasing to report that ongoing opportunities are available in private practice and the public sector, with the number of paralegals employed in law firms continually increasing. Also on the up is recruitment for in-house solicitors in industry and commerce. It is predicted that the ability to recruit is likely to harden quite swiftly as economic conditions improve and with recession pressures slowly lifting, salary inflation is expected to follow.

A modest and cautious recovery is predicted for 2010.

### **2010 Salary Survey**

During March, April and May 2010, postal and electronic questionnaires were sent out to numerous law firms across a national geographical remit, ranging from the top-tier national firms to sole practitioners. The information set out in this survey details these results and is supported by discussions with candidates from all UK regions. In addition we have gained information relating to employee benefits.

## London & South East

Due to recent economic difficulties across the banking and property markets, 2009 was a demanding year for the legal profession. The resulting effects caused a high percentage of law firms to place a greater emphasis on business costs including the review of both headcount and salary budgets.

Corporate, banking, construction and property work have seen a significant drop in caseloads, although there has been some gentle improvement in these areas over recent months, the market is yet to bounce back to full health. As a consequence, the demand for expertise within these areas has decreased and previously inflated salary levels significantly reduced for these disciplines.

In an attempt to cap the cost of salaries, Newly Qualified rates have been driven down or frozen across London and the South East. This is expected to remain the same throughout 2010. US firms still lead the way with NQ salaries in the 'City', with the national and West End practices dropping NQ rates by several thousand pounds in some instances. South East based regional practices have also seen a reduction in junior salary levels.

<b>London</b>			
Year of Qualification	US	Magic Circle	West End
2010	£75,000	£60,000	£45,000
2009	£80,000	£68,000	£48,000
2008	£88,000	£75,000	£51,000
2007	£95,000	£85,000	£55,000
2006	£105,000	£93,000	£60,000
2005	£115,000	£98,000	£65,000
2004	£125,000	£105,000	£70,000
Partner	£220,000 +	£170,000 +	£130,000 +

<b>Thames Valley (including Reading and Oxford)</b>			
Year of Qualification	Top Tier	Mid Tier	Bottom Tier
2010	£35,000	£32,000	£27,000
2009	£39,000	£35,000	£29,000
2008	£39,000	£35,000	£29,000
2007	£42,000	£38,000	£31,000
2006	£45,000	£40,000	£33,000
2005	£48,000	£42,000	£35,000
2004	£51,000	£45,000	£37,000
Partner	£110,000 +	£90,000 +	£70,000 +

<b>Kent, West Sussex, East Sussex, Surrey and Hampshire</b>			
Year of Qualification	Top Tier	Mid Tier	Bottom Tier
2010	£38,000	£33,000	£28,000
2009	£42,000	£35,000	£30,000
2008	£44,000	£37,000	£33,000
2007	£52,000	£40,000	£34,000
2006	£55,000	£42,000	£37,000
2005	£60,000	£45,000	£40,000
2004	£65,000	£49,000	£43,000
Partner	£130,000 +	£95,000 +	£60,000 +

London & South East contd...

<b>Essex, Hertfordshire, Buckinghamshire and Bedfordshire</b>			
Year of Qualification	Top Tier	Mid Tier	Bottom Tier
2010	£35,000	£29,000	£24,000
2009	£38,000	£32,000	£27,000
2008	£41,000	£35,000	£30,000
2007	£45,000	£40,000	£33,000
2006	£50,000	£44,000	£35,000
2005	£55,000	£48,000	£38,000
2004	£60,000	£53,000	£41,000
Partner	£110,000 +	£90,000 +	£65,000 +

## Midlands and East Anglia

At the height of the boom, the Midlands and East Anglia Newly Qualified Solicitor salaries exceeded the £40,000 bracket for the first time. Shortly after the recession hit the UK, Newly Qualified jobs were scarce and the salary level dropped substantially to a maximum of £36,000. Areas that have previously seen a skill shortage, i.e. corporate, real estate and pensions have seen an increasing amount of redundancies. Disciplines such as private client, family and personal injury have remained steady across the region.

<b>West Midlands (including Birmingham)</b>			
Year of Qualification	Top Tier	Mid Tier	Bottom Tier
2010	£36,000	£29,000	£24,000
2009	£39,000	£34,000	£26,000
2008	£41,000	£35,000	£28,000
2007	£44,000	£36,000	£30,000
2006	£46,000	£38,000	£34,000
2005	£50,000	£39,000	£37,000
2004	£60,000+	£40,000	£38,000
Partner	£65,000+	£50,000+	£45,000+

<b>East Midlands (including Nottingham, Derby and Leicester)</b>			
Year of Qualification	Top Tier	Mid Tier	Bottom Tier
2010	£36,000	£30,000	£24,000
2009	£39,000	£33,000	£26,000
2008	£40,000	£36,000	£28,000
2007	£42,000	£40,000	£30,000
2006	£45,000	£42,000	£34,000
2005	£47,000	£45,000	£37,000
2004	£50,000	£48,000	£38,000
Partner	£60,000+	£50,000+	£45,000+

<b>Worcestershire, Staffordshire, Shropshire and Warwickshire</b>			
Year of Qualification	Top Tier	Mid Tier	Bottom Tier
2010	£32,000	£25,000	£22,000
2009	£34,000	£27,000	£23,500
2008	£37,000	£29,000	£24,000
2007	£40,000	£31,000	£26,000
2006	£44,000	£34,000	£27,500
2005	£50,000	£35,000	£33,000
2004	£55,000	£35,000+	£35,000+
Partner	£50,000+	£35,000+	£35,000+

<b>East Anglia (including Cambridge, Ipswich and Norwich)</b>			
Year of Qualification	Top Tier	Mid Tier	Bottom Tier
2010	£35,000	£31,000	£23,000
2009	£37,000	£33,000	£25,000
2008	£39,000	£35,000	£27,000
2007	£42,000	£38,000	£29,000
2006	£44,000	£45,000	£31,000
2005	£50,000	£50,000	£35,000
2004	£58,000	£55,000	£37,000
Partner	£50,000+	£45,000+	£40,000+

## South West

Over recent years' Bristol has increased salary levels to be in line with other cities, such as Birmingham, Manchester and Leeds. Over the past few years, Bristol's Newly Qualified salaries reached an all time high of £41,000, this, like Birmingham, has now dropped. Overall the South West market has survived the effects of the economic downturn, with many of the mid-sized practices continuing to recruit across private client, family, personal injury and crime.

<b>South West (including Bristol and Bath)</b>			
Year of Qualification	Top Tier	Mid Tier	Bottom Tier
2010	£36,000	£30,000	£24,000
2009	£38,000	£32,000	£26,000
2008	£42,000	£35,000	£28,000
2007	£44,000	£38,000	£30,000
2006	£48,000	£40,000	£34,000
2005	£55,000	£45,000	£37,000
2004	£60,000+	£50,000	£38,000
Partner	£65,000+	£50,000+	£45,000+

<b>Devon and Cornwall</b>			
Year of Qualification	Top Tier	Mid Tier	Bottom Tier
2010	£32,000	£26,000	£22,000
2009	£35,000	£28,000	£23,500
2008	£37,000	£30,000	£24,000
2007	£40,000	£32,000	£26,000
2006	£42,000	£35,000	£27,500
2005	£45,000	£35,000	£33,000
2004	£50,000	£35,000+	£35,000+
Partner	£50,000+	£35,000+	£35,000+

<b>Wiltshire and Gloucestershire</b>			
Year of Qualification	Top Tier	Mid Tier	Bottom Tier
2010	£30,000	£25,000	£22,000
2009	£32,000	£28,000	£23,500
2008	£35,000	£30,000	£24,000
2007	£38,000	£32,000	£26,000
2006	£40,000	£35,000	£27,500
2005	£45,000	£35,000	£33,000
2004	£45,000	£35,000+	£35,000+
Partner	£50,000+	£35,000+	£35,000+

<b>South Wales</b>			
Year of Qualification	Top Tier	Mid Tier	Bottom Tier
2010	£30,000	£25,000	£20,000
2009	£32,000	£28,000	£21,500
2008	£35,000	£30,000	£22,000
2007	£38,000	£32,000	£26,000
2006	£40,000	£35,000	£27,500
2005	£45,000	£35,000	£30,000
2004	£45,000	£35,000+	£35,000+
Partner	£50,000+	£35,000+	£35,000+

## North

The previous 18 months have been a difficult time for the majority of firms in the region, with only personal injury and dispute resolution teams showing any real signs of resilience to the economic situation. The North West, in particular, has remained very strong within the personal injury and insurance litigation markets, although there is more focus on recruitment for Paralegals and part qualified Legal Executives.

As we move into the second half of 2010, some glimmers of improvement within the areas of corporate, banking and property can be seen; and there is more positive news for Newly Qualified solicitors with many firms indicating that they will be retaining larger proportions of their Newly Qualified's this year.

<b>North West (including Manchester and Liverpool)</b>			
Year of Qualification	Top Tier	Mid Tier	Bottom Tier
2010	£36,000	£30,000	£23,000
2009	£40,000	£33,000	£24,000
2008	£42,000	£36,000	£25,000
2007	£44,000	£39,000	£26,000
2006	£46,000	£42,000	£27,500
2005	£50,000	£44,000	£30,000
2004	£55,000+	£48,000+	£30,000+
Partner	£90,000+	£70,000+	£35,000+

<b>North East and Cumbria (including Newcastle and Carlisle)</b>			
Year of Qualification	Top Tier	Mid Tier	Bottom Tier
2010	£34,000	£27,000	£23,000
2009	£38,000	£29,000	£24,000
2008	£40,000	£31,000	£26,000
2007	£44,000	£33,000	£27,000
2006	£46,000	£35,000	£28,500
2005	£48,000	£35,000	£30,000
2004	£50,000+	£35,000+	£30,000+
Partner	£75,000+	£40,000+	£35,000+

<b>West Yorkshire (including Leeds)</b>			
Year of Qualification	Top Tier	Mid Tier	Bottom Tier
2010	£36,000	£30,000	£23,000
2009	£40,000	£32,000	£24,000
2008	£42,000	£36,000	£25,500
2007	£44,000	£38,000	£26,000
2006	£46,000	£42,000	£27,000
2005	£55,000+	£44,000	£30,000
2004	£55,000+	£45,000	£35,000+
Partner	£90,000+	£70,000+	£35,000+

<b>East, South, North Yorkshire and Lincolnshire</b>			
Year of Qualification	Top Tier	Mid Tier	Bottom Tier
2010	£33,000	£26,000	£22,000
2009	£36,000	£28,500	£23,500
2008	£40,000	£31,000	£24,000
2007	£42,000	£33,000	£26,000
2006	£44,000	£35,000	£27,500
2005	£42,000	£35,000	£33,000
2004	£45,000+	£39,000+	£35,000+
Partner	£50,000+	£40,000+	£35,000+



## Employee Benefits

As economic challenges have tightened the purse of many law firms, it has been necessary to review salary structures alongside salary figures. Many firms have shifted the focus from high basic salaries to performance related pay.

Some examples of the most common bonus structures are provided below:

Individual	Discretionary and/or; Objective/performance related to either chargeable hours or salary. Between 5% and 25% can be on offer for high-achievers.
Team	Discretionary and/or; Objective/performance related.
Firm	Discretionary

All firms within the top-tier and the majority within the mid-tier offer comprehensive benefits packages with the basic package including 25 days holiday, contributory pension scheme, life assurance, private medical care and performance related bonus structures.

Other benefits include; car parking, childcare vouchers, flexible benefits option, advice line (for individuals and family), annual/interim salary review, training, social occasions, flexible working options, travel expenses, relocation package, equipment allowance and car allowance.