



The Law Society

Diversity and Inclusion Charter Annual Review 2011

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What our sponsors say

“At DWF, we believe Diversity and Inclusion are key components of a high performance business and something that is at the heart of our culture - a culture which is inclusive, progressive and collegiate. We want to be a business law firm that others admire and want to join and as a signatory to The Diversity and Inclusion Charter, we are determined to evolve our thinking and practice across the business to embed diversity into everything we do. Assessing our efforts against the Charter Standards is enabling us to move to a more transformational rather than transactional approach to diversity and Inclusion which will ensure our people are motivated to give their best and play their part in delivering our business goals.”

Tyrone Jones, Head of Values and Corporate Responsibility, DWF

“At Norton Rose, diversity is central to everything we do. It defines our culture and personality and is embedded into our business principles of quality, unity and integrity. Our diversity and inclusion committee meets every month to ensure that we do not rest on our laurels and that we continually strive for improvement. The Diversity & Inclusion Charter is an essential tool enabling us to measure our performance and most importantly, it helps us to monitor, develop, share and implement best practice.”

Stephen Parish, Group Chairman and Chair of Norton Rose LLP's Diversity & Inclusion Committee

“In a short space of time, The Law Society's Diversity and Inclusion Charter has become an invaluable tool for firms to measure their performance and share best practice, helping the industry as a whole to make progress in the diversity field. At Reed Smith, working towards improving performance on diversity and inclusion is seen as not just the right thing to do but is also critical to the firm's business and its ability to continue providing a high quality service to clients. We are therefore delighted to again support the Charter and to contribute to the second Annual Review.”

Sakil Suleman, Diversity Partner, Reed Smith LLP.



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Foreword

The face of law has changed dramatically in recent years and firms are reaping the benefits of a diverse and inclusive workforce. The Law Society's 2011 Diversity and Inclusion (D&I) Charter Annual Review Report shows just how far along the road we have travelled, but also the steps that we still need to take to address the remaining equality gaps.

Since its launch in July 2009, the Charter has steadily grown. Over 210 practices have signed the Charter, representing more than a third of solicitors in private practice. The D&I Charter works for all kinds of legal practices. Half of the 100 largest firms and a number of medium and small sized firms already participate, as do in-house legal departments in the private and public sectors.

The Charter provides a framework of standards to drive improved equality and diversity. While the challenges will differ from practice to practice, signing up to the Charter and committing to take action to address inequality is a commitment to change. This is vital if the profession is to attract and retain the very best talent in a competitive and complex market and better meet the needs and expectations of clients. It is ethically the right thing to do as well as being sound business practice.

This is the second annual review report of the Law Society Diversity and Inclusion Charter. The reporting model is based on self assessment against a set of equality and diversity standards by signatory practices, enabling participants to review progress and identify areas for further work.

159 law firms qualified to participate in this year's report almost double the number of participants in last year's report. Information was submitted online, with a rigorous analytical model applied to the results.

In publishing the Diversity and Inclusion Charter annual review report we aim to show how the legal profession has progressed and share examples of what works. It also helps identify the areas which continue to pose challenges, and where we can work together to develop and adopt better solutions, ensuring a more diverse legal workforce.

The 2011 report paints a picture of strong commitment to equality and diversity among partners and senior leaders of signatory practices. It also highlights a notable lack of diversity at this level, for only 4.4% of partners are Black, Asian and Minority Ethnic (BAME) solicitors and 23% of partners are women. There continues to be a significant gap in the diversity characteristics against which firms can report. The Law Society will work closely with the profession in the coming year on improving workforce monitoring, supporting firms through the new Legal Services Board requirements on workforce monitoring taking effect in 2012.

Finally, Congratulations to all firms who have worked so hard and achieved so much in promoting a more diverse workforce, and all who have champion the broader aims of the Diversity and Inclusion charter.

Thank you to everyone who has contributed to the 2011 report, particularly the sponsors. Together we can work to make our legal profession a shining example of diversity and accessibility, benefitting our clients, our firms and our future.

A handwritten signature in black ink, appearing to read 'John Wotton', with a long, sweeping underline.

John Wotton
President, the Law Society



Executive Summary

The Diversity and Inclusion Charter

The Law Society Diversity and Inclusion Charter launched in 2009 is the flagship diversity initiative of the legal profession. Its signatories commit to a framework for positive action across all strands of diversity.

Two of the Charter commitments relate to reporting; publishing the diversity profile of the firms workforce and contributing to a joint annual review. All Charter signatories are required to report annually on their activity and progress towards the Charter commitments.

Reporting methodology

The reporting model is based on self assessment against a set of equality and diversity standards and completion of a template on monitoring diversity data. All submissions were made online in 2011.

Signatory practices were asked to rate themselves at one of three levels (red, amber or green) against each of the eight business areas of the Charter:

1. Leadership and vision
2. Employment and staff development
3. Provision of legal services
4. Engagement with staff, clients and community
5. Policy making and development
6. Monitoring and review
7. Procurement and supplier diversity
8. Sharing good practice

Signatory practices were also asked to provide workforce data on different characteristics including: age, disability, gender, ethnicity, religion/belief and sexual orientation.

Improve business performance

Building equality and diversity into a practice not only ensures the practice is meeting legal and regulatory requirements but offers opportunities for business advantage. Equality and diversity can help a practice attract and retain the best talent and best suppliers, maximise the potential of their staff and expand their client base. In a competitive and tough economic climate, these are important opportunities for small and large firms alike.

The self-assessment results show a high level of commitment amongst partners and senior leaders, perhaps indicating their recognition of the importance of the potential benefits presented by equality and diversity. Thirty-two firms have already successfully won contracts from purchasers of legal services who consider equality and diversity performance as part of their procurement process.

Spotlight on monitoring

There will be a regulatory requirement to measure and publish data on the levels of diversity and social mobility in the legal workforce. From 2012 the approved regulators will require most law firms to monitor, report and publish workforce diversity data against the following proposed categories:

- age
- gender
- disability
- ethnicity
- religion or belief
- sexual orientation
- caring responsibilities
- socio-economic background

This report therefore shines a spotlight on the readiness of firms within the D&I Charter signatory cohort to meet these requirements and their overall approach to monitoring progress towards achieving equality and diversity. It is clear that whilst the majority of firms monitor race, gender and age across their workforce by role, more work is needed to extend monitoring across all the diversity categories. Better use needs to be made of the data collected to help inform plans and enable the targeting of actions to improve equality and diversity both in employment and service delivery.

Self-assessment results

Many practices are taking steps to develop equality and diversity. Some are leading at best practice level. However, some practices still need to work to ensure the foundations for equality and diversity are firmly in place. Overall, whilst there are examples of success, more work remains to be done before practices across the cohort can reap the benefits equality and diversity offers.

Good practice

- Strong leadership commitment to equality and diversity across the cohort with all firms having a partner or senior level equivalent that encourages equality and diversity.
- The majority of firms have essential policies in place to support equality and diversity.
- Firms are taking action to ensure staff have the knowledge and skills to support equality and diversity.
- There is strong commitment across all firms to ensuring equality and diversity in their service delivery to clients.
- 93 large firms and 11 small firms can demonstrate achievements against their equality and diversity action plans.
- 120 large firms and 13 small firms routinely collect race, age and gender workforce data.
- 43 firms can demonstrate the positive impact of their outreach activities that promote services to diverse groups in the community.
- 32 firms are successful in winning contracts from purchasers who consider equality and diversity performance as part of the procurement process.



Workforce profile

A total of 159 law firms submitted returns to the 2011 Charter review and comprise a total of 72,645 staff. The self-assessment includes results for 24 small firms (with 25 employees or less) employing a total of 205 staff and 135 large firms (with over 25 employees) employing 72, 440 staff. This includes 49 of the top 100 law firms in England and Wales.

Just over half of the workforce (59.2%) occupies legal roles. Within the legal roles, the majority of staff are solicitors (47.9%); 22.3% are partners; 11.4% are trainees and 18.4% occupy other legal roles.

- The majority of firms monitor ethnicity, gender, age and disability within their workforce. Over two-thirds now monitor these by role as recommended within the Law Society's monitoring and reporting protocol. Further work is needed to ensure more firms monitor religion and belief and sexual orientation as detailed in the statutory guidance issued by the Legal Services Board (LSB). Just over half of all firms now monitor these characteristics in their workforce.
- Diversity reduces at more senior levels within legal roles:
 - o Women make up 57% of solicitors and account for 23% of partners
 - o 9.8% of solicitors and 4.4% of partners are from Black Asian and Minority Ethnic (BAME) backgrounds
 - o The representation of staff from minority religions (other than Judaism) falls from the level of trainee through to partner level amongst legal staff in large law firms
- Groups under-represented in the partnership of large law firms may be selecting to set up or join the partnership of small firms. There is a larger representation of female, Muslim, BAME and disabled partners in small firms compared to large.
- 2% of the whole cohort workforce (legal and non-legal staff) has a declared disability. 0.9% of solicitors in the cohort have a declared disability. This compares to 3% of solicitors in England and Wales reported to have a long term illness, health problem or disability. However, there may be significant under-reporting of disability currently within firms as a third of all staff monitored have not stated whether they have a disability or not.
- The reported representation of the cohort workforce that are gay, lesbian or bisexual (1.7%) is broadly representative of the gay, lesbian and bisexual population across England and Wales.
- Christianity is the largest stated religion across the cohort workforce. This is in line with the 2011 Law Society's Individual Solicitors Omnibus Survey.

2012 priority areas for action

There are signs of strong commitment to equality and diversity amongst partners and senior leaders across the firms. There is evidence of good and innovative practice. However, for the majority of firms in the cohort, there is much further to go to demonstrate positive equality, diversity and inclusion outcomes. The workforce profile also indicates that barriers to entry for minority legal staff remain. Progression for female and minority legal staff continues to be limited.

The results of the 2011 Charter reporting process indicates that priority areas of focus for firms in 2012 include:

- Focusing on achieving positive equality and diversity outcomes and ensuring policies are working successfully in practice.
- Ensuring equality and diversity in all aspects of employment and staff development to meet the requirements of the Equality Act 2010 and Principle 9 of the Solicitors Code of Conduct.
- Putting workforce monitoring in place to be able to report on individual's role and their characteristics including: race, gender, age, disability, sexual orientation, religion and belief and socio-economic status - in order to meet the requirements of the Legal Services Board statutory guidance.
- Delivering equal pay.
- Embedding responsibility for equality and diversity into everyone's role.
- Delivering web accessibility.
- Using engagement with staff and communities as a lever for improving equality and diversity outcomes.



Opportunities for improvement in the eight business areas

- 1 Leadership and Vision: focus on outcomes**
 - Set clear equality and diversity priorities and objectives
 - Track progress using key performance indicators
- 2 Employment and Staff Development: focus on ensuring equality and diversity in employment**
 - Learn from good practice achievements across small and large firms
 - Tackle equal pay
 - Embed responsibility and accountability for achieving equality and diversity into everyone's role
- 3 Provision of legal services: be more proactive in making services accessible**
 - Ensure web accessibility
- 4 Engagement with staff, clients and community: use engagement as a lever for improving equality and diversity**
 - Consult with staff on equality and diversity and use feedback to create priority objectives and action plans
 - Support their staff to become engaged in equality and diversity, for example through networks and groups either within or outside the firm or within the local communities
 - Identify the different groups within their local communities; how their services can be made accessible to them and how the firm can make a positive impact.
- 5 Policy making and practice development: be proactive in considering the equality implications of policies and decisions**
 - Ensure that equality impact assessments are used early on in all policy and decision making processes - use the Law Society Equality and Diversity Toolkit guidance on how this can be implemented.
- 6 Monitoring and review: extend monitoring across all areas**
 - Ensure that monitoring is extended to race, gender, age, disability, sexual orientation and religion/belief - all characteristics protected under the Equality Act 2010 as well as socio-economic status as included in the Legal Services Board statutory guidance.
 - Ensure that the firm has the culture, behaviours and formal processes that will encourage individuals to report on their characteristics.
- 7 Procurement and supplier diversity: garner the business benefits of equality and diversity by taking steps to build them in to procurement and supplier diversity activities**

Equality and diversity is increasingly a business critical issue both in winning contracts for firms and in ensuring the best suppliers are procured. Steps need to be taken to garner the business benefits of equality and diversity, including:

 - Being able to complete Law Society's procurement protocol questionnaire
 - Building equality and diversity into procurement policies and processes
 - Promoting supplier opportunities to a diverse range of potential suppliers.
- 8 Sharing good practice: engage in best practice sharing activities**
 - Include reference to equality and diversity data, achievements and ongoing objectives in annual business reporting and on practice websites
 - Communicate and share progress and best practice with stakeholders and in professional, local and non-sector specific networks.

1 Introduction

A public commitment

The Law Society Diversity and Inclusion Charter is the flagship diversity initiative of the legal profession. It is an instantly recognisable public statement of commitment by its signatories and a framework of standards for action across all strands of diversity.

The Charter and its standards were developed after extensive consultation with the legal profession within England and Wales. The standards and annual reporting process were piloted in 2010, and following consultation and feedback were reviewed and revised for 2011. This second annual review report provides a more in depth insight into the work of Charter signatories on diversity and inclusion.

Statement of commitments

“The signatories to this Charter believe that a commitment to diversity and inclusion is essential to reflect the society we serve today. It makes business sense because it helps us to attract and retain the best talent, it enables us to understand and meet clients’ needs more effectively and so provide a better quality service. Accordingly, we will:

- Strive to achieve best practice in our recruitment, retention and career progression practices as employers.
- Support the development of good diversity practice by collecting and sharing with other signatories examples of practical activities that contribute to progress.
- Assign responsibility for meeting our Charter commitments to a named, senior level individual.
- Work together to develop and adopt future protocols that support the practical implementation of the aims of this Charter.
- Publish annually the diversity profile of our UK employees and details of our work on equality, diversity and inclusion.
- Publish a joint annual report on the basis of a monitoring exercise to measure the impact of this Diversity and Inclusion Charter and its protocols. These reports will form the basis of regular dialogue with stakeholders, employees and clients”.

Reporting requirements

Two of the Charter commitments relate to reporting; publishing the diversity profile of the firms workforce and contributing to a joint annual review. After completing an initial year to allow for preparation signatories to the Charter are required to report annually on their activity and progress towards equality, diversity and inclusion as well as provide data on the diversity profile of their workforce. Signatories participate in the annual report by self assessment against the Charter equality and diversity standards. In addition to fulfilling the reporting requirement signatories are able to use the process to review areas of good practice and identify priorities for action over the coming year.

This report presents the results of the firm’s self-assessment (Section 2) and an overview of the diversity profile of the legal sector workforce across the cohort firms (Section 3).

Results are shown both for small and large firms¹.

Monitoring is an important element of work related to the Charter. It is of particular significance following the publication in 2011 of statutory guidance by the Legal Services Board (LSB) relating to increasing diversity and social mobility in the legal workforce. The guidance requires approved regulators, law firms and chambers to measure levels of diversity and social mobility in the legal workforce. Moreover, the guidance requires that this data is used to evaluate the impact of their measures to improve equality and diversity and is published. This report therefore shines a spotlight on monitoring in Section 4 and considers the implications of the LSB guidance in light of the 2011 Charter results.

¹ Small firms are defined as having 25 or less employees. Large firms are defined as having 26 or more employees.

1.1 Methodology

The Charter survey comprises eight business areas:



Within each business area there are three levels - **Red**, **Amber** and **Green**.

The **Red** level represents a foundation stage in developing equality and diversity. Typically firms at this stage ensure that important elements are in place, such as policies, governance structures and commitment that will support achieving positive equality and diversity outcomes.

The **Amber** level represents a development stage in moving towards achieving equality and diversity. Typically firms at this stage are taking a number of different actions to help achieve equality and diversity objectives and are working to embed it into core business processes and cultures.

The **Green** level represents best practice in equality and diversity. Typically firms at this stage are able to demonstrate the progress and positive outcomes they are achieving in realising equality and diversity objectives.

Some firms in each business area have not yet rated themselves. This indicates that they are still working towards achieving some of the foundation elements at the red, foundation level.

In each business area and at each level there are a number of indicators. Some of these are marked as 'M' and firms are required to meet these before moving on to the next level. Some indicators are shown as 'R', these indicators are recommended to help achieve positive equality and diversity outcomes. Some indicators are star rated and firms that satisfy these indicators are demonstrating best practice or innovation in equality and diversity.

Cohort firms are also asked to provide workforce data on different characteristics including: age, disability, gender, ethnicity, religion / belief and sexual orientation. Where a firm is able to, this monitoring data is required by different levels, including: non-legal staff, partners / partner equivalent, solicitors, trainees and other legal staff.

1.2 Who participated?

Year 2 Cohort: 159 practices eligible to participate
(signatories committed before April 2011)

Large Firms

Addleshaw Goddard LLP	Eversheds LLP	Osbornes
Allen & Overy LLP	Express Solicitors	Owen White Solicitors
Anthony Collins Solicitors LLP	Fairfax Solicitors Limited	Pannone LLP
Ashfords LLP	Farrer & Co LLP	Parabis Law LLP
Ashurst LLP	Field Fisher Waterhouse LLP	Paul Hastings
Baker & McKenzie LLP	Fishers Law	Penningtons Solicitors LLP
Batchelors Solicitors	Foot Anstey Solicitors	Percy Hughes & Roberts
Bates Wells & Braithwaite London LLP	Forbes Solicitors	Pinsent Masons LLP
Beachcroft LLP	Freeth Cartwright LLP	Reed Smith LLP
Berwin Leighton Paisner LLP	Freshfields Bruckhaus Deringer LLP	Reynolds Porter Chamberlain
Bevan Brittan LLP	Greenwoods Solicitors	Rickerbys LLP
Bindmans LLP	GTC Law	Rouse Legal
Bircham Dyson Bell LLP	Hanne & Co Solicitors	Royds LLP
Bird & Bird LLP	Harold Benjamin Solicitors	Russell-Cooke LLP
Birketts LLP	HBJ Gateley Wareing LLP	Sas Daniels LLP
Bishop & Sewell LLP	Heptonstalls LLP	Sharpe Pritchard
Blake Lapthorn	Herbert Smith LLP	Shoosmiths
Bond Pearce LLP	Hill Dickinson LLP	Simmons & Simmons LLP
Brabners Chaffe Street LLP	Hogan Lovells	SJ Berwin LLP
Bristows	International LLP	Slater Heelis
BrookStreet des Roches LLP	Holman Fenwick Willan LLP	Slaughter and May
Browne Jacobson LLP	Horse Lightly Fynn	SNR Denton UK LLP
Buckles Solicitors LLP	Irwin Mitchell LLP	Speechly Birchams LLP
Burges Salmon LLP	K&L Gates LLP	Squire, Sanders & Dempsey (UK) LLP
BurtonCopeland LLP	Kennedys	Stephenson Harwood
Capsticks Solicitors LLP	Keystone Law	Stephensons Solicitors LLP
Chambers Solicitors	Kingsley Napley LLP	Taylor Wessing LLP
Charles Russell LLP	Larcomes LLP Solicitors	Thomas Eggar LLP
Chebsey & Co	Latham & Watkins	TLT LLP
Clarke Willmott LLP	Lester Aldridge LLP	Tozers LLP
Cleary Gottlieb Steen & Hamilton LLP	Lewis Silkin LLP	Travers Smith LLP
Clifford Chance LLP	Linklaters LLP	Trowers & Hamlins LLP
CMS Cameron McKenna LLP	M&A Solicitors	TV Edwards LLP
Cobbetts LLP	Macfarlanes LLP	Veitch Penny LLP
Cripps Harries Hall LLP	Maples Teesdales LLP	Walker Morris
Devonshires	Martineau LLP	Wansbroughs Solicitors
Dewey & LeBoeuf LLP	Mayer Brown	Ward Hadaway
Dickinson Dees LLP	International LLP	Watmores
DLA Piper UK LLP	Mayo Wynne Baxter	Weightmans LLP
Duncan Lewis	Michelmores LLP	White & Case LLP
Dundas & Wilson LLP	Mills & Reeve LLP	Winckworth Sherwood LLP
DWF LLP	Muckle LLP	Withers LLP
Edwards Wildman Palmer	Nabarro LLP	Woodcocks
Emsleys	Nalders LLP	Wragge & Co LLP
EMW Law LLP	Norton Rose LLP	Wright Hassall LLP
	Olswang LLP	
	Osborne Clarke	



Small Firms

Arora Bailey Solicitors	Leoonie Cowen & Associates	Perrins
ASB Housing Solicitors	Malloy and Barry Solicitors	Sharon Langridge
Bargate Murrery Solicitors	Marsons Solicitors	Employment Lawyers
Charles Crookes	Martin Searle Solicitors	Sharratts
Contego	Nicholls and Sainsbury	SV Law
DC Employment Solicitors	Now Legal LLP	Unsworth Rose
Hausfeld & Co LLP	Oliver Legal	Usmani King Solicitors
I.J.B.H. Limited	ParryWelchLacey	Virgo Solicitors
James Button & Co. Solicitors	Solicitors LLP	

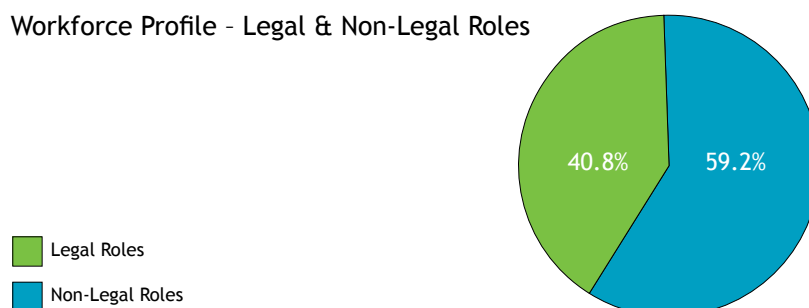
1.3 2011 Cohort profile

A total of 159 law firms submitted returns to the 2011 Charter review and comprise a total of 72,645 staff. This includes:

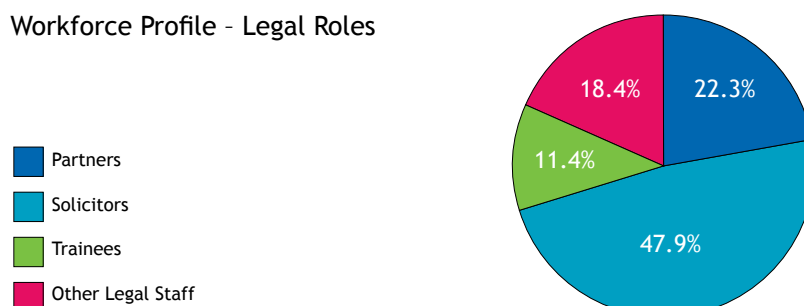
- 24 small firms employing a total of 205 staff
- 135 large firms employing a total of 72,440 staff

The pie charts below show that across the cohort just over half of the workforce (59.2%) occupies legal roles. Within the legal roles, the majority of staff are solicitors (47.9%); 22.3% are partners; 11.4% are trainees and 18.4% occupy other legal roles.

Workforce Profile - Legal & Non-Legal Roles

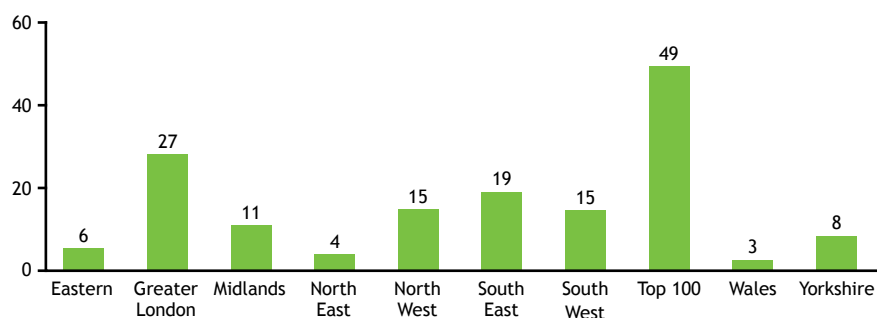


Workforce Profile - Legal Roles



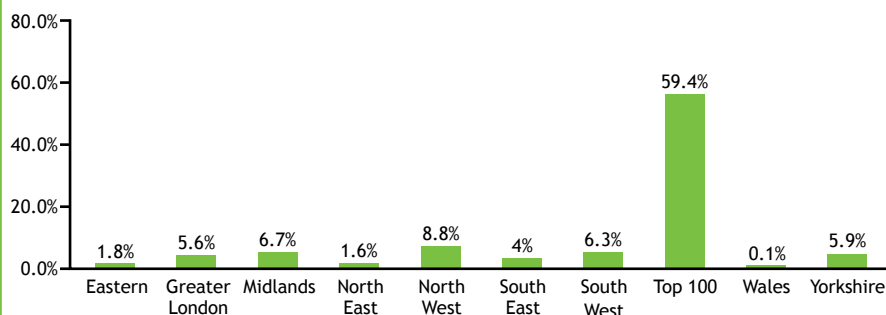
Firms from across the regions of England and Wales submitted returns, including 49 of the Top 100 Law Firms. Outside the Top 100 firms, the largest number was from Greater London (27) and the South East (19)².

Respondent firms by Region



The graph below illustrates how the workforce from responding firms is spread across the different regions. The majority of the workforce - 43, 146 - comes from Top 100 firms which account for 59% of workforce reported on within the Charter.

Workforce Across Different Regions



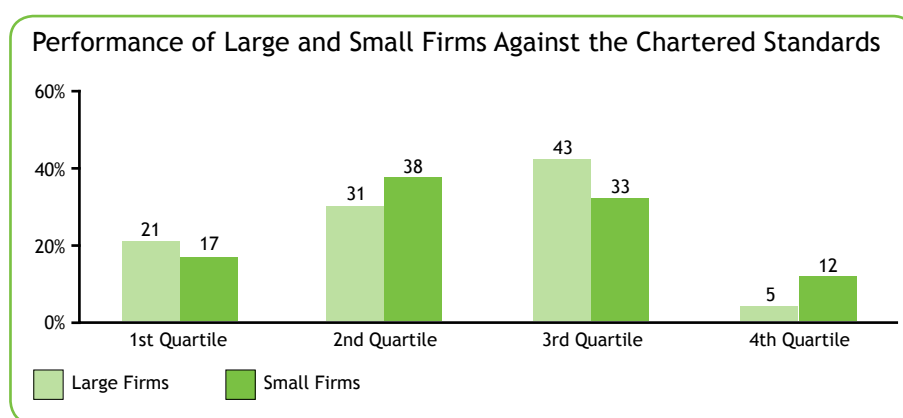
² The region of 2 firms are unknown.



2 Results of self-assessment against the Charter standards

This section presents the results of the self-assessment of firms in the cohort against the Charter standards. Scores vary widely across the firms. Out of a total maximum score of 82 amongst large firms, the highest score achieved was 78 and the lowest 13. Out of a total maximum score of 44 for small firms, the highest score achieved was 42 and the lowest 10.

The graph below shows the distribution of large and small firms in each quartile of scores.



Small Firms		Large Firms	
4th quartile	Scores 0-11	4th quartile	Scores 0-22
3rd quartile	Scores <11-22	3rd quartile	Scores <22-42
2nd quartile	Scores <22-33	2nd quartile	Scores <42-62
1st quartile	Scores <33-44	1st quartile	Scores <62-82

2.1 Self assessment summary of results

Building equality and diversity into a practice not only ensures the legal practice is meeting legal and regulatory requirements but offers opportunities for business advantage. Equality and diversity can help a practice attract and retain the best talent and best suppliers, help to maximise the potential of their staff and expand the client base. In the current highly competitive and tough economic climate, these are important opportunities for small and large firms alike.

The self-assessment results show a high level of commitment amongst partners and senior leaders, perhaps indicating their recognition of the importance of the potential benefits presented by equality and diversity. 32 firms are already successful in winning contracts from purchasers of legal services who consider equality and diversity performance as part of their procurement process.

As the summary below shows, many firms are taking steps to develop equality and diversity. Some are leading at best practice level, but some firms still have steps to take to ensure the foundations for equality and diversity is firmly in place. Overall, more work remains to be done before firms across the cohort can reap the benefits offered by equality and diversity.

Good practice

- There is evidence of strong leadership commitment to equality and diversity across the cohort. All firms have a partner or senior level equivalent that plays an active role in encouraging equality of opportunity and respect for diversity.
- The majority of firms have essential policies in place to support equality and diversity. 158 firms (99%) have an equality and diversity policy and action plan. 20 small firms and all large firms have written policies and procedures for bullying and harassment, disciplinary and grievance.
- Firms are taking action to ensure staff have the knowledge and skills to enable them to support the achievement of the equality and diversity policy and plan. 127 large firms (94%) and 20 small firms (83%) have assessed the equality and diversity training needs for all staff - including partners. 17 small firms (71%) and 70 large firms (52%) deliver equality and diversity training to all staff.
- There is strong commitment across all firms to ensuring equality and diversity in its service delivery to clients. 97 large firms (72%) have plans to promote access to its services to diverse groups over the next 12 months.
- 93 large firms and 11 small firms can demonstrate achievements against their equality and diversity action plans.
- 120 large firms (89%) and 13 small firms (54%) routinely collect workforce data across race, age and gender.
- 43 firms can demonstrate the positive impact of their outreach activities that promote services to diverse groups in the community.
- 32 firms are successful in winning contracts from purchasers who consider equality and diversity performance as part of the procurement process.



Opportunities for development

- More focus needs to be placed on setting clear equality and diversity objectives and using monitoring to track progress towards these.
- 52 firms (33%) have yet to indicate that they have undertaken work on the Monitoring and Review section of the standards and only 37 firms (23%) are demonstrating best practice on this issue.
- Whilst workforce monitoring is commonly taking place on race, gender and age, this needs to extend to other protected characteristics including disability, sexual orientation and religion/belief to meet the requirements of the Equality Act 2010 or the proposed regulatory requirements in this area.
- More action needs to be taken to ensure that achieving equality and diversity objectives is everyone's responsibility within the firms. 55 large firms have built equality and diversity into individual objectives (35%). Only 17 firms (13%) demonstrate best practice by linking these to reward and recognition.
- 59 firms (37%) have yet to report action in the area of Employment and Staff Development. This part of the standards includes some fundamental measures that will help firms meet the requirements of the Equality Act 2010 and Principle 9 of the SRA's Code of Conduct. It is therefore an important area for firms to focus on. Only 56 firms (35%) are developing towards or achieving best practice on this issue.
- 54 firms (34%) have yet to report action on engaging with staff, clients and community on equality and diversity. Amongst the firms that are taking action on this issue, the majority are ensuring that they consult with staff on equality and diversity policies, procedures and actions and make them aware of diversity and affiliation networks across the sector.
- Ensuring web accessibility remains an area for development for many firms. Only 35 firms (22%) have undertaken a web accessibility audit and have plans to achieve AA or AAA web accessibility rating over the next 12 months. Only 13 firms (8%) have already achieved this.
- Few firms have yet considered the role and importance of equality and diversity in procurement and supply. 51 firms (32%) have not yet rated themselves on this issue and 42 (26%) have progressed beyond ensuring the foundations for building equality and diversity into procurement are in place.
- Only 85 firms (53%) are currently taking any action to share best practice and learning on equality and diversity across the profession.

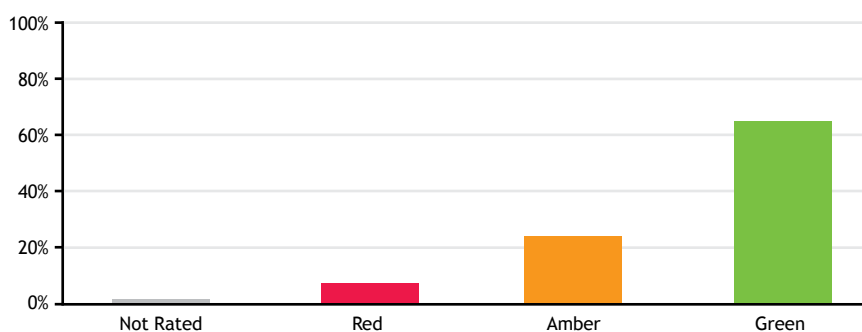
2.2 Leadership and Vision

The legal practice demonstrates leadership on equality and diversity and communicates its commitment to diversity in all aspects of its professional practice.

Leadership and vision is the business area in which the cohort firms are strongest. Given that leadership of equality and diversity is essential in achieving positive outcomes and progress, this provides a strong foundation for progress.

104 firms (65.4%) have achieved best practice levels for Leadership and Vision on equality and diversity. 40 firms (25.2%) are taking action to develop this. Only 13 firms (8%) are at the stage of building the foundations to create strong Leadership and Vision for equality and diversity. Only 2 firms have yet to rate themselves on this issue.

Leadership and Vision - Overall Performance



Strong leadership from partners

It appears from both small and large firms that partners are playing an active role in promoting equality and diversity:

- All firms have a partner or senior level equivalent that plays an active role in encouraging equality of opportunity and respect for diversity
- 21 small firms (91%) which are developing their work on Leadership and Vision (Amber) ensure the senior partner reviews the progress of the practice in delivering the equality and diversity action plan on at least an annual basis
- 16 out of 19 (84%) small firms at best practice level on this issue (Green) report that the senior partner or equivalent is accountable for achieving progress on equality and diversity
- 134 out of 144 firms (93%) at best practice level (Green) on this issue ensure that partners or senior level equivalents play an active role in approving submissions to the Diversity and Inclusion Charter annual review.



Case study: Large firm

Ashurt LLP: Setting objectives

The partners' conference in 2010 included a dedicated people section with diversity a key strand, ensuring the most effective way possible of communicating the firm's approach to diversity to all partners globally. To embed this in partner planning, appraisal forms now reflect the setting of diversity objectives which will be reviewed at the appraisal year end.

Essential governance foundations are in place

- All firms have an equality and diversity policy and action plan in place.
- All but 1 small firm have a mechanism in place to review progress in delivering the equality and diversity policy and action plan.
- 90 large firms (66.7%) have an equality and diversity committee / working group to guide and support progress and in 87 firms (64%) firms who are developing Leadership and Vision (Amber level), the committee meets regularly and is chaired by a partner or senior level equivalent.



Case study: large firm

Berwin Leighton Paisner LLP: LGB Initiatives

We have a Diversity Committee at BLP comprising circa 15 members of staff from across the business and at different levels. The Committee, chaired by HR, meets regularly to discuss relevant issues, gather feedback and suggest new initiatives. New diversity policy and procedures are also agreed with the committee. In an early Committee meeting, one of the agenda items was to raise awareness of LGBT within the firm, emphasizing our policy of being an equal and inclusive employer. From the Diversity Committee, an LGBT network group began. The group, which meets bi-monthly, has an allocated budget, support from the HR team and a Board Champion whose role it is to promote LGBT diversity at senior management level. Over the past 12 months, the group has been working hard to raise internal profile and to highlight LGBT issues. For example, we held a 'DiversCity' walking tour showcasing the architectural history in the City and focusing on LGBT involvement; we screened the Stonewall film to internal staff and clients; we ran an evening with comedian Rhona Cameron and a joint firm graduate event. The group also operate a straight allies initiative to encourage straight colleagues to get involved in supporting the LGBT group's initiatives.

Opportunity for development - focusing on outcomes

Having engaged senior leaders in promoting equality and diversity, the results indicate that more focus should now be placed on ensuring clear equality and diversity priorities and objectives are set within firms and that progress towards achieving positive outcomes is tracked.



Innovative best practice

Some firms are making strong progress on Leadership and Vision. For example, 93 out of 125 large firms (74%) at the best practice (Green) level can demonstrate achievements they have made against their equality and diversity action plan. 11 small firms (58%) at this level can also demonstrate the achievements they have made against their equality and diversity action plan.

However, there are many firms that have further progress to make on Leadership and Vision:

- 53 large firms (39%) have yet to set equality and diversity objectives for staff in the next 12 months.
- For the 135 large firms who have positioned themselves as developing Leadership and Vision (Amber level), 65 (52%) have yet to set equality and diversity objectives and ensure these are communicated to staff.
- For large firms who are demonstrating best practice on this issue (Green level), only 41 (33%) ensure that all appropriate partners have clear equality, diversity and inclusion objectives and achievements are communicated to staff.

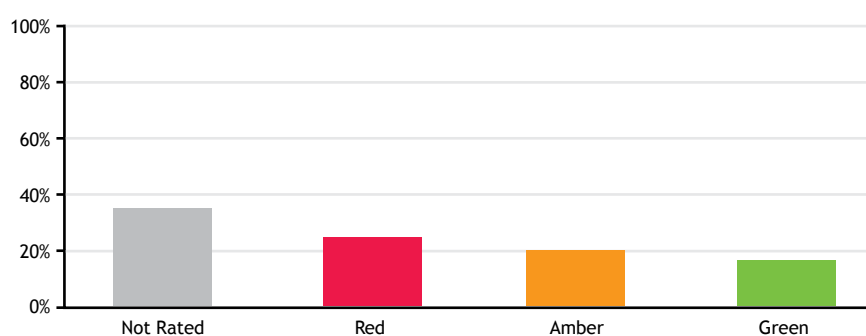
2.3 Employment and Staff Development

The legal practice is a fair employer with a harmonious and productive workforce which reflects at all levels the diversity of the wider society and where all are treated with respect and dignity.

Ensuring equality and diversity in employment not only carries with it important legal obligations under the Equality Act 2010 but also helps firms to attract, develop and retain the best possible talent available from the widest pools. It is this that can help ensure the firm's business success, particularly in the present tough competitive and economic climate.

However, this is a business area in which, in general, firms are currently performing less well. Only 27 firms overall (17%) are at best practice level (green) on this issue and 59 (37%) have yet to report action on this issue.

Employment and Staff Development - Overall Performance



Essential policies are in place

Amongst the 100 small and large firms that have rated themselves on this issue, many are aware of the need for policies to support equality and diversity in employment and the majority have ensured that these are in place:

- All but 1 of the small firms and all of the large firms have an equality and diversity policy covering recruitment, selection, progression and retention.



Case study: *Small firm*

Parry Welch Lacey solicitors LLP:

We have a documented policy within our office manual dealing with equality and diversity issues. That policy has led us to recruit from sectors of the community where employees do not readily have access to jobs in the legal sector. In the words of one of our employees "One of the girls at college said I would never get a job because of where I come from". That member of staff has been in post for 16 months.

**Case study: Large firm****Baker & McKenzie LLP: Positive action scheme**

A good example of how our monitoring exercises have created tangible results is our Graduate Recruitment BME initiative. In 2006, our statistics showed that only 4% of our trainee intake were BME. Through constant monitoring, candid discussions, thorough training of interviewers, and a comprehensive review of the entire area, our statistics have now reached 21%. This is a great example of how you can move the numbers if there is a will to do so.

- 20 small firms and all large firms have written policies and procedures for bullying and harassment, discipline and grievance.
- 131 large firms (97%) do not have gagging clauses in its employment contracts forbidding discussion and disclosure of pay with colleagues
- All large and small firms are aware of their obligations to ensure reasonable adjustments are made for disabled clients, employees and managers.

**Case study: large firm****Eversheds LLP: Focus on disability**

There has been a step change in our disability approach. MiDRAS, a comprehensive end-to-end process for reasonable adjustments, is currently being piloted in preparation for a firm wide launch early in 2012; disability confidence training for HR took place in July to up skill them and enable them to use MiDRAS effectively; successfully re-launched our Disability Employee Network (DEN) and membership has since grown significantly.

Innovative best practice

Some leading edge firms are now able to demonstrate the difference these policies make:

- 11 of the 14 small firms demonstrating best practice on Employment and Staff Development can evidence meeting its obligations to make reasonable adjustments for disabled clients, employees and managers.

Equality and diversity training needs of staff are being considered

- 127 large firms (94%) and 20 small firms (83%) have assessed the equality and diversity training needs for all staff including partners.
- Amongst firms who are taking action to develop equality and diversity in Employment and Staff development (Amber level), 70 large firms (86% at that level) and 17 small firms (85% of small firms at that level) deliver equality and diversity training to all their staff.

Opportunity for development: focusing on ensuring equality and diversity in employment

There is much ground to be covered by many law firms to ensure they are able to attract and retain the best talent from all backgrounds to their practice as well as fully meet both their legal obligations as relates to employment under the Equality Act 2010 and their regulatory duties under Principle 9 of the SRA's Code of Conduct. Firms that have made progress on this have ensured that essential policies are in place and that the training needs of staff to support meeting the firms obligations and commitments are assessed and met. It is important to look to these firms - both large and small in order to emulate this achievement.



Case study: small firm

Marsons solicitors: Flexible working

We recognise as a firm we spend considerable time and money training members of staff and therefore we try very hard to retain them and are therefore attune to their personal circumstance. This means we are very flexible in terms of part time or flexible working hours due to family commitments. We currently have 3 members of staff working part time who have young families. We also offer flexibility to a partner who is the main carer within his family. Due to this flexibility we have attracted staff.



Case study: large firm

DWF LLP: Equality impact assessments

We are equality impact assessing the current employment proposition in relation to strategy, policy and practice. We are engaging with our people through direct feedback and dialogue to ensure practical, manageable and measurable solutions are put in place that demonstrate our commitment to the principles of equality fairness and respect. As well as assessing and monitoring the impact of our attraction, recruitment and selection processes on gender equality we are looking at promotion and progression, leadership, talent development, equal pay and wider reward and recognition.



Case study: large firm

Paul Hastings - Winners of the Law Society Excellence Award 2011 for Equality and Diversity: outreach and diversity in recruitment

The Paul Hastings Attorney Networks (PHANs) programme was launched in 2006 to promote inclusion and provide networking support for attorneys across diverse backgrounds, experiences and interests. There are two active networks in London that support the office's diversity and inclusion initiatives and maintain an ongoing diversity dialogue, the London Women's Network (LWN) and the London Diversity Network (LDN).

Representatives from the PHANs assist the Black Solicitors' Network (BSN) with two initiatives: 1) career education workshops and 2) a BSN mentoring scheme aimed at providing guidance to young students considering a legal career. To this end, in August 2010, we offered summer internships to two students selected by the BSN, who worked under the supervision of PHAN members, and subsequently a training contract to one of these students. The PHANs also



support a host of programmes and initiatives focused on increasing the pipeline of diverse human capital for the legal profession.

Paul Hastings is committed to providing a work environment that offers equal opportunity to all and reflects the diverse communities in which we operate. "The more diverse we are, the more successful we are." - Seth Zachary, Chair of Paul Hastings.

We select the best and brightest candidates who will become active contributors to our firm's success—regardless of their race, color, national origin, religion, sex, age, disability, citizenship, marital status, gender identity, sexual orientation, genetic information, or any other status as defined and protected by applicable law.

Our approach is to hire, retain, develop and reward. We recruit diverse candidates and ensure that all of our attorneys have equal access to the best opportunities for professional development and growth. We see the training, mentoring, evaluation and advancement of qualified lawyers, especially female and minority lawyers, as essential to our future success in the global economy.

Increasing the diverse talent pool and advancing the diversity dialogue are two of the key areas Paul Hastings has tried to impact with our diversity outreach initiatives. It is imperative to the success of our business that we attract, develop and retain the best and brightest minds that will bring creative ideas and expertise to our client's sophisticated legal matters. To that end, we have cultivated ongoing relationships with organisations such as, The Brokerage, Tower Hamlets and Dress For Success. In 2011 we announced the Paul Hastings Scholarship at Oxford Law. The first scholarship has been awarded and will be awarded annually to an outstanding and financially-deserving postgraduate law student from a diverse background.

The firm will continue to host diversity forums and partner with key diversity organizations in an effort to set new standards for diversity and to promote and advance an environment of inclusion in the United Kingdom.

The firm has benefited tremendously from the PHAN programme and its participants. In 2011 the programme grew to 21 networks across Asia, Europe and the United States. The growth and visibility of the PHANs has also led to new leadership roles for the attorneys involved. The increased focus on engaging allies outside of the firm through a shared commitment to diversity demonstrates the PHANs effectiveness in developing diversity leaders on a global scale. It is our sincere hope that our pipeline programmes will bring future success as we steadily increase the pool of diverse candidates interested in the legal profession.

As evidenced in our supporting letters from Dress For Success, the Black Solicitors Network, Tower Hamlets, John Scurr Primary School, The University of Oxford and The Brokerage our efforts have gone a long way to impact Primary School students, disadvantaged women, young residents of London's inner-city boroughs and post-graduate law students.

In addition to an overall stronger focus on equality and diversity in employment, two areas stand out for particular attention, even amongst those firms that have already made progress in this area. These are:

- **Ensuring equal pay** - pay represents a major investment and should be quality proofed. Ensuring equal pay for work of equal value is required under the Equality Act 2010. Currently only 23 large firms (17%) have completed an equal pay review and are undertaking appropriate processes to ensure equal pay



Case study: large firm

Irwin Mitchell LLP: Gender Equality at senior levels & Equal Pay audit

The percentage of female partners is steadily increasing (now 30%) and we were delighted that 75% of partners promoted internally this year were female.

We have also completed an Equal pay audit this year which was one of our diversity Board objectives. The results will be submitted to the board in April and analysis is currently underway to inform and determine any actions required.

- **Embedding responsibility and accountability for achieving equality and diversity into everyone's role** - ensuring equality, diversity and inclusion becomes built in to the work people do and the way that they work with each other and with clients can only be achieved if it is an issue which is part of everyone's responsibility. Only 17 large firms (13%) set equality and diversity objectives into individual development objectives and link these to reward and recognition. Of the 81 large firms who are at the level of developing equality and diversity in employment (amber level), 55 (68%) have built equality and diversity into staff appraisals and development objectives.

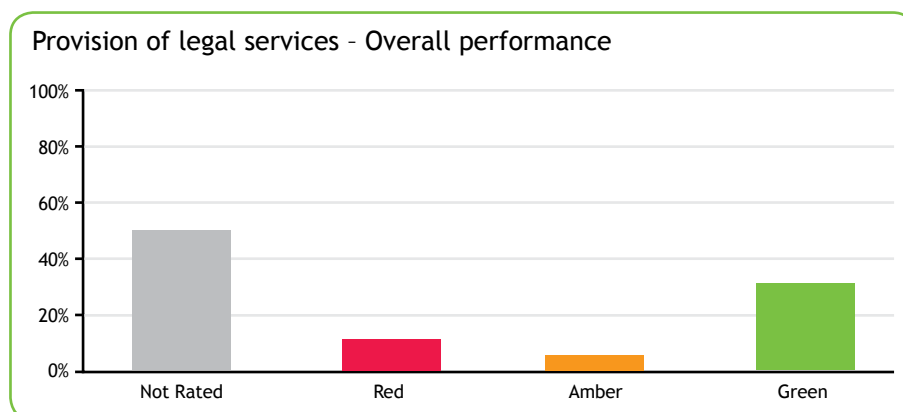
2.4 Provision of legal services

The legal practice provides inclusive and responsive services which meet the needs of diverse clients.

81 firms (51%) are taking action to ensure the services they provide are inclusive and responsible in meeting the needs of diverse clients. However, the area that appears to have caused problems for many firms in this area is enabling web accessibility for clients - an issue many firms, large and small, continue to need to work on. It is this that has led to lower performance for firms overall in this area.

Whilst ensuring equality and diversity in provision of legal services is a critical issue for firms of all sizes, understanding and working closely with individual diverse clients is more likely to be a business issue for small firms than large firms, who tend to work with corporate clients. The majority of responding firms (85%) are large and the way in which building equality and diversity into provision of legal services may be less obvious to them and may account for the high number of firms - 78 (49%) that have not yet rated themselves on this issue:

- Less than a third of all firms rate themselves at Green level on this issue (30%). A further 49% have yet to rate themselves at all on this issue.



High levels of commitment to ensuring equality in provision of services

- 100% of large and small firms report that their practice expresses clear commitment to appropriate level of service to all clients.



Case study: large firm

Eversheds: Delivering services for a diverse client group

Diversity is embedded in our culture and part of what makes us such a progressive and innovative firm. As an international law firm, cultural sensitivities are increasingly significant - more than 50% of our client contacts are from a diverse range of backgrounds and it is imperative that we mirror our clients. We pride ourselves on our international coverage and our lawyers can advise on local law in their local language as well as in English on international transactions.

We will shortly be launching our new global website, which will be in five languages (German, Spanish, French, Chinese, and English). In addition, each country's site will be in the native language(s) and English. Our website is WCAG 2.0 compliant and we aim to achieve AA web accessibility rating across the website.

All of our offices with more than 300 people have contemplation rooms for use by colleagues, clients and visitors, and we raise awareness of the key festivals of different faiths through articles on our intranet. During Ramadan, colleagues in our Abu Dhabi office hosted a Ramadan Iftar event for local Muslim clients.

Firms undertaking outreach work

- Amongst 60 firms demonstrating best practice in building equality and diversity into the provision of services (Green level), 43 (72%) can demonstrate outreach activities that promote services to diverse groups in the community.



Case studies: outreach projects in large firms

Chambers solicitors: Staff reflecting your community

The firm promotes its services to the diverse clients in the community it serves by targeting ethnic minorities either by way of advertising on ethnic minority media such as radio, TV and news papers. In addition staff in the firm are reflective of the ethnic mix of the local community and also speak the languages of the local diverse community.

Charles Russell LLP: Extending expertise into the community

For a number of years we have hosted lunchtime careers talks for students from schools with a large population of children from disadvantaged backgrounds. partners, trainee solicitors and members of the resource departments (such as marketing, IT, accounts etc) have given presentations on their own roles to illustrate there are various professional roles within a law firm, not just that of a solicitor. The firm's representatives in this initiative have come from a variety of backgrounds and are able to give their own account of how they have got to where they are today, what they have learnt and any relevant advice they think is useful to the individuals.

After the talk, we also facilitate an interactive session on how a CV should be set out and what it should contain.

We learnt there are still incorrect perceptions held by some individuals and the sessions we run are valuable and worthwhile in terms of challenging those perceptions. By way of example, when asked what skills/capabilities you need to have to be a lawyer, one 15 year old boy said he thought to be a lawyer you needed to talk posh! There are still a large number of individuals who



are first generation A Level candidates and they have found it helpful to learn about the types of grades/subjects they should consider and how success can be achieved other than through direct educational routes. Meeting a variety of individuals and learning about their specific backgrounds and what they do in their current role encouraged debate and an understanding that it isn't a case of one size fits all.

The overall experience was very positive. A number of the students were enthused and indicated through feedback forms after the event they had learnt a lot through the session.

Stephensons solicitors LLP: Bringing services to the community

Stephensons has strong links with the Chinese Women's Society. This organisation refers a number of Chinese clients to us and we provide talks to their staff and clients on domestic violence.

Our Probate team provides a surgery once a week to Age Concern as preventative support for 2 hours. We also provide talks to a number of other organisations including Pensioners Link. We have also provided advice surgeries to Age Concern, Pensioners Link and work solutions. This includes generalist advice on all social welfare categories, and some public law issues including potential judicial review. We have also provided generalist advice in relation to public law issues such as environmental and planning law.

Our Family team have been involved in providing early intervention services for various target groups. In January 2010, the Family team launched a free phone Family helpline providing free help and assistance on the broad spectrum of family problems. The helpline is being marketed to places such as Sure Start Centres, domestic violence hostels, Citizens Advice Bureaux and GP waiting rooms and provides 30 minutes of free initial advice to callers.

Our Community Care team have developed relationships with a number of different organisations providing training and advice surgeries for the Lancashire Children's Advocacy Service, Barnardos, Wigan & Leigh/St Helens Carers, MIND and Age UK. These are just some examples of the various charities and organisations that have been offered this kind of training and support.

Finally, our Housing and Welfare teams have been strongly involved in a project which offers support and guidance to homeless people in the Wigan area.

Essential monitoring in place

- 9 small firms (38%) and 62 large firms (46%) monitor and review their services to ensure they are free from discrimination
- Amongst the 60 firms leading on this issue at best practice (Green) level, 58 can demonstrate that its provision of legal services are fair and can evidence being in line with Principle 9 of the Solicitors' Code of Conduct.

Opportunity for development - ensure web accessibility

Given the prevalence of web use in today's society, this is an important priority area for firms to ensure accessibility of their services.

- 100 large firms (74%) and 9 small firms (38%) have achieved minimum web accessibility standards.
- 3 small firms and 32 large firms have undertaken a web accessibility audit.
- No small firms and 13 large firms have achieved AA or AAA accessibility rating, defined as best innovative practice in the equality and diversity standards.

2.5 Engagement with staff, clients and community

The legal practice is proactive in seeking feedback from staff, clients and communities and is responsive to diverse needs.

40 firms (25%) are leading at the best practice level (green) on this issue and 59 (37%) are ensuring they have the foundations for engagement in place (red level). Just 6 firms (4%) are developing their approach to engagement at the amber level. A total of 54 firms (34%) have yet to report action on this issue.

Understanding the firm's performance and impact on staff, clients and the community is critical to ensuring high levels of productivity, quality and satisfaction. By engaging with different groups a firm can gain essential information on what actions make the most difference and yield the greatest return on investment in achieving equality and diversity.

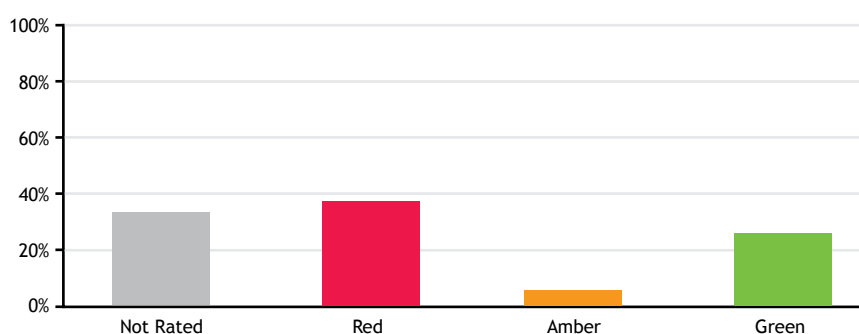


Case study: large firm

Baker McKenzie: Diversity network groups

The work of our focus groups forms the foundation upon which our diversity programme goes from strength to strength. Membership of the groups is fully inclusive and anyone in the Firm may join. This year a new group was launched focussing on social mobility - BakerOpportunity. We now have five groups: BakerBalance, BakerEthnicity, BakerLGBT, BakerOpportunity and BakerWomen.

Engagement with staff, clients and community - Overall performance



Steps to involve staff in the equality and diversity process are being taken

Many firms are taking steps to ensure that engagement becomes a feature of their equality and diversity work:

- 107 large firms (79%) ensure that staff are involved in development of equality and diversity policies, procedures, objectives, structures, action plans and any new policies that affect them.
- 97 large firms (72%) and 11 small firms (46%) at amber level have made staff aware of Law Society equality groups or other professional networks
- 84 of the 93 large firms developing work on engagement (amber level) support their staff to participate in affiliation networks including internal diversity networks.

Steps to engage with diverse groups in the wider community are being taken

Large firms appear to be taking more action than small firms to engage with diverse groups in the community. Whilst large firms may have more resources to engage with diverse groups in the community, such action presents a potentially powerful marketing tool to small firms:

- 12 small firms (50%) and 109 (81%) large firms have identified ways in which they can participate in equality and diversity work in the wider local community and have started to make appropriate contacts.



Innovative best practice

- 28 of the 36 large firms that are leading in this area at best practice level (green) collaborate with community partners to promote equality, diversity and inclusion and can demonstrate its positive impact.



Case studies: *small firms*

Marsons Solicitors: *engaging with communities*

One item on our action plan for 2010/2011 was to increase our role in the community and therefore promoting equality and diversity. We have achieved this through our connection with the Shaw Trust (a national charity which supports disabled and disadvantaged people to prepare for work, find jobs and live more independently). We share premises with them and also use their services such as confidential waste disposal and gardening.

We support the Shaw Trust, a National charity which works with employers, social services and the disabled within our local community to help people with disabilities find employment. We specifically use them for disposal of our confidential waste and for maintenance of our offices garden. We also provide funding through supporting various fund raising initiatives brought out by the Shaw Trust.

Perrins Solicitors: *Engaging with the local community*

The practice sponsors WISH (Women in Social Housing) and female staff attend many of their events and we similarly sponsor The North Herts Ethnic Minority Forum, set up to meet the needs particularly of various minorities in the area. All of our partners are engaged in pro bono work for local organisations which they have found highly rewarding. One is a trustee of the Herts & Beds Counselling Foundation and is a Vice Chairman of a local Community Housing Trust. Another is a trustee of Jubilee House Care Trust, which provides support for adults and children with learning disabilities. The other, the Managing Partner, is the Secretary and a Director of Hertfordshire Housing Conference Limited a non-profit making company which organises the annual Hertfordshire Housing Conference.

The firm has also forged strong links with Sir John Lawes School, our local comprehensive, where we promote an annual essay competition on social themes, provide careers sessions and provide work shadowing. Feedback from students and staff has been uniformly positive, providing a wider dimension to their academic curriculum.

Opportunity for development - use engagement as a lever for improving equality and diversity

Without engagement with staff, clients and the local community it is extremely difficult for a firm to understand its impact on equality and diversity and to identify the actions that will help achieve the most progress. Engagement with staff in particular on this issue also helps to promote understanding of equality and diversity and create commitment to achieving change. Therefore it is essential that firms take action in the coming year to:

- Consult with staff on equality and diversity and use feedback to create priority objectives and action plans
- Support their staff to become engaged in equality and diversity, for example through networks and groups either within or outside the firm or within the local communities
- Identify the different groups within their local communities; how their services can be made accessible to them and how the firm can make a positive impact.



Case study: large firms

Addleshaw Goddard: social mobility & work with schools

As part of our commitment to the social mobility strand of our diversity programme we have signed up to the PRIME initiative and worked with local schools in London and Leeds to develop a work experience programme and mentoring scheme designed to raise the aspirations of young people from less privileged backgrounds.

These schemes were a great success were run for the first time in August 2011 and we have had really positive feedback from all those who were involved. The aim is to extend the scheme to our Manchester office in 2012

The following comments from the students show how much they also enjoyed the experience:

"It was amazing! All the staff here are so friendly and I would like to say a really big thank you to you all!"

"It was a brilliant experience and a lot of fun! I learnt a lot about the world of work, and the work of a lawyer, as well as various types of laws which I didn't know existed."

Cobbett's: engaging with the community

We work with Pathways to Law who target students from under-represented backgrounds and in early 2012 will be embarking on a relationship with Career Academies who set out to raise aspirations of 16 - 19 year olds. Recently our trainees have implemented a mentoring scheme in conjunction with Pathways at Leeds, Manchester and Warwick universities. We are involved in the Law Society's Diversity Group. We have also carried out "mini projects" with BITC although we are not full members. We have recently partnered with Stonewall who have undertaken a review of our policies and procedures.

2.6 Policy making and practice development

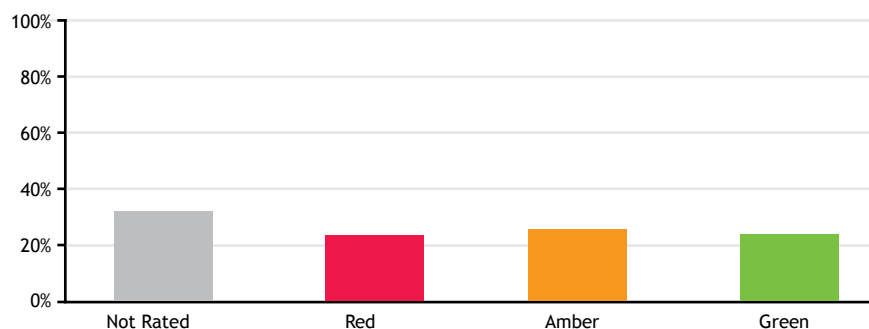
The practice carries out policy reviews to take into account equality and diversity issues. Equality impact assessments provide a well established framework for delivering in this area of development.

By building considerations of equality and diversity into policy making and practice development from the start, not only can firms avoid discrimination but also ensure that the potential of talent in the workforce is maximised and that the firm meets the diverse needs of all its clients.

116 firms (73%) are taking action to build equality and diversity into policy making and practice development. 38 firms (24%) are demonstrating best practice (green level), 40 (25%) are taking action to develop this issue and 38 (24%) are ensuring the right foundations are in place to build equality and diversity into policy making and practice development.

However, 43 firms (27%) were unable to report achievements against this standard.

Policy making and practice development - Overall Performance



Case study: large firm

Berwin Leighton Paisner LLP: approach to policy review

Our policies and practices are discussed with the Diversity Committee and then policies are reviewed with the Employment team.

Regarding the LGBT group, we ask for advice and guidance around inclusivity and language, for example we reviewed our benefits booklet this year and asked the LGBT group to audit the language used, ensuring inclusivity for same sex couples and partnerships. 2011 also saw the launch of a new bonus scheme for associates and when it came to the modelling phase, our advisor looked at the impact of those on fixed and flexible hours.

Trained staff review the equality and diversity implications of policies and decisions

This standard only contains one indicator for small firms. It is at the best practice (Green) level. It refers to the practice using trained staff to review the effect of its policies, practices, decisions or services on equality and diversity objectives. This indicator is positioned at the foundation (Red) level for large firms. 9 small firms (37.5%) and 113 large firms (84%) carry this out.

Top level commitment to building equality and diversity into decision making

In line with earlier indications of top level commitment to equality and diversity, 126 large firms (93%) state that a relevant partner takes responsibility for promoting progress in relation to gathering equality, diversity and inclusion data, including anecdotal evidence as a minimum.

76 large firms (56%) have a system in place for conducting equality audits or reviews on all human resource policies and policies affecting clients and third parties.

Opportunity for development - be proactive in considering the equality implications of policies and decisions

There are currently 44 large firms (33%) that ensure that all new policies and practices in development are subject to equality audits or review and the results are represented in associated action plans to improve equality and diversity outcomes.

An equality impact assessment (EIA) process is designed to identify equality implications. Organisations who use a streamlined and robust EIA process view it as a helpful tool to make better informed policies and decisions. The Law Society Equality and Diversity Toolkit provides specific guidance on EIA's and how to use them.



Case study: *large firm*

Hogan Lovells International LLP: Reviewing Policy

The London office of Hogan Lovells International LLP has developed a policy checker tool to assess the impact of HR and benefits policies on particular groups of staff. The tool enables the user to assess and identify if any aspects of the policy are biased against staff and identifies best practice solutions in the development and implementation of inclusive policies.

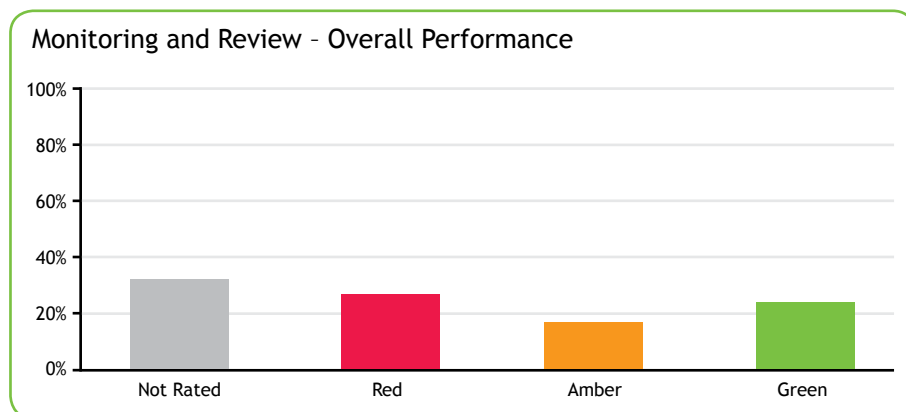
The checker tool includes an action plan where changes can be noted where necessary to improve equality and diversity outcomes.

2.7 Monitoring and review

The legal practice gathers, analyses and report regularly on equality monitoring data.

In tracking progress towards achieving equality and diversity it is vital to set key performance indicators. Comprehensive diversity workforce monitoring data is essential. Monitoring data enables law firms to effectively target their investment in equality and diversity.

37 firms (23%) are leading at best practice level (green) on this issue, 27 (17%) are taking action to develop their approach (amber level) and 43 (27%) are ensuring they have the foundations in place for monitoring and reviewing their equality and diversity progress (red level). However, 52 firms (33%) have yet to report action on monitoring. Overall, more focus is required by law firms on monitoring and reviewing the effect of its equality and diversity actions.



Monitoring of race, age and gender is underway

- 120 large firms (89%) routinely collect equality and diversity workforce data across race, age and gender and encourage staff to provide their equality data to the Solicitors Regulatory Authority. Fewer small firms - 13 (54%) are doing this.
- 104 large firms (77%) have also made good progress in monitoring equality and diversity in functions other than recruitment, for example in discipline and grievance procedures.

Top leadership commitment to monitoring

A further demonstration of senior level commitment to this issue is shown amongst large firms:

- 132 large firms (98%) state that partners or senior level equivalents have taken responsibility for promoting monitoring of equality, diversity and inclusion data.



Case study: *a small firm approach to monitoring process*

Marsons Solicitors

We collect and monitor equality and diversity statistics within our firm through annual surveys. The results are analysed and reviewed against previous years' results at partnership level. We also provide these results to certain clients and prospective clients (on their request). In terms of our firm we believe that we demonstrate good equality and diversity taking into account the surveys results. We have also found that with low turnover of staff those results have remained relatively consistent. We have found that this has been a good marketing tool in certain client sectors and commercially advantageous at times.

Opportunity for development :extend monitoring across all areas

Currently, 37 (23%) of the cohort firms are at best practice level (green) on monitoring. The majority of firms have yet to extend monitoring from race, gender and age to also include disability, sexual orientation and religion/belief - to meet any regulatory requirements.



Case study: *large firm approach to monitoring development and appraisals*

Addleshaw Goddard LLP

We monitor our workforce across the following diversity strands: gender, age, ethnicity, nationality, sexual orientation, social mobility, religion or belief and disability. We also monitor our policies and key business processes (such as our performance review process) to ensure equal treatment of minority groups.

Using our online recruitment portal we are able to monitor the diversity of the applicants that we receive for specific roles. We can monitor each stage of the selection process but the data cannot be attributed to a specific individual as it is anonymous. This information is analysed on a regular basis and is used to inform our recruitment strategies and understand where any barriers may be to diverse talent entering the firm. We have recently begun to monitor social mobility and our focus, at the moment, is on looking at applicants for our training contracts and placement schemes to determine whether people from different types of social / educational backgrounds have equal access to the firm.

2.8 Procurement and supplier diversity

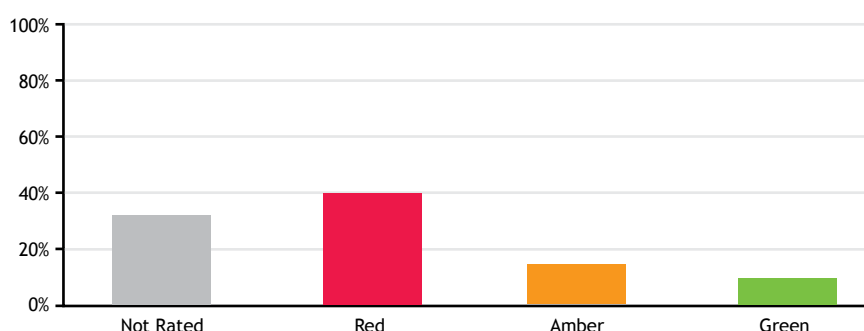
The legal practice works with third parties and suppliers demonstrating diversity in purchase and supply.

Many organisations that procure the services of law firms are increasingly looking for firms that can demonstrate commitment and progress in equality and diversity. This is particularly the case for public sector organisations and demonstrated by the 36 signatories of the Law Society's Procurement Protocol. Work on equality and diversity for some firms becomes important in being able to align themselves to the expectations of clients. Indeed, 32 large firms (24%) at best practice level (Green) on this issue report that they have been successful in winning contracts from purchasers of legal services who consider equality and diversity performance as part of their procurement process.

It is also important that law firms ensure that the businesses that provide goods and services to them can demonstrate compliance with equality law, and where appropriate when seeking out best quality and competitive suppliers they draw from a diverse pool, including small businesses.

This is an area of work where the cohort firms have yet to make significant progress. 51 firms (32%) have not yet reported any action on procurement and supplier diversity and the majority - 66 (42%) are yet to put the foundations in place to build equality and diversity into procurement and supplier diversity.

Procurement and supplier diversity - Overall Performance



A commitment to building equality and diversity into procurement and supplier diversity

- 22 small firms (92%) state that they demonstrate their commitment to equality and diversity to prospective clients as do 129 large firms (96%).
- 86 large firms (64%) have reviewed their procurement policy and have a documented procurement process.
- 109 large firms (81%) have an aspiration to work with a diverse range of suppliers and are actively exploring opportunities to do so in the future.



Innovative best practice

- 24 large firms (18%) at best practice level (Green) use information about equality and diversity policies and practice when evaluating competitive tenders.



Case study: a large firm approach to ensuring supplier E&D compliance
Bevan Brittan LLP

We developed a supplier diversity questionnaire which is included in our invitation to tender documents for the supply of goods or services to Bevan Brittan LLP. The director of property and facilities reviews all tender responses including the diversity questionnaire as part of the evaluation process of all tender responses.

It is requirement of Bevan Brittan LLP that a supplier is able to demonstrate compliance with the diversity criteria set out for them to be considered as a supplier.

Once the supplier is appointed monthly service review meetings chaired by the director of Property and Facilities take place with the supplier with Diversity being a key agenda item. Example suppliers currently retained by Bevan Brittan LLP include our catering suppliers, security contractor and cleaning contractor. We have found that the process adopted has developed good working relationships with our suppliers.

Opportunity for development: reap the business benefits of equality and diversity by taking steps to build them in to procurement and supplier diversity activities

Equality and diversity is increasingly a business critical issue both in winning contracts for firms and in ensuring the best suppliers are procured. Steps need to be taken to garner the business benefits of equality and diversity, including:

- Being able to complete the Law Society's procurement protocol questionnaire
- Building equality and diversity into procurement policies and processes
- Promoting supplier opportunities to a diverse range of potential suppliers.



Case study: large firm
CMS Cameron McKenna LLP: Equality and diversity in the procurement process

In the Corporate Social Responsibility questionnaire which is part of all our invitations to tender and is also part of the side letters that we are sending out to our existing suppliers we require suppliers to provide us with a copy of their diversity policy, evidence that policy compliance is actively and positively monitored, and evidence of how the policy is communicated to their staff. Our procurement policy also clearly states that CMS Cameron McKenna will only engage approved suppliers of goods and services. Approved supplier status will be given to and retained by existing suppliers where we can demonstrate that the suppliers has a diversity policy that reflects our own Diversity and Inclusion Policy and is inclusive of gender, race, religion or belief, age, disability and sexual orientation. Where a supply opportunity is put out to tender, diversity will be considered when deciding who should be our supplier.

Those suppliers which do not provide evidence of compliance at the tendering stage or upon request will be given a reminder and further opportunity to comply. Continuing non-compliance may result in termination of our trading relationship with such suppliers. Under the side letter that we are asking our existing suppliers to sign up to a failure to comply with obligations in this area will result in CMS Cameron McKenna sending the supplier a reminder giving it another opportunity to comply, and by signing up to the side letter suppliers acknowledge that continuing non-compliance may be grounds for termination of their agreement with CMS Cameron McKenna.

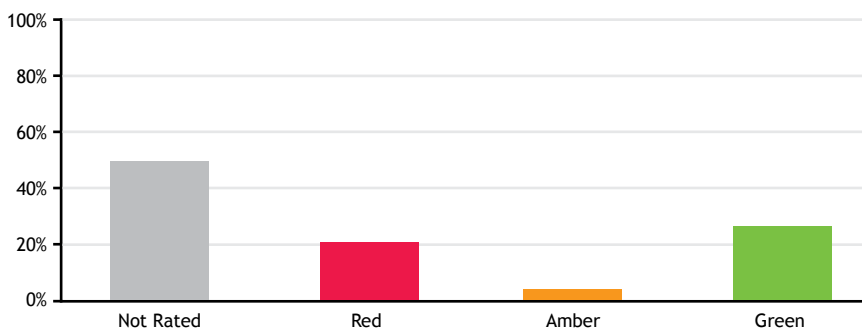
2.9 Sharing good practice

The legal practice promotes best practice in equality and diversity across the profession.

Sharing good practice provides an opportunity for firms to raise their profile and showcase their equality and diversity successes and creates an environment where firms can learn from each other. Shared learning can help avoid making the same mistakes and promote faster progress.

Currently just over half the firms in the cohort - 85 (53%) are taking action to share best practice on equality and diversity across the profession. 46 (29%) are at best practice (Green) level, 4 (2.5%) are developing actions on this and 35 (22%) are putting the foundations in place to share good practice (Red level).

Sharing good practice - Overall Performance



It is important that networks to share good practice are accessible and attractive to both small and large firms.

- 109 large firms (81%) but only 8 (33%) small firms share their work on equality and diversity within the profession and in local networks.



Case study: *a large firm sharing good practice*

Charles Russell LLP

The employment team work with HR professionals in many organisations and HR at Charles Russell will often share systems and ideas. By way of example, we discussed with a large charity how they encouraged values in their appraisal system and we have incorporated values into a new appraisal system for partners (and to be rolled out to staff) which include treating individuals with respect and dignity, challenging discrimination and inappropriate behaviour. Individuals are "assessed" on the appraisals and an overall assessment forms part of remuneration considerations for partners.

It is clear that the Law Society's Diversity and Inclusion Charter is viewed as vehicle not only to help improve performance on equality and diversity but also to share good practice:

- 6 small firms at best practice (Green) level (25%) and 40 large firms (30%) can demonstrate progress in taking forward the Charter aims, including annual reporting.

**Case study: large firm****DLA Piper UK: networking**

Since the last Charter submission the firm has been continuing to review and improve its diversity initiatives and is making steady progress to take forward the Charter aims.

One way in which the firm has fulfilled its diversity objectives is through the growth of the women's network and new initiatives launched by this group. These have included a mentoring scheme for staff and consultation with staff on equality policies via the focus groups planned for early 2012.

The graduate recruitment function has made concerted efforts to support the firm's aims in terms of social mobility by taking part in various schemes designed to recruit talented people from a range of backgrounds. In addition they are currently undergoing a social mobility review of the firms' current and future cohort of trainees as well as our newly qualified group in order to understand the demographic of the firm's junior population and as such have a focused effort to increase diversity.

Innovative best practice

- 3 small firms at best practice (Green) level and 31 large firms (23%) have had the quality of their practice's work acknowledged through an accreditation, benchmarking and/or relevant award.

**Case study: the view from a recognised practice****Irwin Mitchell LLP:**

Irwin Mitchell was delighted to be recognised in 2011 as a Stonewall Top 100 employer for the first time. This recognition comes in the same year the firm also gained Silver ratings in both the Business in the Community and Opportunity Now bench-mark surveys, was rated in the Top 5 most diverse firms in the UK by The Black Solicitors Network and second by The Lawyer for proportion of female equity partners. We feel these awards validate our approach to meritocracy and inclusion and provide opportunities to review performance against other organisations both within and outside the legal profession.

Opportunity for development: engage in best practice sharing activities

There is scope for more law firms to engage in learning and best practice sharing activities. This not only helps them to progress more swiftly by sharing experience but also facilitates progress across the profession. Such activities could include:

**Innovative best practice**

- Including reference to equality and diversity data, achievements and ongoing objectives in annual business reporting and on practice websites - 25 large firms currently do this.
- Communicating and sharing progress and best practice with stakeholders and in professional, local and non-sector specific networks.

3 The Workforce diversity profile

3.1 Workforce profile summary of results

- The majority of firms monitor ethnicity, gender, age and disability within their workforce. Over two-thirds also monitor these by role as recommended within the Law Society's monitoring and reporting protocol. Further work needs to be done to monitor religion and belief and sexual orientation. Just over half of all firms now monitor all these characteristics in their workforce.
- Diversity reduces at more senior levels within legal roles:
 - o Women make up 57% of solicitors and account for 23% of partners
 - o 9.8% of solicitors and 4.4% of partners are from Black Asian and Minority Ethnic (BAME) backgrounds
 - o The representation of staff from minority religions (other than Judaism) fall from the level of trainee through to partner level amongst legal staff in large law firms
- There is a larger representation of female, Muslim, BAME and disabled partners in small firms compared to large.
- 2% of the whole cohort workforce (legal and non-legal staff) has a declared disability. 0.9% of solicitors in the reporting cohort have a declared disability. This compares to 3% of solicitors in England and Wales reported to have a long term illness, health problem or disability³. There is a significant under-reporting of disability within firms with a third of all cohort staff monitored who have not stated whether they have a disability or not.
- The reported representation of the cohort workforce that are gay, lesbian or bisexual (1.7%) is broadly representative of the gay, lesbian and bisexual population across England and Wales⁴.
- Christianity is the largest stated religion across the cohort workforce. This is in line with the 2011 Law Society's Individual Solicitors Omnibus Survey.

3.2 Gender

- 43,160 women make up 63% of the whole workforce amongst the 159 law firms submitting a return to the Charter.
- 82% of firms monitor the gender of their staff by role (best practice level). Amongst these firms, 10,817 women account for 57% of solicitors and 2,005 women account for 23% of partners. This compares to 70.3% of women holding practising certificates working within private practice⁵.
- 59% of trainees (2,819) and 67% of other Legal Staff (5,159) are women. The majority of non-legal staff roles (75%) are held by 20,601 women.

Workforce Roles by Gender



³ Annual Individual Solicitors' Omnibus Survey 2011, The Law Society Research Unit, 2011

⁴ Measuring Sexual Identity: an Evaluation Report, September 2010, Office for National Statistics, p27.

⁵ Law Society 2011 op cit

3.2.1 Gender: Comparing large and small firms

There are 16 female partners in small firms and 1,989 in large firms. Women account for a greater proportion of the partnership in small firms (38%) compared to large firms (22%). This may be due to women being founding partners within their own practice.

However, within both small and large firms women's representation as partners is small compared to the number of women solicitors working within the profession. Women make up over half of all trainees (58%) and solicitors (55%) in large firms but less than a quarter of partners (22%).

Small Firms

- 75% of solicitors (21) within small firms are women and 38% (16) are partners
- 33% of trainees within small firms are women - 1 out of 3 reported
- Women comprise 70% of other legal staff (14) and 88% of non-legal staff (53).

Small Firms Workforce Profile by Gender



Large Firms

- Women make up 55% of solicitors (10,796 in total), 58% of trainees (2,818) and 22% of partners (1,989 in total).
- Women comprise 66% of other legal staff (5,145) and 73% of non-legal staff (20, 548).

Large Firms Workforce Profiles by Gender

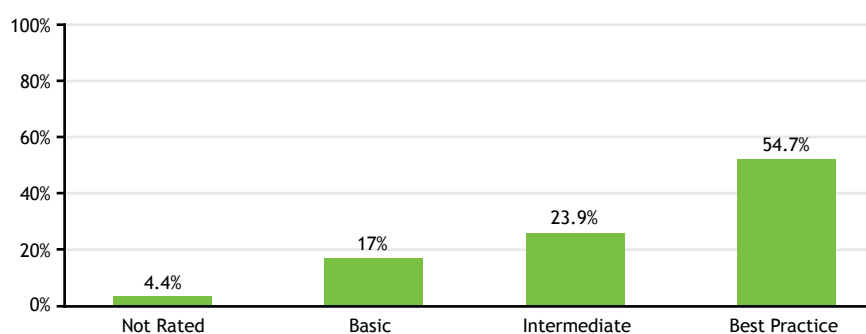


3.3 Ethnicity

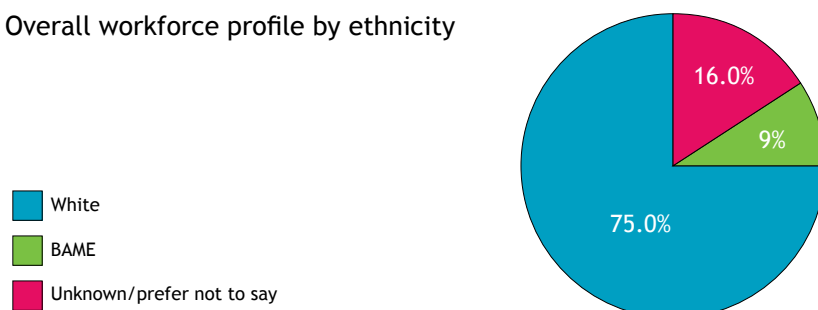
96% of firms responding to the Charter collect data on the ethnicity of their staff. This includes data on 95% of legal and non-legal staff from across responding firms.

79% of firms monitor the ethnicity of their staff by role. This includes 55% that monitor at the best practice level in accordance with the Law Society's monitoring and reporting protocol⁶. 9.3% of monitored staff (6,428) are from a Black, Asian, Minority Ethnic (BAME) background.

Level of monitoring carried out by firms

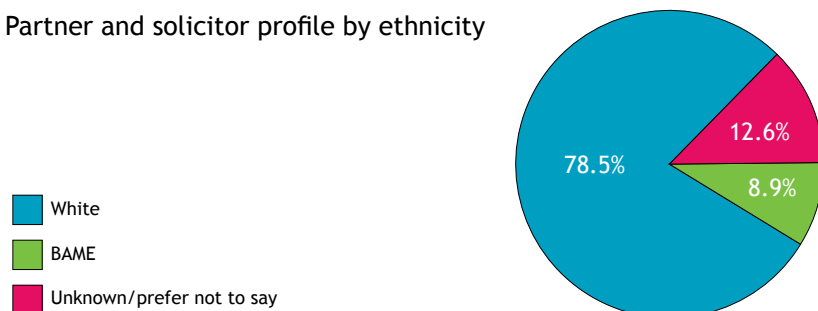


Overall workforce profile by ethnicity



Across all firms (small and large) that monitor ethnicity by role, 9.8% of solicitors (1,732) and 4.4% of partners are from a BAME background. This is slightly below the representation nationally - 10.3% of all solicitors in private practice.

Partner and solicitor profile by ethnicity



⁶ Best Practice level monitoring of ethnicity according to the Law Society Monitoring and Reporting Protocol includes the monitoring of staff by role and each of the ethnic groups as listed within the Government Census 2011

3.3.1 Ethnicity: Comparing large and small firms

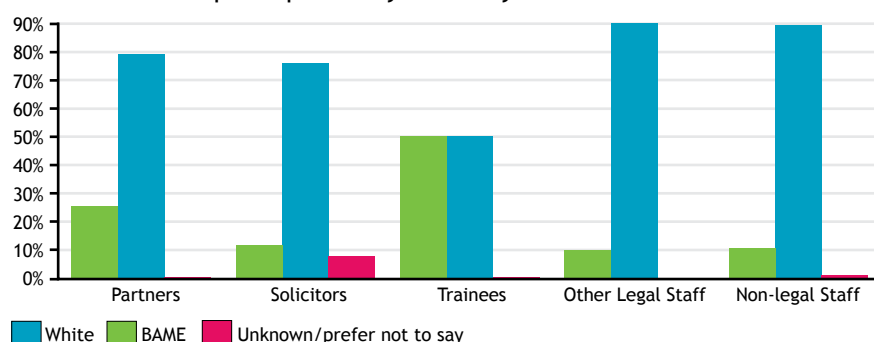
Amongst firms that monitor ethnicity and role, staff from a BAME background are better represented amongst small (11.5%) than large firms (9.4%). They are also much better represented at partner level within small (17.8%) compared to large firms (4.4%). This may be due to solicitors from a BAME background establishing their own practices. More BAME Solicitors are reported to be represented within small firms (14.2%) compared to large firms (9.8%).

Small firms

Of the 158 staff for which ethnicity and role or level is known within small firms, 11.5% are reported to be from a Black, Asian Minority Ethnic (BAME) background.

- 14.2% of solicitors (4 out of 28) and 17.8% of partners (8 out of 45) are from a BAME background
- Half of trainees reported to be working within the small firms are from a BAME background (this equates to one of the two trainees reported as employed within small firms)
- Staff from a BAME background make up 4.5% of other legal staff (1 out of 22) and 6.5% of non-legal staff (4 out of 61).

Small firms workplace profile by ethnicity

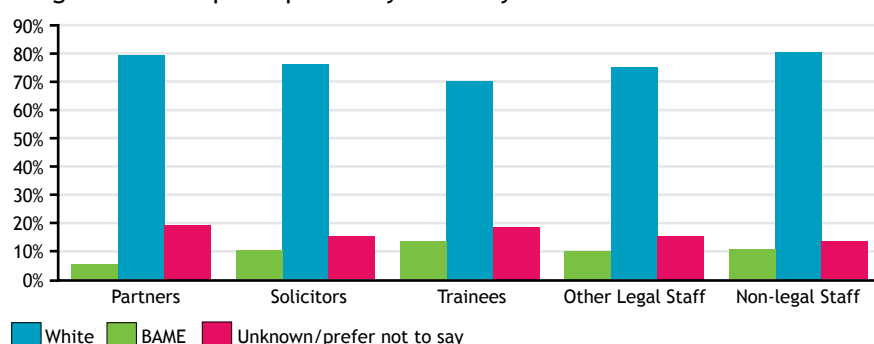


Large firms

Of the 62,354 staff for whom ethnicity and role/level is known within the reporting large firms, 9.4% are from a BAME background (5,842 in total).

- 11.9% of trainees (509), 9.8% of solicitors (1,727) and 4.4% of partners (358) are from a BAME background within large firms
- Staff from a BAME background make up 10.3% of other legal staff (747) and 9.9% of non-legal staff (2,501) within large firms

Large firms workplace profile by ethnicity

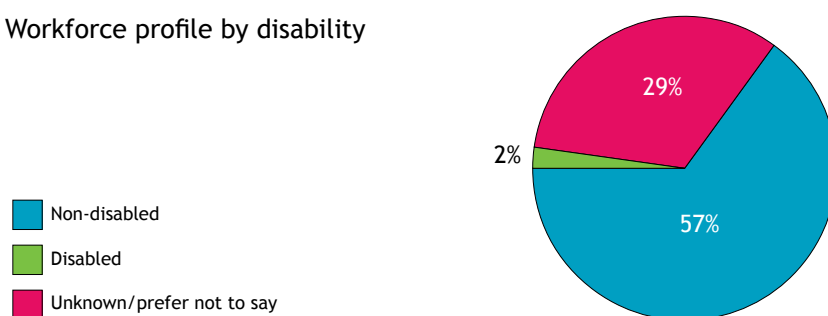


3.4 Disability

65.4% of the firms monitor disability by role. A further 21.4% monitor disability generally within the workforce but not by role. 13.2% of firms do not yet monitor disability in their workforce.

A total of 1,503 people with disability are reported to be working within the firms submitting to the Charter. This represents 2% of the total workforce across all firms - 1,503 staff. It is below the 3% of solicitors in England and Wales reported in 2011 to have had a long-term illness, health problem or disability.⁷

Workforce profile by disability



Across all firms that monitor disability by role, less than 1% of partners, solicitors and trainees (234 in total) are reported to have a disability. 11.9% of other legal staff (791) are reported to have a disability. This indicates that there may be significant under-reporting of disability amongst people within legal roles.

3.4.1 Disability: Comparing small and large firms

Within small firms that monitor disability by role, 5.7% of partners are reported to have a disability. Amongst large firms 0.9% of partners are reported to have a disability. There are no solicitors or trainees reported within small firms with a disability and less than 1% amongst large firms.

Small firms

Amongst the small firms that submitted workforce data by disability and role:

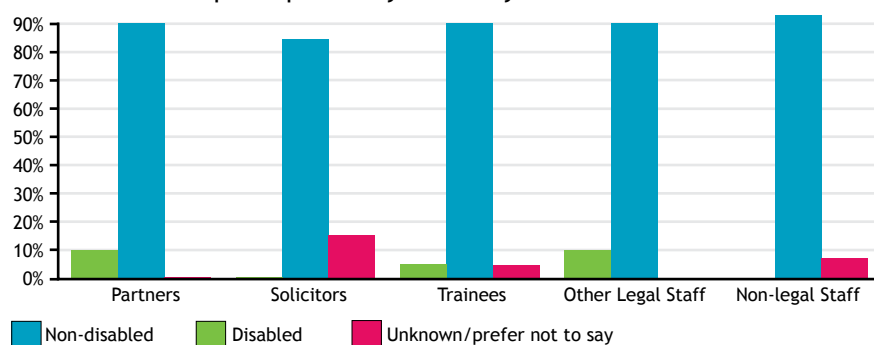
- 5.7% of partners are reported to have a disability
- No solicitors, trainees or non-legal staff were reported to have a disability
- 5% of other legal staff were reported to have a disability

The small firms that monitor disability appear to have a good response rate. The disability status of only 4 staff out of a total of 116 is unknown.

⁷ Annual Individual Solicitors' Omnibus Survey 2011, The Law Society Research Unit, 2011



Small firms workplace profile by disability

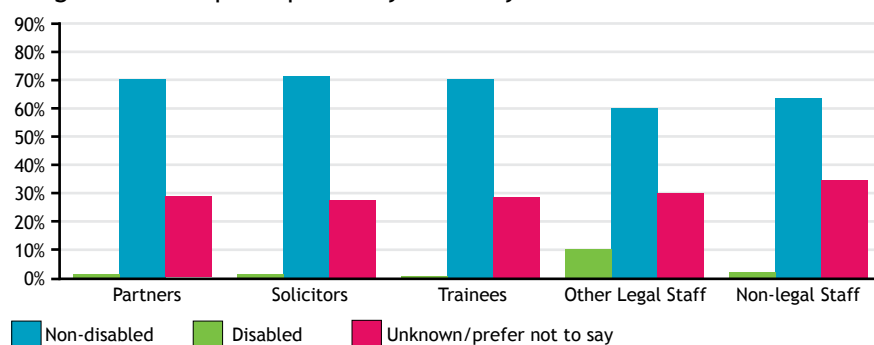


Large firms

A total of 55,657 employees are included across the large firms that monitor disability by role:

- Less than 1% of partners, solicitors and trainees (232 in total) are reported to have a disability
- 11.9% of other legal staff (790) have a disability
- 1.2% of non-legal staff (271) have a disability
- There appears to be considerable under reporting on disability across large firms - nothing is known on the disability of 30% of the workforce

Large firms workplace profile by disability



3.5 Sexual orientation

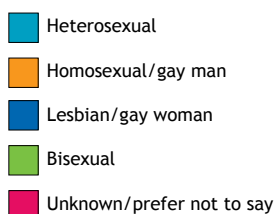
Almost half of all firms submitting to the Charter (44.7%) do not monitor the sexual orientation of their staff. 17% do monitor but not by role. Just over a third of firms (38.4%) monitor sexual orientation by role within their workforce. This covers a total of 51,133 employees.

Across all firms that monitor sexual orientation, 1.7% of the workforce (880) are gay, lesbian or bisexual. This is broadly representative of the population of England and Wales as a whole where around 1.4% of people are reported to be gay, lesbian or bisexual :

- 1.2% of the cohort workforce are reported to be homosexual/gay men (606)
- 0.3% of the cohort workforce are lesbian / gay women (157)
- 0.2% of the cohort workforce are bisexual (117).

However, there could still be under-reporting across these firms as the sexual identity of 43% of the workforce remains unknown or employees prefer not to say.

Workforce profile by sexual orientation



3.5.1 Sexual orientation: comparing large and small firms

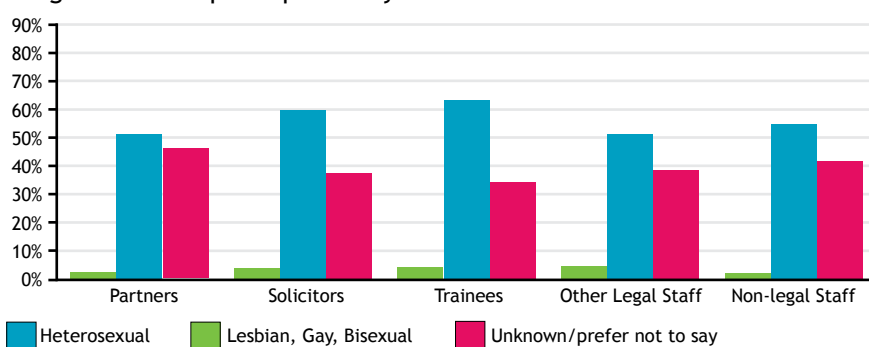
No lesbian, gay or bisexual employees are reported to be employed within small firms - although the sexual orientation of 10% of this workforce remains unknown.

Within large firms that monitor sexual orientation by role, 2% of trainees, solicitors and partners (38 in total) are reported to be lesbian, gay or bisexual. Non-reporting remains high in large firms - the sexual orientation of over a third the workforce (36.2%) remains unknown.

3.2% of the 51,060 staff covered by large firms that monitor the sexual orientation of their employees is reported as lesbian, gay or bisexual. 1.7% of the staff (714) within firms that monitor sexual orientation by role is reported as lesbian, gay or bisexual:

- 2% of partners, solicitors and trainees are lesbian, gay or bisexual (38)
- 2.3% of other legal staff (13) and 1.5% of non-legal staff are lesbian, gay or bisexual (42)
- 1.2% of employees in large firms are homosexual / gay men (493)
- 0.3% of employees in large firms are lesbian / gay women (128)
- 0.2% of employees in large firms are bisexual (93)

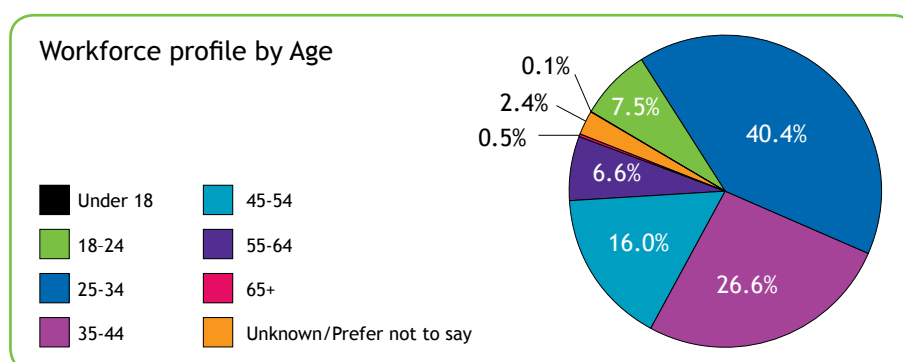
Large firms workplace profile by sexual orientation



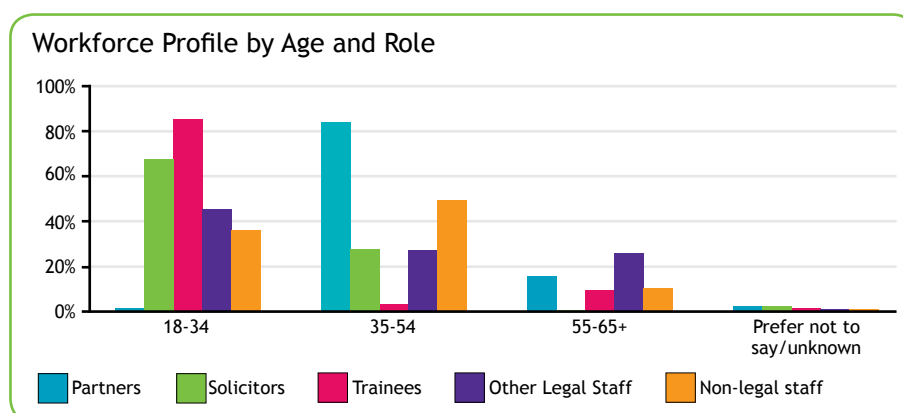
3.6 Age

69.8% of firms submitting to the Charter monitor their workforce by age and role. 16.4% monitor by age only and 13.8% do not yet monitor age within their workforce.

The majority of the workforce (26,818) is aged 25-34 (42.6%) followed by aged 35-44 (28.3% - 17,800).



The majority of partners are aged 35-44 (43.8% - 3,541) and 45-54 (37.5% - 3,035) compared to solicitors - the majority of who are aged 25-34 (69.2% - 12,004).



3.6.1 Age: comparing large and small firms

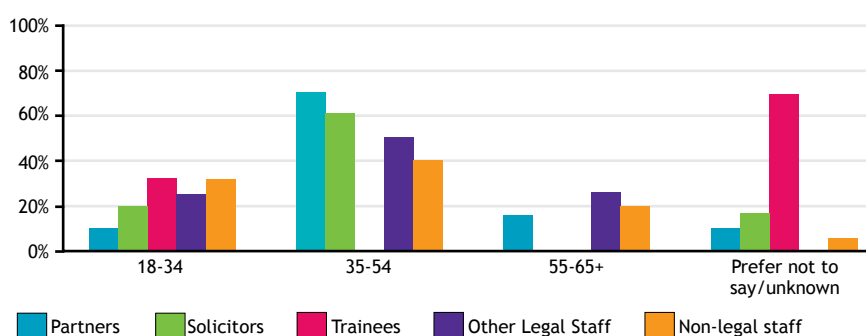
Small firms have a higher proportion of partners aged 25-34 (8.1%) than large firms (3%) and partners aged 45-54 (48.6% in small firms compared to 37.5% in large firms). Conversely, large firms have a larger proportion of younger solicitors aged 25-34 (68.1%) compared to small firms (20.8%). The proportion of non-legal staff in both large and small firms is fairly evenly spread across each of the age brackets below 55.

Small Firms

A total of 138 staff are included within small firms that hold data on age by role:

- Just under a quarter of all partners (21.6% - 8) are aged 35 - 44; almost half (48.6% - 18) are aged 45-54
- The majority of solicitors are aged 35 - 44 (45.8% - 11); 20.8% (5) are aged 25 - 34 and 16.7% (4) are aged 45 - 54
- Only 3 trainees are reported on and the age of only one of these is reported as being between 25 - 34.
- A total of 23 other legal staff are included in the age monitoring process amongst small firms. The majority (30.4%) are aged 35 - 44
- Non-legal staff of all ages above 18 through to over 65 are employed within the small firms. Around a quarter are aged 45 - 54 (25.5% - 13) and 25 - 34 (23.5% - 12)

Small firms workforce profile by age and role

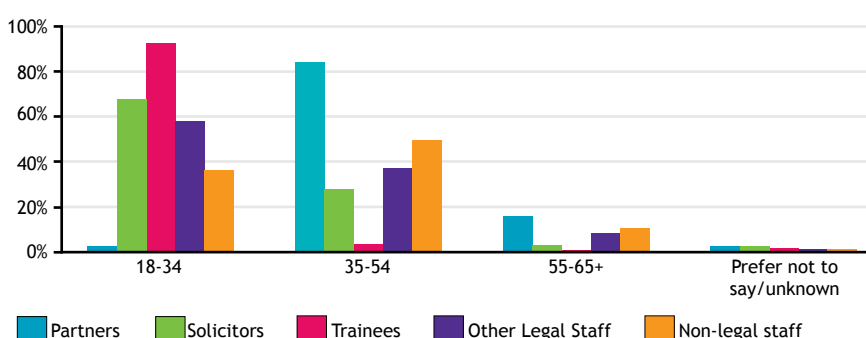


Large Firms

The age and role of 61,877 staff in large firms is reported on:

- Partners are fairly evenly spread between the age groups of 35-44 (43.9% - 3,533) and 45 - 54 (37.5% - 3,017)
- The majority of solicitors are aged 25 - 34 (68.1% - 11,999)
- The majority of trainees are aged 25 - 34 (60.7% - 2,573) and 18 - 24 (33.4% - 1,416)
- The majority of other legal staff are aged 25 - 34 (41% - 2,779) and 35 - 44 (22.1% - 1,499)
- The majority of non-legal staff are aged 25 - 44 (59.2% - 7,404); a further 20.5% are aged 45 - 54 (5,167).

Large firms workforce profile by age and role



3.7 Religion and belief

Almost half the firms do not yet monitor religion or belief amongst staff (45.9%). 15.1% monitor this at the basic level (not by role) and 39% monitor religion or belief by role.

Much remains unknown about religion and belief of staff within law firms. Even amongst the 54% of firms that do collect monitoring data on religion and belief, 40.6% of staff have either not responded to the monitoring or prefer not to state their religion or belief or non-belief.

Amongst staff that have stated their religion or belief, the largest group are Christians (35.6% - 16,635), followed by those with no religious beliefs (18.2% - 8,498). Staff who are Hindu, Muslim or Jewish each account for 1% of staff within the firms.

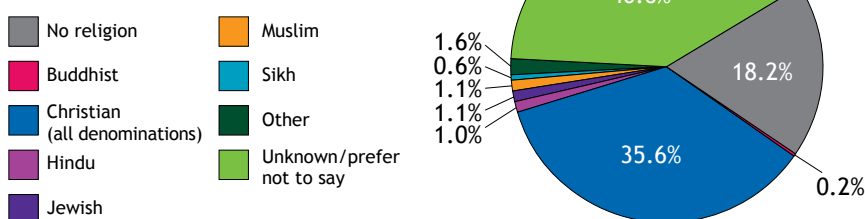
As the table below shows, the proportion of staff stated by the law firms in this survey who are Christian, have no religion or are from one of the minority religions are all lower than the representation of each as shown in the Law Society's Individual Solicitors Omnibus survey in 2011. This compounds the under-reporting that individual law firms seem to experience.

The table also compares the representation of staff from different religions / no religion with data on religion in the population from the 2001 Census in England and Wales. It shows that the representation of staff reported by firms for this survey who have no religion, are Buddhist, Hindu or Sikh are largely in line with the wider population. However, staff who are Christian and Muslim appear under-represented compared to the overall population. Staff who are Jewish appear slightly over-represented compared to the overall population.

Workforce by religion / belief / non-belief compared to the Law Society Individual Solicitors' Omnibus Survey 2011 and the Census in England and Wales 2001

All Firms	Charter 2011 %	Charter 2011 Number	2001 Census	2011 Law Society Individual Solicitor Omnibus Survey
No religion	18.2%	8,498	16.1%	41.2%
Buddhist	0.2%	107	0.3%	0.4%
Christian	35.6%	16,635	77.7%	47.3%
Hindu	1%	485	1.2%	1.7%
Jewish	1.1%	528	0.5%	1.4%
Muslim	1.1%	516	3.2%	1.6%
Sikh	0.6%	290	0.7%	0.9%
Other	1.6%	729	0.3%	0.4%

Workforce profile by religion or belief or non-belief



3.7.1 Religion and belief: comparing small and large firms

The most significant difference in the stated religions or beliefs/non-beliefs of staff between small and large firms is in the number of Muslim staff. Muslim staff make up 4.9% of small firms and 1.1% within large firms. 1% of partners in large firms are Muslim and 6.3% of partners in small firms are Muslim.

In large firms, whilst the proportion of trainees who are Buddhist, Hindu, Muslim or Sikh is small - around 1%, their representation falls to less than 1% further up the hierarchy at solicitor and partner level. There are no partners from other minority religions stated as partners in small firms. In the large firms, the highest proportion of partners from a minority religion are Jewish (2.4%). This is the only minority religion where representation grows from 1.9% at trainee level to 2.4% at partner level.

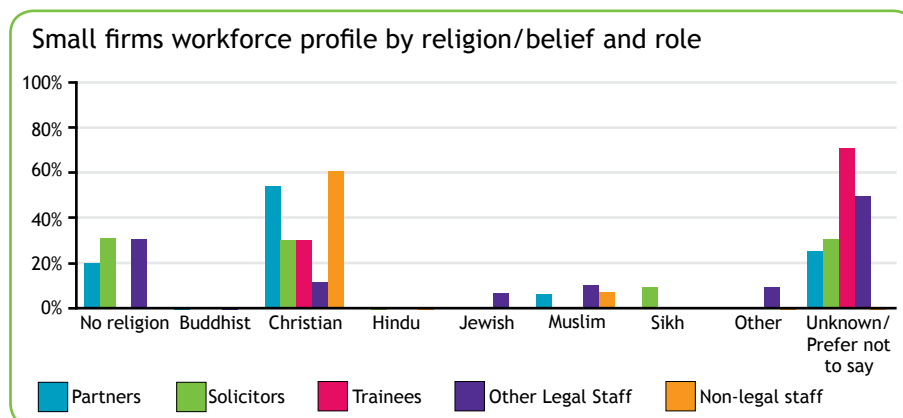
Small Firms

Amongst small firms, only 61 staff from a total of 205 are asked information about their religion or belief (29.8%) and 58 of these align the monitoring information to the individual's role. At this best practice level, the data provided shows that of partners:

- 50% are Christian
- 19% have no religious beliefs
- 6.3% are Muslim, none from other minority religions
- 25% of partners have not stated their religion or belief or non-belief.

According to the data provided by small firms, amongst solicitors:

- 33.3% are Christian
- 25% have no religious beliefs
- 8.3% are Sikh, none from other minority religions
- 33.3% of solicitors have not stated their religion or belief or non-belief.



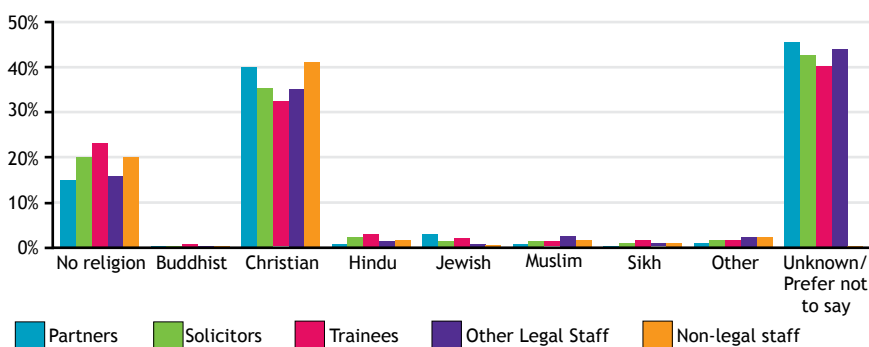
Large Firms

Data provided from large firms on religion and belief covers 46,668 staff. This is 64% of the total large firm workforce. Monitoring information gathered at best practice level, that includes religion or belief and role covers 38,380 staff - 53% of the total workforce.

Within large firms, over a third of staff (39.3%) have declined to state their religion, belief or non-belief. The largest group who have stated a religion or belief are Christian (35.8%). 19% of staff state they have no religion. People from minority religions each account for about 1% of staff.

Less than 1% of partners are Buddhist, Hindu, Muslim or Sikh. 2.4% of partners are Jewish. The representation of staff from all the minority religions (except Judaism) falls from the point of being a trainee at solicitor and partner level.

Large firms workforce profile by religion/belief and role



4 A spotlight on monitoring

This 2011 report places a particular focus on monitoring. In 2012 it will become a statutory requirement for legal practices to report on workforce diversity monitoring data to approved regulators.

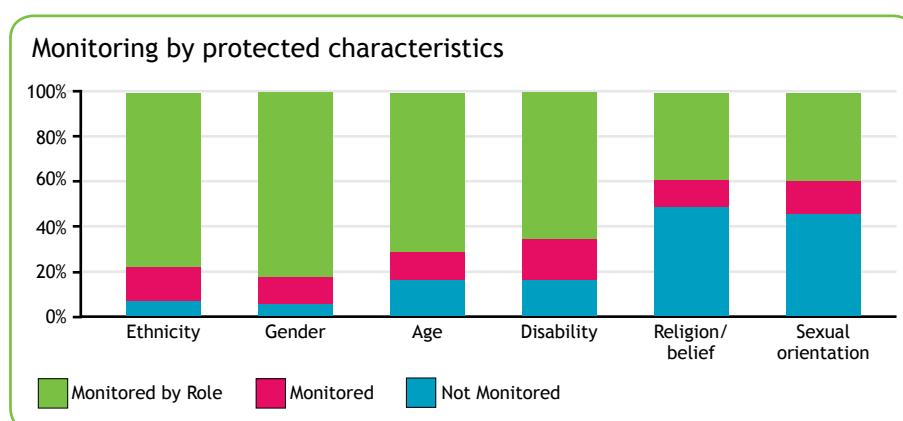
The monitoring categories are likely to include: age, gender, disability, ethnicity, religion or belief, sexual orientation, caring responsibilities and socio-economic background. Staff will retain the option to decline to provide the information. Data analysis should identify seniority where appropriate, so that it can be used to track progress in relation to retention and progression.

The Legal Services Board (LSB) requires approved regulators in the legal sector to collect and publish the workforce data to gain an aggregate view of the diversity profile of the legal profession in England and Wales. Guidance from the Solicitors Regulator Authority will be issued early in 2012.

The intention of the requirement is to help the profession identify areas that require specific action to improve diversity within the profession. The data is intended to support consumers in making better informed purchasing decisions.

Regulation places law firms - large and small, in a position where workforce monitoring needs to be reprioritised. The statutory guidance issued by the LSB, indicates that not only will the regulators be required to collect and publish monitor workforce data across the protected characteristics and socio-economic status, they will also be expected to use this data to evaluate the impact of their measures to improve equality and diversity.

The submissions by 159 law firms to this Charter review provide some indication of the readiness of the sector to be able to comply with any regulation in this area. The conclusion from the submissions is that there is partial readiness but that many firms still have further to go. As the graph below shows, just under half of cohort firms have yet to monitor sexual orientation and religion and belief. In addition, monitoring of socio-economic status has not yet been required by the Charter and it is unknown the extent to which this monitoring currently takes place within the sector, but is likely to be low.



The results of the self-assessment completed by law firms for the Charter also show that whilst workforce data by protected characteristics may be collected by firms, many have further to go in proactively using this and other monitoring information to help them assess the effectiveness of their actions to achieve equality and diversity objectives:

- 33% of firms have not yet rated themselves on Monitoring and Review element of the Charter
- 27% of firms are putting the foundations on Monitoring and Review in place (Red level); 17% have moved to further developing their approach to Monitoring and Review (Amber level) and 23.3% undertake best practice approaches to Monitoring and Review (Green level).

The Law Society Equality and Diversity Toolkit provides guidance on how firms can collect and effectively use monitoring data.



Case studies: large firms

Browne Jacobsen LLP: monitoring and equal pay audits

We regularly monitor our diversity standards by means of 6 monthly formal scorecard reporting to the partnership, and an annual formal diversity and equal pay audit. We publish our diversity performance on the firm's website.

Baker & MacKenzie LLP: Monitoring used to improve initiatives

We regularly review our approach to monitoring, and use diversity information throughout the employment cycle.

For example, each year we run an exercise at the end of the evaluation round, to plot appraisal grades for each diversity strand against the norm. This shows whether there is any bias towards any of the groups, whether conscious or unconscious.

Another example of how we use this information is in our BME Graduate Recruitment initiative. Here, we could see that our trainee BME statistics were abysmal in 2006. After a comprehensive analysis of this area, significant changes were made to the recruitment process and our BME figures now stand at 21%.

A more recent example is the work we are doing around gender. We are conducting a data analysis of the area, to unravel the key pinch points for female career progression.



5 Conclusions and recommendations

The 2011 Diversity and Inclusion Charter review has provided a comprehensive breakdown of workforce diversity data and a picture of the progress being made towards equality and diversity drawn from 159 law firms across England and Wales.

The self-assessment shows that there are signs of strong commitment to equality and diversity amongst partner and senior leaders across the firms. There is evidence of good and innovative practice. Almost all firms have put an equality and diversity policy and action plan in place, which supports Principle 9 within the Solicitors Regulatory Authority's outcome focused regulation framework. They are also considering the equality and diversity training needs of their staff to ensure they can support the achievement of that policy and action plan. However, there are many ways in which firms in the cohort can improve access to equality and diversity

The extent of commitment to equality and diversity from partners indicates an awareness of its importance to successful business outcomes. Achieving effective outcomes on equality and diversity not only helps ensure firms meet the requirements of the Equality Act 2010 and Principle 9 of the SRAs Code of Conduct but also offers potential business advantage. A diverse leadership that has inclusive skills and behaviours has been shown in a number of different studies to create stronger staff engagement⁹, support better business performance¹⁰ and be a critical factor in ensuring firms can successfully compete in emerging markets and survive the economic downturn¹¹.

The workforce data provided for this survey shows a clear picture of a lack of diversity in the partnership and senior leadership of law firms. BAME Solicitors account for almost 10% of the total Solicitor population across the cohort, they account for only 4.4% of the partnership. Whilst women account for 57% of Solicitors, but so far they account for only 23% of partners. Whilst there may be significant under-reporting on disability, in large firms, less than 1% of partners have a disability. This picture compares with a picture of growing diversity generally within the UK population and specifically within the population of law students. The data also indicates that blocks to progression in the legal profession for women and solicitors from minority backgrounds continue to affect the sector.

Research undertaken by the Law Society in 2010 on diversity in the solicitors' profession highlights a number of barriers to entry and progression for female and minority solicitors¹².

These include:

- Lack of flexible work practices
- Organisational culture
- Behaviours towards and perceptions of women and minority groups
- Lack of infrastructural support for equality and diversity
- Measures of personal achievements
- Recruitment processes
- Career progression processes.

The results of the Charter self-assessment by law firms show that, whilst some progress is being made, more needs to be done in order to address these barriers and achieve more demonstrable change in the diversity of the workforce across law firms.

9 MacLeod & Clarke, 2009; Shapiro, Saunder & Wells, 2011.

10 Catalyst, 2007.

11 Ernst & Young, 2011.

12 **Diversity in the solicitors' profession 2010:** Three reports on barriers to career progression for BME, women and LGB solicitors, The Law Society.

Take action on priority issues

Many firms need to move beyond stated commitment to taking action on priority issues. These include:

- Ensuring equality and diversity in all aspects of employment and staff development to meet the requirements of the Equality Act 2010 and Principle 9 of the Solicitors Code of Conduct
- Issues around equal pay
- Providing accessible workplaces and services
- Workforce monitoring and measuring progress

Make equality and diversity everyone's responsibility

In order to make progress on these priority areas and deliver on equality and diversity plans, the results of this Charter self-assessment also indicates that greater efforts are needed to ensure that equality and diversity becomes everyone's responsibility within firms. This will require training to be implemented to ensure that staff at all levels have the skills and knowledge they need to build equality, diversity and inclusion into the work that they do and the way that they work. It will demand policies and processes to ensure that individuals at all levels are held accountable for contributing to achieving equality and diversity objectives.



6 Summary of opportunities for development for each area of the charter

Leadership and Vision: focus on outcomes

Having engaged senior leaders in promoting equality and diversity, the results indicate that more focus should now be placed on ensuring clear equality and diversity priorities and objectives are set within firms and that progress towards achieving positive outcomes are tracked.

Employment and staff development: focus on ensuring equality and diversity in employment

It is important to look to and learn from firms that have made progress in this area - both large and small.

In addition to an overall stronger focus on equality and diversity in employment, two areas stand out for particular attention, even amongst those firms that have already made progress in this area. These are:

- Addressing issues of equal pay
- Embedding responsibility and accountability for achieving equality and diversity into everyone's role

Provision of legal services: be more proactive in making services accessible

Whilst some firms have ensured that the essential basic requirements to ensure services are accessible, further action is needed particularly in the area of:

- Web accessibility - Given the prevalence of web use in today's society, this is an important priority area for firms to ensure accessibility of their services. Web accessibility not only supports the Equality Act 2010 but also Principle 9 of the SRAs Code of Conduct.

Engagement with staff, clients and community: use engagement as a lever for improving equality and diversity

In the coming year firms should:

- Consult with staff on equality and diversity and use feedback to create priority objectives and action plans
- Support their staff to become engaged in equality and diversity, for example through networks and groups either within or outside the firm or within the local communities
- Identify the different groups within their local communities; how their services can be made accessible to them and how the firm can make a positive impact.

Policy making and practice development: be proactive in considering the equality implications of policies and decisions

Many organisations who use a streamlined and robust Equality Impact Assessment system early on in the process, view it as a helpful tool to make more effective policies and decisions. The Law Society Equality and Diversity Toolkit provide specific guidance on how this can be implemented.

Monitoring and review: extend monitoring across all areas

The majority of firms have yet to extend monitoring from race, gender and age to also include disability, sexual orientation and religion/belief - to meet any regulatory requirements.

Procurement and supplier diversity: get the business benefits of equality and diversity by taking steps to build them in to procurement and supplier diversity activities

Equality and diversity is increasingly a business critical issue both in winning contracts for firms and in ensuring the best suppliers are procured. Steps need to be taken to garner the business benefits of equality and diversity, including:

- Being able to complete in full the questionnaire under the Law Society's procurement protocol
- Building equality and diversity into procurement policies and processes
- Promoting supplier opportunities to a diverse range of potential suppliers.

Sharing good practice: engage in best practice sharing activities

There is much scope for more law firms to engage in learning and best practice sharing activities in order to promote progress more swiftly across the profession as a whole. Such activities could include:

- Including reference to equality and diversity data, achievements and ongoing objectives in annual business reporting and on practice websites
- Communicating and sharing progress and best practice with stakeholders and in professional, local and non-sector specific networks.



7 Developing the Charter in 2012

The Law Society will continue to work in partnership with the profession to support it with making progress on equality and diversity. We will work to drive up performance against the equality and diversity standards and engage more law practices in the D&I Charter.

Our specific focus will be on:

- Strengthening firms' performance at the foundation level
- Promoting the monitoring, procurement and flexible working protocols
- Continuing to identify progress, barriers and solutions to equality and diversity issues through research.
- Delivering the Careers Barriers Action Plan
- Delivering products and services that support the aims of the Diversity and Inclusion Charter

Firms Diversity Forum

The Firms Diversity Forum will continue to be used as a mechanism for building skills and knowledge. This Forum was set up by the Law Society to establish a way of working collaboratively. It is attended by a range of people from HR and recruitment practitioners to partners with responsibility for diversity issues. Attendance at diversity forum meetings is entirely voluntary and many signatories find it helpful to connect with colleagues in other firms with a shared commitment to diversity. A number of regional diversity forums have been established to reflect the increasing geographical spread of Charter signatory practices. The Forum also enables us to consult on the development of tools and resources in support of the Charter.

To get this report in alternative formats
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