

Trends in the Solicitors' Profession

Annual Statistical Report 1998

Prepared by Bill Cole, Research and Policy Planning Unit



The Law Society

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INTRODUCTION

This is the fifteenth Annual Statistical Report of the Law Society. It contains the most recent statistics available on the solicitors' branch of the legal profession.

The Research and Policy Planning Unit

This report was produced by Bill Cole of the Law Society's Research and Policy Planning Unit. The Unit helps the Council of the Law Society to assess the changing nature of the profession, and to respond to those changes in an informed way. In doing so the unit designs, conducts and commissions research studies on a number of issues of relevance to the profession. It has published reports on the public perceptions of solicitors, the work and organisation of the solicitors' profession, entry to the profession, how solicitors manage their practices, research into legal markets and comparisons with legal professions based in other jurisdictions. A full list of these publications is shown in Appendix 1. Further information on the work of the unit can be obtained from Carole Willis, Controller, Research and Policy Planning Unit (direct line 0171 320 5645).

Sources of data

The two main sources used for this report were:

- the Law Society's REGIS database, which is maintained by the Society at its offices in Redditch. This contains records on all solicitors at all stages in their career from their initial enrolment as a student through to their admission to the Roll on qualification and thereafter. The introduction of the REGIS system with its enhanced functionality means that it is now possible to include a wider range of statistics in this edition of the Annual Statistical Report than has previously been possible. During its introduction, new coding systems were designed to take account of changing structures within the profession. One consequence of this is that some statistics are not fully comparable with those reported in earlier Annual Statistical Reports. Where this occurs, it is made clear in the text;
- statistics based on information that firms supply to the Solicitors Indemnity Fund (SIF). The Law Society has no direct access to information on individual firms, but obtains from SIF the tabular data which has been processed for inclusion in this report.

Legal aid statistics have been drawn from the Legal Aid Board Annual Reports, and from government papers placed before the House of Commons. The report has also drawn on the clearing house admissions systems used by universities to provide information on applications, acceptances and graduates in law. Detailed references to all of the sources used are given throughout the report.

SUMMARY

Key facts about the solicitors' profession

This report describes the size, composition, turnover and profitability of the solicitors' profession and describes trends in the entry of solicitors to the profession. It provides information which can be used to assess whether future demand will be sufficient to sustain the growth of the profession.

The size of the profession

- As at 31 July 1998, there were 95,521 solicitors on the Roll, an increase of 4.1% on the year before.
- At the same date, 75,072 solicitors held practising certificates, an increase of 4.8% on the previous year.
- Since 1968 the total number of solicitors holding practising certificates has grown by 229.5% at an average annual rate of 4.1%.
- 60,818, or 81.0%, of solicitors holding practising certificates work in private practice; the remainder work mainly in commerce and industry and the public sector.
- Since 1988, the proportion of practising certificate holders not employed in private practice has increased from 12.4% to 19.0%.
- Just over a half, 51.5%, of current practising solicitors have been qualified for 10 years or less.
- Admissions to the Roll, i.e. newly qualified solicitors and transfers from other legal professions, in the year to 31 July 1998, increased by 4.9% to a new high of 5,685.
- Of these new admissions 51.0% were women, and admissions from the ethnic minorities represented 15.8% of all admissions with known ethnicity.

A descriptive profile

- In 1997-98 solicitors from ethnic minorities accounted for 6.6% of solicitors on the Roll, 4.9% of solicitors with practising certificates and 4.8% of solicitors in private practice.
- Women now account for 33.9% of solicitors with practising certificates. Whereas since 1988 the total number of solicitors holding practising certificates has grown by 48.1%, the number of women holding practising certificates has increased by 152.8%.
- 83.8% of men holding practising certificates work within private practice, compared to 75.6% of women.
- Of those solicitors with 10-19 years' experience in private practice, 87.0% of men were partners or sole practitioners compared with only 62.6% of women.

- In 1998 the average age of a female solicitor with a practising certificate was 35.8 years compared with 42.8 years for men. The average age of a sole practitioner was 48.9 years compared with 44.3 years for partners and 40.4 years for all solicitors in private practice.
- Around a third of practising certificate holders in 1998, 34.5%, were employed by organisations based in London. These organisations were responsible for the employment of 53.3% of ethnic minority practising certificate holders.

Trends in private practice

- In 1998, there were 8,764 solicitors' firms in England and Wales earning at least £15,000 per annum, a decrease of 0.9% on 1997.
- In the past year the number of sole practices fell by 1.3%, the number of 2-4 partner firms by 1.2%, and the number of 5-10 partner firms by 0.2%. In contrast, the number of 11-25 and 26 or more partner firms increased by 1.9% and 8.8% respectively.
- Since 1993 the number of firms has increased by 414 net. Almost all of this increase is accounted for by the 403 increase in sole practices, the number of which grew by 12.2% over the period.
- Over the past five years, 2-4 partner firms have increased by 1.9%, 11-25 partner firms have increased by 2.6% and 26 or more partner firms increased by 17.0% from 106 to 124. In contrast, the number of 5-10 partner firms fell by 7.5%.
- In 1998 almost a half, 46.9%, of those private practice firms with annual gross fees in excess of £15,000 were located in London and the South East. This is the same proportion as was recorded in 1997.
- Excluding those firms with annual gross fees below £15,000, just under a quarter of private practice firms, 24.3%, were located in London in 1998. These firms employed 39.5% of all private practitioners.
- In 1998, the 1.4% of firms containing 26 or more partners employed 33.1% of solicitors and 30.6% of total staff. Sole practices accounted for 42.2% of all firms and employed 9.4% of solicitors and 8.9% of total staff.
- 95,109 administrative staff were employed in private practice in 1998 – sole practices and firms with 26 or more partners had fewer administrative staff per solicitor than firms in the intermediate size bands.
- On average, the largest firms with 26 or more partners had 1.6 assistant solicitors per partner compared to between 0.5 to 0.8 in the smaller and medium-sized firms.

Turnover/profitability

- In the financial year 1996-97, the total turnover of private practice firms with gross fees in excess of £15,000 per annum was £7,982 million. This represented an increase of 7.6% on

the previous year. During this period the retail price index rose by 2.1%, and the number of solicitors in private practice increased by 5.0%. Growth was therefore just sufficient to maintain last year's level of earnings and profitability.

- Legal aid payments to solicitors for the year 1996-97 were £1,198.5 million (including disbursements and VAT), or 15.0% of total gross fees earned.
- In 1997, the UK legal profession accounted for £644 million of overseas earnings measured net of expenses. This accounted for 4.6% of total overseas earnings from business services exports.
- For all private practice firms there was a 5.9% increase in gross fees per firm in 1996-97. The rate of growth in gross fees was not evenly distributed across the range of different sizes of private practice firms. Increases ranged from 10.9% for firms with 26 or more partners down to a fall of 1.6% for sole practices. The increase in gross fees per 2-4 partner firm was 2.4%, whilst it was 3.7% for 5-10 partner firms and 3.0% for 11-25 partner firms.
- The average level of gross fees per fee-earner in 1996-97 ranged from £62,000 in sole practitioner firms through to £146,000 in the 114 firms with 26 or more partners. On average, 2-4 partner firms generated £71,000 per fee-earner as against £79,000 in 5-10 partner firms and £92,000 in firms with 11-25 partners.
- The average gross fees per sole practice in 1996-97 was £134,000. However, this figure masks a wide distribution across firms of this size. A quarter of sole practices generated gross fees of less than £48,000 per annum and a half generated fees of less than £93,000 per annum.
- Analysis of the change in gross fees per solicitor between 1991-92 and 1996-97 at 1996 prices showed a reduction in real income for firms in all size bands, and a particularly marked reduction of 11.6% in the case of the largest firms with 26 or more partners.
- The Law Society's autumn 1997 Panel Survey of solicitors' firms provided data on the distribution of profit per equity partner analysed by size of firm. The study showed that the median annual profit per partner increased with size of firm from £43,000 in sole practices through to £160,000 in the largest panel firms with 26-80 partners. In the 2-4 and 5-10 partner firms, profit per equity partner was £47,000 and £70,000 respectively, whilst the corresponding value for 11-25 partner firms was £82,000.
- The study also highlighted the variability of profit per equity partner found within each size band. For example, the 25% of sole practitioners at the lower end of the distribution made a profit of only £28,000 or less, whilst those in the top 25% earned profits per partner of £64,000 or more.

Trends in post-graduate education

- In the year ending 31 July 1998, 7,915 students enrolled with the Law Society. Of these students 57.3% were women and 20.3% were from the ethnic minorities.
- In July 1998, 6,250 LPC students were eligible to sit the examination. This represented a

0.4% decrease on the 6,278 who were eligible in 1997. The overall pass rate in 1998 was 71.4%, a slight increase on the year before. Of those that took the examination in 1998 75.3% passed, slightly up on the 1997 pass rate of 73.5%.

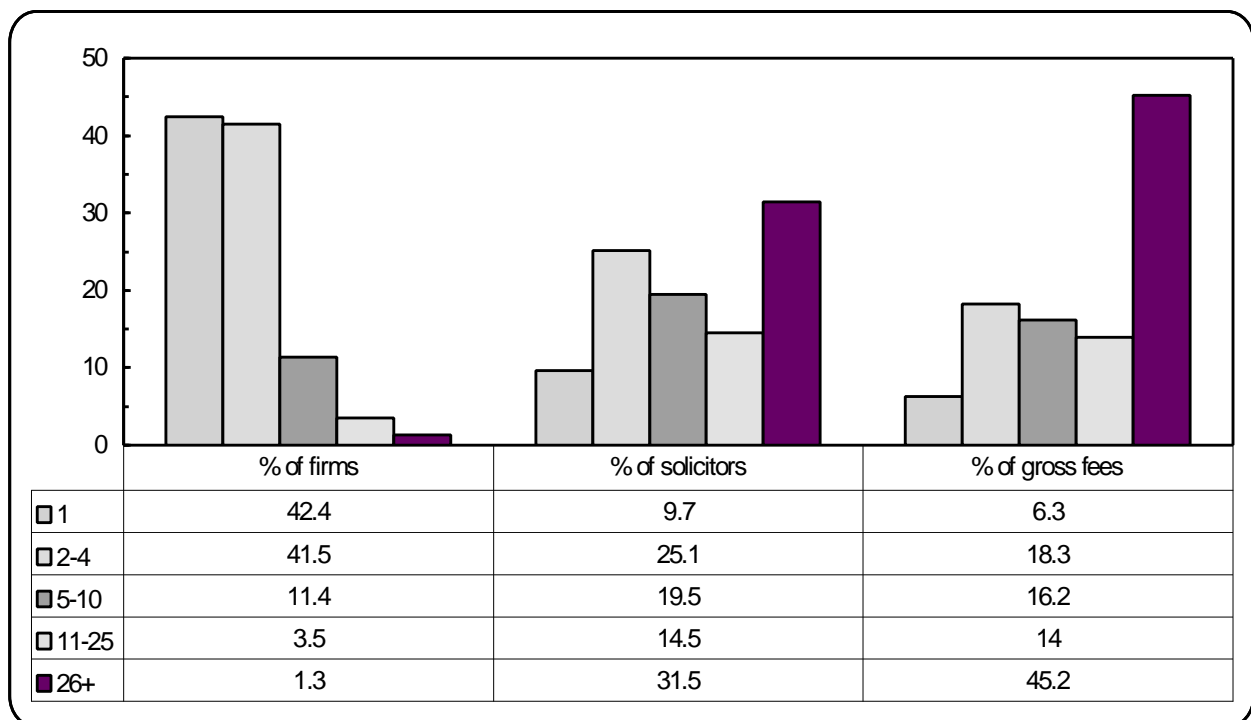
- There were 6,852 full time and 1,322 part time LPC places available in 1997-98. In 1998-99 there will be 6,938 full-time and 1,286 part-time places available.
- There were 4,826 new traineeships registered in the year 1 August 1997 to 31 July 1998, a new record high. This is an increase of 1.8% on the 4,739 registered in the previous year.
- Of the new trainees registered, 53.6% were women and 16.1% of trainees with known ethnicity were from the ethnic minorities.
- As at 31 July 1998, 651 solicitors in England and Wales had gained rights of audience in the Higher Courts. Of these just over a half obtained their rights in 1994 and 1995.

VITAL STATISTICS

SOLICITORS' PROFESSION AT 31 JULY 1998

Solicitors on the Roll	95,521
Solicitors with practising certificates	75,072
Women solicitors with practising certificates	25,439
Ethnic minority solicitors with practising certificates	3,714
Solicitors working in private practice	60,818
Private practice firms (earning over £15,000 per annum)	8,764
New solicitors admitted to the Roll	5,685
Trainee solicitors commencing contracts	4,826

Distribution of firms, solicitors and turnover 1996-97



Source: Solicitors Indemnity Fund

PART I QUALIFIED SOLICITORS

1 SOLICITORS ON THE ROLL

- 1.1 The Law Society is required by statute, under the Solicitors Act 1974, to maintain records of all qualified solicitors on the Roll. All practising solicitors are obliged to keep the Society informed of their whereabouts and any changes in the circumstances of their employment. The annual renewal of practising certificates produces up-to-date information about all practising solicitors. In addition, the Society now operates a scheme of annual enrolment for all solicitors on the Roll in order to be able to gain up-to-date information about those solicitors who do not hold practising certificates.
- 1.2 As at 31 July 1998, there were 95,521 solicitors on the Roll, an increase of 4.1% over the previous year. Of these 61,663 (64.6%) were men and 33,858 (35.4%) were women. Last year 65.6% of solicitors on the Roll were men and 34.4% were women.
- 1.3 Of the 95,521 solicitors on the Roll at 31 July 1998, 75,072, or 78.6% of them, held a current practising certificate entitling them to act as a solicitor within the definition of the Solicitors Act 1974. The remaining 20,449 include solicitors working in jobs in which they are not required to hold a practising certificate, retired solicitors, and those no longer pursuing a career in the legal profession. Some of the employed solicitors without a practising certificate work in local government or commerce and industry and do not provide legal advice to those outside the organisation, or undertake litigation on behalf of their employer.

Table 1.3 Solicitors on the Roll with and without practising certificates by gender as at 31 July 1998

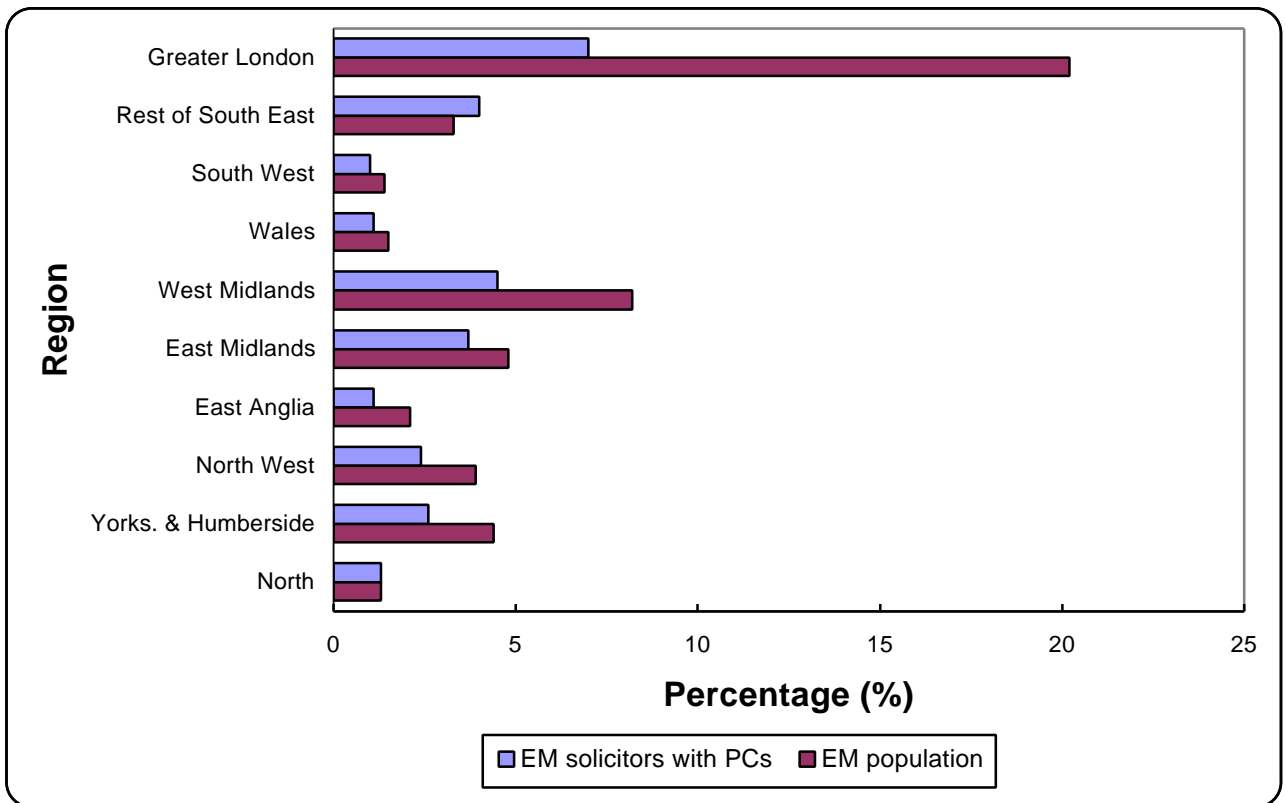
With practising certificates	No.	%
Men	49,633	66.1
Women	25,439	33.9
Sub-total	75,072	100.0
Without practising certificates		
Men	12,030	58.8
Women	8,419	41.2
Sub-total	20,449	100.0
Total solicitors on the Roll		
Men	61,663	64.6
Women	33,858	35.4
Total	95,521	100.0

Source: Law Society's REGIS database

Ethnic origin

1.4 Ethnic minorities make up 6.6% of solicitors on the Roll, of whom 36.8% are resident abroad. In England and Wales, the greatest concentration of ethnic minority solicitors on the Roll is found in the Central and South Middlesex constituency where 22.8% of solicitors are from the ethnic minorities. Chart 1 shows for each standard region (see Map 1, page 32), ethnic minority solicitors as a proportion of total solicitors with practising certificates compared with the proportion of the total population who are from ethnic minorities.

Chart 1 Ethnic minority solicitors as a proportion of total solicitors with practising certificates compared with people from ethnic minorities as a proportion of the total population



1.5 Table 1.5 shows that 59.3% of ethnic minority solicitors on the Roll hold practising certificates and that 78.0% of those ethnic minority solicitors with practising certificates are in private practice. Chinese solicitors, the majority of whom work overseas, have the lowest ethnic minority participation rates, only 21.3% of those on the Roll hold practising certificates. Overall, 78.6% of solicitors on the Roll hold practising certificates, and of those 81.0% are in private practice.

1.6 Table 1.6 shows the proportion of ethnic minority solicitors with practising certificates in each standard region and abroad. Greater London, the rest of the South East and the West Midlands have the highest proportion of ethnic minority solicitors, the majority of

whom are Asian. Overall, 6.9% of ethnic minority solicitors with practising certificates are resident abroad, of whom just under three quarters are Chinese.

Table 1.5 Ethnic minority solicitors, on the Roll with practising certificates, and employed in private practice at 31 July 1998

	Ethnic minority solicitors				
	1	2	3	4	5
Ethnic origin	On the Roll	With practising certificate	2 as a % of 1	With practising certificates and in private practice	4 as a % of 2
Afro-Caribbean	405	331	81.7%	238	71.9%
Asian	2,597	2,087	80.4%	1,691	81.0%
Chinese	2,131	454	21.3%	326	71.8%
African	289	235	81.3%	175	74.5%
Other ethnic origin	840	607	72.3%	468	77.1%
All ethnic minority solicitors	6,261	3,714	59.3%	2,898	78.0%
All solicitors	95,521	75,072	78.6%	60,818	81.0%
Ethnic minority solicitors as a % of all solicitors	6.6%	4.9%		4.8%	
Ethnic minority solicitors as a % of solicitors with known ethnicity	7.6%	5.7%		5.4%	

Table 1.6 Proportion of ethnic minority solicitors with practising certificates in standard regions and abroad at 31 July 1998

Region	Total no. of PC holders 75,072	Ethnic Group							
		Asian	Afro-Carib.	Chinese	African	Other ethnic minority	Total ethnic minority	White European	% Unknown
City of London ¹	11,538	2.1%	0.3%	0.5%	0.3%	1.1%	4.3%	82.0%	13.7%
Rest of London	14,388	5.9%	1.1%	0.8%	0.9%	1.5%	10.3%	75.5%	14.2%
Rest of the South East	11,570	2.7%	0.4%	0.4%	0.2%	0.6%	4.3%	83.2%	12.6%
South West	6,110	0.3%	0.1%	0.2%	0.1%	0.4%	1.1%	87.1%	11.8%
Wales	2,905	0.4%	0.2%	0.2%	*	0.6%	1.4%	88.2%	10.4%
West Midlands	5,470	3.9%	0.5%	0.2%	0.1%	0.5%	5.3%	83.7%	11.0%
North West	7,377	1.4%	0.2%	0.2%	0.2%	0.5%	2.5%	85.8%	11.7%
North	2,229	0.9%	0.0%	0.1%	0.1%	0.2%	1.3%	87.7%	11.0%
Yorkshire and Humberside	4,920	2.2%	0.2%	0.1%	*	0.5%	3.0%	86.9%	10.1%
East Midlands	4,910	3.0%	0.3%	0.1%	0.1%	0.5%	4.1%	84.4%	11.5%
East Anglia	1,565	0.6%	0.1%	0.1%	0.1%	0.4%	1.2%	86.2%	12.6%
Scotland/N. Ireland	107	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	74.7%	18.4%
Abroad	1,979	2.1%	0.1%	9.3%	0.2%	1.4%	13.0%	68.6%	18.4%
Unknown	4	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	75.0%	25.0%

¹. Solicitors have been allocated to one of the Registrar General's Standard Regions on the basis of the local Law Society constituency in which they work. The boundaries match reasonably well but some degree of approximation is required.

* Less than 0.05%

Source: Law Society's REGIS database

2 PRACTISING CERTIFICATE HOLDERS

2.1 A qualified solicitor will be included on the Roll of solicitors maintained by the Law Society. However, in order to act as a solicitor, the Solicitors Act 1974 requires that the solicitor’s name appears on the Roll and that a current practising certificate is held. Practising certificates are issued by the Law Society and are valid from 1 November to 31 October each year.

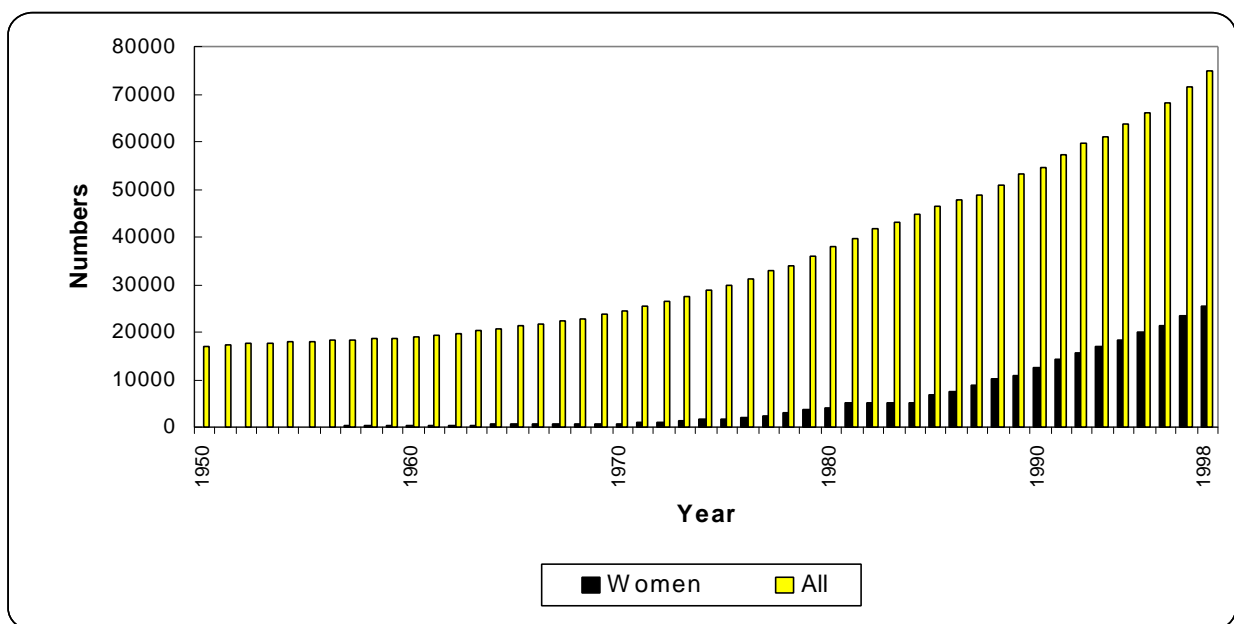
2.2 At 31 July 1998 there were 75,072 solicitors holding current practising certificates, an increase of 4.8% on the previous year. Table 2.2 below shows how the total number of solicitors with practising certificates has grown over the past three decades, with the comparable figures for solicitors working within private practice. Since 1968, the total number of practising certificate holders has grown by 229.5% at an average annual rate of 4.1%. Comparable figures for those in private practice are a total growth over the period of 207.8% at an average rate of 3.8%. Chart 2 shows the growth in the number of solicitors with practising certificates since 1950, and compares the growth rate for women holders with that of the profession as a whole.

Table 2.2 Solicitors holding practising certificates 1968 to 1998

Year	Practising solicitors	% change	Solicitors in private practice	% change
1968	22,787	-	19,761	-
1978	33,864	48.6	28,967	46.6
1988	50,684	49.7	44,399	53.3
1998	75,072	48.1	60,818	37.0

Source: Law Society’s REGIS database

Chart 2 Growth in the number of solicitors with practising certificates 1950-1998



Source: Law Society’s REGIS database

2.3 Annual figures from 1988 onwards are shown in Table 2.3. Since 1988 the total number of solicitors with practising certificates has grown by 48.1%; however, the number of women solicitors with practising certificates has increased by 152.8%. The proportion of solicitors holding practising certificates who are women was 33.9% at 31 July 1998 compared with 19.9% in 1988. For the past six years women have accounted for over half of new entrants to the profession, so this proportion is set to increase for the foreseeable future.

Table 2.3 Solicitors who held practising certificates 1988 to 1998

Year	Total	Men		Women	
1988	50,684	40,622	80.1%	10,062	19.9%
1989	52,399	41,395	79.0%	11,004	21.0%
1990	54,734	42,051	76.8%	12,683	23.2%
1991	57,167	42,986	75.2%	14,179	24.8%
1992	59,566	43,910	73.7%	15,653	26.3%
1993	61,329	44,399	72.4%	16,930	27.6%
1994	63,628	45,211	71.1%	18,417	28.9%
1995	66,123	46,189	69.9%	19,934	30.1%
1996	68,037	46,681	68.6%	21,356	31.4%
1997	71,637	48,171	67.2%	23,466	32.8%
1998	75,072	49,633	66.1%	25,439	33.9%

Source: Law Society's REGIS database

2.4 Table 2.4 shows the age distribution of solicitors in five-year groups and also participation rates by age. Participation rates are the percentages of solicitors on the Roll who hold practising certificates. The comparison between the participation rates for men and women shows that participation rates are lower among female than male solicitors for all age groups. This is partly explained by the fact that fewer women work in private practice.

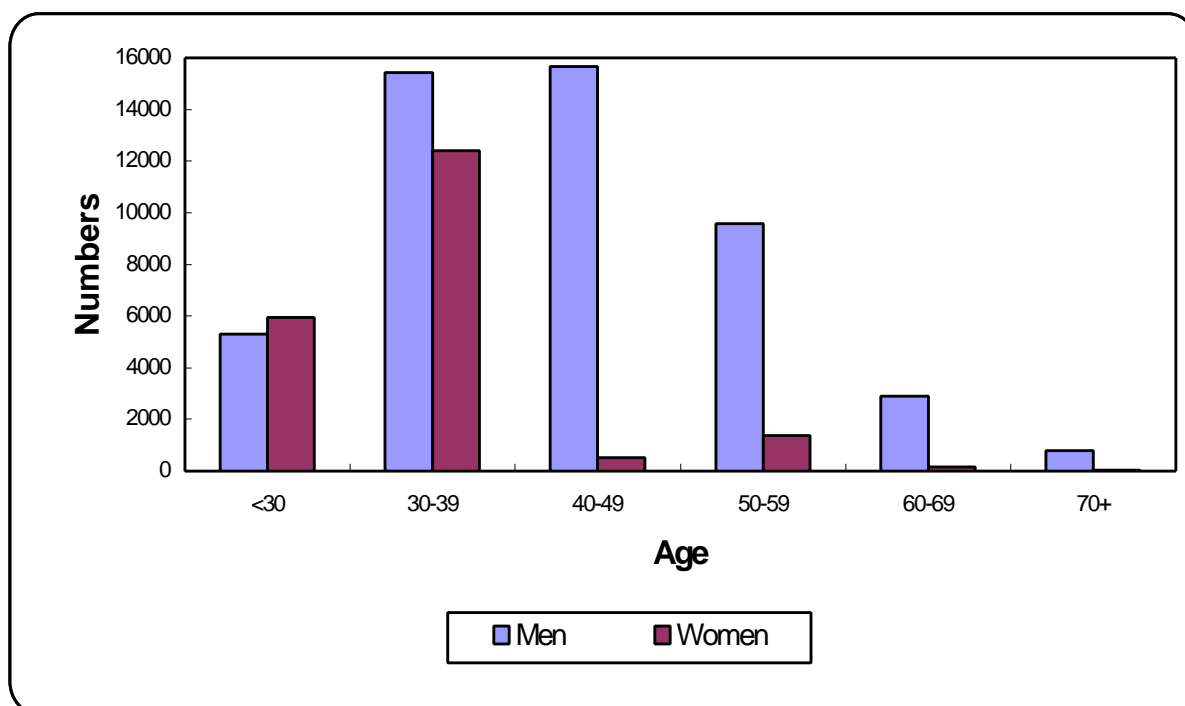
2.5 Tables 2.4 and 2.5 and Chart 3 show that there are more women than men solicitors aged below 30, but that most solicitors in the older age groups are men. Table 2.5 shows the estimated age distribution of all solicitors using 10-year age groups, i.e. including estimates of the age of the small proportion of solicitors for whom the actual age is unknown. Just under a half, 49.9%, of solicitors on the Roll and 52.0% of solicitors with a practising certificate are aged under 40. The average age of a female solicitor with a practising certificate is 35.8 years compared with 42.8 for men. A half of women solicitors with practising certificates are aged 33 or less, whilst a half of men with practising certificates are aged 42 or less.

Table 2.4 The age distribution of solicitors and participation rates – 31 July 1998

Age	A	B	C	D	E	Part. Rate E as a % of D
	Number of men on Roll	Number of men with PCs	Part. Rate B as a % of A	Number of women on Roll	Number of women with PCs	
25 and under	373	354	94.9	473	439	92.8
26-30	7,215	6,445	89.3	8,364	7,111	85.0
31-35	8,907	7,589	85.2	9,182	6,802	74.1
36-40	8,881	7,565	85.2	6,556	4,668	71.2
41-45	9,114	7,869	86.3	4,433	3,144	70.9
46-50	8,638	7,424	85.9	2,544	1,807	71.0
51-55	7,077	5,855	82.7	1,213	863	71.1
56-60	3,403	2,608	76.6	382	261	68.3
61-65	2,745	1,705	62.1	210	104	49.5
66-70	1,729	789	45.6	87	26	29.9
71 and over	2,506	680	27.1	78	21	26.9
Unknown	1,075	750	69.8	336	193	57.4
All ages known	60,588	48,883	80.7	33,522	25,246	75.3
% ages known	98.3	98.5		99.0	99.2	
Total	61,663	49,633	80.5	33,858	25,439	75.1
Average age	44.4	42.8		36.4	35.8	
Median age	43	42		34	33	

Source: Law Society's REGIS database

Chart 3 The age of solicitors with practising certificates – 31 July 1998



Source: Law Society's REGIS database

Table 2.5 Estimated* age distribution of practising certificate holders at 31 July 1998

Solicitors with PCs						
Age group	Men	%	Women	%	All	%
Under 30	5,314	10.7	5,953	23.4	11,267	15.0
30-39	15,407	31.0	12,398	48.7	27,805	37.0
40-49	15,650	31.5	5,532	21.7	21,182	28.2
50-59	9,575	19.3	1,373	5.4	10,948	14.6
60-69	2,903	5.8	156	0.6	3,059	4.1
70+	784	1.6	26	0.1	810	1.1
Total	49,633	100.0	25,439	100.0	75,072	100.0
Average age	42.8		35.8		40.4	
Median age	42		33		38	
Solicitors on the Roll						
Under 30	5,855	9.5	6,817	20.1	12,672	13.3
30-39	18,121	29.4	16,887	49.9	35,008	36.6
40-49	18,153	29.4	7,783	23.0	25,935	27.2
50-59	11,764	19.1	1,944	5.7	13,708	14.4
60-69	4,974	8.1	333	1.0	5,307	5.6
70+	2,797	4.5	94	0.3	2,891	3.0
Total	61,663	100.0	33,858	100.0	95,521	100.0
Average Age	44.4		36.4		41.6	
Median Age	43		34		38	

* These figures have been calculated using a pro-rata allocation of the small number of solicitors for whom age is unknown.

Source: Law Society's REGIS database

2.6 Table 2.6 shows the numbers of solicitors holding practising certificates at 31 July 1998 analysed by the number of years they have been qualified as solicitors. Just over a third, 35.9%, of male solicitors with current practising certificates in private practice have been qualified for less than 10 years, and 64.4% have been qualified for less than 20 years. Only 7.3% of women solicitors in private practice have been qualified for more than 20 years. A similar distribution pattern was found amongst those solicitors working in employed and other sectors.

Table 2.6 Experience of solicitors with practising certificates as measured by number of years qualified as at 31 July 1998

Solicitors in private practice						
Years since admission	All Solicitors		Men		Women	
	No.	%	No.	%	No.	%
0-9 years	28,292	46.5	14,915	35.9	13,377	69.6
10-19 years	16,223	26.7	11,806	28.4	4,417	23.0
20-29 years	11,235	18.5	10,002	24.0	1,233	6.4
30-39 years	3,715	6.1	3,552	8.5	163	0.8
40-49 years	1,133	1.9	1,105	2.7	28	0.1
50+ years	220	0.4	216	0.5	4	*
All years	60,818	100.0	41,596	100.0	19,222	100.0
Solicitors in employed and other sectors						
Year since admission	All Solicitors		Men		Women	
	No.	%	No.	%	No.	%
0-9 years	8,241	57.8	3,980	49.5	4,261	68.5
10-19 years	3,572	25.1	2,008	25.0	1,564	25.2
20-29 years	1,985	13.9	1,621	20.2	364	5.9
30-39 years	386	2.7	359	4.5	27	0.4
40-49 years	63	0.4	62	0.8	1	*
50+ years	7	*	7	0.1	0	0.0
All years	14,254	100.0	8,037	100.0	6,217	100.0

* less than 0.05%

Source: Law Society's REGIS database

- 2.7 The majority of solicitors holding practising certificates work within private practice: 81.0% at 31 July 1998, including locums. Table 2.7 provides a detailed breakdown of the employment of solicitors with practising certificates. In order to take account of changes in the types of organisations in which solicitors are employed, the new Law Society database, REGIS, uses different categories of employment from those used prior to its development. For example, the new category of Government Funded Services applies to those organisations which are not a specific central government department or part of local government. However, they do not generate their own income and are either wholly or partly government funded, for example, county police forces and the Charity Commission. As a consequence of these changes to the category of employment codes, a direct comparison with information provided in pre-REGIS Annual Statistical Reports is not possible.

Table 2.7 Practising certificate holders by category of employment as at 31 July 1998

Category of employment	1998				Women as % of total
	All	% of PC holders	Men	Women	
Private practice	60,818	81.0	41,596	19,222	31.6
Commerce/Industry	4,661	6.2	2,813	1,848	39.6
Accountancy practice	67	0.1	34	33	49.3
Nationalised industry	78	0.1	31	47	60.3
Trade Union	48	0.1	27	21	43.8
Government Department	49	0.1	28	21	42.9
Local government	2,845	3.8	1,444	1,401	49.2
Court	165	0.2	104	61	37.0
Government funded services	142	0.2	73	69	48.6
Crown Prosecution Service	1,525	2.0	800	725	47.5
Advice service	273	0.4	117	156	57.1
Educational establishment	107	0.1	52	55	51.4
Health service	24	*	9	15	62.5
Others ¹	1,100	1.5	702	398	36.2
Not attached to an organisation ²	3,170	4.2	1,803	1,367	43.1
All non-private practice	14,254	19.0	8,037	6,217	43.6
Total practising certificate holders	75,072	100.0	49,633	25,439	33.9

* less than 0.05%

¹ All other categories including practising certificate holders in the Armed Forces, Churches and other religious bodies and Institutes

² See paragraph 2.8

Source: Law Society's REGIS database

2.8 Table 2.8 shows that 83.8% of men work in private practice compared with 75.6% of women. It is interesting to note that women account for a higher proportion of employees in sectors other than private practice. In private practice, 31.6% of solicitors are women compared with 43.6% of solicitors holding practising certificates who work in these other sectors. The second largest category of employment for solicitors with practising certificates is commerce and industry, 6.2%, followed by local government with employs 3.8% of practising certificate holders. A further 4.2% are not attached to any organisation: the majority of these solicitors are in the youngest age group which suggests they are predominantly the most recently qualified. It should be pointed out that the number of solicitors working in the employed and other sectors is likely to be greater than these figures suggest. This is because many, as a consequence of their employed status, will not be required to hold practising certificates.

Table 2.8 Distribution of practising certificate holders by category of employment as at 31 July 1998 compared with 1988

Category of employment Percentage distribution	1988	1998		
	Total	Total	Men	Women
	%	%	%	%
Private practice	87.6	81.0	83.8	75.6
Other PC holders	12.4	19.0	16.2	24.4
Total	100.0	100.0	100.0	100.0

Source: Law Society's REGIS database

2.9 For the 60,018 solicitors working in private practice, the Law Society records the position or status of the solicitor within the firm. Table 2.9 shows the status of those solicitors holding practising certificates and working in private practice as at 31 July 1998. In addition to showing the number of solicitors who are partners, sole practitioners, assistant solicitors and consultants, the table also contains information on the number of associate solicitors. In general, these are solicitors for whom the firm wishes to indicate a degree of seniority between assistant solicitors and partnership level. The category of 'other private practice' refers to solicitors with practising certificates, in private practice, but with positions in the firm other than those stated. For example, this category includes solicitors employed in training and managerial capacities. There has been a slight decrease in the proportion of male private practitioners who are partners, and a slight increase in the proportion of female private practitioners who are partners, over the past year. Table 2.9 shows that 54.8% of men compared with only 25.0% of women were partners at 31 July 1998. In part this is because women have only relatively recently begun to enter the profession in significant numbers.

Table 2.9 Position of solicitors working in private practice and holding a practising certificate at 31 July 1998 compared with 31 July 1997

31 July 1998						
Position in firm	Men		Women		Total	
	No.	%	No.	%	No.	%
Partners	22,776	54.8	4,802	25.0	27,578	45.3
Sole practitioners	3,824	9.2	852	4.4	4,676	7.7
Associate solicitors	1,256	3.0	1,121	5.8	2,377	3.9
Assistant solicitors	11,349	27.3	11,989	62.4	23,338	38.4
Consultants	2,240	5.4	302	1.6	2,542	4.2
Other private practice	151	0.4	156	0.8	307	0.5
All positions	41,596	100.0	19,222	100.0	60,818	100.0
31 July 1997						
Partners	22,445	55.3	4,420	24.8	26,865	46.0
Sole practitioners	3,887	9.6	825	4.6	4,712	8.1
Associate solicitors	832	2.0	685	3.9	1,517	2.6
Assistant solicitors	11,116	27.4	11,444	64.3	22,560	38.6
Consultants	2,172	5.4	287	1.6	2,459	4.2
Other private practice	135	0.3	130	0.7	265	0.5
All positions	40,587	100.0	17,791	100.0	58,378	100.0

Source: Law Society's REGIS database

2.10 An examination of status analysed by experience (as measured by the number of years since qualifying as a solicitor) for both men and women, given in Table 2.10 and in Chart 4 below, shows that with equivalent levels of experience higher proportions of men achieve partnership status than women. Of solicitors in private practice with 10-19 years' experience, 87.0% of men are partners or sole practitioners compared with only 62.6% of women. These figures indicate that women are more likely to remain assistant solicitors. This could be partly because, compared with men, women take greater numbers of career breaks and accumulate fewer years of continuing post-qualifying experience.

Table 2.10 The status of solicitors in private practice analysed by years of experience at 31 July 1998

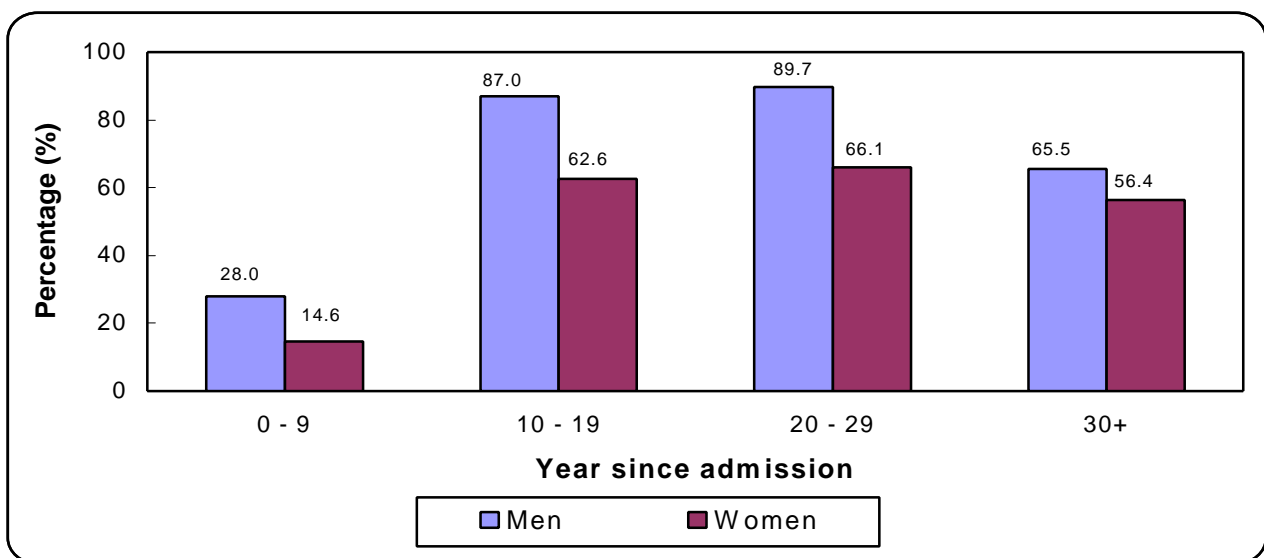
Years since admission	All solicitors in private practice		Percentage of solicitors in private practice who were: ¹							
			Partners		Sole practitioners		Associate		Assistant	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
0-9 years	14,915	13,377	24.5	12.9	3.5	1.7	5.9	6.2	65.2	77.9
10-19 years	11,806	4,417	77.0	53.6	10.0	9.0	2.0	5.2	9.2	28.1
20-29 years	10,002	1,233	75.8	51.2	13.9	14.9	1.0	3.9	4.3	23.8
30-39 years	3,552	163	60.4	41.7	15.1	17.2	0.7	4.3	2.3	15.3
40-49 years	1,105	28	24.3	17.9	16.0	28.6	0.5	0.0	1.8	0.0
50+ years	216	4	20.8	25.0	9.7	0.0	0.5	0.0	2.3	50.0
Total	41,596	19,222	54.8	25.0	9.2	4.4	3.0	5.8	27.3	62.4

¹ Percentages do not add to 100 across the table because consultants and those holding other positions in private practice, for example, incorporated members are excluded.

* Less than 0.05%

Source: Law Society's REGIS database

Chart 4 Percentages of men and women in private practice who were either partners or sole practitioners as at 31 July 1998 by years since admission



Source: Law Society's REGIS database

2.11 It is also interesting to examine the age distribution of partners compared with sole practitioners and to all solicitors in private practice. Table 2.11 shows that only 15.5% of sole practitioners are in their 30s compared with 30.1% of partners. The average age of a sole practitioner is 48.9 years compared with 44.3 for partners and 40.4 for all solicitors in private practice.

Table 2.11 The age distribution of sole practitioners and partners as at 31 July 1998

Age	All in private practice			Partners			Sole practitioners		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Under 30	4,718	5,098	9,816	179	120	299	8	4	12
30-39	12,509	8,909	21,418	5,864	2,310	8,174	463	246	709
40-49	12,815	3,904	16,719	9,725	1,789	11,514	1,375	390	1,765
50-59	7,804	1,037	8,841	5,459	478	5,937	1,297	155	1,452
60-69	2,439	123	2,562	1,020	41	1,061	474	35	509
70 or more	691	21	712	126	4	130	107	6	113
Unknown	620	130	750	403	60	463	100	16	116
Total	41,596	19,222	60,818	22,776	4,802	27,578	3,824	852	4,676
Average age	42.7	35.4	40.4	45.2	40.3	44.3	49.9	44.5	48.9
Estimated age distribution									
Age	%	%	%	%	%	%	%	%	%
Under 30	11.5	26.7	16.3	0.8	2.5	1.1	0.2	0.5	0.3
30-39	30.5	46.7	35.7	26.2	48.7	30.1	12.4	29.4	15.5
40-49	31.3	20.4	27.8	43.5	37.7	42.5	36.9	46.7	38.7
50-59	19.0	5.4	14.7	24.4	10.1	21.9	34.8	18.5	31.8
60-69	6.0	0.6	4.3	4.6	0.9	3.9	12.7	4.2	11.2
70 or more	1.7	0.1	1.2	0.6	0.1	0.5	2.9	0.7	2.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Law Society's REGIS database

Ethnic origin

2.12 Table 2.12 records solicitors with practising certificates who are known to belong to ethnic minorities. Ethnic minority solicitors accounted for 4.9% of solicitors with practising certificates in 1998 compared with 4.5% in 1997. People from ethnic minorities account for 5.2% of the economically active population of England and Wales. Of those solicitors with practising certificates 87.4% have declared their ethnic origin.

Table 2.12 Ethnic origin of practising certificate holders as at 31 July 1998 compared with 31 July 1997

Ethnic origin	1998				Numbers known in 1997	
	Men	Women	Total	%	Total	%
White/European	40,914	20,986	61,900	82.5	59,424	83.0
Afro-Caribbean	119	212	331	0.4	293	0.4
Asian	1,125	962	2,087	2.8	1,800	2.5
Chinese	194	260	454	0.6	375	0.5
African	121	114	235	0.3	190	0.3
Other ethnic origin	331	276	607	0.8	548	0.8
All solicitors for whom ethnic origin is known	42,804	22,810	65,614	87.4	62,630	87.4
All ethnic minority practising certificate holders known to the Law Society	1,890	1824	3,714		3,206	
% of all solicitors with PCs	3.8	7.2	4.9		4.5	
Unanswered/refused	3,706	769	4,475	6.0	4,546	6.3
Unknown	3,123	1,860	4,983	6.6	4,461	6.2
All practising certificate holders	49,633	25,439	75,072	100.0	71,637	100.0
% of all solicitors with PCs for whom ethnic origin is known	86.2	89.7	87.4		87.4	

Source: Law Society's REGIS database

2.13 Table 2.13 analyses the position held by solicitors in private practice by their ethnicity. The table shows that whereas 45.4% of white Europeans in private practice are at partnership level, the corresponding proportion from ethnic minority groups is much lower at 25.5%. This is partly a reflection of the fact that solicitors from the ethnic minorities have only recently been entering the profession in numbers. It is interesting to note though that 12.3% of ethnic minority solicitors are sole practitioners compared to 7.7% for all solicitors in private practice.

Table 2.13 Status of private practice solicitors by ethnicity

Ethnic group	All in private practice	Percentage who were:					Total %
		Partners	Sole practs.	Associates	Assistants	Other private practice	
Afro-Caribbean	238	18.5	14.3	2.1	62.6	2.5	100.0
Asian	1691	27.2	14.1	3.1	53.6	2.0	100.0
Chinese	326	23.0	6.7	5.5	62.0	2.8	100.0
African	175	24.0	13.1	4.0	56.0	2.9	100.0
Other ethnic origin	468	25.4	8.3	3.6	60.5	2.1	100.0
All ethnic minority	2,898	25.5	12.3	3.5	56.5	2.2	100.0
White European	50,435	45.4	7.1	4.0	38.9	4.6	100.0
Unknown	7,485	52.9	9.6	3.2	28.1	6.2	100.0
Total	60,818	45.3	7.7	3.9	38.4	4.7	100.0

3 SOLICITORS' OFFICES AND FIRMS

- 3.1 Information on private practice solicitors' firms is available from both the Law Society's records and from those held by the Solicitors Indemnity Fund (SIF). These are separate systems designed for different administrative purposes and, as a consequence, the statistics recorded are not fully comparable. The Law Society statistics include all private practice firms while SIF only collects information about those firms which have gross fees of £15,000 per annum or over.
- 3.2 The Law Society categorises solicitors according to the Law Society constituencies in which they work. This information is used during Law Society elections when members of the Council, who form the governing body of the Society, are appointed. There are currently 41 Law Society constituencies in England and Wales. As the boundaries of these constituencies match reasonably well with the boundaries of the standard regions of England and Wales used by the Registrar General, the Law Society records of firms have been reallocated to these regions. Map 1 on page 32 shows the boundaries of the Registrar General's standard regions. The SIF records show the location of firms according to the regional breakdown used by the Legal Aid Board (see Map 2 on page 33) and for standard regions. Table headings, where relevant, state the type of regional allocation used.
- 3.3 The Law Society records the type of business conducted by organisations employing solicitors. The main categories are shown in Table 3.3 on page 23 together with the numbers of head offices and branch offices for each employer in England and Wales and in other jurisdictions. These categories, while broadly similar to those used in earlier Annual Statistical Reports, have been redefined with the development of the REGIS database and are, therefore, not strictly comparable with the figures reported prior to 1996. For example, the Crown Prosecution Service is now shown separately and a new category, Government Funded Services, represents organisations, including quangos, where the primary funding is provided by central government. Private practice firms, companies, etc., with head offices elsewhere are firms and companies which employ solicitors qualified in England and Wales. Branch offices elsewhere, include offices of British firms in other jurisdictions. Multi-national practices are businesses operated as partnerships where at least one partner is a registered foreign lawyer.
- 3.4 At 31 July 1998, there were 15,876 separate organisations employing solicitors of which 14,254 were based in England and Wales and 1,622 elsewhere (i.e. Scotland, Northern Ireland, the Isle of Man, Eire and overseas countries). Each firm, company, local authority or other employer may be located in one or several offices. There were 21,155 separate places of work recorded for solicitors of which 18,983 were in England and Wales and 2,172 elsewhere. The figures represent a marginal reduction on those recorded for 1997.
- 3.5 As can be seen from Table 3.3, there were 10,120 private practice partnerships located in 13,903 separate offices in England and Wales. Over the past year the number of firms has remained static, whilst the number of offices has decreased very slightly. The number of incorporated firms has increased markedly by 17.6% from 176 in 1997 to 207 in 1998. The value of the above figures, however, is considerably weakened because these statistics include all firms registered with the Law Society regardless of the amount of business which they conduct.

- 3.6 Table 3.6 on page 24 records the trend in the numbers of private practice firms and offices over the five years since 1992-93. Over the period, the number of firms has increased by 3.8% and the number of offices has increased by 0.7%. This is reflected in the observed 3.0% decrease in the ratio of offices to firms over the period.
- 3.7 The numbers of offices occupied by different sizes of firms are shown in Chart 5. This shows that the average number of offices per firm was 1.4. As one would expect, the number of offices per firm increases with the size of firm.

Table 3.3 Organisations employing solicitors by type of business as at 31 July 1998

Type of business	Head offices		Branch offices		Total offices	
	England & Wales	Other	England & Wales	Other	England & Wales	Other
Private practice						
Partnerships in England and Wales	10,120	49	3,783	99	13,903	148
Incorporated firms	207	0	111	3	318	3
Multi-national practices	77	50	47	180	124	230
Foreign law practices	14	963	14	148	28	1,111
Locums services	445	3	3	0	448	3
Other private practice	1	22	3	2	4	24
Commerce and Industry						
	2,041	385	313	86	2,354	471
Government						
Government department	41	68	56	23	97	91
Local government	464	3	41	0	505	3
Court	172	5	139	1	311	6
Government funded service	107	22	54	6	161	28
Crown Prosecution Service	14	0	89	0	103	0
Other						
Advice Service	167	4	14	0	181	4
Educational Establishment	185	30	3	0	188	30
Other	199	18	59	2	258	20
Total	14,254	1,622	4,729	550	18,983	2,172

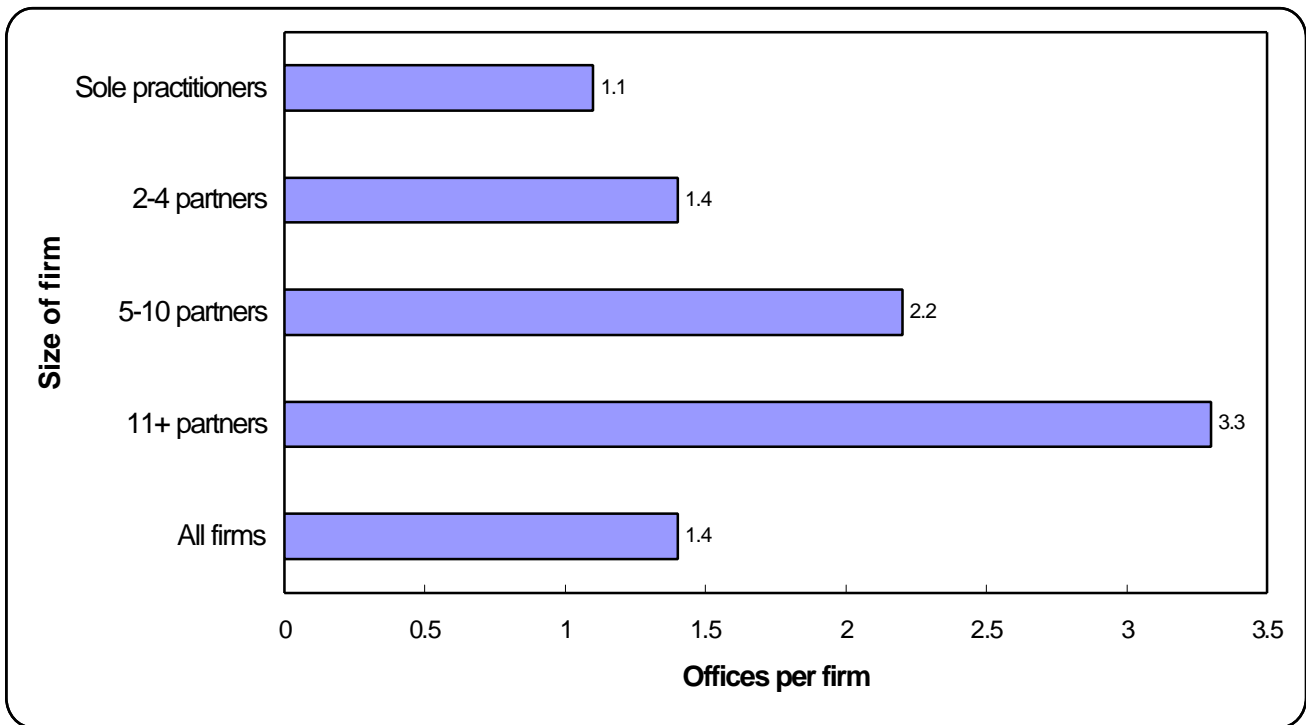
Source: Law Society's REGIS database

Table 3.6 Trends in the number of private practice firms and offices from 1992-93 to 1997-98

Year	Number of firms	Number of offices	Offices per firm
1992-93	9,754	13,813	1.42
1993-94	9,766	13,774	1.41
1994-95	9,855	13,770	1.40
1995-96	10,119	13,997	1.38
1996-97	10,120	13,919	1.38
1997-98	10,120	13,903	1.37
% change 1997-98 over 1992-93	3.8%	0.7%	-3.0%

Source: Law Society's REGIS database

Chart 5 Number of offices by size of firm in 1998



Source: Solicitors Indemnity Fund

3.8 The remaining statistics in this chapter are based on the SIF records of those firms earning over £15,000 in gross fees per annum. The Solicitors Indemnity Fund maintains records of solicitors' firms for the purpose of calculating indemnity premiums. Firms submit a return to SIF providing details of staffing and gross fees (turnover) each year. The gross fee figures relate to the firm's last full annual accounting period which ends during the previous 18 months. "Low fee-earners", that is, firms earning less than £15,000 per annum, are excluded and because of this and the different period of account, figures differ from those produced from the Law Society REGIS database. The staffing figures show the numbers of staff in post as at 31 March. However, since 1994, SIF statistics have taken account of the numbers of partners up until 31 August.

Table 3.9 Location (standard regions) of population, private practice firms, principals and solicitors in private practice in 1998

Region	Population ¹ '000s	Firms earning £15,000+ ²		
		Firms No.	Principals No.	Solicitors ³ No.
City of London	5	262	5,129	13,143
Rest of London	7,002	1,869	5,675	9,877
Total London	7,007	2,131	10,804	23,020
Rest of South East	10,982	1,985	5,348	8,459
South West	4,827	783	2,644	4,731
Wales	2,917	501	1,310	2,137
West Midlands	5,306	749	2,375	4,128
East Midlands	4,124	453	1,546	2,624
East Anglia	2,123	259	965	1,584
North West	6,410	940	3,195	5,536
Yorkshire and Humberside	5,029	567	2,293	4,156
North	3,095	396	1,132	1,839
Total	51,820	8,764	31,612	58,214
Region	%	%	%	%
City of London	*	3.0	16.2	22.6
Rest of London	13.5	21.3	18.0	17.0
Total London	13.5	24.3	34.2	39.5
Rest of South East	21.2	22.6	16.9	14.5
South West	9.3	8.9	8.4	8.1
Wales	5.6	5.7	4.1	3.7
West Midlands	10.2	8.5	7.5	7.1
East Midlands	8.0	5.2	4.9	4.5
East Anglia	4.1	3.0	3.1	2.7
North West	12.4	10.7	10.1	9.5
Yorkshire and Humberside	9.7	6.5	7.3	7.1
North	6.0	4.5	3.6	3.2
Total	100.0	100.0	100.0	100.0

* Less than 0.05%

Sources: ¹ Office for National Statistics² The Solicitors Indemnity Fund (SIF)³ Including principals

- 3.9 Table 3.9 shows the geographical distribution of the population, private practice firms, principals (partners plus sole practitioners) and all solicitors in private practice according to the Registrar General's standard regions. Almost a quarter of solicitors' firms, 24.3%, were located in London. Both the percentage of firms (3.0%) and of solicitors (22.6%) located in the City have increased slightly over the past year. Just under a half of all solicitors' firms (46.9%) are based in the South East (including London). This value is close to that for 1992-93, when 48.0% of firms were listed as being located in the South East. However, within that comparatively static total, the proportion of firms in London has risen from 20.9% to 24.3% of the total, whilst the proportion of firms in the rest of the South East has declined from 27.1% to 22.6%. Outside of this there has been little change in the pattern of distribution of firms over the past five years. In comparison with the distribution of population, the figures on the distribution of solicitors for the whole of the South East are distorted by the concentration of solicitors in London. Well over a third, 39.5%, of all solicitors in private practice are now located in London. For the rest of England and Wales, the distribution of solicitors in private practice provides a reasonable match to the distribution of the total population.
- 3.10 SIF statistics record the size of firms (by number of principals) for each legal aid region (see Map 2 on page 33 for a map of legal aid regions). To summarise this data, it is convenient to use the three broad areas used in earlier Annual Statistical Reports. These are: NORTH/WALES (Legal Aid areas 5, 6, 7, 8, 9, 10, 12 and 15), SOUTH (Areas 2, 3, 4 and 11) and LONDON (Areas 1, 13 and 14). Table 3.10 shows that the total number of firms in England and Wales decreased by 0.9% since 1997. The number of private practice firms in the London and North/Wales regions decreased slightly, by 0.7%, and in the South legal aid area the reduction was slightly more marked at 1.3%. Some of those reductions may be due to the non-reporting of some successor practices.

Table 3.10 Location of private practice firms in 1997 and 1998 with gross fees of £15,000 per annum or more

Area	1997	1998	% change 1998 on 1997
All firms earning over £15,000 per year:			
London	2,431	2,415	-0.7
South	2,780	2,744	-1.3
North/Wales	3,631	3,605	-0.7
Total	8,842	8,764	-0.9

Source: Solicitors Indemnity Fund (SIF)

3.11 Table 3.11 shows the trend in the number of firms (excluding low fee-earners), analysed by broad legal aid regions, between 1988 and 1998. The number of firms grew consistently until 1988 when there were 8,216 firms. The number then declined over the next two years falling to 8,102 firms in 1990. Between 1991 and 1997 there was steady growth until the slight reduction observed in 1998. There are, though, 5.0% more firms now than there were five years ago and 6.7% more firms now than there were ten years ago. Within that total the number of firms grew fastest in London, by 14.1% over the decade.

Table 3.11 Location of firms earning at least £15,000 per annum 1988-1998

Location	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
London	2,117	2,123	2,081	2,067	2,067	2,117	2,242	2,312	2,358	2,431	2,415
South	2,554	2,556	2,565	2,615	2,647	2,708	2,727	2,712	2,750	2,780	2,744
North/ Wales	3,545	3,491	3,456	3,431	3,484	3,525	3,555	3,598	3,594	3,631	3,605
Total	8,216	8,170	8,102	8,113	8,198	8,350	8,524	8,622	8,702	8,842	8,764

Source: Solicitors Indemnity Fund (SIF)

3.12 As we have seen, between August 1997 and August 1998 the total number of firms declined slightly by 0.9%. Within this total the number of firms with four or fewer partners fell by 1.3% and 5-10 partner firms fell marginally by only 0.2%. In contrast, the number of firms with 11-25 partners increased by 1.9% and those with 26 or more partners increased by 8.8%. Since 1993 the total number of firms has increased by 414 net largely as a result of the increase in sole practices. Since 1993 the number of sole practices has increased by 12.2%. Another size band showing growth over the past five years are firms with 26 or more partners which grew by 17.0%. In contrast, the growth of 2-4 and 11-25 partner firms has been modest at 1.9% and 2.6% respectively, and the number of 5-10 partner firms decreased by 7.5% over the period.

Table 3.12 Size of private practice firms earning at least £15,000 per annum 1993-98

Size of firm (No. of principals)	Number of firms						% change 1998 on 1997	% change 1998 on 1993
	1993	1994	1995	1996	1997	1998		
1	3,294	3,435	3,507	3,611	3,745	3,697	-1.3	12.2
2-4	3,561	3,617	3,642	3,663	3,671	3,627	-1.2	1.9
5-10	1,083	1,052	1,053	1,013	1,004	1,002	-0.2	-7.5
11-25	306	310	312	304	308	314	1.9	2.6
26 or more	106	110	108	111	114	124	8.8	17.0
Total	8,350	8,524	8,622	8,702	8,842	8,764	-0.9	5.0

Source: Solicitors Indemnity Fund

- 3.13 We can also examine the trend in the distribution of firms by size over a longer period. This shows that the distribution of firms by size as measured by the number of principals has changed substantially since 1988. Table 3.13 shows that it is the smallest and the largest firms which have accounted for most of the increase in the total number of firms which has taken place since that time. The number of sole practitioners has increased by 20.2% over the past 10 years, though this increase must be at least partly due to the fixed threshold of £15,000 per annum for "low fee-earners" leading to a drift of firms out of that category through inflation. At the other end of the spectrum, the small number of firms with 26 or more partners has more than doubled since 1988, with most of this growth taking place between 1993 and 1998. In contrast, the number of firms with 2-4 and 11-25 partners have remained almost unchanged. Whilst the 5-10 partner firms have decreased in number by 15.0% some of these may have merged to form larger units.

Table 3.13 Size of private practice firms earning at least £15,000 per annum in 1988 and 1998

Size of firm (No. of principals)	1988		1998		% change 1998 on 1988
	No.	%	No.	%	
1	3,075	37.4	3,697	42.2	20.2
2-4	3,595	43.8	3,627	41.4	0.9
5-10	1,179	14.4	1,002	11.4	-15.0
11-25	307	3.7	314	3.6	2.3
26 or more	60	0.7	124	1.4	106.7
Total	8,216	100.0	8,764	100.0	6.7

Source: Solicitors Indemnity Fund

- 3.14 We conclude this section on solicitors' offices and firms with more detailed regional breakdowns of the total number of firms. Table 3.14 shows the total number of firms analysed by the collapsed legal aid areas used earlier (see paragraph 3.10) and the number of principals in the firm.

Table 3.14 Practices with gross fees of at least £15,000 per annum by legal aid region and size of practice in 1998

No. of principals	London (Areas 1, 13, 14)		South (Areas 2, 3, 4, 11)		North/Wales (Areas 5, 6, 7, 8, 9, 10, 12, 15)		All firms	
	No.	%	No.	%	No.	%	No.	%
1	1,076	44.6	1,251	45.6	1,370	38.0	3,697	42.2
2	622	25.8	625	22.8	923	25.6	2,170	24.8
3	229	9.5	280	10.2	452	12.5	961	11.0
4	109	4.5	138	5.0	249	6.9	496	5.7
5	71	2.9	115	4.2	167	4.6	353	4.0
6	44	1.8	76	2.8	102	2.8	222	2.5
7	28	1.2	51	1.9	65	1.8	144	1.6
8	23	1.0	43	1.6	66	1.8	132	1.5
9	20	0.8	29	1.1	38	1.1	87	1.0
10	16	0.7	16	0.6	32	0.9	64	0.7
11-15	59	2.4	63	2.3	79	2.2	201	2.3
16-20	33	1.4	29	1.1	26	0.7	88	1.0
21-25	9	0.4	8	0.3	8	0.2	25	0.3
26+	76	3.1	20	0.7	28	0.8	124	1.4
Total	2,415	100.0	2,744	100	3,605	100.0	8,764	100.0
Using conventional Law Society size of firm bands								
No. of principals	London (Areas 1, 13, 14)		South (Areas 2, 3, 4, 11)		North/Wales (Areas 5, 6, 7, 8, 9, 10, 12, 15)		All firms	
	No.	%	No.	%	No.	%	No.	%
Sole practices	1,076	44.6	1,251	45.6	1,370	38.0	3,697	42.2
2-4	960	39.8	1,043	38.0	1,624	45.0	3,627	41.4
5-10	202	8.4	330	12.0	470	13.0	1002	11.4
11-25	101	4.2	100	3.6	113	3.1	314	3.6
26 or more	76	3.1	20	0.7	28	0.8	124	1.4
Total	2,415	100.0	2,744	100.0	3,605	100.0	8,764	100.0

3.15 Table 3.15 shows the total number of firms analysed by individual legal aid areas and the number of principals in the firm.

Table 3.15 The size of practices with gross fees of at least £15,000 per annum in each individual legal aid area in 1998

Size of firm by number of principals						
Legal aid area	1	2-4	5-10	11-25	26+	Total
1 Greater London – South	299	263	40	3	0	605
2 Kent, Surrey, Susses	324	276	70	22	5	697
3 Southern	297	256	89	26	4	672
4 Western	298	256	82	27	8	671
5 South Wales	163	179	39	5	3	389
6 West Midlands	252	247	58	22	4	583
7 North Western	171	274	81	17	4	547
8 Northern	166	178	44	10	2	400
9 North Eastern	168	223	88	20	7	506
10 East Midlands	179	217	63	20	5	484
11 Eastern	332	255	89	25	3	704
12 North Wales and Chester	166	169	57	7	0	399
13 Greater London – East	228	225	58	42	53	606
14 Greater London – West	549	472	104	56	23	1,204
15 Merseyside	105	137	40	12	3	297
England and Wales	3,697	3,627	1,002	314	124	8,764
Legal aid area	%	%	%	%	%	%
1 Greater London – South	49.4	43.5	6.6	0.5	0.0	100.0
2 Kent, Surrey, Sussex	46.5	39.6	10.0	3.2	0.7	100.0
3 Southern	44.2	38.1	13.2	3.9	0.6	100.0
4 Western	44.4	38.2	12.2	4.0	1.2	100.0
5 South Wales	41.9	46.0	10.0	1.3	0.8	100.0
6 West Midlands	43.2	42.4	9.9	3.8	0.7	100.0
7 North Western	31.3	50.1	14.8	3.1	0.7	100.0
8 Northern	41.5	44.5	11.0	2.5	0.5	100.0
9 North Eastern	33.2	44.1	17.4	4.0	1.4	100.0
10 East Midlands	37.0	44.8	13.0	4.1	1.0	100.0
11 Eastern	47.2	36.2	12.6	3.6	0.4	100.0
12 North Wales and Chester	41.6	42.4	14.3	1.8	0.0	100.0
13 Greater London – East	37.6	37.1	9.6	6.9	8.7	100.0
14 Greater London – West	45.6	39.2	8.6	4.7	1.9	100.0
15 Merseyside	35.4	46.1	13.5	4.0	1.0	100.0
England and Wales	42.2	41.4	11.4	3.6	1.4	100.0

Source: Solicitors Indemnity Fund

3.16 Table 3.16 shows the total number of firms analysed by standard region and the number of principals in the firm.

Table 3.16 The size of practices with gross fees of at least £15,000 per annum in each standard region in 1997-98

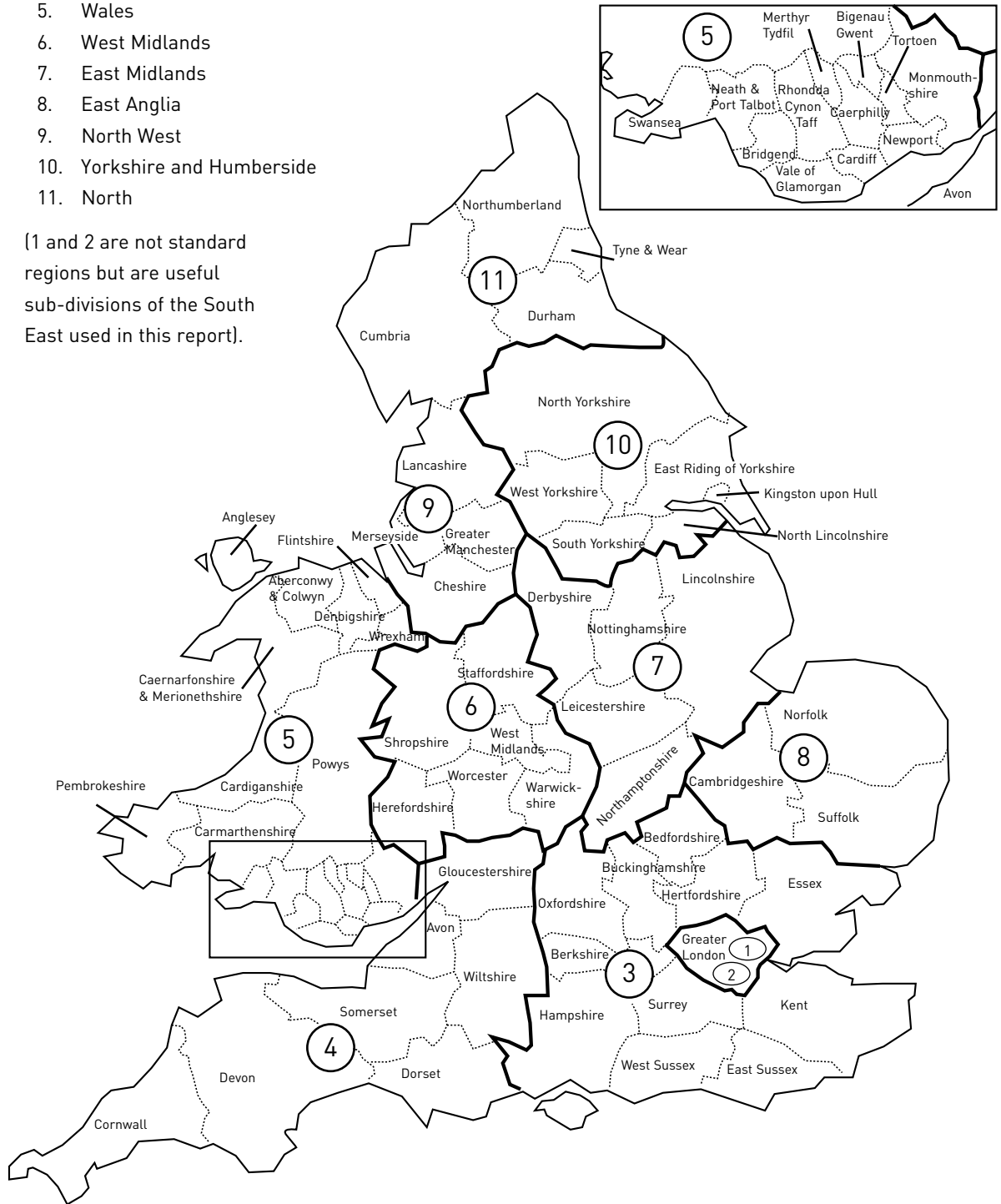
Size of firm by number of principals						
Standard region	1	2-4	5-10	11-25	26+	Total
City of London	66	81	30	33	52	262
Rest of London	887	743	150	65	24	1,869
Rest of South East	915	790	212	59	9	1,985
South West	344	300	100	30	9	783
Wales	207	234	52	5	3	501
West Midlands	313	324	81	27	4	749
East Midlands	169	202	58	19	5	453
East Anglia	114	89	40	14	2	259
North West	328	435	139	31	7	940
Yorkshire & Humberside	189	254	96	21	7	567
North	165	175	44	10	2	396
England and Wales	3,697	3,627	1,002	314	124	8,764
Standard region	%	%	%	%	%	%
City of London	25.2	30.9	11.5	12.6	19.8	100.0
Rest of London	47.5	39.8	8.0	3.5	1.3	100.0
Rest of South East	46.1	39.8	10.7	3.0	0.5	100.0
South West	43.9	38.3	12.8	3.8	1.1	100.0
Wales	41.3	46.7	10.4	1.0	0.6	100.0
West Midlands	41.8	43.3	10.8	3.6	0.5	100.0
East Midlands	37.3	44.6	12.8	4.2	1.1	100.0
East Anglia	44.0	34.4	15.4	5.4	0.8	100.0
North West	34.9	46.3	14.8	3.3	0.7	100.0
Yorkshire & Humberside	33.3	44.8	16.9	3.7	1.2	100.0
North	41.7	44.2	11.1	2.5	0.5	100.0
England and Wales	42.2	41.4	11.4	3.6	1.4	100.0

Source: Solicitors Indemnity Fund

Map 1: Standard Regions in England and Wales

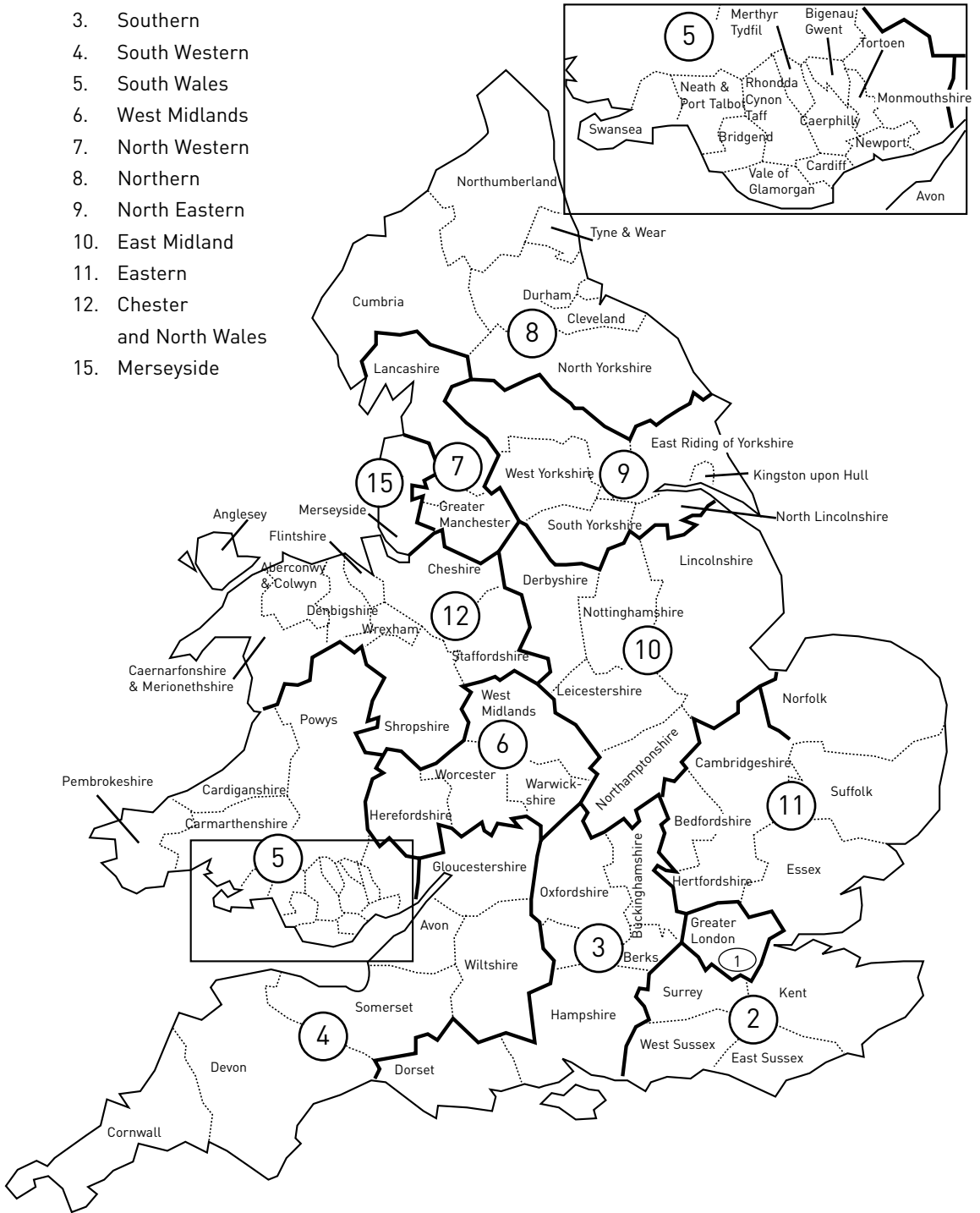
1. City of London
2. Rest of London
3. Rest of South East
4. South West
5. Wales
6. West Midlands
7. East Midlands
8. East Anglia
9. North West
10. Yorkshire and Humberside
11. North

(1 and 2 are not standard regions but are useful sub-divisions of the South East used in this report).



Map 2: Legal Aid Board areas

1. Greater London
(Includes: 1. London South
13. London East
14. London West)
2. South Eastern
3. Southern
4. South Western
5. South Wales
6. West Midlands
7. North Western
8. Northern
9. North Eastern
10. East Midland
11. Eastern
12. Chester
and North Wales
15. Merseyside



4 STAFFING

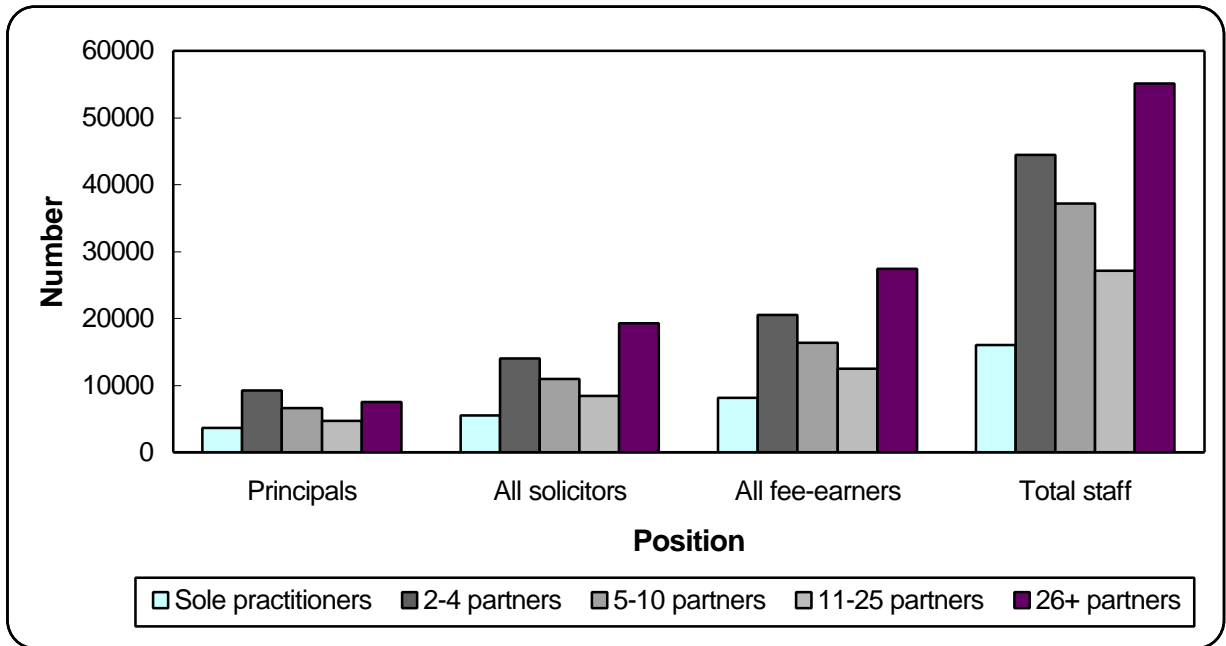
4.1 The Solicitors Indemnity Fund (SIF) maintains records of all staff in solicitors' firms. The latest figures available are those for the year ending 31 August 1998. Table 4.1 shows that at this date there were 31,612 principals, 26,602 assistant solicitors, 26,570 other fee-earners and 95,109 administrative/support staff working in 8,764 firms in England and Wales (excluding low fee-earners, that is, firms earning less than £15,000 gross fees per annum). At 31 August 1998, solicitors' firms in private practice provided employment for 179,893 individuals. Staffing levels now exceed by 2.3% the previous peak level of 175,853 as at 31 August 1997. The table shows the high degree of staff concentration in the largest firms. Firms with 26 or more partners, 1.4% of all firms, provided employment for almost a third of all solicitors, 33.1%, and just under a third, 30.6%, of all staff. At the other end of the spectrum sole practices accounted for 42.2% of all firms and provided employment for 9.4% of solicitors and 8.9% of all staff. Data on the number of staff in each size of firm is summarised in Chart 6.

Table 4.1 Personnel in private practice firms in 1998

	Sole practices	2-4 partners	5-10 partners	11-25 partners	26+ partners	All firms
Number of firms	3,697	3,627	1,002	314	124	8,764
% of firms	42.2	41.4	11.4	3.6	1.4	100.0
Number of principals	3,697	9,207	6,584	4,642	7,482	31,612
% of principals	11.7	29.1	20.8	14.7	23.7	100.0
Number of assistant solicitors	1,757	4,837	4,407	3,800	11,801	26,602
% of assistant solicitors	6.6	18.2	16.6	14.3	44.4	100.0
All solicitors	5,454	14,044	10,991	8,442	19,283	58,214
% all total solicitors	9.4	24.1	18.9	14.5	33.1	100.0
Other fee-earners	2,695	6,413	5,346	4,032	8,084	26,570
% other fee-earners	10.1	24.1	20.1	15.2	30.4	100.0
All fee-earners	8,149	20,457	16,337	12,474	27,367	84,784
% all fee-earners	9.6	24.1	19.3	14.7	32.3	100.0
Administrative staff	7,907	23,973	20,801	14,660	27,768	95,109
% Administrative staff	8.3	25.2	21.9	15.4	29.2	100.0
Total staff	16,056	44,430	37,138	27,134	55,135	179,893
% Total staff	8.9	24.7	20.6	15.1	30.6	100.0

Source: Solicitors Indemnity Fund

Chart 6 Number of staff by size of firm in 1998



Source: Solicitors Indemnity Fund

4.2 Trend statistics on the number of staff employed in private practice firms since 1988 are presented in Table 4.2 below. Over the past decade the total staff employed by solicitors' firms has increased by just under a sixth, 14.8%. Within that total the fastest growing staff component was assistant solicitors, whose number increased by 80.7%. In contrast, the number of administrative staff has only increased by 1.4% over the past 10 years. Growth in total employment has not been steady over that period. The fastest growth in total numbers was coincident with the late 1980's economic boom which saw total employment in 1988 and 1989 grow by 6.7% and 6.2% respectively. Growth slowed sharply in 1990 as the economy went into recession, after which total numbers fell for three successive years. Between 1994 and 1996 total employment growth was modest at around 1.0% per annum. The growth rate peaked at 3.9% for 1997 before falling back to 2.3% this year.

Table 4.2 Personnel in private practice firms with gross fees over £15,000 per annum 1988-1998

Year	Firms	Principals	Assistant solicitors	Other fee-earners	Admin. staff	Total	Annual % change
1988	8,216	27,696	14,724	20,511	93,760	156,691	6.7
1989	8,170	28,678	15,503	22,687	99,612	166,480	6.2
1990	8,102	29,223	16,496	23,607	99,097	168,423	1.2
1991	8,133	29,468	16,865	23,355	98,507	168,195	-0.1
1992	8,198	29,574	17,754	24,388	96,251	167,967	-0.1
1993	8,350	29,801	18,722	23,894	91,750	164,167	-2.3
1994	8,524	29,990	20,204	23,816	91,119	165,129	0.6
1995	8,622	30,349	21,540	23,797	91,566	167,252	1.3
1996	8,702	30,514	23,213	24,320	91,215	169,262	1.2
1997	8,842	31,103	25,314	25,562	93,874	175,853	3.9
1998	8,764	31,612	26,602	26,570	95,109	179,893	2.3
% change '98 over '97	-0.9	1.6	5.1	3.9	1.3	2.3	
% change '98 over '88	6.7	14.1	80.7	29.5	1.4	14.8	

Source: Solicitors Indemnity Fund (SIF)

4.3 Staffing ratios for solicitors' firms are examined in Table 4.3. The ratios shown are the average numbers of the different types of staff per firm, the average numbers of staff per principal, and the average number of other fee-earners and support staff per solicitor. There are several interesting features in the table. Firstly, the ratio of fee-earning staff to principals increased with the size of firm. For example, the ratio of assistant solicitors to principals rose from 0.48 in sole practices through to 1.58 in the largest firms with 26 or more partners. In the intervening size bands this ratio was 0.53 in 2-4 partner firms, 0.67 in 5-10 partner firms and 0.82 in 11-25 partner firms. The ratio of other fee-earners to principals showed a similar pattern in that the ratio was around 0.7 in firms with four or fewer partners rising to 1.08 in the 26-plus partner firms. When this ratio was re-cast as other fee-earners per solicitor, it varied only in the range 0.4 to 0.5, with the lowest value associated with the largest firms. Finally, when we looked at the ratio of administrative staff to solicitors, we saw that there were fewer support staff per solicitor in the largest and smallest firms. This ratio was 1.45 in sole practices and 1.44 in the firms with 26 or more partners. It varied in the range 1.71 to 1.89 for firms in the intervening size bands.

Table 4.3 Average number of staff per firm, per principal and per solicitor in 1998

Size of firm: No. of principals	No. of firms	A	B	C	D	E
		Principals	Assistant solicitors	Other fee-earners	Admin. staff	Total A+B+C+D
1	3,697	3,697	1,757	2,695	7,907	16,056
2-4	3,627	9,207	4,837	6,413	23,973	44,430
5-10	1,002	6,584	4,407	5,346	20,801	37,138
11-25	314	4,642	3,800	4,032	14,660	27,134
26+	124	7,482	11,801	8,084	27,768	55,135
All firms	8,764	31,612	26,602	26,570	95,109	179,893
Per firm						
Size of firm: No. of principals		Principals	Assistant solicitors	Other fee-earners	Admin. staff	Total A+B+C+D
1		1.00	0.48	0.73	2.14	4.34
2-4		2.54	1.33	1.77	6.61	12.25
5-10		6.57	4.40	5.34	20.76	37.06
11-25		14.78	12.10	12.84	46.69	86.41
26+		60.34	95.17	65.19	223.94	444.64
All firms		3.61	3.04	3.03	10.85	20.53
Per principal						
Size of firm: No. of principals			Assistant solicitors	Other fee-earners	Admin. staff	Total B+C+D
1			0.48	0.73	2.14	3.34
2-4			0.53	0.70	2.60	3.83
5-10			0.67	0.81	3.16	4.64
11-25			0.82	0.87	3.16	4.85
26+			1.58	1.08	3.71	6.37
All firms			0.84	0.84	3.01	4.69
Per solicitor						
Size of firm: No. of principals				Other fee-earners	Admin. staff	Total C+D
1				0.49	1.45	1.94
2-4				0.46	1.71	2.16
5-10				0.49	1.89	2.38
11-25				0.48	1.74	2.21
26+				0.42	1.44	1.86
All firms				0.46	1.63	2.09

Source: Solicitors Indemnity Fund

Table 4.4 Personnel in firms in each major area in 1998

Size of firm (No. of principals)	1	2	3	4	5	6	7	8
	Firms	Principals	Assistant solicitors	Other fee- earners	Admin. staff	Ratio of 3: (2+3)	Ratio of 4: (2+3)	Ratio of 5: (2+3)
LONDON (Areas 1, 13, 14)								
1	1,076	1,076	580	749	1,600	0.35	0.45	0.97
2-4	960	2,367	1,302	1,373	4,549	0.35	0.37	1.24
5-10	202	1,339	967	900	3,187	0.42	0.39	1.38
11-25	101	1,531	1,189	957	3,363	0.44	0.35	1.24
26+	76	5,127	8,497	4,693	18,523	0.62	0.34	1.36
Total	2,415	11,440	12,535	8,672	31,222	0.52	0.36	1.30
SOUTH (Areas 2, 3, 4, 11)								
1	1,251	1,251	469	749	2,481	0.27	0.44	1.44
2-4	1,043	2,642	1,370	1,866	7,221	0.34	0.47	1.80
5-10	330	2,153	1,392	1,816	7,090	0.39	0.51	2.00
11-25	100	1,472	1,158	1,445	5,180	0.44	0.55	1.97
26+	20	804	1,110	1,260	3,123	0.58	0.66	1.63
Total	2,744	8,322	5,499	7,136	25,095	0.40	0.52	1.82
NORTH/WALES (Areas, 5, 6, 7, 8, 9, 10, 12, 15)								
1	1,370	1,370	708	1,197	3,826	0.34	0.58	1.84
2-4	1,624	4,198	2,165	3,174	12,203	0.34	0.50	1.92
5-10	470	3,092	2,048	2,630	10,524	0.40	0.51	2.05
11-25	113	1,639	1,453	1,630	6,117	0.47	0.53	1.98
26+	28	1,551	2,194	2,131	6,122	0.59	0.57	1.63
Total	3,605	11,850	8,568	10,762	38,792	0.42	0.53	1.90
ENGLAND AND WALES								
1	3,697	3,697	1,757	2,695	7,907	0.32	0.49	1.45
2-4	3,627	9,207	4,837	6,413	23,973	0.34	0.46	1.71
5-10	1,002	6,584	4,407	5,346	20,801	0.40	0.49	1.89
11-25	314	4,642	3,800	4,032	14,660	0.45	0.48	1.74
26+	124	7,482	11,801	8,084	27,768	0.61	0.42	1.44
Total	8,764	31,612	26,602	26,570	95,109	0.46	0.46	1.63

Source: Solicitors Indemnity Fund (SIF)

4.4 Table 4.4 provides a breakdown of staffing by the broad legal aid regions which were formed by combining individual legal aid areas. Overall, 41.2% of solicitors were employed in firms which were located in the London legal aid area, compared to 35.1% in the North/Wales and 23.7% in the South. The table also examines regional differences in the staffing ratios found within firms. Earlier it was shown that throughout England and Wales the ratio of assistant solicitors to principals increased with size of firm, that the ratio of other fee-earners to solicitors varied little by size of firm, and that the ratios of non-fee-earners to solicitors were lowest in firms at either end of the size spectrum. In general, these observations are also true within each of these regions. A regional examination of individual staffing ratios showed that the ratio of assistant solicitors to principals was higher at 0.52 in London than in the South and North/Wales where it was 0.40 and 0.42 respectively. In contrast, the ratio of other fee-earners to solicitors was lower in London at 0.36 than in the other regions where it varied between 0.52 and 0.53. Finally, the ratio of non fee-earning staff to solicitors was lowest in London at 1.30 and highest in the North/Wales at 1.90.

4.5 The distribution of fee-earners and total staff in the area covered by each legal aid office area is shown in Table 4.5.

Table 4.5 Personnel by individual legal aid area in 1998

Legal aid area	1	2	3= (column 1+2)	4	5= (column 4+3)	6	7= (column 5+6)
	Principals	Asst. solicitors	All solicitors	Other fee- earners	Total fee- earners	Admin. staff	Total staff
1 Greater London South	1,243	759	2,002	918	2,920	2,829	5,749
2 Kent, Surrey, Sussex	1,940	1,091	3,031	1,550	4,581	5,614	10,195
3 Southern	1,998	1,280	3,278	1,501	4,779	5,882	10,661
4 Western	2,296	1,911	4,207	1,894	6,101	7,226	13,327
5 South Wales	1,029	683	1,712	631	2,343	2,932	5,275
6 West Midlands	1,880	1,517	3,397	1,716	5,113	6,258	11,371
7 North Western	1,893	1,476	3,369	1,835	5,204	6,352	11,556
8 Northern	1,140	694	1,834	824	2,658	3,580	6,238
9 North Eastern	2,106	1,777	3,883	2,234	6,117	7,138	13,255
10 East Midlands	1,656	1,135	2,791	1,685	4,476	5,548	10,024
11 Eastern	2,088	1,216	3,304	2,191	5,495	6,373	11,868
12 North Wales and Chester	1,108	553	1,661	684	2,345	2,950	5,295
13 Greater London East	5,984	8,659	14,643	5,203	19,846	18,796	38,642
14 Greater London West	4,213	3,117	7,330	2,550	9,880	9,597	19,477
15 Merseyside	1,038	734	1,772	1,154	2,926	4,034	6,960
England and Wales	31,612	26,602	58,214	26,570	84,784	95,109	179,893

Source: Solicitors Indemnity Fund (SIF)

5 THE TURNOVER AND PROFITABILITY OF PRIVATE PRACTICE

5.1 This chapter contains statistics on the gross fees earned by private practice firms and estimates of the profits earned by firms of different sizes. The gross fees statistics, which are roughly equivalent to turnover, are collected by the Solicitors Indemnity Fund (SIF) as part of the exercise for calculating annual contributions for professional indemnity cover. SIF supplies annual statistics of gross fees to the Society for inclusion in this report. To preserve confidentiality, the SIF information is provided in the form of statistical tables. No data on individual firms are passed to the Law Society. The estimates of profitability are based on the Law Society's Panel Study of solicitors' firms which has been conducted twice yearly since the autumn of 1994. This study, commissioned by the Law Society's Research and Policy Planning Unit, measures profitability each autumn in order to record trends.

Turnover

5.2 Gross fees are a measure of the turnover of private practice firms. They include the total income from professional services out of which the firm has to meet the salaries of both fee-earners and non fee-earning staff (secretaries, admin staff, etc.) as well as their office overheads. Users of these statistics must beware of presenting the figures in a way which suggests that gross fees can be used to represent the income of the individual or the firm.

5.3 Each year firms are required to let SIF have information on their gross fees. Historically, these Gross Fees Certificates were submitted on 31 March and related to a complete accounting year which ended not more than 18 months previously. A study of the actual accounting periods showed that these returns could be treated as if they related to the financial year which ended one year before the return was made. This year the Gross Fees Certificates had to be submitted by October 1997, which means that some practices may have repeated their earlier gross fees submissions. Although the 1998 returns can still be characterised as relating to the financial year 1996-97, it should be recognised that some understatement of fees may have taken place this year.

5.4 The latest gross fees statistics in this report are for the financial year 1996-97. Gross fees reported in 1998 (for the financial year 1996-97) were £7,982 million, an increase of 7.6% on the previous year. This increase masks some important variations which are described below.

5.5 The figures on trends in gross fees can be useful to address questions such as:

- Have gross fees kept pace with the growth in the number of people employed in private practice?
- Have gross fees grown at a different pace in different sizes of firms?
- Have gross fees kept pace with inflation and the growth in salary costs and overheads?
- Are there regional variations in gross fees per fee-earner?

Gross fees per fee-earner

5.6 During the period 1991-92 to 1996-97, the number of fee-earners in solicitors' firms increased by 14.3%. Over the same period gross fees, unadjusted for inflation, earned per fee-earner increased by 12.3%. As previously noted, Table 5.6 shows that the annual increase in total gross fees in 1996-97 was 7.6%. The retail price index rose by 2.1% and the solicitors' index of inflation increased by 5.7% over the same period. The solicitors' index of inflation takes account of the increasing cost of the main items of expenditure of firms in private practice. It was derived jointly by the Law Society and the Lord Chancellor's Department to inform discussions about the appropriate annual increase in the legal aid rates payable to solicitors. Data has been obtained from the Department of Education and Employment which has enabled this index to be calculated from 1987 onwards.

Table 5.6 Monetary value gross fees/staff ratios in private practice firms in England and Wales 1991-92 to 1996-97 (excluding low fee-earners)

	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97
Total gross fees	£6,218m	£6,426m	£6,622m	£6,917m	£7,415m	£7,982m
Principals	29,574	29,801	29,990	30,349	30,514	31,103
Solicitors	47,328	48,523	50,194	51,889	53,727	56,417
Fee-earners	71,716	72,417	74,010	75,686	78,047	81,979
Total staff	167,967	164,167	165,129	167,252	169,262	175,853
Gross fees per:	£'000	£'000	£'000	£'000	£'000	£'000
Principal	210	216	221	228	243	257
Solicitor	131	132	132	133	138	141
Fee-earner	87	89	89	91	95	97
Annual percentage increase in gross fees per:						
Principal	7.5	2.6	2.4	3.2	6.6	5.6
Solicitor	5.6	0.8	-0.4	1.0	3.5	2.5
Fee-earner	4.8	2.3	0.8	2.1	4.0	2.5
Annual % increase in:						
total gross fees	7.9	3.3	3.1	4.5	7.2	7.6
Retail price index	4.1	3.6	1.8	2.2	3.9	2.1
Solicitors' costs index ¹	7.3	3.0	1.1	1.1	1.8	5.7

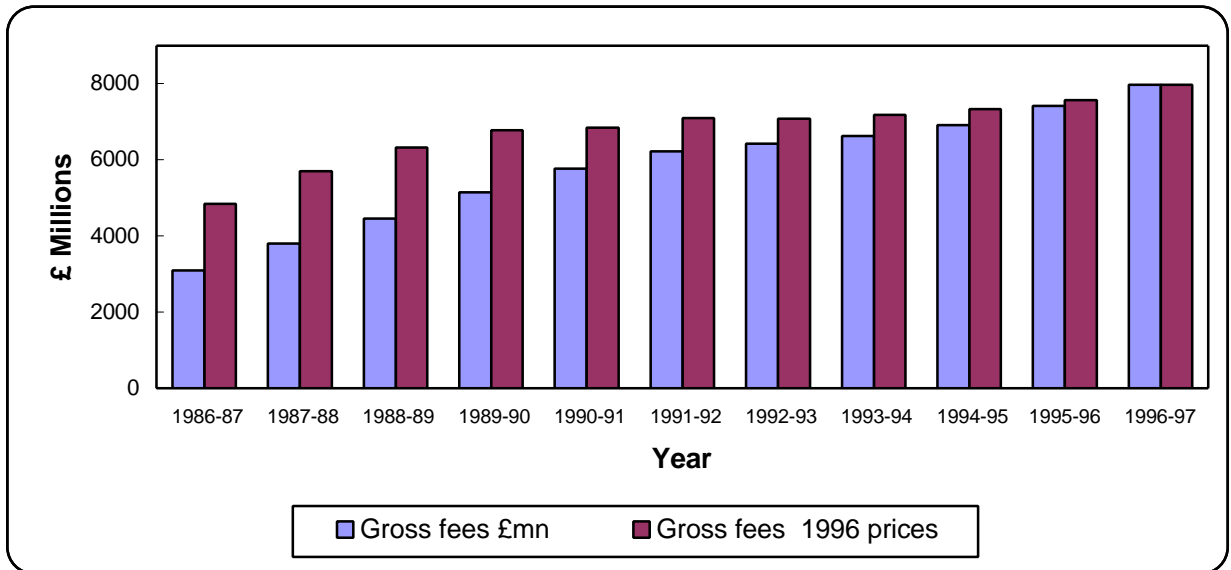
¹ Lord Chancellor's Department

Source: Solicitors Indemnity Fund (SIF)

5.7 The lighter bars in Chart 7 show how the money value of total gross fees have grown over the 10 years between 1986-87 and 1996-97. The darker bars show the growth in real terms. (The value of the Retail Price Index at September each year has been used to adjust the gross fees for 1986-87 to 1996-97 to show the money values at 1996-97 prices.) This shows that in real terms there has been a much slower growth in gross fees since 1990-91 than in the four years prior to that date. There was actually a reduction of 0.2% in real gross fees for 1992-93 over 1991-92. Since 1991-92 the total real gross fee income of the profession has failed to keep pace with the growth in the number of solicitors employed in private practice. Gross fees at 1996-97 prices rose by 12.3% over the past five years, whereas the number of solicitors has increased by 19.2%. Overall,

real gross fees per solicitor have declined therefore by 5.8% since 1991-92. (This is shown in more detail in Tables 5.9 and Chart 9 below.)

Chart 7 Trends in gross fees, 1986-87 to 1996-97



Source: Solicitors Indemnity Fund

5.8

A proportion of the total gross fees in any year are earned overseas, and as such make a contribution to the UK’s balance of payments. Table 5.8 shows overseas earnings for the period 1991-92 through to 1996-97. In 1996-97, overseas earnings by the UK legal profession yielded a net surplus of £644 million. This is a substantial increase, 20.1% on the figure recorded for 1995-96. This level is equivalent to 8.1% of the total gross fees of solicitors in England and Wales. However, since this figure of £644 million includes payments made to counsel, as well as those to lawyers in Scotland and Northern Ireland, this proportion overestimates the importance of overseas earnings to solicitors. While the 8.1% is not the actual proportion it is interesting to note that this proportion has increased markedly this year, having remained remarkably stable over the past five years, when it varied only in the range 7.2% to 7.6%. The final row of the table records that the overseas earnings of the UK’s legal professions represented 4.6% of total earnings from ‘other overseas business services’ exports in 1996-97. This represents an increase on the proportion recorded in 1995-96, and ends a period of relative decline.

**Table 5.8 The contribution of the UK legal profession to overseas earnings
1986-87 to 1996-97**

	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97
	£m	£m	£m	£m	£m	£m
Total gross fees	6,218	6,426	6,622	6,917	7,415	7,982
Overseas earnings	473	471	504	511	536	644
Overseas earnings for the UK as % of gross fees for E & W	7.6	7.3	7.6	7.4	7.2	8.1
Total value of business services exports	7,870	8,413	9,699	10,571	13,112	13,865
Overseas earnings as % of business services exports	6.0	5.6	5.2	4.8	4.1	4.6

Source: United Kingdom Balance of Payments: 1998 Office for National Statistics. The Pink Book. HMSO

Gross fees by size of firm

- 5.9 Table 5.9 examines the rate of change in gross fee income between 1991-92 and 1996-97 by size of firm. The table shows the change in total gross fees and in the number of firms, principals, solicitors and all fee-earners. The table also shows the changes in gross fees per firm, per principal, per solicitor and per fee-earner. The ratios for 1996-97 are summarised in Chart 8 on page 46.
- 5.10 In total, the gross fees of solicitors' firms increased by 28.4% in the five years between 1991-92 and 1996-97, but because of the 7.9% growth in the number of firms gross fees per firm grew by 19.0%. This growth in gross fees was not evenly spread across the range of different sizes of private practice firms. The lowest growth rate per firm recorded over the period was that for sole practitioners, 12.5%, while the highest was for firms with 26 or more partners at 30.6%.
- 5.11 The average level of gross fees per fee-earner in 1996-97 ranged from £62,000 in sole practitioner firms to £146,000 in the 114 firms with 26 or more partners. On average, 2-4 partner firms generated £71,000 per fee-earner as against £79,000 in the 5-10 partner firms, and £92,000 in firms with 11-25 partners. Chart 9 contains an indication of whether or not turnover has grown fast enough to preserve the standard of living of solicitors. This chart shows, for each size of firm, the change in real gross fees per solicitors between 1991-92 and 1996-97 at 1996 prices. This shows some reduction in real income since 1991-92 for all size bands, and particularly marked reductions of 9.6% in the case of sole practices and 11.6% for the largest 26 or more partner firms. These larger firms, unlike other firms, experienced a small increase in real fees per solicitor last year of around 1.3%

Table 5.9 Gross fees by size of firm 1991-92 to 1996-97

Total gross fees	Size of firm by number of principals					
	1	2-4	5-10	11-25	26+	Total
	£m	£m	£m	£m	£m	£m
A. 1991-92	378	1,200	1,158	939	2,543	6,218
B. 1992-93	406	1,243	1,175	946	2,656	6,426
C. 1993-94	421	1,293	1,220	967	2,721	6,622
D. 1994-95	443	1,364	1,226	1,003	2,881	6,917
E. 1995-96	493	1,420	1,262	1,071	3,168	7,415
F. 1996-97 ¹	503	1,457	1,297	1,118	3,607	7,982
% change F on E	2.0	2.6	2.8	4.4	13.9	7.6
% change F on A	33.1	21.4	12.0	19.1	41.8	28.4
Number of firms	No.	No.	No.	No.	No.	No.
A. 1991-92	3,167	3,515	1,111	300	105	8,198
B. 1992-93	3,294	3,561	1,083	306	106	8,350
C. 1993-94	3,435	3,617	1,052	310	110	8,524
D. 1994-95	3,507	3,642	1,053	312	108	8,622
E. 1995-96	3,611	3,663	1,013	304	111	8,702
F. 1996-97	3,745	3,671	1,004	308	114	8,842
% change F on E	3.7	0.2	-0.9	1.3	2.7	1.6
% change F on A	18.3	4.4	-9.6	2.7	8.6	7.9
Gross fees per firm	£'000	£'000	£'000	£'000	£'000	£'000
A. 1991-92	119	341	1,042	3,130	24,219	758
B. 1992-93	123	349	1,085	3,092	25,057	770
C. 1993-94	123	357	1,160	3,119	24,736	777
D. 1994-95	126	375	1,164	3,215	26,676	802
E. 1995-96	137	388	1,246	3,523	28,541	852
F. 1996-97	134	397	1,292	3,630	31,640	903
% change F on E	-1.6	2.4	3.7	3.0	10.9	5.9
% change F on A	12.5	16.3	23.9	16.0	30.6	19.0
No. of principals	Size of firm by number of principals					
	1	2-4	5-10	11-25	26+	Total
A. 1991-92	3,167	9,238	7,420	4,553	5,196	29,574
B. 1992-93	3,294	9,310	7,182	4,603	5,412	29,801
C. 1993-94	3,435	9,370	6,974	4,595	5,616	29,990
D. 1994-95	3,507	9,377	6,958	4,672	5,835	30,349
E. 1995-96	3,611	9,420	6,683	4,571	6,229	30,514
F. 1996-97	3,745	9,364	6,649	4,587	6,758	31,103
% change F on A	3.7	-0.6	-0.5	0.4	8.5	1.9
% change F on A	18.3	1.4	-10.4	0.7	30.1	5.2

¹ Figures for gross fees are rounded but percentages are calculated on actual values

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Table 5.9 Gross fees by size of firm 1991-92 to 1996-97 (cont'd from page 44)

Gross fees per principal	£'000	£'000	£'000	£'000	£'000	£'000
A. 1991-92	119	130	156	206	489	210
B. 1992-93	123	134	164	206	491	216
C. 1993-94	123	138	175	210	485	221
D. 1994-95	126	145	176	215	494	228
E. 1995-96	137	151	189	234	509	243
F. 1996-97	134	156	195	244	534	257
% change F on E	-1.6	3.2	3.3	4.0	4.9	5.6
% change F on A	12.5	19.8	25.0	18.2	9.1	22.1
No. of solicitors	No.	No.	No.	No.	No.	No.
A. 1991-92	4,259	12,433	10,741	7,351	12,545	47,329
B. 1992-93	4,461	12,683	10,608	7,509	13,262	48,523
C. 1993-94	4,776	13,181	10,673	7,669	13,895	50,194
D. 1994-95	4,884	13,539	10,892	7,899	14,675	51,889
E. 1995-96	5,130	13,943	10,686	7,952	16,016	53,727
F. 1996-97	5,487	14,135	10,976	8,198	17,621	56,417
% change F on E	7.0	1.4	2.7	3.1	10.0	5.0
% change F on A	28.8	13.7	2.2	11.5	40.5	19.2
Gross fees per solicitor	Size of firm by number of principals					
	1	2-4	5-10	11-25	26+	Total
	£'000	£'000	£'000	£'000	£'000	£'000
A. 1991-92	89	97	108	128	203	131
B. 1992-93	91	98	111	126	200	132
C. 1993-94	88	98	114	126	196	132
D. 1994-95	91	101	113	127	196	133
E. 1995-96	96	102	118	135	198	138
F. 1996-97	92	103	118	136	205	141
% change F on E	-4.6	1.2	0.0	1.3	3.5	2.5
% change F on A	3.3	6.8	9.6	6.8	1.0	7.7
No. of fee-earners	No.	No.	No.	No.	No.	No.
A. 1991-92	6,411	18,409	16,626	11,551	18,720	71,717
B. 1992-93	6,526	18,624	16,121	11,615	19,531	72,417
C. 1993-94	7,049	19,298	16,091	11,500	20,072	74,010
D. 1994-95	7,162	19,575	16,575	11,692	20,682	75,686
E. 1995-96	7,563	20,227	16,089	11,605	22,563	78,047
F. 1996-97	8,146	20,506	16,400	12,192	24,735	81,979
% change F on E	7.7	1.4	1.9	5.1	9.6	5.0
% change F on A	27.1	11.4	-1.4	5.5	32.1	14.3

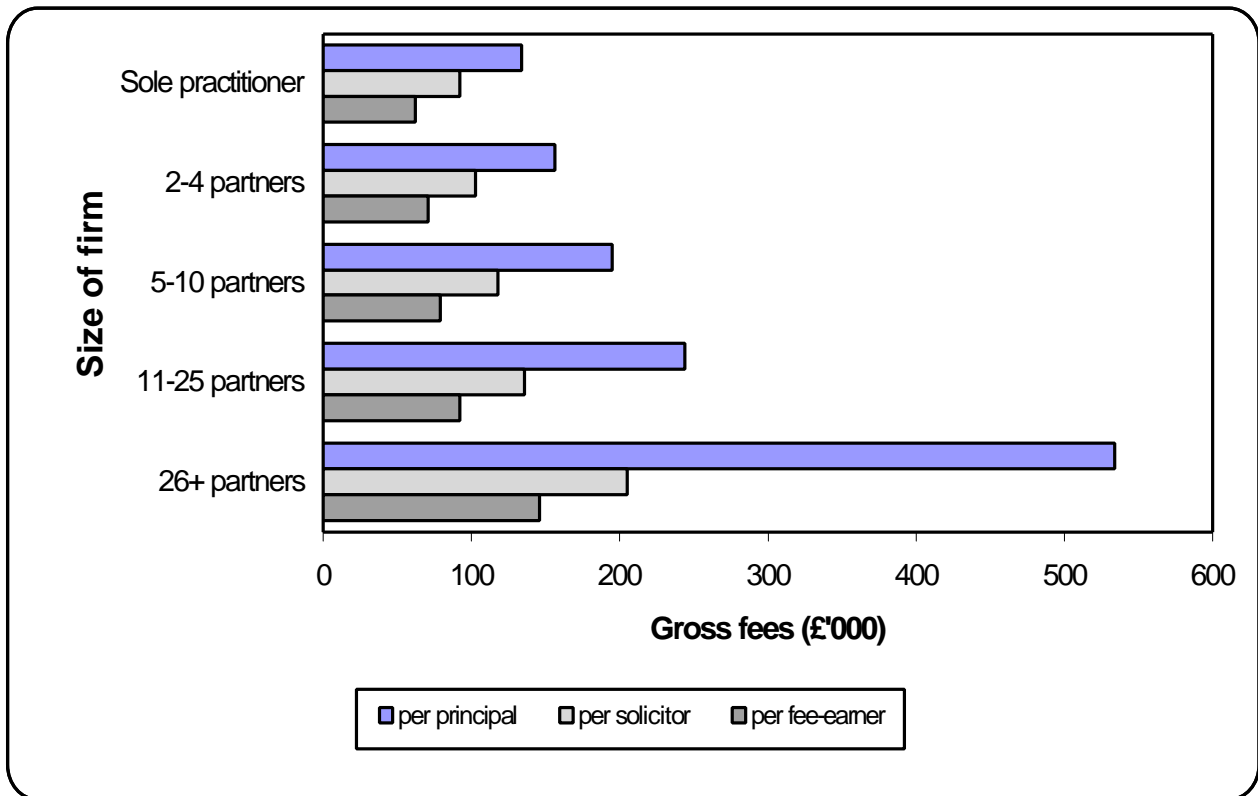
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Table 5.9 Gross fees by size of firm 1991-92 to 1996-97 (cont'd from page 45)

Gross fees per fee-earner	£'000	£'000	£'000	£'000	£'000	£'000
A. 1991-92	59	65	70	81	136	87
B. 1992-93	62	67	73	81	136	89
C. 1993-94	60	67	76	84	136	89
D. 1994-95	62	70	74	86	139	91
E. 1995-96	65	70	78	92	140	95
F. 1996-97	62	71	79	92	146	97
% change F on E	-5.3	1.2	0.8	-0.6	3.9	2.5
% change F on A	4.7	9.0	13.5	12.8	7.3	12.3

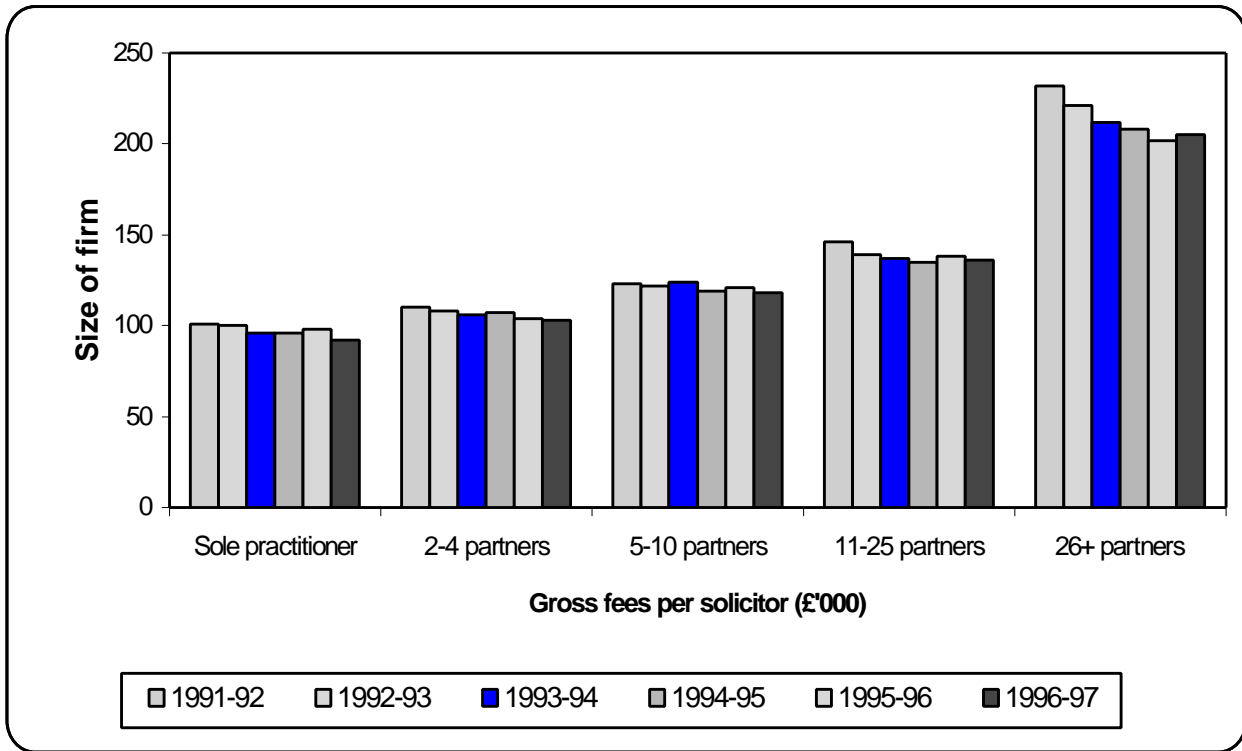
Source: Solicitors Indemnity Fund

Chart 8 Turnover ratios by size of firm 1996-97



Source: Solicitors Indemnity Fund

Chart 9 Gross fees per solicitor 1991-92 to 1996-97 at 1996 prices



Source: Solicitors Indemnity Fund

5.12 The arithmetic averages in Table 5.9 can, of course, be distorted by extreme values. For example, the average fees earned by sole practitioners could be pulled upwards by the exceptional case of a sole practitioner running a large specialist operation involving many employees. To help overcome this, Table 5.12 contains an indication of the distribution of the gross fees earned by different size firms by dividing firms into quartiles. Using sole practitioners as an example:

- the lower quartile value shows that 25% of sole practitioners generated gross fees of less than £48,000 per annum in 1996-97;
- the median shows that 50% of sole practitioners generated gross fees of less than £93,000 per annum (this is well below the arithmetic mean value of £134,000 per annum);
- the upper quartile shows that 25% of sole practitioners generated gross fees of £165,000 or more per annum in gross fees.

Table 5.12 Distribution of gross fees in 1995-96 and 1996-97

1996-97				
Size of firm (No. of principals)	Gross fees of firm at:			Average (arithmetic mean)
	Lower quartile	Median	Upper quartile	
	£'000	£'000	£'000	£'000
Sole practitioners	48	93	165	134
2-4 partners	191	323	507	397
5-10 partners	791	1,124	1,595	1,292
11-25 partners	2,315	3,134	4,500	3,630
26+ partners	9,514	15,830	31,162	31,644
1995-96				
Size of firm (No. of principals)	Gross fees of firm at:			Average (arithmetic mean)
	Lower quartile	Median	Upper quartile	
	£'000	£'000	£'000	£'000
Sole practitioners	47	90	160	137
2-4 partners	188	314	485	388
5-10 partners	773	1,095	1,542	1,246
11-25 partners	2,218	3,051	4,266	3,523
26+ partners	9,456	15,220	29,571	28,545

Source: Solicitors Indemnity Fund

Gross fees per region

5.13 Table 5.13 shows how growth rates have varied across the regions which are formed by collapsing individual legal aid areas. These regions have been used extensively in this report.

Table 5.13 Gross fees by region 1991-1992 to 1996-97

Legal aid regions	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1996-97 over 1991-92	1996-97 over 1995-96
Gross fees	£m	£m	£m	£m	£m	£m	%	%
London	3,195	3,257	3,314	3,460	3,756	4,140	29.6	10.2
The South	1,294	1,306	1,358	1,410	1,471	1,519	17.4	3.3
The North/Wales	1,729	1,863	1,950	2,047	2,188	2,323	34.4	6.2
England & Wales	6,218	6,426	6,622	6,917	7,415	7,982	28.4	7.6
No. of firms	No.	No.	No.	No.	No.	No.	%	%
London	2,067	2,117	2,242	2,312	2,358	2,431	17.6	3.1
The South	2,647	2,708	2,727	2,712	2,750	2,780	5.0	1.1
The North/Wales	3,484	3,525	3,555	3,598	3,594	3,631	4.2	1.0
England & Wales	8,198	8,350	8,524	8,622	8,702	8,842	7.9	1.6
Gross fees per firm	£'000	£'000	£'000	£'000	£'000	£'000	%	%
London	1,546	1,538	1,478	1,497	1,593	1,703	10.2	6.9
The South	489	482	498	520	535	546	11.8	2.1
The North/Wales	496	529	549	569	609	640	28.9	5.1
England & Wales	758	770	777	802	852	903	19.0	5.9
No. of principals	No.	No.	No.	No.	No.	No.	%	%
London	9,492	9,621	9,897	10,283	10,469	11,001	15.9	5.1
The South	8,507	8,553	8,449	8,420	8,386	8,407	-1.2	0.3
The North/Wales	11,575	11,627	11,644	11,646	11,659	11,695	1.0	0.3
England & Wales	29,574	29,801	29,990	30,349	30,514	31,103	5.2	1.9
Gross fees per principal	£'000	£'000	£'000	£'000	£'000	£'000	%	%
London	337	339	335	336	359	376	11.8	4.9
The South	152	153	161	167	175	181	18.8	3.0
The North/Wales	149	160	167	176	188	199	33.0	5.8
England & Wales	210	216	221	228	243	257	22.1	5.6
No. of solicitors	No.	No.	No.	No.	No.	No.	%	%
London	18,106	18,538	19,152	20,294	21,191	22,736	25.6	7.3
The South	12,223	12,491	12,780	12,991	13,339	13,796	12.9	3.4
The North/Wales	16,999	17,494	18,262	18,604	19,197	19,885	17.0	3.6
England & Wales	47,328	48,523	50,194	51,889	53,727	56,417	19.2	5.0
Gross fees per solicitor	£'000	£'000	£'000	£'000	£'000	£'000	%	%
London	176	176	173	170	177	182	3.2	2.7
The South	106	105	106	109	110.3	110.1	4.0	-0.2
The North/Wales	102	106	107	110	114	117	14.9	2.5
England & Wales	131	132	132	133	138	141	7.7	2.5

cont'd.../50

Table 5.13 Gross fees by region 1991-1992 to 1996-97 (cont'd from page 49)

Legal aid regions	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1996-97 over 1991-92	1996-97 over 1995-96
No. of fee-earners	No.	No.	No.	No.	No.	No.	%	%
London	26,325	26,598	27,160	28,174	29,226	31,092	18.1	6.4
The South	19,121	18,969	19,189	19,362	19,736	20,390	6.6	3.3
The North/Wales	26,270	26,850	27,661	28,150	29,085	30,497	16.1	4.9
England & Wales	71,716	72,417	74,010	75,686	78,047	81,979	14.3	5.0
Gross fees per fee-earners	£'000	£'000	£'000	£'000	£'000	£'000	%	%
London	121	122	122	123	129	133	9.7	3.6
The South	68	69	71	73	75	74	10.1	0.0
The North/Wales	66	69	70	73	75	76	15.7	1.3
England & Wales	87	89	89	91	95	97	12.3	2.5

See Chapter 3 paragraph 3.10 for definition of regions

Source: Solicitors Indemnity Fund

- 5.14 Figures for each individual legal aid area are shown in Table 5.14. In Greater London East the fees per firm, per principal and per fee-earner are pulled up by the high earnings of the firms located in the City of London. Elsewhere, gross fees per fee-earner vary from a low of £67,000 in the North Wales and Chester area to £109,000 in Greater London West. Greater London East was the area which experienced the fastest annual growth in fees per fee-earner in 1996-97, at 6.7%. In four areas, gross fees per fee-earner fell. In Kent, Surrey and Sussex region gross fees per fee-earner fell by 7.6%; in the North Western region by 6.4%; in Greater London South by 6.3%; and in Greater London West by a less substantial 1.7%.

Table 5.14 Gross fees per firm, per principal and per fee-earner by legal aid area in 1996-97

Region	Gross fees 1996-97 £m	No. of firms	No. of principals	No. of fee-earners	Gross fees per firm £000's	Gross fees per principal £000's	Gross fees per fee-earner £000's
Greater London South	207	617	1,270	2,941	335	163	70
Greater London East	2,864	603	5,490	18,335	4,750	522	156
Greater London West	1,070	1,211	4,241	9,816	884	252	109
Kent, Surrey, Sussex	347	705	2,030	4,710	492	171	74
Southern	357	686	2,034	4,773	520	176	75
South Western	440	687	2,273	5,956	640	194	74
South Wales	159	381	1,023	2,325	417	155	68
West Midlands	403	579	1,822	4,958	696	221	81
North Western	399	561	1,902	5,091	711	210	78
Northern	184	406	1,150	2,685	453	160	69
North Eastern	481	519	2,039	5,810	927	236	83
East Midlands	312	487	1,639	4,413	641	190	71
Eastern	375	702	2,070	4,952	534	181	76
N. Wales & Chester	155	398	1,109	2,319	389	140	67
Merseyside	229	300	1,011	2,895	763	227	79
England & Wales	7,982	8,842	31,103	81,979	903	257	97

Source: Solicitors Indemnity Fund

Profitability

- 5.15 The Law Society's database does not have information about the profitability of private practice firms. However, data are now available from the Law Society's 1997 Panel Survey of solicitors' firms which is conducted by the Society's Research and Policy Planning Unit. This study has been set up as a panel of around 600 firms, including large firms with between 26 and 80 partners. The findings reported here were based on the responses of 366 firms in the autumn of 1997. The Panel Study provides useful data on the staffing, structure and finances of private practice firms, and enables changes over time to be monitored.
- 5.16 From this source, Table 5.16 shows the medians, lower and upper quartiles for profits per equity partner for firms in different size bands. A firm's profit was defined simply as the excess of total revenue over total costs. Profits per equity partner were calculated by dividing a firm's profit by the number of equity partners in the firm. Total revenue was recorded as fee income plus all other income from investments and client accounts. Total costs included fee-earning and non-fee earning staff costs, accommodation and other costs.

Table 5.16 Profits per equity partner 1996-97

Size of firm	Sole practitioner	2-4 partners	5-10 partners	11-25 partners	26-80 partners
Profit per equity partner £000					
Lower quartile	27,760	35,320	44,970	59,220	111,140
Median	42,810	47,340	69,690	81,520	160,210
Upper quartile	63,580	65,790	94,200	155,220	206,740
Base number	N=73	N=85	N=102	N=56	N=30

Source: The Law Society's Panel Survey of solicitor's firms, autumn 1995.

- 5.17 The lower quartile level of profits shows that 25% of sole practitioners earned less than £27,760 from operating their practice, whereas the upper quartile shows that 25% earned over £63,580. Profits per equity partner are variable within each size band, and tend to increase with the size of firm. Median profits per partner were £42,810 in sole practices rising to £160,210 in the largest firms with 26-80 partners.

6 LEGAL AID

- 6.1 Legal aid is provided to give legal assistance to people who might otherwise be unable to obtain advice, assistance or representation on account of their means. Those in receipt of income support, or with equivalent levels of income, qualify for free legal aid. Members of the public, who are not entitled to free legal aid on account of their income, make a contribution towards their legal costs. Both groups may be asked to repay legal aid if they are awarded damages or have their costs paid by other parties. Solicitors or barristers who provide legal services under the scheme receive payment from government funds and, with the exception of payments relating to criminal work in the Crown and higher courts, these are administered by the Legal Aid Board (LAB).
- 6.2 This chapter draws on the 1997-98 LAB Annual Report and information provided by the Lord Chancellor's Department to show the level of expenditure on legal aid.
- 6.3 The net cost to the taxpayer of LAB administered legal aid in 1997-98 was £1,235 million. This represents an increase of £18 million, or only 1.5%, over 1996-97. Inflation, as measured by the Retail Price Index, was 3.6% over the same period. These figures include the cost of administering the scheme, £58 million, but exclude the cost of legally aided cases in the higher criminal courts which are funded directly by the Lord Chancellor's Department (LCD). The comparable figure for the gross cost of LAB administered legal aid in 1997-98 was £1,670 million. The £436 million difference in gross and net costs is accounted for by the sums recovered from assisted persons through contributions retained, costs recovered and damages retained. Recoveries increased by 9.8% over the past year.

Table 6.4 Trends in the pattern of legal aid expenditure 1992-93 to 1997-98

	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
	£m	£m	£m	£m	£m	£m
Gross payments	1,117	1278	1383	1507	1614	1670
Recoveries	200	257	298	350	397	436
Net payments	917	1021	1085	1157	1217	1235
Annual % increase in net payments:						
in money terms	20.7	11.3	6.3	6.6	5.2	1.5
in real terms	16.5	9.4	4.0	2.7	3.0	-2.0
Net payments in:						
matrimonial and family proceedings	272	332	351	374	393	390
other civil proceedings	314	350	379	400	415	403
criminal proceedings	287	291	307	330	355	384
administration	44	47	49	52	54	58

Source: Legal Aid Board Annual Report 1997-98 (HMSO)

- 6.4 Table 6.4 shows the movement in total LAB expenditure over the last six years. Over this period the annual rate of increase has slowed down dramatically in both money and real terms. When adjusted for inflation, net expenditure on legal aid actually decreased by 2.0% in 1997-98.
- 6.5 Table 6.5 reproduces LAB and LCD figures on legal aid payments to solicitors (para 6.6 has figures on payments to counsel). The Board changed the basis on which these figures were compiled in 1996-97, and so it is no longer possible to provide trend analyses before that date. The data now reported by the Board also use a less extensive breakdown by work type than hitherto. In 1997-98, the total amount paid to solicitors, including disbursements and VAT, was £1,283.1 million, an increase of only 1.5% over the value for 1996-97. Matrimonial and family proceedings was the largest discrete category of payments in 1997-98 and the £403.8 million spent on this accounted for 31.5% of total payments to solicitors. Other civil cases accounted for 27.9% and all criminal payments in both the Magistrates and Crown Courts accounted for the residual 40.8%. Table 6.5 also shows that payments in connection with criminal work increased by 8.4% over the past year and matrimonial payments rose by 0.7%. In contrast 'other civil' payments fell by 6.1%

Table 6.5 Legal aid payments¹ to solicitors 1996-97 and 1997-98

	1996-97	Annual change	1997-98	Composition of payments in 1997-98
	£m	%	£m	%
Criminal legal aid in the Magistrates Court, legal advice and assistance and duty solicitor schemes	341.5	8.7	371.1	28.9
Matrimonial and family proceedings, legal advice and assistance and ABWOR	401.1	0.7	403.8	31.5
Other civil proceedings, legal advice and assistance and ABWOR	381.0	-6.1	357.9	27.9
Total Legal Aid Board administered	1121.8	0.8	1130.2	88.3
Crown Court Criminal legal aid (LCD administered) ²	141.8	7.8	152.9	11.9
Total legal aid payments to solicitors	1263.6	1.5	1283.1	100.0

¹ All payments inclusive of disbursements and VAT

² Source: Lord Chancellor's Department

Sources: Legal Aid Board Annual Reports

- 6.6 As previously noted, criminal legal aid payments for work done in the Crown and higher criminal courts are administered by the LCD. These figures are not published separately but payment figures can be derived from the government appropriation accounts, which are published as House of Commons papers by HMSO. The LCD has provided the Law Society with figures of total payments made in connection with criminal legal aid work in the higher courts. These show that in 1997-98 total payments amounted to £351.5 million, of which £152.9 million was paid to solicitors and £198.6 million was paid to counsel. In addition, in 1997-98 the LAB paid a further £180.5 million to counsel. In comparison with 1996-97, payments to counsel by the LCD and LAB have increased by 1.8% and 14.9% respectively. Overall, counsel increased their share of legal aid payments to lawyers from 21.7% to 22.8% of the total over the year.

Table 6.7 Offices in receipt of legal aid payments 1996-97 and 1997-98

	1996-97	Annual change	1997-98	Active office
	Number of offices	%	Number of offices	%
Criminal legal aid in the Magistrates Court, legal advice and assistance and duty solicitor schemes	7,400	-1.3	7,304	68.9
Matrimonial and family proceedings, legal advice and assistance and ABWOR	9,343	-2.8	9,082	85.7
Other civil proceedings, legal advice and assistance and ABWOR	9,740	-2.5	9,497	89.6
All Legal Aid Board administered	10,759	-1.5	10,601	100.0
Average number of work types undertaken	2.46		2.44	

Source: Legal Aid Board Annual Reports

- 6.7 Information on the number of solicitors offices in receipt of legal aid payments in 1997-98 is shown in Table 6.7. This shows that 10,601 offices were in receipt of a LAB payment of some sort during the year. Of these active offices 68.9% were involved in criminal legal aid, 85.7% in matrimonial and family work and 89.6% in other civil work. Law Society records show that at 31 July 1998 there were 10,120 private practice partnerships operating out of 13,903 separate offices; from this it follows that 76.2% of all solicitors offices received at least one payment for legal aid work in 1997-98.
- 6.8 The recoupment exercise undertaken by the Board in 1995 means that it is no longer possible to look at trends in the number of offices in receipt of legal aid payments over an extended period. We are, though, able to look at data for the past two years, and this is also shown in Table 6.7. This shows that over the year the number of offices in receipt of a legal aid payment of any kind fell by 1.5%. Within this total the fall was most pronounced for matrimonial work, 2.8%, and was least pronounced for criminal work, 1.3%. Overall, the average number of work types undertaken fell marginally from 2.46 to 2.44 over the year. Although this change is in itself not significant it is part of a long run trend of firms concentrating on a more restricted range of legal aid provision.

Table 6.9 The concentration of LAB legal aid payments to solicitors in 1996-97 and 1997-98

1996-97				
Size of payment	Number of offices	% number of offices	Total value (£m)	% total value
£10-£20,000	3,676	34.2	24.1	2.1
£20,001-£50,000	2,026	18.8	68.4	6.1
£50,001-£100,000	1,890	17.6	136.1	12.1
£100,001-£150,000	976	9.1	129.9	10.7
£150,001-£250,000	1,009	9.4	195.6	17.4
Over £250,001	1,182	11.0	577.8	51.5
All payment ranges	10,759	100.0	1121.8	100.0
1997-98				
Size of payment	Number of offices	% number of offices	Total value (£m)	% total value
£10-£20,000	3,627	34.2	24.2	2.1
£20,001-£50,000	1,987	18.7	66.8	5.9
£50,001-£100,000	1,790	16.9	129.0	11.4
£100,001-£150,000	994	9.4	121.8	10.8
£150,001-£250,000	980	9.2	189.2	16.7
Over £250,001	1,223	11.5	599.2	53.0
All payment ranges	10,601	100.0	1130.2	100.0

Source: Legal Aid Board Annual Reports 1996-97 and 1997-98

- 6.9 The 1,223 solicitors' offices which received LAB legal aid payments in excess of £250,000 in 1997-98 accounted for only 11.5% of the total offices receiving payments, but accounted for 53.0% of the total amount paid to solicitors. At the other end of the spectrum, 34.2% of offices received between £10,000 and £20,000 per annum in legal aid fees. These offices accounted for only 2.1% of payments by value. Table 6.9 contains a full comparison without any adjustment for inflation for the past two years, and excludes firms in receipt of fees below £10 per annum. Although the degree of concentration of legal aid payments has remained relatively static over this period it may increase in future when the full effect of the introduction of franchising is felt. As at 31 May 1998, the LAB had granted franchises to 2,382 solicitors' offices and other organisations. In total these covered a total of 8,930 individual category franchises. The comparable figures for 12 May 1997 were 1,820 franchise grants, covering 6,952 individual category franchises. The LAB has estimated that at 31 May 1998, 49% of payments by value were made to franchised firms, and a further 8% to firms who had applied for a franchise. More than half the fund is now paid to less than 3,000 offices or 28% of legal aid account holders.

Table 6.10 Comparison of the regional distribution of population and LAB payments to solicitors 1997-98

Region ¹	Population ²		Legal Aid Board payments to solicitors	
	No.	%	No.	%
1 London	7.074	13.6	265.3	23.5
2 South & East	13.871	26.7	233.7	20.7
3 South West & Wales	9.178	17.6	177.5	15.7
4 Midlands	8.652	16.6	168.2	14.9
5 Merseyside & North	13.236	25.4	285.5	25.3
All regions	52.011	100.0	1130.2	100.0

¹ The regions used are 1 legal aid area, 1, 2 areas 2, 3 & 11, 3 areas 4, 5, & 12, 4 areas 6 & 10 and 5 areas 7, 8, 9 & 15.

² Population figures are mid 1996 estimates as used in the Legal Aid Board Annual Report 1997-98 as published by the Office for National Statistics in August 1997

Source: Legal Aid Board Annual Report 1997-98

- 6.10 Table 6.10 shows the regional distribution of legal aid payments compared with the population breakdown for England and Wales. This comparison shows that, relative to the population served, London solicitors received a greater than expected share of legal aid payments, and solicitors in the South and East a lower than expected share. The main reason for this, though, is probably the use of the London courts by solicitors in the rest of the South East. It is likely that if this was taken into account there would be a much closer match. The regional distribution of LCD administered criminal legal aid is not known.

Table 6.11 Proportion of gross fees derived from all legal aid payments to solicitors 1991-92 and 1996-97

	Legal aid* payments to solicitors	Gross fees to the profession	Proportion of gross fees from legal aid
Year	£m	£m	%
1991-92	732.2	6218	11.8
1992-93	854.2	6426	13.3
1993-94	963.3	6622	14.5
1994-95	1029.7	6917	14.9
1995-96	1116.6	7415	15.1
1996-97	1198.5	7982	15.0

* Net cost to tax payers including disbursements and VAT

Source: Legal Aid Board Annual Reports and Solicitors Indemnity Fund

- 6.11 Table 6.11 shows the proportion of total gross fees derived by solicitors from legal aid payments since 1991-1992. The figures for 1996-97 suggest that solicitors derived around 15.0% of their gross fees from legal aid. This represents a marginal decrease in the value recorded for 1995-96, and a reverse of the trend established over the past five years.

PART II THE RECRUITMENT AND TRAINING OF SOLICITORS

This section of the report provides information on the recruitment and training of solicitors. Chapter 7 provides background information on the routes to admission. Chapter 8 presents statistics on the number of undergraduates and graduates in law from universities in England and Wales. Chapter 9 shows summary statistics related to enrolled students. In Chapter 10 we examine the numbers enrolling on and passing the Legal Practice Course, before moving on to an examination of the personal characteristics and placement of trainees. Chapter 11 gives information on those admitted to the Roll in 1997-98. Chapter 12 concludes by looking at data related to post-admission specialisation and the membership of panels.

7 ROUTES TO ADMISSION TO THE ROLL

7.1 There are seven routes to qualification as a solicitor:

- Law graduate
- Non-law graduate
- Overseas lawyer (transfer)
- Barrister (transfer)
- Scots/Northern Irish lawyers (transfer)
- Fellow of the Institute of Legal Executives (FILEX)
- Justices' clerk

7.2 The most frequently used route to qualification as a solicitor is to take a first degree in law and then to spend a year taking the full time Legal Practice Course (LPC), followed by a two-year traineeship. In total this route can be completed in six years. Non-law graduates have to undertake a one-year full-time conversion course, the Common Professional Exam (CPE), which is also the legal qualification needed by non-law graduates wishing to train for the Bar. They then proceed to qualification in the same way as a law graduate. This is the second most frequently used route. (Two-year part-time courses are also available for both the LPC and the CPE.) Non-graduates enter the profession via transfer after first obtaining a qualification as a Fellow of the Institute of Legal Executives (FILEX) and passing the LPC. Members of the Justices' Clerks Association may also enter the profession after passing the LPC, and demonstrating that they have had at least five years' continuous service in the 10 years prior to their application for admission. Other routes involve transfer after qualifying as a barrister, or as a lawyer in another jurisdiction, and meeting the necessary transfer conditions.

8 UNDERGRADUATES AND GRADUATES IN LAW

- 8.1 This chapter records the numbers of applicants, acceptances and graduations recorded for undergraduate law courses in England and Wales. The statistics for applicants and acceptances to universities in the academic year 1997 have been supplied by the Universities and Colleges Admissions Service (UCAS), and statistics on the number and achieved grade of law degree graduates have been supplied by the Higher Educational Statistical Agency (HESA). The figures for universities established before 1992 and for former polytechnics have now been amalgamated.
- 8.2 Table 8.2 shows the number of applicants and acceptances for undergraduate places at university full-time law degree courses for the academic year 1997. The figures relate to individuals: applicants are counted only once irrespective of the number of applications made on the UCAS application form. Table 8.2 shows that a total of 19,267 people applied to study law at undergraduate level in 1997, which is 3.6% higher than in the previous year. This increase in the number of applicants to law degrees was accounted for almost entirely by an increase in female applicants. Overall, female applicants increased by 5.7% whereas those from males only rose by 0.7%. The total number of acceptances made by universities, however, increased by 11.0% to 11,101. Growth in acceptances were more balanced in that female acceptances rose by 12.7% and male acceptances grew by 8.7%. An acceptance is defined as a formal acceptance of a university place offered through the UCAS scheme.

Table 8.2 Home and overseas applicants and acceptances for university first degree law courses in England and Wales 1997

For entry in:	University applicants						Total		
	UK			Overseas					
	Male	Female	Total	Male	Female	Total	Male	Female	Total
1996	6,515	8,980	15,495	1,364	1,736	3,100	7,879	10,716	18,595
1997	6,561	9,349	15,910	1,374	1,983	3,357	7,935	11,332	19,267
% change	0.7	4.1	2.7	0.7	14.2	8.3	0.7	5.7	3.6
For entry in:	University acceptances						Total		
	UK			Overseas					
	Male	Female	Total	Male	Female	Total	Male	Female	Total
1996	3,516	4,909	8,425	713	860	1,573	4,229	5,769	9,998
1997	3,860	5,478	9,338	737	1,026	1,763	4,597	6,504	11,101
% change	9.8	11.6	10.8	3.4	19.3	12.1	8.7	12.7	11.0

Source: UCAS

- 8.3 Table 8.3 shows the number of female and overseas students as a proportion of the total acceptances to university law degrees. In 1997, 58.6% of acceptances were women compared with 57.7% in 1996. The proportion of overseas acceptances, 15.9%, remained at a similar level to the previous year.

Table 8.3 Proportion of law students accepted in 1997 who were female or from overseas

Year	Female students		Overseas students	
	No.	%	No.	%
1996	5,769	57.7	1,573	15.7
1997	6,504	58.6	1,763	15.9

Source: UCAS

- 8.4 Table 8.4 shows the number of ethnic minority students (excluding overseas students) who gained places on law degrees for the academic year 1997. In total, ethnic minority law students accounted for 22.7% of students starting a first degree law course in 1997. This represents only a very slight increase on 1996 when the comparable proportion was 22.6%.

Table 8.4 Ethnic minority students from the UK accepted to first degree law courses at universities and colleges in 1997

Acceptances of students from UK			
Ethnic group	Male	Female	Total
Black Caribbean	57	114	171
Black African	144	193	337
Black other	20	48	68
Indian	274	4,363	710
Pakistani	231	270	501
Bangladeshi	54	57	111
Chinese	21	56	77
Other Asian	65	81	146
All UK - based ethnic minority acceptances	866	1,255	2,121
All UK – based acceptances	3,860	5,478	9,338
% from ethnic minorities	22.4	22.9	22.7

Source: UCAS

- 8.5 Recent trends in the number of students graduating in law are shown in Table 8.5. In 1997, the total number of graduates was 8,892, a decrease of 4.0% on the previous year. This was the first recorded drop in the number of law graduates for five years, and follows on from three years of rapid growth during which time the number of law graduates increased by 55.2%. For 1993 and 1994, the figures exclude law graduates from the University of Glamorgan as these were not available.

Table 8.5 Number of students graduating in law from universities in England and Wales 1987 to 1997 ^(1, 2)

Year of graduation	Graduates from:			Annual % change
	Universities	Former polytechnics	Total graduates	
1987	3,270	1,564	4,834	6.1
1988	3,489	1,740	5,229	8.2
1989	3,672	1,462	5,134	-1.8
1990	3,758	1,916	5,674	10.5
1991	3,570	2,084	5,654	-0.4
1992	3,402	2,480	5,882	4.0
1993	3,588	2,381	5,969	1.5
1994	3,879	2,620	6,499	8.9
1995	8,576	n/a	8,576	32.0
1996	9,265	n/a	9,265	8.0
1997 [#]	8,892	n/a	8,892	-4.0

[#] Sources of data: 1994 and before, Department for Education and Employment and the University Statistical Record 1995 and onwards, Higher Educational Statistical Agency

1. Figures relate to single honours law degrees and do not include modular or joint honour degrees which may also allow graduates to proceed directly to study the Legal Practice Course (para. 8.6)
2. Figures for 1993 and 1994 exclude graduates in law from the University of Glamorgan for which no information was available.

8.6 The HESA statistics do not represent the total numbers of graduates with a qualifying law degree, i.e. a degree which has covered the General Council of the Bar and the Law Society's Seven Foundations of Legal Knowledge which form the Academic Stage of Legal Education, and which allow graduates to proceed directly to study the Legal Practice Course. Many institutions now offer modular or joint honours degrees that have a substantial element of law study: depending on the choice of subjects, such degrees may nor may not lead to a qualifying degree. The Law Society's Legal Education Department believe it is possible that a further 3,000-3,500 law students with qualifying law degrees from joint honours or modular degrees graduate each year. However, a firm estimate of this figure cannot be made without collecting, on an individual and yearly basis, statistics from every institution offering such degrees.

- 8.7 Table 8.7 shows that in 1997, 52.1% of law graduates achieved a First Class or Upper Second Class degree. This proportion represents a marked increase on the figure of 48.5% recorded for last year. Overall, a significantly higher proportion of women graduated with Firsts or Upper Seconds than men. There are no figures showing the class of degree of ethnic minority law students.

Table 8.7 Class of degrees in law awarded in England and Wales in summer 1997

Class of degree	All law graduates					
	Men		Women		Total	
	No.	%	No.	%	No.	%
First	165	4.1	174	3.6	339	3.8
Upper second	1,789	44.5	2,501	51.3	4,209	48.2
Lower second	1,784	44.4	1,923	39.4	3,707	41.7
Third	186	4.6	170	3.5	356	4.0
Pass	92	2.3	108	2.2	200	2.2
Total	4,016	100.0	4,876	100.0	8,892	100.0
Number/Percentage with First or Upper second	1,954	48.7	2,675	54.9	4,629	52.1

Source: Higher Educational Statistical Agency (HESA)

9 STUDENT ENROLMENTS WITH THE LAW SOCIETY

- 9.1 All students who wish to embark on the Law Society's Legal Practice Course (LPC), or enter into a training contract, must enrol with the Society as student members. The Society then maintains records of these students at each stage of their training. This includes performance on the LPC, the registration of traineeships, and the admission to the Roll of those who have successfully completed their training. Up until 1992, when an annual enrolment process was introduced, a certificate of enrolment was valid for five years. Annual enrolment allows better monitoring of students who maintain an interest in a career as a solicitor.
- 9.2 Primarily this monitoring consists of examining the proportions of women and ethnic minority students showing an interest in becoming a solicitor. Information on the proportion of enrolled students who were female, or from an ethnic minority, enables the Society to examine the scope for further recruitment to the profession of members of these groupings. Neither the number of students enrolling with the Society each year, nor the total number enrolled, can be used to predict the numbers who will subsequently enter the profession. This is because no consistent relationship has ever been identified between enrolments and subsequent admissions.
- 9.3 Details on the ethnic origin of students, as well as other biographic data, are sought at the time of their enrolment. Students are not obliged to complete the question on their ethnicity, but historically a high proportion of students have been prepared to do so. On this occasion the ethnicity of 87.3% of students enrolling with the Society in 1997-98 was recorded. Table 9.4 shows the fuller breakdown of enrolments by gender and ethnicity. Table 9.5 shows the comparative data for one and five years ago, that is for 1992-93 and 1996-97.
- 9.4 In the year 1 August 1997 to 31 July 1998, 7,915 students enrolled with the Law Society, an increase of 20.5% on the previous year. Of these 4,532 or 57.3% of the total were women. This represents no change in the proportion of women students recorded in 1996-97 and a slight increase in the proportion for 1992-93 when it was 54.0%. The proportion of women amongst ethnic minority students was, at 60.1%, slightly higher than the proportion found amongst all who had enrolled. Afro-Caribbeans were the ethnic grouping with the highest proportion of women students. For this group of enrolled students 64.6% were women, a slightly lower proportion to that measured for this group in 1992-93.
- 9.5 Of the students enrolling with the Society last year, 1,604, or 20.3% of the total, were from ethnic minority groups. This compares with the 13.8% of ethnic minority students recorded in 1992-93, and the 18.6% recorded in 1996-97. When one compares 1997-98 with 1992-93 it can be seen that the majority of the increase is accounted for by increases in the number of Asian and 'other' ethnic minority students.

Table 9.4 The ethnic origin and gender of students enrolling with the Law Society in 1997-98

Ethnic origin	Male		Female		Total
	No.	%	No.	%	
Afro-Caribbean	40	35.4	73	64.6	113
Asian	313	37.9	513	62.1	826
Chinese	64	43.0	85	57.0	149
African	123	46.8	140	53.2	263
Other ethnic origin	100	39.5	153	60.5	253
All ethnic minority	640	39.9	964	60.1	1,604
White European	2,284	43.0	3,025	57.0	5,309
Unknown	459	45.8	543	54.2	1,002
Total	3,383	42.7	4,532	57.3	7,915

Source: Law Society's REGIS database

Table 9.5 Trends in the ethnic origin and gender of students enrolling with the Law Society 1992-93, 1996-97 and 1997-98

Ethnic origin	1992-93 Total		1996-97 Total		1997-98 Total	
	No.	%	No.	%	No.	%
Afro-Caribbean	87	1.2	99	1.5	113	1.4
Asian	571	8.1	619	9.4	826	10.4
Chinese	138	2.0	119	1.8	149	1.9
African	100	1.4	198	3.0	263	3.3
Other ethnic origin	70	1.0	184	2.8	253	3.2
All ethnic minority	966	13.8	1,219	18.6	1,604	20.3
White European	5,603	80.0	4,666	71.0	5,309	67.1
Unknown	438	6.3	685	10.4	1,002	12.7
Total	7,007	100.0	6,570	100.0	7,915	100.0
Gender						
Male	3,223	46.0	2,806	42.7	3,383	42.7
Female	3,784	54.0	3,764	57.3	4,532	57.3
Total	7,007	100.0	6,570	100.0	7,915	100.0

Source: Law Society's REGIS database

10 POST-GRADUATE EDUCATION AND TRAINING

The Legal Practice Course

- 10.1 The LPC is the next stage towards qualification as a solicitor for graduates with a first degree in law and for graduates in other disciplines who have completed the one-year full-time conversion course, the Common Professional Exam (CPE). The LPC replaced the Solicitors' Final Examination, and was introduced in September 1993.
- 10.2 In July 1998, of the 6,250 students who enrolled on the LPC, 5,922 or 94.8% sat the July examinations. This latter figure is the total number of enrolments less those who were deferred or were absent from the examinations. Compared with 1997 total enrolments were down by just 0.4% but the number taking the examination rose by 0.4%. Taken overall, the pass rate was 71.4%, a small increase on the 69.1% who passed last year. Of those taking the examination the pass rate was 75.3%, which represents a slight increase on the 1997 figure of 73.5%. Table 10.2 shows the full set of results obtained for both years.

**Table 10.2 Legal Practice Course results of summer examinations -
July 1997 and July 1998**

Results	1997			1998		
	No. of students	% sitting exam	% all students	No. of students	% sitting exam	% all students
Diploma with distinction	751	12.7	12.0	716	12.1	11.5
Diploma with commendation	2,217	37.6	35.3	2,375	40.1	38.0
Diploma	1,370	23.2	21.8	1,369	23.1	21.9
Total passes	4,338	73.5	69.1	4,460	75.3	71.4
Referred	1,051	17.8	16.7	1,160	19.6	18.6
Resit	465	7.9	7.4	275	4.6	4.4
Failed	45	0.8	0.7	27	0.5	0.4
Total failed	1,561	26.5	24.9	1,462	24.7	23.4
Total sitting the examination	5,899	100.0	94.0	5,922	100.0	94.8
Deferred	309		4.9	251		4.0
Absent	70		1.1	77		1.2
Total not sitting the examination	379		6.0	328		5.2
Total students enrolled on the LPC	6,278		100.0	6,250		100.0

Source: Law Society database

Table 10.3 Places on the Legal Practice Course for 1996-97, 1997-98 and 1998-99

College of Law/Universities	Full-time			Part-time		
	1996-7	1997-8	1998-9	1996-7	1997-8	1998-9
The College of Law:						
Store Street)	1,248	1,248	1,248	192	192	192
Chester)	864	864	864	48	48	48
Guildford)	744	744	744	48	48	48
York)	696	696	696	48	48	48
University of Central England	120	120	120	30	30	30
Cardiff Law School	144	144	144	-	-	-
University of West of England	240	240	240	40	40	40
University of Glamorgan	108	108	108	32	32	32
London Guildhall University	110	110	110	54	54	54
Huddersfield University	80	80	80	36	36	36
Leeds Metropolitan University	150	150	150	45	45	45
Manchester Metropolitan University	168	168	168	48	48	48
De Montfort University						
at De Montfort	130	130	130	100	100	100
at Birmingham	120	120	120	-	-	-
at Bristol University	-	-	100	-	-	-
Nottingham Trent University						
at Nottingham Trent University	504	504	504	144	144	144
at Bournemouth University	96	96	96	-	-	-
at Liverpool John Moores	-	-	-	72	72	72
at BPP Law School	120	120	138	60	60	24
University of Northumbria						
at University of Northumbria	160	160	160	50	50	50
at University of Northumbria ELD	110	110	110	-	-	-
University of Hertfordshire	-	-	-	50	50	50
Staffordshire University	100	100	100	25	25	25
Thames Valley University	80	80	80			
University of Central Lancashire	-	-	-	60	60	60
Wolverhampton University	100	100	100	30	30	30
University of Westminster	100	100	120	50	50	50
Anglia Polytechnic University	100	100	100	-	-	-
Exeter University	120	120	120	-	-	-
Bristol University	100	100	-	-	-	-
Oxford Institute of Legal Practice	120	120	168	-	-	-
Sheffield University	120	120	120	-	-	-
North London/South Bank University	-	-	-	60	60	60
Total	6,852	6,852	6,938	1,322	1,322	1,286

Source: Law Society database

10.3 Table 10.3 shows the number of places available at institutions which have been validated to run the Legal Practice Course. The number of full-time places available in 1998-99 is 6,938. This is an increase of 1.3% on the number of places which were available in 1997-98. In addition there will also be 1,286 places available on part-time LPC courses in 1998-99 which is a reduction of 2.7% on the number of part-time places which were available in 1997-98 and 1996-97.

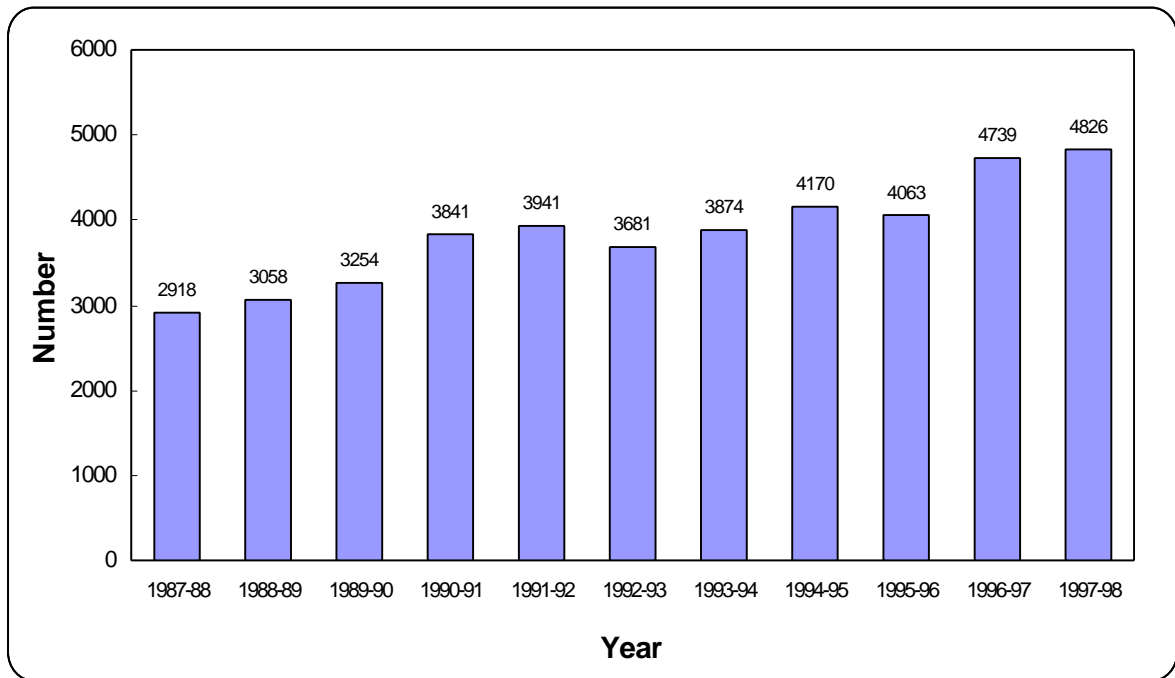
10.4 Included in the above there are 110 places on the law degrees offered by the University of Northumbria which carry an exemption from the LPC.

Traineeships

10.5 In addition to obtaining pre-vocational qualifications those embarking on a career as a solicitor also have to undergo a period of training, in most cases for two years, before gaining admission to the Roll. The trainee is assigned to a training establishment, and a training contract is drawn up. Forms covering the registration of trainees are lodged with the Law Society.

10.6 Chart 10 below shows the registrations of traineeships from 1987-88 to the present. In the year 1 August 1997 to 31 July 1998 there were 4,826 new traineeships registered. This represents an increase of 87, or 1.8%, on the previous year. Although the rate of increase in traineeships has slowed dramatically over the past year, this year’s number of traineeships is another all time high.

Chart 10 Annual registration of trainees 1987-88 to 1997-98



Source: Law Society’s REGIS database

- 10.7 Table 10.7 shows the data on the total number of trainees registered for the years 1987-88 through to 1997-98. Where the data is available the total has been analysed by trainee gender. Overall, the number of traineeships has increased by 65.4% between 1987-88 and 1997-98. For each of the years since 1987-88, for which we have data, the majority of new trainees have been female, with the peak proportion reached in 1991-92 when 54.8% of new trainees were women. Since that time this proportion has fallen slightly. In 1997-98, 53.6% of new trainees were women.

Table 10.7 Number of traineeships registered 1987-88 to 1997-98 by gender of trainee

Year	Male		Female		Total
	No.	%	No.	%	
1987-88	1,407	48.2	1,511	51.8	2,918
1988-89	1,464	47.9	1,594	52.1	3,058
1989-90	1,559	47.9	1,695	52.1	3,254
1990-91	1,771	46.1	2,070	53.9	3,841
1991-92	1,783	45.2	2,158	54.8	3,941
1992-93	1,677	45.6	2,004	54.4	3,681
1993-94	1,815	46.9	2,059	53.1	3,874
1994-95	Gender not available				4,170
1995-96	Gender not available				4,063
1996-97	2,230	47.1	2,509	52.9	4,739
1997-98	2,238	46.4	2,588	53.6	4,826
% change 1997-98 over 1987-88	59.1		71.3		65.4

Source: Law Society's REGIS database

- 10.8 Last year we were able to examine for the first time the ethnic origin of new trainees. This year the ethnicity and gender of new trainees for 1997-98 is shown in Table 10.8. The trainees' ethnic origin was recorded for 4,102 trainees, or 85.0% of the 4,826 new traineeships registered in 1997-98. This indicates some degradation of the quality of this data from last year when the ethnicity of 94.5% of new trainees was known. In 1997-98 ethnic minority trainees represented 16.1% of trainees of known ethnicity compared to 12.5% last year. The ethnic grouping most highly represented was 'Asian', which accounted for 59.0% of ethnic minority trainees. Overall, the proportion of women was higher amongst ethnic minority trainees than for the group of trainees as a whole. Whereas 53.6% of trainees overall were women, this proportion rose to 57.2% amongst those from ethnic minorities. The ethnic group with the highest proportion of women trainees was Afro-Caribbean, of whom 70.8% were female.

Table 10.8 Trainees by ethnic origin and gender 1997-98

Ethnic origin	Male		Female		Total	% of trainees with known ethnicity
	No.	%	No.	%	No.	
Afro-Caribbean	14	29.2	34	70.8	48	1.2
Asian	175	44.9	215	55.1	390	9.5
Chinese	16	33.3	32	66.7	48	1.2
African	23	44.2	29	55.8	52	1.3
Other ethnic origin	55	44.7	68	55.3	123	3.0
Total known ethnic minority	283	42.8	378	57.2	661	16.1
Ethnic minority trainees as % of those with known ethnicity	15.2%		16.9%		16.1%	
White European	1,583	46.0	1,858	54.0	3,441	83.9
Total with known ethnicity	1,866	51.4	2,236	48.6	4,102	100.0
% of trainees with known ethnicity	83.4%		86.4%		85.0%	
Trainees with unknown ethnicity	372	51.4	352	48.6	724	
% of trainees with unknown ethnicity	16.6%		13.6%		15.0%	
All trainees	2,238	46.4	2,588	53.6	4,826	100.0

Source: Law Society's REGIS database

10.9 Table 10.9 shows the numbers of new male and female traineeships registered in each region in 1997-98. Of the 4,826 trainees registered between 1 August 1997 and 31 July 1998, 1,310 or 27.1%, were located in the City of London. A further 948, or 19.6%, were located in the rest of London. Taken overall, 46.8% of trainees were located in London in 1997-98. This compares with 47.0% last year and 52.8% five years ago. Male trainees were markedly more likely than female trainees to be located in London. Whereas 50.0% of male trainees were located in London, the corresponding proportion for women was 44.0%. The region with the highest proportion of female trainees was the rest of the South East with 61.9%, and the region with the lowest proportion was the City of London with 44.7%.

Table 10.9 Trainee placements in 1997-98 analysed by region

Region	Male			Female			Total	
	No.	% male	% by region	No.	% female	% by region	No.	% by region
City of London	725	55.3	32.4	585	44.7	22.6	1,310	27.1
Rest of London	393	41.5	17.6	555	58.5	21.4	948	19.6
Rest of South East	193	38.1	8.6	314	61.9	12.1	507	10.5
South West	117	43.3	5.2	153	56.7	5.9	270	5.6
Wales	86	47.3	3.8	96	52.7	3.7	182	3.8
West Midlands	157	48.0	7.0	170	52.0	6.6	327	6.8
North West	207	42.3	9.2	282	57.7	10.9	489	10.1
North	61	48.8	2.7	64	51.2	2.5	125	2.6
Yorkshire and Humberside	144	47.4	6.4	160	52.6	6.2	304	6.3
East Midlands	112	41.6	5.0	157	58.4	6.1	269	5.6
East Anglia	43	45.3	1.9	52	54.7	2.0	95	2.0
Total	2,238	46.4	100.0	2,588	53.6	100.0	4,826	100.0

Source: Law Society's REGIS database

10.10 In addition to looking at the regional distribution of traineeships we are also able to look at the types of organisation in which male and female trainees are placed. This data, which is shown in Table 10.10, shows overwhelmingly that trainees are placed in private practice firms. Of the traineeships registered in 1997-98, 4,633, or 96.0% of the total were in private practice firms. Male trainees were marginally more likely to be placed in private practice firms, and female trainees were marginally more likely to be placed in central and local government, the Court Service and the Crown Prosecution Service.

Table 10.10 Trainee placements in 1997-98 analysed by category of employment of training institution

Category of employment	Male		Female		Total	
	No.	%	No.	%	No.	%
Private Practice	2,172	97.1	2,461	95.1	4,633	96.0
Commerce and Industry	20	0.9	42	1.6	62	1.3
Government department	10	0.4	14	0.5	24	0.5
Local government	21	0.9	46	1.8	67	1.4
Court	2	0.1	9	0.3	11	0.2
Crown Prosecution Service	1	0.0	8	0.3	9	0.2
Advice service	3	0.1	4	0.2	7	0.1
Other	9	0.4	4	0.2	13	0.3
Total	2,238	100.0	2,588	100.0	4,826	100.0

Source: Law Society's REGIS database

- 10.11 Given the importance of private practice firms to the training process, it is interesting to look at the characteristics of those firms which provide training placements. Of particular importance is the distribution of trainees by the size of firm in which they were placed. Data on the number of male and female trainees analysed by size of firm (measured by the total number of partners) is shown in Table 10.11. Of the 4,633 trainees located in private practice in 1997-98, 55.9% were located in firms with 11 or more partners. At the other end of the spectrum only 8.4% of trainees were placed within sole practices. Male trainees were much more likely than female trainees to be placed in the larger firms with 11 or more partners. The proportions here were 60.3% and 52.0% respectively. In contrast, female trainees were slightly more likely than male trainees to be placed in the intermediate 2-4 and 5-10 partner sized firms. Almost the same proportion of male and female trainees were placed with sole practices.

Table 10.11 Trainee placements in 1997-98 analysed by the size of private practice firm in which trainees were located

Size of firm	Male		Female		Total	
	No.	%	No.	%	No.	%
Sole practitioner	183	8.4	208	8.5	391	8.4
2-4 partners	389	17.9	541	22.0	930	20.1
5-10 partners	290	13.4	433	17.6	723	15.6
11+ partners	1,310	60.3	1,279	52.0	2,589	55.9
Total	2,172	100.0	2,461	100.0	4,633	100.0

Source: Law Society's REGIS database

- 10.12 Since August 1987, in an attempt to ensure that the solicitors' profession is open to all regardless of their background, the Council of the Law Society has recommended minimum starting salaries for trainee solicitors. The rates set by the Council are shown below in Table 10.12. In 1993, after considerable debate, the Council agreed to maintain the principle of minimum salaries. However, the salary rates were frozen at their 1992 levels, and the outer London rate was abolished. Since that time, and after a review by the Council in 1997, the recommended salary levels have remained frozen at their 1993 levels. On special application firms may offer training contracts at salaries below the Council minimum recommendation.

Table 10.12 National minimum starting salaries for trainee solicitors

Effective date	Central London	Outer London	Rest of England and Wales
From 1/9/87	£6,600	£6,100	£5,200
From 1/8/88	£7,200	£6,900	£6,000
From 1/8/89	£8,500	£8,200	£7,300
From 1/8/90	£9,900	£9,600	£8,700
From 1/8/91	£11,300	£11,000	£10,100
From 1/8/92	£12,150	£11,850	£10,850
From 1/8/93	£12,150	£10,850	£10,850

- Outer London category abolished in 1993

10.13 Analyses of trainees starting salaries by gender and region are shown below in Table 10.13. This shows that in 1997-98 starting salaries were highest in Central London (The City, Holborn and Westminster) at £18,564, and lowest in Wales at £11,098. Taken over all trainees, the average starting salary in 1997-98 was £14,382. This represents an increase of 3.5% on the average salary paid last year, and an increase of only 0.7% on the level measured five years ago in 1992-93. In the past year Central London experienced the highest rate of salary growth, 7.0%, whilst the Rest of London saw trainee salaries fall by 3.0% on average.

Table 10.13 Trainees' starting salaries by region and gender

Region	Male Average (£)	Female Average (£)	All trainees average (£)	% Male average salary over female	Average salary as % of minimum	% trainees paid at or below the minimum
Central London	18,583	18,544	18,564	0.2	152.8	7.4
Rest of London	13,301	13,531	13,437	-1.7	123.8	26.0
Rest of South East	11,847	12,054	11,974	-1.7	110.4	38.3
South West	11,947	11,891	11,915	0.5	109.8	32.2
Wales	11,210	10,999	11,098	1.9	102.3	64.6
West Midlands	11,953	11,746	11,846	1.8	109.2	48.1
North West	12,250	11,830	12,007	3.5	110.7	51.2
North	12,456	11,192	11,814	11.3	108.9	50.0
Yorkshire and Humberside	12,518	12,441	12,477	0.6	115.0	40.6
East Midlands	11,648	11,555	11,594	0.8	106.9	47.7
East Anglia	12,599	12,060	12,306	4.5	113.4	45.7
Total	14,713	14,096	14,382	4.4	n/a	29.9

less than 0.05%

Source: Law Society's REGIS database

10.14 Table 10.13 also breaks the data down by trainee gender. On average, female trainees were offered starting salaries which were 4.4% below the average level for males. The average salary levels for male and female trainees were £14,713 and £14,096 respectively. These figures are 4.8% and 2.5% higher than their equivalents for last year. The maximum differential observed between male and female trainees was 11.3% in the Northern region. Although, on average, male trainees had higher starting salaries than female trainees, in two of the 11 regions, female trainee starting salaries were higher than that for males. Female trainee salaries were 1.7% higher than male trainee salaries in the Rest of London and the Rest of the South East.

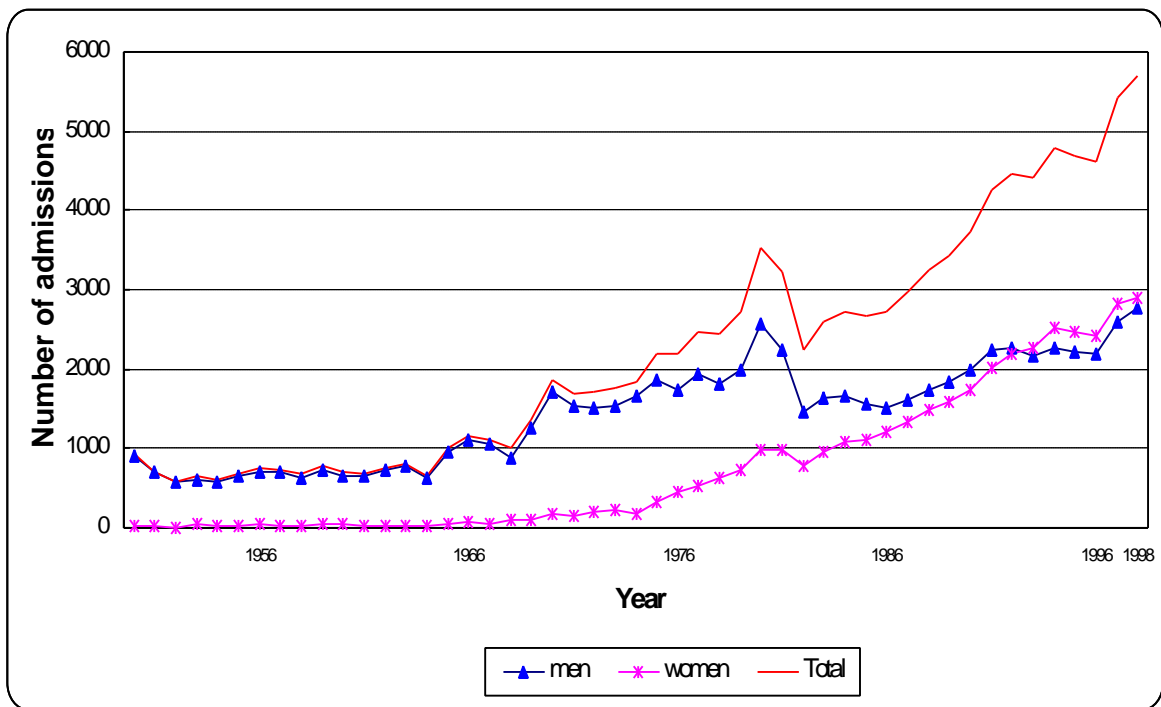
- 10.15 Another way of looking at trainees' salaries is to examine the ratio of actual salaries paid to the recommended minimum in each region, and the proportion of trainees who were paid at or below that recommended minimum in each region. This data, also shown in Table 10.13, indicates that on average trainees in Central London were paid 52.8% above the minimum, and in the rest of London 23.8% above the minimum. In all of the other regions, actual salaries were within a 15.0% uplift on the minimum recommendation. In Wales, trainees were paid, on average, an amount only 2.3% above the recommended minimum.
- 10.16 These ratios correlate with the proportion of trainees in each region paid at the minimum recommended salary. Whereas only 7.4% of trainees in Central London were paid at or below the minimum, this proportion rose to 64.6% in Wales. This high proportion in Wales explains why the average starting salary in that region fell so close to the Council recommended value. Overall, 29.9% of trainees in 1997-98 were paid at or below the minimum. Of these trainees, four-fifths, or 24.3% of the total, were paid at the minimum recommended salary for their region. This can be compared to the position last year when 26.8% of trainees received the minimum, and the position five years ago in 1992-93 when 21.0% of trainees received the minimum.

11 ADMISSIONS TO THE ROLL

11.1 There are two distinct routes to admission to the Roll: a direct route followed by completing the required educational and vocational training outlined earlier in Chapter 7, and the transfer route which includes transfers from other legal professions within England and Wales, such as barristers, legal executives and magistrates and justices' clerks, as well as lawyers who qualified in other jurisdictions. This latter group includes a small number of Scottish and Northern Irish lawyers.

11.2 The total number of people admitted to the Roll in the year 1 August 1997 to 31 July 1998 was 5,685. This represents an increase of 4.9% on the 5,417 individuals who were admitted in 1996-97. Although this rate of increase has considerably slowed from that in 1996-97, when admissions rose by 17.3%, admissions are again at a record level. Chart 11 shows the growth in admissions of men and women for the period 1950 to 1998. Over this period, annual admissions have risen by 513.9% at an average annual increase of 3.9% per year.

Chart 11 Growth in solicitors' admissions to the Roll 1950-1998



Source: Law Society's REGIS database

11.3 Table 11.3 shows the trend over the past 10 years in the number of men and women admitted to the profession. Between 1988 and 1997-98 total admissions grew by 75.2% from a base of 3,244. Over that period, male admissions rose by 59.1%, whilst female admissions almost doubled, having increased by 94.2%. Women have accounted for the majority of new admissions in each year since 1992-93 and, in 1997-98, 51.0% of those admitted were female. This proportion has changed little in each of the past six years and contrasts with the position 10 years ago when, in 1988, 46.1% of new entrants to the profession were women.

Table 11.3 Men and women admitted to the Roll 1988 to 1997-98

Year	Men		Women		Total	Annual % change
	No.	%	No.	%		
1988	1,750	53.9	1,494	46.1	3,244	9.1
1988-89	1,834	53.4	1,600	46.6	3,434	5.9
1989-90	1,990	53.4	1,739	46.6	3,729	8.6
1990-91	2,238	52.5	2,027	47.5	4,265	14.4
1991-92	2,280	51.1	2,184	48.9	4,464	4.7
1992-93	2,160	48.9	2,257	51.1	4,417	-1.1
1993-94	2,281	47.5	2,520	52.5	4,801	8.7
1994-95	2,229	47.5	2,466	52.5	4,695	-2.2
1995-96	2,203	47.7	2,417	52.3	4,620	-1.6
1996-97	2,590	47.8	2,827	52.2	5,417	17.3
1997-98	2,784	49.0	2,901	51.0	5,685	4.9
% change 97-98 over 1988	59.1		94.2		75.2	

Source: Law Society's REGIS database

11.4 The age distribution of those admitted in 1997-98 is shown in Table 11.4. There was little substantive difference in the age distribution of male and female admissions. Taken overall, the average age of those admitted was 29.6 years. The average age for males was marginally higher than that for females, the average ages being 29.8 and 29.4 years respectively. Almost a half of new admissions were aged 27 years or less, and just under two-thirds were aged 29 or less.

Table 11.4 The age distribution of solicitors admitted to the Roll in 1997-98

Age	Male		Female		All admissions		Cumulative %
	No.	%	No.	%	No.	%	
23	2	0.1	3	0.1	5	0.1	0.1
24	43	1.5	49	1.7	92	1.6	1.7
25	283	10.2	372	12.8	655	11.5	13.2
26	509	18.3	562	19.4	1,071	18.8	32.1
27	403	14.5	479	16.5	882	15.5	47.6
28	314	11.3	298	10.3	612	10.8	58.3
29	206	7.4	210	7.2	416	7.3	65.7
30-34	612	22.0	518	17.9	1,130	19.9	85.5
35-39	234	8.4	222	7.7	456	8.0	93.6
40-44	93	3.3	115	4.0	208	3.7	97.2
45-49	51	1.8	52	1.8	103	1.8	99.0
50-54	17	0.6	19	0.7	36	0.6	99.7
55 and over	15	0.5	2	0.1	17	0.3	100.0
Total known	2,782	99.9	2,901	100.0	5,683	100.0	
Unknown	2	0.1	0	0.0	2	0	
Grand total	2,784	100.0	2,901	100.0	5,685	100.0	
Average age	29.8		29.4		29.6		

Source: Law Society's REGIS database

11.5 Table 11.5 shows the proportion of men and women who were admitted by each of the different routes in 1997-98. For 4.7% of admissions these data were not recorded. Almost three-quarters of admissions, 74.9%, were through the direct qualification route. Of these, three-fifths were law graduates and the remainder were non-law graduates who had passed the CPE. Women were marginally more likely than men to qualify by this direct route, 75.9% of admissions as against 73.8%, and, within this total, were more likely than men to have law degrees. In contrast, men were more likely than women to qualify via a transfer in; the relevant proportions here being 21.5% and 19.4% respectively. Men were more likely than women to have been barristers or to be transferring in from another jurisdiction, 18.4% as opposed to 13.8%, but women were more likely than men to have qualified initially as either a legal executive or as a magistrates, or justices' clerk, 5.6% as opposed to 3.1%.

Table 11.5 The routes to admission to the Roll in 1997-98

Entry routes	Male		Female		All admissions	
	No.	%	No.	%	No.	%
Direct entry:						
Law degree	1,197	43.0	1,382	47.6	2,579	45.4
Non-law degree	857	30.8	821	28.3	1,678	29.5
Total direct entry	2,054	73.8	2,203	75.9	4,257	74.9
Entry by transfer:						
Overseas lawyer	417	15.0	349	12.0	766	13.5
Barrister	95	3.4	51	1.8	146	2.6
FILEX	72	2.6	126	4.3	198	3.5
Justices' clerk	14	0.5	38	1.3	52	0.9
Total transfers	598	21.5	564	19.4	1,162	20.4
Route unknown	132	4.7	134	4.6	266	4.7
All admissions	2,784	100.0	2,901	100.0	5,685	100.0
%	49.0		51.0		100.0	

Source: Law Society's REGIS database

11.6 Just over a fifth of admissions in 1997-98 were, as we have seen, transfers in from other professions and jurisdictions. Table 11.6 analyses transfers in by whether they were from other professions within England or Wales, or from other jurisdictions, and shows the country of origin of those transferring from other jurisdictions. Of the 1,162 transfers, around a third, 34.1%, were from other professions based within England and Wales, the majority of whom were individuals who had previously qualified as legal executives. The remaining 65.9% were transfers from other jurisdictions. Most notable here were Hong Kong lawyers, who accounted for just under a fifth of all transfers in. In addition to these, transfers from Australia and New Zealand accounted for a further 11.4%, those from the USA and Canada 8.9%, and those from other parts of the UK a further 6.0% of all transfers.

Table 11.6 Analysis of transfers into the profession 1997-98

	Male		Female		All transfers	
	No.	%	No.	%	No.	%
From other professions						
Legal executives	72	12.0	126	22.3	198	17.0
Barristers	95	15.9	51	9.0	146	12.6
Justices' clerks	14	2.3	38	6.7	52	4.5
Sub-total	181	30.3	215	38.1	396	34.1
From other jurisdictions						
Hong Kong	101	16.9	103	18.3	204	17.6
Australia/New Zealand	76	12.7	56	9.9	132	11.4
USA/Canada	67	11.2	36	6.4	103	8.9
Scotland/N. Ireland/Isle of Man	39	6.5	31	5.5	70	6.0
Eire	21	3.5	23	4.1	44	3.8
Other EC countries	15	2.5	34	6.0	49	4.2
Non-EC European countries	7	1.2	2	0.4	9	0.8
Singapore	17	2.8	18	3.2	35	3.0
India/Sri Lanka	17	2.8	9	1.6	26	2.2
South Africa	22	3.7	13	2.3	35	3.0
Other African countries	28	4.7	19	3.4	47	4.0
All other countries	7	1.2	5	0.9	12	1.0
Sub-total	417	69.7	349	61.9	766	65.9
Grand total	598	100.0	564	-	1,162	-

Source: Law Society database

- 11.7 The main factor affecting age on admission is the route taken to qualification. Table 11.7 shows the average age on qualification for men and women for each of the separate routes. These reflect the average times taken to qualify by each route and show that the group with the lowest average age, 27.4 years, was direct entrants with law degrees. Those admitted by the CPE route were aged 30.1 years on average. Taken over all direct admissions, the average age was 28.5 years. Those transferring in were, on average, over four years older than direct admissions at 33.0 years. There was little difference between the average ages of men and women qualifying by the same route, though male transfers in from other jurisdictions tended to be around two years older than their female counterparts.

Table 11.7 Average age on admission to the Roll by route to admission and gender

Entry routes	Male		Female		All admission	
	No.	Average age	No.	Average age	No.	Average age
Direct entry:						
Law degree	1,197	27.5	1,382	27.4	2,579	27.4
Non-law degree	857	29.9	821	30.4	1,678	30.1
Total direct entry	2,054	28.5	2,203	28.5	4,257	28.5
Entry by transfer:						
Overseas lawyer	417	33.6	349	31.1	766	32.5
Barristers	95	32.7	51	32.0	146	32.4
FILEX	72	35.2	126	35.6	198	35.5
Justices' clerks	14	33.7	38	32.2	52	32.6
Total transfers	598	33.7	564	32.3	1,162	33.0
Route unknown	132	32.9	134	32.4	266	32.7
All admissions	2,784	29.8	2,901	29.4	5,685	29.6

Source: Law Society's REGIS database

11.8 Table 11.8 shows the numbers and percentages qualifying via each route in 1997-98 contrasted with the position one, five and 10 years ago. In order to make the comparison, the 4.7% of admissions for whom the route was unknown in 1997-98 have been allocated pro rata to the other known categories. The table shows that the proportion of direct admissions fell from 89.3% of all admissions in 1988 to 78.6% in 1997-98. Within this total, non-law graduates have assumed greater importance. Whereas 14.6% of all admissions in 1988 were non-law graduates, this proportion had more than doubled to 31.0% in 1997-98. Another route which has increased in importance is transfers in. These have increased steadily from 10.7% of all admissions in 1988 to 21.4% in 1997-98.

Table 11.8 Trends in the main routes to admission to the Roll 1988, 1992-93, 1996-97 and 1997-98

Routes to admission	1988	1992-93	1996-97	1997-98
Law degree	2,423	3,050	2,626	2,706
Non-law degree	473	625	1,698	1,760
Transfers	348	742	1,093	1,219
Total	3,244	4,417	5,417	5,685
Routes to admission	%	%	%	%
Law degree	74.7	69.1	48.5	47.6
Non-law degree	14.6	14.1	31.3	31.0
Transfers	10.7	16.8	20.2	21.4
Total	100.0	100.0	100.0	100.0

- 11.9 We also able to examine trends in the number of admissions drawn from the ethnic minorities. Table 11.9 shows the trend for the period 1992-93 to 1997-98. The table shows that we have data on the ethnic origin of 85.8% of those admitted in 1997-98. This represents a slight reduction in the quality of this data since 1996-97, when the ethnicity of 86.4% of admissions was known, and a considerable reduction on three years ago, when in 1994-95 it was known for 96.7% of admissions. The table also shows that, as a proportion of those admissions for whom the ethnicity was known, ethnic minority admissions represented 15.8% of the total in 1997-98. The proportion of ethnic minority admissions has fluctuated between 11.4% and 15.8% of admissions over the past five years. Although there is no great consistency it appears that this proportion is increasing over time.

Table 11.9 Trends in ethnic minority admissions to the Roll 1992-93 to 1997-98

Ethnicity	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
Afro-Caribbean	30	49	34	26	48	46
Asian	212	191	183	231	306	360
Chinese	179	172	261	110	262	226
African	24	30	39	33	38	52
Other	65	75	187	71	45	87
Total from ethnic minorities	510	517	704	471	699	771
Number of admissions where ethnicity is known	4,097	4,369	4,540	4,144	4,679	4,876
Ethnic minorities as a % of those with known ethnicity	12.4	11.8	15.5	11.4	14.9	15.8
Total admissions	4,417	4,801	4,695	4,620	5,417	5,685
% of admissions with known ethnicity	92.8	91.0	96.7	89.7	86.4	85.8
Male admissions	2,160	2,281	2,229	2,203	2,590	2,784
Males as % of total	48.9	47.5	47.5	47.7	47.8	49.0
Female admissions	2,257	2,520	2,466	2,417	2,827	2,901
Females as % of total	51.1	52.5	52.5	52.3	52.2	51.0
Total admissions	4,417	4,801	4,695	4,620	5,417	5,685

Source: Law Society's REGIS database

- 11.10 In 1997-98 there were 771 admissions from the ethnic minorities out of a total of 5,685. Comparable figures for 1996-97 were 699 admissions out of a total of 5,417. The increase in the representation of ethnic minorities over the past year is accounted for mainly by an increase in the number of Asian admissions. These rose by 17.7% over the year to 360, and the increased numbers here accounted for three quarters of the observed net increase in ethnic minority admissions.
- 11.11 A fuller breakdown of ethnic minority admissions in 1997-98 this is shown in Table 11.11. This table analyses admissions by both gender and ethnicity and shows that in 1997-98, 57.2% of those admitted from the ethnic minorities were female. This is a markedly higher value than that for admissions as a whole. Within the ethnic minorities, the proportion of female admissions was highest amongst Afro-Caribbeans, 76.0%, and lowest amongst Chinese, 53.9%.

Table 11.11 Ethnic minority admissions in 1997-98 by gender

Ethnic group	Male		Female		Total
	No.	%	No.	%	
Afro-Caribbean	11	24.0	35	76.0	46
Asian	160	44.3	200	55.7	360
Chinese	104	46.1	122	53.9	226
African	21	40.4	31	59.6	52
Other	34	39.1	53	60.9	87
Total admissions from ethnic minorities	330	42.8	441	57.2	771
Number of admissions where ethnicity is known	2,332	47.8	2,544	52.2	4,876
Ethnic minorities as a % of those with known ethnicity	14.2		17.3		15.8
Number of admissions where ethnicity is unknown	452	55.9	357	44.1	809
Total admissions	2,784	49.0	2,901	51.0	5,685
% of admissions with known ethnicity	83.8		87.7		85.8

Source: Law Society's REGIS database

12 POST-ADMISSION TRAINING AND PROFESSIONAL ACCREDITATION

- 12.1 Increasingly rapid change in the social and economic environment in which solicitors operate, in the law and in the expectations of clients, has meant that solicitors, in common with many other professions, must continually update their knowledge, expertise and skills. To facilitate this process, the Law Society made it a compulsory requirement in 1985 for solicitors to undergo some form of continuing professional development (CPD). It was always intended that these provisions should apply to all practising solicitors, and so the scheme has been extended over time. The current arrangements, which came into effect on 1 November 1994, apply to all solicitors admitted on or after 1 November 1982. In 1997-98 these provisions will capture almost 70% of solicitors with practising certificates. From 1 November 1998 the scheme will be extended to cover all solicitors in legal employment.
- 12.2 In addition to keeping up to date with developments in law and practice, the scheme is intended to enable solicitors to gain management and business skills, improve efficiency and effectiveness, and develop new and existing areas of expertise and skill. The CPD scheme allows credits to be acquired using a number of approaches including attendance at lecture-based courses as well as through distance-based learning. The scheme also allows credit to be obtained by those who write law books or articles in legal journals, or who are involved in the preparation and delivery of training course materials.
- 12.3 To assist in the provision of CPD services the Law Society authorises training organisations. This authorisation covers organisations who provide training 'in-house' as well as those which provide external courses. Table 12.3 shows the number of applications for authorisation as course providers by type in both 1996-97 and 1997-98. The table shows that the total number of providers has decreased by 12.5% to 407 over the past year. Within this total the number of organisations providing external training courses decreased by 21.4% to 154, and the number of 'in-house' providers fell much more modestly by 5.9% to 253.

Table 12.3 Law Society applications for authorisation as course providers in 1996-97 and 1997-98

Applications	1996-97	1997-98	% Change
External*	196	154	-21.4
In-house**	269	253	-5.9
Total	465	407	-12.5

* External includes Best Practice and training programme

** In-house includes full in-house, restricted in-house and consortium in-house

Source: Law Society database

- 12.4 The increased complexity and accelerated rate of change in the law has led to greater numbers of solicitors acquiring various professional accreditations or becoming members of specialist panels. Specialist panels are administered by the Law Society, and membership of the panels is contingent on the individual concerned demonstrating particular expertise in the area. Table 12.4 shows the total membership of each of the Law Society panels for each year since their launch, as well as their membership as at 31 July 1998. Historically, growth in panel membership has been fastest in the early years and then begins to slow as the saturation point is approached. Growth last year was modest for most schemes, though membership of the Medical Negligence Panel rose by 10.8%. In contrast, there was a slight fall in the membership of the Planning Panel.

Table 12.4 Total membership of Law Society panels

	Children Panel	Mental Health Review Tribunal Panel	Planning Panel	Personal Injury Panel	Med.Neg. Panel
Launch year	1984	1983	1991	1993	1995
Total membership at:					
1989	1,663	221	-	-	-
1990	1,699	227	-	-	-
1991	1,765	220	27	-	-
1992	1,734	248	52	-	-
1993	1,428	275	77	415	-
1994	1,546	319	117	1,712	-
1995	1,584	333	185	1,976	64
1996	1,627	374	197	2,333	113
1997	1,676	385	198	2,468	130
Up to 31/7/98	1,732	400	195	2,603	144

Source: Law Society database

- 12.5 In addition to panel membership, solicitors can obtain Local Government Diplomas, be accredited as Licensed Insolvency practitioners, or obtain rights of audience in the higher courts. These are externally validated and Table 12.5 shows the number of newly accredited solicitors, by type, for each year since their inception. By summing over the number of new accreditations in each year we can calculate the total number of solicitors involved. For example, up to 31 July 1998, a total of 651 solicitors had obtained rights of audience in the higher courts. Of these solicitors, just under two thirds obtained their rights between 1994 and 1996. There has, though, been a recent upturn in the number of solicitors seeking rights of audience. There were almost twice as many solicitors achieving this distinction in the seven months to the end of July 1998 than in the equivalent period a year ago. By way of comparison, on 1 October 1997 there were 9,369 barristers in independent practice.

Table 12.5 Annual number of solicitors achieving specified professional accreditation

	Local Government Diploma	Licensed Insolvency practitioner	Rights of audience of higher courts	Qualified to conduct Discrete Investment Business
Year of Introduction	1985	1986	1994	1994
Numbers awarded status in:				
1985-86 through to 1989	131	112	-	-
1990	27	86	-	-
1991	17	2	-	-
1992	32	3	-	-
1993	37	2	-	-
1994	18	2	231	8
1995	20	4	119	58
1996	23	4	77	25
1997	22	10	101	16
Up to 31 July 1998	23	13	123	9
Total awards	350	238	651	116

Source: Law Society database

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