



The Law Society

## **Entry to the solicitor's profession 1980-2011**

David Dixon

May 2012



## ENTRY TO THE SOLICITORS' PROFESSION 1980 - 2011

- 1 In his address to the Law Society's conference in October 1980 the president, Jonathan Clarke, warned about the growth in the size of the profession. He said "Twenty years ago there were some 25,000 solicitors working in the profession. This number has now grown to some 44,000. That is an increase of 76% in 20 years. Last year some 3,000 new solicitors were admitted to the roll...but it does not stop there. There are some 9,000 or more people serving under articles today and no fewer than 6,000 enrolled students. A total of some 15,000 young people actively engaged in the business of qualification for our profession." He continued "We as a profession must face, as we have not faced sufficiently before, the significance of these figures". He identified the questions that the profession had to ask itself as follows: "What work will the profession be doing 20 years from now? How great is our requirement for trained lawyers? How large ought the profession to be? How stable financially will its members be? And furthermore must we not, in duty to those who come after us, face the implications of what is happening today?"

### *The Growth in the Number of Solicitors*

- 2 In some respects his warnings were unduly alarmist. The profession has grown continuously since 1980 and at a faster pace - the number of practising solicitors has increased by 114% in the past 20 years. However, the questions he posed resonate with solicitors today. He spoke during a recession - the economy was shrinking for the 4<sup>th</sup> successive quarter and had fallen in 4 of the previous 5 quarters. Many solicitors believed then, as now, that the profession was (or is) too large. Many solicitors have lost their jobs during the past 3 years and in 2008/09 many firms deferred the start of the training contracts they had offered which reduced the number of training contracts available to LPC graduates. The size of the profession, the perceived oversupply of entrants and the overproduction of students seeking entry to the profession are not new issues. What is new is the interest of the Law Society, the legal press and the Legal Services Board in these issues. This paper, which has been produced on behalf of the Law Society's Regulatory Affairs Board's Education and Training Committee, seeks to inform the debate by:
- supplying statistics to help commentators judge whether there are too many new solicitors and too many aspiring solicitors (and if there are, the extent of the surplus);
  - providing an introductory analysis of the data;
  - supplying information to aspiring solicitors about the likely competition for a training contract, and
  - gathering the relevant information together in one document which can be updated annually and serve as a useful point of reference.
- 3 Table 1 on page 2 places the exercise and assessment in context. It shows how the numbers of solicitors on the roll and those with practising certificates (PCs) have increased since 1960 - Mr Clarke's reference point, 20 years before his speech. Unless stated otherwise, the source of the figures referred to throughout this paper is the Law Society's Annual Statistical Reports (ASRs).

**Table 1 Numbers of Solicitors on the Roll and Solicitors with Practising Certificates 1960 - 2012**

Year	Solicitors on roll	%age change	Solicitors with PCs	%age change	%age on Roll with PCs
1960	23,565		19,069		80.9
1961	23,855	+1.2	19,438	+1.9	81.5
1962	24,274	+1.7	19,790	+1.8	81.5
1963	24,737	+1.9	20,269	+2.4	81.9
1964	25,080	+1.4	20,683	+2.0	82.5
1965	25,748	+2.7	21,255	+2.8	82.5
1966	26,533	+3.0	21,672	+1.9	81.7
1967	27,304	+2.9	22,233	+2.6	81.4
1968	27,932	+2.3	22,787	+2.5	81.6
1969	28,949	+3.6	23,574	+3.5	81.4
1970	30,463	+5.2	25,366	+7.6	83.3
1971	31,834	+4.5	26,407	-3.8	83.0
1972	33,198	+4.3	27,379	+4.1	82.5
1973	34,632	+4.3	28,741	+5.0	83.0
1974	36,150	+4.4	29,850	+3.8	82.6
1975	37,594	+4.0	31,250	+4.7	83.1
1976	39,883	+6.1	32,812	+5.0	82.3
1977	42,062	+5.5	33,864	+3.2	80.5
1978	44,216	+5.1	35,770	+5.6	80.9
1979	45,591	+3.1	37,832	+5.8	83.0
1980	49,806	+9.2	39,795	+5.2	79.9
1981	52,678	+5.8	41,738	+4.9	79.2
1982	54,697	+3.8	42,984	+3.0	78.6
1983	57,442	+5.0	42,694	-0.07	74.3
1984	58,745	+2.3	45,732	+7.1	77.8
1985	60,883	+3.6	47,114	+3.0	77.4

Year	Solicitors on roll	%age change	Solicitors with PCs	%age change	%age on Roll with PCs
1986	63,129	+3.7	47,906	+1.7	75.9
1987					
1988	66,380	+5.1	50,247	+4.9	75.7
1989	69,893	+5.3	52,399	+4.3	75.0
1990	67,425	-3.6	54,734	+4.4	81.1
1991	68,971	+2.3	57,167	+4.4	82.9
1992	72,449	+5.0	59,566	+4.2	82.2
1993	76,019	+5.0	61,329	+3.0	80.7
1994	79,919	+5.1	63,628	+3.7	79.6
1995	82,828	+3.6	66,123	+3.9	79.8
1996	87,081	+5.1	68,037	+2.9	78.1
1997	91,779	+5.4	71,637	+5.3	78.1
1998	95,521	+4.1	75,072	+4.8	78.6
1999	100,957	+5.7	79,503	+5.9	78.8
2000	104,538	+3.5	82,769	+4.1	79.2
2001	109,553	+4.7	86,603	+4.6	79.1
2002	113,372	+3.5	89,045	+2.8	78.5
2003	116,110	+2.4	92,752	+4.2	79.9
2004	121,165	+4.3	96,757	+4.3	79.9
2005	126,142	+4.1	100,938	+4.3	80.0
2006	131,347	+4.1	104,543	+3.6	79.6
2007	134,378	+2.3	108,407	+3.7	80.7
2008	139,666	+3.9	112,433	+3.7	80.5
2009	145,381	+4.1	115,475	+2.7	79.4
2010	150,128	+3.3	117,862	+2.1	78.5
2011	159,524	+6.3	121,933	+3.5	76.1
2012	162,818	+ 2.1	125,011	+ 2.6	76.9

The figures for each year until (and including) 1988 are stated as at 31 December of the year in question. Since 1989, the figures are stated as at 31 July of the year in question. No figures were published for the year ending 31 December 1987, which is why the entry for 1987 is blank. Recently, about 80% of solicitors on the Roll possess current PCs (slightly lower than the average in the 1960s and 1970s). The figures for 2012 are for April.

- 4 Graph 1 on page 19 reproduces the information in Table 1 more visually. It confirms the almost continuous growth in the number of solicitors (practising and non-practising) since Jonathan Clarke's warning. The recession of 1980 - 81 did not reduce the number of practising solicitors and the number only fell in 1983 when the economy was picking up after that recession. There was no reduction in the number of practising solicitors during the recession of 1990 - 92, although the number of solicitors on the Roll fell in 1990, at the beginning of that recession. The growth in the number of solicitors with PCs between 2009 and 2010 was smaller than for any year since 1986, almost certainly as a result of the recession. Between 1980 and 2010 the number of solicitors on the Roll trebled (it increased by 201.5%) and the number of solicitors with PCs rose by 196%.
  
- 5 The number of solicitors on the Roll and the number with PCs fluctuate throughout the year. The number of solicitors on the Roll rises as more solicitors are admitted. Every spring solicitors without PCs are required to pay a £20 fee to keep their names on the Roll and as many do not do so, the number of solicitors on the Roll falls every June. Furthermore, solicitors are required to renew their PCs from 1 November every year. Not all solicitors do so and it is reasonable to assume that the number of solicitors with current PCs will fall every November. However, the number will rise during each of the following 11 months as the Solicitors' Regulation Authority (SRA) issues more PCs during the year. Thus the monthly figures for the number of PCs that have been issued should show that the apparently consistent and gradual path towards more and more solicitors is made up of a stuttering pattern of two steps forward and one step back each year. Table 2 illustrates the point:

**Table 2 Numbers of Solicitors with Practising Certificates before and after Renewal Date 2006 - 2011**

<b>Month and year</b>	<b>PCs issued in year to date</b>	<b>Increase/decrease in numbers</b>	<b>%age increase/decrease</b>
October 2006	107,958	n/a	n/a
December 2006	104,209	- 3,749	- 3.5%
October 2007	112,063	+7,854	+ 7.5%
December 2007	107,818	- 4,245	- 3.8%
October 2008	116,416	+ 8,598	+ 8.0%
December 2008	109,952	- 6,464	- 5.5%
October 2009	119,305	+9,353	+8.5%
December 2009	112,589	- 6,716	- 5.6%
September 2010	120,917	+8,328	+7.4%
December 2010	117,427	- 3,490	- 2.9%
October 2011	125,011	+ 7,584	+ 6.5%

By the time the SRA has processed all the PC applications at the beginning of the PC year, the number of PC holders falls - and it fell particularly sharply (by more than 5%) in the recession-hit autumns of 2008 and 2009. The number of PCs rises during the year because solicitors without them buy them as they find new jobs during the year and newly admitted solicitors buy their first PCs. The surprisingly high increase in numbers each year, particularly in 2009, is partly attributable to the record number of people who were admitted during this period (see Table 5). The most recent figure we have is that in October 2011 125,011 had been issued for 20010/2011. The trend for fewer solicitors to buy PCs during the year has begun and since fewer solicitors will be admitted in the next two or three years because fewer training contracts are being registered (see Table 7) and fewer overseas lawyers will take the new QLTS which is more expensive and demanding than the old QLTT, it is likely that the number of PCs that the SRA will issue each year will fall in the short term. This trend may continue as qualified solicitors choose regulators other than the SRA to regulate their businesses and thus continue to conduct legal business but do so without a PC.

- 6 As the profession has grown, the fear that this growth is unsustainable has re-emerged. However, Table 1 merely shows that the profession is highly populated; it does not show that the profession is too large. Although we know the number of solicitors on the Roll and how many have current PCs, we do not know how many solicitors are unemployed, taking career breaks, working part-time when they wish to work full-time or are working periodically as locums. We need to know this before we can judge how large the profession ought to be or address the other questions that Jonathan Clarke raised. The ASRs show the categories of employment of solicitors who hold PCs ie how many are employed in private practice, commerce and industry, local government etc and also how many are unattached to an organisation, so it is possible to identify how many people are working as solicitors. However, the ASRs do not show how many solicitors without PCs are unemployed and we need to know this to see the full picture. Table 3 shows how many solicitors with PCs were in work or out of work for every year since 1994. Over the past 15 years, the norm is that 74% - 75% of solicitors on the Roll have PCs and are attached to employing organisations.

**Table 3: Solicitors with practising certificates unattached to employment categories 1994 - 2010**

Year	1994	1995	1996	1997	1998	1999	2000	2001	2002
PC holders	63,628	66,123	68,037	71,637	75,072	79,503	82,769	86,603	89,045
Unattached	3,001	3,379	2,535	2,506	3,170	3,544	4,555	5,255	5,585
% unattached	4.7	5.1	3.7	3.5	4.2	4.4	5.5	6.1	6.2
Net PC holders	60,627	62,744	65,502	69,131	71,902	75,959	78,214	81,348	83,460
%age increase		+3.5	+4.4	+5.5	+4.0	+5.6	+3.0	+4.0	+2.6
%age on Roll	75.8	75.7	75.2	75.3	75.3	75.2	74.8	74.3	73.6

Year	2003	2004	2005	2006	2007	2008	2009	2010	2011
PC holders	92,752	96,757	100,938	104,543	108,407	112,433	115,475	117,862	121,933
Unattached	6,793	7,107	6,804	7,489	7,615	8,702	8,702	5,803	6,795
% unattached	7.3	7.3	6.7	7.2	7.0	7.7	7.5	4.9	5.6

Net PC holders	85,959	89,650	94,134	97,054	100,792	103,731	106,773	112,059	115,138
%age increase	+3.0	+4.3	+3.1	+3.1	+3.9	+2.9	+2.9	+5.0	+2.7
%age on Roll	74.0	74.0	74.6	73.9	75.0	74.3	73.4	74.6	72.2

- 7 The net number of PC holders is also shown in Graph 1 on page 19. Table 3 shows, surprisingly, that in every year throughout the current period of economic instability more solicitors with PCs were working than in the previous year. Despite the recession, in 2011 a record number of practising solicitors was in work. This does not suggest that the profession is too large.
- 8 However a number of caveats should be noted. Table 3 suggests a correlation between a period of economic expansion (such as between 2000 - 2008) and the number of unemployed solicitors who retain their PCs. Fewer unemployed solicitors have retained their PCs in 2008 and 2009 as economic confidence ebbed away and the number is currently rising again, despite what one might regard as the ameliorating effect of the SRA having reduced significantly in 2010 the PC fee payable by an individual unattached solicitor. And what does the future hold? There are presently a number of threats to the work that solicitors do. A further tranche of cuts to civil and criminal legal aid is imminent. The increased use of legal process outsourcing, the reduction in membership of lenders' panels, the difficulties of some firms in obtaining professional indemnity insurance and the continued slump in the property market all pose significant challenges to solicitors' work and their businesses. Further, it is also important to note that the landscape of legal services provision will change profoundly as more alternative business structures (ABS) become licensed and permitted to compete with solicitors' firms. It is likely that the delegation to unqualified staff of work that solicitors have done traditionally will continue and gather pace. How these developments will impact on the size of the solicitors' profession is uncertain.

### ***The Routes to Qualification***

- 9 Jonathan Clarke's speech raised concern about the numbers of students wishing to join the profession. We have current statistics relating to these. As one would expect, the numbers entering the profession have grown considerably. However, this is not wholly attributable to the numbers following the traditional path of entry (undergraduate study of a law degree followed by the vocational training course).
- 10 Since 1976/77, there have been 4 principal routes to qualification as a solicitor. The first is for the intending solicitor to study at university and take a qualifying law degree (QLD), followed by the appropriate vocational course (the old Part 2 exams (until 1979), the Solicitors' Final Examination (SFE) from 1979/90 – 1992/93) or the Legal Practice Course (LPC) since 1993/94 and after that obtaining and working under a 2 year training contract. An alternative route for undergraduates is to obtain a university degree which is not a QLD and to pass the Common Professional Examination (CPE) or Graduate Diploma in Law (GDL), which is a 1 year long conversion course, followed by the vocational course and training contract. The third route is for the would-be solicitor to qualify as a Fellow of the Institute of Legal Executives (FILEX) and to pass the vocational course (there is no need for the training contract). It is also possible to qualify by becoming a magistrates' court clerk and pass the LPC without needing a training contract, but very few qualify in this way (only 1 person did so in 2010/11). The fourth route is through transfer. Qualified barristers in England and Wales and qualified lawyers from other jurisdictions were able to qualify as solicitors in England and Wales by passing the Qualified Lawyers' Transfer Test (QLTT). The

QLTT was replaced by the more rigorous and expensive Qualified Lawyers Transfer Scheme (QLTS) from September 2010. The QLTT entrant, like the FILEX and magistrates' court clerk is exempt from the requirement of a training contract.

- 11 Tables 4 and 5 show the numbers of persons admitted to the Roll since 1976/77, the first year for which the Law Society has published comprehensive statistics, the routes to qualification taken by entrants and the numbers who chose each route. The tables also show the percentage increase or decrease in admissions for each year. Table 4 shows the numbers entering the profession before the LPC regime came into effect in 1993/94, and Table 5 covers the LPC years from 1993/94 to date.

**Table 4: Routes to Qualification – England and Wales 1976/77 – 1992/93**

Year	76/77	77/78	78/79	79/80	80/81	81/82	82/83	83/84	84/85	85/86	86/87	87/88	88/89	89/90	90/91	91/92	92/93
QLD	3,089	-	-	2,264	2,217	1,608	1,822	1,979	2,014	2,018	-	2,423	2,518	2,508	2,766	2,910	3,050
% admitted	64.3	-	-	64	68.8	71.9	70.2	72.5	75.1	74.1	-	74.7	73.3	67.2	64.8	65.1	69.1
CPE	932	-	-	-	-	299	344	383	408	438	-	460	476	551	411	451	624
% admitted	19.4	-	-	-	-	13.4	13.3	14	15.2	16.1	-	14.2	13.8	14.7	9.6	10.1	14.1
FILEX	113	-	-	619	483	233	247	224	87	88	-	134	67	53	-	-	-
% admitted	2.4	-	-	17.5	15	10.4	9.1	8.2	3.2	3.2	-	4.1	1.9	1.4	-	-	-
Transfer/QLTT	665	-	-	-	-	96	183	142	174	181	-	-	353	580	-	-	-
% admitted	13.9	-	-	-	-	4.3	7	5.2	6.5	6.6	-	-	10.3	15.5	-	-	-
Unknown	-	-	-	655	523	-	-	-	-	-	-	20	20	37	1,088	1,103	743
% admitted	-	-	-	18.5	16.2	-	-	-	-	-	-	0.6	0.5	1	25.5	24.7	16.8
Admissions	2,476	2,450	2,723	3,538	3,223	2,237	2,596	2,728	2,683	2,725	2,973	3,244	3,434	3,729	4,265	4,464	4,417
%age increase		-1.1	+11.1	+30.0	-9.0	-30.6	+16.0	+5.1	-1.7	+1.5	+9.1	+9.1	+5.8	+8.6	+14.4	+4.7	-1.1

- 12 Table 4 is incomplete because of the inconsistent and incomplete recording and publishing of this information. The first ASR was published in 1985 so earlier data is difficult to access. Although a detailed breakdown of numbers following the various routes into the profession appears to have been kept since 1976/77, none were published in 1997/78 and 1978/79, and in 1986/87 the information was published in the form of a bar graph, with no numbers shown.

**Table 5: Routes to Qualification – England and Wales under the LPC regime 1993/94 – 2010/11**

Year	93/94	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	10/11
QLD	3,089	-	-	2,456	2,579	3,000	3,129	3,395	3,464	3,596	3,807	3,907	3,791	3,726	3,575	3,843	3,952	3,592
% admitted	64.3	-	-	45.3	45.4	48.1	51.7	54.6	52.1	51.9	52.5	53.1	53.6	51.6	45.5	45.3	47.5	42.8
CPE	932	-	-	1,588	1,678	1,470	1,321	1,229	1,369	1,253	1,338	1,185	1,158	1,408	1,433	1,446	1,356	1,201
% admitted	19.4	-	-	29.3	29.5	23.7	21.8	19.7	20.6	18.1	18.5	16.1	16.4	19.5	18.2	17.0	16.0	14.3
FILEX	113	-	-	178	198	212	108	119	130	155	134	163	144	140	128	147	139	130

% admitted	2.4	-	-	3.3	3.5	3.4	1.7	1.9	2	2.2	1.8	2.2	2	1.9	1.6	1.7	1.6	1.5
Transfer/QLTT	665	-	-	844	964	1,214	1,134	1,123	1,127	1,530	1,570	1,488	1,290	1,245	1,879	2,211	2,099	2,113
% admitted	13.9	-	-	15.6	16.9	19.5	18.7	18.1	19.9	22.1	21.7	20.2	18.3	17.2	23.9	26.0	24.8	30.6
Unknown	-	-	-	351	266	341	364	352	356	390	398	613	692	704	846	844	934	913
% admitted	-	-	-	6.5	4.7	5.5	6.0	5.6	5.4	5.6	5.5	8.3	9.8	9.7	10.8	9.9	11.0	10.9
Admissions	4,801	4,695	4,620	5,417	5,685	6,237	6,056	6,218	6,646	6,924	7,247	7,356	7,075	7,223	7,861	8,491	8,480	8,402
%age increase	+8.7	-2.2	-1.6	+17.3	+4.9	+9.7	-3.0	+2.6	+6.9	+4.2	+4.7	+1.5	-3.9	+2.1	+8.8	+8.0	-0.01	-0.9

- 13 Less information was recorded in the ASR before 1996/97 which is why the numbers of those who pursued different routes to the LPC for those years is missing. The five rows marked “% admitted” show the percentage of those who were admitted to the roll in England and Wales during that academic year who qualified through each of the 4 routes of entry, or whose route is unknown.
- 14 Tables 4 and 5 show that the number of annual admissions increased steadily throughout the 35 year period since 1976 and has doubled since 1990/91. However, unlike the number of solicitors on the Roll or the number of solicitors with PCs which rose steadily every year throughout this period (with one exception in each case), the number of annual admissions is volatile, with occasional falls between one year and the next. Falls in the number of admissions usually occur a year or two after an economic downturn (the falls in 1980 - 82 followed the start of the downturn of the economy in the second half of 1979 and the fall in 1992/93 was in the aftermath of the recession of 1990 - 92). It is surprising that the number of annual admissions has reached record levels, with over 8,400 in each year between 2008/09 and 2010/11, during a period of economic uncertainty.
- 15 Since 1996/97, 22% of admitted solicitors have followed the CPE/GDL route and 2% have taken the FILEX route and the number who followed these routes has been relatively consistent each year. The number of admissions has risen by 50% over this period. This is due to more people taking the QLD and transfer routes. The QLD is the most common route but the proportion of newly admitted solicitors who follow it has fallen from 70% in the early 1980s to 54% today. The proportion who follow the transfer route has risen from 6% to 22% over the same period (and reached 30% of new admissions in 2010/11). This would not have been foreseeable in 1980 - Mr Clarke took no account of the QLTT route in his speech. While 92% of solicitors who were admitted in the early 1980s had worked under training contracts, only 76% of those who are admitted today have had training contracts. Graph 2 on page 20 shows the number of annual admissions, QLTT entrants and registered training contracts for the period 1981/82 - 2009/10. Since the length of a training contract is usually 2 years (which can be reduced to 18 months), one would expect the line representing the number of admissions to run approximately parallel to, but 2 years behind the number of training contracts if one assumes that all those who are admitted have undertaken training contracts. The graph does not show such a pattern.

### ***Legal Practice Course Numbers***

- 16 When commentators complain about the excessive numbers of people trying unsuccessfully to become solicitors their target is the LPC, which is rumoured to produce far more graduates than there are training contracts. But how true is this? Tables 6 and 7 look at the number of vocational course places (SFE places in Table 6, LPC places in Table 7), the number of students who enrol each year, the numbers who passed (and therefore became eligible to start a training contract) and the number of training contracts registered each year.



**Table 6: SFE places – England and Wales**

Year	76/77	77/78	78/79	79/80	80/81	81/82	82/83	83/84	84/85	85/86	86/87	87/88	88/89	89/90	90/91	91/92	92/93
F/T SFE													3,380	4,170	5,048	5,529	5,632
Exam sitters								3,139	3,236	3,242	3,235	3,316	3,545	4,120	5,002	5,559	5,671
% fluctuation								-	+ 3.1	+ 1.8	- 0.2	+ 2.5	+ 6.9	+ 16.2	+ 21.4	+ 11.1	+ 2.0
Pass SFE								1,774	1,869	1,948	2,059	2,379	2,583	3,170	3,828	4,201	4,319
Pass rate %								56.5	57.8	60.1	63.6	71.7	72.9	76.9	76.5	75.6	76.1
New TCs	2,535	2,983	2,814	1,894	2,832	2,417	2,864	3,365	-	2,918	3,065	2,918	3,550	3,254	3,841	3,941	3,689
% change		+17.6	-5.7	-32.7	+49.5	-14.7	+18.5	+17.5			+5.0	-4.8	+21.6	-8.4	+18.0	+2.6	-6.4

- 17 The method of recording the registration of training contracts changed in 1984/85. This resulted in incomplete data so the number of training contracts registered for that year was not published. The Law Society did not include the numbers of SFE places in its ASR until 1988/89. It recorded the number of students who enrolled on the SFE course for only 2 years and published the number of students who sat the SFE for the first time in the July of the year in question. The number of SFE places is limited to full-time places and excludes part-time places; the number of SFE exam sitters exceeded SFE places in 1991/92 and 1992/93 because the SFE exam sitters included part-time students. There was very little difference between the number of students who enrolled on the SFE and who sat the examination for the first time the following July, so for the purposes of this paper they are treated as being the same. From 1983/84 onwards, the ASR recorded only the numbers who passed their first sitting in the July examination (but in 1988/89, the total number of students who passed the SFE was also published). Before considering the statistics for the LPC, it is worth noting that during the final years of the SFE regime, the number of places, the number of people who sat the examination, the number who passed the examination and the pass rate rose significantly.

**Table 7: LPC places – England and Wales**

Year	93/94	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	10/11
F/T LPC	5,758	6,574	6,920	6,844	6,852	6,938	7,088	7,376	7,486	7,695	7,859	8,345	8,843	10,325	10,675	10,873	11,370	12,142
P/T LPC	628	918	954	1,322	1,322	1,286	1,526	1,500	1,632	1,486	1,700	2,256	2,498	2,948	3,064	3,152	3,140	3,024
Total LPC	6,386	7,492	7,874	8,166	8,174	8,224	8,614	8,876	9,118	9,181	9,559	10,601	11,341	13,273	13,739	14,025	14,510	15,166
Enrolled LPC	5,762	6,829	6,921	6,278	6,250	6,285	6,830	6,805	7,141	7,377	7,912	8,649	8,262	9,850	9,662	9,337	7,064	6,067
% fluctuation	-	+ 18.5	+ 1.3	- 9.3	- 0.1	+ 0.1	+ 8.7	- 0.4	+ 4.9	+ 3.3	+ 7.2	+ 9.3	- 4.5	+ 19.2	- 1.9	- 3.4	-24.3	- 14.2
% filled	90.2	91.1	87.9	76.9	76.8	76.4	79.3	76.6	78.3	80.3	82.8	81.6	72.9	74.2	70.3	66.6	48.7	
Withdrawals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	58	46	33	
Pass LPC	4,691	4,755	4,775	4,338	4,460	4,627	5,007	4,990	5,467	5,721	6,258	6,558	6,376	5,921	7,606	5,824	6,148	
Pass rate %	81.4	68.6	69	69	71.3	73.6	73.3	73.3	76.5	77.5	79	75.8	77.1	60.1	78.7	62.3	87.0	
New TCs	3,874	4,170	4,063	4,739	4,826	4,827	5,285	5,162	5,385	5,650	5,701	5,732	5,751	6,012	6,303	5,809	4,874	5,441
% change	+5.0	+7.6	-2.6	+16.6	+1.8	0	+9.5	-2.4	+4.3	+4.9	+0.1	+0.05	+0.03	+4.5	+4.8	-7.9	-16.1	+11.6

- 18 The number of LPC places offered in England and Wales has risen by 137.5% since 1993/94 and rose continuously throughout this period. However, it is important not to confuse the number of LPC places (14,510 in 2009/10) with the number of students enrolling on the LPC (7,064 in 2009/10). The disparity between the number of LPC places and enrolments is even starker in the provisional figures for 2010/11, with 15,166 available places and 6,067 full-time enrolments according to the Central Applications Board (CAB)). One should not place much reliance on the CAB's figure as it has not been verified by the Law Society and the numbers of LPC enrolments recorded each year by the CAB is lower than those recorded by the SRA - amongst the reasons for this are that not all students apply for their LPC through the CAB, and the CAB does not record the number of part-time LPC students - but this is the best available information . Unfortunately, for the first time the ASR for 2011 did not publish the statistics relating to the numbers of students enrolling on, failing, passing or withdrawing from the LPC. Graph 3 on page 21 shows the number of SFE/LPC places, the number of people enrolled on the respective courses and the number who passed the examination from 1988/89 - 2009/10. It is worth noting at this point that not all students pass the LPC. The ASR show that between 1993/94 - 2008/09 the average LPC pass rate was 72.9%.
- 19 Table 7 shows that the decline in LPC enrolments (of 5.3% from 2006/07 to 2009/10) continued in 2010/11 - but it probably fell by less than 14.2% in 2010/11 because these calculations were made on the basis of CAB data in the absence of authoritative Law Society statistics. However, these statistics are the best available information. The figures show that the number of students who enrolled on the full-time LPC in 2010/11 was only 61.6% of the number who had enrolled on the full-time and part-time LPC in 2006/07. The campaign of warning students to think carefully before committing to the expense of the LPC issued by the Law Society, SRA and others (see *The Times* of 21 January 2010), the squeeze on credit and the imposition of higher fees for undergraduates from 2012/13 and the resultant higher levels of debt amassed by students from their undergraduate days make it likely that the trend will continue. This trend is not confined to prospective solicitors: according to *The Times* of 18 August 2010, the number of students taking professional courses fell nationally by 13% from 2008/09 to 2009/10.
- 20 Tables 6 and 7 and Graph 3 show that the SRA has validated institutions to provide far more LPC places than can be filled. So although between 1993/94 and 2009/10 the number of people who enrolled on the LPC increased by 22.7%, the LPC vacancy rate rose from 9.8% to 51.3% (and it is now 60%, according to the CAB's figures for 2010/11, but this does not take part-time students into account). According to the CAB, not a single LPC provider filled its places in either 2009/10 or 2010/11 (and only 1 was full in 2008/09).
- 21 Tables 6 and 7 also show that the number of training contracts offered from year to year varies considerably. The very odd fluctuations in 1979/80 and 1980/81 may be attributable to the change from the old Part 2 course to the SFE in 1979/80 as well as the economic recession of the time. The number of training contracts also fell in 1987/88 as well as during the recession year of 1989/90 and fell again in the last year of the SFE (1992/93). The number fell intermittently during the period following the start of the LPC in 1993/94 before the sharp falls in 2008/09 (of 8%) and 2009/10 (of 16.1%) which have been caused by the latest recession. The trend has been reversed in 2010/11 but the 2011 ASR warns that it is possible that "system error" may have contributed towards the change in the trend from 2008/09 to 2010/11 so the figures for the past 2 years should be viewed with caution. What one can conclude is that although the number of training contracts registered annually rose by 20.5% between 1993/94 and

2009/10., the number of training contracts that are available in any one year has been difficult to predict, though as one would expect, the numbers of training contracts falls during recessions even though the number of practising solicitors does not, as a general rule.

- 22 Reassuringly, Table 7 shows that although over the first 17 years of the LPC regime, the total number of students who pass the LPC in one year exceeds the number of training contracts registered by the SRA the following year, the surplus of graduates is very small and the number of LPC graduates is broadly in line with the number of training contracts. In fact, the number of training contracts exceeds the number of LPC passes the previous year in 7 of the 17 years. The fact that the number of LPC graduates and the number of training contracts has not been synchronised has doubtless caused misery to a number of LPC graduates who were unable to obtain training contracts when they wanted them but the ASRs suggest that they would have found training contracts eventually. As recently as 2007/08 more training contracts had been registered since 1994/95 than the number of LPC graduates. Even now, after 2 years of a surplus of LPC graduates, if one adds the numbers in the row marked "Pass LPC" in Table 7 one obtains a total of 87,374 students who passed the LPC between 1993/94 - 2008/09. Some of these (1,956 between 1996/97 - 2008/09, as shown in column F of Table 8) were FILEX and therefore not in the market for training contracts, making a pool of 85,418 who had passed the LPC and were looking for a training contract during this period. Add the numbers in the row marked "New TCs" from 1994/95 onwards (ie the first year that a LPC graduate will have started a training contract) and one obtains a total of 84,289 training contracts registered between 1994/95 - 2009/10. The data in Table 7 shows that only 1,129 more students passed the LPC between 1993/94 - 2008/09 than the number of training contracts that were registered in England and Wales since 1994/95. If one assumes that only students who passed the LPC obtained training contracts from 1994/95 - 2009/10, only 1,129 of the 87,374 who passed the LPC failed to obtain training contracts - this means that only 1.3% of those who passed the LPC failed to obtain a training contract!
- 23 The small surplus of those who passed the LPC over the number of training contracts registered annually may be surprising but the assumption that only those who had passed the LPC have obtained training contracts since 1994/95 is false. Moreover, the figures in Table 7 do not tell the whole story for two and possibly three reasons:
- They do not take account of the number of people who had passed the SFE and obtained training contracts in 1994/95 and later years, for example as a result of deferring their training contracts, having accepted offer of a training contract years several years in advance or from passing the SFE in the 1993/94 academic session or later. Unfortunately, apart from 1988/89, the Law Society did not include in its ASRs the numbers of students who passed the SFE in the academic sessions following their year of enrolment on the SFE course. This information is important because of the ripple effect they have caused: they obtained training contracts (eg in 1994/95), causing some who passed the LPC in 1993/94 to be unable to obtain training contracts in 1994/95 and work (eg as paralegals) before obtaining training contracts in 1995/96 thus delaying some who passed the LPC in 1994/95 from obtaining training contracts in 1995/96 who in turn work as paralegals etc for a year before obtaining training contracts in 1996/97 etc.... Table 8 shows that by the end of the SFE regime, more students were passing the course than the number of training contracts that were available the following year.
  - The figures recorded in Table 7 show only the number of students who enrolled for the LPC in that academic session who passed the LPC during the summer or autumn diet of examinations and therefore do not include deferred and referred students. Thus a student who enrolled for the LPC for the 2007/08 academic session but did not pass the course until July 2009 would not be included in these figures. Neither do

these figures include students who interrupted their studies during the LPC and therefore passed the course at the first attempt during a later academic year.

- The figures in Table 7 show the numbers of students who enrolled on the LPC during the years in question, but do not take into account those students who took integrated degrees, such as that offered by the University of Northumbria, which included the LPC within the 4 year degree course. The Law Society's annual statistics do not show how many students enrolled on this course in any of the years in question but these graduates would have required a training contract before they could qualify as solicitors and should therefore be taken into account.

### ***Adjusting the Figures to Produce a More Accurate Picture***

- 24 Table 8 (see page 18) was compiled to calculate more reliable information. In order to be as accurate and authoritative as possible, Table 8 gathers together as much information as possible dating back to Jonathan Clarke's day. The sources for all the figures shown in Table 8 are the ASRs published since 1984. There are some gaps in the information recorded in these reports. The Law Society has not published the number of students with integrated degrees who have been in the market for training contracts so this paper does not include them or speculate about how many of them they may have been over the years. Paragraphs 25 - 32 explain the information shown in particular columns of Table 8 and the assumptions that were made to calculate how many LPC graduates have not obtained training contracts.
- 25 Column B shows the number of students accepted on undergraduate law courses every year. The figures that are not in brackets are the numbers of UK students who are accepted and the figures in brackets are the total number of newly enrolled law students, including overseas students. This column does not include students who are studying joint honours degrees. The ASRs state that there may be an additional 4,000 - 5,000 of these students each year. Despite the imposition of tuition fees of £1,000 per year from 1998/99, rising to the cap on variable fees to £3,000 per year in England from 2006/07 and in Wales from 2007/08, and the further increase to £3,225/year in 2008/09, the number of undergraduate law students continues to rise.
- 26 Columns C and D are self-explanatory and show the number of students who are awarded law degrees and the CPE in given years. Column E is significant as it indicates the maximum number of students who could pass the LPC during that academic year, as enrolling with the SRA as a student is a pre-condition for enrolling on the LPC. The figures show a substantial increase in numbers enrolling with the SRA over the past 20 years, reaching a peak in 2006 - 2008 before falling as the recession and credit crunch have bitten. The number of students who have enrolled on the CPE has fallen in 2010/11. The uncertainty of obtaining training contracts, the general uncertainty over the future of legal services and the impact of higher undergraduate tuition fees may deter potential CPE students; equally, it is possible that higher undergraduate tuition fees will deter students from taking other undergraduate courses, with more of them making what they may consider to be the safe choice of an undergraduate law course and therefore not requiring a CPE before starting the LPC.
- 27 Column F shows the number of students who are recorded by the Law Society as having passed the SFE or LPC during the academic year in which they enrolled on the course. For the SFE, this means those who passed the July examination at the first attempt - since the results were not released until the following November, students did not resit failed assessments until the following year and those resit results were not published in the ASRs.

As far as the LPC is concerned, assuming full-time students enrol in September of academic year 1, these figures show the numbers who pass in July of year 1 and October of year 2 (the re-sit results). As stated in paragraph 23, these figures understate the number of students who passed the SFE and LPC each year since they exclude the students who passed the course later than October in Year 2 (fulltime students must pass the LPC within 3 years of enrolment). Unfortunately, there is no way of discovering how many there are of these students. This creates a difficulty which this paper attempts to address in columns J and K. Not all SFE or LPC graduates will have entered the market for a training contract, as magistrates' court clerks and FILEX are exempt from the requirement of a training contract. From 1996/97 onwards (the only years for which we have these statistics), therefore, column F deducts the number of FILEX who qualified as solicitors to obtain the most accurate figure possible for the number of students each year who would have become eligible to start a training contract. Even so, the figures in column F are not completely accurate because they do not also deduct the number of magistrates' court clerks who qualified as solicitors each year, as we do not have this information. Column F is shown as the yellow line in Graph 2 on page 20 and the dark blue line in Graph 3 on page 21.

- 28 Column G shows the number of training contracts registered each year. This is also shown as the pink line in Graph 3 on page 21.
- 29 Column H shows the difference in number between those who became eligible to start a training contract each year and the number of training contracts that were registered in that particular year. Until 1991/92, these figures show that more training contracts were being registered than the number of students who passed the SFE the preceding year. This is explained by the fact that the number of students who passed the SFE later than their first July sitting were not recorded. However in the last 2 years of the SFE regime more students passed their first July sitting than obtained training contracts the following year. Thus, when the LPC started there was already a surplus of people who had passed the SFE who were looking for training contracts and some of them may have obtained training contracts in 1994/95 or later and others may have deferred their training contracts to 1994/95 or later. The annual totals in column H were calculated by taking the net figure in column F and deducting from it the figure in column G for the following year. For example, 4,160 people who passed the LPC in 1996/97 were in the market for the 4,826 training contracts registered in 1997/98; thus there was a deficit of LPC graduates of 666 (shown as - 666). For the purposes of this calculation this paper assumes that all those who had passed the LPC in one year were seeking a training contract to start in the following year - this assumption is too general and therefore false, as some people would have deferred the start of the training contract for a year (either voluntarily or because they accepted the offer of a training contract to start more than a year after they had completed the LPC). However untrue this assumption may be, it has been made to simplify the calculations. As mentioned above, the figures for the surplus of LPC graduates are much lower than one would expect. It is significant that the surplus has grown substantially since 2004/05.
- 30 The running total shows the surplus or deficit of all those who passed the SFE/LPC over the number of training contracts registered since 1992/93 when the surplus of demand over the supply of training contracts first became apparent. This shows that as recently as 2007/08 more training contracts had been registered over this period than the number of people who had passed the SFE and LPC. This is a startling statistic that begs explanation, but it is what the Law Society/SRA figures show.
- 31 As explained in paragraphs 23 and 27, the numbers of LPC graduates shown in column F are incomplete as they show only the LPC students who passed the course by October of Year 2 (or 2 academic years in the case of part-time courses), not the total number who passed the course. Many

students defer taking one or more of their assessments until the second academic year, others who are referred in assessments do not take the re-sit at the first opportunity, while for others who have to take a third attempt at an assessment, the third opportunity to take that assessment does not occur until the second academic year - all students had to complete the LPC within 3 academic years (this period has since been extended to 5 years). Table 7 shows that the annual pass rates of LPC students since 1993/94 varied from 62% - 79% with an average pass rate of 72.9% so on average 27% of LPC students do not pass the LPC within the first academic year. Some of these failed students pass the LPC eventually so there is a potentially large pool of students who passed the LPC who are not shown in column F. Some (many?) of those may find training contracts eventually, for example, after working for some time as a paralegal within the firm that offers them a training contract. Ignoring them, as columns H and I do, underestimates significantly the surplus of LPC graduates. The SRA has not produced figures showing how many of these students pass the LPC eventually. Over the past 10 years at a leading LPC provider whose statistics I have inspected, 44% of students who found themselves in this position passed the LPC eventually. That seems a reasonable starting point for calculating how many students in England and Wales passed the LPC after their year of enrolment. Not all students who enrol on the LPC and fail to pass it within their year of enrolment take their re-sits (some withdraw during the course, others give up after receiving their July or October results and some are barred from re-sitting because they have failed a skills or accounts assessment for the third time and have failed the LPC), so this paper assumes that only 40% of these students will pass the LPC eventually (essentially, the assumptions are that 10% don't re-sit assessments, that about 44% of those that do will pass). Applying this percentage produces a final overall pass rate for the LPC of 84%. These students are referred to as "notional LPC graduates" in column J. This paper has not produced equivalent adjusted figures for the SFE because the SFE operated under a different assessment regime and there didn't appear at the time to be an oversupply of students who had passed it. However, it is possible that some 40% of those who failed it the first time later passed. This remark is based on the fact that in 1989 a total of 5,181 students sat the SFE, 3,272 of whom passed. If one deducts from these figures the number of students who sat the examinations for the first time (which is shown in Table 8), 1,636 students re-sat the whole or part of the SFE examination in 1989, of whom 689 (42.1%) passed.

- 32 Columns H and J for 1993/94 were added to the surplus of 512 people who had passed the SFE in 1992/93 to produce the starting figure for column K, the adjusted total surplus of LPC graduates. For each year in turn columns H and J were added (or subtracted, if there was a deficit) to the adjusted figure of the previous year. It is not possible to establish whether the figures shown in columns J and K are accurate or not, but they are sensibly calculated and realistic. This formula produces a total of 15,045 surplus LPC graduates produced by October 2010 – ie the 15,557 at the foot of column K less the 512 surplus of students bequeathed by the LSF in 1992/93). This is a significantly higher number than the much figure of 2,086 produced by the ASR (a difference of 12,959). Adding the surplus LPC graduates to the starting surplus of SFE graduates produces a maximum surplus of 15,557 graduates who could be looking for training contracts. Many of them will have abandoned the search and found new careers. A few will have qualified as solicitors through working as magistrates' court clerks. Nobody knows how many of these people are actively seeking training contracts now but it would be reasonable to suppose that those who first started looking more than 10 years ago, when the oversupply of LPC graduates was relatively constant, will have given up by now, particularly as the notional oversupply has tripled over this period.
- 33 Graph 4 on page 22 shows columns, F, G and J from Table 8 more visually. The notional number of LPC graduates from 1993/94 is the yellow or palest line on the graph - produced by adding column J to column F (ie adding to the number of students who passed the LPC, the 40% who had failed it but who this paper assumes would have passed the course eventually). The dark blue, or darkest line, shows the annual number of students

who passed the SFE/LPC since 1983/84 (ie column F) and the pink line shows the number of training contracts registered each year since 1983/84, which has been taken from column G of Table 8. Largely because of the lower number of students enrolling on the LPC, the number of students passing the course is falling in line with the reduced number of training contracts, but the number of notional LPC graduates is still worryingly high.

### ***The Findings Of Other Studies***

- 34 This paper was written to gather evidence to show the true scale of the mismatch between LPC graduates and vacancies for training contracts and it has therefore been reliant upon the Law Society's published statistics. The adjustments to the figures made in Table 8 were calculated only because the statistics were incomplete or inadequate in some way. However, during this paper's gestation it has become apparent that similar work has been done in the recent past for the same purpose.
- 35 In 2006 the Law Society's Research Unit analysed some LPC data in the run up to the development of the Work Based Learning pilot. It took all those students who graduated between September 1993 and September 2003 and examined the numbers who had secured training contracts and been admitted by September 2006. Of the 47,574 LPC graduates 18.4% (8,754) had not been admitted and 14.7% (6,989) had never secured a training contract. The Research Unit's finding in 2006 that 6,989 LPC graduates students had not obtained a training contract is consistent with (but slightly higher than) the adjusted findings in column K of Table 8 (see the entries of 6,091 for 2002/03 and 6,617 for 2003/04).
- 36 Another work which has tried to provide some reliable evidence of the disparity between the numbers passing the LPC and the number of training contracts is *Numbers Gaining the Diploma in Legal Practice* which was written by Brain Read, a member of the Legal Profession Task Group of the Association of Graduate Careers Advisory Services, in 2008. As part of the project he asked all LPC providers to provide him with the number of full-time and part-time students who ended their studies in the summers of 2005 and 2006 respectively, the numbers who passed in the July sitting and the numbers from those cohorts who passed the LPC later. 12 institutions supplied this information, which he regarded as a representative sample. He calculated from this information the proportion of candidates who passed in July and the proportion who passed subsequently and applied these proportions to the statistics in the Law Society's ASR for the corresponding years. Of the candidates in his 12 participating institutions who sat the full-time assessment for the first time in July 2005, 24% eventually passed the LPC, and of those who sat for the first time in July 2006, 23% eventually passed it. Applying these proportions to the number of students enrolled on the LPC for each of those years, he found that 8,000 of those who were enrolled on the 2004/05 LPC passed it (the statistical report for 2005 shows that 6,558 students passed) and 7,900 of those enrolled on the 2005/06 course passed it (the statistical report for 2006 shows that 6,376 students passed). His calculations produced significantly more students who passed the LPC than Table 8 of this paper, so it is not surprising that he concludes that "We are ... left with the figure of at about 2,000 diplomates each year for whom there are no training contracts available in that year" - that is more than twice as many as this paper has calculated. The main reason why Mr Read's figures differ from those shown in this paper is that he worked on the basis that the figures in the ASRs were those for the July sitting only (which they used to be, in the SFE days), when they include the autumn resit results. Consequently he applied the 24% and 23% resit calculation to a number of students who had already passed the LPC on a resit and thus overestimated the number of students who passed the LPC in each year.

### ***Conclusions and Recommendations***

- 37 There is nothing wrong with an oversupply of candidates for training contracts. There is only a finite amount of legal services work that can be done by solicitors and therefore a limit to the number of solicitors that we need. It is in the best interests of the profession that many people aspire to join it but it is not necessarily in the best interests of the profession that all of them should become solicitors. If anyone who wants to could become a solicitor, the profession would lose much of its prestige. If there were too many qualified solicitors and unemployment within the profession became a significant issue, it would deter the best talent from aspiring to join the profession. Arguably, this would also discourage people from deprived backgrounds the opportunity to become solicitors as funding for the LPC would become much harder to obtain if banks perceived that qualified solicitors would be unable to afford to repay their loans. Therefore there must be a point at which some aspiring solicitors will fail to qualify. There are a number of potential cut-off points during the qualification process: the class of degree, the result of the LPC, the difficulty of obtaining a training contract or at the point after qualification when the new solicitor is looking for his/her first job. At present, the cut-off point is the difficulty in obtaining a training contract. Whether this should be the point when aspiring solicitors' career paths are halted or delayed is a topic for another paper, but arguably the later the point is at which an aspiring solicitor loses the opportunity to qualify, the crueller it is and the greater is the wasted expense.
- 38 Although there is nothing intrinsically wrong with an oversupply of candidates for training contracts, the size of the surplus is important. It has not proved possible to find comprehensive and consistent data to calculate precisely how large is this oversupply. However, it is important that the best possible information is obtained to determine the size of the oversupply of students who pass the LPC but are unable to find training contracts and that is what this paper has striven to do. This information is important for a number of reasons, which include the need to properly inform students who are embarking on their (undergraduate and vocational) studies with the ambition of becoming solicitors and to quantify the number of people who may wish to participate in any future work-based learning scheme and thereby qualify as a solicitor. It is apparent that there is a need for the SRA to gather and publish more detailed information to enable stakeholders to better inform prospective solicitors of their chances of obtaining a training contract. In relation to this particular finding, the following recommendations can be made:
- According to the Law Society's Research Unit, "the SRA collects quite detailed data and information on student enrolments and LPC graduates. The data is not directly accessible to anyone, really, outside the 3 teams which specialise in extracting data from REGIS (SRA MI team, the BAS team or the Logica MI teams) but information is available - it's more a matter of knowing what's on there and how to ask for what you need from those teams. The analysis the Unit undertook was based on an extract with designed specifically to capture surplus. The issue of direct accessibility may well change when REGIS is decommissioned in 2011 but anyone approaching the data directly will still need to understand what data is captured and how - and those working in MI will always have the best knowledge about that". The Law Society should know what this is too. Other stakeholders, such as the University Careers Advisory Service, may also be interested in this information. The report prepared by Brian Read for UCAS in 2008 stated that "The Solicitors Regulation Authority, to whom the name of every successful candidate has to be reported whenever he or she passes, are ... unable to calculate for any 12-month period how many persons have been awarded the Diploma. So no completely accurate statistics comparing the numbers seeking training contracts and number of training contracts available can be produced". These historical statistics should be produced and published;



- The SRA needs to collate and publish more detailed statistical information about students taking the LPC and those taking integrated degrees from the LPC providers in future. In particular, the SRA should publish annually the number of students who have passed the LPC in academic years later than the one in which they register, and should indicate whether these students have deferred or been referred in these assessments. This is particularly important now that under the LPC3 regime it is possible for students to take their elective subjects (stage 2) at a different institution to that in which they studied the core stage 1 of the course and have 5 years in which to pass the LPC. Furthermore, students have greater flexibility over when they take their re-sit assessments, which also makes it hard to track their progress and thus compile accurate and complete statistics and it is easier for the LPC providers to track this information than the SRA.
- The SRA should keep its records relating to the numbers of students seeking admission to the profession in a more accessible way. In particular, it should record in its quarterly summary of performance measures and statistics the total number of training contracts it has registered during the year since 1 August (or any other date from which the statistical year runs - that date should be published too) and the number it has registered in the quarter on which it is reporting and it should show the comparable figures for the preceding year so that the annual trend is clear;
- The SRA should keep a record of how many solicitors on the Roll are unemployed and report in its quarterly summary of performance measures and statistics how many solicitors on the Roll, whether holding current practising certificates or not, are unemployed;
- The SRA should track solicitors who remove themselves from the Roll in order to provide legal services regulated by an entity other than the SRA and should publish these figures,
- It is regrettable that since the se recommendations were first published in March 2011 the ASR has failed to publish the statistics relating to the academic and vocational education stages prior to entry to the profession.

39 In relation to the current supply for entrants to the profession, the following conclusions can be drawn:

- The number of undergraduate law students is rising very quickly (an increase at 1<sup>st</sup> year level of 50% since 2006/07) and it is important to manage the expectations of aspiring solicitors so that their hopes of qualifying as a solicitor and the lifestyle they can expect are realistic;
- Although the number of LPC students has been falling, the number of training contracts has fallen too and the oversupply of applicants for training contracts has grown;
- This likely to continue for at least another year as the effect of large firms deferring students' training contracts in 2008/09 and 2009/10 impacts upon the number of training contracts on offer;
- The situation has been caused by firms hiring as trainees students who did not pass the LPC within the academic year in which they enrolled on the course (ie by October of Year 2). One way of reducing the number of students who are seeking training contracts would be to reduce the number of attempts a student can take to pass the LPC from 2 to 3. Another possible measure would be to reduce the period of time in which a student may pass the LPC (with an equivalent reduction for part-time LPC students), but since the SRA has increased this from 3 to 5 years, such a recommendation is unlikely to be adopted. However, limiting the LPC to a 5 year "shelf-life", so that a LPC graduate cannot register a training contract more than 5 years after s/he has passed the LPC is also possible. Another possibility is to increase the rigour of LPC assessments so that the pass rate falls from the surprisingly high rate of 84%;

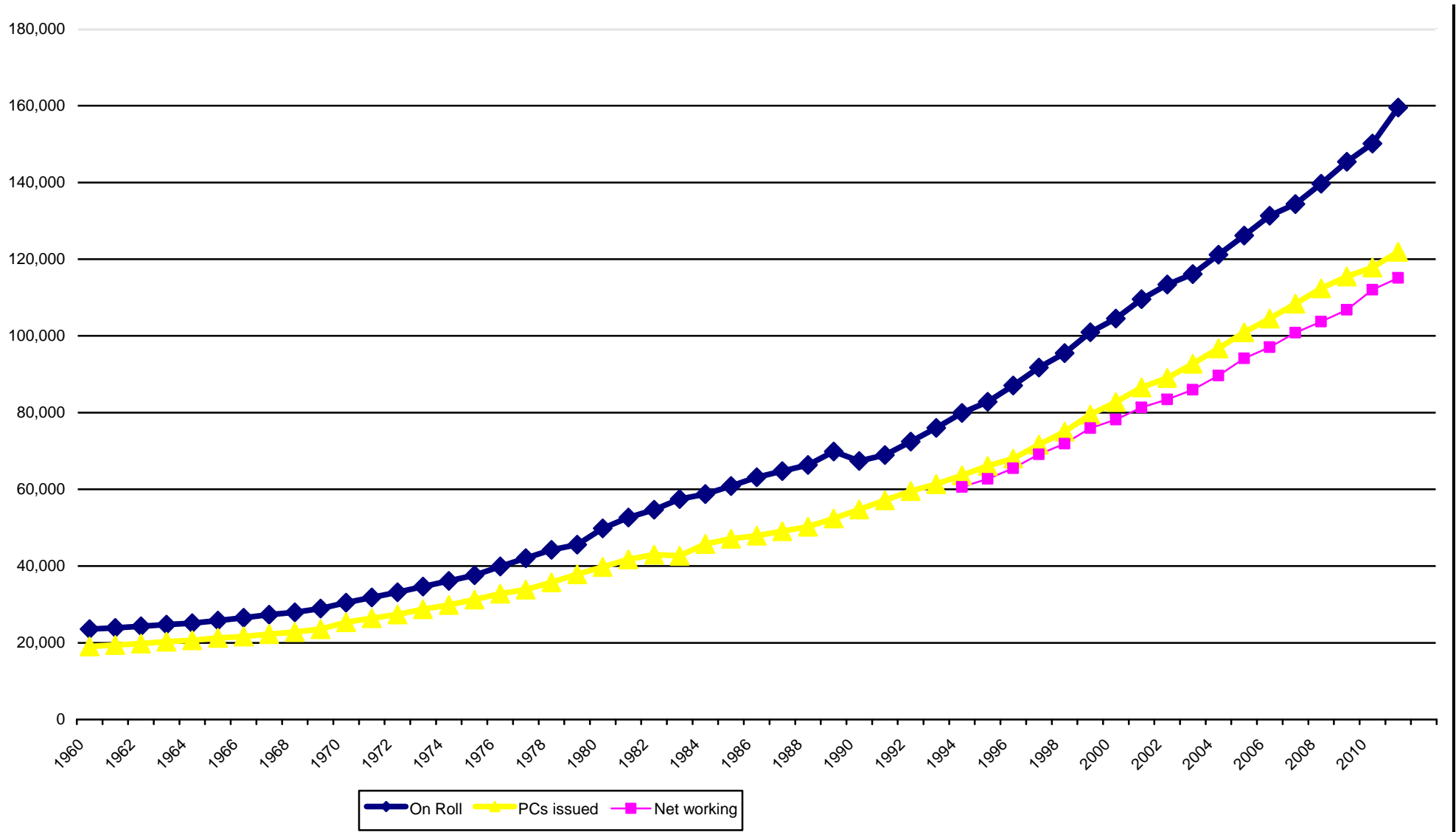
- Although the scale of the alleged oversupply of LPC graduates is smaller than some commentators might expect and can be managed in future in the ways suggested in the preceding bullet-point, work-based learning may provide an alternative route to qualification as a solicitor provided that the SRA and LSB are happy with the pilot and any adjustments they propose to make to the arrangements and it is considered desirable to implement the scheme. As noted in this paper, a lower proportion of solicitors are admitted today having worked under a training contract than was the case 35 years ago, when the training contract route was the norm, and there is no reason why that trend should not continue given that training contracts are presently so hard to obtain; and
- Although there is some evidence of the market correcting itself with fewer students currently enrolling on the LPC, this issue is unlikely to go away satisfactorily. There have always been more students passing the SFE/LPC than there were available training contracts. This has been irksome to practitioners who were inundated with job applications from prospective trainees and worrying for those unable to find training contracts, but the issue did not greatly interest or concern the Law Society or the legal press. A number of factors produced the current concern. They include increased student debt, which has been caused by the shift from taxpayers to students paying for undergraduate courses and will continue with the proposed new tuition fees from 2012/13, the expansion of LPC places (which has created a misconception that LPC providers are profiting from high fees) and the reduction in training contracts caused by the recession which may continue as solicitors businesses mutate into other types of legal service providers, such as licensed conveyancers or forms of ABS which is not regulated by the SRA. It is no coincidence that in 2009 that the president of the Law Society mounted an information campaign to deter students who had no chance of obtaining a training contract from undertaking the LPC. This was the first year that graduates would have incurred £9,000 worth of debt for their undergraduate tuition and it was a year of recession with fewer training contract positions available. These factors are beyond the control of the Law Society but they are matters to which it must pay heed.

Thanks to Nina Fletcher of the Law Society's Research Unit for checking the figures and to Nina Fletcher, Sarah Croxall and Brian Read for commenting on drafts of this paper.

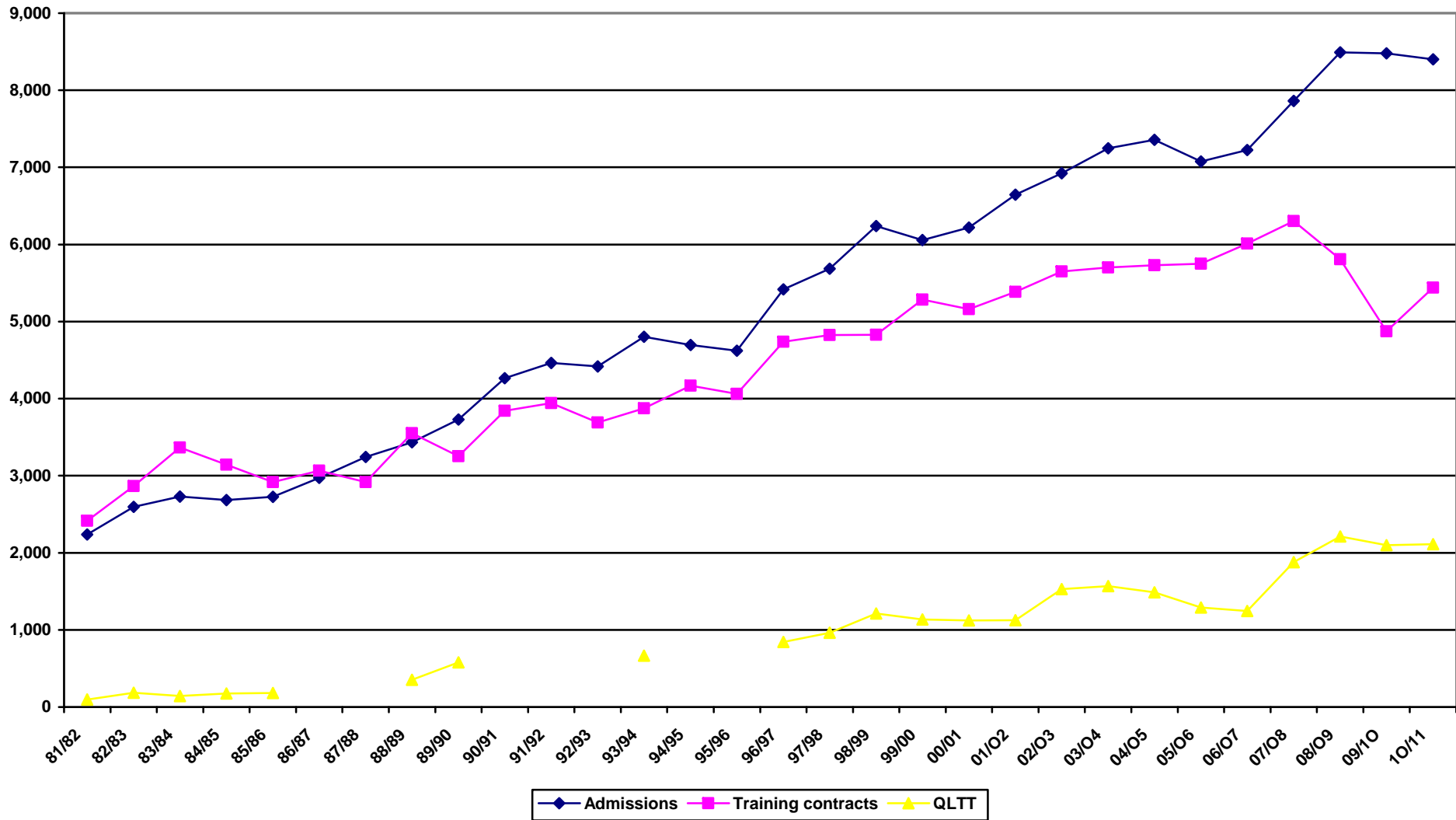
David Dixon

**Table 8: The shrinking bottleneck**

A	B	C	D	E	F	G	H	I	J	K
Year	Admissions to under-graduate law courses	Degrees awarded	CPE	Student enrolments with Law Society	Net SFE/LPC graduates ie less FILEX	Training contracts	Surplus of SFE/LPC grads	Running Total	Notional additional LPC Graduates	Adjusted total surplus LPC Grads
1980/81		3,619				2,832				
1981/82		4,028				2,417				
1982/83		3,867				2,864				
1983/84		4,006			1,774	3,365				
1984/85		2,705*			1,869	Unrecorded				
1985/86		4,659			1,948	2,918				
1986/87		4,558			2,059	3,065				
1987/88	(5,128)	4,834			2,379	2,918				
1988/89	(5,537)	5,229		3,076	2,583	3,550				
1989/90	(5,930)	5,134		4,188	3,170	3,254				
1990/91	(6,605)	5,674		7,526	3,828	3,841				
1991/92	(7,281)	5,654		6,635	4,201	3,941				
1992/93	(8,444)	5,882		7,007	4,319	3,689	+ 512	512		512
1993/94	(9,172)	5,969		Not recorded	4,691	3,874	+ 445	957	428	1,385
1994/95	7,515 (8,997)	6,449		6,889	4,755	4,170	+ 521	1,478	829	2,735
1995/96	7,853 (9,382)	9,265		Not recorded	4,775	4,063	+ 692	2,170	858	4,285
1996/97	8,425 (9,998)	8,892		6,570	4,338 - 178 = 4,160	4,739	+ 36	2,206	776	5,097
1997/98	9,338 (11,101)	8,943		7,915	4,460 - 198 = 4,262	4,826	- 666	1,540	716	5,147
1998/99	9,406 (10,993)	9,090		6,777	4,627 - 212 = 4,415	4,827	- 565	975	663	5,245
1999/00	9,664 (11,154)	9,324	2,285	7,793	5,007 - 108 = 4,899	5,285	- 870	105	729	5,104
2000/01	10,002 (11,467)	9,248	2,260	7,595	4,990 - 119 = 4,871	5,162	- 263	- 158	726	5,567
2001/02	11,075 (12,606)	9,204	2,494	8,513	5,467 - 130 = 5,337	5,385	- 514	- 672	669	5,722
2002/03	10,272 (11,848)	10,007	3,146	9,195	5,721 - 155 = 5,566	5,650	- 313	- 985	662	6,071
2003/04	11,071 (12,993)	11,139	3,504	9,831	6,258 - 134 = 6,124	5,701	- 135	- 1,120	661	6,597
2004/05	11,506 (13,504)	12,084	3,408	9,665	6,558 - 163 = 6,395	5,732	+ 392	- 728	836	7,825
2005/06	11,554 (13,693)	12,858	3,485	10,159	6,376 - 144 = 6,232	5,751	+ 644	- 84	754	9,223
2006/07	11,214 (13,499)	13,662	3,467	11,351	5,921 - 140 = 5,781	6,012	+ 220	136	1,571	11,014
2007/08	14,988 (17,702)	13,803	3,507	11,558	7,606 - 128 = 7,478	6,303	- 522	- 386	822	11,314
2008/09	16,178 (19,020)	13,433	3,878	9,954	5,824 - 147 = 5,677	5,809	+ 1,669	1,283	1,405	14,388
2009/10	16,670 (19,882)		3,959	8,098	6,148 - 139 = 6,009	4,874	+ 803	2,086	366	15,557
2010/11	c 18,000		3,429			5,441				

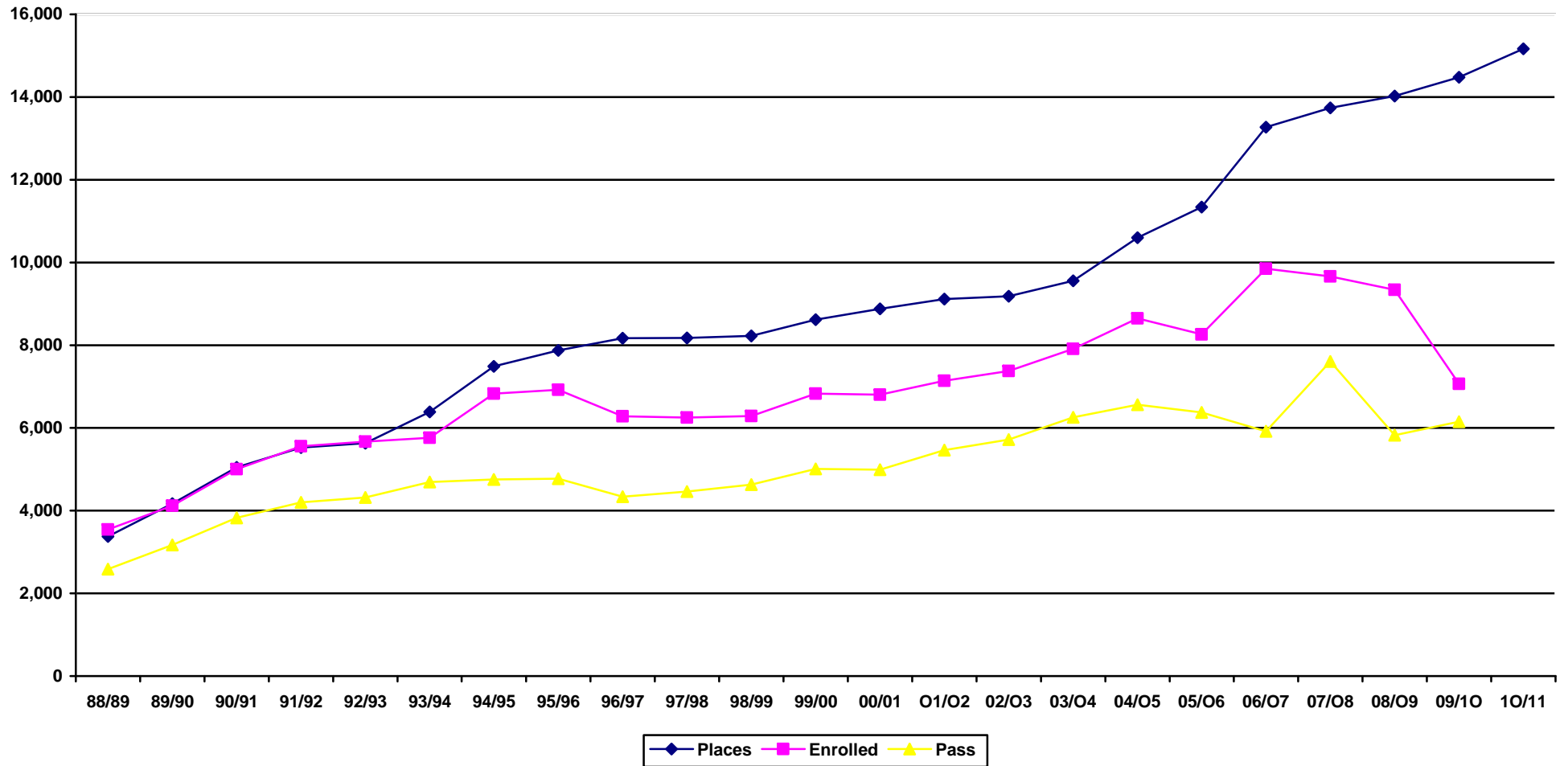


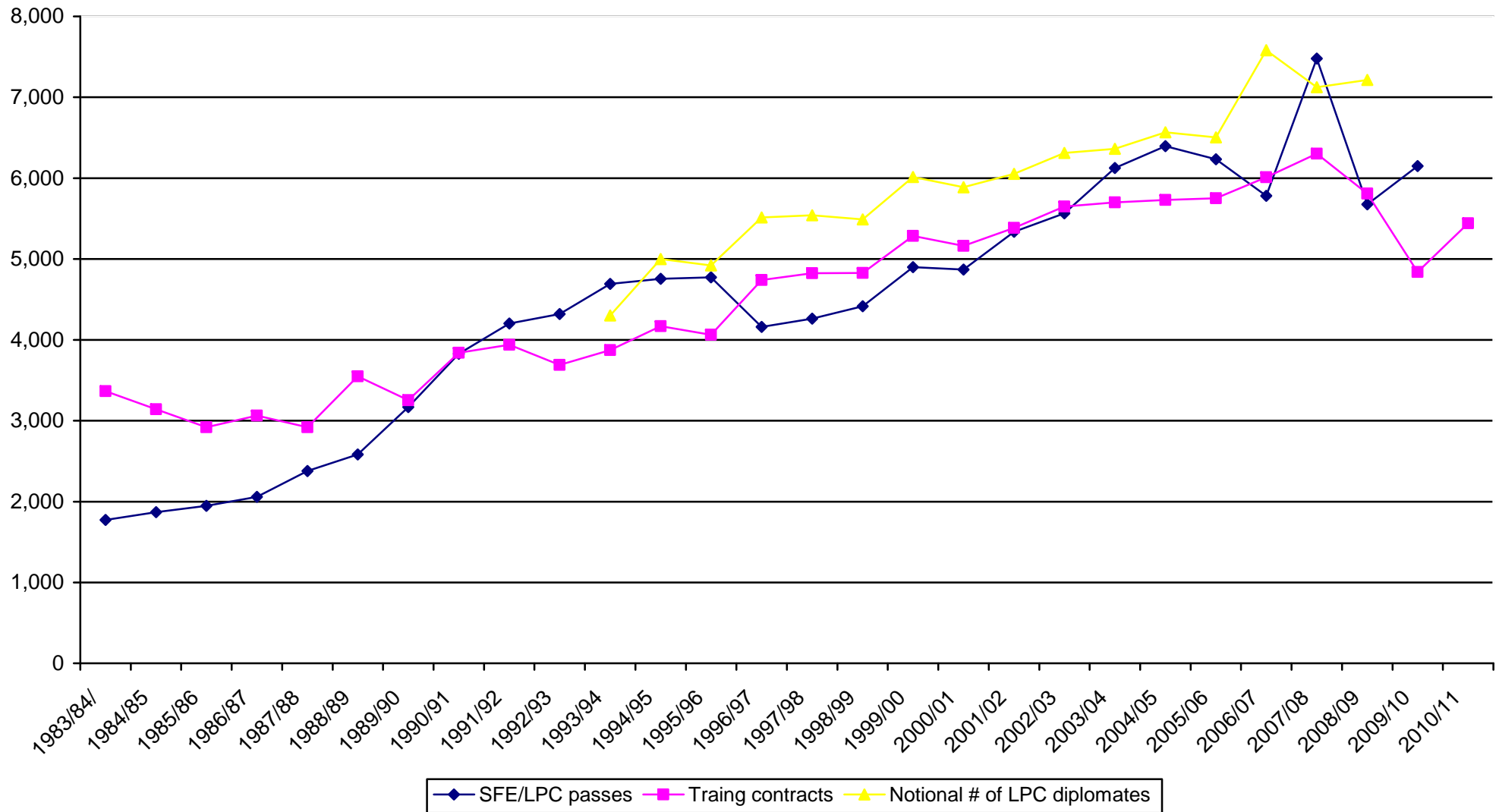
**Graph 1: Numbers of Solicitors on the Roll and Solicitors with Practising Certificates 1960 – 2011 and those working 1994 - 2011**



Graph 2 Admissions, Training contracts and QLTT entrants 1981/82 – 2011/12

Graph 3: Numbers of SFE/LPC places, enrolled numbers and passes 1988/89 – 2010/11





**Graph 4: The Training contract market: the numbers of training contracts and the numbers who passed the SFE/LPC**