



LEGAL COSTS SALARY SURVEY 2022



CLAYTON
LEGAL

WHERE LAW FIRMS COME
TO RECRUIT LEGAL TALENT

BUT FIRST

A BRIEF INTRODUCTION

Clayton Legal are leading recruitment specialists with over two decades of sector experience - matching legal professionals at all levels to the very best opportunities in the market.

With long-established, and trusted relationships across a client base that includes Legal 500, Top 200, Regional and Boutique Law Firms, our team are passionate about driving service excellence across the business and impacting the careers, and lives, of legal professionals across the country.

We pride ourselves on providing an unrivalled service in uniting hirers with job-seekers across all legal practice areas – and have built up a reputation for professionalism, honesty and integrity that we are incredibly proud of and work hard to maintain.

Our dedicated law costs department and Consultants have a truly unrivalled network of active & passive candidates and long-established relationships in the market, with a reputation for professionalism, honesty and integrity that they strive to maintain, daily.

So, whether you're responsible for hiring within your Legal Costs business or department and are looking to build your talent pipeline, or are an ambitious law costs professional looking to make your next move, we're here to help.



Matt Walwyn
Recruitment Manager

[Arrange Call HERE](#)



Lewis Taylor
Recruitment Consultant

[Arrange Call HERE](#)

LEGAL MARKET OVERVIEW

The problematic and uncertain times created by the COVID-19 pandemic are slowly starting to feel like a thing of the past. Like the majority of sectors, the legal sector was hit hard during 2020 with some aftershocks through 2021. However, it is clear that the Legal market is making strides toward becoming 'normal' again. But what does normal look like in 2022 and heading towards 2023?

The pandemic didn't put a complete halt to the performance of legal businesses but consequently, did slow it down. Companies are still arguably adopting a 'catch-up' approach where not only have recruitment processes changed, but so have attitudes towards how, when and most significantly, where legal professionals work.

It's well documented that we currently find ourselves in a candidate-led or skills-short market, which looks to continue well into 2023.

Warning shots around the predicted 'great resignation' haven't, to date at least, materialised; however general observations at the UK labour market have revealed a different challenge, the '**phenomenon of missing workers**' - over 400k working-age people who are not working or looking for work. Whilst this strays into microeconomics, this economically-inactive group (including carers, students, early retirees and those with long-term illness) is wielding some influence on general labour supply statistics and exacerbating the challenges around hiring. Interestingly, this **inactivity in older workers in the UK** stands out when compared to other European countries.

What's more, with delays in The Solicitors Qualifying Examination (SQE), newly qualified legal professionals will also be in limited supply this year.

Alongside the reduction in active job-seekers on the market, hiring appetite has soared. According to the **ONS**, the number of job vacancies in March to May 2022 rose to a new record of 1.3m; an increase of 20k from the previous quarter, and an increase of 500k from COVID levels in Jan-Mar 2020. (However, recent trends show that whilst these numbers continue to rise, the rate of growth is slowing down somewhat).

It is perhaps no surprise that more than fifty per cent of companies reporting staff shortages said they were struggling to fill vacancies.

The legal market, in hiring terms at least, remains buoyant, but the socio-economic backdrop of rising inflation, the cost-of-living-crisis, and ongoing supply chain issues mean that it's not plain sailing for those in the hiring seat.

For job-seekers, and those that have the confidence to make a move, the market is presenting some real golden opportunities across all practice areas. Firms who are seeing success with their hiring strategies are putting their best foot forward with regards to their **Employer Value Proposition** - and what they can offer their next hire over and above remuneration and a basic benefits package.

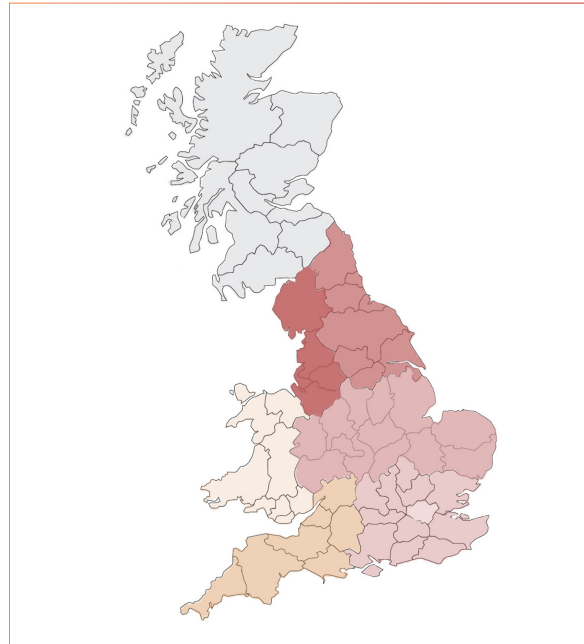
In summary, if you are a skilled candidate looking to move, this is your time.

SURVEY **DEMOGRAPHICS**

The insight for the research is drawn from responses on a national scale, with prominence in the North West, Yorkshire and London markets.

Broadly speaking, the costs market this year has been buoyant across all regions with a renewed appetite for hiring at the start of 2021 after a somewhat cautious 12 months.

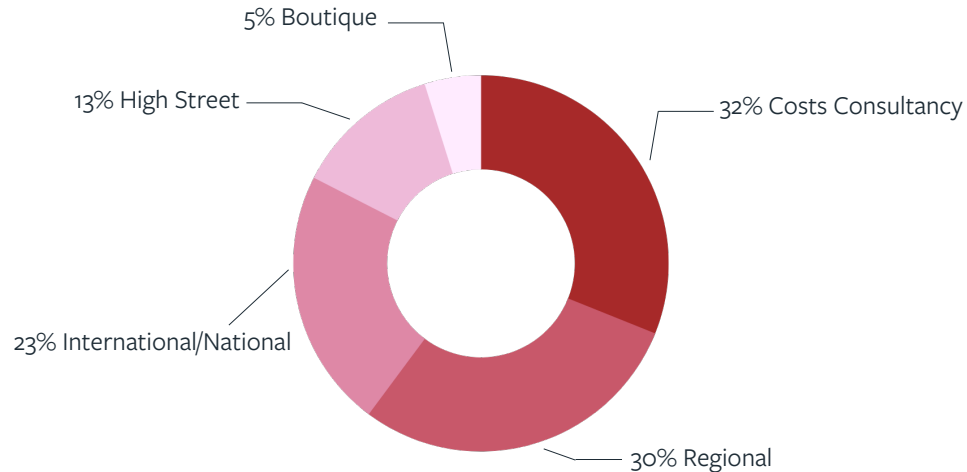
Accelerating at pace as the year has progressed, we have also seen an increase in the movement of law costs professionals with a high volume of firms and consultancies adding to their costs departments at all levels - with no sign of this slowing down as plans are put in place for 2023.



TIME IN **ROLE**

22%	under 1 year
20%	1-2 years
26%	2-4 years
22%	4-8 years
5%	8-10 years
7%	10+ years

PLACE OF **WORK**



Working with a wide range of firms and consultancies across the UK, recruitment in the sector continues at pace, but also comes with certain challenges owing to the wide range of 'choice' for Candidates in the current climate - real golden opportunities across the specialism, coupled perhaps with some lingering market uncertainty resulting in a competitive landscape that can create strategic organisational challenges. There are of course, steps that Firms can take to ensure they tap into active and passive talent pools and focus firmly on their retention strategies to ensure their existing talent is not being lost to competitors.

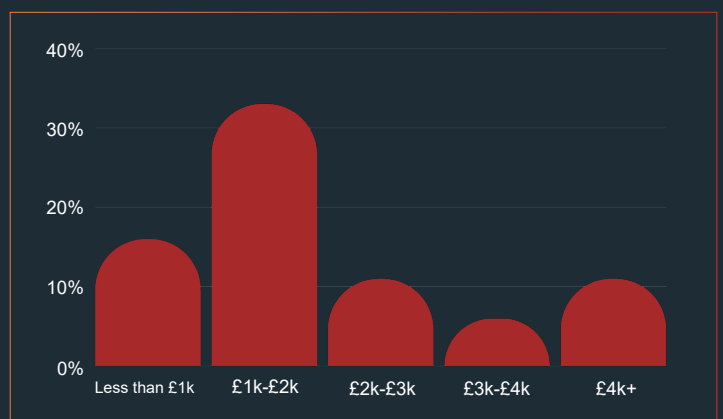
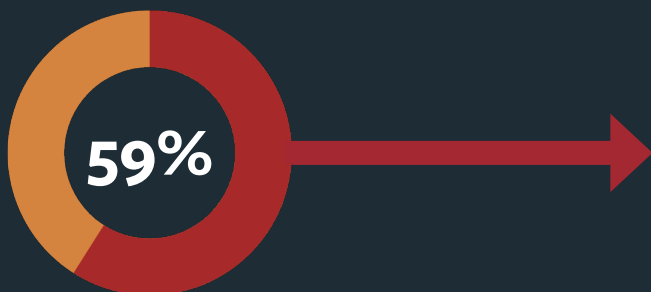
REMUNERATION AND REWARDS

Average salaries for law costs professionals across the regions is below, although very much dependant on experience and role specifics. As you would expect, salaries are higher in The City and Home Counties as well as an uptick in the North West, in comparison to other regional legal hubs.



Nearly 60% of law costs professionals reported that they had a salary increase in the last 12 months; the majority of whom enjoyed an additional £1-£2k in their pay packet. Those working in the Yorkshire region were the most likely to see such a benefit with nearly 79% of respondents adding to their annual salaries. By comparison, 56% of those working in The City and Home Counties were awarded additional remuneration, and whilst this comes in slightly below average on a national scale, the monetary increase in real terms was much greater than seen in the northern regions.

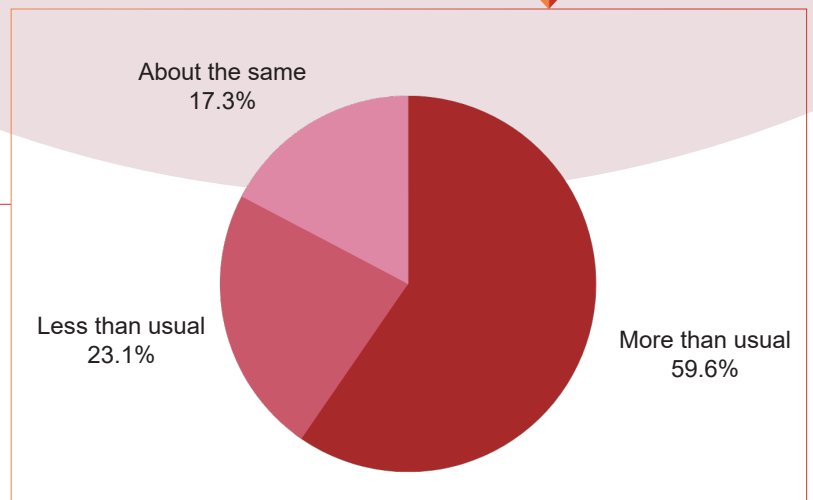
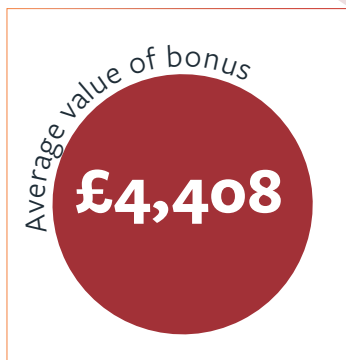
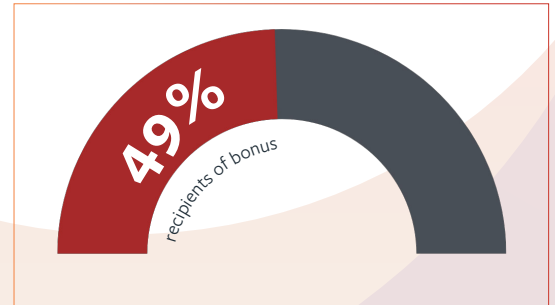
PAY RISES



BONUS BOUNCE-BACK?

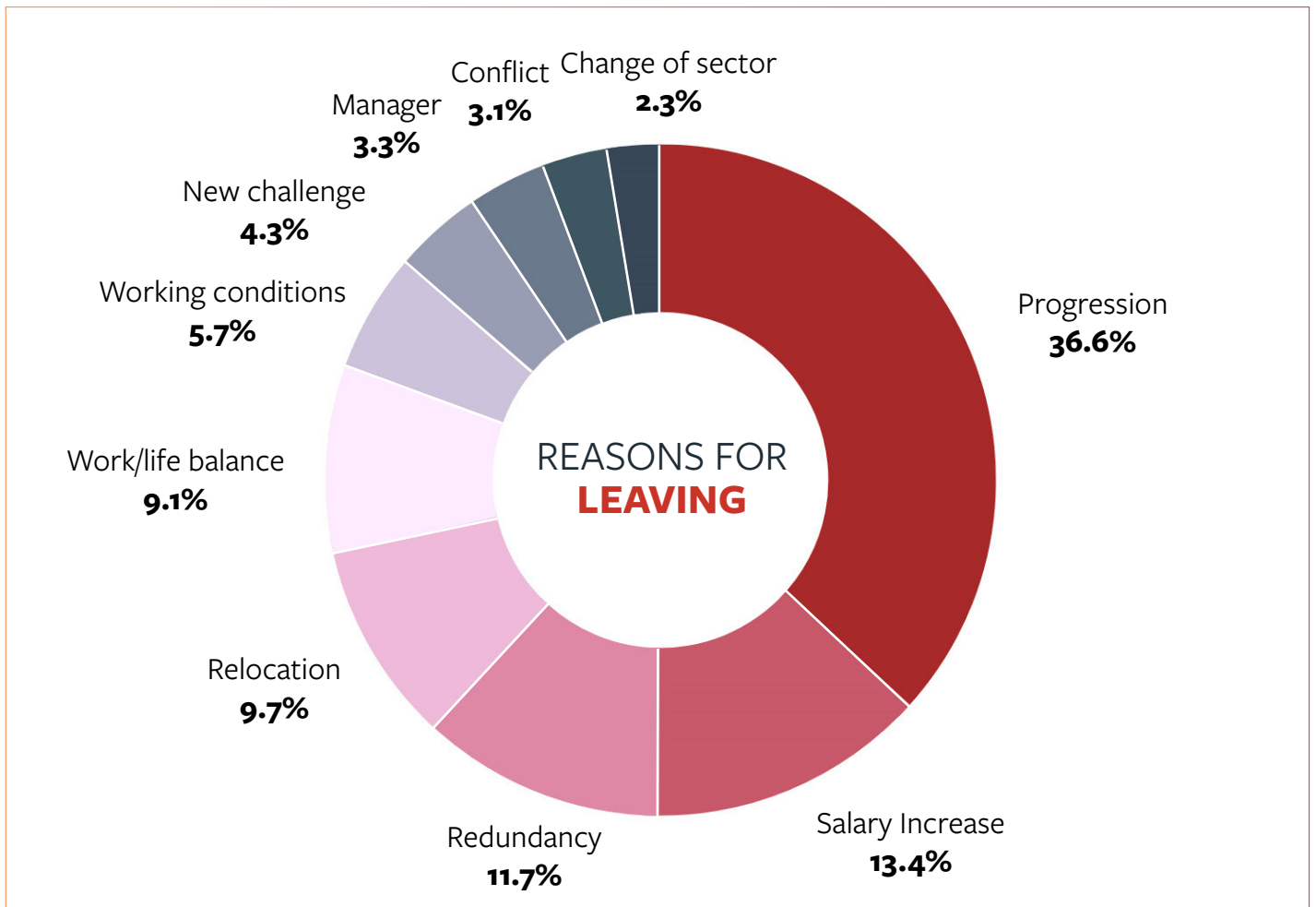
Nearly half of our respondents said that they were recipients of a bonus, profit share, or dividend within the past 12 months with above averages given to those working in Yorkshire firms / consultancies (65%) as well as those in the West Midlands (63%).

56% of law costs professionals cited that the bonus received was more than usual - perhaps in line with business retention strategies against the backdrop of increased hiring and subsequent competition as Firms look for ways to keep hold of their people.



Despite the general increase in the value of bonuses awarded, only 30% of recipients said they were ‘very happy’ with their lot. When you consider that ‘financial bonus’ was cited as the second most valued ‘perk’ or benefit, it is clear that financial reward remains a motivator for many.

MOVEMENT OF **TALENT**



There are many factors that contribute to why legal professionals (across all sectors) decide to move on, with a lack of career progression opportunities being the most prevalent (36.6%) with the desire for an increase of Salary and/or benefits coming in second (13.5%).

Data in our annual survey tells us though that the most valued benefits offered by firms are more around home-hybrid- and flexible working arrangements rather than remuneration - however some 16% of employees either relocated or chose a role that allowed a better work life balance as the top reason for looking elsewhere. Some aftershocks from the pandemic are present as 11.7% of employees moved due to redundancy or company restructure. Although the legal sector fared well as a whole, sadly **over 500 law firms closed during this time**.

The **latest report from the ONS** however, highlights that redundancies in general fell to a record low in the latest 3-month period (to April 2022) - although we are still seeing headlines around cuts in tech and retail sectors.

Despite the much documented skills-shortage and discrepancy between the number of vacancies and active job-seekers, 52.9% of respondents said that they are likely to change roles in 2022. Although our data also highlighted that more experienced legal professionals with (1+ Years of PQE) are more cautious about looking elsewhere. 48% of respondents who said they are likely to put the feelers out have no qualifications - although includes those on training contracts, perhaps likely to move post-qualification, as well as legal support employees, paralegals, and legal secretaries.

PREFERRED PERKS

Whilst a handful of respondents told us they don't get any notable 'benefits', on the whole packages remain varied and, at the moment at least, dominated more so by working arrangements that focus on when and where that individual carries out their work.

And, whilst the topic of the permanency of home - and hybrid-working rumbles on, it is clear that this perceived 'perk' is valued by those who receive it. In fact 68% of recipients placed it in their top three of benefits they valued the most.



Over a third of respondents stated that a financial bonus was amongst the most valued benefits, which has traditionally topped our previous polls alongside enhanced pension contributions. And, whilst flexible working is still desirable, additional holiday entitlement also made it into the top three indicating that whilst remuneration is still an integral part of satisfaction in the role, more than ever legal professionals are looking for work life balance and working arrangements that fit in with life outside of the 'office' - wherever that may be.

Enhanced maternity/paternity cover and private health cover topped the benefits wish-list although interestingly nearly 25% of respondents said there was nothing else they could think of to add to their benefits package that was desirable. Is the answer here to simply give 'more' of what is on offer? Holidays, bonuses, pension contribution? There is certainly an opportunity for Firms to think creatively about elements of their wider benefits package that could really set them apart alongside the many other facets impacting retention and attraction of new talent.

BENEFITS **PACKAGES**



89% HOMEWORKING

40% AGILE WORKING

33% FLEXI-TIME



49%
BONUS

6%
COMPANY SHARES

28% WELLBEING SUPPORT

37% ENHANCED SICK PAY

41% PRIVATE MEDICAL COVER

6% GYM MEMBERSHIP



27%
ENHANCED
PENSION

6%
ENHANCED MAT/
PAT LEAVE

54%

EXTRA HOLIDAYS



18% CYCLE TO WORK SCHEME

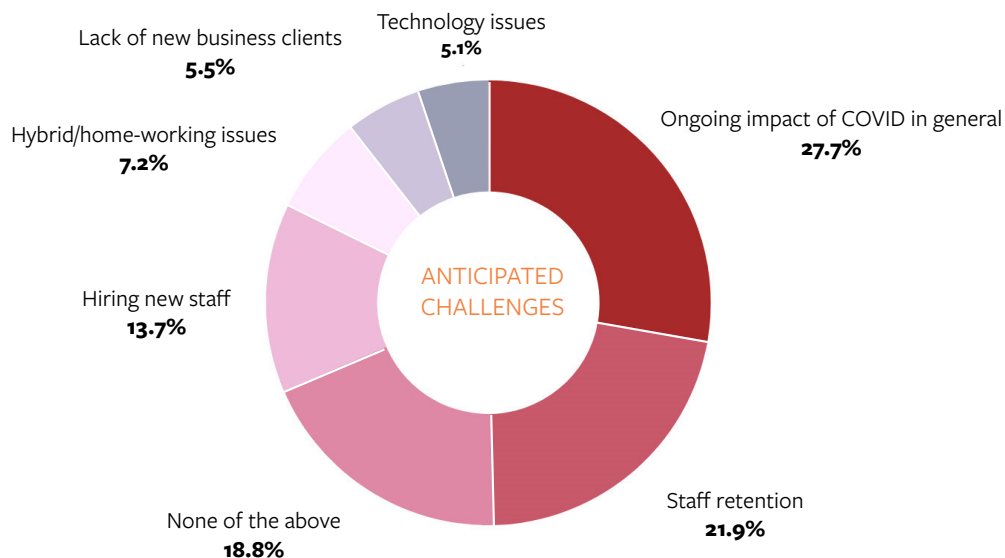
16% TRAVEL SEASON TICKET



Indicative of the current climate perhaps, a huge 89% of respondents told us that 'homeworking' formed part of their wider benefits package although it remains to be seen whether this is a permanent/contractual arrangement, or the tail-end of post-pandemic working arrangements. Benefits centred around health and well-being continue to be at the centre of many benefits packages with 28% of respondents now in receipt of benefits specifically aligned to staff well-being and support.

ONGOING CHALLENGES

A continual conversation that we have with our clients across all sectors, are around the business and hiring challenges that they are facing. Staff attrition and retention (and subsequent need for hiring) is part of that, but given the tumultuous past 24 months, it is interesting to see that there is still some concern about the ongoing, and perhaps long tail impact of COVID on the sector. Nearly 19% of respondents from our national Salary Survey, didn't foresee challenges around hiring, retention, or the continued debate around hybrid and home-working - although did verbalise other themes around staff engagement, increasing market share, supply chain issues and rising business operating costs.



The fight for companies to retain top performers and attract new talent remains a constant, driven by multi-faceted, socio-economic factors and a changing competitive environment. But ultimately, with fewer active candidates on the market, the recruitment process has had to adapt. We have seen the number of stages in the process decrease in a bid to quickly secure Legal Professionals from the grasp of competitors. Head-hunting has become a prominent method of recruiting and candidates are receiving multiple job offers, drawing attention to the need for unique employment offerings from employers and a need to really 'sell' the opportunity and Firm to individuals who have an abundance of choice.

But what are candidates looking for from their current or new employer? As we have seen, career progression is once again at the top of the list with candidates wanting flexible, hybrid, or remote working as a non-negotiable in some cases. Firms who are generally inflexible, or are asking staff to return to the office full time, are on the back foot when trying to attract new candidates, or in the very least, compete with similar roles that are out there in the market.

Counteroffers have increased dramatically over the last year and companies are having to reconsider their employment offering, highlighting the importance of providing competitive salaries. In addition to high basic salaries and flexible working options, comprehensive benefits packages continue to be offered to employees, including; above statutory minimum holidays, sick pay over and above SSP, financial bonus, private medical cover, and well-being support.

In their [Work Trend Index](#) published in May 2022, Microsoft states that the top trend looking forwards is centred around what they call the 'worth it' equation—what people want from work and what they're willing to give in return. The pandemic has undoubtedly shifted the power dynamic with employees putting personal life, mental health and well-being before work than they were before 2020.

The question is therefore, which Firms are willing to adapt and address both these challenges and opportunities in a way that attracts, keeps, and motivates their people, is good for business, and agile enough to adapt as the world continues to evolve.

PARTNER WITH **CLAYTON LEGAL**

Partnering with Law Firms for over two decades, we appreciate that having the right people and skill-set is key to business success. We also know that the general recruitment process is often complex and labour intensive, and with time being a precious commodity for Partners, HR and Hiring Managers, it makes sense to use the services of a legal recruitment specialist who has an expert handle on market conditions, hiring trends, and the availability of talent in your region and practice area.

OUR **SERVICES**

The services we offer very much start with you – your requirements, your own hiring strategy, your business and your budget. From our standard contingency service to our retained service offering and RPO services, we work at all times with those in mind – to deliver you the people you need, swiftly, that are the right fit, first time.

WE PROVIDE ACCESS TO EXCLUSIVE TALENT

With an extensive database of legal professionals, built up over two decades. We utilise cutting edge technology to engage and communicate with both active job-seekers, as well passive candidates who are not yet 'on the market' and are exclusive, and have been pre-screened and qualified.

WE ARE COST-EFFECTIVE

The commercial impact of not being able to fill roles and/or high attrition rates can impact your bottom line, which can lead to a revolving door of recruitment. That's why we invest in next-generation hiring technology to drive efficiencies internally - meaning time to hire is greatly reduced.

WE ADD VALUE (WHERE IT MATTERS)

We provide research and information on latest market trends from our own surveys and white papers to inform you at every stage of the recruitment process. Helping to guide everything from remuneration packages to retention and attraction strategies for your Firm.

AND FINALLY

We know how frustrating it is to be at the receiving end of poor customer service. As well as being members of APSCo, which recognises, supports and promotes excellence within the professional recruitment market, our many decades of working in the legal sector, means we have built up a reputation of honesty, trust, and integrity that forms the foundation of all of our relationships.

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