BUOYANT IN-HOUSE MARKET
While the impact of Brexit is still uncertain, the Scottish market is going through a positive period in terms of in-house opportunities. There has been an increase in roles within financial services, notably with the large retail banks in Edinburgh. Additional roles within industry has increased since last year across the Central Belt and lawyers with 3+ years PQE and commercial contracts or compliance exposure will find their skill set in great demand. While the market remains slow in Aberdeen there are positive signs of an improving oil and gas market which we would anticipate will lead to more in-house opportunities in the North East in 2019.

NATIONAL LAW FIRM DOMINANCE
The Scottish market now has an increased number of law firms that have national/international presence and many firms with strategic alliances with City law firms. Being part of a larger organisation has provided financial stability for many firms and others are now maximising client opportunities by providing a UK-wide service. There is clearly also an attraction to lawyers with ambitions of a move to London or Overseas in the future. The private practice landscape in Scotland will continue to change with more domestic and national mergers predicted in 2018/19.

MARKET OVERVIEW

SKILL SHORTAGE
Scotland is currently going through a surge in activity across a number of disciplines with many firms now feeling that they are under-resourced to meet client demands. For example, the ‘green light’ on many national projects in the UK has led to higher demand for lawyers with expertise in construction, real estate (including English property) and projects. Equally so, regulatory changes have meant more interest in data protection/data privacy lawyers and demand is still substantially high for transactions lawyers in corporate and banking where supply still outstrips demands at nearly all levels.

COMPETITION FOR ASSOCIATES
While not unique to Scotland, law firms now find themselves competing aggressively for talented Associates. Lawyers with in-demand skills sets will normally have multiple offers and firms are required to ensure their offers are competitive and that they can offer a culture and a firm ‘brand’ that potential hires can relate to. Retention of key Associates also remains a vital strategy for firms looking to keep their best talent. This is especially the case in the current market, with an increasing number of options both in-house and outside of Scotland.

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The last 12 months has been a positive year for the commercial firms in Scotland with growth and profits recorded by most. Many law firms have grown in size via mergers and better alignment to the needs of their UK-wide clients. Scottish firms now have to think more nationally in their outlook. Recent developments with the likes of Scottish Legal International actively focusing on marketing Scottish legal services to an international audience, has the potential to provide substantial business opportunities.

The current market in private practice presents interesting opportunities for Partners considering their options. We are currently seeing a number of firms looking to add new services to their offerings with senior level appointments. Equally so, 2017 saw the opening of several new offices and new entrants to the Scottish market. Partners with a client following are naturally of particular interest, however many mid-tier firms have successfully appointed Senior Associates laterally as Partners (or at least with a quicker route to partnership on offer). The opportunity to be part of a new venture will appeal to many Partners seeking a new challenge.

Senior Associates within many of the top-tier firms will be at a crossroads in this coming year with Partnership at a large commercial firm becoming increasingly difficult to achieve. Many lawyers at this level will now look to change direction with a move in-house.

Mid-level Associates are very much in demand in 2018 and we have seen an increase in in nearly all disciplines including: corporate, banking, funds, construction, competition, real estate, technology and private client. There is now a real opportunity for lawyers at this level to facilitate a pay hike or better promotion prospects with a lateral move.

Retention levels for newly qualified lawyers are higher than in previous years. NQ’s looking to move laterally and with transactional or property experience this year are likely to find alternative options, should they be seeking a change.
The in-house market in 2018 for Scotland continues to present excellent opportunities. While many industries are still feeling the effects of the economic downturn and with the impact of Brexit still looming, demand for lawyers on the regulatory side has increased dramatically.

Many in-house roles are no longer replacing legal support from private practice but rather providing internal legal advice on the current legal issues of the day including legislative changes such as GDPR and equal pay. Regulated industries such as financial services now have a far greater need to hire more lawyers to ensure compliance and minimise risk.

The boom in successful technology and renewable energy companies in Scotland does not seem to be slowing down either and we have seen an increase in demand for commercial contracts lawyers across these sectors as well as in the biotech and manufacturing industries across the central belt.

With support from the UK government as well as the decommissioning projects in Aberdeen, we are hopeful that we will start to see a return to a more healthy in-house market in the North East. Currently, many organisations have significantly scaled back on their in-house legal support (to the benefits of the private practice firms in Aberdeen) with very limited movement between organisations. A more optimistic year is predicted for lawyers working in the Oil & Gas sector generally, which is long overdue.
INCREASE IN SCOTTISH LAWYERS IN LONDON CONSIDERING A RETURN HOME IN 2018/19
58% of Scottish lawyers would consider a move in-house in 2018.
OF SCOTTISH LAWYERS FEEL THEY MAINTAIN GOOD WORK/LIFE BALANCE
Please note our salary survey figures are indicative and are intended to be used for guidance only. Salary figures are based on our existing specialist market knowledge gained in the Scottish market. The above figures are based on salary only and do not include bonus or benefits. For the purpose of this salary, figures are based on positions within commercial law firms and large commercial organisations. Regional salaries and those within smaller law firms and companies will differ. Market commentary is based on discussions with our client and candidate population. Should you wish to have a private and confidential discussion on salaries, packages and market conditions please contact us at info@thomsonlrec.com.

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2018 SCOTLAND MARKET PREDICTIONS

1. Increased Number of Strategic Mergers

The trend of Scottish law firms making joining forces with firms south of the border shows no sign of slowing down and we expect to see more national firms entering the Scottish market in 2018. We would also anticipate there will be additional domestic mergers between Scottish law firms which will increase market share and make them more competitive in the wider Scottish and UK markets.

2. Commitment to Developing Regulatory Specialists

Changes in regulation is creating a new requirement for specialist lawyers both in practice and in-house and we expect this to continue into 2018/19. Areas such as GDPR have created new roles in 2018 to support businesses through the legal changes but we anticipate both law firms and in-house legal teams making more long-term hires to ensure ongoing compliance and risk management.

3. Increase in Partner Level Opportunities

A greater number of new entrants to the Scottish market and renewed intentions of growth by many of the mid-tier and smaller national firms will result in more Partner level opportunities across Scotland. Partners with portable client bases and/or a team to move with them will be of particular interest. The majority of these opportunities will be in corporate, banking and real estate.

4. Senior Associate Career Paths

With the route to Partnership in the larger commercial firms being more challenging law firms will have to continue to be creative to motivate and retain their best Senior Associates. While a move in-house remains an option for some Senior Associates, many will want to remain on the Partnership ladder. Presenting alternative career paths and better rewards will be most important to firms with a high proportion of Senior Associates.
ABOUT THOMSON LEGAL

Thomson Legal was founded by David Thomson, a veteran and leading expert in the legal recruitment market in Scotland. Having worked internationally and with a network of Scottish and global clients, the aim of Thomson Legal is to help candidates with their career moves both domestically and internationally. Thomson Legal is regarded as an innovative and market leading consultancy by clients and candidates alike.

After graduating in Law & Modern Languages from University of Glasgow and working in-house, David moved into legal recruitment in 1999, initially working with legal recruitment specialists Mahlab in Sydney, Australia. After returning and working in the UK and Ireland, David has built up the reputation of being an expert in his field working with leading global recruitment companies including Taylor Root, Hays Legal and Hudson. David provides strategic advice and recruitment assistance to major international law firms and FTSE 100 companies and works with market leaders in the UK, Ireland, Europe, Offshore, the Middle East, Australia and Asia Pacific. For more information of to discuss how Thomson Legal can help you with your legal career, please get in touch.

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