Briefing paper 2/2012:

Future workforce demand in the *Legal Services* sector

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Summary report

Background

1. This report examines the changing pattern of employment through employment projections for the *Legal Services* sector in England and Wales. The projections are based primarily on official statistics.[1] It extends and updates previous projections produced for Skills for Justice, (SfJ) the Sector Skills Council responsible for justice and community safety in the UK.[2] SfJ extended its footprint in early 2010 to include all legal services. But it also covers a range of other activities not of interest here.[3] The focus here is thus somewhat narrower than the SfJ footprint.

2. The current research focuses on the numbers in employment in the *Legal Services* sector and its changing workforce needs as measured by trends in the jobs people do (their occupations).[4] The projections are linked to the UK *Working Futures*[5] national employment projections produced for the UK Commission for Employment and Skills (UKCES).

3. This report is divided into two parts: this *summary report* which highlights the main quantitative findings from this study and speculates on their implications for the future of legal services education and training, and a fuller *technical report* which sets out a baseline of quantitative information about the changing workforce over the decade to 2020, and highlights some gaps in and the limits of existing data on the legal services workforce.

Current workforce structure

4. In official data, employment by sector is defined using the Standard Industrial Classification (SIC). Official national data sets suggest that in 2010 employment in *Legal Services* as a whole was just under ¾ of a million based on these definitions.[6] Around 400,000 people worked in the more narrowly defined *Legal Activities* category in 2010. *Legal Activities* rather than *Legal Services* as a whole is the primary focus of LETR.[7] Compared with 2000, numbers in *Legal Services* as a whole had grown by over 120,000, a 20 per cent increase. Approximately 14 per cent of the workforce in *Legal Services* as a whole is self-employed, and the proportion of part time workers was around 20 per cent.

5. Within the sector the jobs people do (occupations) are classified according to the Standard Occupational Classification (SOC). In 2010, based on the official statistics there were around 20,000 Barristers and Judges and 100,000 Solicitors. This compares quite closely with estimates from other

[1] For a definition of the *Legal Services* sector see Table 1 in the technical report.
[2] Wilson, R. (2010) *Update of Working Futures for Skills for Justice, Stage 2: Employment Projections*. Institute for Employment Research University of Warwick.
[3] The other strands include employers in the following areas: Policing and Law Enforcement, Community Safety, Forensic Science, Courts, Tribunals and Prosecution Services, Services for Victims, Witnesses and Survivors of Crime, Community Supervision of Offenders, Custodial Care, and Fire and Rescue Services.
[4] The main official data source is the Labour Force Survey (LFS). This is a quarterly survey of households covering the UK, reporting on both those in employment and self-employed. The other key source is the Business Register and Employment Survey (BRES), formally the Annual Business Inquiry (ABI). This is a survey of employers and workplaces. It tends to provide a lower workforce estimate, partly because it does not collect data relating to self-employment.
[5] For details of *Working Futures* see: http://www.ukces.org.uk/publications/er41-working-futures-2010-2020.
[6] For details of the definition of *Legal Services* and the other terms used here see the technical report.
[7] 'Legal activities' is the category used in the Standard Industrial Classification (2003 and 2007) system which includes the majority of legal services activities. This excludes the activities of the law courts, public security, law and order and some support staff activities.

sources such as the relevant professional bodies (which indicated some 16,000 Barristers in practice and around 120,000 Solicitors with practicing certificates).[8]

6. The majority of the workforce is now female. Their share has been rising steadily and in 2010 was just over 52 per cent of the total. Many females work part-time, making up most of the part-time workforce in *Legal Services* (almost 90 per cent of all part-time workers were women). Few females are self-employed (approximately 7 per cent, whereas among males the proportion of self-employment was over 20 per cent in 2010. In terms of numbers, males dominate the picture for senior staff, accounting for two-thirds of barristers in practice and 54% of solicitors with practicing certificates.

7. In terms of numbers employed, England dominates the picture. Wales accounts for just 4% of the total numbers in England and Wales combined. These are more heavily concentrated in the justice and judicial activities and public security/laws/order activities (where Wales accounts for about 5% of the England and Wales total). It is also worth noting that the geographical distribution of the workforce is strongly London-centred compared with the working population as a whole: in 2008 30 per cent of the total UK legal activities workforce was based in central London.

Headline projections of demand to 2020

8. Employment forecasting is a complex and risky business at the best of times but especially difficult in times of great economic turbulence. The Institute for Employment Research (IER) at the University of Warwick has been a major provider of comprehensive whole-economy and sector-based workforce forecasts for many years. The latest set of national projections was produced for the UK Commission for Employment and Skills (UKCES) towards the end of 2011. These projections are based n the latest Cambridge Econometrics macroeconomic projections, and upon changing employment patterns within and between sectors. These forecasts are therefore not simple time series extrapolations based on past trends but take into account the changing demand for legal services from business, consumers and the state.

9. At the level of the whole economy, total UK employment peaked in 2008 at around 31½ million jobs. IER's forecast anticipates a decline to just under 30½ million in 2012 before a gradual recovery begins. 2008 levels are expected to be achieved again only around 2018. Professional services and public administration and defence (the areas where the great majority of legal services are allocated) have not been immune from this impact. The forecast estimates that professional services are expected to follow a similar path to the general trend for all industries, but reaching 2008 levels a little sooner. The prospects for Public Administration are even more gloomy, reflecting the cuts in public expenditure.

10. Based on these national level employment forecasts, customised and more detailed employment projections have been developed for the *Legal Services* sector, using both official and other data.[9] The results present three separate and independent takes on how the future may unfold. Nevertheless they present a clear set of general messages. Despite the general financial and economic crisis and the related difficulties in public finances, the numbers employed in the legal services sector are projected to rise significantly, though less significantly than in the recent past. Replacement needs (the need to replace those retiring from the current workforce) will increase even more rapidly, leading to significant education and training requirements.

11. Based on official data the *Legal Services* sector can be divided into three main parts:

[8] While not directly comparable with the data on employment from official sources for various reasons these numbers are broadly consistent.
[9] Lack of a complete and consistent set of data on the sector prevents the development of an entirely consistent picture.

- Legal activities;
- Justice and judicial activities; and
- Public security/law/order activities.

12. An overall expansion (of approximately 14%) in total workforce numbers is projected in the *Legal activities* sector between 2010-2020, requiring an additional 58,000 workers. An overall decrease of about 9 percentage points is projected for the rest of the sector (*Justice and judicial activities* and *Public security/law/order activities*) over the same period, although things are expected to pick up generally beyond 2015.

13. The proportion of the workforce expected to retire or leave the workforce for other reasons between 2010 and 2020 is approximately a third, creating an estimated replacement demand of about ¼ of a million jobs for the sector as a whole. This is a natural process, and the annual replacement demand rate of 3% per annum is in line with other sectors. The overall effect is that the number of job openings (including both replacement demand and expansion) is expected to be around 300,000 in the forecast period to 2020.

14. The implications at a more detailed level depend on precisely which data source and method or projection are used (see sections 4, 5 and 6 in the technical report for detailed comparisons), but in all cases the projections indicate significant numbers of barristers, solicitors and other legal professionals and associate professionals are likely to be needed. The implications of this for LETR are considered in the next section.

15. In terms of gender, female full-time employees are the largest group in the legal activities labour market (36 per cent of the whole in 2010) and, despite a small loss of job share, they will continue to be the dominant group in 2020. Part-time female employees are also very important (20 per cent in 2010) and they are expected to marginally increase their job share by 2020. Drawing on data produced by the Law Society and Bar Council there is evidence that the gender gap, which had narrowed in both the solicitors' and barristers' professions in the early 2000s, widened slightly with the recession, and may continue to widen in the period to 2020 (see Figures 6.1 and 6.3 in the technical report).

16. Part-time employment and, to a lesser extent self-employment, are projected to increase their share of total employment, but only slowly in the next decade or so.

17. Key trends are summarised in the figures following; a full set of graphs is contained in Appendix A to the technical report.

Figure S.1: Trends in Employment in *Legal Services*, 2000-2020

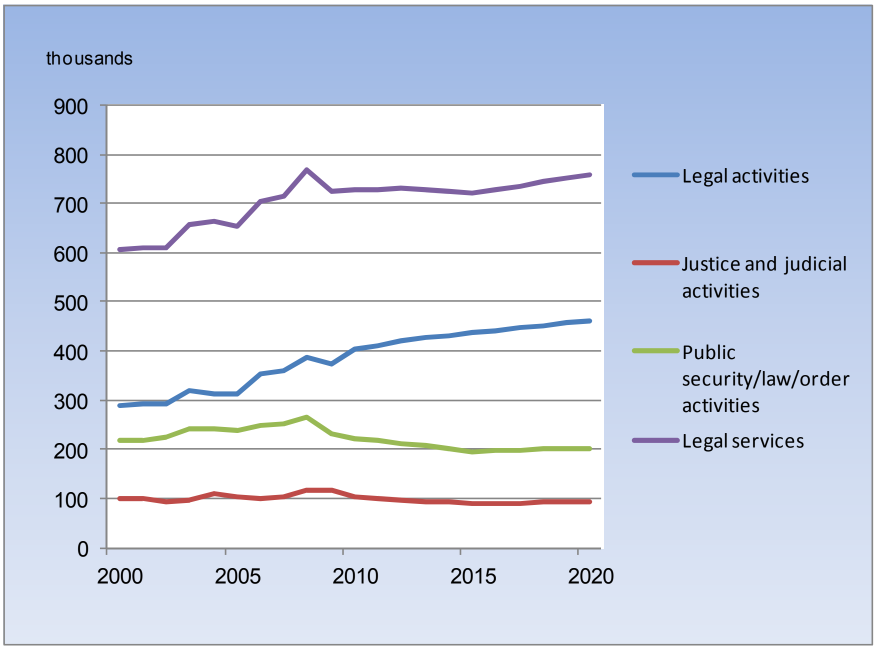


Figure S.2: Total Requirements & Replacement Needs 2010-2020

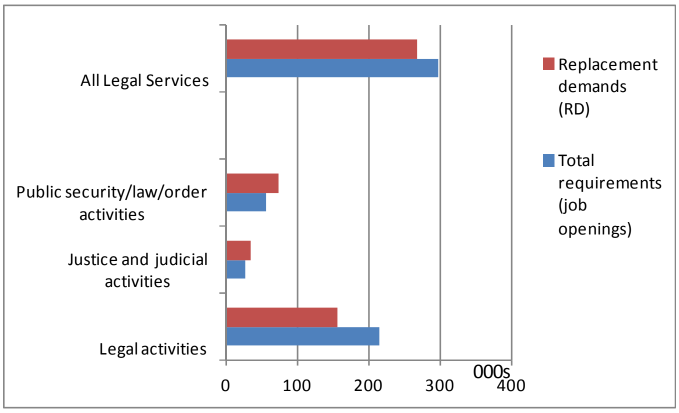


Figure S.3: Detailed occupational projections

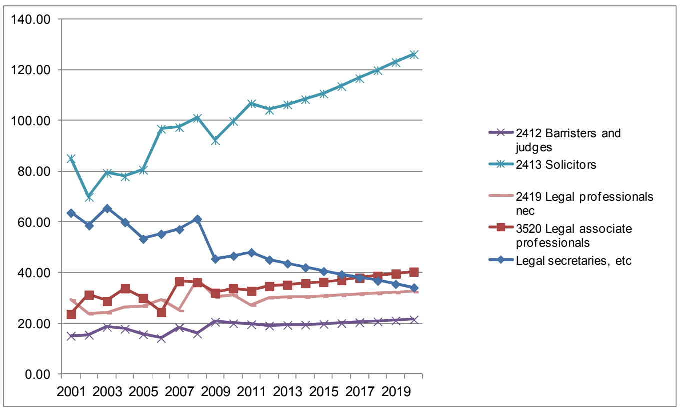


Figure S.4: Detailed Trends for Solicitors

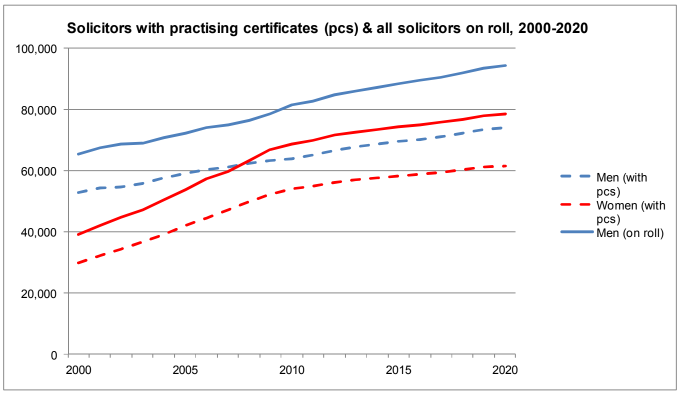
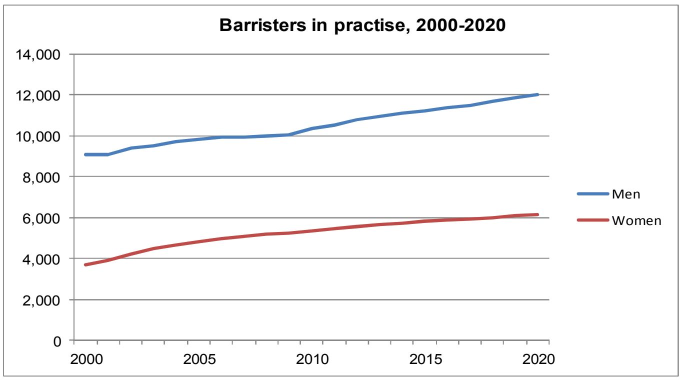


Figure S.5: Detailed Trends for Barristers



Context and implications for LETR[10]

18. The LETR employment projections project was devised as an aid to thinking about the possible future context for legal services education and training. The limits of such projections in general as an accurate prediction of the future, and of these projections in particular must be borne in mind (see section 2 of the technical report). In the case of the legal services sector, uncertainty around the impact of the Legal Services Act on employment patterns adds to the wider economic uncertainty created by the recession.

19. There have been various other reports published recently which focus on the prospects for this sector. For example Esperito Santo (2011) predicted a "perfect storm" was about to hit the Legal services industry as a result of structural reforms associated with the Legal Services Act and reforms to legal aid and litigation funding, together with other factors including the global financial crisis and increasing competition (including that from across national borders). This will impact on the overall demand for legal services and the way in which they are delivered (including the derived demand for legal and other skills to produce these services).

20. This and other reports such as the "Maps" of the legal services market produced by the Legal Services Board (2011a and b), together with the report produced for the Royal Bank of Scotland (Tsolakis, 2012), have attempted to anticipate the impact of the Legal Service Act on the market for legal services in conditions of considerable uncertainty. They each carry out a detailed and comprehensive analysis of the way legal services are produced and the changing patterns of

10 This section has been written in collaboration with members of the LETR research team.

demand for such services that may occur as a consequence of the Act and the other factors highlighted above.

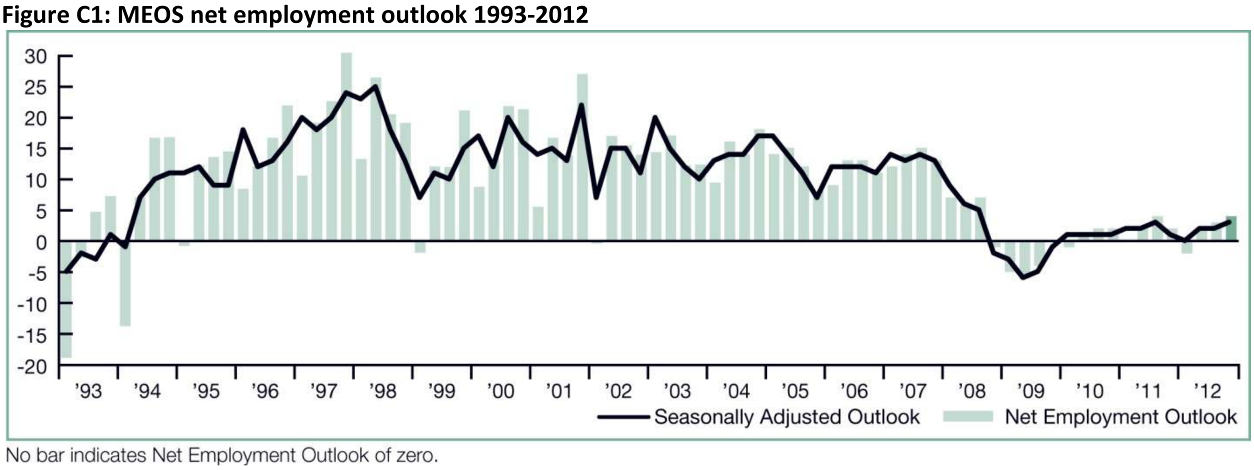
21. The present report takes a much broader perspective than these others, focussing on the general trends in the UK economy and how those are likely to affect the demand for employment in the legal services sector in England and Wales. Unlike the other reports this includes quantitative projections of numbers employed, looking forward over the next decade. It builds on earlier work undertaken for Skills for Justice (Wilson (2010) and Skills for Justice (2010)).

22. The substantive technical report that follows provides a fuller breakdown and analysis of the changing pattern of employment outlined in the summary report, drawing on three distinct data sets. This section seeks to interpret those data for LETR, drawing on other quantitative sources, and qualitative indicators on employment trends and skills needs emerging from other LETR research.

The headline trends

23. Relative to other countries the UK has, since 1979, delivered a relatively strong economic performance, reversing over a century of decline. Between 1997 and 2010, the growth of GDP per capita in the UK (1.42%) was greater than in any of the other 'G6' countries: Germany (1.26%), the USA (1.22%), France (1.04%), Japan (0.52%) and Italy (0.22%) (Corry et al, 2011). This has been reflected in the employment market, at least up until the crash in 2008. Thus OECD data show sustained growth in employment in the UK between 1997 and 2007, with per capita employment at a rate similar to Germany and significantly above the USA.[11] The Manpower Employment Outlook Survey (Figure C1), which measures the recruitment intentions of a representative basket of employers (across all sectors, not just legal services) as an indicator of the 'net employment outlook',[12] similarly demonstrates a buoyant and confident employment market up until 2008-09, followed by very limited recovery (Manpower, 2012).

Figure C1: MEOS net employment outlook 1993-2012



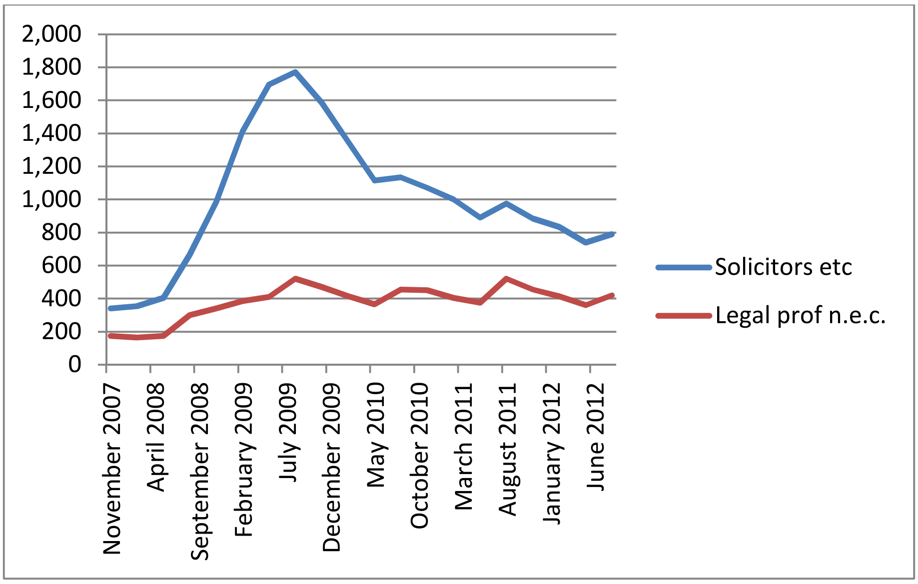
24. Time lag effects have meant that unemployment continued to rise for a period after the recession in 2009, before dropping back slightly. A second rise occurred in late 2011, with UK unemployment peaking at 8.4 per cent. However it has now fallen back to 8 per cent in the quarter to July 2012, as

[11] The latter has recorded a declining per capita employment rate consistently since 2001 – see Corry et al (2011:6).

[12] The data in Table C1 represent this rather than any actual employment growth or decline. The 'Net Employment Outlook' is calculated by subtracting those employers who plan to reduce staffing levels from those who plan to hire staff. A positive result indicates that more employers plan to increase rather than decrease staffing levels; a negative result reflects the opposite.

compared with 8.2 per cent in the US and an EU average of 10.4 per cent.[13] Some indicators, notably benefit claims suggest that unemployment amongst high skilled workers did not peak again to the extent seen in other less skilled workforce groups. Labour Force Survey data for the legal professional categories is consistent with that conclusion (Figure C.2).[14]

Figure C.2: Claimants by occupation (England and Wales)



25. These broad trends are reflected in a range of sector-specific employment data. The Law Society provides the most longitudinal data. This shows substantial growth in the solicitors' profession – 206.4 per cent since 1981, and 40.8 percent between 2001 and 2011 (Fletcher, 2012). Over the last three years the rate of growth has slowed, from an average of 4.1% per annum between 1979 and 2007-08, down to a low of one per cent in 2008-09. The data indicate a limited recovery in the last two years, to 1.9 per cent in 2009-10 and 1.4 per cent in 2010-11, but this is obviously still significantly below the historic average.

26. Despite these slightly more positive signs, concerns remain that the continuing debt crisis in the Euro zone may cause further damage to the UK economy in 2012-13, and the overall outlook, on which the IER projections are based, remains fragile at least until 2015. IER projections for 2010-20 thus indicate cumulative growth in the solicitors' profession over the decade of 26.4 per cent, ie, less than two-thirds the growth of the last ten years (See Table 5.7 in the technical report). As noted, 2008 levels of employment are unlikely to be recovered much before 2018.

27. Less longitudinal data is available for the Bar than the solicitors' profession. Published statistics indicate an annual growth rate, between 2006 and 2011, of 0.8 per cent. The highest rate of growth recorded in this period was 1.8 per cent in 2006-07 (Sauboorah, 2011). The IER projections for 2010-20 indicate cumulative growth of 7.5 per cent, ie, continuing at about the current annual level. This would still see another 2,000 barristers in the marketplace in 2020.

[13] Based on the OECD harmonised unemployment rate (Sept 2012), available at http://stats.oecd.org/index.aspx?queryid=36324

[14] Peaks may be disguised to a degree by redundancy settlements and/or savings which limit benefit entitlement, meaning that there may be a sometimes significant time lag between redundancy and the first benefit claim. These figures are likely significantly to under-represent the level of unemployment amongst lawyers for the same reason.

Recruitment

28. The credit crunch led both to a reduction in trainee numbers in law firms, and, initially, a significant fall in retention rates. For example, in firms surveyed by Chambers and Partners (2012), from around 82 per cent in 2008 to below 75 per in 2009. Signs are that retention rates are now recovering: in 2010 roughly 75% of trainees stayed on at the firm that trained them, with the figure rising to 80% of qualifiers in selected firms in 2011 (Chambers and Partners, 2012). This is, however, in the context of a significantly reduced intake of trainees (a total of 2,251 trainees qualified at surveyed firms in 2011, over 400 fewer than in 2010). This pattern is reflected also in the global number of admissions to the Roll, which have recorded a fall in numbers for the last two years in succession (Fletcher, 2012).[15] Data at the Bar show, overall, negative growth of 3.1 per cent in tenancies and new starter positions at the employed Bar over the period 2005-6 to 2009-10 (Sauboorah, 2011). There is an absence of reliable recruitment data in respect of paralegals and the other regulated occupations.

The prospects for structural change

29. The IER projections offer the best available quantitative predictions on the future demand for employment in the legal services sector. However, these do assume that the barristers and solicitors groups will broadly maintain their current shares of employment in the sector. This assumption is contestable. If the deployment of other occupations increases because of changes in the way legal services are produced and delivered this set of projections may turn out to be at the upper end of possible outcomes.

30. The impact of new ways of working and new forms of business organisation (including alternative business structures or 'ABSs'), outsourcing, and changes to the funding of legal services is considered broadly in *Discussion Paper 02/2012.* Combined with the fragile state of the economy, these may yet constitute a 'perfect storm' in the legal services sector, but we do not have clear evidence for that at present. There has been a contraction in the demand for many legal services, linked to the global financial crisis, and the immediate prospects remain gloomy; consolidation in the sector, both domestically and globally, with heightened levels of cross border competition and merger activity, may mean that historic levels of employment for the traditional professions are a thing of the past. Many of these changes are likely to work through as relatively long term developments. The impact of ABSs is a case in point. Initial take-up has been reasonably strong, but evidence points also to legal service providers adopting a more cautious 'wait and see' approach. In our view it may be another four or five years before the longer-term impact of such changes on the sector becomes apparent.

31. At present we do not think it is feasible to produce meaningful models or scenarios based on alternative quantitative projections. There is neither the history (because many of the changes are too recent, or, as in the case of proposed legal aid cuts, still prospective) nor the detail or 'granularity' of available data to make more detailed projections feasible,[16] or even to accurately quantify the basis on which such alternative projections may be constructed. Moreover, many of the changes to the workforce structure are likely to show up as qualitative rather than clearly quantitative changes. An important example of this is evidence of increasing numbers of 'contract'

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[15] Though admissions, which have consistently exceeded 8,400 per annum for 2008-9 to 2010-11, are still at a historically high level.

[16] The SOC classifications are not helpful in this regard, even though SOC2010 offers rather more granularity than SOC2000. Aside from the main categories of barristers and judges (which are combined) and solicitors, legal service providers are distributed across a range of categories which cannot be disaggregated, thus SOC 3520 (legal associate professionals) includes legal executives, conveyancers and paralegals; 4212, legal secretaries and law clerks; 2419 (legal professionals n.e.c) includes trainee solicitors and "legal consultants", whilst patent attorneys are counted as part of SOC 2462, which comprises a mix of 'regulatory professionals' who are mostly outwith the legal services sector.

staff. The use of short-term contract staff does appear, from the LETR (qualitative) data, to be on the increase in respect of both admitted and non-admitted staff. This important change in status and security will not necessarily be picked-up by datasets such as the Labour Force Survey.

32. Reliable data on the scale and make-up of the paralegal workforce, both within and outside regulated legal activities are also in short supply. Estimates of the size of that sector of the workforce vary wildly, from around 30,000 to 250,000. Official statistics suggest a figure nearer the lower end of the scale. The UK Commission for Employment and Skills indicated a paralegal workforce of 51,250 in 2008-9 (UKCES, 2010). This figure was based directly on the Labour Force Survey data for 'associate legal professionals'. Drawing on the same data set (but using SOC2010 rather than SOC2000) the IER research has produced a notably smaller figure of approximately 34,000 in 2010. This discrepancy is difficult to explain other than as an earlier spike in paralegal numbers, influenced possibly by some refinement in counting between the different SOC classifications.

33. A recent small scale survey by Welsh and Aitchison (2012) predicts an 18 per cent growth in paralegal employment over the next five years. This is above projected growth across the sector as a whole and so may be suggestive of expansion, though this cannot be assumed, given that sampling was non-random and respondents tended to be employers who already had a history of employing paralegals. The IER projection based on the SOC category of 'associate legal professionals' suggests rather more modest growth of 19.6 per cent between 2010 and 2020, still below the predicted growth of the solicitor sector. Figure S.3 (above) also shows little historical evidence in support of the view that there is a substitution effect between the paralegal and solicitor sectors, since, with the exception of a short period at the start of the 2000s, growth in the associate professionals category has tended to track that of solicitors. It is notable too that the number of legal secretaries and administrators has fallen substantially over the decade, and is predicted to continue falling, which may suggest not just that this group is more vulnerable to market changes, driven by recession, technology and outsourcing, but also that there may be some substitution effect whereby legal secretaries are also being replaced by (or re-classified as) paralegals.

34. Qualitative indicators at this stage point to a complex picture. Whilst some firms are increasing the number of paralegals, others are not, so that different firms may be operating quite different workforce strategies, even within the same sector of the market place. Outside private practice there is also some evidence of increased demand for paralegals as businesses seek to relieve the pressure on their legal departments, often as a consequence of keeping more work in-house.

35. Where it is occurring, higher paralegal employment in the regulated sector may reflect a permanent substitution effect, but it may also reflect either a fall in the amount of 'quality' (by which firms mean more complex and high value) work coming in, or the need to respond to what may be short-term increases in work, the implication being that, a return to higher throughput of 'quality' work and/or a more reliable market would see some shift in recruitment back to more admitted staff.

Implications for LETR

36. The headline findings from this work present a mixed set of messages to the sector, and for the Review. If the projections are reasonably accurate (and that will depend on the pace of change driven by the range of factors noted above), then employment prospects are relatively good, in the context of what continues to be a difficult employment market. Despite the depth of recession, there is no evidence historically or in the projections, taking the sector as a whole, of sustained negative growth. On that basis, the demand for professional training will continue to be relatively robust, particularly in the solicitor and paralegal sectors.

37. Projections for the Bar show virtually zero growth to 2015, but with some expansion thereafter. Whether that recovery materialises may be questionable, particularly given the impact of legal aid cuts on the criminal and family Bars. There is already evidence of pressure on these parts of the profession from declining quantities (and quality) of work coming in, and hence also declining income. The gap in opportunities and rewards between different segments of the Bar are likely to continue to grow.

38. Recruitment patterns to the vocational courses suggest the LPC and BPTC are not equally responsive to the market. Whilst research has suggested that supply and demand for the solicitors' profession has tended to demonstrate near equilibrium over time, the same is not true of the Bar, and the Bar is, on these figures, likely to continue to experience a very significant gap between the numbers of BPTC graduates and available pupillages, unless a solution can be found. An aptitude test that may take out the bottom 10 per cent of applicants still leaves a sizeable mismatch between supply and demand in the future.

39. Another variable not so far considered is the impact of higher university tuition fees on access. The initial effects on LLB recruitment appear to have been less severe than expected, though this will not become clear until after the start of the 2012-13 academic year. Although the early indications are that numbers of admissions have fallen by over 50,000 across the whole higher education sector, law has held-up well relative to other (non-vocational) disciplines, with numbers actually increasing at perceived high status universities in the wake of the relaxation of 'AAB+' recruitment. The full impact of fees on GDL recruitment will not be apparent until 2015.

40. Consequently, from the student perspective, competition for recruitment is likely to remain fierce for the remainder of the decade, possibly easing a little after 2018. For vocational course providers, it is likely to continue to be a challenging marketplace. The mismatch between supply and demand, and the increasingly high financial stakes for students may act as a deterrent to some of those who cannot obtain sponsorship, but will also likely increase pressure on providers to deliver high quality courses, careers advice and, possibly to do more to support those who do not enter professional training. For employers it is likely to remain a buyer's market for the next few years, at least for those in the larger firms, though inter-professional competition for those traditionally perceived to be the 'best' candidates is likely to continue to be strong, particularly in the commercial sector. Recruitment to the high street and the publically-funded Bar is likely to become even more difficult, unless entities find ways of reducing the 'access gap' (eg, via ABSs or other innovative vehicles for service delivery) caused by reductions in legal aid.

41. The implications for consumers are extremely difficult to foretell. Some sectors of the market may see little change, though that is unlikely longer term. Increasing price pressures, even on corporate work, are likely to oblige firms to reduce costs by a variety of means, including commoditisation, outsourcing and reducing the number of expensive trainees/associates and replacing them with cheaper paralegals or contract staff. For private consumers, the outcomes may vary over time and by location. New business practices may increase choice and affordability, but the possibility of increased advice deserts in areas that are currently served by limited numbers of smaller practices or vulnerable law centres cannot be ruled out. Whether and to what extent unregulated service providers will move in to fill those gaps is moot at this stage. The lack of reliable longitudinal data on the unregulated sector is a significant problem in projecting the future growth and demand for legal services and legal training. Expansion of the unregulated sector may increase choice, but it may also increase quality and other risks in ways that cannot readily be quantified at this stage.

42. Other risks for the regulators/increased regulatory costs for entities may arise out of increased use of paralegal and contract staff - eg, in respect of tracking CPD obligations within what may be an increasingly mobile workforce. The variety and variability of paralegal initial training and CPD requirements has also already been highlighted in *Discussion Paper 02/2012.*

Technical report

1. Introduction

This report describes employment projections for the *Legal Services* sector. The value of such projections is often called into question, and it is obviously true that nobody has a crystal ball that can reveal how the economy or the labour market will unfold. However it is in a sense impossible to get away from making projections. It is just a question of whether these are done transparently and explicitly (as an aid to thinking about possible outcomes) or if they are implicit (and untested). All economic and labour projections are based on assumptions about how the world works and how things that drive them may change. The set of results presented here are intended as a contribution to thinking about how the sector may evolve and what the implications of that may be. The assumptions underlying the projections are set out clearly and the sensitivity of the results to some alternative assumptions is explored.

The *Legal Services* sector can be defined in many different ways. The main focus here is on the use of official data and standard classifications. Both the Standard Industrial Classification, (SIC2003) categories used to define sectors and the Standard Occupational Classification (SOC2000 and SOC2010) categories used to classify occupations can be used to define the employment "footprint" of *Legal Services*. In addition to using official data sources, the analysis draws upon other data from relevant professional bodies. Together, these data enable a reasonably comprehensive and consistent picture of the sector to be developed. The report presents historical employment levels over the last decade, and projections to 2020.

Employment at the SIC level is projected for three main categories: *Legal activities* (SIC 7411), *Justice and judicial activities* (7523), and *Public security/law/order activities* (7523). The projections focus primarily on the national (England and Wales) level.

Detailed occupational projections, based on selected SOC groups, and other well recognised categories such as Solicitors and Barristers (for whom there are independent data sources) are also provided in the report.

Details of sources and methods are briefly summarised in Section 3. The forecasts are linked to the Cambridge Econometrics (CE) macroeconomic projections used for *Working Futures 2010-2020*. The CE/IER model uses a demand-driven approach that relates the demand for labour (measured here by total employment in *Legal services*) to expenditures on legal services by consumers, business and the state, making explicit linkages between industrial sectors.[17]

This forecast takes full account of the financial crisis of 2008 and the subsequent world-wide and UK recession, which has been unprecedented in recent times. This has had a knock on effect on the public sector and expenditure on many public services, including the law. The underlying scenario is considerably more pessimistic that the one prepared for *Working Futures* 2007-2017 back in 2008 which underlies the previous projections prepared for Skills for Justice (Wilson (2010)).

The UK, along with the rest of the world, has recently experienced the worst recession since the 2nd World War, with a considerable loss of output and employment compared to what might have happened if the crisis could have been avoided. Output is probably some 5% or more lower and employment over a million below the levels anticipated just a couple of years ago. Aggregate employment is now estimated to have peaked in 2008 at around 31½ million jobs. A decline to just

[17] The technical Appendix in Wilson (2010) provides further details on how this model works, and gives fuller information on sources and methods.

under 30½ million is now projected to the end of 2012, before a gradual recovery with 2008 levels expected to be achieved again only around 2018.

Professional services and Public administration and defence have not been immune from this shock. The former is expected to follow a similar path to the total for all industries but reaching 2008 levels a little sooner. The prospect in public administration will be more directly dependent on government policy and the state of public finances. The latest evidence suggest that the UK has entered a "double dip" recession but it remains to be seen how serious this will be and how long the economy will take to recover. Unless the dip is prolonged, it is unlikely to impact severely on the projections presented here.

2. Sources and methods

Defining Legal Services

The various official data sources used in the present report are based on systems for classifying employment and jobs that are designed to cover the whole economy and which therefore may not provide the level of granularity ideally required.

Discussion of such matters within the sector generally focuses upon analysing limited amounts of data organised by regulated title such as solicitor or barrister (for both of which groups there are data available from the relevant professional body).

The official data focus on sector and occupation. Sectors are classified using the Standard Industrial Classification (SIC) which categorise employers according to their principal activities. *Legal Services* comprises all those activities concerned with the law. Table 1 provides a summary using SIC2003 which covers the period for most of the historical data available.

Relevant employment can also be classified according to the jobs people do using the Standard Occupational Classification (SOC). Using SOC 2000 categories relevant historical data on employment is grouped into the very broad category "solicitors and lawyers, judges and coroners". (The terminology "solicitors and lawyers" will seem strange to some readers but simply reflects the official terminology used by the Office for National Statistics (ONS)).

Based on the description of activities, this category includes solicitors, barristers, legal executives, patent and trade mark attorneys, licensed conveyancers, as well as (presumably) unregulated will writers, etc. The exemplar job titles are only "solicitor", "barrister", "judge" and "articled clerk" (a term that was out-dated even in 2000). The description of the route to qualification for the category, however, only really fits solicitors and barristers.

This lack of granularity prevents a closer and more detailed examination of occupational trends using the official data (although it is probably worth reiterating the point that, even if they were available, numbers for smaller occupational groups would probably be too small to create reliable projections).

The latest SOC2010 version of the classification does provide a bit more granularity, and, on the whole a more useful breakdown of categories. The historical data have therefore been translated on to the new basis for the projections work below. The new classification still includes barristers with judges but has solicitors separately. Here the descriptions of the qualification processes are much tighter and it is clear that "solicitor" means only a qualified solicitor. Though even here there are still uncertainties. For example, category 2419 does not mention the title explicitly, but the description of the qualification process matches that for legal executives. However the title "legal executive" is actually mentioned as part of another category 3520 *Legal Associate Professional* (which also includes conveyancers). In SOC2010 patent attorneys come under category 2462 (*Quality assurance and regulatory professionals*) along with compliance managers and various other non-legal occupations. Trade mark attorneys do not appear at all.

Data sources

There are two main official sources of historical data on employment:

- the Business Register and Employment Survey (BRES),[18] which is a survey of businesses, providing detailed data categorised by industry (classified using the Standard Industrial Category (SIC); and
- the Labour Force Survey (LFS), which is a survey of households, providing information on employment patterns for individuals covering both industry and occupation (classified using the Standard Occupational Classification (SOC)).

The BRES is the most comprehensive source available on employment by industry. The BRES data set does have some limitations, notably its lack of information on self-employment. It focuses on the workplace and numbers of jobs. BRES is the cornerstone of the data published in *Working Futures 2010-2020*. The latter is the most comprehensive set of employment projections available for the UK economy. *Working Futures* is produced by the Warwick Institute for Employment Research (IER) in collaboration with Cambridge Econometrics (CE) on behalf of the UK Commission for Employment and Skills (UKCES). In addition to the main *Working Futures* projections IER/CE also produced customised local and sectoral projections using their Local Economy Forecasting Model (LEFM) methodology. This approach is used to develop the current set of projections (further details can be found in the Technical Appendix in Wilson (2010)).

The LFS is a survey of households. It includes information for both employees and the self-employed. It collects information on both the industry and occupation in which people work. Its main focus is on people in employment and where they live (residency). While its sample size has been greatly increased in recent years it is still limited in providing detailed breaks by industry, occupation geographical area and other dimensions in combination.

Defining Legal Services using SIC and SOC

Using the official data sets there are two main ways of defining *Legal Services*. The first uses industry or sector, based on the principle economic activity of the employing organisation. Table 1 shows the main areas of interest here, defined using SIC2003. The ***Legal Services*** sector for the purpose of this report comprises *Legal activities* (7411), as well as the categories defined by SIC codes 7523, and 7524 shown in the table.

Table 1: The Sectoral "Footprint" for *Legal Services* (SIC2003)

7411 : Legal activities
74.11/1 Activities of patent and copyright agents 74.11/2 Barristers at law 74.11/3 Solicitors 74.11/9 Other legal activities not elsewhere classified
7523 : Justice and judicial activities
7524 : Public security, law and order activities

The other way of classifying the area of interest is by looking at the jobs people do (their occupation). Table 2, overleaf, shows how jobs were classified in selected occupations using SOC2000 in the previous study for SfJ (Wilson (2010)). This is a list of "relevant" occupations agreed with SfJ. Just 4 of these (shown in bold) are of prime interest here. These categories are defined at the 4 digit level of SOC2000. Even at this level of detail, Barristers and Solicitors are not distinguished separately in the official statistics (both being included in the SOC2000 category 2411 Solicitors & lawyers, judges & coroners). In

[18] BRES has replaced the Annual Business Inquiry (ABI).

the newly revised SOC2010 it is possible to make a distinction between Solicitors and the other professional categories (see Table 3). Unfortunately data have not been collected using the new classification until very recently, so there are no consistent official time series data to develop projections. The present study presents historical estimates on this basis based on a simple conversion process developed by IER in collaboration with ONS.

For the present analysis the official data have also been extended using information for two key groups available from relevant professional organisations (the Bar Council and the Law Society), which provide independent estimates of trends in the numbers of Barristers and Solicitors.

Table 2: "Footprint" by Occupational category as used by SfJ (SOC2000)

SOC2000 4 digit code	Title
1172	Police officers inspectrs & above)
1173	Senior officers fire, amb, prison et al)
2411	**Solicitors & lawyers, judges & coroners)**
2419	**Legal professionals n.e.c.)**
2441	Public service administrative profs)
2443	Probation officers)
3231	Youth and community workers)
3312	Police offcrs sergeant and below))
3313	Fire serv off leading off & below))
3314	Prison serv off below princ off))
3319	Protective servcs assoc prfsnls NEC)
3520	**Legal associate professionals)**
3563	Vocatn & indust trainrs & instrctrs)
4142	Communication operators)
4212	**Legal secretaries)**
9241-9249	Elementary Security Occupations)

Table 3: Occupational "Footprint" based on SOC2010

SOC2010 4 digit code		Title
241		**Legal Professionals**
	2412	Barristers and judges
	2413	Solicitors
	2419	Legal professionals n.e.c.
352		**Legal Associate Professionals**
	3520	Legal associate professionals
4		**Other admin & secretarial**
	4159	Other administrative occupations n.e.c.
	4212	Legal secretaries

3. Developing employment projections

General approach

The detailed data required for industry and occupational projections at the level of granularity shown in Tables 1-3 are not available as part of the standard *Working Futures* database. In principle, it is possible to extract data for the SOC and SIC codes of interest (from the BRES and LFS) and to develop projections and other analyses using these data. However, as noted in Section 2, relatively small sample sizes mean that information for many detailed categories by SOC and SIC are not very robust, especially if broken down by other dimensions such as individual country or region.

In practice, the vast majority of occupational employment projections by industry (such as the *Working Futures* series) are made at a much broader level of aggregation. In the previous work for Skills for Justice (Wilson, 2010) a breakdown of projections for the industry categories in Table 1 was generated using the much broader SOC major and sub-major groups. These relate to the 1 and 2 digit levels of SOC and break down total employment in a sector into 9 or 25 occupational categories respectively. Projections of workforce requirements for the most important occupations in the sector (by 4-digit SIC code) as shown in Table 2 were also generated in that previous report.

These results are updated here, also providing additional detail where possible, using more recently available official data classified using SOC2010, as well as the data available from non-official sources such as the time series estimate of employment numbers for Barristers and Solicitors from the Law Society and the Bar Council. While the latter are not directly comparable (nor fully consistent) with the official data they provide a robust indication of recent trends.

It is worth emphasising that there are some significant differences between LFS based estimates of employment and the data used in *Working Futures* (and LEFM), which are based mainly on BRES estimates. In developing the projections the latter have been regarded as more robust. All tables with a source statement mentioning LEFM based estimates are on this basis.

Stage 1 involved the extraction of data from the LFS, the BRES and other sources to obtain historical time series that could form the foundation for the projections when linked to the main *Working Futures* database.

The data extractions focus on the data for the categories as set out in Tables 1 and 2 above. The data developed provide annual historical estimates of employment (employees and self-employed), covering the period from 2001.

Stage 2 involved the generation of quantitative employment projections for the categories indicated, including replacement needs.[19] The aim is to provide a comprehensive assessment of the expected size, and trends in, workforce requirements in the *Legal Services* sector in England and Wales over the next 10 years, including estimates of replacement demand and total job openings. Historical data are provided to enable the projections to be put in the context of trends over the past decade or so.

[19] Replacement needs include job openings arising from the need to replace those leaving as they retire or leave the legal sector workforce for other reasons. They exclude general labour market turnover within the sector.

Link with *Working Futures*

The information from the LFS, BRES and the unofficial sources has been combined with data from the *Working Futures* database and the Cambridge Econometrics regional macroeconomic model (RMDM) to produce projections for the categories identified in Tables 1, 2 and 3.

This has been done by linking the historical data extracted in Stage 1 to the main *Working Futures* results, using the techniques developed in the well-established Local Economy Forecasting Model (LEFM) methodology (described in detail in the Technical Appendix in Wilson (2010)). These results have been used to drive customised forecasts for the categories in Table 1 (based on an assumption of continuation of past patterns of performance compared with the broader sectoral categories used in *Working Futures*).

The updated *Working Futures* results take into account the latest information available on the impact of the financial and economic and crisis and subsequent recovery, but it is important to recognise that this remains subject to some uncertainty. The projections are based on a detailed assessment of the prospects for each industry and sector within the economy, taking into account changing employment patterns within and between sectors. These forecasts are therefore not simple time series extrapolations based on past trends, but take into account the changing demand for legal services from business, consumers and the state. The macroeconomic scenario on which the present results are based assumes a slow recovery with no serious dip back into recession.

The results set out a plausible set of projections of the numbers of new jobs there are likely to be for the *Legal Services* footprint defined by Table 1, including distinguishing replacement needs. They are complemented by additional results focussing more on the occupational footprint.

Geographical coverage

The analysis focuses on the whole of England and Wales. Where possible some results are separated out for Wales, but in general the numbers involved are quite small and not always statistically robust.

Industry and occupational categories

The analysis distinguishes all the SIC categories shown in Table 1 and the total combined. Tables based on the SOC two digit groupings used in *Working Futures* are presented, focusing on all those employed within the industries defined by the footprint set out in Table 1.

Where possible, these results are extended to distinguish the categories shown in bold in Table 2 and Table 3. However, in practice this often results in less than robust estimates.

Those employed in the occupations set out in Table 2 employed outside the categories defined in Table 1 have not been covered, other than as a residual category.

LFS based detailed occupational projections

In order to add the extra detail required for Tables 2 and 3 LFS employment numbers have been analysed in some detail, focussing on proportions and ratios. These have been linked to the LEFM based projections. Trends in proportions and ratios have been extrapolated to give more detailed forecasts up to 2020. Any forecast proportions that went below zero or above 100% were constrained to lie within acceptable limits. These were then combined with data on employment levels from the LEFM based projections to generate absolute numbers.

Projections for Barristers and Solicitors using non-official data

In addition a set of projections based on data provided by the Bar Council and the Law Society have been generated. These are based on assuming a similar pattern of future growth to the LEFM based sectoral projections. This assumes that the Barristers and Solicitors groups will broadly maintain their current shares of employment in the sector.[20] As noted above these results are not directly comparable to, nor fully consistent with, the others presented here (due to differences in the way that these data are collected and defined) but they provide a useful cross-check on the other results.

Replacement demands

Constructing estimates of replacement demand (and total requirements/ job openings) is, at the same time, both simple and complex. The basic principles are simple enough. It is necessary to work out what percentage of the workforce is likely to leave over the period concerned (because they will be retiring or leaving for other reasons). Normally the focus is on "permanent" withdrawals from particular occupations, rather than simply overall labour turnover or "churn".

The rate of loss will depend on factors such as:

- the age structure of the workforce concerned, (older people are more likely to retire);
- gender (women often leave for family formation);
- occupation - outflows are higher for some than others, due to a range of factors related to (for example) career progression, etc.

In practice, getting relevant data on these factors is hard, especially for more detailed breaks by sector, geographical areas and occupation. IER use the LFS for this, but this source is limited due to sample size problems, and it is often necessary to use information that is not very customized.

In some sense this does not matter too much, if the main aim is simply to recognise that replacement needs are important. Most replacement demand (RD) rates work out around 2½ % per annum (assuming a typical working life of around 40 years). If this rule of thumb is used, it at least demonstrates the significance of such a phenomenon.

In practice, detailed differences, especially in age structures, could mean that RDs could be: significantly higher (e.g. if there is an aged workforce); or maybe significantly smaller (if there is little likelihood of immediate retirement for most of the workforce). It is rare to have the luxury of such detailed data for a particular sector. In this report it is generally assumed that certain annual rates apply. These values are based on aggregate analysis of LFS data, and are only marginally customized to reflect the situation here. These are applied as constant rates. The longer the period involved the higher the losses due to RDs.

For Barristers and Solicitors some additional data on the age structure of the current workforce are available from the data provided by the Bar Council and Law Society. These enable a rough check on the loss rates assumed.

Table 5.5 (below) shows the typical rates of loss assumed over a period of 10 years. By applying these rates of loss to any opening (base year) level of employment, it is possible to estimate RDs for any length of period. The table contains a range of possible values. Total requirements (or job openings) is simply the sum of RDs and the projected expansion demand (ED) already calculated (which may be negative).

The important point to emphasize is that RDs are significant compared with expansion demands. They represent a significant proportion of the current workforce and this cumulates over a long period of years much like compound interest.

[20] As discussed in more detail below, because of changes in the structure of the sector this assumption is contestable. If the deployment of other occupations increases because of changes in the way legal services are produced and delivered this set of projections may turn out to be at the upper end of possible outcomes.

4. Projections for the *Legal Services* sector (SIC categories)

Table 4.1 reports the overall employment projections for the three key SIC industrial categories, based on the *Working Futures* /LEFM approach (tied to the *Working Futures 2010-2020* macroeconomic forecast). Between 2010 and 2020 employment is expected to increase by some 4 per cent over all three SIC categories combined. All the growth is concentrated in "Legal activities" (SIC 7411). This category shows positive employment increases in both sub periods 2010 - 2015 and 2015 - 2020. Over the full period 2010 to 2020 employment in *Legal activities* is projected to grow by some 14 per cent. In contrast, the projections for the other two categories show declines over the period 2010 to 2020 of about 9 per cent. However things are expected to pick up from around 2015 onwards, and further growth is projected beyond 2020.

Table 4.1 also show the projections for the same three SIC categories in terms of a gender breakdown, illustrating respective percentages of jobs occupied by men and women. In 2010, women had some 62 per cent of the jobs in legal activities and this share is projected to increase only slightly through to 2020. In *Justice and judicial activities*, women had about 50 per cent of the jobs in 2010, and this share is likely to increase only marginally over the period to 2020. Men accounted for the majority of jobs in the category *Public security, law and order activities*, (about 64 per cent in 2010). Men are projected to experience a small reduction in their employment share in this category by 2020, as women make small inroads into these labour markets. Overall, for the three SIC categories combined, men had just under half of the jobs in 2010 and this is expected to fall further to just over 45 per cent by 2020.

Further details of employment by gender and status are shown in Table 4.2. The labour market in the *Legal activities* is dominated (in terms of employment numbers at least) by women, in both the full-time and part-time areas, but not amongst the self-employed. Female full-time employees are the largest group in this labour market (36 per cent of the whole in 2010) and, despite a small loss of job share, they will continue to be the dominant group in 2020. Part-time female employees are also very important (20 per cent in 2010) and they are expected to marginally increase their job share by 2020. Male self-employed workers who make up about 15 per cent of this category's workforce in 2010 are projected to lose a small amount of job share, despite an increase in their numbers by 2020.

In the *Justice and judicial activities* category, male full-time employees accounted for the bulk of jobs in 2010 (about 42 per cent of all jobs). The share of jobs accounted for by female part-time employees is projected to increase over the next ten years. The projections for *Public security, law and order activities* are similar to those found in the *Justice and judicial activities* category, namely declining full-time jobs, especially for men, but increasing employment opportunities in part-time work for women.

Table 4.2 projects employment for all three SIC categories, but analyses the projections according to both gender and status of employment. In 2010, 2 in 3 of the workforce (men and women together) were full-time employees, about 20 per cent were part-time workers and the remaining 13 per cent were self-employed. Within the part-time component of the workforce it is predominantly women who occupy these jobs, whereas within the ranks of the self-employed it is men who constitute the majority. Over the ten years to 2020 some small changes are projected in the composition of the workforce. The percentage of full-time employees is forecast to decline to 63 per cent, with stronger declines in male full-time jobs than in the female equivalent. Part-time employment is projected to increase to over 22 per cent of the work force and this growth marginally favours female jobs. Self-employment is projected to increase slightly, mainly with an increasing share for men. A more detailed breakdown within subsectors is presented in Appendix A.

Table 4.3 presents results for England and Wales separately. This highlights that in terms of numbers England dominates. In 2010 Wales accounted for less than 30 thousand of the 728 thousand employed in total in *Legal Services*. The patterns of change over time are generally similar in Wales to those in England. The *Legal activities* category accounts for the largest share of the total, but this category is not as dominant in employment terms as is the case in England. Almost half of the jobs in Wales are in the other two categories compared with 44% in England.

The implications for qualifications are covered in Section 5 below.

Table 4.1: Projections for *Legal Services* (SIC definitions)

					000s
Men	**2000**	**2005**	**2010**	**2015**	**2020**
7411 : Legal activities	111	125	150	162	170
7523 : Justice and judicial activities	56	54	51	45	46
7524 : Public security/law/order activities	153	160	143	126	129
All sectors above	320	339	345	333	345
Women	**2000**	**2005**	**2010**	**2015**	**2020**
7411 : Legal activities	179	189	253	275	292
7523 : Justice and judicial activities	43	48	51	45	47
7524 : Public security/law/order activities	64	78	79	70	74
All sectors above	286	315	383	390	413
Men and women	**2000**	**2005**	**2010**	**2015**	**2020**
7411 : Legal activities	290	314	404	437	462
7523 : Justice and judicial activities	99	102	102	90	93
7524 : Public security/law/order activities	217	238	222	196	203
All Legal Services	607	654	728	722	758

Notes: Based on LEFM methodology and *Working Futures 2010-2020* results.

Table 4.2: Projections for *Legal Services* by Gender and Status (SIC definitions)

Male full time	**2000**	**2005**	**2010**	**2015**	**2020**
7411 : Legal activities	60	68	83	91	95
7523 : Justice and judicial activities	52	45	43	38	38
7524 : Public security/law/order activities	149	150	132	116	118
All Legal Services	262	262	258	244	252
Female full time	**2000**	**2005**	**2010**	**2015**	**2020**
7411 : Legal activities	121	120	146	155	159
7523 : Justice and judicial activities	31	31	29	25	25
7524 : Public security/law/order activities	48	56	50	43	43
All Legal Services	201	207	226	222	228
Male part time	**2000**	**2005**	**2010**	**2015**	**2020**
7411 : Legal activities	7	11	7	9	10
7523 : Justice and judicial activities	4	5	5	4	4
7524 : Public security/law/order activities	3	8	6	5	5
All Legal Services	14	25	18	18	19
Female part time	**2000**	**2005**	**2010**	**2015**	**2020**
7411 : Legal activities	43	56	81	90	100
7523 : Justice and judicial activities	12	15	20	18	20
7524 : Public security/law/order activities	16	21	29	27	30
All Legal Services	71	92	129	136	150
Male self employed	**2000**	**2005**	**2010**	**2015**	**2020**
7411 : Legal activities	43	46	60	63	65
7523 : Justice and judicial activities	0	4	4	3	3
7524 : Public security/law/order activities	1	2	5	5	6
All Legal Services	44	52	68	71	74
Female self employed	**2000**	**2005**	**2010**	**2015**	**2020**
7411 : Legal activities	15	12	26	30	33
7523 : Justice and judicial activities	0	3	2	2	2
7524 : Public security/law/order activities	0	1	0	0	0
All Legal Services	15	16	28	31	35
All gender-status	**2000**	**2005**	**2010**	**2015**	**2020**
7411 : Legal activities	290	314	404	437	462
7523 : Justice and judicial activities	99	102	102	90	93
7524 : Public security/law/order activities	217	238	222	196	203
All Legal Services	607	654	728	722	758

Notes: Based on LEFM methodology and *Working Futures 2010-2020* results.

Table 4.3: Projections for *Legal Services* by Country (SIC definitions)

England & Wales	2000	2005	2010	2015	2020
7411 : Legal activities	290	314	404	437	462
7523 : Justice and judicial activities	99	102	102	90	93
7524 : Public security/law/order activities	217	238	222	196	203
All sectors above	607	654	728	722	758
England	**2000**	**2005**	**2010**	**2015**	**2020**
7411 : Legal activities	281	299	391	425	449
7523 : Justice and judicial activities	96	96	98	86	89
7524 : Public security/law/order activities	207	228	211	187	194
All sectors above	584	622	700	697	731
Wales	**2000**	**2005**	**2010**	**2015**	**2020**
7411 : Legal activities	9	15	12	12	13
7523 : Justice and judicial activities	3	6	5	4	4
7524 : Public security/law/order activities	10	11	11	9	9
All sectors above	23	32	28	26	26

Notes: Based on LEFM methodology and *Working Futures 2010-2020* results.

5. Projections for Occupations (SOC)

Broad Occupational Projections for the three Legal Services Categories

Table 5.1 presents employment projections in the three main *Legal Services* sectoral categories, further broken down into the occupations employed within these sectors. Occupations are classified here using the broad 25 sub-major occupational groupings (2-digit level within the Standard Occupational Classification (SOC)). They do not distinguish the detailed 4 -digit occupational categories identified in Tables 2 and 3 above, although these more detailed groups are considered in the next sub-section below. The projections are based on the *Working Futures* results, using the LEFM methodology as described in Section 2.

It is important to appreciate that these tables show all those employed in the sector, not just legal professionals. A significant number of elementary clerical and service workers are also employed in the *Legal Services* categories. This will include cleaners, maintenance staff, catering staff, etc.

However, the key occupational groups for *Legal Services* at the 2-digit level are corporate managers, business and public service professionals and associates, administrative and clerical staff and protective service workers. Barristers and Solicitors are included primarily in the Business /public service professional category, although some may also be included in the managerial categories. Paralegals are also included here and amongst the business and public service professionals and associate professional categories.

Table 5.2 shows how the occupational structures of the 3 sectoral categories vary by presenting percentage shares of total employment. These results highlight the importance of the occupational categories already mentioned. A graphical breakdown within sub-sectors is presented in Appendix A (although this is only at the 1-digit level of SOC2010.

Table 5.3 continues to use the standard 25 sub-major occupational groups and presents estimates of net changes projected as well as replacement demands and total requirements 2010 to 2020, for each occupation. The numbers of managers are projected to rise by around 14 thousand, the numbers of professionals by 38 thousand, and associate professional by some 12 thousand. Administrative and clerical support worker are projected to see job losses of 33 thousand.

The replacement demand calculations are based on using constant annual loss rates which mainly lie between 2 and 3 per cent. The table shows the expected level of replacement demand for all those workers who are likely to retire or leave the sector over the forthcoming decade. When these forecasts are added to the new employment demand the total requirement for workers in each sector is determined.

Total requirements measures the total number of job openings expected over the next decade, combining the projected increase in total employment and replacement demands. This shows that some 35 thousand corporate managers, 76 thousand business and public service professionals, 47 thousand business and public service associates and 35 thousand clerical and administrative workers could be required in the sector between 2010 and 2020.

Table 5.4 summarises the expected level of replacement demand across all occupations for all those workers who are likely to retire or leave the sector over the forthcoming decade. When these forecasts are added to the new employment demand the total requirement for workers in each sector is determined. Between 2010 and 2020 employment in SIC 7411 is projected to increase by about 60 thousand (around 15 per cent). Replacement needs over the same period are over 150 thousand. In the other two categories employment levels are projected to fall between 2010 and 2020 (although picking up from 2015 onwards). Replacement needs are sufficient to more than outweigh this. Even in these areas where employment levels are projected to fall there will therefore be significant needs to recruit and train new entrants.

Table 5.5 sets out the replacement demand assumptions which underlie these results. It also sets out the assumptions for the SOC minor occupational groups. For most occupations annual replacement demand rates are between 2 and 3 per cent of the existing labour force. These rates are based on IER analysis of LFS data. They reflect the typical rates of loss (outflows) from employment due to retirement and similar factors. Alternative rates could be applied if other information on likely loss rates and replacement needs were available.

Table 5.6 draws out implications for education and training by focussing on the kinds of qualifications that might be needed. The vast bulk of the job openings are likely to require people qualified at QCF 4 and above. The overall number of job openings projected between 2010-2020 is about 300 thousand. Over 75% of these are expected to be at QCF level 6 (degree level) or higher and over 50% at QCF level 7 or 8.

Table 5.1: Employment projections in the three main *Legal Services* categories (000s)

7411 : Legal activities, Employment by Occupation, England & Wales (000s)

	2000	2005	2010	2015	2020
Corporate Managers	17	23	33	40	45
Managers and Proprietors	3	5	9	11	11
Science/tech Professionals	21	24	39	45	48
Health Professionals	1	1	2	2	2
Teaching/research Prof.	1	2	1	1	2
Business/public Service Prof.	70	76	99	113	124
Science Associate Prof.	7	9	15	16	17
Health Associate Prof.	1	1	1	1	1
Protective Service Occs	0	0	1	1	1
Culture/media/sport Occs	7	7	11	13	14
Bus/public Serv. Assoc Prof.	35	42	52	61	67
Admin & Clerical Occupations	52	54	64	66	66
Secretarial & Related Occs	56	47	43	35	28
Skilled Agricultural Trades	1	1	1	1	1
Skilled Metal/elec Trades	3	3	6	6	6
Skilled Construct. Trades	1	1	1	1	1
Other Skilled Trades	1	1	1	1	1
Caring Personal Service Occs	0	0	1	1	1
Leisure/oth Pers Serv Occs	1	1	1	1	1
Sales Occupations	3	4	8	8	8
Customer Service Occupations	3	4	7	8	8
Process Plant & Mach Ops	1	2	1	1	1
Transport Drivers And Ops	1	1	1	1	1
Elementary: Trades/plant/mach	1	0	0	0	1
Elementary: Clerical/service	3	4	4	4	4
Total	290	314	404	437	462

7524 : Public security/law/order activities, Employment by Occupation, England & Wales (000s)

	2000	2005	2010	2015	2020
Corporate Managers	14	16	17	16	18
Managers and Proprietors	2	2	3	3	3
Science/tech Professionals	8	10	11	10	11
Health Professionals	5	7	7	7	8
Teaching/research Prof.	4	5	3	4	4
Business/public Service Prof.	14	16	18	16	18
Science Associate Prof.	6	7	6	5	5
Health Associate Prof.	2	2	3	2	3
Protective Service Occs	60	57	54	48	47
Culture/media/sport Occs	1	2	1	1	1
Bus/public Serv. Assoc Prof.	22	26	24	22	24
Admin & Clerical Occupations	47	53	45	36	35
Secretarial & Related Occs	6	6	7	5	4
Skilled Agricultural Trades	1	1	1	1	1
Skilled Metal/elec Trades	4	4	3	2	2
Skilled Construct. Trades	1	1	1	1	1
Other Skilled Trades	1	1	0	0	0
Caring Personal Service Occs	4	5	4	4	5
Leisure/oth Pers Serv Occs	1	2	1	1	1
Sales Occupations	1	1	1	1	1
Customer Service Occupations	3	4	4	4	4
Process Plant & Mach Ops	1	1	1	1	1
Transport Drivers And Ops	3	2	2	2	2
Elementary: Trades/plant/mach	1	1	1	1	1
Elementary: Clerical/service	6	6	5	5	5
Total	217	238	222	196	203

7523 : Justice and judicial activities, Employment by Occupation, England & Wales (000s)

	2000	2005	2010	2015	2020
Corporate Managers	6	6	7	6	7
Managers and Proprietors	1	1	1	1	1
Science/tech Professionals	3	4	4	4	4
Health Professionals	3	4	4	4	4
Teaching/research Prof.	2	3	2	2	2
Business/public Service Prof.	6	8	9	8	9
Science Associate Prof.	2	2	2	2	2
Health Associate Prof.	1	1	1	1	1
Protective Service Occs	23	20	21	19	18
Culture/media/sport Occs	0	1	1	1	1
Bus/public Serv. Assoc Prof.	10	11	11	10	11
Admin & Clerical Occupations	25	25	24	20	19
Secretarial & Related Occs	4	3	4	3	2
Skilled Agricultural Trades	0	0	0	0	0
Skilled Metal/elec Trades	2	1	1	1	1
Skilled Construct. Trades	0	0	0	0	0
Other Skilled Trades	0	0	0	0	0
Caring Personal Service Occs	2	3	2	2	3
Leisure/oth Pers Serv Occs	1	1	0	0	0
Sales Occupations	0	0	0	0	0
Customer Service Occupations	2	2	2	2	2
Process Plant & Mach Ops	1	0	0	0	0
Transport Drivers And Ops	1	1	1	1	1
Elementary: Trades/plant/mach	0	0	0	0	0
Elementary: Clerical/service	3	3	2	2	2
Total	99	102	102	90	93

All Legal Services, Employment by Occupation, England & Wales (000s)

	2000	2005	2010	2015	2020
Corporate Managers	36	45	57	62	69
Managers and Proprietors	6	8	14	15	16
Science/tech Professionals	32	38	54	58	63
Health Professionals	9	13	12	12	14
Teaching/research Prof.	7	10	6	7	8
Business/public Service Prof.	90	101	126	137	151
Science Associate Prof.	15	19	23	23	24
Health Associate Prof.	3	4	5	5	5
Protective Service Occs	84	77	75	68	66
Culture/media/sport Occs	9	10	13	14	16
Bus/public Serv. Assoc Prof.	67	80	87	93	102
Admin & Clerical Occupations	125	132	134	122	121
Secretarial & Related Occs	65	56	55	42	35
Skilled Agricultural Trades	2	2	2	2	2
Skilled Metal/elec Trades	9	8	10	9	9
Skilled Construct. Trades	3	3	3	3	3
Other Skilled Trades	2	2	2	1	1
Caring Personal Service Occs	7	8	6	7	8
Leisure/oth Pers Serv Occs	2	3	2	2	2
Sales Occupations	4	5	9	9	10
Customer Service Occupations	8	10	14	13	14
Process Plant & Mach Ops	3	3	3	2	2
Transport Drivers And Ops	5	3	4	4	4
Elementary: Trades/plant/mach	2	2	2	1	1
Elementary: Clerical/service	12	13	12	11	11
Total	607	654	728	722	758

Notes: Based on LEFM methodology and *Working Futures 2010-2020* results.

Table 5.2: Employment projections in the three main *Legal Services* categories (% shares of total employment)

7411 : Legal activities, Employment by Occupation, England & Wales (per cent)

	2000	2005	2010	2015	2020
Corporate Managers	5.9	7.3	8.3	9.1	9.7
Managers and Proprietors	1.2	1.5	2.4	2.4	2.5
Science/tech Professionals	7.1	7.6	9.7	10.2	10.5
Health Professionals	0.4	0.4	0.4	0.5	0.5
Teaching/research Prof.	0.3	0.6	0.3	0.3	0.3
Business/public Service Prof.	24.1	24.4	24.5	25.8	26.9
Science Associate Prof.	2.5	3.0	3.7	3.7	3.7
Health Associate Prof.	0.2	0.2	0.2	0.2	0.2
Protective Service Occs	0.1	0.1	0.1	0.2	0.2
Culture/media/sport Occs	2.6	2.4	2.7	2.9	3.1
Bus/public Serv. Assoc Prof.	12.1	13.5	12.9	13.8	14.5
Admin & Clerical Occupations	18.0	17.1	15.9	15.2	14.3
Secretarial & Related Occs	19.3	15.1	10.7	7.9	6.1
Skilled Agricultural Trades	0.3	0.2	0.2	0.2	0.2
Skilled Metal/elec Trades	1.0	1.0	1.5	1.3	1.3
Skilled Construct. Trades	0.3	0.5	0.3	0.3	0.3
Other Skilled Trades	0.2	0.3	0.3	0.2	0.2
Caring Personal Service Occs	0.1	0.1	0.1	0.2	0.2
Leisure/oth Pers Serv Occs	0.2	0.2	0.2	0.2	0.2
Sales Occupations	0.9	1.1	2.0	1.9	1.8
Customer Service Occupations	1.1	1.2	1.7	1.8	1.8
Process Plant & Mach Ops	0.4	0.5	0.4	0.3	0.2
Transport Drivers And Ops	0.3	0.3	0.3	0.3	0.3
Elementary: Trades/plant/mach	0.2	0.1	0.1	0.1	0.1
Elementary: Clerical/service	1.0	1.2	1.1	1.0	0.9
Total	100.0	100.0	100.0	100.0	100.0

7524 : Public security/law/order activities, Employment by Occupation, England & Wales (per cent)

	2000	2005	2010	2015	2020
Corporate Managers	6.2	6.9	7.6	8.3	8.7
Managers and Proprietors	1.0	0.9	1.4	1.6	1.6
Science/tech Professionals	3.6	4.4	4.8	5.0	5.2
Health Professionals	2.4	3.1	3.2	3.4	3.8
Teaching/research Prof.	1.9	2.3	1.6	1.8	2.1
Business/public Service Prof.	6.3	6.9	8.1	8.4	8.9
Science Associate Prof.	2.6	2.8	2.5	2.5	2.5
Health Associate Prof.	0.8	1.0	1.1	1.2	1.3
Protective Service Occs	27.7	24.1	24.4	24.7	23.1
Culture/media/sport Occs	0.4	0.6	0.5	0.5	0.6
Bus/public Serv. Assoc Prof.	10.1	10.9	10.7	11.3	12.0
Admin & Clerical Occupations	21.8	22.1	20.4	18.3	17.4
Secretarial & Related Occs	2.6	2.3	3.1	2.3	1.9
Skilled Agricultural Trades	0.3	0.4	0.3	0.3	0.3
Skilled Metal/elec Trades	1.9	1.6	1.3	1.2	1.1
Skilled Construct. Trades	0.6	0.4	0.5	0.5	0.5
Other Skilled Trades	0.4	0.3	0.2	0.2	0.1
Caring Personal Service Occs	1.9	2.0	1.6	2.0	2.4
Leisure/oth Pers Serv Occs	0.5	0.6	0.4	0.4	0.3
Sales Occupations	0.3	0.3	0.4	0.4	0.4
Customer Service Occupations	1.4	1.8	1.9	1.8	1.9
Process Plant & Mach Ops	0.6	0.4	0.4	0.3	0.3
Transport Drivers And Ops	1.2	0.8	1.0	0.9	1.0
Elementary: Trades/plant/mach	0.6	0.3	0.4	0.3	0.3
Elementary: Clerical/service	2.8	2.6	2.3	2.3	2.3
Total	100.0	100.0	100.0	100.0	100.0

7523 : Justice and judicial activities, Employment by Occupation, England & Wales (per cent)

	2000	2005	2010	2015	2020
Corporate Managers	5.6	5.9	6.5	7.0	7.4
Managers and Proprietors	0.9	0.9	1.4	1.5	1.5
Science/tech Professionals	3.3	3.9	4.1	4.3	4.5
Health Professionals	2.8	4.0	3.6	4.0	4.4
Teaching/research Prof.	2.1	2.8	1.8	2.1	2.5
Business/public Service Prof.	6.2	7.9	8.5	8.7	9.2
Science Associate Prof.	2.3	2.3	2.2	2.2	2.2
Health Associate Prof.	0.9	1.1	1.2	1.3	1.5
Protective Service Occs	23.3	19.3	20.1	20.7	19.6
Culture/media/sport Occs	0.4	0.7	0.5	0.6	0.6
Bus/public Serv. Assoc Prof.	9.7	10.9	10.8	11.4	12.0
Admin & Clerical Occupations	25.4	24.7	24.0	21.9	20.7
Secretarial & Related Occs	3.7	3.2	4.4	3.3	2.6
Skilled Agricultural Trades	0.3	0.4	0.2	0.2	0.3
Skilled Metal/elec Trades	1.6	1.3	1.0	0.9	0.9
Skilled Construct. Trades	0.5	0.5	0.5	0.4	0.4
Other Skilled Trades	0.4	0.3	0.2	0.2	0.1
Caring Personal Service Occs	2.5	2.7	2.1	2.5	2.9
Leisure/oth Pers Serv Occs	0.6	0.6	0.4	0.4	0.4
Sales Occupations	0.3	0.4	0.5	0.5	0.5
Customer Service Occupations	1.5	2.0	2.2	2.1	2.2
Process Plant & Mach Ops	0.6	0.3	0.3	0.3	0.2
Transport Drivers And Ops	1.0	0.6	0.8	0.8	0.8
Elementary: Trades/plant/mach	0.5	0.3	0.3	0.3	0.2
Elementary: Clerical/service	3.5	3.0	2.4	2.5	2.4
Total	100.0	100.0	100.0	100.0	100.0

All Legal Services, Employment by Occupation, England & Wales (per cent)

	2000	2005	2010	2015	2020
Corporate Managers	6.0	6.9	7.8	8.6	9.2
Managers and Proprietors	1.1	1.2	1.9	2.1	2.1
Science/tech Professionals	5.2	5.9	7.4	8.1	8.3
Health Professionals	1.5	2.0	1.7	1.7	1.9
Teaching/research Prof.	1.2	1.6	0.9	0.9	1.1
Business/public Service Prof.	14.8	15.4	17.3	19.0	19.9
Science Associate Prof.	2.5	2.8	3.1	3.2	3.2
Health Associate Prof.	0.5	0.6	0.6	0.6	0.7
Protective Service Occs	13.8	11.8	10.3	9.4	8.7
Culture/media/sport Occs	1.5	1.5	1.7	2.0	2.1
Bus/public Serv. Assoc Prof.	11.0	12.2	11.9	12.8	13.5
Admin & Clerical Occupations	20.6	20.1	18.4	16.8	15.9
Secretarial & Related Occs	10.8	8.6	7.5	5.8	4.6
Skilled Agricultural Trades	0.3	0.3	0.2	0.2	0.2
Skilled Metal/elec Trades	1.4	1.3	1.4	1.3	1.2
Skilled Construct. Trades	0.4	0.4	0.4	0.4	0.4
Other Skilled Trades	0.3	0.3	0.2	0.2	0.2
Caring Personal Service Occs	1.1	1.2	0.8	0.9	1.1
Leisure/oth Pers Serv Occs	0.4	0.4	0.3	0.3	0.3
Sales Occupations	0.6	0.7	1.3	1.3	1.3
Customer Service Occupations	1.3	1.5	1.9	1.8	1.8
Process Plant & Mach Ops	0.5	0.5	0.4	0.3	0.2
Transport Drivers And Ops	0.8	0.5	0.6	0.5	0.5
Elementary: Trades/plant/mach	0.4	0.2	0.2	0.2	0.2
Elementary: Clerical/service	2.1	2.0	1.6	1.5	1.4
Total	100.0	100.0	100.0	100.0	100.0

Notes: Based on LEFM methodology and *Working Futures 2010-2020* results.

Table 5.3: Occupational Replacement Demands in *Legal Services*

000s

All Legal Services, Employment by Occupation, England & Wales

	2000	2005	2010	2015	2020
Corporate Managers	36	45	57	62	69
Managers and Proprietors	6	8	14	15	16
Science/tech Professionals	32	38	54	58	63
Health Professionals	9	13	12	12	14
Teaching/research Prof.	7	10	6	7	8
Business/public Service Prof.	90	101	126	137	151
Science Associate Prof.	15	19	23	23	24
Health Associate Prof.	3	4	5	5	5
Protective Service Occs	84	77	75	68	66
Culture/media/sport Occs	9	10	13	14	16
Bus/public Serv. Assoc Prof.	67	80	87	93	102
Admin & Clerical Occupations	125	132	134	122	121
Secretarial & Related Occs	65	56	55	42	35
Skilled Agricultural Trades	2	2	2	2	2
Skilled Metal/elec Trades	9	8	10	9	9
Skilled Construct. Trades	3	3	3	3	3
Other Skilled Trades	2	2	2	1	1
Caring Personal Service Occs	7	8	6	7	8
Leisure/oth Pers Serv Occs	2	3	2	2	2
Sales Occupations	4	5	9	9	10
Customer Service Occupations	8	10	14	13	14
Process Plant & Mach Ops	3	3	3	2	2
Transport Drivers And Ops	5	3	4	4	4
Elementary: Trades/plant/mach	2	2	2	1	1
Elementary: Clerical/service	12	13	12	11	11
Total	607	654	728	722	758

All Legal Services, Replacement Demands by Occupation, England & Wales

	RD loss	2010-2015	2015-2020	2010-2020	
	(% p.a.)			000s	%
Corporate Managers	3.5	11	12	23	39.7
Managers and Proprietors	4.0	3	3	6	44.2
Science/tech Professionals	2.9	8	9	17	31.7
Health Professionals	3.5	2	2	5	37.1
Teaching/research Prof.	3.7	1	1	3	40.6
Business/public Service Prof.	3.6	24	26	51	40.4
Science Associate Prof.	3.0	4	4	7	31.9
Health Associate Prof.	3.5	1	1	2	37.5
Protective Service Occs	2.6	10	9	20	26.5
Culture/media/sport Occs	3.4	2	3	5	38.6
Bus/public Serv. Assoc Prof.	3.3	15	16	31	36.2
Admin & Clerical Occupations	3.7	27	24	51	38.0
Secretarial & Related Occs	4.2	12	10	22	40.6
Skilled Agricultural Trades	4.4	0	0	1	47.8
Skilled Metal/elec Trades	3.3	2	2	3	33.5
Skilled Construct. Trades	3.3	1	0	1	34.3
Other Skilled Trades	3.4	0	0	1	34.7
Caring Personal Service Occs	3.6	1	1	2	40.1
Leisure/oth Pers Serv Occs	3.8	0	0	1	39.8
Sales Occupations	3.2	2	2	3	34.9
Customer Service Occupations	2.9	2	2	4	30.4
Process Plant & Mach Ops	3.2	0	0	1	30.8
Transport Drivers And Ops	4.0	1	1	2	41.5
Elementary: Trades/plant/mach	3.1	0	0	0	30.8
Elementary: Clerical/service	3.4	2	2	4	35.2
Total	3.4	134	133	266	36.6

All Legal Services, Employment Change by Occupation, England & Wales

	2000-2010	2010-2015	2015-2020	2010-2020	
				000s	%
Corporate Managers	21	5	7	12	21.8
Managers and Proprietors	8	1	1	2	15.8
Science/tech Professionals	22	4	5	9	16.7
Health Professionals	3	0	2	2	13.5
Teaching/research Prof.	-1	0	1	2	27.5
Business/public Service Prof.	36	11	14	25	20.0
Science Associate Prof.	7	0	1	2	6.8
Health Associate Prof.	1	0	1	1	13.6
Protective Service Occs	-9	-8	-2	-9	-12.5
Culture/media/sport Occs	4	2	2	3	27.2
Bus/public Serv. Assoc Prof.	20	6	10	16	18.0
Admin & Clerical Occupations	9	-12	-1	-13	-9.9
Secretarial & Related Occs	-11	-12	-8	-20	-36.6
Skilled Agricultural Trades	0	0	0	0	5.5
Skilled Metal/elec Trades	1	-1	0	-1	-10.2
Skilled Construct. Trades	0	0	0	0	-3.4
Other Skilled Trades	0	0	0	0	-17.7
Caring Personal Service Occs	-1	1	2	2	34.1
Leisure/oth Pers Serv Occs	0	0	0	0	-4.1
Sales Occupations	6	0	0	0	3.2
Customer Service Occupations	6	0	1	0	2.9
Process Plant & Mach Ops	0	-1	0	-1	-32.5
Transport Drivers And Ops	0	0	0	0	-0.4
Elementary: Trades/plant/mach	-1	0	0	0	-14.4
Elementary: Clerical/service	-1	-1	0	-1	-8.7
Total	121	-5	35	30	4.1

All Legal Services, Total Requirements by Occupation, England & Wales

	RD loss	2010-2015	2015-2020	2010-2020	
				000s	%
Corporate Managers		16	19	35	61.5
Managers and Proprietors		4	4	8	60.0
Science/tech Professionals		12	14	26	48.4
Health Professionals		2	4	6	50.6
Teaching/research Prof.		2	3	4	68.1
Business/public Service Prof.		35	40	76	60.3
Science Associate Prof.		4	5	9	38.7
Health Associate Prof.		1	1	2	51.1
Protective Service Occs		3	8	11	14.0
Culture/media/sport Occs		4	4	8	65.9
Bus/public Serv. Assoc Prof.		21	26	47	54.2
Admin & Clerical Occupations		14	23	38	28.1
Secretarial & Related Occs		0	2	2	4.1
Skilled Agricultural Trades		0	1	1	53.3
Skilled Metal/elec Trades		1	1	2	23.3
Skilled Construct. Trades		0	1	1	30.9
Other Skilled Trades		0	0	0	17.0
Caring Personal Service Occs		2	3	5	74.3
Leisure/oth Pers Serv Occs		0	0	1	35.7
Sales Occupations		2	2	4	38.0
Customer Service Occupations		2	3	5	33.2
Process Plant & Mach Ops		0	0	0	-1.7
Transport Drivers And Ops		1	1	2	41.1
Elementary: Trades/plant/mach		0	0	0	16.4
Elementary: Clerical/service		1	2	3	26.5
Total		128	168	296	40.7

Notes: Based on LEFM methodology and *Working Futures 2010-2020* results.

Table 5.4: Summary of Replacement Demands in the *Legal Services* Sector

Total Employment					000s
SIC Sector	**2000**	**2005**	**2010**	**2015**	**2020**
7411 : Legal activities	290	314	404	437	462
7523 : Justice and judicial activities	99	102	102	90	93
7524 : Public security/law/order activities	217	238	222	196	203
All sectors above	607	654	728	722	758
Employment Change					
SIC Sector	**2000-2010**	**2010-2015**	**2015-2020**	**2010-2020**	
				000s	%
7411 : Legal activities	113	33	25	58	14.4
7523 : Justice and judicial activities	3	-12	4	-9	-8.6
7524 : Public security/law/order activities	5	-26	7	-19	-8.6
All sectors above	121	-5	35	30	4.1
Replacement demands (RD)					
SIC Sector	**RD loss (% p.a.)**	**2010-2015**	**2015-2020**	**2010-2020**	
				000s	%
7411 : Legal activities	3.5	75	81	157	38.8
7523 : Justice and judicial activities	3.5	19	17	36	35.0
7524 : Public security/law/order activities	3.4	40	35	75	33.7
All sectors above		134	133	267	36.7
Total requirements (job openings)					
SIC Sector		**2010-2015**	**2015-2020**	**2010-2020**	
				000s	%
Legal activities		109	106	215	53.2
Justice and judicial activities		7	20	27	26.4
Public security/law/order activities		14	42	56	25.1
All Legal Services		129	169	297	40.9

Notes: Based on LEFM methodology and *Working Futures 2010-2020* results.

Table 5.5: Replacement Demand Assumptions

			No of years (N)	% loss over N years
7411 : Legal activities	0.034751		10	40.7
7523 : Justice and judicial activities	0.034751		10	40.7
7524 : Public security/law/order activities	0.033534		10	39.1
	SOC Group			
1172 (Police officers (inspectrs & above))	0.03539		10	41.6
1173 (Snr officers fire, amb, prson et al)	0.03539		10	41.6
2411 (Solic & lawyers, judges & coroners)	0.035964		10	42.4
2419 (Legal professionals n.e.c.)	0.035964		10	42.4
2441 (Public service administrative profs)	0.035964		10	42.4
2443 (Probation officers)	0.035964		10	42.4
3231 (Youth and community workers)	0.032771		10	38.1
3312 (Police offcrs (sergeant and below))	0.032771		10	38.1
3314 (Prison serv off (below princ off))	0.032771		10	38.1
3319 (Protective servcs assoc prfsnls NEC)	0.032771		10	38.1
3520 (Legal associate professionals)	0.032771		10	38.1
3563 (Vocatn & indust trainrs & instrctrs)	0.032771		10	38.1
4142 (Communication operators)	0.036974		10	43.8
4212 (Legal secretaries)	0.042129		10	51.1
9241-9249 (Elementary Security Occupatio	0.034092		10	39.8
	SOC major Group			
Corporate Managers	0.03539		10	41.6
Managers and Proprietors	0.039506		10	47.3
Science/tech Professionals	0.028849		10	32.9
Health Professionals	0.034616		10	40.5
Teaching/research Prof.	0.03689		10	43.7
Business/public Service Prof.	0.035964		10	42.4
Science Associate Prof.	0.029754		10	34.1
Health Associate Prof.	0.034891		10	40.9
Protective Service Occs	0.026449		10	29.8
Culture/media/sport Occs	0.033818		10	39.5
Bus/public Serv. Assoc Prof.	0.032771		10	38.1
Admin & Clerical Occupations	0.036974		10	43.8
Secretarial & Related Occs	0.042129		10	51.1
Skilled Agricultural Trades	0.04409		10	53.9
Skilled Metal/elec Trades	0.03277		10	38.0
Skilled Construct. Trades	0.03299		10	38.3
Other Skilled Trades	0.034271		10	40.1
Caring Personal Service Occs	0.03569		10	42.0
Leisure/oth Pers Serv Occs	0.0378		10	44.9
Sales Occupations	0.032419		10	37.6
Customer Service Occupations	0.029033		10	33.1
Process Plant & Mach Ops	0.032225		10	37.3
Transport Drivers And Ops	0.03957		10	47.4
Elementary: Trades/plant/mach	0.031285		10	36.1
Elementary: Clerical/service	0.034092		10	39.8

Table 5.6: Implications for Qualifications in the *Legal Services* Sector, 2010-2020

All Legal Services, England and Wales					000s
QCF group	**Base year level 2010**	**Change 2010 - 2020**	**Projected level 2020**	**Replacement Demand**	**Total requirement 2010 - 2020**
QCF 7-8	118	73	191	44	117
QCF 6	193	37	230	71	108
QCF 3-5	192	-38	154	70	32
QCF 2	116	-22	94	42	20
QCF 1	85	-15	70	31	16
No Qual	24	-4	19	9	4
Total	728	30	758	267	297
	% share	**% change**	**% share**	**% share**	**% of base year level**
QCF 7-8	16.3	61.4	25.2	16.4	98.5
QCF 6	26.5	19.3	30.3	26.7	56.3
QCF 3-5	26.3	-19.9	20.3	26.1	16.5
QCF 2	15.9	-19.2	12.3	15.8	17.2
QCF 1	11.7	-17.5	9.3	11.7	19.2
No Qual	3.3	-18.1	2.6	3.2	18.5
Total	100.0	4.1	100.0	100.0	40.9

Notes: Based on LEFM methodology and *Working Futures 2010-2020* results.

More detailed occupational projections

This sub-section presents some more detailed occupational projections. These are obtained by combining information on employment levels from the *Working Futures* /LEFM results for all industries with assumptions about the patterns in occupational shares, based on LFS data, and using the slightly more detailed SOC2010 categories shown in Table 3. These estimates place much greater emphasis on the occupational trends in the LFS and much less on the sectoral structures implied by the BRES. They are still based on the same official data sources and the general approaches as set out above. In Section 6 some alternative results based on the data from professional bodies are presented.

Table 5.7 develops implications for the more detailed occupational categories by linking the LEFM based projections presented in the previous section to a more detailed analysis of LFS data at the 4 digit level of SOC, picking up the detailed categories identified in Table 3. The tables presented in this section present both historical and projected estimates for a number of key 4 digit SOC2010 categories of relevance to the *Legal Services* sector.

Two alternatives were considered. In both cases the overall levels of employment by occupation and industry are taken from the *Working Futures* projections of employment. In the first set, it is assumed that the LFS based occupational shares within the broader occupations and categories remain fixed at base year (2010) values. The alternative set is based on the assumption of a continuation in recent trends in occupational shares (as observed over the period 2001-2010). This alternative assumption produces a slightly more optimistic set of outcomes (in terms of projected increase in numbers employed) and is preferred and presented here. These results are shown in Table 5.7 and Figure 5.1.

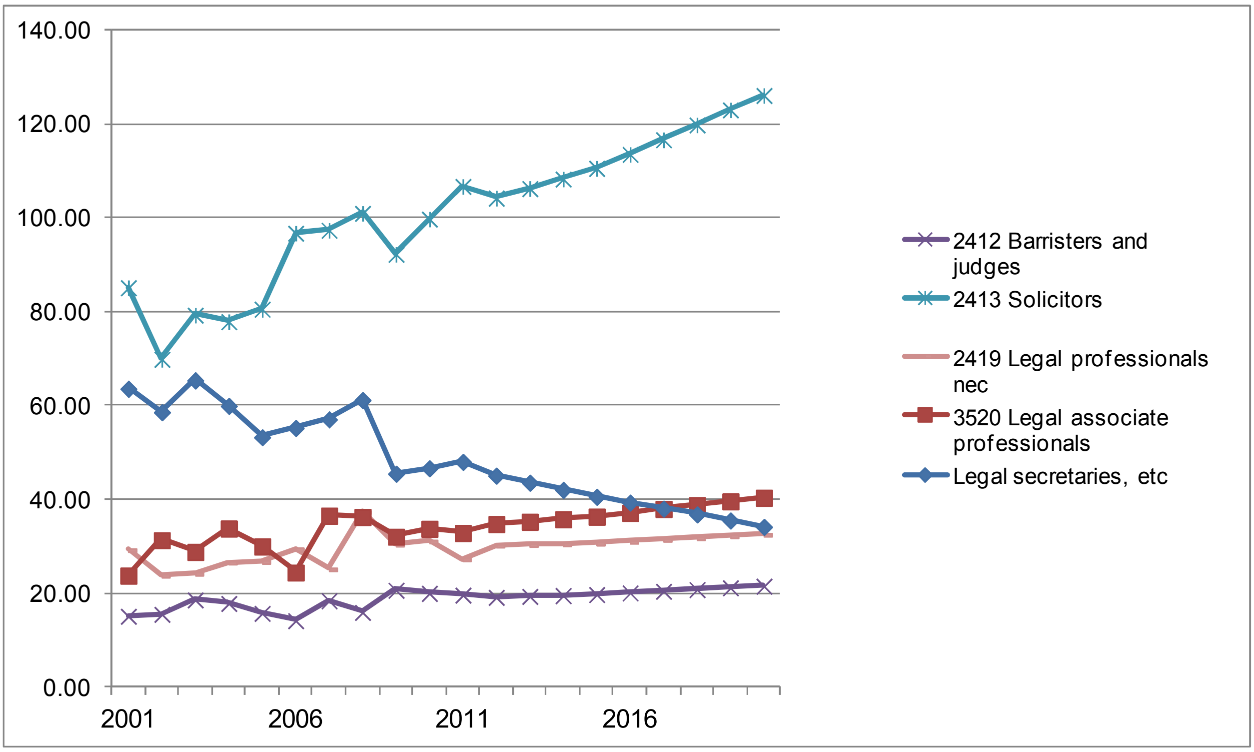
The overall numbers of professionals (solicitors, barristers and other legal professionals) is projected to grow by around 38 thousand between 2010 and 2020. The number of associate professionals is projected to rise by 7 thousand over the same period while the number of legal and other secretaries is projected to fall by 16 thousand.

Table 5.7: Detailed (SOC 2010 4 digit) Occupational employment projections

					000s
2 Professional occupations	**2001**	**2005**	**2010**	**2015**	**2020**
2412 Barristers and judges	15	16	20	20	22
2413 Solicitors	85	81	100	111	126
2419 Legal professionals nec	29	27	31	31	33
3 Associate Professional and Technical					
3520 Legal associate professionals	24	30	34	37	41
4212 Legal secretaries	64	53	47	39	30
Changes (000s)	**2001-2005**	**2005-2010**	**2010-2015**	**2015-2020**	**2010-2020**
2 Professional occupations					
2412 Barristers and judges	1	4	0	2	2
2413 Solicitors	-5	19	11	16	26
2419 Legal professionals nec	-2	4	0	2	1
3 Associate Professional and Technical					
3520 Legal associate professionals	6	4	3	4	7
4212 Legal secretaries	-10	-7	-7	-9	-16
Changes (%)					
2 Professional occupations					
2412 Barristers and judges	3.9	26.8	-1.3	8.9	7.5
2413 Solicitors	-5.4	23.8	10.8	14.0	26.4
2419 Legal professionals nec	-8.5	16.1	-1.4	6.1	4.6
3 Associate Professional and Technical					
3520 Legal associate professionals	25.9	12.5	7.6	11.1	19.5
4212 Legal secretaries	-16.2	-12.5	-15.6	-22.8	-34.9

Notes: Based on combination of trends in LFS data and *Working Futures 2010-2020* results.

Figure 5.1: Projections for 4-digit occupational categories, England and Wales



Notes: Based on combination of trends in LFS data and *Working Futures 2010-2020* results.

6. Additional Projections for Barristers and Solicitors

Detailed results for Barristers and Solicitors

Both the Law Society and Bar Council provide some data on longer term workforce trends:

- Law Society: Annual statistical reports - http://www.lawsociety.org.uk/aboutlawsociety/whatwedo/researchandtrends/statisticalreport.law
- Bar Council: http://www.barcouncil.org.uk/about-the-bar/facts-and-figures/statistics/

These data have been used to develop projections by assuming similar patterns of future growth as in the *Working Futures* based forecasts described earlier. This implicitly assumes that the Barristers and Solicitors groups will broadly maintain their current shares of employment in the sector. Because of changes in the structure of the sector this assumption may be contestable. If other occupations (including paralegals) increase their shares of employment in the *Legal Services* sector as a whole these projections would be at the upper end of likely outcomes.

Barristers

Table 6.1 presents historical data on numbers of Barristers from the Bar Council. This has been linked to development in the Professional Services sector in order to generate projections of numbers to 2020. These are shown in Figure 6.1. On this basis overall numbers are projected to increase by around 15% between 2010 and 2020 to about 18,000 (see Table 6.2).

Replacement needs might be expected to add a further 5-6 thousand job openings between 2010 and 2020. This represents about 500-600 per annum. Note that these projections assume common growth prospects for men and women. Based on recent trends over the past decade women might be expected to show faster rates of increase. The share of women in employment increased by 5% points between 2000 and 2009.

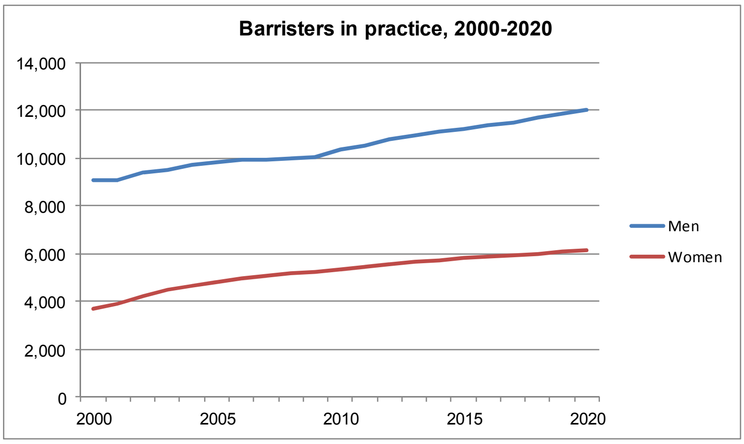
Table 6.1: Historical Trends in Numbers of Barristers

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Barristers in practisce	12759	12982	13601	13985	14364	14623	14890	15030	15182	15270
Men	9053	9087	9384	9509	9724	9809	9920	9924	9999	10011
Women	3706	3895	4217	4476	4640	4814	4970	5106	5183	5259

Source: Website of The Bar Council, The Bar Council's Annual Reports and Accounts 2000-2010

http://www.barcouncil.org.uk/about-the-bar/facts-and-figures/statistics/

Figure 6.1: Projected Barrister Numbers



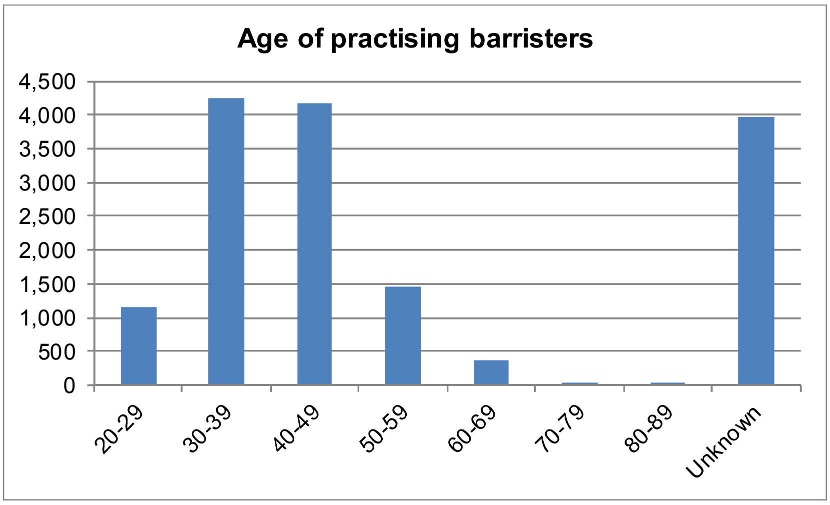
Notes: Based on linking trends in Bar Council data and *Working Futures 2010-2020*.

Table 6.2: Projected Numbers of Barristers

	2000	2005	2010	2015	2020
Barristers in practice	12,759	14,623	15,711	17,031	18,123
Men	9,053	9,809	10,338	11,228	11,986
Women	3,706	4,814	5,372	5,803	6,136
Changes	**2000-2005**	**2005-2010**	**2020-2015**	**2015-2020**	**2010-2020**
Barristers in practice	1,864	1,088	1,320	1,092	2,412
Men	756	529	890	758	1,648
Women	1,108	558	430	334	764
% changes					
Barristers in practice	14.6	7.4	8.4	6.4	15.4
Men	8.4	5.4	8.6	6.8	15.9
Women	29.9	11.6	8.0	5.7	14.2

Notes: Based on linking trends in Bar Council data and *Working Futures 2010-2020*.

Figure 6.2: Age structure of the Barristers Workforce



Notes: Based on Bar Council data.

Solicitors

Tables 6.3, and 6.4 and Figures 6.3 and 6.4 present analogous results for Solicitors based on data from the Law Society. Table 6.3 presents historical data on numbers of Solicitors practising and on roll. Again, this has been linked to developments in the Professional Services sector in order to generate projections of numbers to 2020. As for Barristers, because of changes in the structure of the sector this assumption may be contestable. If other occupations (including paralegals) increase their shares of employment in the *Legal Services* sector as a whole these projections would be at the upper end of likely outcomes.

The results are shown in Figure 6.3. Figure 6.4 shows the age structure of the workforce.

The number of Solicitors with practising certificates is projected to increase by around 18 thousand between 2010 and 2020 (see Table 6.4). Replacement needs might be expected to add a further 40 thousand job openings between 2010 and 2020. This represents about 4,000 per annum.

Note that these projections also assume common growth prospects for men and women. Based on recent trends over the past decade women might be expected to show faster rates of increase. Between 2000 and 2010 the proportion of women on roll increased by over 8% points and for those with practising certificates by almost 10% points. If these trends continue women might be expected to be in the majority by 2020.

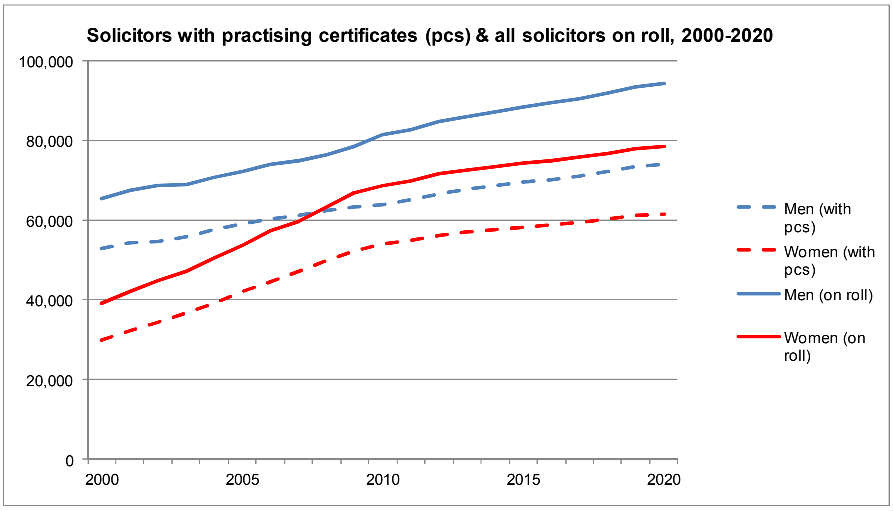
Table 6.3: Trends in Numbers of Solicitors

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Solicitors with practising certificates	82769	86603	89045	92752	96757	100938	104543	108407	112433	115475	117862
Men (with pcs)	52751	54208	54679	55933	57558	58971	60150	61337	62524	63313	63896
Women (with pcs)	30018	32395	34366	36819	39199	41967	44393	47070	49909	52162	53966
Solicitors on the Roll	104538	109553	113372	116110	121165	126142	131347	134378	139666	145381	150128
Men (on roll)	65355	67320	68595	68966	70790	72343	74098	74791	76497	78385	-
Women (on roll)	39183	42233	44777	47144	50375	53799	57249	59587	63169	66996	-

Source: The Law Society, Trends in the solicitors' profession, Annual statistical reports, 2000-2010

http://www.lawsociety.org.uk/aboutlawsociety/whatwedo/researchandtrends/statisticalreport.law

Figure 6.3: Projected Solicitor Numbers



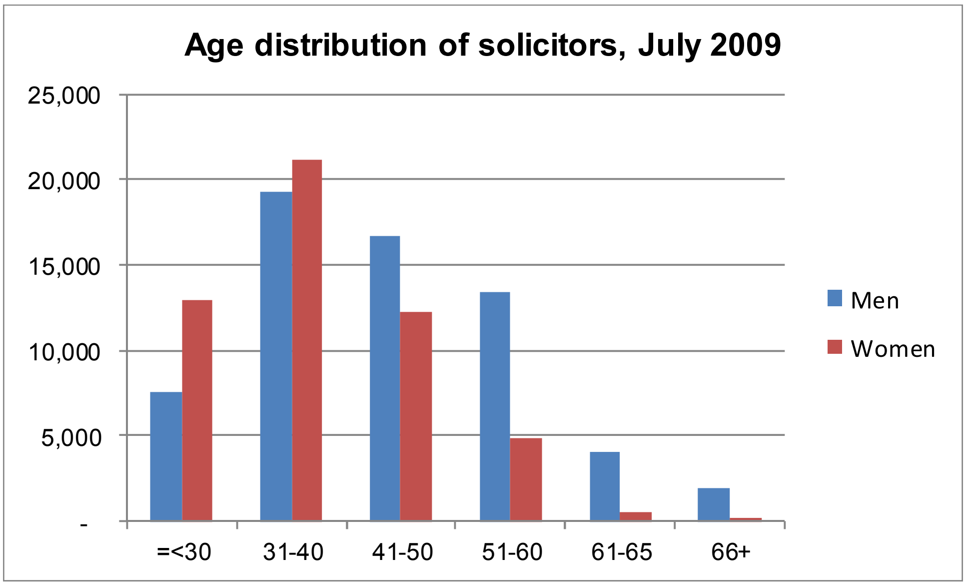
Notes: Based on linking trends in Law Society data and *Working Futures 2010-2020*.

Table 6.4: Projected Numbers of Solicitors

	2000	2005	2010	2015	2020	2025
Solicitors with practising certificates	82,769	100,938	117,862	127,683	135,721	146,347
Men (with pcs)	52,751	58,971	63,896	69,396	74,083	80,220
Women (with pcs)	30,018	41,967	53,966	58,287	61,638	66,127
Solicitors on the Roll	104,538	126,142	150,128	162,637	172,876	186,410
Men (on roll)	65,355	72,343	81,348	88,350	94,317	102,130
Women (on roll)	39,183	53,799	68,780	74,287	78,558	84,280
Changes	**2000-2005**	**2005-2010**	**2020-2015**	**2015-2020**	**2010-2020**	**2020-2025**
Solicitors with practising certificates	18,169	16,924	9,821	8,038	17,859	10,626
Men (with pcs)	6,220	4,925	5,500	4,687	10,187	6,137
Women (with pcs)	11,949	11,999	4,321	3,351	7,672	4,489
Solicitors on the Roll	21,604	23,986	12,509	10,239	22,748	13,535
Men (on roll)	6,988	9,005	7,002	5,967	12,970	7,813
Women (on roll)	14,616	14,981	5,507	4,271	9,778	5,722
% changes						
Solicitors with practising certificates	22.0	16.8	8.3	6.3	15.2	7.8
Men (with pcs)	11.8	8.4	8.6	6.8	15.9	8.3
Women (with pcs)	39.8	28.6	8.0	5.7	14.2	7.3
Solicitors on the Roll	20.7	19.0	8.3	6.3	15.2	7.8
Men (on roll)	10.7	12.4	8.6	6.8	15.9	8.3
Women (on roll)	37.3	27.8	8.0	5.7	14.2	7.3

Notes: Based on linking trends in Law Society data with *Working Futures 2010-2020*.

Figure 6.4: Age Structure of Solicitors Workforce



Notes: Based on Law Society data.

7. Reconciling the alternative projections

The various sets of projections presented in Sections 4 and 5 have been prepared independently rather than as part of a holistic approach. They are therefore potentially inconsistent. The results in Section 4 and the first part of Section 5 are based on an overview for the sector as a whole, whereas those in the second part of Section 5 and in Section 6 focus more on the occupational footprint, and particular occupations of relevance to *Legal Services*.

Although the details vary, all the projections suggest that there will be significant increases in the overall demand for these types of skills over the coming decade. When replacement needs are taken into account, this implies substantial numbers of new job openings, most requiring well qualified personnel. The numbers are especially large in the areas of solicitors and other legal professionals.

There has been some discussion in the sector about the increasing role of paralegals. The present results based on a continuation of previous historical relationships suggest only modest growth in employment numbers for “legal professionals n.e.c.” and for “associate legal professionals” (see Table 5.7 above). This may underestimate the scale of increase in these groups if, as some expect, the structural changes taking place in the sector favour these groups as opposed to more traditional professionals.

Welsh and Aitchinson (2012) have conducted some research on employer use of such staff. This gives some support to such a view. Although based on a small sample of just 51 firms, the results are indicative. They discount the results from one large employer on the basis that the figures both distort the general picture and would be disclosive. For the firms surveyed an increase in numbers of around 18% is expected over the next 5 years from 2012. This suggests that there may be faster growth for some of the non-traditional groups than presented in the quantitative projections here, with correspondingly more modest employment growth for Solicitors and Barristers.

8. Conclusions

It is no easy task to identify clearly the employment footprint of the *Legal Services* sector. Whilst the three key SIC categories in which most legal services workers are employed are relatively straightforward to identify, the occupations of all these workers are much more difficult to measure precisely. Moreover, it is possible that some of the occupations of interest are employed in Categories outside this sector.

The projections for the sectoral categories suggest that positive growth in employment demand can be expected over the decade to 2020. This growth is mainly driven by new demand in the *Legal activities* sector. When allowance is made for replacement demand, all categories can expect an increase in job openings between 2010 and 2020, varying from over 50 per cent in *Legal activities* to just over 25 per cent in the other two categories.

In regional terms, *Legal Services* employment as a whole is concentrated in the London region and this is unlikely to change much through to 2020. England dominates in terms of employment. Wales accounts for only about 4% of the total number of jobs in the sector as a whole, but this ranges from just 3% of *Legal activities* to more like 5% in the other two categories.

Overall, the three sectoral categories exhibit a balance of jobs between those for men and women. More women find employment in *Legal activities*, but in the public sector and in law and order activities, male jobs predominate. Only modest changes in the gender mix of employment are expected over the next decade and these are likely to favour women. In all categories full-time employment is the main mode of working. Part-time employment and, to a lesser extent self-employment, are projected to increase their share of total employment slowly in the next decade or so.

The analysis of occupations at a broad level confirms that the key occupational groups in broad terms in the *Legal Services* sector are: corporate managers; business and public service professionals and associate professionals; and administrative and clerical staff. Significant employment growth is projected in all these occupations between 2010 to 2020, especially when allowance is made for replacement demands.

Within these broad occupational categories it is the Solicitors and Legal associate professional groups that are projected to see the most significant increases in employment and job openings in terms of overall job numbers.

More modest growth is also projected for the Barristers and judges group and Legal professionals n.e.c. When replacement demand is added in, there will be substantial numbers of job openings in these areas too. In contrast, the number of jobs for legal and related secretaries is projected to fall, although there will be some replacement needs even here. The bulk of job openings will be for those requiring higher level qualifications (University degree level and above).

9. About the author

Rob Wilson is Professorial Fellow and Acting Director of the Institute for Employment Research at the University of Warwick. He leads the Institute's labour assessment and market forecasting work. He has also researched and published on many other aspects of labour market behaviour, including the changing patterns of demand for and the supply of skills at national and international levels.

Rob has played a leading role in developing quantitative approaches to anticipating changing skills needs at a national and international level. As well as producing *Working Futures* for the UK Commission for Employment and Skills (UKCES), he has led the Cedefop Skillsnet project on developing Medium-term forecasts of occupational skill needs in Europe and the analogous project on skills supply. For the first time, this research has produced a consistent and comprehensive assessment of prospects for the demand for and supply of skills for the whole of Europe.

Amongst his professional responsibilities, he is a member of the UK Migration Advisory Committee set up to advise Home Office ministers about whether there are skill shortages that can be sensibly filled by the use of inward migrants to the UK. He is also a member of the UK Commission for Employment and Skills Expert Panel.

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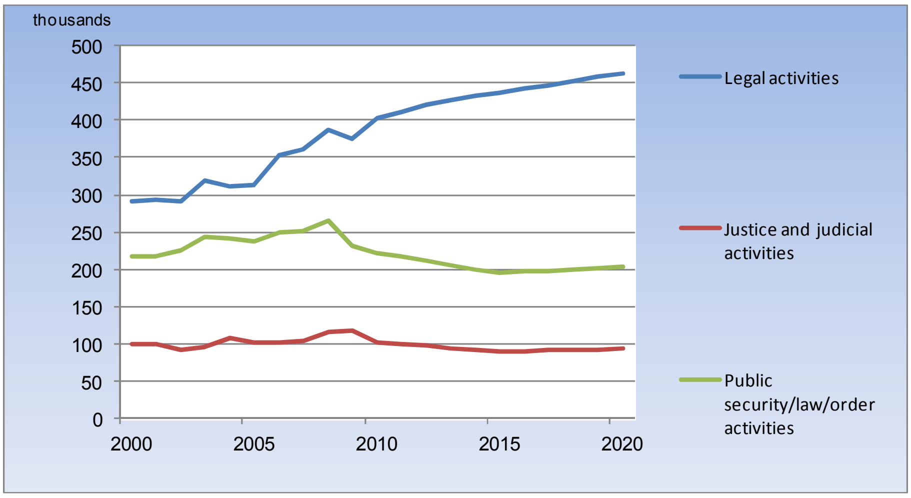
Full details of the *Working Futures* publications are available at:

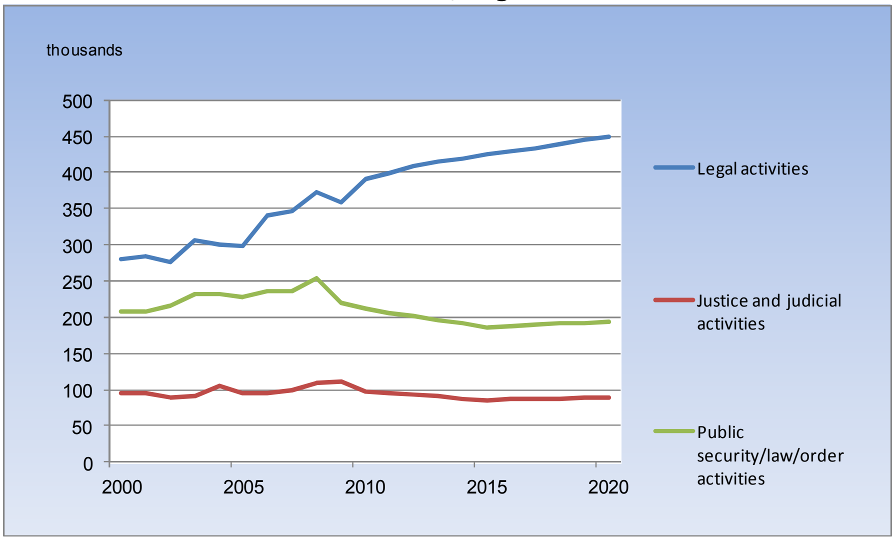
http://www.ukces.org.uk/publications/er41-working-futures-2010-2020

APPENDIX A: Detailed charts

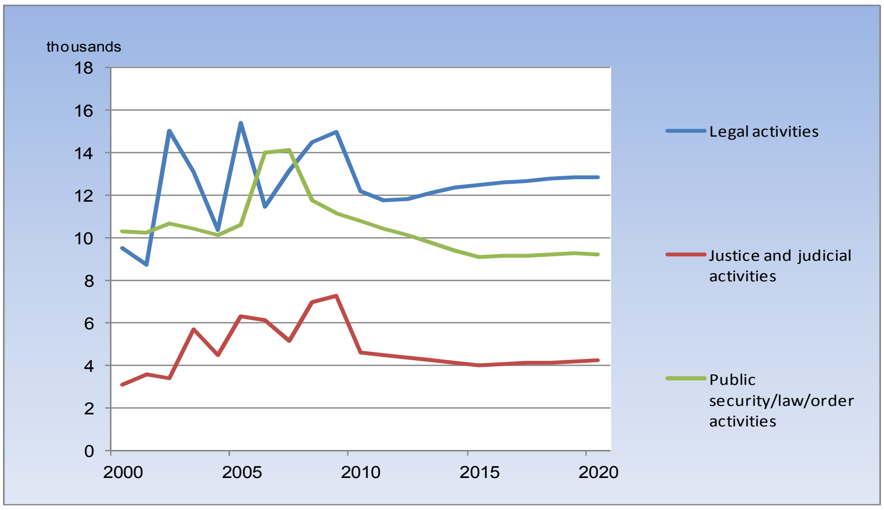
Trends within the three main sectors, England and Wales



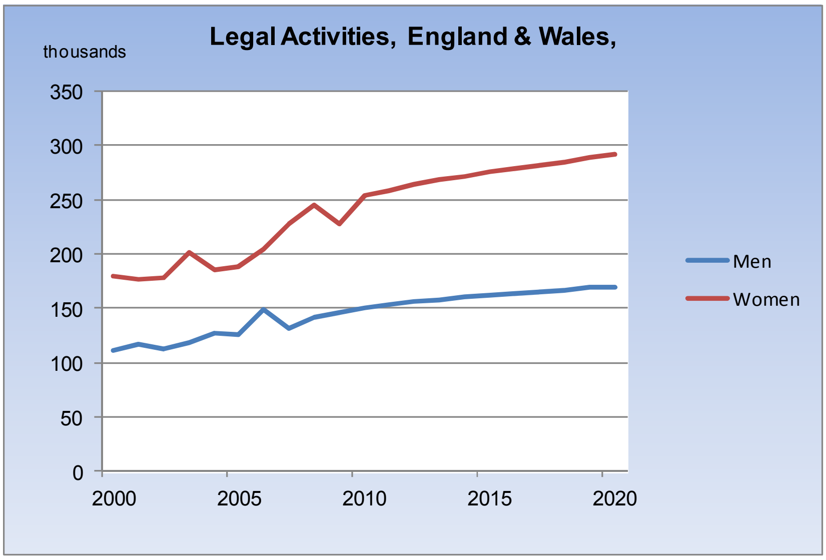
Trends within the three main sectors, England

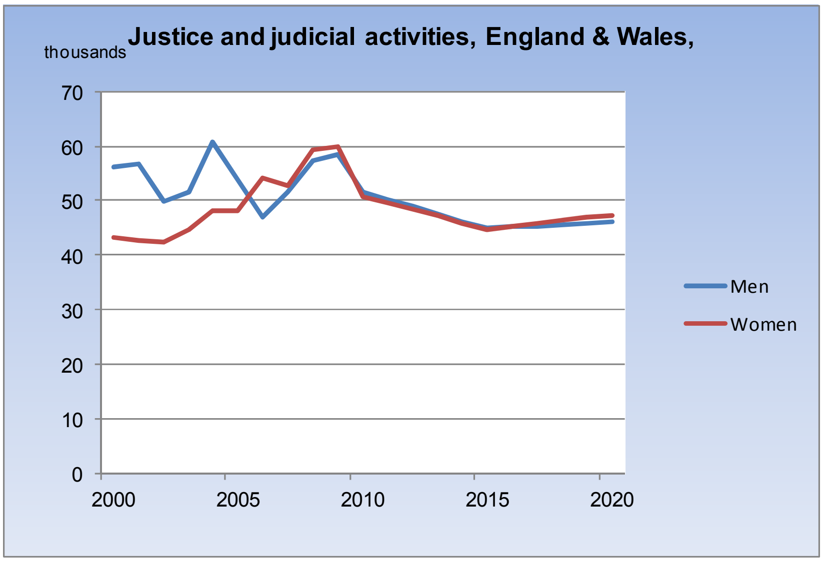


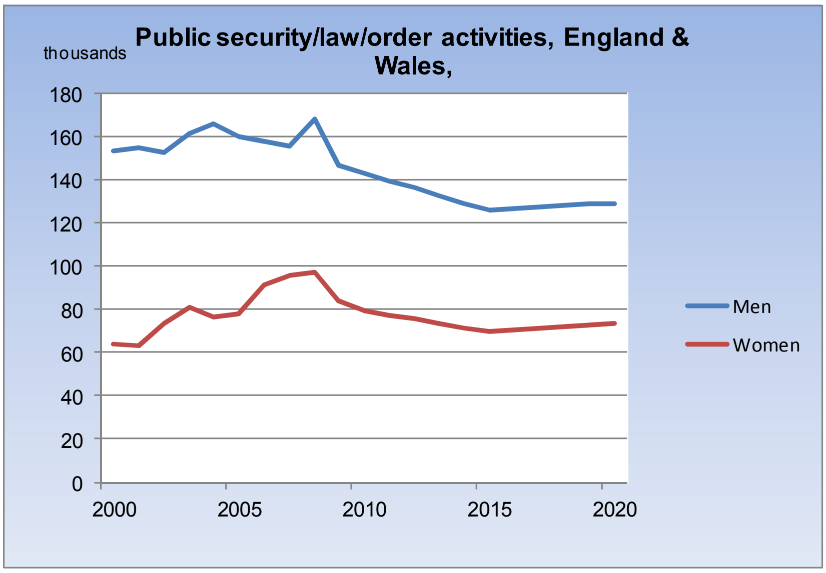
Trends within the three main sectors, Wales



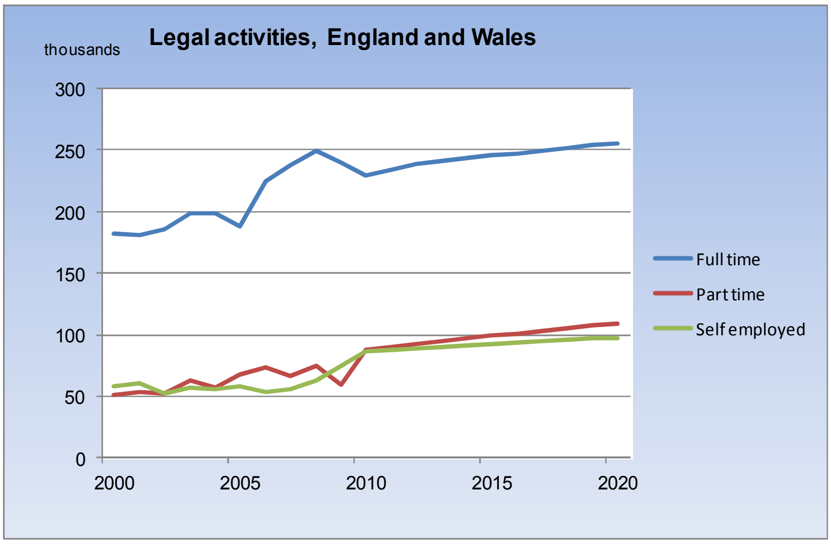
Trends by gender

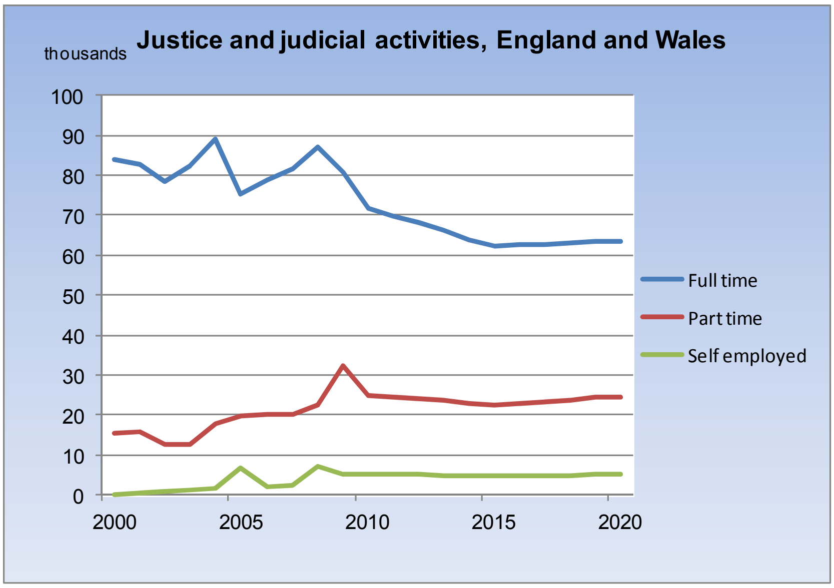


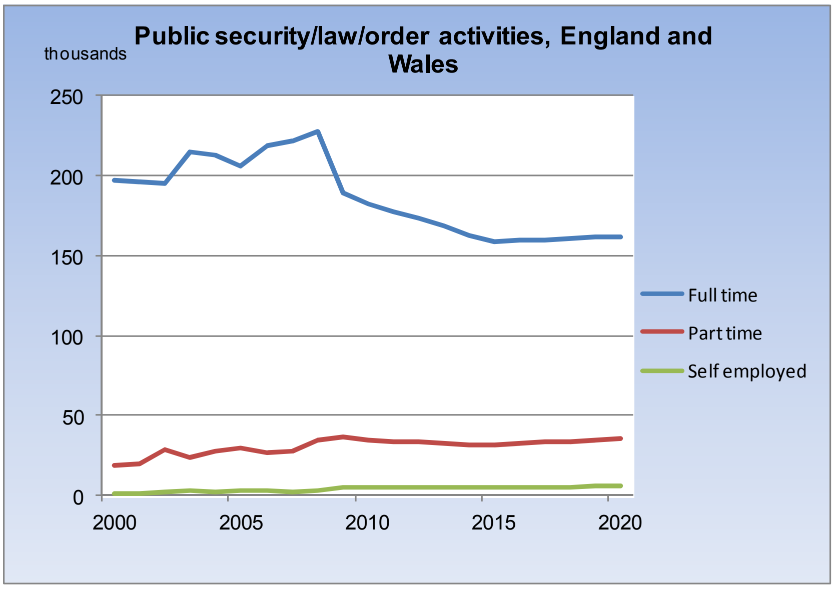




Trends by employment status







Trends by broad occupational category (1 digit SOC)