



MARCH 2024

Tax

UK LEGAL LABOUR MARKET TRENDS

SEARCH

 **VACANCYSOFT**
Business Intelligence through Vacancy Data

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Foreword

As we witness substantial shifts in tax legislation, their impact on the UK’s legal labour market is both immediate and profound. This edition of the UK Legal Labour Market Trends Report, casts a light on the intricate relationship between new tax laws and their influence on the legal profession, underlining the evolving demands within this sector.

This year, we see how recent tax policy adjustments are reshaping demand for legal professionals. The discontinuation of certain tax regimes and modifications in tax relief are reorienting the legal labour market, affecting legal practitioners and firms alike.

A key insight from our report is the notable increase in demand for tax lawyers and professionals specialising in private client and trusts work. This uptick indicates a growing need for specialised legal expertise, essential for aligning skills and services with market requirements.

Moreover, our regional analysis shows a shift in job vacancies from traditional centres to a more dispersed legal labour market, suggesting a trend towards decentralised legal services, presenting new opportunities for regional specialisation.

From my vantage point, it’s clear that these changes are transforming the legal skills landscape. There’s an increased need for lawyers skilled in both the nuances of tax law and strategic planning. This is reshaping career paths and placing upward pressure on salaries within niche areas, creating a competitive hiring environment where firms must offer more than just competitive remuneration to attract top talent.

As we present this analysis, our aim is to arm the legal community with insights to navigate the evolving market. This report is intended to guide strategic decisions during this period of significant legal and economic transition.

I am confident this report will serve as a foundational resource for those at the helm of the legal profession, ready to tackle the challenges and seize the opportunities in the dynamic world of tax law and the legal labour market.

David Holden
Director | Private Practice



Overview

Changes in taxation announced in the recent budget are likely to be seismic for many. In order to fund the planned tax cuts in national insurance, Hunt has targeted two groups: property owners and non-domiciled high-net-worth individuals.

For property owners, the Government will abolish the Furnished Holiday Lettings tax regime from 6 April 2025. In practice, this implication will make people who have debt-financed property unable to make their sums work. Expect, as a result, a spike in sales and stamp duty.

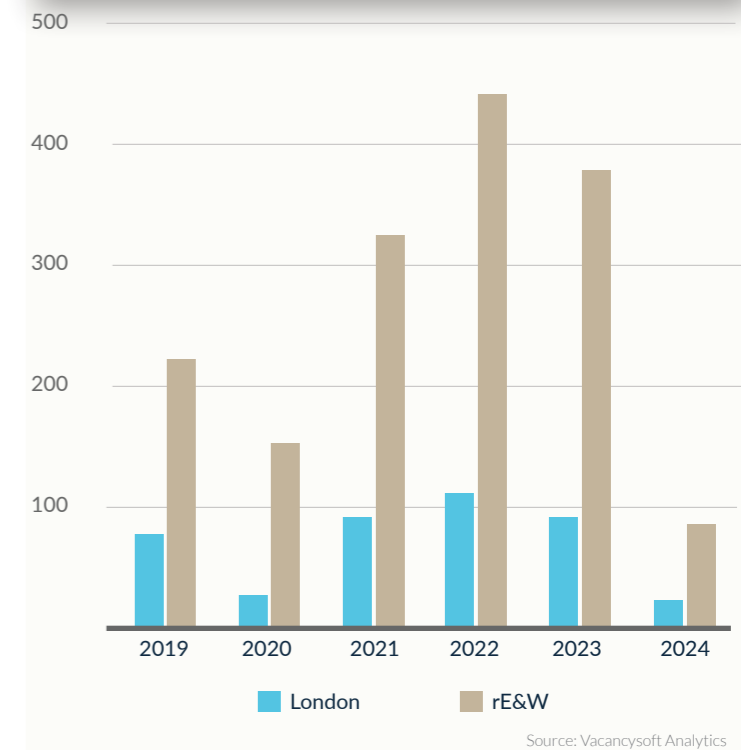
And for Non-Domiciles residing in the UK, any relief will no longer be applicable once they have been living in the country for four years. Where this has the capacity to sting is with inheritance tax, as suddenly people’s global holdings will be liable. One would have to assume there will be departures once the details of this filter through.

It is therefore perhaps unsurprising that in February of this year, London Firms posted more vacancies for tax lawyers than in any other month over the last two years. Similarly, we saw a similar trend occur regionally, with February proving to be a record month for vacancies, with only February 2023 having a higher total.

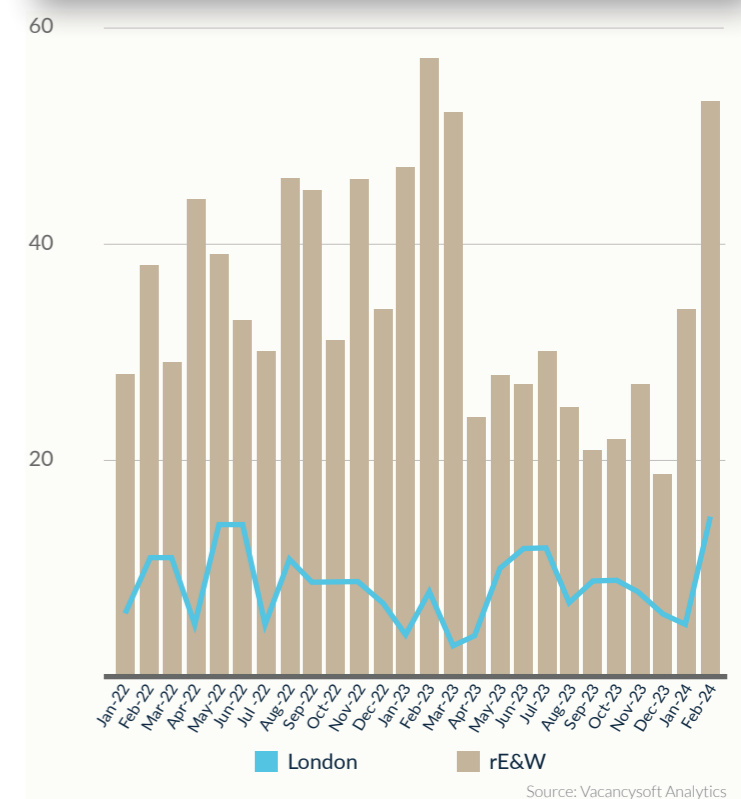
Given the Labour party had planned on introducing this policy themselves, there is likely to be little relief should the Government change.

Similarly, looking ahead, such is the magnitude of the proposed changes, we anticipate firms to see increased demand for their services, especially for those who have been in the country for over four years, who don’t want to leave but want to organise their affairs to minimise future tax exposure.

Annual Totals
Lawyer Tax Vacancies, PP, London vs rE&W, 2019-2024 (Jan/Feb)



Monthly Totals
Lawyer Tax Vacancies, PP, London vs rE&W, 2022-2024 (Jan/Feb)



Breakdown by Role

When analysed in terms of the specific roles the firms have been recruiting for, we see that private client is the dominant area.

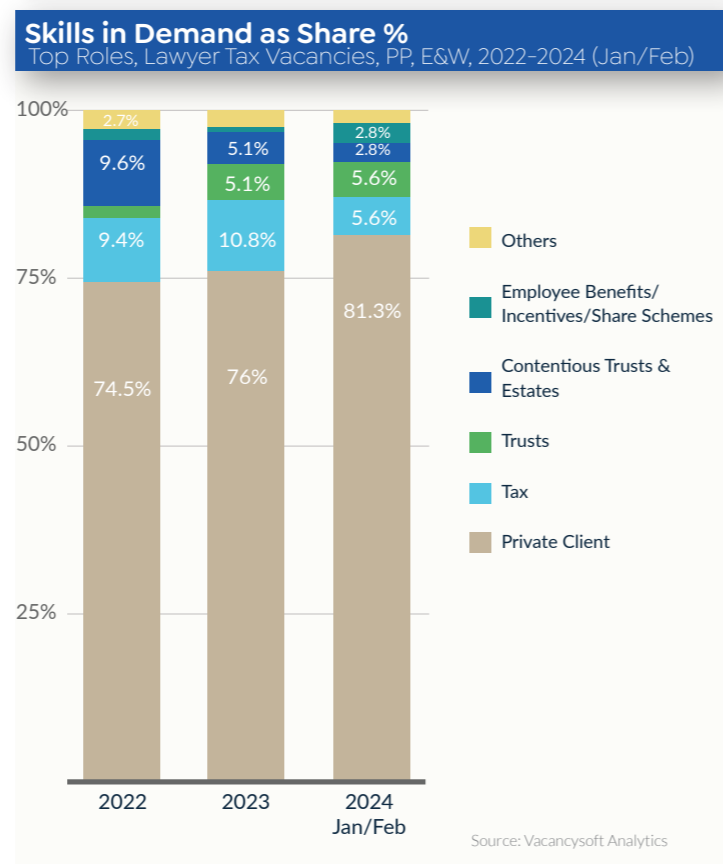
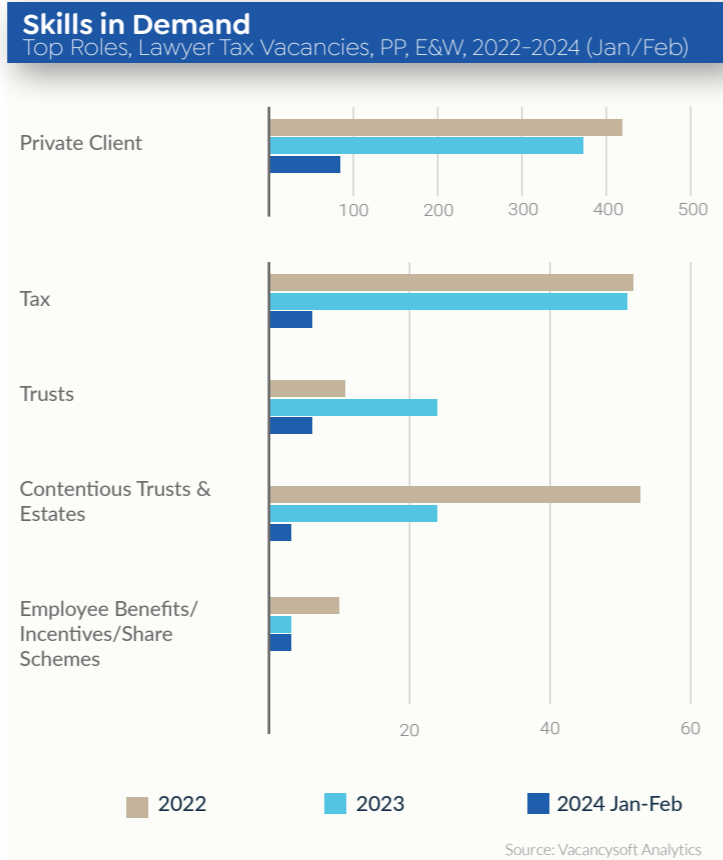
Equally, what is interesting is the fact that it is not just the largest area so far this year (81%); it has been increasing in relation to previous years in percentage share. In 2022, it constituted 74.5% of the total, for context. By the same token, there has been a significant increase in recruitment for trusts lawyers.

In 2022, trusts lawyers made up 2% of the total, but by last year, this had risen to 5.1%, and so far this year, up to 5.6%. Is this a reflection of the changing tax regime facing high-net-worth individuals? As exceptions are removed, are we seeing a surge in private client and trusts lawyers?

General tax is the second-largest area being recruited for; equally interestingly, this has been falling in share, from 9.4% of the total in 2022 to 5.6% this year, suggesting firms are taking a more specialised approach to recruitment.

What is also interesting is the drop-off in recruitment of corporate tax lawyers. While this is a niche area, in 2022 we had seen 13 corporate tax vacancies, which was the highest total going back to 2018, as the Government made changes. Equally, in 2023, there were only 5, a sign that firms have now reconciled themselves to the current framework and don't expect more changes here.

Employee Benefits was another area to drop off in 2023, with only three vacancies compared to ten in 2022. Equally, it is noteworthy that in 2024 so far, we have already seen three vacancies posted, which suggests this year could be a record for this area.



Regional Analysis

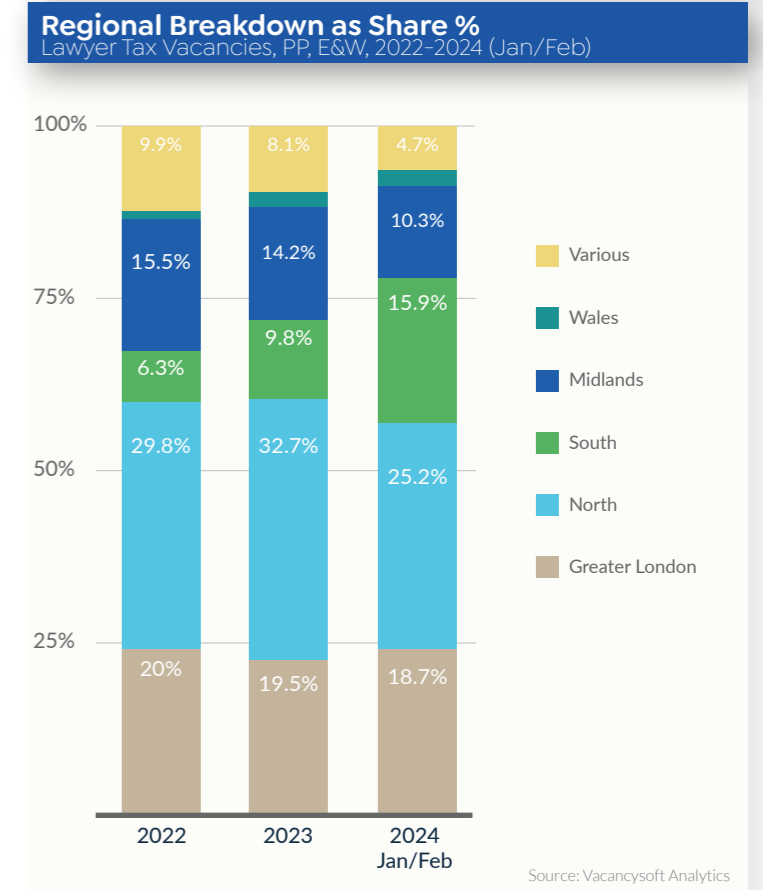
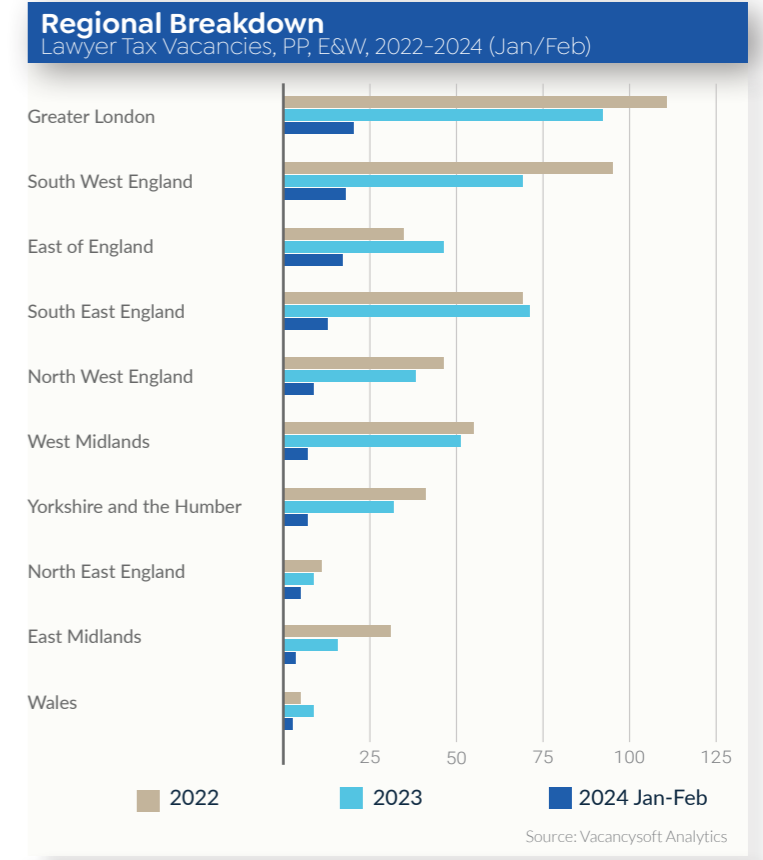
By region, the South is the largest overall area for tax vacancies, with 39.5% of the total in 2023, due to the high concentration of firms specialising in private client work across the area. Interestingly, in terms of the share of the total, in 2024 this has risen even further, to 44.9% of the total across the South.

In contrast, London had significantly fewer vacancies, accounting for a share of 18.7% of the total in 2024. Just as noticeably, this has shrunk in terms of the share of the total compared to 2023, down from 19.5%. Therefore, what we have seen is that London has fallen to being the third region in terms of aggregate totals year to date, falling behind the North.

Indeed, perhaps in a sign of the greater regionalisation happening within the sector, there were more tax vacancies across the North East, Yorkshire, and the North West combined than in Greater London for the first time. In 2023, the northern regions combined had constituted 16.8% of the total vacancies, whereas in 2024 so far, the share had risen to 19.6%.

Please note, though, if one looks at the regions segmented into their full list, London does remain the largest across the country. However, every year it has been shrinking relative to the others. It is the East of England that is worth watching specifically, especially when you consider that in 2022 it made up 6.3% of the total, compared to 15.9% of all tax vacancies so far this year.

When you consider land values and property prices in terms of the regions which have the highest values outside of London, as changes to land and property taxes start to manifest, expect greater demand for tax lawyers across the southern regions especially.



Leading Firms

When analysing activity by firm, it becomes noticeable how much less the London-centric firms recruit. For example, in 2023, the leading firm for tax vacancies in London posted five roles (Russell Cooke.) Compare that to the leading regional firm, Irwin Mitchell, which posted 55 vacancies.

Hence with the London firms, it is difficult to comment too much; equally, what is noteworthy is that of the top ten firms for tax vacancies in London last year, only two have posted vacancies in 2024 so far (Penningtons and Bird & Bird.) In the case of Bird & Bird, though, it should be noted that in the first two months of this year, they have posted more tax vacancies than in all of last year.

Looking outside London, we see, as mentioned, Irwin Mitchell leading the way with a 292% increase in activity in 2023 compared to 2022, which is also the biggest year-on-year surge of any firm in the top ten.

After that, what is also worth drawing attention to is, of the top ten firms posting vacancies for tax lawyers regionally, seven of them recorded higher totals in 2023 than in 2022, with only DLA Piper, Foot Anstey, and Thomsons recording a decline year on year.

In terms of the remaining firms, we can see Addleshaw Goddard increase their tax vacancies in 2023 by 44% compared to 2022, which has meant they have had the second most tax vacancies. Similarly, the second-highest year-on-year surge can be seen at Osborne Clarke, who have recorded an increase of 86.7% in 2023 compared to 2022.

Finally, Pinsent Masons is worth mentioning in that in 2023 they posted 20 tax vacancies compared to 12 in 2022, which is an increase of 67%, meaning they had the third-highest year-on-year surge out of any firm.

Top 10 Firms Lawyer Tax Vacancies, PP, London, 2022-2024 (Jan/Feb)				
Company	2022	2023	2024*	YoY %
Duncan Lewis Solicitors		1	4	
Bird & Bird	2	2	3	0.0%
Ashurst	1		2	-100.0%
Judge and Priestley		1	2	
Clifford Chance		7	1	!
Penningtons Manches Cooper	4	2	1	-50.0%
Bates Wells	2		1	-100.0%
Payne Hicks Beach	1	1	1	0.0%
Vanderpump And Sykes Solicitors	1		1	-100.0%
Carter Bells		1	1	

Top 10 Firms Lawyer Tax Vacancies, PP, rE&W, 2022-2024 (Jan/Feb)				
Company	2022	2023	2024*	YoY %
Irwin Mitchell	6	25	8	316.7%
WBW Solicitors	3	4	6	33.3%
Quality Solicitors	2	1	4	-50.0%
Ellisons Solicitors	1	4	3	300.0%
Ashtons Legal	2	1	3	-50.0%
Woodfines Solicitors			3	
Tees	4	3	2	-25.0%
Penningtons Manches Cooper	1	5	2	400.0%
Debenhams Ottaway Solicitors	1	1	2	0.0%
Steele Raymond		1	2	

Source: Vacancysoft Analytics

About

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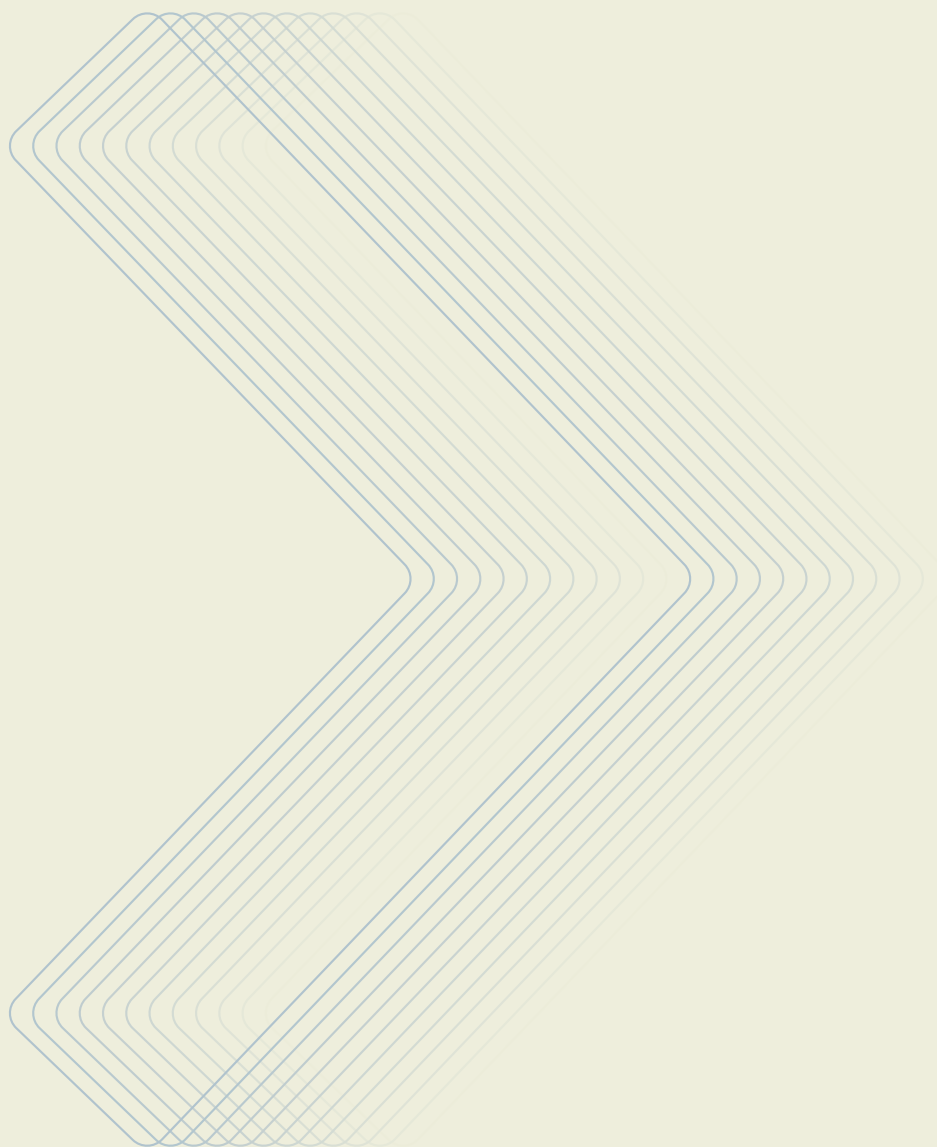
How we gather data

The data contained within this report is gathered solely and specifically from the career centres of company websites, not job boards.

Before publication, job postings are de-duplicated and verified as unique. Every vacancy is assigned up to 20 data points through Vacancysoft's proprietary algorithm, which is doublechecked for validity by a data quality control team.

The data showcased here is available within the Vacancy Analytics platform, where users can create and customise their own reports. To find out more please contact a member of the team.

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