

The Solicitor Profession in Northern Ireland

A RESEARCH REPORT BY THE
HOOK TANGAZA CONSULTANCY

SEPTEMBER 2022

THE LAW SOCIETY
OF NORTHERN IRELAND



100
YEARS

About the Law Society of Northern Ireland

The Law Society of Northern Ireland is the professional body for the solicitor profession in Northern Ireland:

- As a member organisation, the Law Society represents and supports its nearly 6000 members, including solicitors working in public, private and third sector organisations. It also acts as the voice of the profession, representing the profession's interests, engaging with government and other stakeholders
- It regulates 3000 practising solicitors, exercising its statutory functions under the Solicitors (Northern Ireland) Order 1976 by upholding professional standards and working in the public interest to ensure confidence in the solicitor profession in Northern Ireland.
- It is responsible for admitting newly qualified solicitors to the profession and for the continuing professional development of all solicitors.
- The Society works in the public interest to uphold the rule of law, to influence law reform and to promote access to justice.

Foreword

In the Centenary year of the Law Society of Northern Ireland, I am pleased to introduce this report, by the Hook Tangaza consultancy on behalf of the Society.

Throughout this year the Society has been working hard to enrich our evidence base so that we can better support and represent our members, as we look to build for the next 100 years. This involved commissioning our first ever Equality and Diversity survey which took a closer look at the people who make up the solicitor profession in Northern Ireland and this report, which is a focussed study on the legal services economy.

This report highlights the solicitor profession's contribution to our regional economy, creating close to **half a billion pounds of economic value** every year, directly creating over **6,000 jobs** and supporting many thousands more. We can also see how legal services are changing, with Belfast now host to more international UK firms than

anywhere outside of London. This creates exciting opportunities for NI solicitors, with Northern Ireland now firmly on the map.

Alongside the internationalisation, the research underscores that our sector remains predominantly **a network of small businesses**, spread throughout the province, focussed on **providing essential services to the communities** in which they are based. From house purchases and commercial transactions, to wills, probate and family matters, solicitors play a critical role in the functioning of life in NI. This report provides clear evidence of challenges faced by these small practices and the Society will continue to work to ensure that the solicitor network providing critical services to citizens is supported so it too can thrive.

As we enter our second century, I have no doubt there are challenges ahead but I am confident that the solicitor profession is well positioned

to continue to serve Northern Ireland, and beyond, with the same **dedication, diligence and professionalism** that has marked our first hundred years.



Brigid Napier
President
Law Society of Northern Ireland
September 2022



The contribution of solicitors to the Northern Ireland economy

The legal sector makes an important contribution to Northern Ireland's economy, both directly through the activity of solicitors, and indirectly through the value of legal services, embodied in all goods and services produced in the economy. The work undertaken by solicitors, whether through traditional solicitor firms or in corporate legal departments, accounts for around 63% of all NI legal sector activity and was valued at around £460 million in 2019.

Northern Ireland has had the fastest growing legal and accounting sector of any UK region since 2013. While in part this reflects the recovery from the Global Financial Crisis, it also reflects the extraordinary growth of the Metropolitan Belfast area, which is now the UK's 7th richest region.** This growth is transforming the solicitor profession – creating exciting new business opportunities – but at the same time exacerbating existing shortages of legal support in more peripheral regions of Northern Ireland.



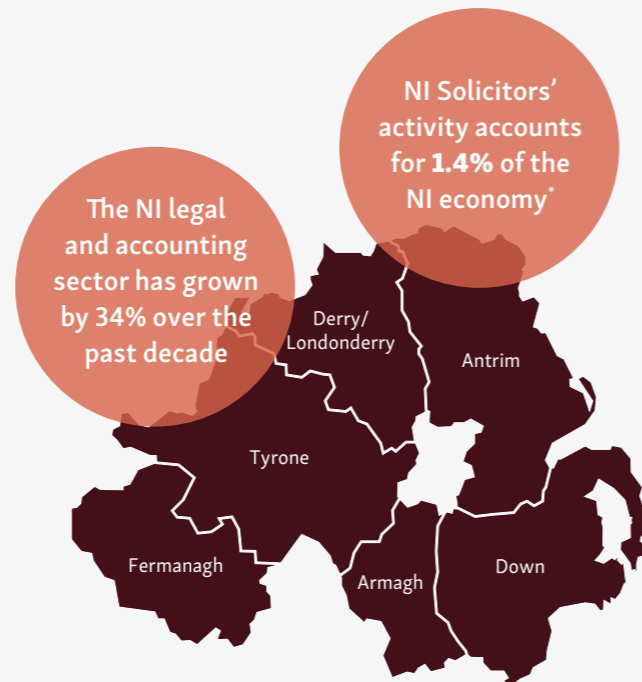
THE ACTIVITY OF SOLICITORS CONTRIBUTED £460 MILLION TO NORTHERN IRELAND'S ECONOMY*

Sources: ONS, LSNI, Hook Tangaza

WHAT ARE 'SOLICITORS ACTIVITIES'?

Solicitors in Northern Ireland are governed by the Solicitors (NI) Order 1976, which reserves certain activities to solicitors holding Practising Certificates (e.g. conveyancing of property, issuing probate, preparation of cases for court and representation in court).

Solicitors who only work for their employers and who do not offer Reserved Services to the wider population are not regulated and do not need to hold a Practising Certificate. They may nonetheless be carrying out a wide range of other legal work from drafting contracts through to handling negotiations.



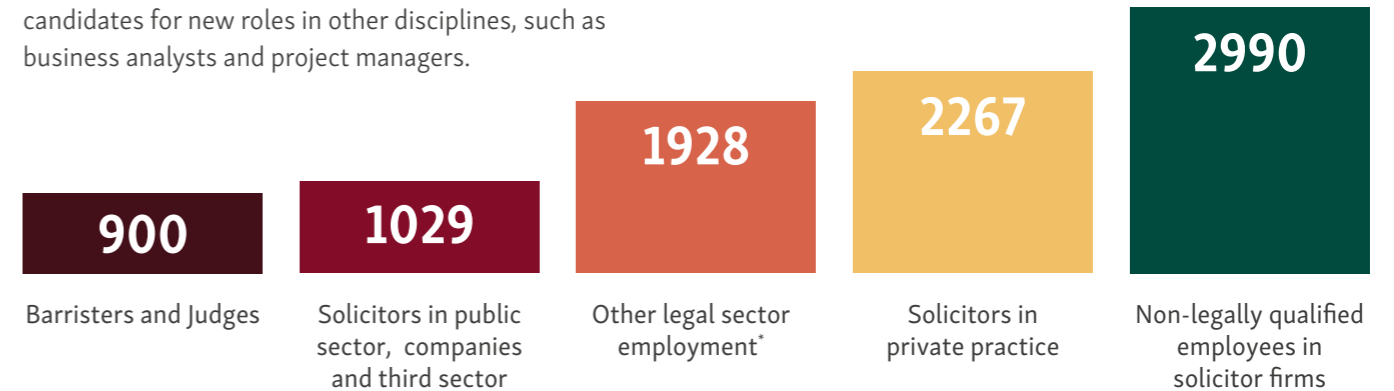
Calculations based on 2019 figures (latest available)
 * This includes the value of activity undertaken by solicitors in private practice and their employees as well as the contribution made by solicitors working in-house in companies or third sector organisations. It does not cover the activity of solicitors in the public sector – Source: ONS.

Legal sector employment

Northern Ireland accounts for 2.5% of all UK employment in the legal sector. The total number of jobs in the sector is estimated to be approximately 9,000, distributed between different categories of activity as shown below. Solicitors and their employees represent 75% of this total, accounting for over 6,000 NI jobs or 1.6% of the NI working population.

Solicitor firms are significant employers, not just of legal talent but also of administrators, finance and procurement specialists and increasingly they are seeking candidates for new roles in other disciplines, such as business analysts and project managers.

6,286 ESTIMATED JOBS IN THE 'SOLICITOR ECONOMY'



Source: LSNI, ONS and Hook Tangaza estimates based on survey data

HOW IS THE CONTRIBUTION OF SOLICITORS MEASURED?***

The value of the contribution made by solicitors to the economy covers all activities undertaken by solicitors in private practice and their employees, as well as the value of work undertaken by solicitors working in legal roles that do not need to be regulated.

The value of the legal sector as a whole is the sum of the activities undertaken by the individuals or organisations described in the boxes opposite.

* Other legal sector employment includes associated unregulated legal professionals (e.g. paralegals) and other types of regulated professionals (e.g. legal executives, patent attorneys etc)
 ** Regulated individuals may work as a solicitor in private practice or in companies, the third sector or the public sector
 *** Adapted from *The contribution of the UK legal services sector to the UK economy*, KPMG (2018)

		LEGAL ACTIVITIES	
		Yes	No
LEGAL PROFESSIONALS	Yes	QUALIFIED AND REGULATED SOLICITORS** BARRISTERS JUDGES ✓	QUALIFIED BUT UNREGULATED SOLICITORS OR BARRISTERS WORKING IN LEGAL ROLES IN THE CORPORATE OR THIRD SECTOR ✓
	No	UNQUALIFIED OR PART-QUALIFIED STAFF EMPLOYED BY SOLICITOR FIRMS OR OTHER ORGANISATIONS DELIVERING LEGAL SERVICES ✓	NON-LEGAL PROFESSIONALS OUTSIDE THE LEGAL SECTOR ✗

✓ = included in calculation of contribution of solicitors to GVA
 ✗ = not included

Who are solicitors and what do they do?

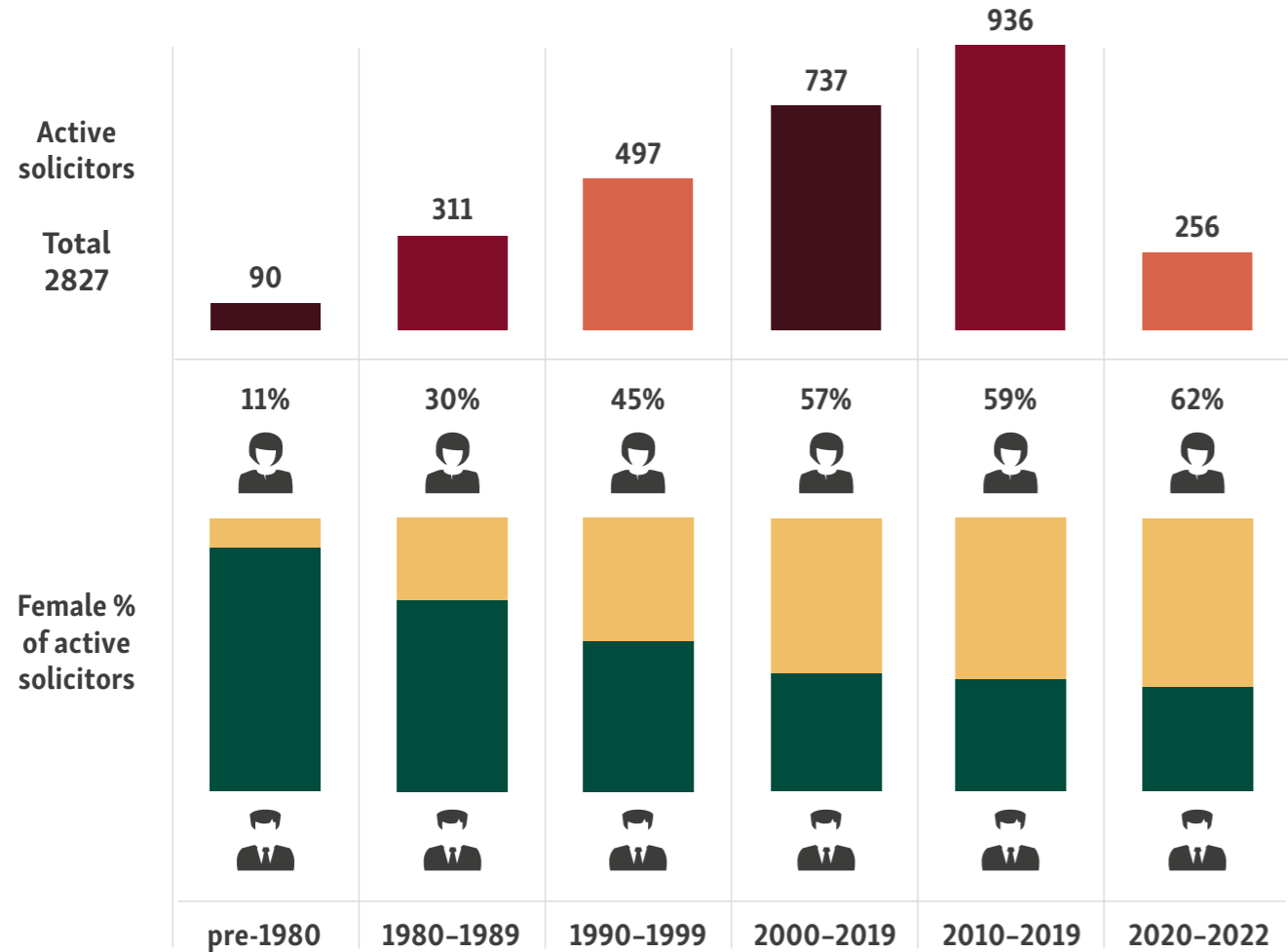
Approximately **6,000** solicitors are on the Roll of Solicitors maintained by the Law Society of Northern Ireland. Some of these individuals are retired or are working outside the legal profession, but there are over **3,000** solicitors working in Northern Ireland. Around 86% of these individuals hold Practising Certificates.

The solicitor profession in Northern Ireland is relatively young – **38%** of all individuals admitted to practice qualified in or after 2010 and are therefore under 35 years old. Like most other legal professions around the world, the NI profession is increasingly female. Since 2000, around **60%** of all newly admitted solicitors have been women.

'ON THE ROLL' OR 'HOLDING A PRACTISING CERTIFICATE'

Once qualified, individuals have their names entered on the Roll of Solicitors and become members of the Law Society. If undertaking Reserved Services they must hold a Practising Certificate which carries with it various regulatory requirements (e.g. renewal of professional indemnity insurance and completion of continuing professional development).

THE DEMOGRAPHICS OF THE PROFESSION

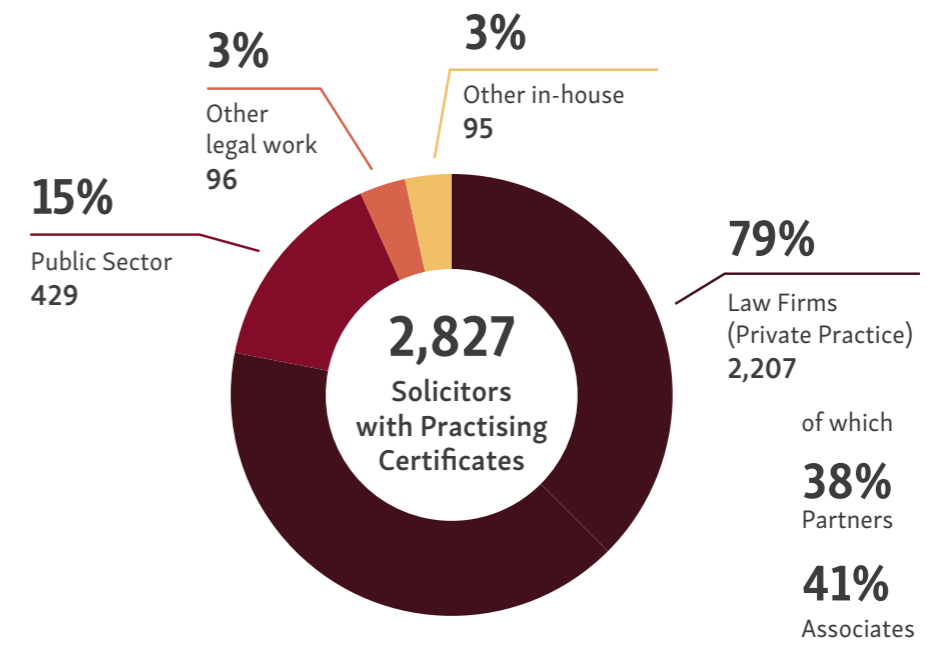


Source: LSNI

Admission period of currently active solicitors

WHAT DO SOLICITORS DO?

Practising solicitors are increasingly working in roles beyond traditional private practice. Nearly a fifth of the regulated profession now works in public, corporate or third sector roles. In the past, most solicitors trained in solicitor firms before moving into different roles in the public or private sector, often once they had 10-15 years of post-qualification experience. The growth of opportunities for newly qualified NI solicitors at home and abroad is leading to a breakdown in this pattern, with a growing number of young solicitors moving out of private practice at an earlier stage of their careers.



Source: LSNI

WOMEN IN THE LAW

Although Northern Ireland now has a female Chief Justice and there have now been 10 female Presidents of the Law Society, women are still underrepresented in the senior ranks of the private practising profession, where only 30% of partners in solicitor firms are women.

Given that in recent years nearly two-thirds of all law graduates in Northern Ireland have been female and women have made up a similar proportion of new qualifiers, improving the retention of women in law firms is a key priority.

64% of solicitors working in-house in companies and the third sector are women and nearly 75% of all public sector solicitors are women.

Source: LSNI

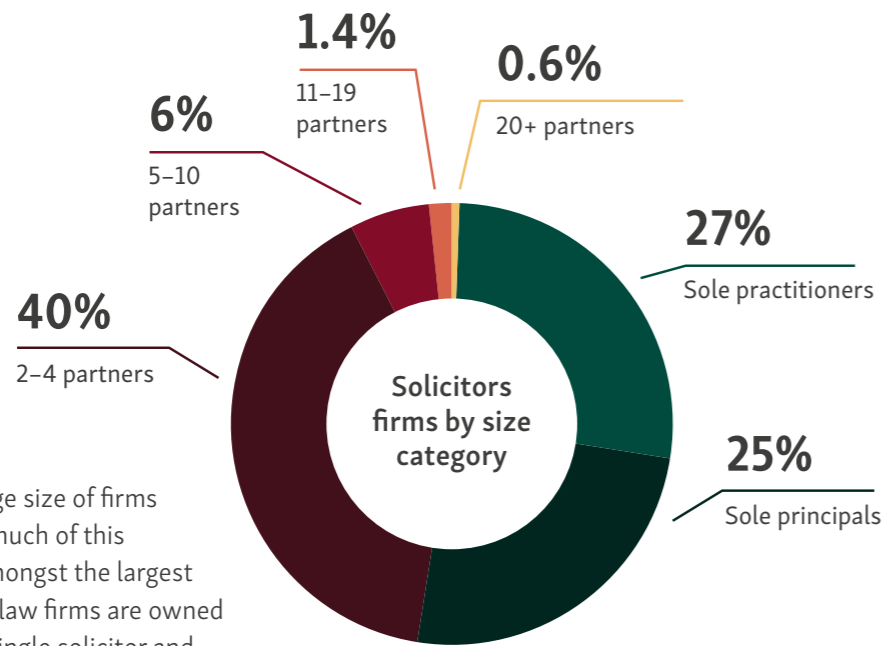


Solicitor firms

Most solicitors provide their services through private practice law firms. Today there are approximately 460 solicitor firms practising at 584 business addresses. Although this represents around 20% fewer firms compared to the peak in 2011, the average size of law firms in Northern Ireland has grown from 4 solicitors to 5 and on average there are a 11 jobs created by each firm (including both solicitors and non-qualified staff).



460 SOLICITOR FIRMS OPERATE FROM 584 BUSINESS ADDRESSES



Although the average size of firms has been growing, much of this growth has been amongst the largest firms. Over **50%** of law firms are owned and managed by a single solicitor and **27%** work as sole practitioners.

Source: LSNI

WHAT DO THEY DO?

Solicitor firms provide services to a wide range of clients. Although private individuals still make up the vast majority of those purchasing legal services in Northern Ireland, companies, not-for-profit organisations, government agencies and insurance companies are increasingly turning to NI law firms for advice and representation.

Although larger NI law firms provide a growing range of specialist legal services to businesses, the services provided by most smaller law firms are still focused on traditional areas such as residential conveyancing, wills and probate and support in court cases.

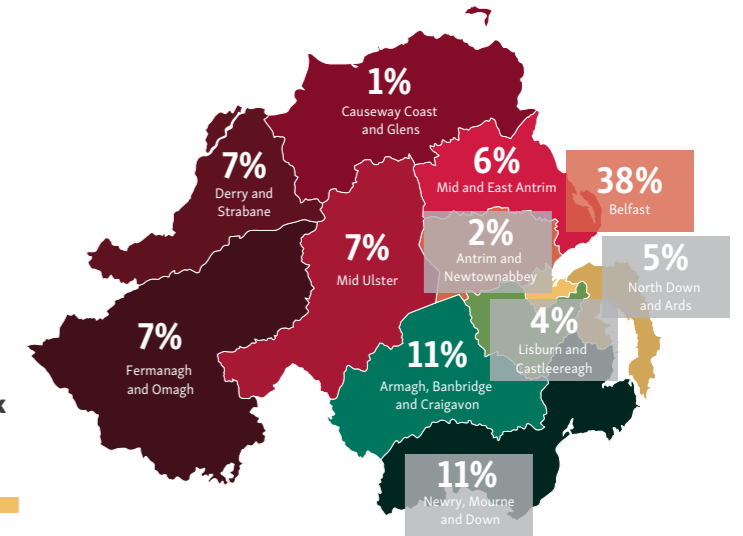


OVER 11 JOBS CREATED ON AVERAGE PER FIRM

Where are they?

There is a significant concentration of firms in and around Belfast – **38% of all firms are based in the Belfast Metropolitan region.**

While Belfast has always played host to the most law firms, the disparity in size, type of practice, commercial success and ability to attract new young solicitors into practice has never been greater. **Nearly two-thirds of all solicitors working in private practice now work in Belfast.**



Distribution of all solicitor firms by Local Council Area

NB. Totals may not add to 100% due to rounding

63% OF SOLICITORS IN PRIVATE PRACTICE NOW WORK IN FIRMS BASED IN BELFAST

HOW ARE SOLICITOR FIRMS CHANGING?

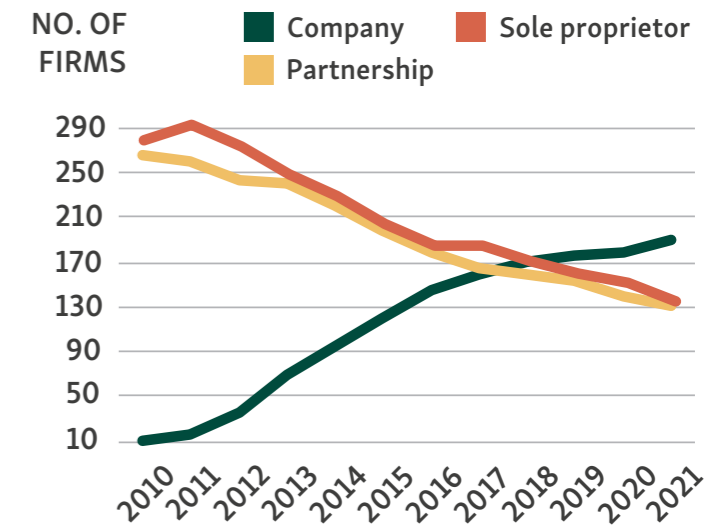
There are some important trends discernible in solicitor firms which reflect the changing economic environment in which they are operating. Many firms are looking to grow in order to increase their resilience. Around 25% of firms have indicated that they are considering a merger. There are already over 100 solicitor firms who have more than one branch office, often as a result of merger, and this number is likely to grow further in future.



OVER 25% OF FIRMS ARE CONSIDERING A MERGER

THE INCREASING TREND TOWARD INCORPORATION

There has also been an important change in the legal status of solicitor firms in recent years with a marked move away from the traditional partnership model. Incorporation is now the most popular business model for solicitor firms. This is a reflection of the growing risks and commercial pressures associated with legal practice.



How are solicitors serving NI business?

Although most NI solicitor firms are still small, the number of firms with more than 50 employees has doubled over the past decade. These larger firms predominantly serve Northern Ireland’s business and public sector clients. The rapidly growing demand for corporate law services is drawing an ever-increasing number of newly qualified solicitors into careers in business law in preference to general practice.



MORE THAN A THIRD OF ALL JUNIOR SOLICITORS IN NORTHERN IRELAND ARE NOW EMPLOYED IN LARGE FIRMS

WHAT SERVICES DO SOLICITORS PROVIDE FOR COMMERCIAL CLIENTS?

Solicitors help to support businesses throughout their life cycle from company formation, through growth to merger or dissolution. These are some of the ways in which solicitor firms have helped the NI economy in recent years.



DESTINATION BELFAST

The expansion of Northern Ireland’s economy and potential for NI solicitors to work on business transactions, given the congruence between English and Welsh and NI law, has attracted a growing number of English commercial firms to Belfast, joining the Irish headquartered firms which have been present in Northern Ireland for more than twenty years. There have been 13 mergers between NI solicitor firms and Top 100 English firms in the past decade. As a result Belfast now plays host to more international UK-headquartered international firms than any other UK city outside of London and more and more English legal work is being conducted out of Northern Ireland.

COMMERCIAL MEDIATION

As economies grow, courts are often unable to keep pace with the demand for dispute resolution. This is where alternative mechanisms for resolving disputes such as arbitration and mediation can play a part. A recent survey of the largest NI businesses suggested that more than 60% of them would prefer to resolve a dispute through mediation than adversarial court proceedings. The Law Society of Northern Ireland has been actively promoting commercial mediation for more than a decade. In 2010 it established the Law Society Mediation Service (LSMS) to help NI businesses access mediation support. Solicitors on the LSMS Panel adhere to the LSMS Code of Conduct and to the EU Code of Conduct for Mediators.

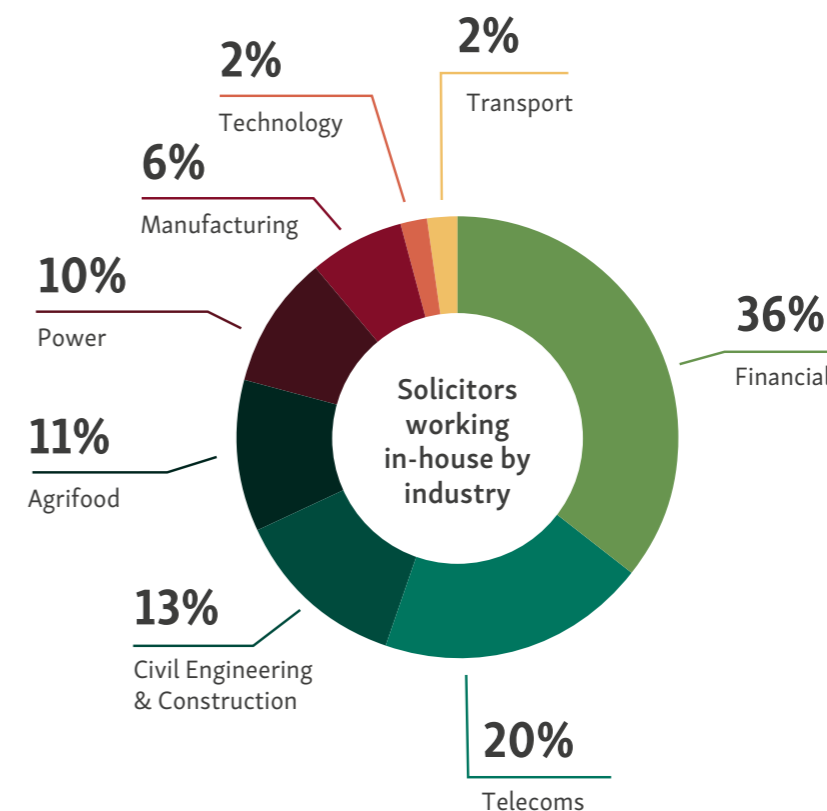


Source: LSNI

SOLICITORS WORKING IN-HOUSE IN COMMERCE AND INDUSTRY

In the past, the in-house legal sector has been very small in Northern Ireland. But as the NI economy has grown and diversified, the need for expert in-house legal advice has expanded.

Just under 5% (148) of all economically active solicitors in Northern Ireland now work in commerce and industry, in long established NI companies as well as international businesses. The quality of the NI legal profession and education system is attracting companies like Citi, BT and the Financial Times to set up legal departments in Northern Ireland to serve all their legal work across the UK and beyond.



Source: LSNI

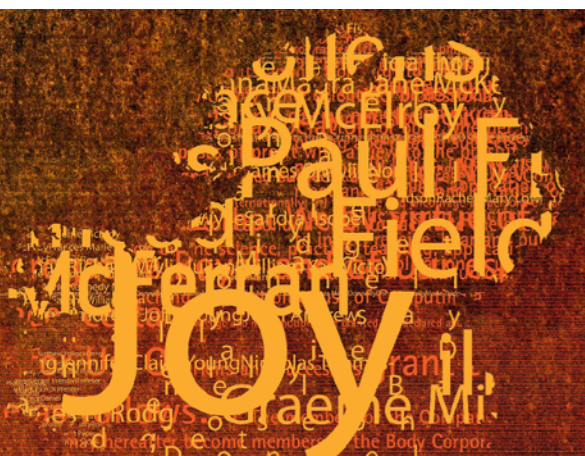
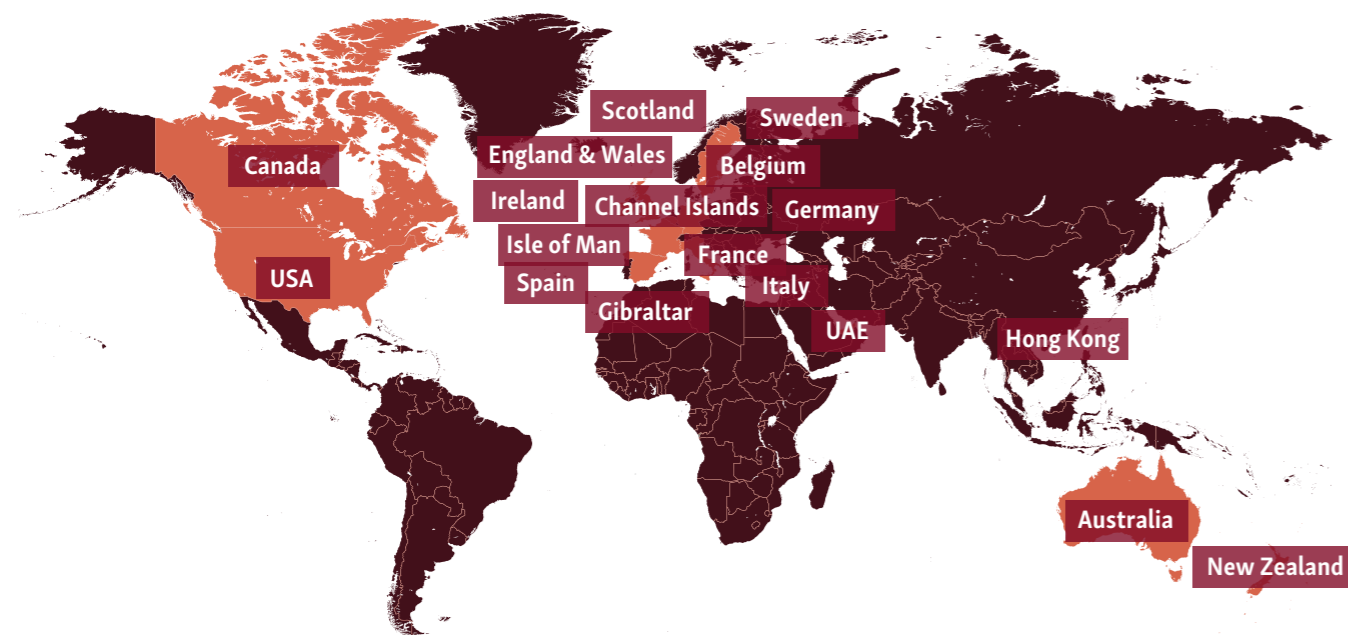
Solicitors working outside NI

The solicitor profession in Northern Ireland has never been more outward looking. The equivalent of more than a quarter of those in private practice in Northern Ireland (**750** solicitors) are now working outside the jurisdiction, in more than 20 different countries.

A new phenomenon has also emerged, driven in part by the COVID pandemic, of remote cross-border working by solicitors from Northern Ireland. By spring 2022, around 2% of all of those holding NI Practising Certificates were resident in Northern Ireland but working remotely in another jurisdiction.

WHERE ARE THEY WORKING?

NI qualified solicitors are known to be permanently based in more than 20 countries outside Northern Ireland. But solicitors working out of Northern Ireland are also serving an increasing range of clients around the world, from the US to Australia, Europe and the Gulf States.



NI solicitors are well placed to gain work internationally because many areas of the law in Northern Ireland are shared with England and Wales, which is recognised as a law of choice in many important areas of international commerce.

Nearly 10% of solicitors in Northern Ireland who hold Practising Certificates are dual qualified in either England and Wales, or Ireland.

Source: LSNI

HOW DO NORTHERN IRELAND SOLICITORS SUPPORT INTERNATIONAL BUSINESS?

Solicitor firms not only generate overseas income for Northern Ireland from their own work, but also play a vital role in supporting foreign trade by NI businesses and facilitating inbound foreign investment.



PUTTING NORTHERN IRELAND ON THE INTERNATIONAL LEGAL MAP

The Law Society of Northern Ireland and its members help Northern Ireland to punch above its weight as a legal centre of excellence on the world stage. Whether by hosting the International Bar Association mid-year conference in Belfast, or the Commonwealth Lawyers Mediation conference, or by supporting its members into leadership roles in the IBA, Commonwealth Lawyers Association and the Council of European Bars and Law Societies (CCBE), the Law Society of Northern Ireland's international engagement and influence belies the size of its membership.

BEYOND INTERNATIONAL BUSINESS THE RULE OF LAW AND SUSTAINABLE DEVELOPMENT

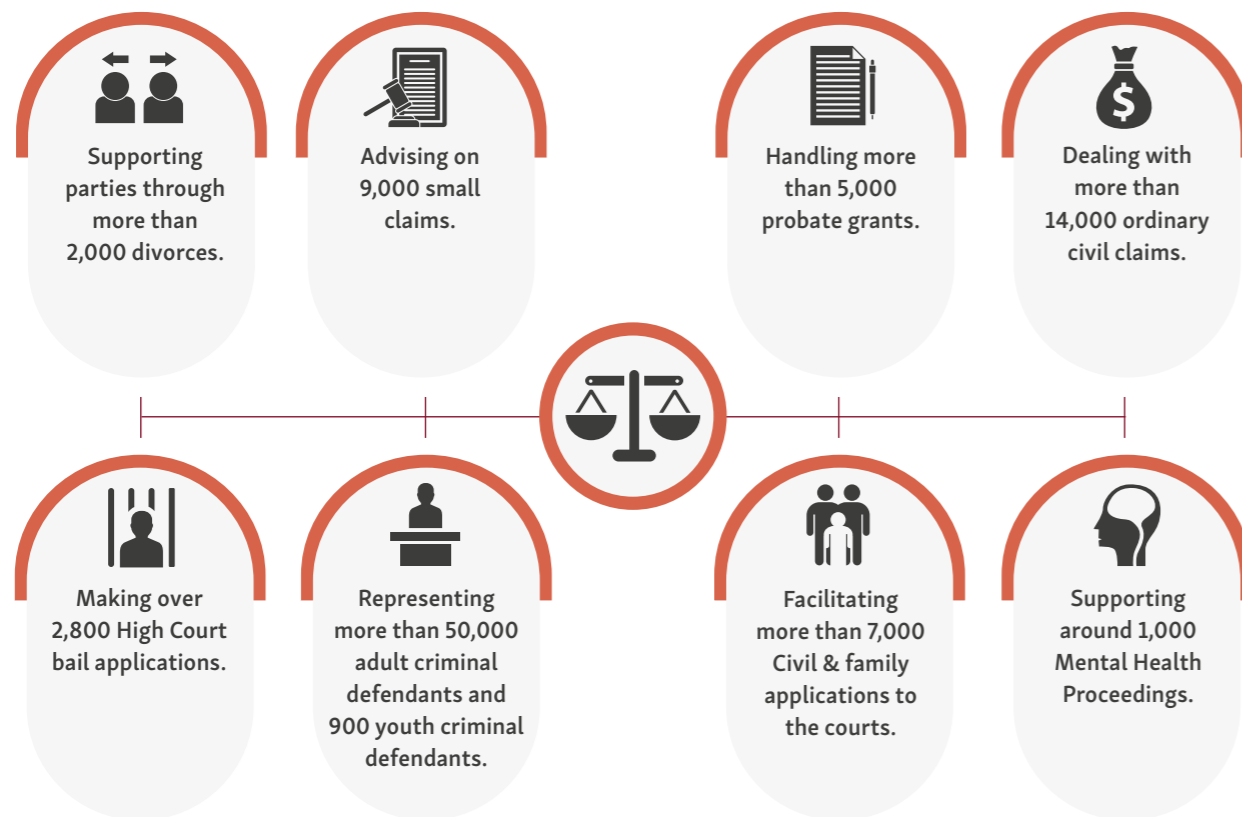
The NI solicitor profession has also demonstrated an ongoing commitment to justice beyond Ireland's shores, by getting involved in initiatives which support the rule of law, human rights and access to justice in developing countries and post-conflict societies. From individual solicitors who have undertaken pro bono work in countries like Sierra Leone and Afghanistan or provided training on mediation across Africa, through to the collective role the Law Society has played as a partner in Irish Rule of Law International, the profession continually seeks to act as a global citizen.

The role of solicitors in society

Solicitors play a critical role in society, serving the people of Northern Ireland, often through some of the most difficult times in their lives. From relationship breakdown to wills and succession matters; from property purchases to landlord-tenant problems; minor motoring incidents to life-changing accidents and illnesses, solicitors help their clients access their rights and obtain redress.

In 2020 the courts across Northern Ireland received more than 100,000 different cases, the vast majority of which were managed by solicitors.

HOW DO SOLICITORS CONTRIBUTE TO JUSTICE IN NORTHERN IRELAND?*



Source: NI Courts and Tribunals Service Statistics (2020)

LEGAL AID

Although the Northern Ireland economy as a whole has prospered in recent years, the benefits of growth have been very unevenly distributed. Four of Northern Ireland's local authority districts are among the poorest regions of the whole UK and significant pockets of deprivation remain in Belfast. Legal aid provides the country's poorest citizens with the help they need to exercise their rights and secure justice. In 2020 the Legal Services Agency of Northern Ireland (LSANI) supported 83,663 acts of assistance funded by legal aid worth around £82 million. Solicitors were the conduit for over 63% of this support, providing citizens with access to justice.

SOLICITORS IN LOCAL COMMUNITIES

Solicitors have traditionally been key figures in local communities, with family-owned firms of solicitors serving their communities over many generations. Although small firm practice becomes economically harder to sustain, solicitors are still working hard in towns and villages across the province, for example, in helping over 25,000 families to buy their homes every year.

SOLICITORS IN THE THIRD SECTOR

Solicitors also make their services available to citizens through third sector organisations such as LawCentres and charities. Around 2% of all solicitors who are economically active in Northern Ireland are working in organisations that provide such services direct to individuals, or in organisations that support other areas of civic life, such as Universities and professional membership associations.

25,000 25,000 NI CITIZENS HELPED TO BUY OR SELL THEIR HOMES

SOLICITORS AND THE PUBLIC SECTOR

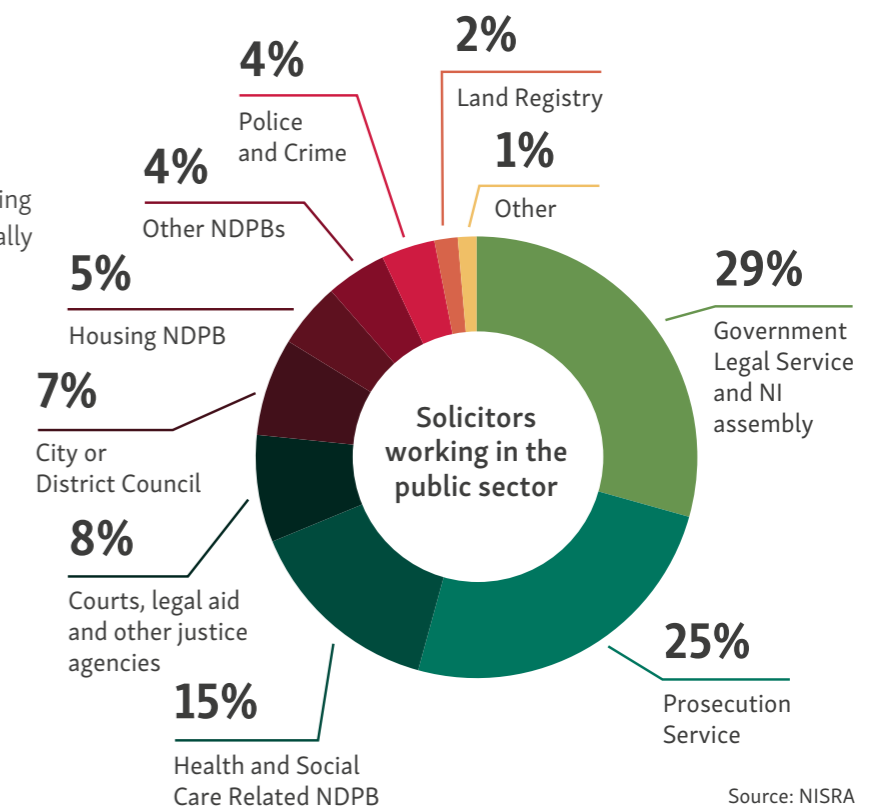
The public sector has been the fastest growing area of the Northern Ireland economy since the Good Friday Agreement. The need for new justice related institutions and in-house legal advisors in independent non-departmental bodies and agencies has created a burgeoning demand for solicitors to move into the public sector.

THE BENEFITS OF SOLICITOR REGULATION TO NI CITIZENS

By using a solicitor regulated by the Law Society of Northern Ireland, NI citizens can be assured that the advice and representation they are receiving is covered by a regulatory framework that requires solicitors to maintain their knowledge of the law, whilst providing professional indemnity insurance and protection against negligent advice, a mechanism for challenging costs and a complaints and redress process.

WHERE SOLICITORS WORK IN THE PUBLIC SECTOR

There are nearly 600 solicitors working in the public sector in Northern Ireland, providing expert legal support and advice across virtually every branch of government.




Source: NISRA

Looking ahead – opportunities for the solicitor profession


GROWTH AND DIVERSIFICATION OF THE NI ECONOMY

The continued growth and diversification of the NI economy creates new opportunities for NI solicitors. All of the potential future growth sectors of the NI economy will need expert legal services alongside other professional services.




DIGITAL AND CREATIVE INDUSTRIES

The expansion of NI's highly successful film and TV industry and other cutting edge digital industries, such as VR gaming, will need the support of specialist sectoral knowledge relating to contracts and financing specific to these industries.




AGRI-TECH

The evolution of one of Northern Ireland's most traditional industries to a sustainable, competitive future will require support from lawyers with knowledge of how the use of blockchain and smart contracts can support traceability and protect IP invested in this sector.



FINTECH

Belfast has carved out a highly successful global niche in key areas of financial compliance work. The potential for further expansion of this sector is huge but will require more lawyers with an understanding of the legal implications of the expanding use of AI, new cyber security risks and competing international privacy regimes.



RENEWABLE ENERGY

The transition of the economy to net zero will require more solicitors with expert knowledge in this area, able to support all sectors with new contractual obligations and disputes arising from this journey.



NI IN EUROPE

Northern Ireland's unique position in relation to the European Union presents new post-Brexit opportunities for solicitors. The Memorandum of Understanding entered into by the Law Societies of Northern Ireland and Ireland in relation to Cross Border Practice and Data Sharing, mean that NI solicitors can serve their clients seamlessly across the island of Ireland.

Source: LSNI

Future challenges

JUSTICE SECTOR

There are new challenges ahead for the legal sector in Northern Ireland. The persistent underfunding of the justice system, compounded by the effect of COVID on the courts and now looming global recession, leave NI citizens at risk of a further erosion in their ability to access justice. The Law Society has set out its proposed solutions in a detailed Justice Agenda.* This calls for a more strategic approach to justice issues and a renewed focus on reform, so that as Northern Ireland moves forward, it has the justice infrastructure that its economy and society need.

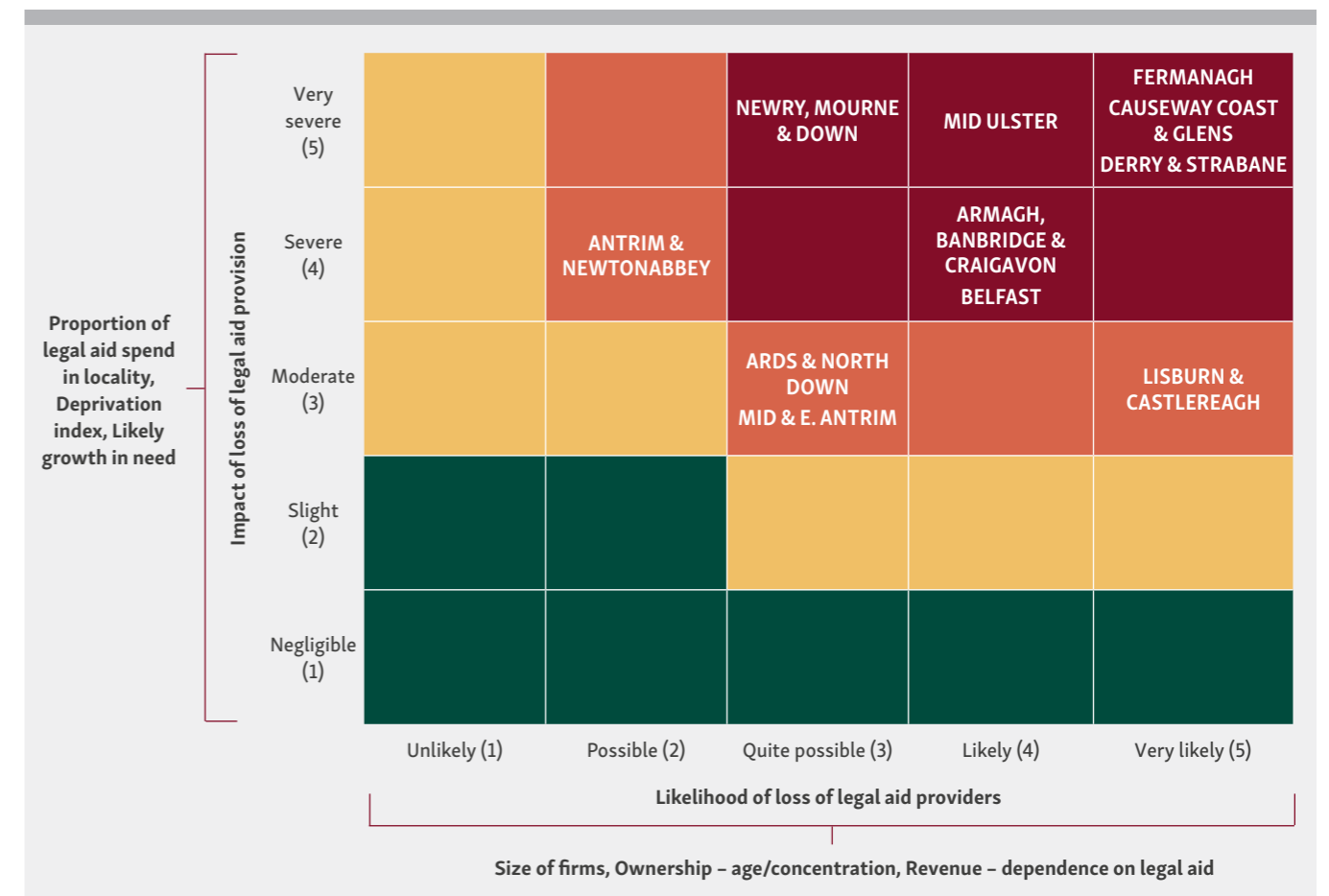
LEGAL AID AT RISK

Perhaps the most immediate concern is the legal aid system. Whilst attention is often given to the impact that a loss of legal aid provision would have on deprived communities, the risk that the supply side of the equation may fail is usually overlooked.

The continued existence of a local network of solicitor firms, and the ability of citizens to access legal aid funded services through them, is under threat. A very high proportion of solicitor firms in some of the Local Council areas with the greatest need for legal aid funding are owned by sole practitioners over the age of 60, or by two partners, one of whom is over 60.

The ongoing willingness and ability of these individuals to remain in practice can no longer be assured if legal aid rates remain frozen and payment for services are delayed.

* See Law Society Justice Agenda 2022



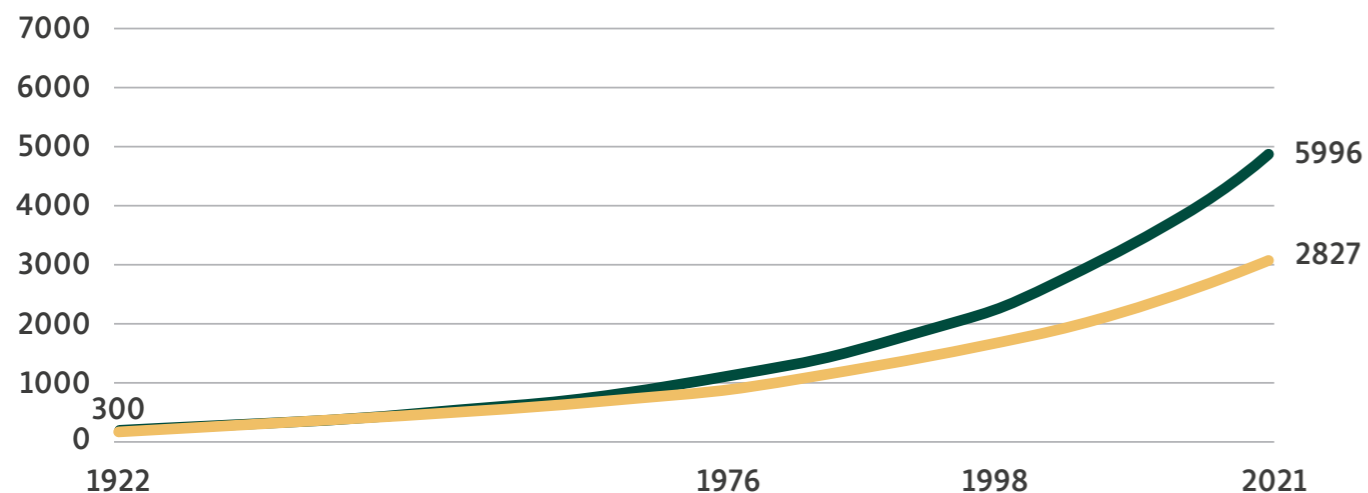
Too few solicitors?

Over the past century the number of solicitors in Northern Ireland has grown steadily to reflect the needs of a growing population, an increasingly sophisticated economy and a complex post-conflict society in which rule of law and access to justice have a particular significance.

From 1922 to the mid-1970s, the number of solicitors in Northern Ireland hardly grew at all. The constitution of a dedicated Northern Ireland court system in the late 1970s began the expansion of the NI legal profession. The period since the Good Friday Agreement has seen a significant expansion in solicitor numbers, with an expanding body of NI specific legislation driven by the

NI Assembly and a growing demand for the skills and knowledge of solicitors across all areas of the economy and society. This has also drawn increasing numbers of solicitors into the public sector.

Today, there is a real risk both to legal aid provision and to the ability of commercial legal practices to grow, from a shortage of law graduates and the rapid expansion of competitors for a limited talent pool. Northern Ireland needs more University places for law students, if it is to reap the opportunities and meet the challenges that lie ahead.



1922
Royal Charter of The Incorporated Law Society of Northern Ireland

1976
Solicitors Order (NI)

1977
Institute of Professional Legal Studies opened

1978
Judicature (NI) Act

1998
Belfast (Good Friday) Agreement

1998
NI Assembly established

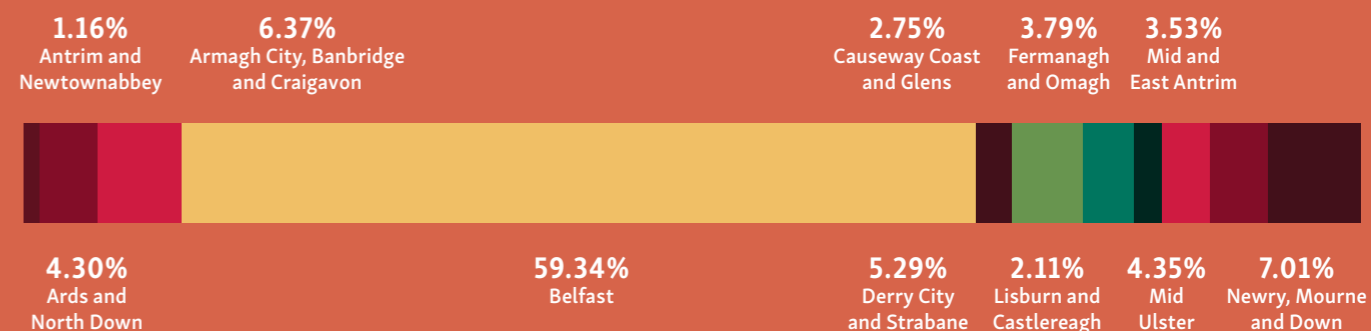
THE GROWTH OF THE SOLICITOR PROFESSION, 1922-2022

- Solicitors with practising certificates
- Solicitors on the Roll

Key data (as at September 2022)

5,996 Solicitors on the Roll of the Law Society of Northern Ireland	2,827 Northern Ireland qualified solicitors holding Practising Certificates	460 Solicitor firms in Northern Ireland
584 Offices of solicitor firms in Northern Ireland	6,286 Estimated jobs in the 'solicitor economy'	£460m Northern Ireland legal sector GVA estimate (2019)
2,207 Solicitors working in private practice	429 Regulated solicitors working in the public sector	95 Regulated solicitors working in house

Share of all solicitors in private practice



Law Firms turnover



SOURCES

Law Society of Northern Ireland (LSNI), www.lawsoc-ni.org
 NI Courts and Tribunals Statistics (NICTS), www.justice-ni.gov.uk/topics/courts-and-tribunals
 Northern Ireland Statistics and Research Agency (NISRA), www.nisra.gov.uk
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 Hewitt, A. *The Law Society of Northern Ireland: A History*, published by the Law Society of Northern Ireland (2010)
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 Invest Northern Ireland (Invest NI), www.investni.com
 NI Assembly, www.niassembly.gov.uk

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