

THE VIEW FROM WALES

BARRY DAVIES, PRACTICE DIRECTOR



In this column I'll be taking a look at the Welsh market – and Wales as a place to practice law. In a recent analysis by the Bevan Foundation it was suggested that the Welsh economy would experience an increase in jobs for professionals by 2020. The figures suggested that 40% of all jobs in the principality would be professional or managerial.

So what does this mean for Welsh law firms, or alternatively, Wales as a place to practice?

The analysis comes only a few months after the Welsh government commissioned a review of the Welsh legal sector. The purpose of the review is to “identify opportunities to increase investment and employment to maximise the direct and indirect benefits for the Welsh economy”.

What's also different about Wales is our devolved legal and constitutional powers. The first National Assembly for Wales was elected in 1999, with the Silk Commission launching in October 2011. A new collaboration between the Welsh government and Westlaw has been implemented to improve access to Welsh legislation named ‘Law Wales’.

The universities across the whole country all boast law departments with high standards.

In recent times there's been considerable financial backing – by way of grants – for law firms to move to the capital, and this has seen an in-flux of ‘City’ law firms migrating across the Severn Bridge to open, mainly in Cardiff. In addition, there are some household names such as Slater & Gordon acquiring practices in the region.

The local view in the legal fraternity is that Cardiff is already saturated with firms. In the north there are some very long established firms and the market isn't as overpopulated as in the south-east of the country, with firms aligning themselves more in the direction of Liverpool and Chester. The nature of a competitive local market in the south west has resulted in some M&A activity and the opening of satellite offices for indigenous, long established, firms in the area. Recent movements have been firms in the west opening towards the east and vice versa. In addition, not dissimilar to other parts of the UK, are a number of small practices looking for exit strategies and being acquired by other local firms.

If we consider that the current number of solicitors on the roll is 132,520 and there are 10,364 law firms – then what about the Welsh sector? On the last published count there were 3,800 solicitors employed in Wales and around 500 firms. These are surprisingly low figures: 3% and 5% respectively with a number of those employed likely to be in UK-wide firms (with Eversheds accounting for 4% of that figure alone). Roughly 20% of the firms hold Lexcel, which is higher than the UK average, hinting that quality is obviously pivotal to the region.

Due to the general perception of cheaper accommodation and salary costs, being located in the regions for many law firms (often as a secondary base) can be an attractive proposition. The former is evidenced by my own practice securing tender ‘wins’ for national organisations where price was a key factor, and not location – but the demographic certainly was a critical element.

These are changing times for the Welsh legal arena over the course of the next five years, with potentially some quite exciting prospects ahead. Stay tuned. **LPM**

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