The law training survey:
How firms and students are responding to the challenge of the SQE

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Research conducted by trendence UK
No one would claim that the planned introduction of the new Solicitors Qualifying Examination has been without controversy. Many in the profession have expressed concerns about its quality and have been sceptical about its benefits. More than two years after the proposal was first suggested by the Solicitors Regulation Authority, we wanted to discover how the profession now felt about the new exam and, just as significantly, how students were responding. Hence this survey of more than 1,300 students and 59 law firms.

Our findings suggest that surveyed law firms, which between them offer a significant slice of all the training contracts annually and range from small law firms to the biggest in the City, have not become more receptive to the SQE. In the months firms have had to digest the implications of the new exam, those feeling negative about it outnumber those feeling positive by more than two to one. Interestingly, the more firms said they understood the SQE changes the less positive they felt about it.

In fact, many firms do not understand the changes well and are dubious that the SQE will lead to a more diverse profession, one of its main objectives. Firms largely remain worried that important legal subject areas, previously taught on the Legal Practice Course, will not be tested by the SQE and that key skills are now only going to be tested after a period of qualifying work experience. Consequently, several firms have indicated that they wish to compensate for these deficiencies with additional training in missing but crucial areas of the law and by requiring that key skills are taught before candidates can enter the workplace. If anything, students are even less pleased – not least because most of them seem unaware of the changes, even though their likely introduction is only two to three years away.

Nevertheless, it would be a mistake to overdo the negativity. Our survey also makes clear that significant proportions of law firms are neutral about the SQE and are taking steps to address the training implications. Many seem ready to explore new opportunities presented by the deregulation of the currently prescribed courses and will work with universities to design new innovative programmes that reflect modern professional practice. Students, too, seem willing to be convinced that the new career landscape may offer them benefits, not least when it comes to graduate apprenticeships.

Ultimately, it may make sense for law firms and students to see the SQE as an essential ‘floor’ for legal training rather than a sufficient ceiling. After all, the regulator only determines what is the minimum requirement – the market decides what is ideal. If the SQE is looked at in this way, then more in the profession might begin to feel positive about the exam, or at least a lot less negative.

Jo-Anne Pugh is Strategic Director of Programme Design and Development at BPP University Law School.
Context and overview

As the date for the introduction of the Solicitors Qualifying Examination draws near there is a paucity of information on how training and recruitment may change in response.

This survey of law firms and students is an attempt to plug that gap in our knowledge. How fully do firms understand the SQE? Are they positive about the changes? What are the implications for training? Is there a difference in attitude and planning between smaller and larger firms?

The questions for students are just as urgent. Many of those planning a postgraduate career in law will be among the first cohorts to take the SQE in two to three years. So how aware are they of the imminent changes? Is there a difference in perception between law and non-law students? Is either group tempted to postpone their postgraduate plans? Would they consider a graduate apprenticeship programme?

The vast majority of law firms, regardless of size, are aware of the changes. According to our survey, 93% know that the route to qualification for solicitors is changing and seven in ten are aware that the SQE will be introduced by 2020. Whether they equally understand what those changes involve and what the implications for recruitment and training are is another matter. Indeed, respondents indicated that they more they knew of the changes the less they liked them.

Students are more confused. Only 36% of law students and 10% of non-law students are aware that the route to qualification is about to undergo a radical overhaul. As yet, relatively few students seem ready to change their career plans. But that could change as the deadline for the introduction of the SQE approaches and students become more conscious that the familiar routes to qualification will end.

It would be fair to say that the SQE has not been greeted with universal acclaim by the legal profession. Nevertheless, our survey shows that many in the sector are planning ahead and making the most of the opportunities in areas like graduate apprenticeships that were not available before. We hope that the findings in this report will enable law firms to make more of those opportunities and help them confront the challenges such a radical overhaul of legal training will inevitably entail.

Note: For the purpose of this report, all percentages have been rounded up. In some cases, the displayed charts may add up to slightly more than 100. If you’d like to see the original unrounded percentages, please do get in touch with trendence.

Methodology
Research: conducted jointly by trendence UK and BPP
Sample: 59 law firms and 1,370 students
Method: online questionnaire
Period: 20 August to 16 October 2017
Researchers: David Palmer and Andreea Galin

Were you aware that the route to qualification for solicitors is changing?

- Yes: 93%
- No: 7%

Are you aware of the qualification changes being introduced by the SRA?

- Law students:
  - Yes: 36%
  - No: 44%
  - I don’t know what the SRA is: 20%

- Non-law students:
  - Yes: 10%
  - No: 48%
  - I don’t know what the SRA is: 42%
Part one – law firms

Law firm profile

- Almost all the law firms in the survey – 93% – offer graduate training contracts, with over half (53%) offering 10 or more places annually.
- Seven in ten law firms (70%) in the survey currently sponsor the LPC, at least in part.
- Just under a quarter (23%) had an annual turnover in excess of £500 million.
- Almost a third of respondents (32%) define themselves as City/global firms.
- Two-fifths of respondents had an annual turnover of less than £30 million.
- Less than a fifth (18%) classify themselves as an SME legal practice.

Analysis: Collectively, the law firms who took part in the survey have a combined annual turnover of approximately £15 billion and offer 850 training contracts, which represent about 15% of all the training contracts offered annually in England and Wales. The respondents include a broad cross-section of the sector, with 18% describing themselves as SMEs and 7% reporting turnover in excess of £1 billion.

On average, how many graduate training contracts do you offer a year?

- None: 2%
- Fewer than 10: 45%
- Between 10 and 29: 36%
- Between 30 and 59: 8%
- Between 60 and 79: 9%
- 80+: 0%

What is your firm’s average annual turnover?

- Under £30 million: 39%
- £30 million - £49 million: 9%
- £50 million - £99 million: 11%
- £100 million - £249 million: 16%
- £250 million - £499 million: 4%
- £500 million - £999 million: 16%
- £1 billion+: 7%

How would you classify your firm?

- City/global: 32%
- UK regional: 35%
- UK commercial: 14%
- SME legal practice: 18%

Do you currently sponsor the LPC, in whole or in part?

- Yes: 70%
- No: 26%
- Don’t know: 4%
How well prepared are law firms for the SQE?

- Almost all law firms (93%) are aware the route to qualification is changing and 70% know when.
- However, less than half (44%) say they understand the changes and a third (34%) admit that they don’t.
- More than seven in ten (72%) say the intended benefits of the SQE have not been sufficiently explained to law firms.
- The same proportion say they are concerned that the depth of knowledge required by the SQE will not compare to the current qualifications.
- Consequently, less than one in five law firms (18%) say they are feeling positive about the SQE with almost a half (47%) admitting they are feeling negative.

Analysis: Increased awareness of the upcoming changes to qualification has not translated into increased acceptance. Law firms have had several months in which to digest the news but few feel positive about the SQE. This is partly because respondents feel the benefits haven’t been fully explained, but also because they don’t believe the new qualification is as thorough as the Qualifying Law Degree or the Legal Practice Course.

How well do you feel you understand the changes that are to take place?

- Very well understood: 5%
- Quite well understood: 39%
- Neutral: 23%
- Quite poorly understood: 25%
- Very poorly understood: 9%

Now that you’ve had a few months to review the SRA’s plans how are you feeling about the SQE?

- Very positive: 2%
- Positive: 16%
- Neutral: 35%
- Negative: 40%
- Very negative: 7%

Are you concerned about the depth of knowledge required for the SQE as compared to the current Qualifying Law Degree (QLD) and LPC?

- Yes, I am concerned: 23%
- No, I am not concerned: 72%
- Neither concerned nor unconcerned: 5%
What key skills and legal subject areas are most important to law firms?

- Asked to rank how important training was in the key skills not being tested by SQE 1, large numbers of law firms identified training as ‘important’ or ‘very important’ in case analysis and negotiation (91%), drafting (90%), client interviewing and advising (77%), and advocacy (61%)
- When respondents were asked which legal subject areas (the current elective topics that will not be part of the SQE curriculum at all) were most important to be trained in, 86% said commercial law was relevant, 74% cited commercial property, 68% mergers and acquisitions, 67% corporate finance and 65% cited advanced commercial litigation
- The least important were insurance law (21%), personal injury (14%), housing (11%) and immigration (9%)
- However, almost two-thirds (63%) were unaware that any of these legal subject areas would not be tested in the SQE

Analysis: Regardless of their size, most law firms tended to consider skills training to be an important part of pre-workplace preparation. However, only legal writing and research will be tested in SQE 1 and it is envisaged the remaining skills will be learnt on the job. Clearly this is not what the profession wants. Only a minority of survey respondents were aware that the range of legal subject areas that currently form the elective subjects on the LPC will not be tested at all in the SQE. As there was a much higher proportion of large corporate law firms amongst the respondents the high ranking in importance of commercial topics is unsurprising.
How do law firms think the SQE will affect their training needs?

• More than three-quarters of law firms (77%) said they thought graduates would require additional training beyond pure ‘test preparation’ for SQE 1 before they entered the workplace.

• Over three-fifths of respondents (62%) said that additional training was likely to be sourced externally, with under a third (32%) saying they would provide it internally.

• However, very few law firms (14%) said they were currently planning to use the Apprenticeship Levy to fund graduate solicitor programmes, though fewer than three in ten (26%) had ruled it out. Most (58%) had yet to reach a decision.

• Just over a quarter of respondents (26%) reported that prospective trainees had started to ask firms for their views on how they should pursue their studies, with almost three-fifths (58%) saying they hadn’t.

• Law firms were divided when asked if the SQE changes would make it easier or more difficult to recruit graduates. Only one in twenty (5%) thought it would be easier with almost a third (32%) saying it would be harder. But almost two-thirds (63%) were unsure or thought it would make no difference.

• Only a quarter, however, (25%) thought a more diverse talent pool would result from the changes, almost half (49%) said it wouldn’t.

Analysis: Most law firms have accepted that additional training will be required to make up for the expected deficits of the SQE. At this stage, however, most don’t think it will badly affect graduate recruitment or that it is an issue troubling prospective trainees. Few firms are currently planning to use the Apprenticeship Levy to fund graduate solicitor programmes, though interestingly the majority haven’t yet ruled it out. This is not surprising as such schemes cannot be fully launched until the date and final of the first SQE examinations are clear.
Almost all firms, regardless of size, were aware the route to qualification was changing (94% of those with a turnover in excess of £30 million and 91% of those under £30 million).

Both groups were equally concerned about the depth of knowledge and subject matter coverage required for the SQE compared to existing qualifications (71% of larger firms and 73% of smaller firms were concerned) even if they differed on what subjects should be covered.

However, smaller firms were less likely to be aware of when the change was happening compared to larger firms (55% compared to 80%).

They were also less likely to say they understood the changes. Less than a quarter of smaller firms (23%) said they did compared to well over half of larger firms (57%).

More than half of firms with a turnover in excess of £30 million (52%) felt negative or very negative about the changes compared to just over two-fifths (41%) of firms with a turnover under £30 million.

Analysis: Law firms, regardless of size, share a general concern about the SQE even if their understanding of the implications is more varied. Interestingly, the more firms said they understood the SQE changes the less positive they felt about it.
Both larger and smaller firms placed a high importance on training before workplace experience in drafting (94% and 82% respectively), case analysis and negotiation (94% and 86%), and client interviewing and advising (77% each).

But the vast majority of firms with a turnover of less than £30 million (86%) didn’t know training in the current wide range of legal subject areas (LPC electives) wouldn’t be required for the SQE compared to 47% of firms with a turnover in excess of £30 million.

Firms were equally undecided about the effect of the SQE on recruitment. Only one in twenty of both groups (6% of larger firms, 5% of smaller) thought it would be easier, though smaller firms were more likely to say it would be harder (36% compared to 29% of larger firms). A majority of both groups, however thought the changes would make no difference to recruitment or were unsure.

Analysis: The lower proportion of smaller law firms seeking to put in place additional training provision could be a reflection of the fact that the vast majority don’t know that specific legal subject areas like immigration, family law or housing law won’t be tested in the SQE. As that awareness increases, demand for additional support may well rise.

Smaller firms were also less convinced that the changes would make the profession more diverse (41% compared to 54% of larger firms).

Large majorities in both groups thought graduates would require additional training (79% of larger and 73% of smaller firms).

Only 14% in both groups said they currently planned to use the Apprenticeship Levy for graduate solicitor programmes, though fewer than three in ten (28%) had ruled it out. Most (58%) had yet to reach a decision.

There was more divergence over additional training provision. Over half of larger firms (56%) said they would seek to provide training beyond pure test preparation for the SQE curriculum compared to less than a fifth of smaller firms (18%) – though most of the latter (73%) were unsure.

What are the training implications for smaller and larger law firms?
Do you think the changes brought on by the SQE will make it harder or easier to recruit graduate talent into your firm?

- Easier: 5%
- Neither harder nor easier: 6%
- Harder: 32%
- Unsure: 38%

Do you think the SQE will see a more diverse talent pool entering the profession?

- Yes: 27%
- No: 41%
- Don’t know: 54%

Do you think your firm will require additional training for your graduates over and above the SQE before entering the workplace?

- Companies with an annual turnover of less than £30 million:
  - Yes: 73%
  - No: 5%
  - Don’t know: 23%
- Companies with an annual turnover of more than £30 million:
  - Yes: 79%
  - No: 3%
  - Don’t know: 18%
Over three-quarters of the 1,370 respondents were female (76%) and three-fifths were white (60%).

Almost two-thirds were law students (64%).

Students who weren’t studying law were overwhelmingly from a humanities or social science background, with history (9% of respondents), politics (6%), languages (5%), English (5%) and sociology (3%) the most common.

Almost two-thirds of both groups (64%) expected to get a 2.1 and a quarter (25%) a first-class degree.

The biggest cohorts were either in their second (28%) or third (30%) years.

Analysis: The large percentage of female and ethnic minority respondents to the survey is not as disproportionate as it looks. Over two-thirds of UK students (67.5%) accepted onto law courses last year were female and well over a third (36.4%) were from minority ethnic groups, according to the Law Society.
How aware are students of the qualification changes?

- Awareness is very low amongst both law and non-law students – 44% of the former and 42% of the latter didn’t know about the changes. Only one in ten non-law students (10%) knew the route to qualification was changing and barely a third of law students (36%) knew.

- Hardly any in either group (8% of law, 4% of non-law students) thought the SRA had explained the situation clearly, though almost half of the latter (48%) and a fifth of the former (20%) didn’t know what the SRA was.

- Awareness of what the SQE was replacing was mixed, with almost seven in ten non-law graduates citing, correctly, both the LPC and GDL (69% compared to 43% of law students).

- Both groups were equally worried about the changes (43% each) with less than a third (31%) unconcerned.

Student quotes:

“I’m worried the SQE will make it too easy to become a solicitor thereby cheapening the work we have already put in.” – Law student

“How are non-law students supposed to gain the legal knowledge or pass the first exam? What process are students supposed to follow when applying to firms?” – Non-law student

“I’m already halfway through my LPC and I’m not sure if employers will now view the LPC as a lesser qualification.” – Law student

Analysis: It’s concerning that so few students – even law students – have a clear grasp of the SQE, especially as it’s set to be introduced by 2020. The fact that many are anxious and confused about the changes should also worry recruiters.
What are the implications for student recruitment?

- At this stage, few students in either group are thinking of postponing their plans to qualify as a lawyer – only 15% of law and 16% of non-law students said they would postpone and three-fifths of law (61%) and two-fifths (41%) of non-law students said they wouldn’t.
- However, non-law students were markedly more unsure about what they intended to do – 43% of them compared to only 24% of law students.
- A majority in both groups (54% of non-law and 57% of law students) also said they didn’t know of anybody that was planning to postpone and similar numbers (22% and 18% respectively) said they did.
- Opinions were more divided over the prospect of being hired as a graduate apprentice rather than as a trainee solicitor. Two-fifths of non-law students (41%) would be happy and less than a quarter (23%) unhappy compared to almost two-fifths (39%) of law students. A similar proportion of the latter (41%) said they would not compared to less than a quarter (23%) of non-law students.

**Student quotes:**
- “Apprentice” has connotations of school leaver” – Law student
- “I would be able to learn the trade better as an apprentice than as a trainee.” – Non-law student
- “It would feel like my qualifications are being devalued” – Law student

**Analysis:** Concern over the SQE has not yet led many students to change their postgraduate plans, though if uncertainty persists among the large minority of non-law students who are unsure it may affect the recruitment pipeline. However, the fact that non-law students are more willing than law students to consider graduate apprenticeships suggests this could be an attractive qualification route for many in the future.
How would you feel about being hired by a prospective employer as a graduate apprentice rather than a trainee solicitor?

- I would be happy to be hired as a graduate apprentice: 41% Law students, 39% Non-law students
- I would not be happy to be hired as a graduate apprentice: 39% Law students, 35% Non-law students
- Unsure: 36% Law students, 30% Non-law students

Would your views change if you took into account that you would be paid a salary as an apprentice, including throughout your postgraduate Law School studies?

- Yes: 59% Law students, 39% Non-law students
- No: 41% Law students, 35% Non-law students
- Don’t know: 18% Law students, 23% Non-law students

Would your views change if you took into account that you would be paid a salary as an apprentice, including throughout your postgraduate Law School studies?

- Yes: 50% Non-Russell Group universities, 35% Russell Group universities
- No: 38% Non-Russell Group universities, 39% Russell Group universities
- Don’t know: 23% Non-Russell Group universities, 15% Russell Group universities
We deliver the Legal Practice Course (LPC) exclusively to more than 60 leading law firms in the UK. Our focus is to develop trainees who are ready to embrace the demands of a training contact in a rapidly evolving professional legal sector.

Our programme delivers first-rate education and training, with an emphasis on developing the skills and competencies of a lawyer - as well as the knowledge. This enables trainees and law firms to maintain a competitive edge to meet the needs of their clients.

At BPP, we have proudly earned our place as one of the leading law schools in the UK. We train more law firms’ trainees and solicitor apprentices than any other law school in the country. We also have more students in pupillage than any other provider.

We are currently working with employers across all parts of the legal profession to design innovative programmes that will meet the new regulatory regimes proposed by both the SRA and BSB but most importantly will educate and train the legal professionals of the future.

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