MAY 2024

Banking & Finance

UK LEGAL LABOUR MARKET TRENDS

HENDERSON SCOTT

VACANCYSOFT
Business Intelligence through Vacancy Data

Contents

Foreword

The banking and finance sector continues to be a dynamic landscape, presenting both opportunities and challenges for legal professionals. In 2024, significant regulatory shifts and market trends are shaping the demand for legal expertise. The Financial Services and Markets Act (FSMA) 2023 has introduced changes like the proposed abolition of the bonus cap and the revocation of EU laws. Increased regulation in areas like cryptocurrency signals a busy year for banking lawyers.

The first quarter of 2024 has seen a substantial increase in vacancies for banking lawyers. With 137 vacancies reported in law firms in Q1 alone, this marks the highest quarterly total since Q3 2022. Projections indicate a 35% rise in annual vacancies compared to the previous year. Similarly, banks have reported a 17.7% increase in legal vacancies from Q4 2023 to Q1 2024, alongside an 18.7% rise in front-office vacancies.

Regional trends highlight a shift away from London-centric roles, with significant growth in northern regions, particularly Manchester, where vacancies have surged by 96.7%. This regional diversification is crucial for balancing market opportunities across the UK.

Corporate and M&A remains the leading recruitment area, with a projected 30% increase in vacancies for 2024. Real Estate Finance has experienced a remarkable 300% year-on-year growth.

Leading organisations such as Burges Salmon and Goldman Sachs have significantly increased their recruitment activities, setting the pace for others. CMS and Blackstone are also notable for their expanded recruitment efforts in 2024.

The insights in this report are invaluable for understanding trends and preparing for the future in legal recruitment within the banking and finance sector.

David Holden
Legal Director

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Overview

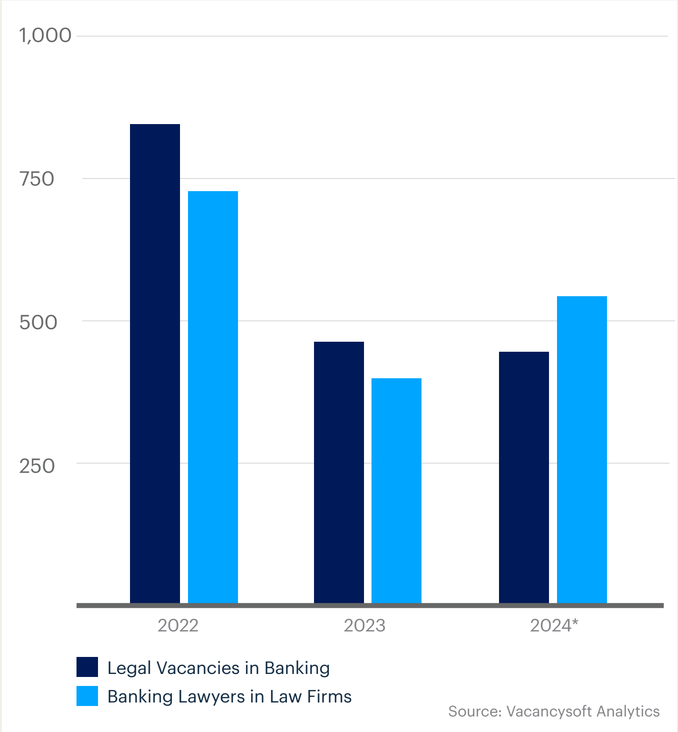
With the implementation of the FSMA 2023, the move to regulatory divergence between the UK and EU has begun. In what was probably the biggest headline when it comes to divergence, the plan to scrap the bonus cap raised eyebrows across the EU, equally the framework for the wholesale revocation of EU law is in itself a significant milestone. Combine this with plans to increase crypto regulation and 2024 promises to be a busy year for those involved in banking law.

Hence it is not a surprise that in Q1, there has been a surge in vacancies for banking lawyers, both within the law firms and the banks themselves. In Q1 2024, there were 137 vacancies posted for banking lawyers within law firms, which for context was the highest total recorded, since Q3 2022. Indeed, if we extrapolate an annual total for 2024 from the Q1 postings, it would show this year being on track to be 35% up from last year. Similarly, there was also a noticeable uptick within the Banks, in terms of legal vacancies. With that, we saw 17.7% more published vacancies for lawyers within banks in Q1 2024, than in Q4 2023.

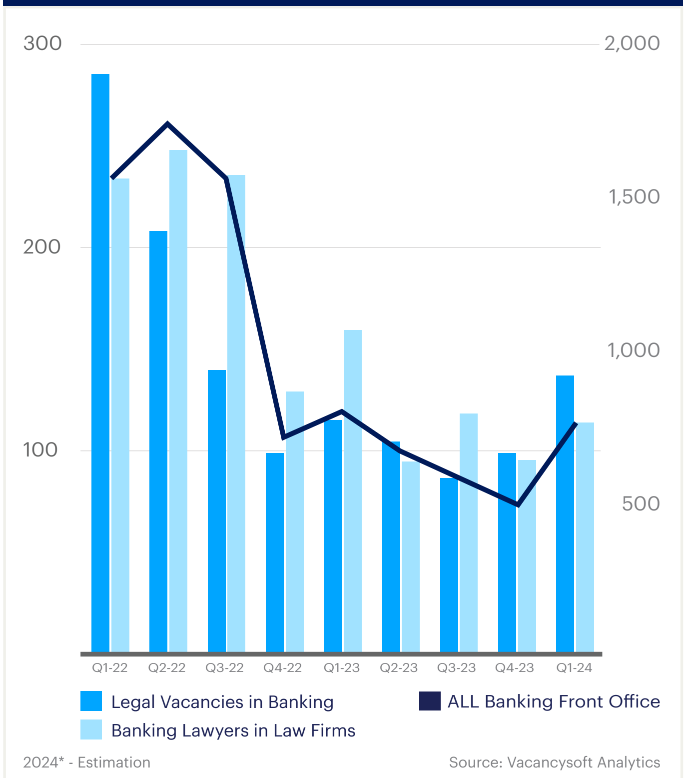
The uptick is not just due to increased regulation either. Activity in the sector overall is on the rise also. For context, when looking at the front office vacancies within the banks themselves, when looking at the 2024 monthly average, is 18.7% higher than 2023, a sign that the sector is picking up pace.

Looking ahead, with a general election on the way, it is unlikely that this current year will see much further regulatory change, equally the fact that the Labour Party is set to be the next Government will also be a factor Banking Lawyers will need to consider, especially once their policy proposals regarding reforming capital markets emerge.

Annual Totals
Vacancies by segment, England & Wales, 2022-2024 *Est



Quarter Totals
Professional Vacancies, England & Wales, 2022-2024 *Est



Law Firm Focus

The move to regionalisation in the sector is visible when looking at the last five years. For context, if over half the vacancies posted were in London pre-pandemic, in 2023, the share of roles in the capital dropped to an all-time low at 41%. Equally, there has been an uptick this year, indeed volumes are up 40% in terms of the national average.

Unsurprisingly, it is in the north, that we have seen the biggest uplift in activity. Indeed, when looking at 2024 so far, we can see that vacancies are up 96.7% compared to the monthly average last year. With that, the region now has a 21.9% share of the national total, making it the second-largest region overall. Manchester in particular has been a big beneficiary of this.

In the process, the southern regions, have shrunk proportionately, due to the underlying activity being flat. with that, we see the share of vacancies in the region falling to 18% so far this year, which is down from 23% in 2023.

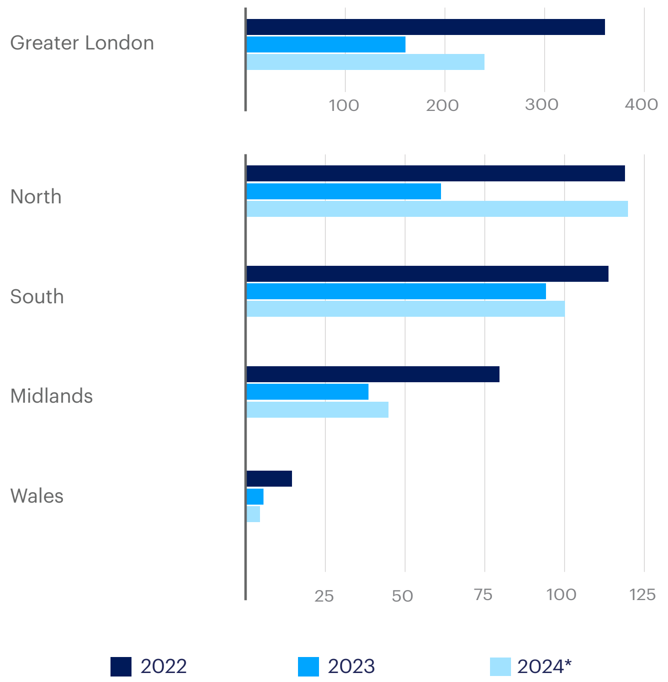
In terms of the types of roles being recruited for, Corporate and M&A remains the largest area within the law firms. Indeed, if 2024 continues on the same track as Q1, there will be 30% more Corporate and M&A vacancies this year than last in the law firms, which is a positive sign as to the state of the market.

Equally the biggest growth has been in Real Estate Finance, which has recorded a 300% year-on-year increase. Put another way, in all of 2023 we only saw 8 Real Estate Finance vacancies whereas in 2024 so far, we have seen 8 already.

For the law firms, therefore, the signs are positive as the economy picks up. With that, it is worth noting that vacancies are currently trending above pre-pandemic levels, which is a good sign for the year ahead.

Regional Breakdown

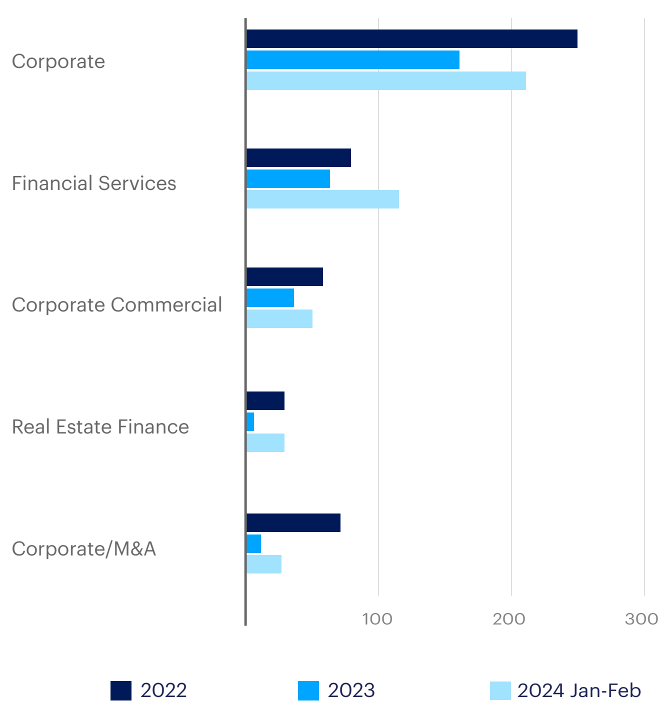
PP Banking Vacancies, Law Sector, England & Wales, 2022-2024 *Est



Source: Vacancysoft Analytics

Skills in Demand

Top Roles, PP Banking Vacancies, Law Sector, England & Wales, 2022-2024 *Est



2024* - Estimation

Source: Vacancysoft Analytics

Banking Focus

Within the Banks, we see a slightly different picture. First of all, London is dominant, in terms of legal vacancies, in a way not seen in law firms. Even in the low point last year, over 70% of the legal vacancies were in the capital, whereas the city has picked up, that share has risen to 74%.

Equally, when it comes to recruitment for lawyers in the banks in London, they are broadly on par with last year, with no real change in activity. It is regionally we see the divergence.

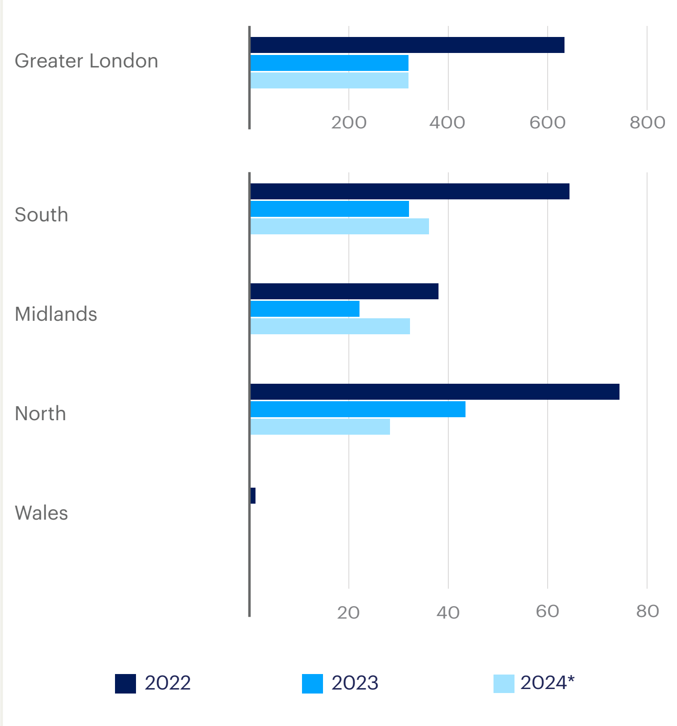
First of all, looking at the north, there has been a sharp dip across the region, with vacancies on track to be 35% down on last year. As a result, the region has dropped to being the fourth by size, behind both the south and midlands, after being the second biggest last year. Indeed, it is in the midlands, that there has been the greatest year-on-year increase, with vacancies up 45.5%.

There has also been an increase across the south, which is up 12.5% and as a result, has been the second busiest region this year so far.

Within the Banks, general commercial roles are the biggest area by volume, equally volumes have fallen year on year. In contrast there has been growth in other areas with the biggest surge being for asset management roles. Indeed, after only 9 asset management roles last year, we have seen 6 already this year. If that trend continues it will mean a year on year increase of 167%. Contracts is the other area worth spotlighting, with vacancies up 66.7% on last year in terms of the monthly average. There has also been a significant uplift in general banking roles, up 33% on last year.

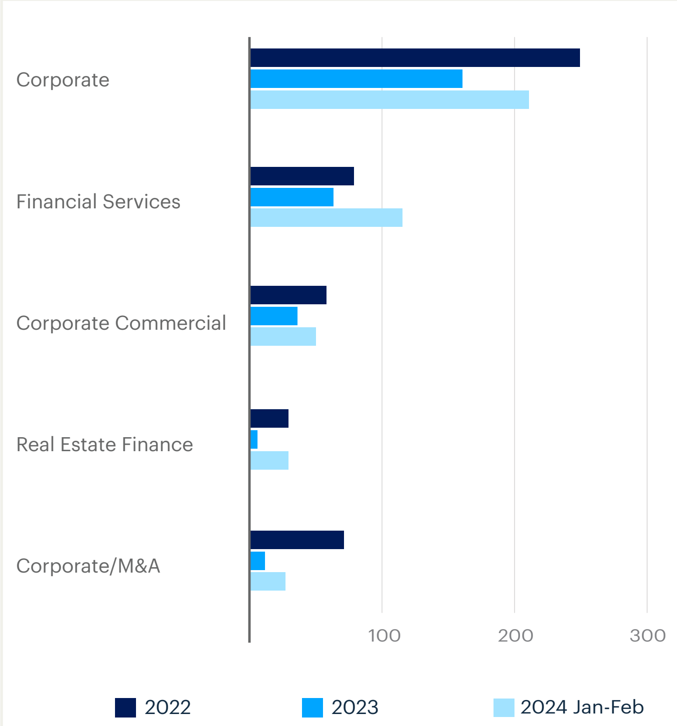
Regional Breakdown

All Legal Vacancies, Banking Sector, England & Wales, 2022-2024 *Est



Skills in Demand

Top Roles, All Legal Vacancies, Banking Sector, England & Wales, 2022-2024 *Est



2024* - Estimation

Source: Vacancysoft Analytics

Leading Firms

When ranking the law firms by banking vacancies what stands out first, is that only one of the magic circle are in the top ten in recruitment terms. Indeed, in 2022, Clifford Chance were leading the way in terms of Banking recruitment, equally when looking at this year, they have dropped out of the top 5 even in terms of activity.

Instead, in terms of this year so far, Burges Salmon lead the way, with 9 vacancies so far this year. If they continue on that basis, it would mean a 350% increase in activity year on year. They have overtaken Addleshaw Goddard, who were the leading recruiters for banking roles last year.

In terms of the Law Firms, CMS are also worth mentioning, given they have already posted 4 vacancies this year, which is double their annual total from 2023, so are ones to watch.

With the Banks, after a quiet 2023, Goldman Sachs have led the way so far this year, with 10 legal vacancies, which is over three times more, than their 2023 total. If this continues at this pace, it is also significantly higher than their 2022 total also. As a result they have overtaken Barclays, as the leading recruiter in this space.

HSBC have been the second largest recruiter so far this year, with 7 vacancies in 2024 so far, equally on that basis they are broadly trending on a par with last year.

The other organisation worth mentioning is Blackstone, which after a quiet 2023, has surged into action in 2024 so far, with double the vacancies in Q1 this year, than in all of last year. Is this a sign the market is getting busier for the asset management community?

Top 10 Law Firms

Banking Vacancies, England & Wales, 2022-2024 *Est

Company	2022	2023	2024*	YoY %
Burges Salmon	6	8	36	350.0%
Irwin Mitchell	9	4	24	500.0%
Addleshaw Goddard	10	19	16	-15.8%
TLT	11	8	16	100.0%
CMS Cameron McKenna	4	2	16	700.0%
Clifford Chance	44	9	12	33.3%
Pinsent Masons	18	8	12	50.0%
Freeths	12	9	12	33.3%
Herbert Smith Freehills	9	9	12	33.3%
Simmons & Simmons	35	18	8	-55.6%

Top 10 Companies

Lawyer Vacancies, England & Wales, 2022-2024 *Est

Company	2022	2023	2024*	YoY %
Goldman Sachs	15	3	40	1233.3%
HSBC	54	29	28	-3.4%
Lloyds Banking Group	34	24	24	0.0%
JPMorgan Chase & Co	49	23	20	-13.0%
Bank of England	21	14	20	42.9%
Barclays	96	49	16	-67.3%
Visa	27	8	16	100.0%
Blackstone	6	2	16	700.0%
NatWest Group	28	20	12	-40.0%
MasterCard	16	11	12	9.1%

2024* - Estimation

Source: Vacancysoft Analytics

About

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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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