

What's going on?

Despite the uncertainty that has prevailed in the markets since the vote to leave the EU occurred in June, our in-house team have not strongly felt the effects of the Brexit vote, with most clients displaying a “business as usual” attitude when it comes to recruitment.

However the financial markets have been in a state of flux since the vote and, with Donald Trump’s victory in the US, we are no doubt in for an even bumpier ride ahead.



After the recent High Court ruling (we heard lawyers cheer from near and far), sterling surged to a four week high, seemingly at the mercy of politics, and the Bank of England has upgraded its economic growth forecasts for this year and next.

They also believe inflation will hit 2.7% in 2017/2018, likely to leave a large hole in everyone's wallets, and it will remain to be seen whether employers will raise salaries in line with this rate. Article 50 is yet to be triggered, which will involve lengthy negotiations with the EU (no doubt resulting in plenty of work for some policy lawyers out there!), and with the likely result of a downturn in the economy, we are bound to feel some negative impact on hiring.

Candidate appetite to move has, however, diminished and with the nature of lawyers being typically risk adverse, in a market such as this, financial institutions have to pull out all the stops in order to attract talent, particularly in areas where demand is high. Base salaries are more frequently being matched when moving from private practice to the larger financial houses (although perhaps not if currently working for a US firm), with the added incentive of potentially higher bonuses and a more attractive benefits package on top. The option of flexible working is becoming increasingly popular and candidates are keen to understand the career development opportunities whether it be climbing the corporate ladder or upskilling to another area.

Salaries on the whole have remained stable, with many reporting a 0-5% increase, and we are not seeing any major changes or increases in any sector. Bonuses are still consistently paid out, with the majority of lawyers in financial services receiving one and on average between 20-30%. Our salary figures are based on London salaries.

Banking

Recruitment activity in this sector slowed substantially in the legal market this year, with several bulge bracket banks imposing recruitment freezes and reducing contractor rates. As banks battle with high-profile litigation cases, regulatory reform and a changing political landscape, it is only natural that securing headcount has become increasingly difficult and Heads of Departments are under pressure to utilise existing resource rather than replace those that leave. Since the Brexit vote, there has been much speculation about which banks will look to base themselves or part of their business, on mainland Europe; however this is unlikely to have much impact on the legal teams if it does eventuate.

Where we have seen hiring activity, it has been in the areas of acquisition/leveraged finance, IT/data protection, derivatives, securities services and financial services regulation. Compliance opportunities remain an attractive proposition for regulatory lawyers and we've seen more cross-pollination between legal and compliance over the past couple of years, as the roles become more advisory in focus. Where recruitment processes have been slow or dragged out, we've seen a number of instances where banks have lost out on attractive candidates to more nimble organisations.

PQE	Average Salary Range	Daily Rate Range
General Counsel	£200k+	£1,000+
10+	£130,000+	£700 - £1,000
8-10	£110,000 - £190,000	£500 - £700
6-8	£95,000 - £150,000	£500 - £600
4-6	£80,000 - £110,000	£450 - £500
2-4	£75,000 - £95,000	£350 - £450
NQ-2	£60,000 - £80,000	£300 - £375
Paralegal	£30,000 - £45,000	£150 - £250

Asset/Wealth Management and Private Equity

A steady market in 2016 as we increasingly see lawyers looking to make a move to the buy-side rather than investment banking, straight out of private practice. The opportunities on offer can sometimes be more varied, in smaller teams, where lawyers can get their hands on some challenging and interesting work. In particular, opportunities at debt funds and private equity houses are highly sought after by lawyers specialising in corporate/M&A, private equity and funds work. There have been a number of first in-house counsel hires in private equity firms across the market. This is a sector where generous bonuses and benefits are typically on offer.

The wealth management sector has also been fairly active with recruitment activity in family offices and private banks at a mid to senior level. The hedge fund industry is being constricted due to tighter regulation and as a result we've seen less recruitment activity in this space throughout 2016.

PQE	Average Salary Range	Daily Rate Range
General Counsel	£130k+	£1,000+
10+	£115,000 - £190,000	£700 - £1,000
8-10	£100,000 - £135,000	£500 - £700
6-8	£90,000 - £120,000	£500 - £600
4-6	£85,000 - £110,000	£450 - £500
2-4	£75,000 - £100,000	£350 - £450
NQ-2	£55,000 - £80,000	£300 - £375
Paralegal	£40,000 - £60,000	£200 - £300

Insurance

The past year has seen the highest level of M&A activity in the insurance sector in more than a decade with companies looking to save costs or secure a larger seat at the London insurance table. Changes of this scale usually shake up the market and indirectly result in an active period of recruitment with new teams being formed, disgruntled employees looking for new roles and replacements being sought. Recruitment has indeed been busy. The majority of the roles have been in the corporate/commercial sector and the Lloyd's Syndicates, who have previously relied on external lawyers, have particularly been looking for these types of candidates to save costs and bring legal knowledge within their business. The claim teams have been recruiting heavily, often tapping into their pool of secondees from law firms. Finally, data protection has become a skill in-demand due to the impending implementation of the General Data Protection Regulation by 2018.

Candidates with 2-5 years PQE are, as usual, the most in demand. Salaries at this level have not fluctuated much since last year but tend to be slightly lower than at other financial services institutions although insurance companies are known for offering good bonuses and regular working hours. The past year has also seen companies on the lookout for new heads of teams as a consequence of the M&A activity. The next year is likely to be less active on the recruitment front due to less M&A activity and the Brexit uncertainty however insurance companies, as many others in the City, are still looking to save costs, including legal costs, and will probably look to carry on growing their in-house legal teams accordingly.

PQE	Average Salary Range	Daily Rate Range
General Counsel	£150,000 +	£1,000 +
10+	£115,000 +	£700 - £1,000
8-10	£105,000 - 115,000	£500 - £700
6-8	£95,000 - £105,000	£450 - £600
4-6	£85,000 - £100,000	£400 - £500
2-4	£75,000 - £90,000	£350 - £450
NQ-2	£65,000 - £80,000	£300 - £350
Paralegal	£30,000 - £40,000	£150 - £225

Brokerage Houses and Other Financial Institutions

A fairly active market in 2016 with a number of moves taking place at the senior end, and some attractive junior to mid-level growth roles being put out to market, including opportunities for lawyers to move into more client facing commercial roles. Lawyers with corporate, commercial and regulatory experience were most sought after, with additional need for employment lawyers.

PQE	Average Salary Range	Daily Rate Range
General Counsel	£150k+	£1,000+
10+	£115,000+	£700 - £1,000
8-10	£100,000 - £125,000	£500 - £700
6-8	£90,000 - £110,000	£500 - £600
4-6	£75,000 - £90,000	£450 - £500
2-4	£65,000 - £80,000	£350 - £450
NQ-2	£55,000 - £65,000	£300 - £375
Paralegal	£40,000 - £60,000	£200 - £300

ISDA / Derivatives

There has been a steady flow of requirements for derivative trading documentation negotiators on the permanent side within both European Banks and US Investment Banks. In addition, we have identified a demand for negotiators with a language fluency in French and German particularly in the latter part of this year so far.

There has also been a lot of talk in the market about negotiators being taken on projects in preparation for the implementation of the new cross margin regulations that were due to start in September. However, with the date for implementation being pushed back, this is all very much up in the air. What this has done though is led to an increase in the market rate for ISDA negotiator contractors particularly between the 4-6 years' mark to around £500 daily rate on average. In comparison to previous years, we have also seen more permanent employees consciously deciding to leave their roles for a contract/temp position either because they are attracted to having more flexibility or/and it is more financially lucrative in light of the increase in daily rates.

Years of Experience	Average Salary Range	Daily Rate Range
Management	£90,000 - £130,000+	£550 - £800
10+	£85,000 - £105,000	£500 - £750
8-10	£80,000 - £100,000	£450 - £700
6-8	£75,000 - £90,000	£400 - £500
4-6	£65,000 - £85,000	£350 - £450
2-4	£60,000 - £75,000	£250 - £375
0-2	£50,000 - £65,000	£200 - £250

Interim Market

The interim market generally benefits from uncertainty but there has been a slight slowdown in temporary/contract recruitment within the banks and financial services. However, this may also have been impacted by the summer season which often has an effect with line managers/HR away on holiday and processes generally being slowed down with candidates being on leave. The skill sets in demand within the interim market can be extremely varied but the areas we continue to see a demand in are for commercial, insurance and regulatory lawyers.

If you are looking to hire or would like to discuss your situation confidentially, please contact a member of our in-house team:

Zandria Pappriill-Douglas

Associate Director – In-house mob: 07738047115 email: zandriap@ejgroup.co.uk

Maud Dowding

Consultant – Permanent mob: 07843450606 email: maudd@ejgroup.co.uk

Anna Craig

Consultant – Permanent mob: 07885462225 email: annac@ejgroup.co.uk

Asha Morzaria

Consultant – Interim and ISDA mob: 07841079701 email: asham@ejgroup.co.uk

Alannah Hills

Researcher mob: 07841079702 email: alannahh@ejgroup.co.uk

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0207 400 2000 Caroline House, 55-57 High Holborn, London, WC1V 6DX www.ejgroup.co.uk



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