

Solicitors
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Review of Trainee Minimum Salary
Economic and Equality Impact Assessment
April 2012

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Key point summary

Aim of the impact assessment

- This report reviews the potential impact of removing the minimum training salary, with particular attention to:
 - The effect on salary levels and numbers of training contracts (TCs) provided
 - Access to the profession and impact on equality and diversity.
- This is an initial draft Economic and Equality Impact Assessment and we will take on board further comments from stakeholders. Our final conclusions will be prepared for the SRA Board taking these into account.
- The picture that has emerged is complex, with a web of interrelated potential impacts that present both opportunities and risks. The level of interrelation means that no individual potential impact should be relied upon as the sole basis for decision making. However, taken as a whole, the impact assessment should assist informed decision making.

Methodology and scope

- The methodology for information gathering was designed to enhance the consultation process and give opportunities for students, trainees and firms to comment on the impact of a change to regulation in this area. This involved web surveys, focus groups and data analysis to complement the traditional approach to consultation taken by the SRA. The scope of the report includes impacts on equality and diversity, and addresses all aspects of this issue required in an Equality Impact Assessment. However, because of the complex interrelation of factors, the Impact Assessment is not confined to equality issues alone.

Profile of training provision and salaries

- SRA data shows that 30% of trainees currently receive the minimum training salary and 62% of trainees are paid more than 10% above the minimum salary level.
- Trainees with certain characteristics are more likely to be paid at, or close to, the minimum training salary. This includes:
 - Women
 - BME groups
 - People working outside of central London
 - Former pupils of state schools.
- There are distinct 'markets' providing TCs:

- A 'prime market' offering training salaries around £38,000. These firms tend to be large city or national practices, annually taking on large numbers of trainees, and their recruitment practices are unlikely to be influenced by removal of the minimum training salary.
- A 'lower tier' market, offering salaries at the minimum or slightly above. This tier of the market employs around 42% of trainees and is more likely to be influenced by the removal of the minimum training salary level. Firms in this market tend to be smaller and only train a few people at a time.
- A 'mid tier' falls between the above, more distinct, two markets. The mid tier contains a much wider range of salary levels.

Impacts on supply of training contracts

- Any impact which increases the supply of TCs is likely to be modest as most firms take into account many more factors than just the minimum salary when making decisions about how many trainees to take on and what to pay them.
- However, survey findings indicated that smaller firms, which currently see training as prohibitively expensive, might take on trainees if this regulation was removed. 70% of representatives of firms where no training was currently offered stated that they would "seriously consider" providing TCs if no minimum training salary was in place¹. It is not expected that all of these firms would actually go ahead and deliver training contracts but it does indicate that more firms would review the opportunities for their business.
- One third of firm respondents that did already offer training (who tended to be from smaller practices) said they would "seriously consider" offering more TCs if the minimum salary was removed. Responses from the remaining two thirds indicated that a change in regulation would have no impact on the number of TCs they provide. This suggests that even amongst firms that tend to pay lower salaries to trainees, removing the minimum level would only have a modest impact on the supply of TCs.

Impacts on salary levels

- The survey indicated that removal of the minimum training salary would not lead to a significant reduction in salary levels across all TCs. The 'prime market', which pays higher salary levels to trainees, appears unlikely to change its approach. The lower paying market, which is expected to be more responsive to de-regulation in this area, revealed a reluctance to reduce salary levels for trainees, even if the minimum requirement was removed. Only a small proportion suggested that they would reduce training salaries below the current minimum while offering no new TCs themselves.
- Where additional TCs are offered, the majority of these are likely to be paid below the current minimum level.

¹ Based on analysis of the firms survey - for more detail see Chapter 4. The respondents to this survey tended to be more reflective of firms in the 'lower tier' market identified above. This is the market that is expected to be more responsive to a change in regulation of training salaries.

Impact on equality and access to the profession

- Over time, diversity within the solicitor's profession has improved. However, this should not disguise the persisting problem of accessibility to higher paid TCs and segments of the legal services market. This problem is highlighted by the higher proportion of some equality groups paid at the lower end of the spectrum of trainee salaries.
- As more women and BME groups are paid at, or close to, the minimum training salary, these groups would be more likely to suffer a disproportionate impact from any reduction in salary levels resulting from removing regulation in this area. However, there is also potential for some smaller firms to review their recruitment strategies, which may result in them starting to offer training contracts, or offer additional contracts. If this impact is realised, women and BME groups are likely to benefit most from any additional availability of training contracts at the 'lower end' of the market.
- Barriers to access also extend to people from less affluent backgrounds. The loan repayments for LPCs were identified as a key factor in making the minimum salary an important tool for encouraging diversity in the profession.
- 47% of respondents to the survey of trainees, and 50% of students, paralegals and others considering training as a solicitor, stated that they felt they would not be able to train as a solicitor if the SRA did not impose a minimum salary level if this resulted in a reduction in training contract salaries. Many of these respondents indicate that if their wages were to reduce they would not be earning a liveable salary.
- Further analysis of survey results from current trainees, students, paralegals and others considering training as a solicitor, provided some evidence that respondents from less affluent socio-economic backgrounds were more likely to state that a change in regulation would affect their ability to train.
 - Students, paralegals and others considering training as a solicitor who were former pupils of state schools were more likely to state that removal of the minimum salary would prevent them from being able to train (compared to former pupils of fee paying or international schools) if this resulted in a reduction in training contract salaries.
 - However, this correlation was not true of responses from current trainees. Nor were respondents from the first generation of their family to go to university (trainees or students) more likely to state that removal of the minimum salary would prevent them from wanting or being able to train as a solicitor.
 - There was no difference in responses regarding ability or desire to train from current trainees by gender. However, ability to train was correlated with gender for students, paralegals and others considering training as a solicitor. Amongst this group, women were more likely to report concerns of a negative impact.
 - Responses by ethnicity showed BME respondents were no more or less likely to state that they would not be able to train without the minimum salary in place. In fact, a more granular analysis of ethnicity revealed that Asian trainees were more likely to state they would still be able to

train.

1. Introduction

Purpose of this report

The aim of this report is to explore the potential impact of removing the minimum training salary. Particular attention is paid to:

- The effect on salary levels and numbers of training contracts (TCs) provided
- Access to the profession and impact on equality and diversity.

This is an initial draft Economic and Equality Impact Assessment and we will take on board further comments from stakeholders. Our final conclusions will be prepared for the SRA Board taking these into account.

Background²

The minimum salary was introduced by the Law Society in 1982. The original reasons for its introduction were:

1. to prevent exploitation of trainees, and
2. to encourage high calibre graduates into the profession.

The minimum training salary was originally set at the level of the average graduate salary and has been reviewed periodically and adjusted at varying rates since its introduction. This has broadly maintained its level in line with inflation - although its level has been frozen since the last review in 2009. The current minimum training salary levels are £18,590 in central London and £16,650 outside of London.

The rationale for regulating the salary of trainees has been reviewed on several occasions, most recently in 2007 when the SRA first took responsibility for it. The SRA Board decided to retain the requirement pending a review of training contract arrangements, although the Board acknowledged that the regulatory arguments around the minimum salary remained unresolved.

² Details of the history of the minimum training salary can be found in the consultation document - <http://www.sra.org.uk/minimum-salary/>

Report structure

The structure of the remainder of this report is as follows:

- Section 2 explains the methodology used to gather evidence
- Section 3 makes comparisons with other industries in terms of setting training salary levels
- Section 4 reviews the potential impact on training salary levels and numbers of TCs provided
- Section 5 considers the possible effect on access to the profession
- Section 6 summarises the potential equality and diversity impacts
- Section 7 sets out the conclusions.

2. Methodology

Headlines

- The methodology for information gathering was designed to enhance the consultation process and give opportunities for students, trainees and firms to comment on the possible impacts of a change to regulation in this area.
- The methodology involved web surveys, focus groups and data analysis to complement the traditional approach to consultation taken by the SRA.
- Analysis of survey data by sub-groups allows differences in responses between individuals or firms with different characteristics - e.g. age, gender or ethnicity.

The approach taken to gathering information involved the following:

- Data analysis - To review information on existing salary levels and demographics of trainees.
- On-line surveys - In total 1,309 questionnaires were completed³. The survey was designed to allow views to be expressed directly from:
 - Representatives of firms (266 responses)
 - Trainees (461 responses)

³ A further 62 questionnaires were completed by newly qualified solicitors / existing solicitors and have only been analysed for qualitative information as the sample size for this group is too small to be meaningful. 18 additional questionnaires were submitted with no identification of current economic status.

- Students and paralegals, graduates, legal executives and other individuals considering becoming solicitors (582 responses). This sample was designed to obtain the views of people who would like to join the profession and would therefore have views about opportunities for, or barriers to, entry (95% of these respondents stated they were considering becoming a solicitor⁴).
- Focus groups - These were held in a range of locations across England and Wales⁵. Separate sessions were held for trainees/students and firms/qualified solicitors. Stakeholders, such as representatives of the Law Society and the Junior Lawyers Division (JLD), also attended many of these sessions⁶.

As there is limited data to help the SRA make an assessment of the potential impact of removing the minimum training salary, a key consideration when developing the methodology was to make the process as accessible and open as practically possible to a wide range of participants - particularly firms, trainees, students and others who may be considering becoming a solicitor.

Statistical significance of survey findings

Overall statistical significance

The level of statistical significance indicates the level of reliability of survey findings. The survey findings are statistically significant at the 95% confidence level with the following levels of variation:

- Trainee survey: +/- 4.5%⁷
- Students and paralegals survey: +/- 4.2%⁸
- Firm survey: +/- 5.9%⁹

This means that, for example, if the survey of trainees was repeated 100 times, the

⁴ 27 respondents started to complete the questionnaire and indicated that they were no longer considering becoming a solicitor. These respondents were asked for their reasons for making this choice and directed to the diversity and equality section of the questionnaire before closing up.

⁵ Focus groups were held in Guildford (x1), London (x2), Cardiff (x3) and Manchester (x3).

⁶ Discussions with stakeholders and responses to the formal consultation have been carried out by the SRA's Education and Training Unit in parallel with these elements of the consultation process.

⁷ Respondents: 461, Estimated population: 9,000

⁸ Respondents: 555 (=582-27 not considering becoming a solicitor). The population figure is harder to estimate. The estimate for current students is approximately 50,000. However the population of other graduates and paralegals is hard to define - we have assumed that the figure could be over 1 million. This high population estimate makes very little impact on the level of statistical significance, which is highly inelastic for population figures of 100,000 and above.

⁹ Respondents: 266, Estimated population: 11,000

results from 95 of these surveys would be expected to obtain findings 4.5% above or below the values found in this survey.

Identifying correlated trends

It is useful to explore whether one group of respondents differed in their answers to another group - e.g. did men answer differently to women? To do this data is 'cross tabulated' to compare the responses of each group. This allows us to see whether a difference exists.

It is then necessary to establish which factors have a statistically significant correlation with the responses given to other questions. e.g. is the difference between responses given by men and women statistically significant?

To identify significant factors the data analysis made use of Pearson Chi Squared Tests of the correlation between variables. This approach highlights the questions where a significant correlation existed with answers to another question.

Summary of key challenges faced

Forecasting impacts

One of the main challenges of an impact assessment is to understand how a policy change will impact on the future behaviour of firms and individuals. An effective way to approach this is to assess the impact of similar policy changes in comparable industries. However, as directly comparable policies are rare, there are no identifiable examples of a minimum training salary being removed from a professional qualification route in the recent past. However, Chapter 3 does include a summary of the impact of the Bar introducing a training salary requirement, albeit at the level of the national minimum wage.

Without real life benchmarks to refer to, the impact analysis is guided by consideration of:

- How people currently make decisions about their careers or how they run their business, and
- How people state that they would react to a change in economic circumstances.

Response bias

There are inherent flaws in research based on evidence where respondents are asked to predict their future behaviour. This is particularly the case when respondents may also have a stake in the outcome of the findings. However, we decided that given the lack of other available evidence and data it was valid to ask open questions provided that the responses are analysed with a conscious understanding of the potential bias.

Self identification

Survey respondents were asked to self select which category (trainee, student or representative of a firm) best described their current status. We decided to make

the survey open access and relied on respondents to be honest in their replies to factual questions - such as whether they are already a trainee or a student.

An alternative approach would have been to make the surveys password protected and available to respondents from SRA databases. However, this would have reduced response rates and be inconsistent with our approach to formal consultation, where the SRA relies on the honesty of respondents not to mis-state facts.

Impact of JLD campaign to retain the minimum salary

The JLD posted a guide to completing the SRA confidential survey. It was noticed by the SRA on the afternoon of 15th March on the JLD section of the Law Society website. The JLD guidance was removed by lunch time on 16th March.

In order to assess if the JLD intervention had resulted in a significant skew in responses, the data was analysed before and after the intervention. It was deemed as the guidance was removed swiftly there was no significant skew in the overall findings.

It is also possible that qualitative comments may have been influenced by the guidance. However, the overall message pre and post the JLD campaign remained consistent.

Understanding equality and diversity impacts

The SRA is committed to our regulatory objective of delivering an independent, strong and diverse profession, which is recognised as vital if legal services are to serve the needs of diverse communities and society in general. One of the factors that we have taken into account in considering our regulatory role in this area is whether having a minimum trainee salary is consistent with this objective and this will be considered further in this paper.

As we are considering a proposal to deregulate, rather than to impose a prescribed change, we had to first review what the potential economic impact might be on the trainee market. If the deregulation led to no change in the trainee market, then there would correspondingly be no equality impact.

As identified above, there are inherent problems in trying to forecast impact, but we highlighted our early thinking on the potential risks and opportunities of our proposal in our consultation paper. In equality terms, the risks were that salaries for trainees paid at or close to the minimum would decrease and this could impact on BME and women as they were over represented in this part of the trainee market. The opportunities were that more training contracts may become available, which could benefit the same groups which felt they were facing increased barriers in gaining a training contract.

As the economic and equality impact are inextricably linked we have produced this single report which covers the potential economic impact, the potential equality impact on trainees and the potential impact on access to the profession.

We are required by our public sector equality duty to have due regard to the need to:

- a) eliminate discrimination, harassment, victimisation;

- b) advance equality of opportunity; and
- c) foster good relations between different equality groups.

Our assessment of the potential impact of the proposal on equality is summarised in Chapter 6 of this report, although we have made reference to equality considerations throughout the report across all sources of the evidence we have taken into account.

We are required by the Equality Act 2010, to consider the equality implications our proposals will have in relation to the following protected characteristics:

- a) age
- b) disability
- c) gender (including gender reassignment)
- d) pregnancy and maternity
- e) race
- f) religion or belief
- g) sexual orientation.

In the process of carrying out this review, we have not identified any evidence which has led us to suspect there will be any impact in relation to pregnancy and maternity, religion or belief, sexual orientation or gender reassignment.

There was some evidence to suggest impact in relation to disability, but the main characteristics where we have obtained the most evidence of potential impact are age, gender and ethnicity. Our equality impact analysis will therefore focus on these three characteristics. We will look at the potential impact on trainees and would-be trainees from these groups and, the impact on access to and diversity of the profession.

In addition, because we recognise that access to the profession is an important and topical issue, we have also looked at socio-economic background, using the following two indicators as a proxy:

- Those who are the first generation of their family to attend university
- Those who attended state or fee paying schools.

3. Comparisons with other industries

Drawing on published statistics and literature, this chapter reviews approaches to setting trainees salaries and access and diversity in other professions.

Headlines

- Amongst organisations with regulatory responsibilities, the Bar is the only other to set a minimum salary for trainees. The Bar introduced their training salary level just above the National Minimum Wage. This was introduced because Bar pupils are specifically exempt from National Minimum Wage legislation.
- Setting a minimum salary at the Bar may have contributed to a reduction in numbers of pupillages, but the Bar Working Group feels it was beneficial in increasing the quality of pupillages.
- The Law Society of Scotland (a body that combines both regulation and representation) has also recently decided to require that all trainees be paid at least the minimum wage under the National Minimum Wage legislation. This is in addition to setting a higher recommended salary.
- Other regulated industries focus on providing information about the salaries paid to trainees, and in some cases recommend a salary level rather than prescribing one.
- Over time, diversity within the solicitor's profession has improved. However, this should not disguise the problem of women and BME groups not gaining representative access to higher paid training contracts.
- Proportionate numbers of BME trainees and professionals within some professions hide a disproportionality of certain groups; for example BME doctors and dentists are mostly from Asian backgrounds, rather than Black or Mixed backgrounds. BME trainee solicitors represent a proportionate cross section of Asian, Black and Mixed trainees.
- The thing most likely to deter those from lower socio-economic groups from entering a profession is the length of time spent studying to qualify (and debt accrued), which even applies when the qualified salaries are very high (for example in medicine). Trainee and qualified salary seems to matter less than years spent in further education (accruing debt) in order to qualify.
- Professions which have diversified routes to qualification (for example university, work based learning, and school leaver training), have a more diverse work force, in particular better representation of those from lower socio-economic backgrounds, regardless of their salary structure pre- and post- qualification.
- Diversity of professions has been improved by introducing new qualification routes and targeting specific groups with educational encouragement to go into a profession.

Access to profession

Apart from the Bar and the SRA, (and note the recent decision of the Law Society of Scotland, described above) no other professional regulators set minimum salaries for trainees, and the SRA is the only regulator to set a minimum at a level significantly above the minimum set by legislation. Public sector professions such as medicine and teaching have trainee salaries (and costs) set through Government review, rather than by regulators such as the GMC or OFSTED. Other regulated industries focus on providing information about the salaries paid to trainees, and in some cases recommend a salary level rather than prescribing one. A comparison with the approaches taken across a wider range of comparable industries is set out in Appendix II.

Comparisons with the experience of the Bar's 'minimum salary requirement'

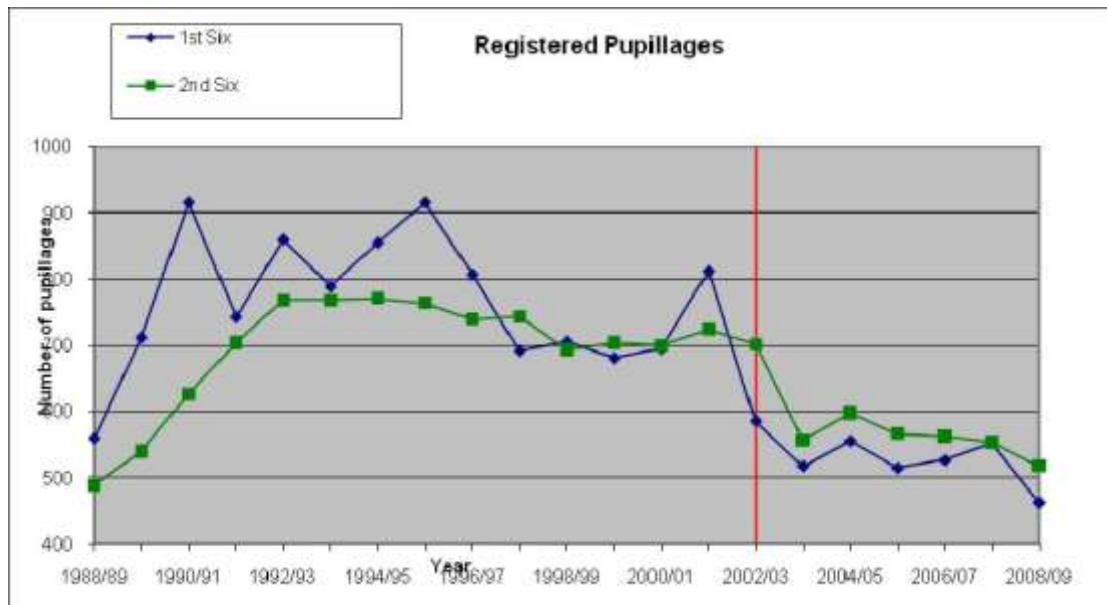
The Bar introduced a minimum salary in 2003, although this was originally set just above the National Minimum Wage, changes to legislation and the frequency at which this rate is reviewed mean that it may now be slightly below this level. The reason for the Bar introducing a minimum salary is that pupil barristers are not covered by the National Minimum Wage legislation.

Figure 3.1 indicates that the number of pupillages available began to decline at approximately this point in time. It is not clear that this change in regulation caused the change, but it may be a factor that contributed to it. The Bar's Working Group on Pupillages concluded that it would be difficult to argue that the decline in numbers of pupillages had nothing to do with the funding requirement. However, they also believed that it had contributed to an increase in quality of pupillages as these were more likely to become linked to ultimate tenancy¹⁰.

The Working Group suggested that pupillages are now taken much more seriously by chambers and by pupils themselves, and pupillages now reflect the true amount of work available and the perceived value of the trainee; this is what has caused the decline, rather than any specific financial pressures as a result of the introduction of the minimum salary.

¹⁰ Review of Pupillage, Report of the Working Group – Bar Standards Board, 2010 (pp. 84-86): http://www.barstandardsboard.org.uk/media/1383787/pupillage_report.pdf This indicated that pupillages had become more likely to be linked to

Figure 3.1: Number of registered pupillages at barristers' chambers, 1988-2009¹¹



Comparison with trainee solicitors in Scotland

The Law Society of Scotland has traditionally set only recommended salary rates for trainees, not mandatory rates. However, the Law Society of Scotland's Council decided on 27 April 2012 to bring in provisions to require all trainees to be paid the minimum under the National Minimum Wage legislation. One of the reasons for this decision was the fact that a small but growing number of individuals had approached the Law Society asking if they could undertake their traineeships on an unpaid basis. The Law Society of Scotland's legal advice confirmed that the legal status of a trainee is important as it determines the trainee's statutory employment rights, including the entitlement to be paid the National Minimum Wage.

Access to solicitor training contracts

Ensuring diversity of applicants and equal access is an issue for all the professions. When the population of trainee solicitors in England and Wales is compared with the general population, a higher proportion of women are registered as trainees (see Figure 3.3), and the trainee population is more ethnically diverse than the general population, even when age is accounted for (see Figure 3.2)¹².

¹¹ Source: Review of Pupillage, Report of the Working Group – Bar Standards Board, 2010, page 85: http://www.barstandardsboard.org.uk/media/1383787/pupillage_report.pdf

¹² Accounting for age is an important consideration as, in the overall population, some ethnic groups are over represented in the younger age groups. This is a result of immigration and differences in birth rates. As new entrants to a profession tend to be younger than average, it makes sense to compare with diversity data for the younger age groups within the overall population.

Figure 3.2: Trainee solicitor registrations at mid-March 2012 by ethnicity

		Total entrants	Percentage of all trainees	Percentage of England and Wales population ¹³	Percentage of England and Wales population aged 22-30 ¹⁴
Ethnicity	Asian or Asian British	1118	12.6%	5.9%	9.3%
	Black or Black British	227	2.6%	2.8%	2.0%
	Mixed	264	3.0%	1.8%	2.4%
	White	6509	73.5%	87.9%	81.3%
	Other	102	1.2%	1.6%	3.2%
	Unknown	637	7.2%	n/a	n/a
Total:		8857			

Figure 3.3: Trainee solicitor registrations at mid-March 2012 by gender

		Total entrants	Percentage of all trainees	Percentage of England and Wales population ¹⁵	Percentage of England and Wales population aged 22-30 ¹⁶
Gender	Male	3499	39.5%	49.3%	51.1%
	Female	5358	60.5%	50.7%	48.9%
Total:		8857			

Although Figures 3.2 and 3.3 indicate a diverse trainee population, this does not necessarily mean that the industry is delivering equality of access. As shown in Chapter 4, women and BME trainee solicitors are more likely to earn the minimum salary, as opposed to a salary above the minimum. This indicates that a key issue is not 'general' access to training, but equality of access to higher paid training and all segments of the legal services market.

¹³ *Population Estimates for England and Wales Mid-2010* – Office of National Statistics, 2011: <http://www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tcm%3A77-231847>

¹⁴ *Population Estimates for England and Wales Mid-2010* – Office of National Statistics, 2011: <http://www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tcm%3A77-231847>. Age group was chosen from data available, to reflect the age of the majority of trainee solicitors.

¹⁵ *Population Estimates for England and Wales Mid-2010* – Office of National Statistics, 2011: <http://www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tcm%3A77-231847>

¹⁶ *Population Estimates for England and Wales Mid-2010* – Office of National Statistics, 2011: <http://www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tcm%3A77-231847>. Age group was chosen from data available, to reflect the age of the majority of trainee solicitors.

Access to other professions

In 2005, the Government published the ‘Gateways to the Professions Report’¹⁷, comparing access to a number of different professions prior to the introduction of variable fees in higher education. Findings¹⁸ are detailed in Figure 3.4. Some access issues cross all professions, whereas some are more specific. To summarise:

- Compared with most of the other professions, lawyers and those studying to become lawyers¹⁹ come from a more diverse selection of backgrounds; more are women and more are from BME backgrounds.
- Those professions with high levels of diversity also tend to offer different routes to access, such as the school leaver routes available in accountancy. This is reflected in Figure 3.4, which details 2003/2004 undergraduate entrants on professional courses by gender and ethnicity.

Figure 3.4 UK domiciled full-time and part-time undergraduate entrants 2003/04 by gender and ethnicity

Subject	Total entrants	% woman entrants	% BME entrants
Accountancy	9275	50	30
Architecture	3540	35	15
Chemistry	3925	45	20
Dentistry	970	60	40
Engineering	23380	10	15
Law	18885	60	25
Medicine	7260	60	25
Social work	16570	80	15
Teaching	15260	75	5
Veterinarian science	705	75	5

Source: The Gateways to the Professions Report – Sir Alan Langlands, as appointed by the Secretary of State for Education and Skills, 2005:
http://www.nmo.bis.gov.uk/assets/biscore/corporate/migratedd/publications/g/gateways_to_the_professions_report.pdf

- In the medical professions, there is a representative proportion of BME students. However this does not necessarily mean that this proportion is a cross-section of different ethnic groups. Students of Asian, Black and Mixed ethnic backgrounds are proportionately

¹⁷ *The Gateways to the Professions Report* – Sir Alan Langlands, as appointed by the Secretary of State for Education and Skills, 2005:
http://www.nmo.bis.gov.uk/assets/biscore/corporate/migratedd/publications/g/gateways_to_the_professions_report.pdf

¹⁸ For the purposes of this report we have removed analysis of access to becoming an officer in the UK armed forces, as citizenship and age requirements make access issues substantially different so as to not be a useful comparison.

¹⁹ The analysis in this report covered all areas of law, not just solicitors. However, as solicitors make up a significant proportion of this market, the findings presented are informative to this review.

represented within the 'BME' group of trainee solicitors, whereas within the medical profession the 'BME' group is disproportionately comprised of those from Asian backgrounds.

- In professions where students need to commit to long programmes of study, such as medicine and architecture, there tend to be less applicants from lower socio-economic backgrounds. The author of 'Gateway to the Professions' suggests this is because of the burden of debt accrued over a long period, the longer time spent before being able to get into paid work, and the lack of opportunity for part-time paid work alongside study on intensive courses.

A number of the professions have taken action to widen access, including:

- Offering non-university routes to qualification, to attract able candidates from lower socio-economic groups, who do not want to accrue debt by going to University, as in accountancy.
- Targeting specific under-representative groups for recruitment to the profession, for example the scheme to recruit those from African-Caribbean backgrounds to train to work for the NHS in London. This involved working with schools and parents to look at building the skill sets needed to progress within healthcare.

A summary of barriers to access in comparator professions is also included in Appendix II.

4. Impact on salary levels and number of TCs offered

This section reviews the potential impact of removing the minimum training salary in terms of the possible effect on the number of training contracts offered and salary levels for future trainees.

Headlines

- SRA data shows that 30% of trainees currently receive the minimum training salary and 62% of trainees are paid more than 10% above the minimum salary level.
- Trainees with certain characteristics are more likely to be paid at, or close to, the minimum training salary. This includes BME groups, women, people working outside of central London and those who attended state schools. Any impact on salary levels resulting from removing regulation in this area would have a disproportionate impact on these groups.
- There are two distinct markets for TCs:
 - A 'prime market' offering training salaries around £38,000. These firms tend to be large city or national practices, taking on large annual numbers of trainees and their recruitment practices are unlikely to be influenced by removal of the minimum training salary.
 - A 'second tier market', offering salaries at the minimum or slightly above. This tier of the market employs around 42% of trainees and is more likely to be influenced by the removal of the minimum training salary level. Firms in this market tend to be smaller and only train a few people at a time.
- **NB:** Lower paid trainees and smaller firms were over represented in the survey responses. These groups are most likely to be impacted on by a change in regulation, but it should be noted that they only account for a segment of the market involved in training activities.
- Analysis of survey respondents show that participants tend to reflect the 'lower tier' of the market for trainees - in that they employ a small number of trainees and offer salaries at the lower end of the pay spectrum. Therefore findings should be viewed as indicative of how this segment of the market will react, not how the entire market for trainees will behave (more details are shown in Appendix I).
- Of the firms that did not currently offer any training, 70% stated that they would consider doing so if the SRA removed this regulation. The majority of these firms would offer the new TCs at below the current minimum salary level. This finding does not indicate that the supply of training contracts would be increased by the SRA removing its regulation in this area, but it does suggest that more firms would consider introducing training to their activities.

- A potential diversity benefit of firms being able to take on more trainees could be that more training contracts could be created among smaller firms, which are more likely to employ women and BME trainees.
- A third of respondents whose firms already took on trainees stated that removal of the SRA's regulation of trainee salaries would encourage them to take on more trainees. However the majority of these firms stated that other factors, such as the associated costs of supervising a trainee would mean they would not be encouraged to change their current approach.

Current profile of TC salaries

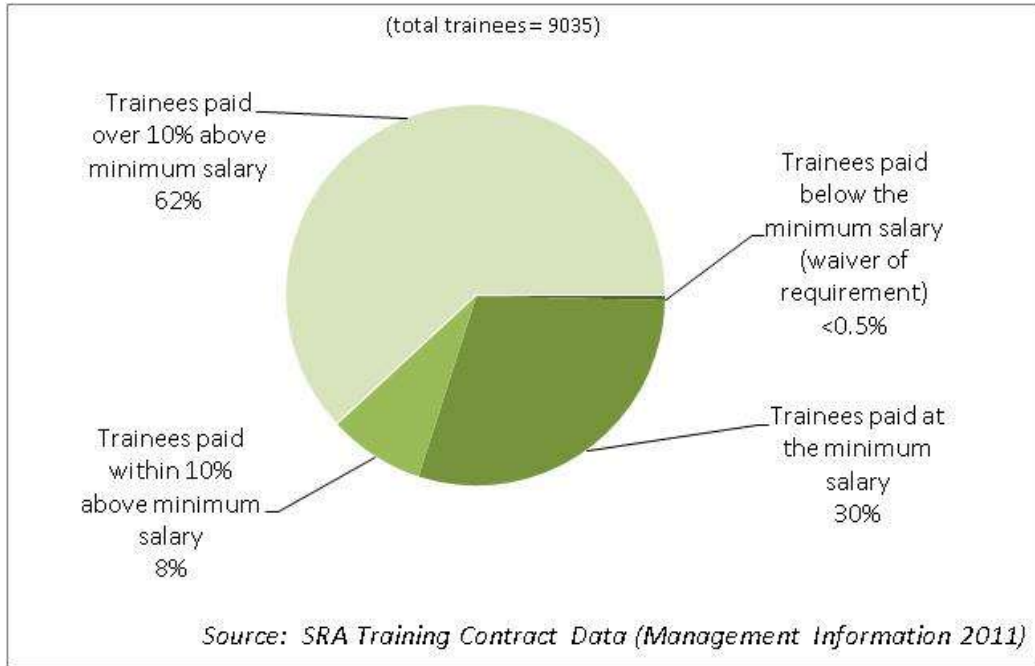
Figure 4.1 shows that the majority of trainee solicitors are based in large firms. Only 5% of TCs are provided by sole practitioners and 14% take place in firms with between two and four partners.

Figure 4.1: Size of firms where TCs are provided	
Firm size	Proportion of TCs
Sole practices	5.2%
2-4 partners	14.1%
5-10 partners	9.8%
11-25 partners	11.6%
26-80 partners	19.5%
81+ partners	39.9%

Source: SRA Training Contract Data 2011(Management Information), N=9035

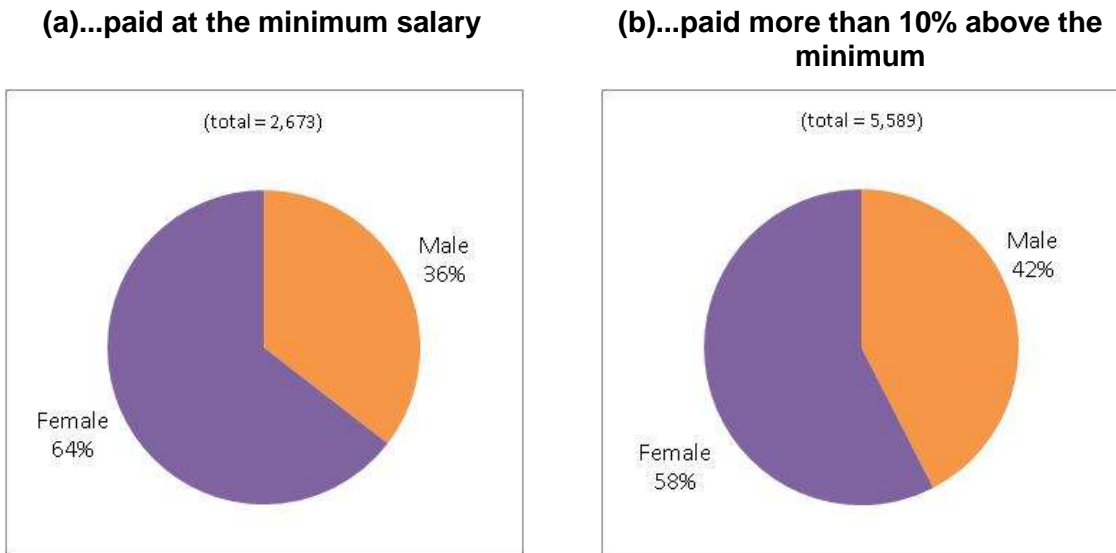
Figure 4.2 shows that the majority (62%) of trainees are paid more than 10% above the minimum level stipulated by the SRA. Under a third of trainees are paid the minimum level and a very small proportion (less than 0.5%) are paid less than the minimum because the SRA has granted a waiver of the requirements due to exceptional circumstances.

Figure 4.2: Proportion of trainees paid at the minimum level



Figures 4.3 and 4.4 compare trainees paid at 10% above the minimum level by their gender (Figure 4.3) and their ethnicity (Figure 4.4). This shows that women and BME groups are both under represented in the higher paid groups²⁰.

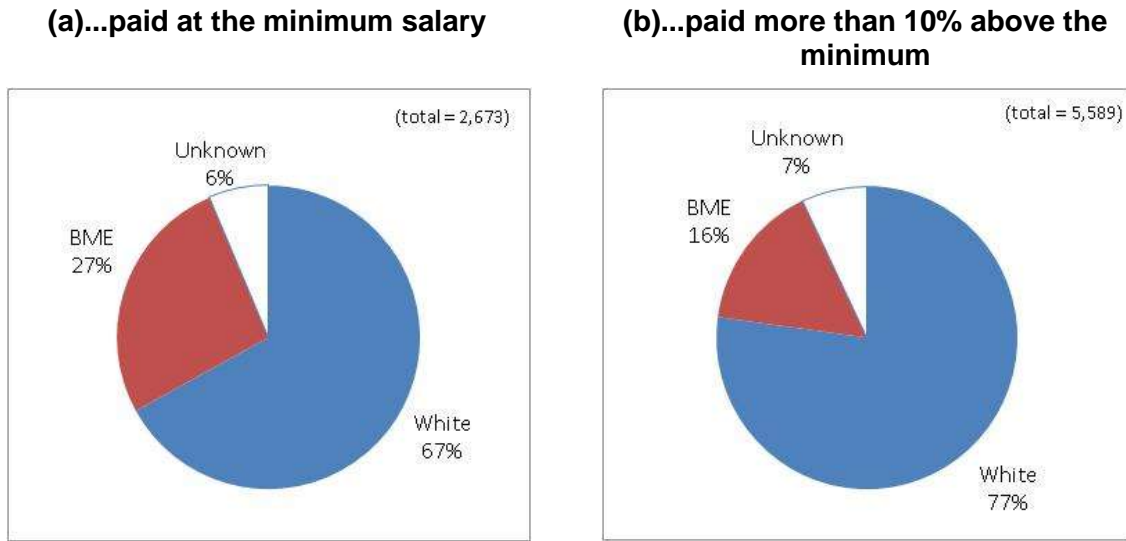
Figure 4.3²¹: Gender of trainees...



²⁰ See Figure 3.2 and Figure 3.3 for trainee population data by ethnicity and gender.

²¹ Source: SRA Training Contract 2011 (Management Information)

Figure 4.4²²: Ethnicity of trainees...



Characteristics of firms paying at the minimum level

The characteristics of firms paying at the minimum level are very different from those offering higher salaries. Figure 4.5 shows that trainees receiving the minimum salary tend to work for relatively small firms - over half of TCs were provided by firms with four partners or less. By comparison, firms paying higher salaries tended to be significantly larger. Qualitative evidence from focus groups indicated that lower paying firms often had the following characteristics:

- More likely to do publicly funded work and/or work for individuals rather than corporate clients
- More likely to be based outside of major city centres.

Figure 4.5: TC salary by firm size		
	TCs paid at minimum salary	TCs paid at more than 10% above minimum salary
Sole practices	14.3%	0.9%
2-4 partners	38.9%	2.3%
5-10 partners	23.3%	3.0%
11-25 partners	18.4%	7.0%
26-80 partners	4.1%	25.3%
81+ partners	1.0%	61.5%

Source: SRA Training Contract Data 2011 (Management Information)
N=9035

A more detailed profile of the distribution of training contract salaries is set out below. From this it can be seen that there are effectively two distinct 'markets' for TCs:

²² Source: SRA Training Contract 2011 (Management Information)

- A prime market paying high training contract rates (salaries falling within the range £34k-£42k). This market currently accounts for around 37% of total TCs and is dominated by large city and national firms.
- A lower tier market paying at or just above the minimum level (salaries falling within the range £16k-£22k). This market currently accounts for 42% of all TCs and includes a significant proportion of trainees in small firms.
- In between these two markets is a wider range of salary levels, in total these account for a further 18% of all TCs.

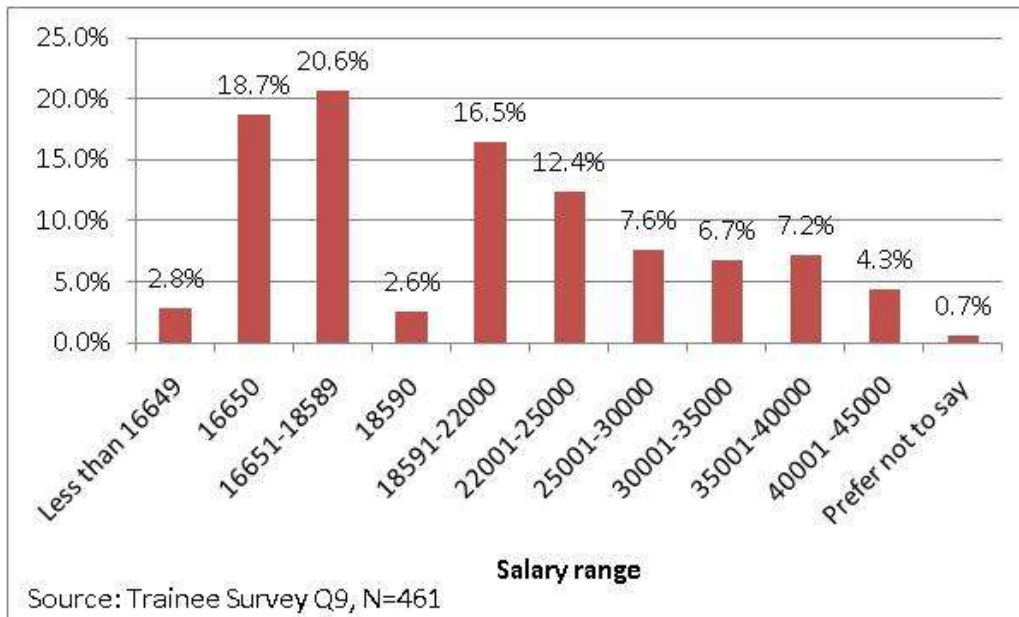
Figure 4.6: Distribution of TC salaries



Salaries of survey respondents

Respondents to the survey of trainees were asked about their salary levels. The profile of responses is set out in Figure 4.7. This shows that respondents from the prime tier (set out in Figure 4.6) were under represented in this survey. This means that respondents to this survey could have been more likely to have been directly affected by the removal of a minimum training salary.

Figure 4.7: Salaries of trainees responding to survey



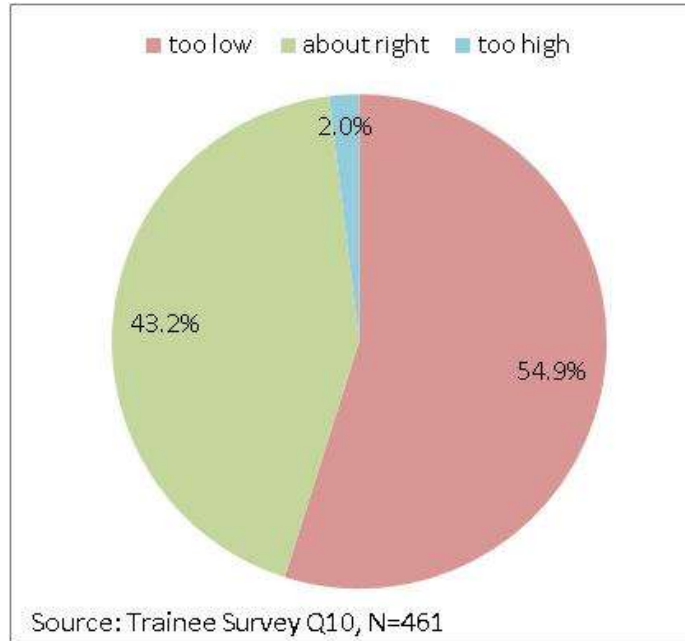
The following groups of respondent were more likely to state that they had obtained a higher paid training contract:

- Men
- Former attendees of independent or overseas schools
- Employees of top 100 City firms
- Employees in central London

Current trainees were also asked for their views about their salary level. Figure 4.8 shows that views were largely split between considering their training to be 'too low' and 'about right for a trainee starting salary'. Unsurprisingly, those on salaries at the minimum level or close to it were more likely to think it was 'too low'.

Geography was also shown to be significant, with trainees in Greater London and the South East region most likely to state that their salaries are 'too low'. This could reflect the higher living costs in these areas combined with not being covered by the higher level of minimum salary (£18,590). Trainees in central London were most positive about their salary levels, reflecting the higher proportion on well paid contracts.

Figure 4.8: Trainees views on current salaries



Awareness that the SRA sets a minimum training salary

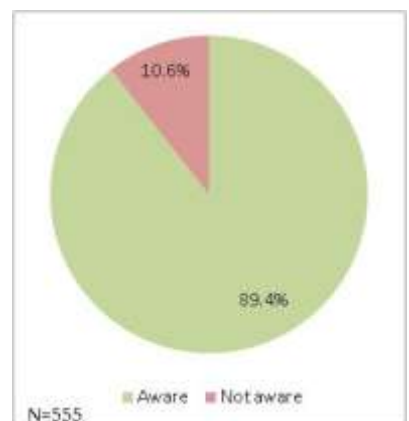
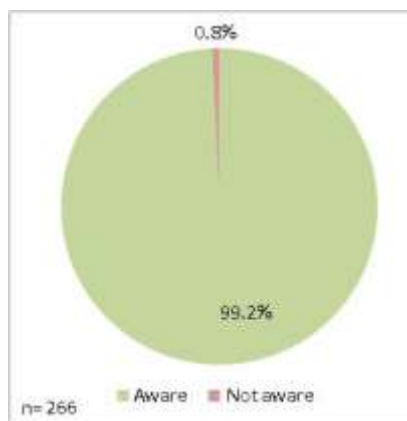
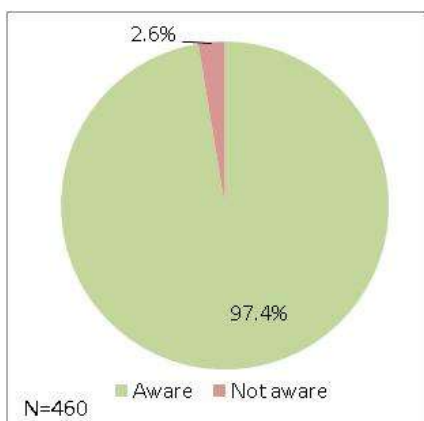
Respondents to the surveys were asked to state whether they were aware (prior to taking part in the survey) that the SRA set the minimum training salary. Awareness across all three groups of respondents was high.

Figure 4.9: Awareness that the SRA sets a minimum training salary

(a) Trainees

(b) Firms

(c) Students, paralegals and others



Source: Trainee Survey Q11, Firm Survey Q6, Student Survey Q15

Potential impact on numbers of TCs offered and salary levels

35% of firms responding to the survey²³ stated that they did not currently employ any trainees. Of those that did:

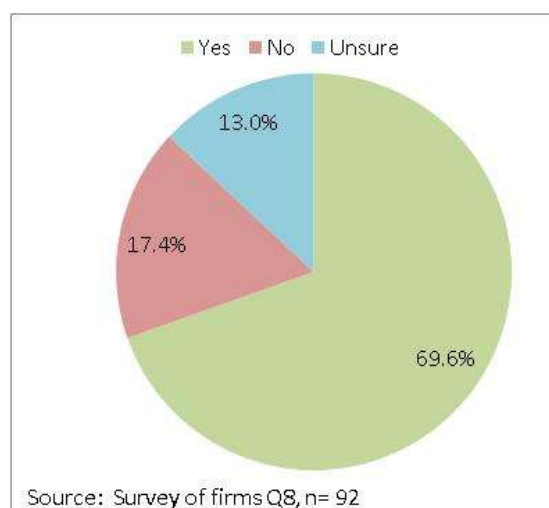
- 28% employed just one trainee
- 25% employed between two and four trainees
- a small proportion employed larger numbers of trainees (2% employed more than 25 at their firm)²⁴.

This indicates that firms taking part in the survey largely reflect the 'lower tier' of the market for trainees (described in Figure 4.6) above. These firms also typically paid salaries to their trainees at the lower end of the pay spectrum. Findings from the survey of firms should be seen as more representative of the 'lower tier' segment of the market, and not indicative of views from firms in the 'prime tier' of the market for trainees.

Figure 4.10 shows that, of the firms that did not employ any trainees, 70% stated that they would seriously consider employing trainees if they did not have to pay a set minimum training salary. Only 17% of respondents were clear that this would not make them reconsider their firms approach to offering TCs.

This finding does not indicate that the supply of training contracts would be increased by the SRA removing its regulation in this area, but it does suggest that more firms would consider delivering training.

Figure 4.10: Firms not employing trainees: Would you seriously consider employing trainees if you did not have to pay the minimum training salary?



Firms gave their reasons for stating they would not offer TCs, even if there was no minimum salary level. Their responses demonstrated a mixture of general support for the concept of minimum salaries as a way of avoiding exploitation of trainees and

²³ N=263

²⁴ Further details are set out in Appendix I

concern that other costs would mean that training would still not be viable for their firm.

Of the firms stating that they would seriously consider starting to offer TCs, 69% stated that they would pay less than £16,650 as a trainee starting salary (with a further 8% of these respondents preferring not to state a specific salary level in the survey). Only 4% of firms not currently offering training contracts stated that they would introduce them at a salary level of more than £18,590.

Focus groups' views on impact on supply of TCs

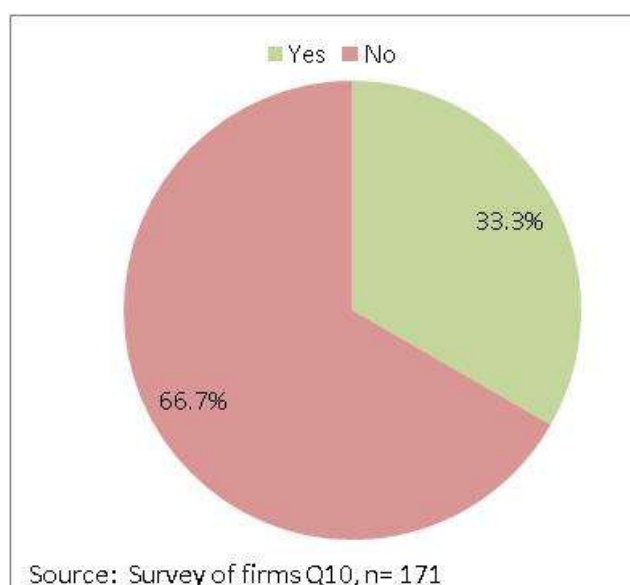
A minority of participants in focus groups felt that there might be more training contracts on offer if the SRA removed its regulation in this area. Most participants thought that there would be little or no creation of new contracts, because:

- There have been no calls, as far as participants are aware, from employers asking the SRA for removal of the minimum salary
- The real costs of employing a trainee in terms of overheads, training costs and opportunity costs (that is, other more profitable ways firms could spend their money) are so much more than the salary, that a reduction in the required salary would be only “the tip of the iceberg” of employers’ costs
- There still needs to be actual trainee-level jobs available, with experience of three areas of law etc. most paralegal jobs are not varied enough or at the right level.

However, the findings from the survey present an alternative view and indicate that some segments would seriously consider whether their firm should start to take on trainees.

Figure 4.11 shows that a third of firms that currently employ trainees stated that removing the minimum training salary would encourage them to start offering more training contracts. Of these firms, the large majority stated that they would start paying trainees at less than the current national minimum of £16,650.

Figure 4.11: Firms currently employing trainees: Would you start offering more training contracts if the minimum salary requirement was abolished?



A potential diversity benefit of firms being able to take on more trainees could be that more training contracts could be created among smaller firms, which are more likely to employ women and BME trainees. Although it was not covered within the scope of this research, unpublished Law Society research from 2006 indicated that most BME groups tended to experience longer gaps between graduating from the LPC and commencing a training contract than their white counterparts²⁵. There could therefore be a benefit to individuals in these groups.

Factors determining training salaries

It is difficult to understand how the market would respond to the removal of the minimum salary because firms take into account a wide range of factors when setting salaries for their trainees.

41% of respondents to the survey of firms stated that the minimum training salary was considered when setting salaries for trainees - this includes a proportion of firms who pay above this level. (Figure 4.12) Other important factors include:

- The profitability of the firm (50%) - indicating commercial pressures are of greatest importance
- The relevant experience of the candidate (46%) - suggesting that prior work experience is also a key consideration
- The salary paid by competitors (36%) was also highlighted as a key factor.

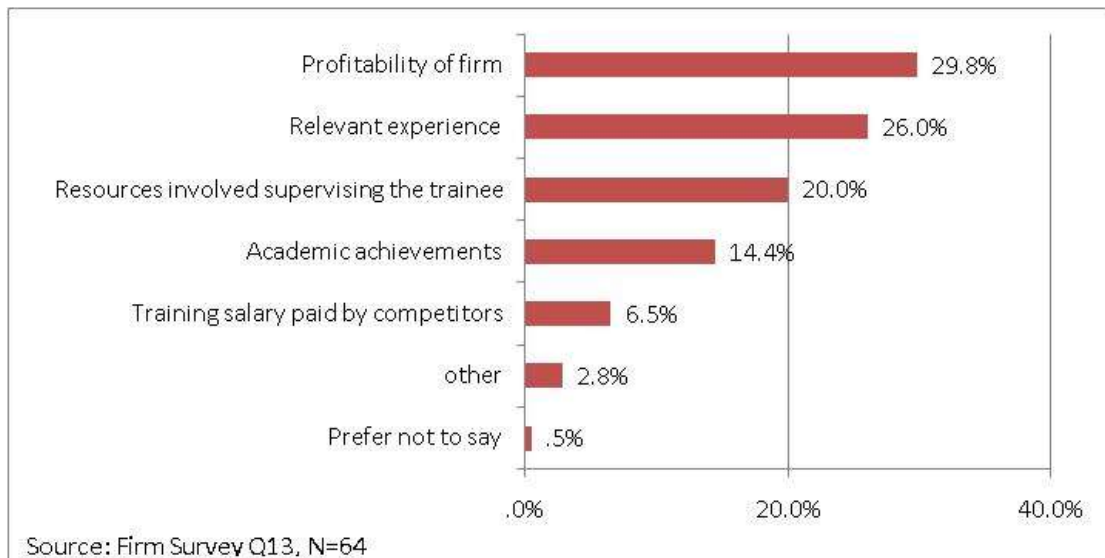
²⁵ New Training Framework Survey: Work-based learning, The Law Society, September 2006

Figure 4.13 shows the responses given by firms that do not currently offer TCs, but stated that they would if the minimum was removed. These firms provided similar responses to the firms currently providing training.

Figure 4.12: Firms with trainees: Factors considered when setting salary for trainees²⁶



Figure 4.13: Firms that would seriously consider taking on trainees: Factors that would be considered when setting salary for trainees²⁷



²⁶ Asked to firms currently employing trainees - respondents allowed to select multiple factors

²⁷ Asked to firms not currently employing trainees - respondents allowed to select multiple factors

Focus groups' views on impact on salaries

The view of almost all participants in the focus groups was that there would be no or little effect on City trainee salaries, but that High Street and legal aid work trainee salaries would be pushed down to the statutory minimum. This is because there is such competition for training contract places that employers could still fill training contract places whatever the remuneration.

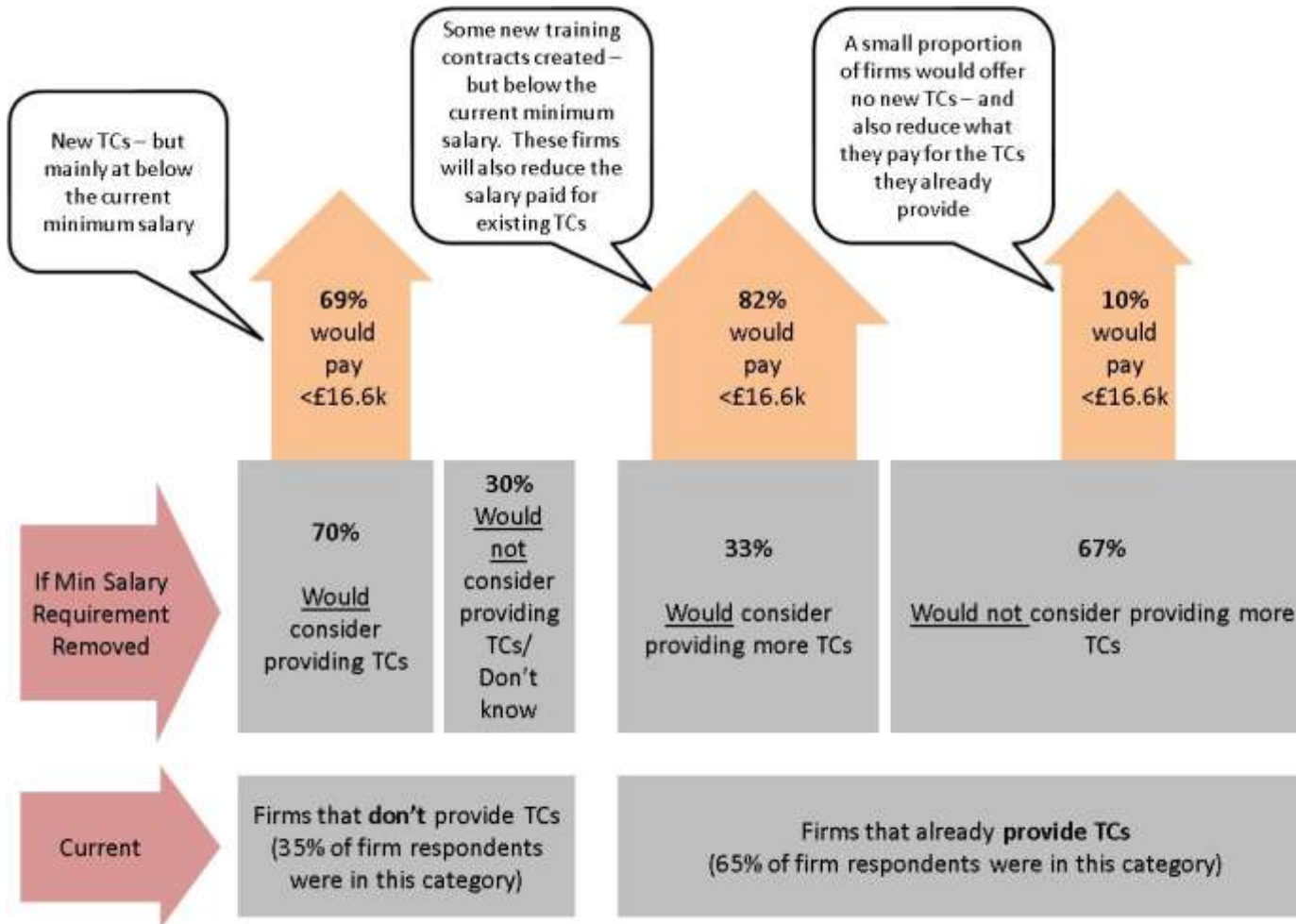
It was also suggested that because trainees are desperate to qualify, which currently depends on sign-off by the employer, trainees are unlikely to complain about situations of exploitation. Respondents stated that unless there is more stringent monitoring of training contracts by the SRA, this is likely to lead to many cases of exploitation of individual trainees.

Predicting overall effects on supply of TC and salary levels

As highlighted above, there are significant complexities involved in understanding how the market would actually respond to the removal of the minimum training salary.

Figure 4.14 sets out a representation of a possible scenario based on responses to the firm survey. This indicates that where new TCs are offered, the majority of these are likely to be below the current minimum level.

Figure 4.14: Potential market reaction to removal of regulation in terms of TC salaries



NB: Smaller firms and lower paid trainees were over represented in the survey samples.

These groups are most likely to be impacted on by a change in regulation, but it should be noted that they only account for a certain segment of the market involved in training activities.

Figure 4.14 is likely to be reflective of the impact on the 'lower tier' market described in earlier in Chapter 4, rather than the entire training market. The wider market includes a 'prime' segment, which contains larger firms and more highly paid trainees. This market segment will respond very differently to the scenario outlined in Figure 4.14.

The scenario represented in Figure 4.14 is summarised below. Predictions of the proportions of firms that would actually behave in this way can only be seen as indicative:

- One third of firms that currently offer TCs stated that they would "seriously consider" increasing the number of contracts they offer if the minimum requirement was removed. 82% of these firms stated that they would offer trainees salaries below £16,650²⁸. This indicates that some firms that currently provide training might be motivated to carry out more. This would mean that these firms also would reduce the salaries paid for TCs that are currently provided at, or slightly above, the minimum level.
- Two thirds of firms that currently offer TCs stated that they would not change the number of TCs they provide even if the minimum salary was removed. However, 10% of these firms would reduce salaries to below £16,650²⁹. This means that a larger segment of firms that currently offer training would not be motivated to offer any more TCs, but would take advantage of the opportunity to pay less.
- Of firms that do not currently offer TCs, 70% stated that they would consider doing so. It is unclear how many of these firms would actually start to offer TCs, but it is likely that most that did so would pay below £16,650. This would mean a proportion of firms creating new TC opportunities, albeit at a lower salary level.

More detailed research is needed to fully understand the impacts on these segments of the market as sample sizes used to develop these assumptions are relatively small³⁰.

Impact on quality and standards

The SRA's consultation document stated that the SRA Board does not accept the argument that the *"removal of the minimum salary could result in a lowering of standards..., as it is through the standards set at academic and vocational stages of training that quality is maintained."*

A small proportion of focus group participants stated that:

- the consultation should not assert that the current academic and vocational standards maintain quality – it is questionable that they succeed in doing that, which is why they are being reviewed through the Legal Education and Training Review (LETR)
- the Board cannot assert that there is no link between quality and salaries until the LETR has delivered its report.

²⁸ Cross tabulation of Firm Survey Q10 and Q11, n=61

²⁹ Cross tabulation of Firm Survey Q11 and Q10, n=61

³⁰ Pearson Chi Squared Test confirmed a statistically significant correlation between the variables outlined in Figure 4.14

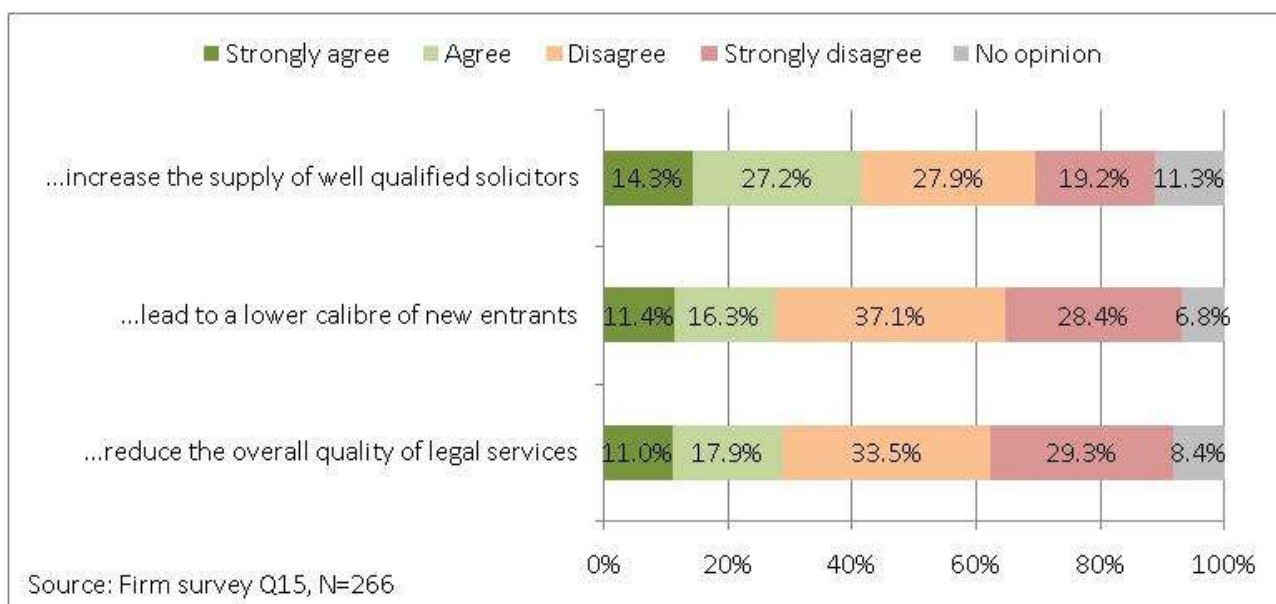
Many other respondents (to both surveys and at focus groups) stated that any negative impacts on diversity would directly lead to a reduction in standards. The key arguments made were that:

- Solicitors wouldn't be able to relate to clients from less well off backgrounds of minority communities
- Otherwise competent and capable trainees from less affluent backgrounds would be deterred from the profession.

Representatives of firms were asked to consider whether removing the minimum salary would lead to specific impacts on quality and standards:

- Would removing the minimum salary reduce the overall quality of legal services? 42% of respondents agreed that removing the regulation would have this effect - which indicates a considerable level of concern about the wider impact that a policy change could make.
- Would removing the minimum salary lead to a lower calibre of new entrants? 66% of respondents disagreed that there would be a negative effect on the quality of new entrants - possibly reflecting the importance of other factors in attracting talented people to the profession, such as interest in legal work, prestige and longer term salary expectations (see Chapter 5).
- Would removing the minimum salary increase the supply of well qualified solicitors? 63% of firms disagreed that removing the cap would lead to a net increase in well qualified solicitors.

Figure 4.15: Removing the minimum salary would...



5. Impact on access to the profession

This section reviews findings on the extent that removing the minimum training salary could deter high calibre entrants or make a disproportionate impact on potential entrants from less affluent backgrounds or have other detrimental effects on diversity within the profession.

Headlines

- 'Interest in the work' and 'longer term salary prospects' were the main factors attracting trainees to a career as a solicitor. 14% of respondents to the trainee survey said that the existence of a guaranteed training salary was in the top-three important factors that made them want to become a solicitor. However, 30% of students, paralegals and others considering becoming a solicitor stated it as a key factor.
- Trainees believed that the key factors that helped them secure a TC were good academic results (76%), gaining relevant work experience (65%), working for where they eventually train (41%) or working as a paralegal (37%). This illustrates that most trainees had to show a very high level of ability and commitment to secure a TC. 12% stated that doing unpaid work was an important factor that allowed them to gain a TC.
- Potential entrants face 'high hurdles' to gain access to the profession, largely as a result of the mismatch between demand for and supply of TCs. Firms appear to enjoy a good degree of choice when recruiting into TC roles. These factors are consistent with concerns highlighted in the consultation that highly motivated graduates could be exploited as a result of their determination to qualify as a solicitor.
- 47% of current trainees felt that they would not be able to train as a solicitor if the SRA did not impose a minimum salary level and, as a result, training contract salaries reduced. Many of these respondents indicate that if their wages were to reduce they would not be earning a liveable salary.
- Further analysis of survey responses from trainees provided no evidence that respondents from minority groups or less affluent socio-economic backgrounds were more likely to state that a change in regulation would affect their ability to train:
 - Responses by ethnicity showed that Asian trainees were more likely to state they would still be able to train.
 - There is no correlation between current trainees stating that they would not be able to train and the following characteristics: attendance of state school, the respondent being in the first generation of their family to go to university, gender, disability or having caring responsibilities.
- 50% of students, paralegals and others considering training as a solicitor stated that a change in regulation would affect their ability to train. Analysis of these responses did indicate a difference in response by some sub-groups of respondents. Former pupils of state schools and women were more likely

to state that a change in regulation would mean they would not be able to train. There was no correlation between responses about ability to train and age, ethnicity, being a primary carer or being the first generation of a family to attend university.

- Many respondents expressed concerns that removing the minimum salary would restrict access for people from less affluent backgrounds. It was argued that this would damage diversity and impact on standards, as a less diverse profession would:
 - Exclude talented potential entrants on the basis of their socio-economic circumstances.
 - Be less capable of relating to the circumstances of clients from disadvantaged backgrounds or minority communities.
 - The cost of LPC loan repayments was highlighted as a key factor why a minimum training salary is important for those who do not have access to financial support from their families.

Motivating factors to train as a solicitor

Respondents to the survey of current trainees were asked to select the three most important factors in making the career choice to become a solicitor.

The most frequently stated reasons were:

- 'Interest in the work' (89%)
- 'Longer term salary prospects' (67%)
- 'Prestige and tradition of the profession' (54%).

Similar responses were provided when the same question was asked to students and paralegals and others considering becoming solicitors.

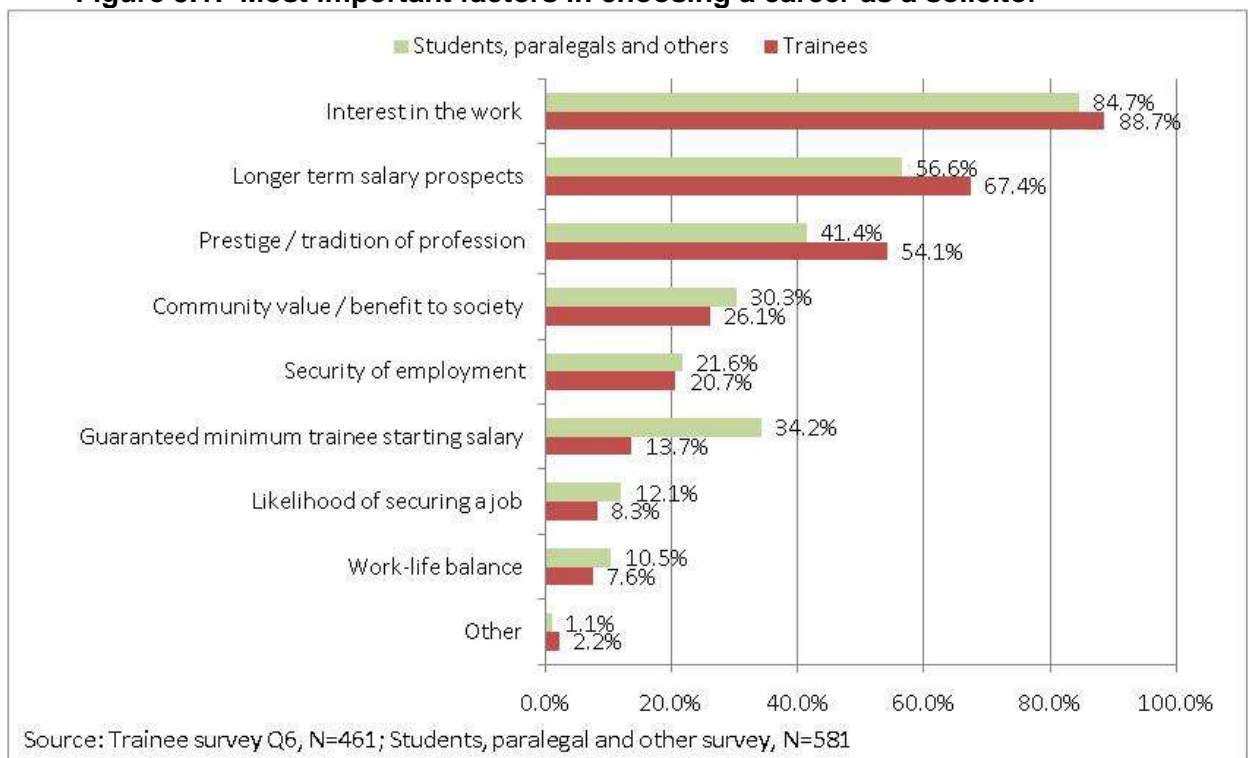
These factors were all stronger influences over respondents' career choices than a guaranteed minimum starting salary for trainees. This was stated by 14% of trainee respondents, indicating that this factor has a weaker influence in attracting talent to the profession. Its significance was much greater to students and paralegals, 30% of whom stated this as a key factor.

Factors such as 'likelihood of securing a job' and 'work-life balance' were even less frequently stated as reasons why respondents chose a career as a solicitor. Improving the reputation of a legal career in these areas may have the potential to increase attraction of talent.

Comparisons with other recent research

Research by PARN (Professional Associations Research Network)³¹ as cited in the LETR (Legal Education and Training Review)³² found that student debt combined with a low entry level wage may be affecting applications to some professions from lower socio-economic groups. However, this research goes further and into more detail than the PARN report in respect of the issues relating to training contracts and trainee salaries, and also indicates there are many other significant factors that attract talent into a career as a solicitor.

Figure 5.1: Most important factors in choosing a career as a solicitor



Trainees were also asked about the most important factors they took into account when choosing specific firms and organisations to apply for a TC (Figure 5.2). The most frequently stated responses were:

- Interest in the type of work carried out by the firm (82%)
- Quality of training (43%)
- Likelihood of employment with this firm / organisation after completion of TC (38%).

³¹ Socioeconomic barriers into the professions: a literature review, PARN, March 2009

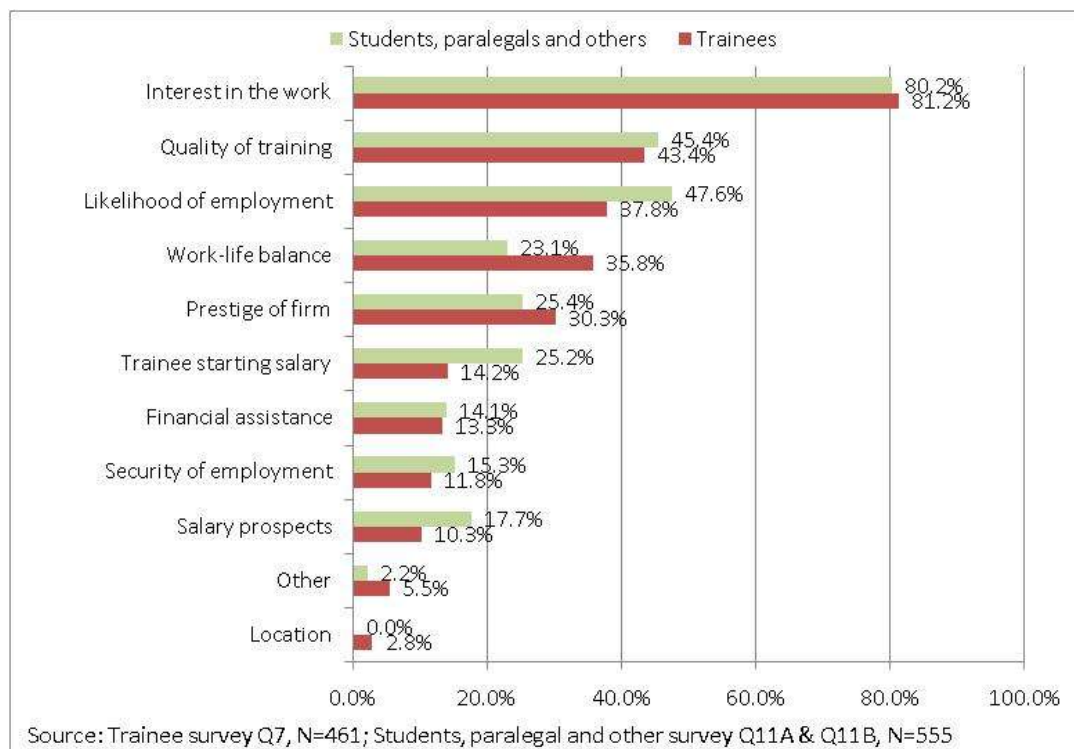
³² LETR Discussion Paper 02/2011, April 2012

These findings support comments provided in focus groups which indicated that some people do not feel that the training opportunities provided by City firms are right for them and are more attracted to applying to train in other types of firm.

Students, paralegals and others considering a career as a solicitor were also asked about the factors they have, or would, take into account. The responses provided were very similar, although higher proportions stated 'likelihood of gaining employment with the firm after completing the TC' (48%) and the level of starting salary (25%). By comparison, 14% of trainee respondents stated that a 'high starting salary' was an important factor in selecting the firms or organisation to apply to for a TC.

New entrants to the profession appear more concerned about the quality of prospective training than initial high salary levels³³. Trainees were more likely to see 'work-life balance' (36%) or the 'prestige of the firm' (30%) as important factors in their decision making process.

Figure 5.2: Most important factors in choosing firm/organisations to apply to



Difficulties securing a TC

Figure 5.3 shows that good academic results was the factor that most trainees believed had been important in enabling them to secure their TC (76%)³⁴. The findings show that trainees have often worked in the legal sector to gain work experience as a route to securing a TC:

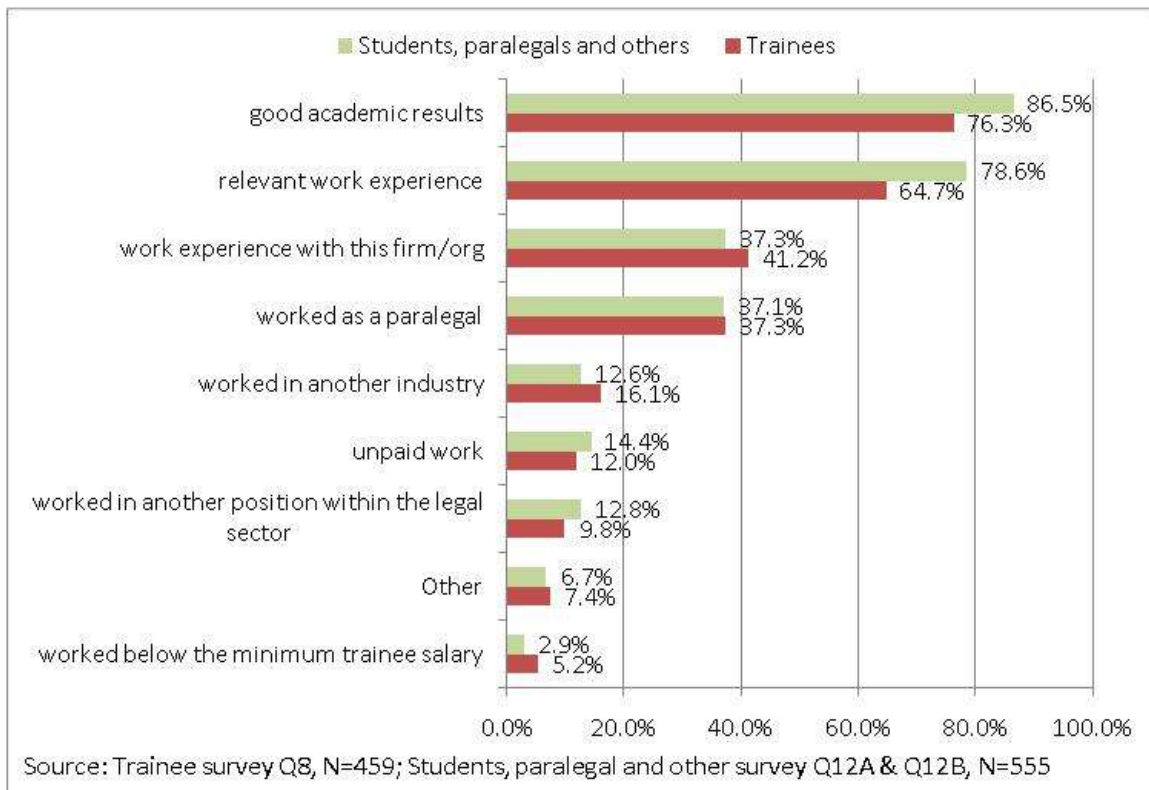
³³ Although this should be seen as a different factor to a 'liveable' starting salary

³⁴ Respondents were asked to state the most important three factors

- Having relevant general work experience was stated as an important factor by 65% of trainees;
- Relevant work experience for the firm where they are training was stated by 41%;
- Work as a paralegal was stated by 37%; and
- 12% of trainees stated that doing unpaid work was an important factor in gaining their TC.

Students, paralegals and others looking to enter the profession were also asked for their views about which factors they believed would be most important in helping them secure a TC³⁵. As Figure 5.3 shows, responses were very similar to those from existing trainees.

Figure 5.3: Most important factor to secure a TC



Findings in Figure 5.4 demonstrate that there are sometimes long time lags between completion of a Legal Practice Course (LPC) and starting a TC. Although approximately half of trainees started their TC within a year of completing the LPC, nearly one in ten waited up to three years and a small proportion over five. Although some of these delays will be through choice, the feedback from focus groups indicated that many felt it was a result of TCs being in short supply.

³⁵ Or in securing one if this had been achieved

5.4: Time lag between completion of LPC and starting TC

	Trainee survey respondents	SRA data
TC started within one year of completing LPC	53.9%	46.6%
TC started within three years of completing LPC	92.1%	91.5%
TC started within five years of completing LPC	97.8%	98.7%

Source: Trainee Survey Q5, n=458, and SRA Management Information Data (covering entire cohort completing LPC in 2006)

View on the impact of removing the minimum training salary

Impact on trainees

Trainees were asked for their views on what the impact would be on them if the SRA removed the minimum training salary requirement. Respondents were asked:

- If the SRA did not impose a minimum training salary - would they still want to train as a solicitor, and
- If the SRA did not impose a minimum training salary - would they still be able to train as a solicitor.

Figure 5.5: Trainees: if the SRA removed the minimum salary...

	...would you still <u>want</u> to train as a solicitor?	...would you still <u>be able</u> to train as a solicitor?
Yes	72.1%	52.9%
No	27.9%	47.1%

Source: Trainee Survey Q12 (n=458) & Q13 (n=455)

One of the key findings is that 72% of respondents would still want to train as a solicitor but only 53% felt they would still be able to. This means that around one in four respondents would want to train as a solicitor but feel that they might not be able to.

The respondents who stated that they felt they would not be able to train if the minimum salary was removed were more likely to be those already paid at this level or slightly above and those who felt their current salaries were too low.

A review of responses by ethnicity showed that Asian trainees were more likely to state they would still be able to train. Mixed race and, to a lesser extent, White respondents indicated that they felt they would not be able to train if the minimum salary was not imposed.

There was no correlation between respondents stating that they felt they would not be able to train if the SRA removed the minimum salary and the following characteristics of respondents:

- Attendance of state, independent or school overseas
- Whether respondents were in the first generation of their family to attend university
- Gender
- Having a disability
- Having caring responsibilities.

Potential impact on students and other potential new entrants

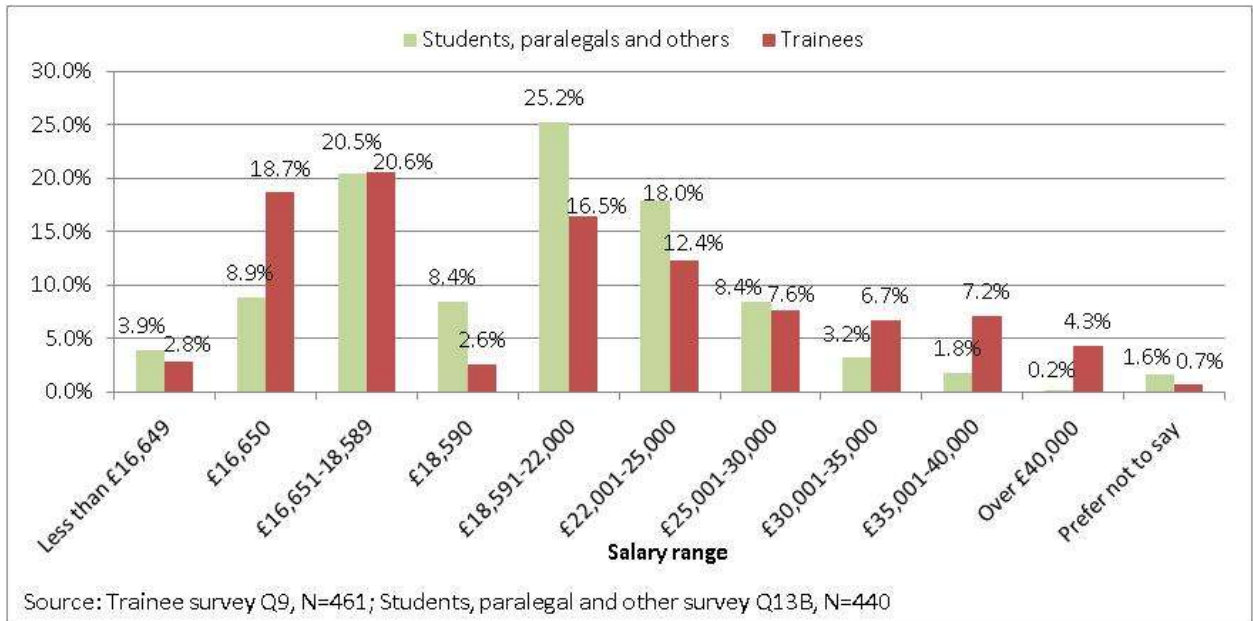
Students, paralegals and others considering becoming a solicitor were also asked about the impact of removing the minimum training salary on their desire and ability to train. Figure 5.6 shows that 68% of these respondents stated they would still want to train as a solicitor and 50% stated that they would no longer be able to.

Figure 5.6: Students, paralegals and others: If the SRA removed the minimum salary...		
	...would you still <u>want</u> to train as a solicitor?	...would you still <u>be able</u> to train as a solicitor?
Yes	68%	50%
No	32%	50%
<i>Source: Student, paralegals and others survey Q12 (n=552) & Q13 (n=546)</i>		

Responses did not show any correlations with age, ethnicity, being a primary carer or being the first generation of a family to attend university. Former pupils of state schools were less likely to state they would still be able to train and there was also a correlation between gender and ability to train.

Figure 5.7 shows the salary levels that students, paralegals and others considering becoming a solicitor would accept as a salary to train compared with the actual salary levels of respondents to the trainee survey. This indicates that only 9% of potential future trainees believe they would accept a salary of £16,650, despite 19% of trainee respondents accepting this as a starting salary. However, students (et al) were generally realistic in their responses, with few expecting very high starting salaries.

Figure 5.7: What salary level would you accept? - Compared to current trainees actual salaries

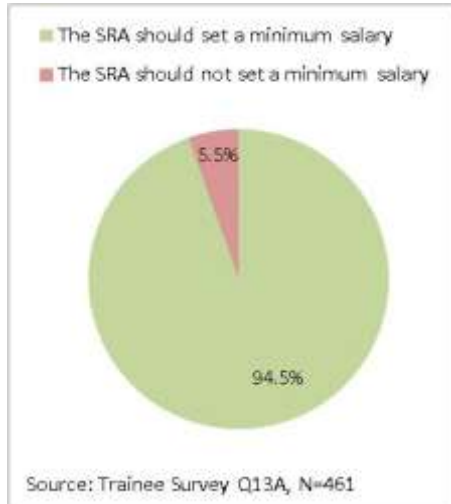


View on whether the SRA should set a minimum training salary

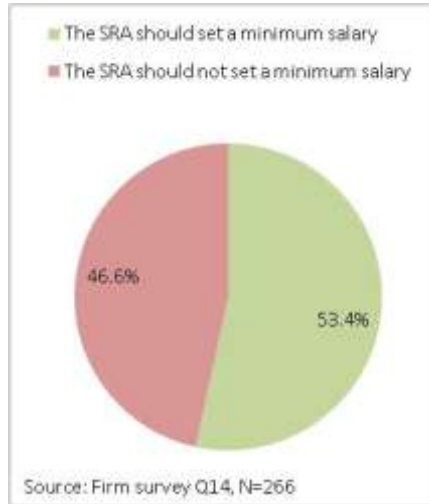
Although this report is primarily focused on assessing potential 'impact', respondents were also asked their view on whether the SRA should continue to set a minimum training salary. A difference in opinion was revealed - trainees and students (et al) were generally of the opinion that the SRA should continue to set the minimum training salary. Representatives of firms (who were typically partners or sole practitioners) were more divided in their views, with only a slight majority (53%) in favour of the SRA's continued intervention.

Figure 5.8: Views on whether the SRA should set a minimum training salary

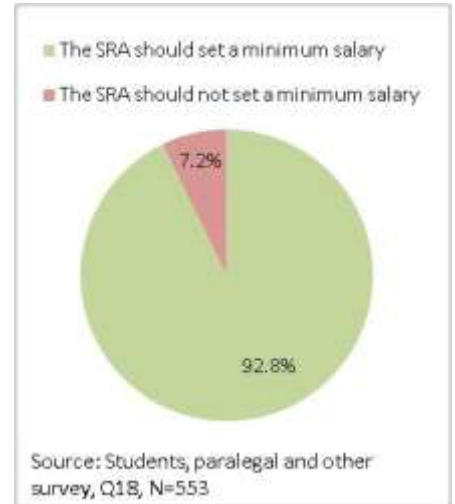
Trainees



Firms



Students, paralegals and others



6. Summary of potential equality and diversity impact

This chapter summarises potential impact on equality and diversity of the proposal to remove the minimum salary for trainees. As explained above, we will first focus our assessment on the evidence we have obtained in relation to the potential impact on trainees and potential trainees with reference to age, disability, gender and ethnicity. We will then look more generally in terms of the impact on access to the profession and diversity in terms of equality and socio-economic background, looking in particular at the potential impact on those from less affluent backgrounds.

Headlines

- SRA data on TCs, reviewed in Chapter 4, showed that trainees paid at, or close to, the minimum training salary are more likely to be:
 - women,
 - from a BME group
 - people working outside of central London,
 - those who attended state schools
- Any impact on salary levels resulting from removing regulation in this area would have a disproportionate impact on these groups.
- There was widespread concern that removing the minimum training salary would discourage individuals from less wealthy backgrounds from pursuing a career as a solicitor and limit diversity in the profession. However, these views were more frequently held by trainees than by representatives of firms:

		Yes	No ³⁶
Do you think that removing the minimum salary requirement would discourage individuals from less wealthy backgrounds?	Trainees	77%	12%
	Firms	35%	52%
		Yes	No
Do you think that removing the minimum salary requirement would have any impact on diversity, in terms of entrant's gender, ethnicity and age?	Trainees	60%	20%
	Firms	30%	49%

- Some individuals attending focus groups felt that maintaining the minimum training salary was a key aspect of the SRA's objective to 'encourage a ...diverse ...profession'.

³⁶ Don't know responses not shown

- Survey findings in Chapter 5 indicated that 47% of current trainees felt that they would not be able to train as a solicitor if the SRA did not impose a minimum salary level. However, analysis by sub groups did not provide evidence that respondents from minority groups or less affluent socio-economic backgrounds were more likely to state that a change in regulation would affect their ability to train.
- Survey findings from students, paralegals and others considering training as a solicitor indicated a slightly higher percentage (50%) stating they would not be able to train if the minimum salary level was removed. In this case former pupils of state schools and women were more likely to state that a change in regulation would affect their ability to train.

Summary of the potential impact on trainees and potential trainees with reference to age, disability, gender and race

In this section we will look in turn at the evidence relating to each of the equality groups where evidence was obtained in relation to the potential impact of the proposal.

Impact on age

Figure 6.1 below indicates that on average trainees above 36 years old tend to receive starting salaries in the lower tier of the market but this group makes up only 4.5% of the total trainee population. Nevertheless, there is potential for adverse impact on this group of the proposal to remove the minimum salary.

Figure 6.1: Trainee starting salaries at mid-March 2012 analysed by gender and age

				Gender		Total
				Male	Female	
Age group	18-21	Starting salary (£)	Median	16650	23075	16650
	22-25	Starting salary (£)	Median	30000	24000	25000
	26-30	Starting salary (£)	Median	25000	23000	24000
	31-35	Starting salary (£)	Median	23480	22000	22860
	36-40	Starting salary (£)	Median	18595	20000	19000
	41-45	Starting salary (£)	Median	18590	19000	18590
	46-50	Starting salary (£)	Median	17500	18000	18000
	51-55	Starting salary (£)	Median	16650	17145	16720
	56-60	Starting salary	Median	18325	22895	18395
	61+	Starting salary	Median	21947	N/A	21947
	Unknown	Starting salary	Median	30000	27800	30000
Total: (£)				25000	23000	24000

Discussions in the focus groups indicated that abolishing the minimum salary could work in favour or against mature trainees. For example, there will be mature trainees who are financially secure and are able to train at a lower salary. For this group, the removal of the salary minimum would benefit their ability to secure a training contract by potentially opening up the market where more firms may be able to offer training contracts.

On the other hand, mature trainees coming from less privileged backgrounds and for those with family and financial commitments, a removal or reduction of the minimum salary required could result in this group being less able to pursue training to become a solicitor. These factors will of course be equally applicable to any potential trainee.

Impact on disability

We did not have sufficient data from the current trainee population to provide meaningful data on the salary levels by disability.

Potential impact by gender

Female trainees made up 60.5% of the total trainee population³⁷ however, Figure 4.3 in Chapter 4 shows that 64% of trainees paid at the minimum salary are female.

As female trainees are more likely to train within smaller firms, and are more likely to be paid at the minimum salary, to remove the minimum salary could consequently have a disproportionate impact on female trainees if deregulation resulted in a reduction in salary levels at the lower end of the market. Equally, there may be a positive impact in relation to women and any additional availability of training contracts within smaller firms.

Ethnicity

For this section, some of the 28 ethnic categories used for diversity monitoring by the SRA have been combined into the categories in the table below for ease of comparison.

BME trainees make up 19.3% of the total trainee population³⁸ and Figure 4.4 in Chapter 4 indicates that BME trainees make up 27% of trainees paid at the minimum salary.

For completeness we have set out below, the average starting salaries for BME trainees.

Figure 6.2: Trainee starting salaries at mid-March 2012 by gender and ethnicity

				Gender		Total
				Male	Female	
Ethnicity	Asian or Asian British	Starting salary (£)	Median	18590	19040	19000
	Black or Black British	Starting salary (£)	Median	18590	21000	19040
	Mixed	Starting salary (£)	Median	32000	28500	30000
	White	Starting salary (£)	Median	26000	24000	24500
	Other	Starting salary (£)	Median	22000	24000	22225
	Unknown	Starting salary (£)	Median	29250	24000	25500
Total: (£)				25000	23000	24000

Figure 6.2 shows that BME trainees on average are more likely than their White counterparts to receive salaries within the lower end of the market.

Part of this may be explained by the fact that BME trainees are disproportionately represented in small firms (figures available on request). We know from Figure 4.5 that smaller firms tend to pay trainees at or close to the trainee minimum.

³⁷ In mid-March 2012, the trainee population was 8857. Of these, female trainees were 5358 and male trainees were 3499.

³⁸ As set out in Figure 3.2, of the 8857 trainee population in mid-March 2012, 1118 were of Asia/ Asian British, 227 were of Black/ Black British, 264 were of Mixed origin, 6509 were White, 102 classed themselves as 'other' and 637 were unknown.

Summary of potential impact on diversity of and access to the profession

The following reports headline findings on issues of access and diversity from survey respondents and focus group participants

Potential impact on access by people from less affluent backgrounds

Respondents to the surveys were asked for their views on the potential impact of removing the training salary on diversity within the profession. In terms of discouraging individuals from less affluent backgrounds from pursuing a career as a solicitor:

- 77% of trainees felt that it would have a negative impact compared to 12% who did not³⁹
- 35% of firms felt that it would have a negative impact compared to 52% who did not⁴⁰
- 80% of students, paralegals and others considering becoming a solicitor firms felt that it would have a negative impact compared to 9% who did not⁴¹.

Potential impact on access to the profession in terms of age, disability, gender and ethnicity

Respondents to the surveys were also asked specifically about their views on the potential impact on diversity within the profession, particularly with regards to new entrants' age, ethnicity or gender.

- 60% of trainees felt that it would have a negative impact compared to 20% who did not⁴²
- 30% of firms felt that it would have a negative impact compared to 49% who did not⁴³
- 69% of students, paralegals and others considering becoming a solicitor felt that it would have a negative impact compared to 15% who did not⁴⁴.

³⁹ n=460 - respondents could also state "Don't know" in response to this question so % in text do not add up to 100%

⁴⁰ n=266

⁴¹ n=555

⁴² n=460 - respondents could also state "Don't know" in response to this question so % in text do not add up to 100%

⁴³ n=266

⁴⁴ n=552

The following extract from *Barriers to the Legal Profession*, a research paper by the LSB, summarises how the protected characteristics we have identified in this report intertwine with socio economic factors:

"Law students' social origins vary significantly according to their sex and ethnicity. Women were more likely than men to come from families where neither parent had a degree or a professional qualification; 44% compared to 42%. Ethnic minority law students were found to be from less privileged backgrounds than their white counterparts; 60% of white respondents had at least one parent with a degree or professional qualification; 47% of African Caribbean; 40% of Indians and 20% of Pakistani or Bangladeshis." - LSB research

This finding by the LSB indicates that less women and BME individuals come from a privileged background. This research indicates that their ability to train may be restricted if the minimum salary level they are offered is lowered as they are less likely to have independent means of finance. Therefore, maintaining a minimum salary level could enable individuals from less privileged backgrounds to continue to access the profession.

Focus group participants argued that the proposal would have a disproportionate effect on BME, female and older individuals – the latter, because they are likely to already have commitments such as families or a mortgage. Many respondents expressed the view that the SRA cannot “encourage a ...diverse ...profession” except by either maintaining the minimum salary in the current system, or reforming the qualification process to encourage, for instance, earn-as-you learn qualification pathways. But this should be balanced against the potential for additional availability of contracts within smaller firms.

Summary of cross tabulated data

Figure 6.3 provides an analysis of correlations between answers provided to the survey of trainees. The matrix indicates with a 'tick' (✓) where a statistically significant correlation was found between two responses. A 'cross' (✗) indicates where there is no evidence of a correlation.

The analysis was used to review responses to key questions relating to access to and diversity of the profession to see if they were answered differently by people of different age groups, genders, ethnicity, socio-economic background⁴⁵ or caring responsibilities. Where there are significant differences in the responses between groups it is reasonable to assume there is more likely to be a disproportionate impact between groups with these characteristics. The table shows:

- Responses to "if the minimum salary was abolished, would you still want to train as a solicitor?" were not correlated with any of the diversity indicators.
- Responses to "if the minimum salary was abolished, would you still be able to train as a solicitor?" were correlated with the ethnicity indicator. However, this correlation indicated that Asian respondents were less likely to state that a change in regulation would reduce their ability to

⁴⁵ Indicated by the proxy measures of type of school attended and whether the respondent was in the first generation of their family to attend university

train. Mixed race respondents were more likely to state that they would not be able to train.

- Type of firm worked for (e.g. sole practice, Top 100 City) was correlated with the type of school respondents attended - with former state school pupils least likely to access TCs with the largest, and best paying firms.
- Current salary was correlated with gender, age, ethnicity and whether people were the first generation of their family to attend university. These findings are consistent with SRA data on the current cohort of trainees (2011 data), which indicated women and BME groups were less likely to earn the highest training salaries.
- Level of debt was correlated with age, ethnicity and type of school attended.

Figure 6.3: Summary of statistically significantly correlated variables (responses from trainees)

	Gender	Age	Ethnicity	Primary carer	First generation of family to go to university	Attendance of state or fee paying school
Respondent stating that removal of the minimum training salary mean they would not <u>still want to train</u> as a solicitor	✗	✗	✗	✗	✗	✗
Respondent stating that removal of the minimum training salary mean they would not <u>be able to train</u> as a solicitor	✗	✗	✓	✗	✗	✗
Type of firm worked for	✗	✗	✗	✗	✗	✓
Current salary	✓	✓	✓	✗	✓	✗
Level of debt	✗	✓	✓	✗	✗	✓

Source: Trainee Survey. [✓] indicates that this group of respondents differed in their responses - i.e. a correlation existed, [✗] indicates no difference in the way the question was answered - i.e. no correlation. Correlations identified using Pearson Chi-Squared Test

Figure 6.4 summarises correlations with diversity indicators for the responses of students, paralegals and others considering to becoming a solicitor. This shows that the impact of removing the minimum salary on people 'wanting to train' was not correlated with any of the diversity indicators. However, peoples ability to train was correlated with their gender and whether they had attended a state school (compared to a fee paying or international school). The level of debt respondents had accrued was correlated with all of the diversity indicators except gender.

Figure 6.4: Summary of statistically significantly correlated variables (responses from students (et al))

	Gender	Age	Ethnicity	Primary carer	First generation of family to go to university	Attendance of state or fee paying school
Respondent stating that removal of the minimum training salary mean they would not <u>still want</u> to train as a solicitor	✗	✗	✗	✗	✗	✗
Respondent stating that removal of the minimum training salary mean they would not <u>still be able</u> to train as a solicitor	✓	✗	✗	✗	✗	✓
Level of debt	✗	✓	✓	✓	✓	✓

Source: Students, paralegals and others considering training survey. [✓] indicates that this group of respondents differed in their responses - i.e. a correlation existed, [✗] indicates no difference in the way the question was answered - i.e. no correlation. Correlations identified using Pearson Chi-Squared Test

7. Summary

This section sets out a summary of potential impacts on:

- Supply of TCs and salary levels
- Trainees or potential trainees with particular reference to age, gender or ethnicity
- Access to the profession and the diversity of the profession as a whole.

Specific tiers of the market will respond in different ways...

Analysis of the 'market for training' has identified a 'prime market', which accounts for supplying 37% of all TCs. This market already pays well above the minimum level. It is unlikely that there will be an impact on this segment of the training market: Organisations in the 'prime tier' tend to be larger firms (with 26+ partners) and appear to make decisions about how many TCs to offer and what salaries to pay on factors independent of the SRA's intervention.

There is also a mid-tier of firms paying salaries below the 'prime tier', but sufficiently above the minimum requirement to also indicate that these firms set salaries based on factors removed from the SRA's minimum requirement. These firms currently account for the supply of 18% of TCs.

The impact on TCs offered by firms in the 'lower tier' of the market for training is harder to judge...

Assessing the impact on the 'lower tier' of the market for training is complex and cannot be carried out with a high degree of accuracy. Most firms in this segment of the market take into account many more factors than just the minimum salary when deciding how many trainees to take on and what to pay them. Key considerations include:

- The profitability of the firm
- Relevant experience of candidates
- Salaries paid by competitors.

It is unlikely that changing this element of the regulatory regime in isolation would encourage a significant change in firm's decisions about whether to start taking on trainees or take on more trainees.

It is likely that there will be an increase in supply of TCs if the SRA removes its regulation...

Smaller firms, that currently see training as prohibitively expensive, might take on trainees if this regulation was removed⁴⁶. Many respondents to the firm survey indicated that firms would re-appraise their position regarding training in a market where salaries were not regulated.

It is also probable that a small proportion of firms that currently provide training at salary levels at, or slightly above, the minimum salary level would consider offering more contracts.

The combined effect of this impact on supply is likely to be modest, but nonetheless would result in more TCs being provided - including some from firms previously 'locked out' of the market by SRA regulation. In turn, this would create opportunities to train for new entrants whose options were previously limited.

As a result of this, more trainees will have to accept salaries below the current minimum...

New training contracts are most likely to be offered at below the current minimum level. There will also be a proportion of firms (in the region of 10%⁴⁷) who decide to reduce the salaries they pay to trainees, but not increase the number of contracts they offer.

Despite this, most firms currently paying at, or slightly above, the minimum salary level, indicated that they would not respond to removal of this regulation by reducing the salaries they paid to trainees.

The summary below sums up a possible impact scenario.

Impact summary

Findings from the firms survey indicate the following scenario. Predictions of the proportions of firms that would actually behave in this way can only be seen as indicative:

- Some firms that do not currently take on trainees could be encouraged to do so if the minimum salary was removed. Based on survey findings, over two thirds of these firms stated that they would 'seriously consider' this option. It is unclear how many of these firms would actually start to offer TC, but it is likely that most would do so using salaries below £16,650. This would mean a proportion of firms creating new TC opportunities, albeit at a lower salary level.
- Some firms already engaged in training would be encouraged to offer more TCs, but most would do so at salary levels below £16,650. Survey findings indicated that one third of firms that currently offer TCs would 'seriously consider' increasing the number they offer if the minimum requirement was

⁴⁶ However, it should be noted that the sub-sample of firms not offering training that took part in the survey is relatively small (n=92) and therefore more focused research is needed to fully understand the potential impact on this type of organisation.

⁴⁷ Proportions provided are very indicative as survey sub-sample sizes for this are relatively small.

removed. The majority would pay their trainees salaries below £16,650.

NB: The findings indicate that more firms would review their position on TC provision, but this does not mean that in practice all of these firms would actually go ahead and create these new training opportunities, simply that they may consider their approach based on costs and benefits faced by their business rather than an intervention from the regulator.

- Most firms in the 'lower tier' segment of the market would not offer any more TCs if the minimum requirement was removed. But a small proportion would use this as an opportunity to pay existing TCs below £16,650.

Having identified the potential impact of the proposal on the market, we have set out below our conclusions on the potential impact these market changes may have on equality, looking separately at the impact on trainees or potential trainees, access and diversity, and consumers of legal services.

Potential equality impact on trainees or potential trainees

The potential impact is likely to be felt in what we have described in this paper as the lower tier of the market and this is where the following groups are over represented:

- women
- those from a BME group
- those working outside of central London
- those who attended state schools
- people within older age groups

In this market it is clear that some segments of the training market will offer lower salaries - the question is how many, how much lower and how this may impact on these groups. To the extent that salaries fall for those who would otherwise have a training contract paid at the current minimum salary, there will be a negative financial impact. However, if survey findings that most firms currently providing training contracts are unlikely to lower salaries if the minimum salary is removed, carry through in practice, this negative impact may be small. However, if de-regulation does proceed, whether firms' intentions match practice is something that would need to be monitored over time in order to build an understanding of actual impact.

In addition, to the extent that, as a result of deregulation, new training contracts are made available to individuals in these groups who otherwise would be in alternative employment earning less, there would be a positive financial impact. The extent to which this might be an impact could be a topic for further research if deregulation takes place.

Access and diversity

There has been a recent upward trend in diversity in relation to new entrants into the profession across equality groups. Against this background, survey results suggest that removing the minimum salary may discourage individuals from less wealthy backgrounds from pursuing a career as a solicitor. To the extent that this is not

counter-balanced by an expansion in training contracts available and taken up by equality groups, deregulation may reduce diversity in the profession.

47% of respondents to the survey of trainees (and 50% of students, paralegals and others considering training as a solicitor) stated that they would not be able to train if the SRA did not impose a minimum salary level and this resulted in a decline in the minimum salary currently offered to trainees. Many of these respondents indicate that if their salary were to reduce they would not be earning a liveable salary, and the size of loan repayments for LPCs (in addition to undergraduate tuition fees and debts) was identified as a key contributory factor. What is not known, however, are the current and potential earnings from alternative employment for those respondents to this question who are not currently trainees. Where prospective alternative earnings are lower or not significantly different to the level at which trainee salaries may move to in the lower tier of the market, the actual impact on career choices if deregulation takes place might be different to that stated and this would be something to monitor over time.

Moreover, further analysis of the survey questions revealed some interesting patterns. For example, even though we found widespread concern that BME groups, women and those from lower socio economic groups would be put off from entering the profession, thus impacting on its diversity, BME respondents were no more likely than White respondents to say they would not be able to train if we removed the minimum salary requirement.

The survey responses suggested that:

- Students, paralegals and others considering training as a solicitor who were former pupils of state schools, were more likely to state that removal of the minimum salary would prevent them from being able to train (compared to former pupils of fee paying or international schools).
- However, this correlation was not true of responses from current trainees. Nor were respondents from the first generation of their family to go to university (trainees or students) more likely to state that removal of the minimum salary would prevent them from wanting or being able to train as a solicitor.
- There was no difference in responses regarding ability or desire to train from current trainees by gender. However, ability to train was correlated with gender for students, paralegals and others considering training as a solicitor. Amongst this group, women were more likely to report concerns of a negative impact.
- Responses by ethnicity showed BME respondents were no less likely to state that they would not be able to train without the minimum salary in place. In fact, Asian trainees were more likely to state they would still be able to train.

This suggests that there may be a more complex impact on diversity in the profession than supposed by the survey results and, if deregulation were to take place, this would be an important area for follow up monitoring and research.

Appendix I. Profile of respondents

This appendix provides headline characteristics and demographics of survey respondents.

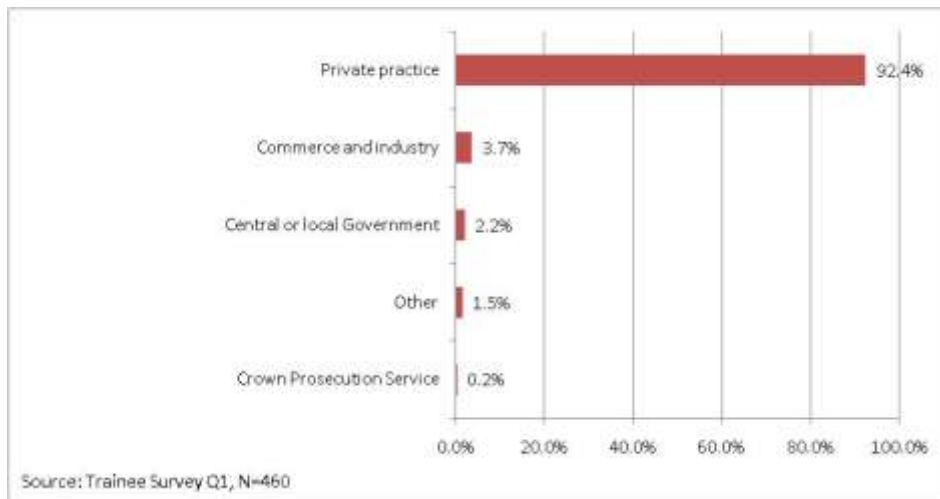
Trainee survey

This section describes the characteristics of the respondents to the survey of trainees

Firm type

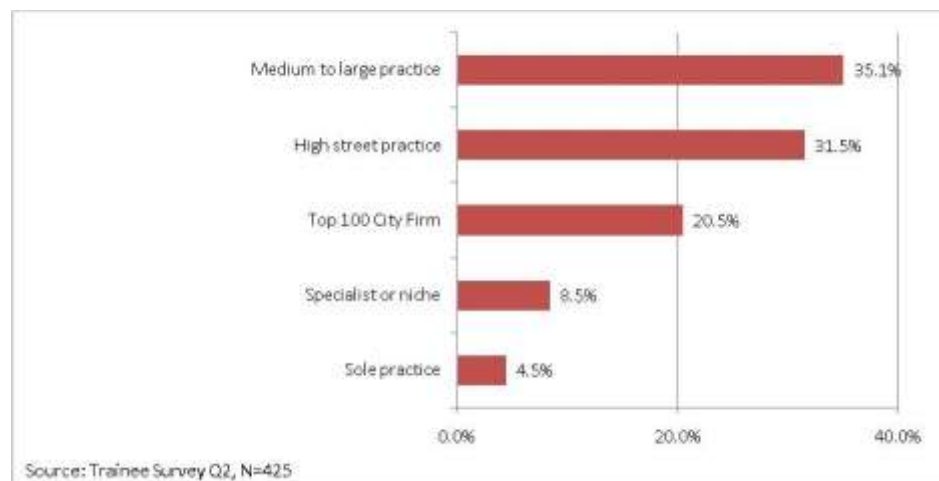
460 trainees responded to this survey, and of these the majority described themselves as working in private practice organisations.

Figure I.1: Type of organisation where trainee is working



Just over one third of respondents worked in an organisation they described as a 'medium to large practice', and just under one third worked in a 'high street practice'. Around one in five respondents was working in a 'Top 100 City Firm'.

Figure I.2: Description of firm where trainee holds training contract



Location of firm

Trainees who completed the survey were most often working in central London, the South East, the South West and the North West. Fewer respondents came from overseas, the East Midlands, and the North East.

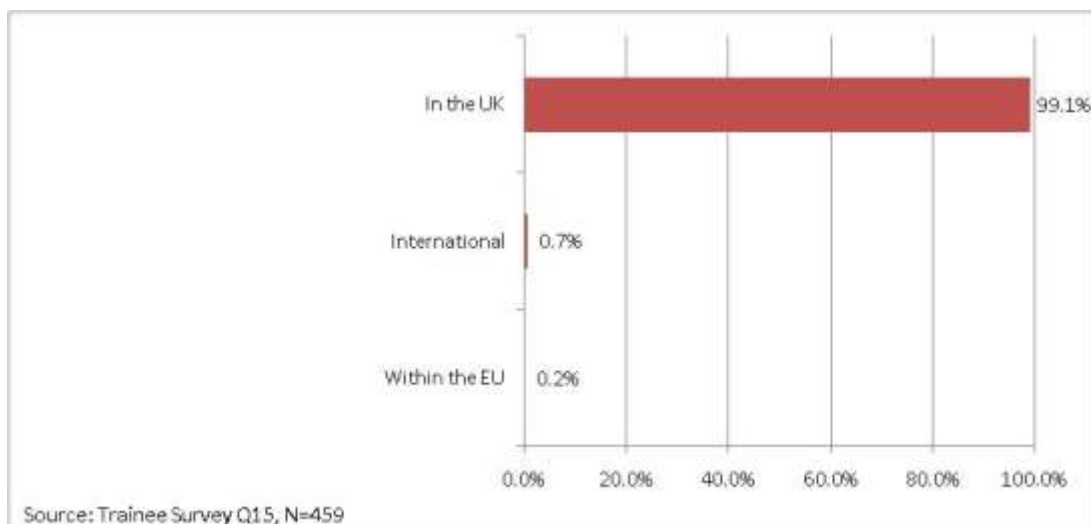
Figure I.3: Region where trainee is employed



Residence

99% of trainees who completed the survey described the UK as their main permanent residence.

Figure I.4: Main permanent residence of trainee

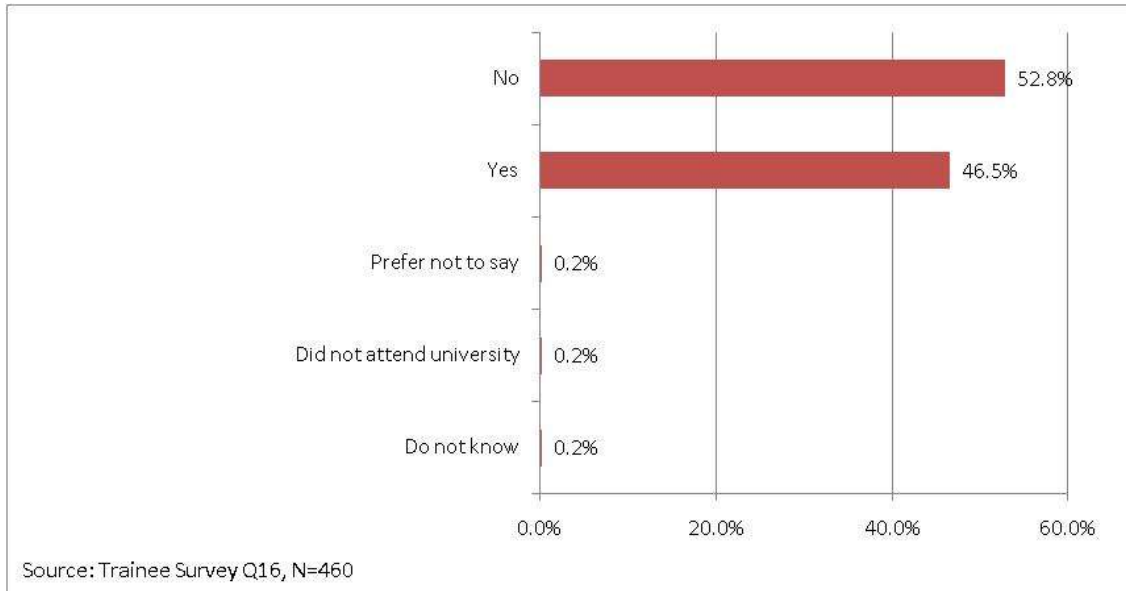


Socio-economic background

We used two proxy measures for socio-economic background; whether the trainee was part of the first generation of their family to go to university, and whether the trainee attended a state school or a fee paying school.

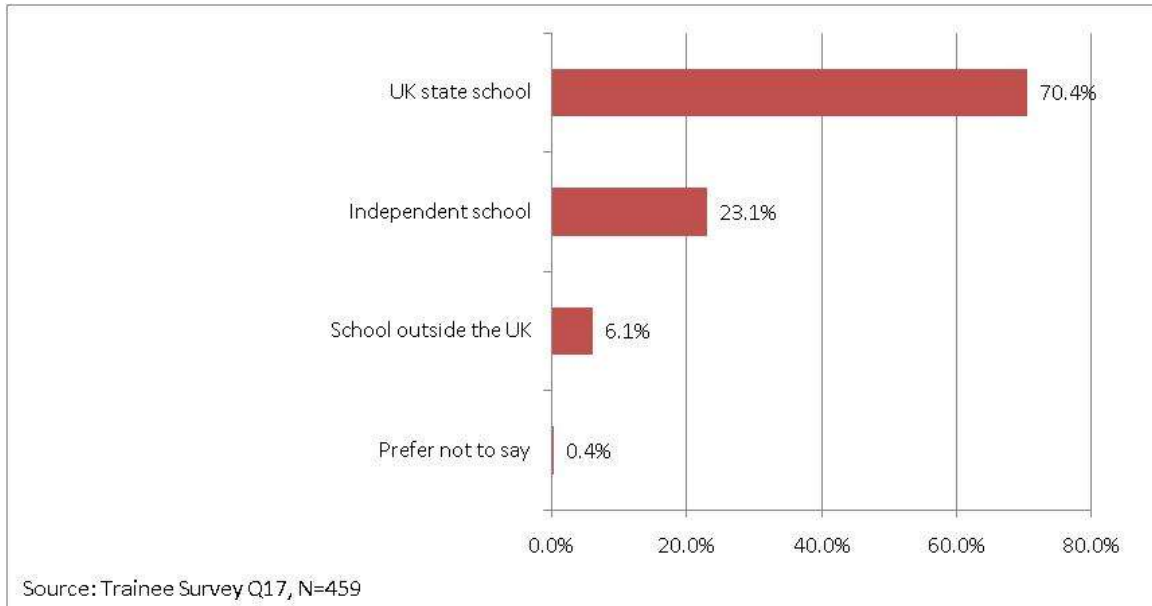
Of 460 trainees who responded, 52.8% were not part of the first generation of their family to go to university, but 46.5% were.

Figure I.5: If trainee went to university to study a degree or higher, were they part of the first generation of their family to do so?



The majority of trainees (70%) who responded to the survey attended UK state schools. 23% attended an independent fee paying school, and 6% attended school outside the UK.

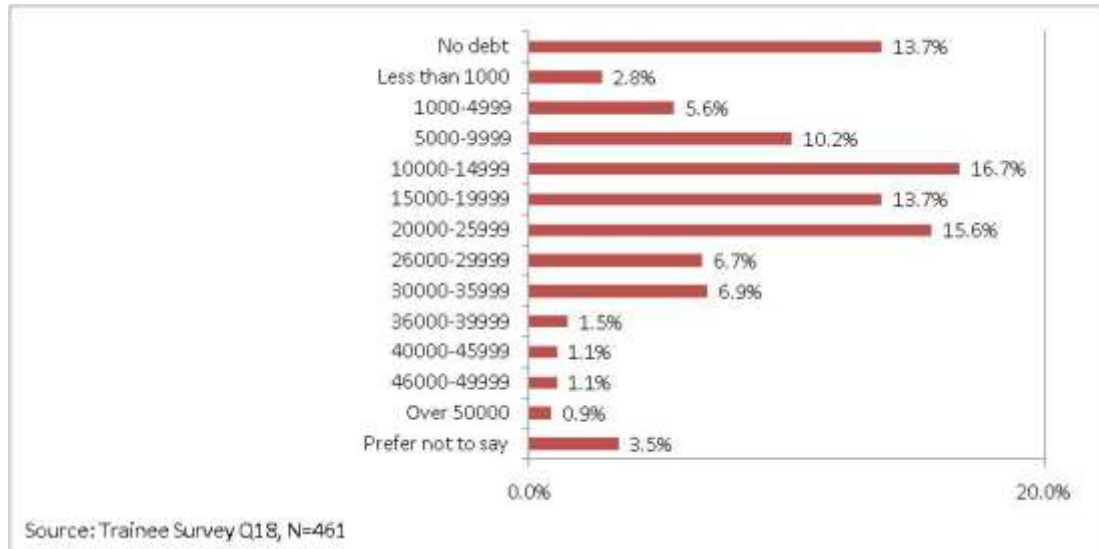
Figure I.6: Type of school mainly attended between the ages of 11 and 18



Debt due to funding education and career

Trainee respondents had varying levels of debt relating to paying for their education and career. 13.7% had incurred no debt, but most trainees had between £5000 and £26000 worth of education related debt.

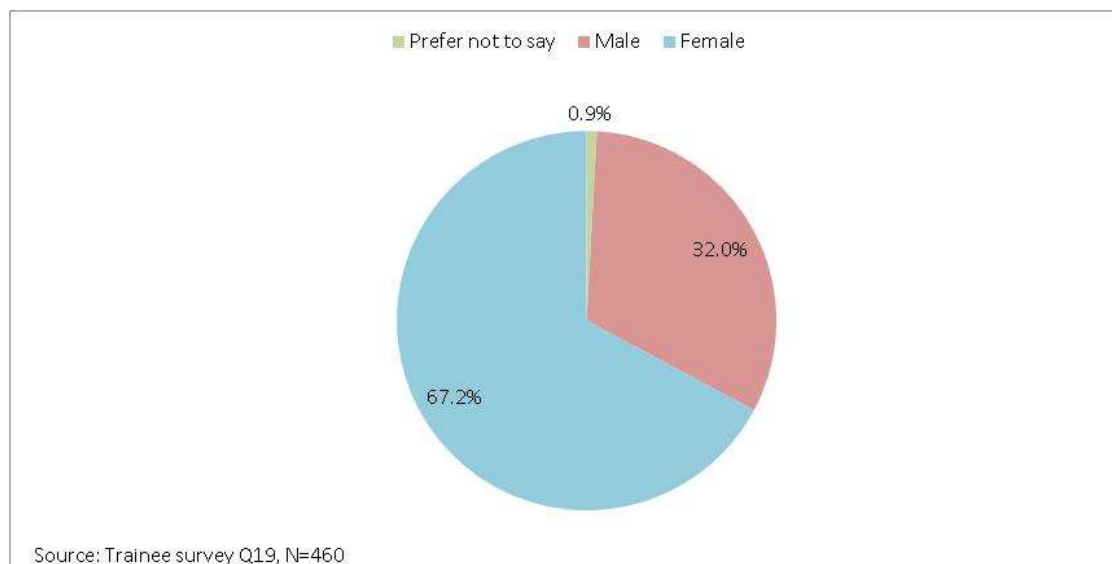
Figure I.7: Current level of debt due to funding education and career



Gender

Around two thirds of trainee respondents were women, and one third were men.

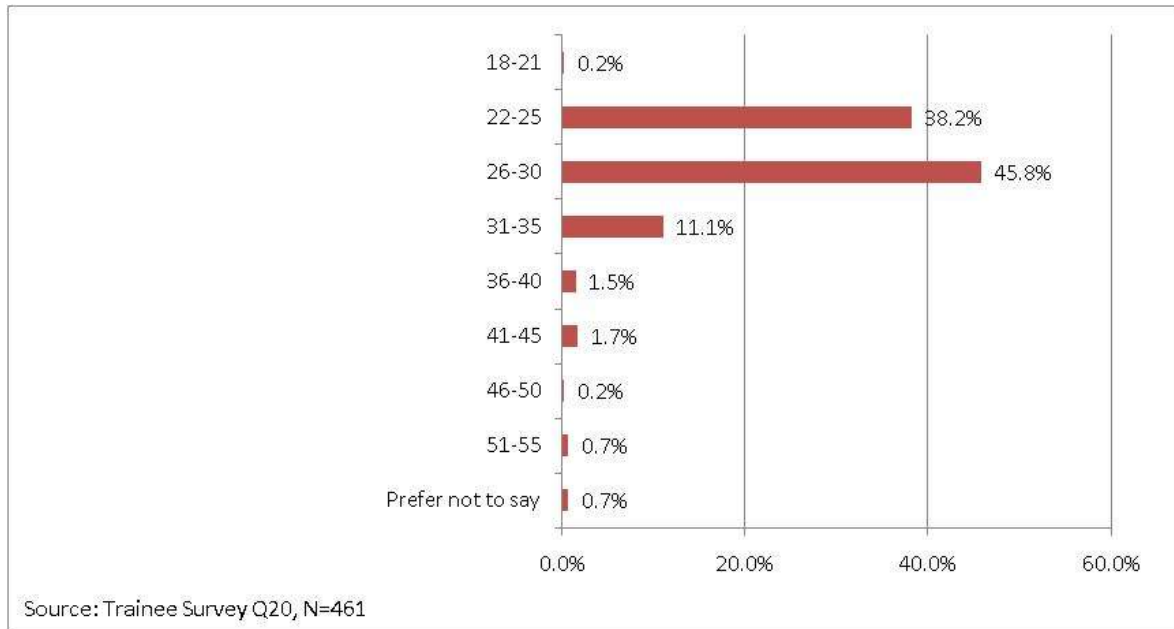
Figure I.8: Gender



Age

Most respondents were between 22 and 30. 38.2% were in the 22-25 age bracket, and 45.8% were in the 26-30 age bracket. 11.1% were 31-35, and around 5% were over 35.

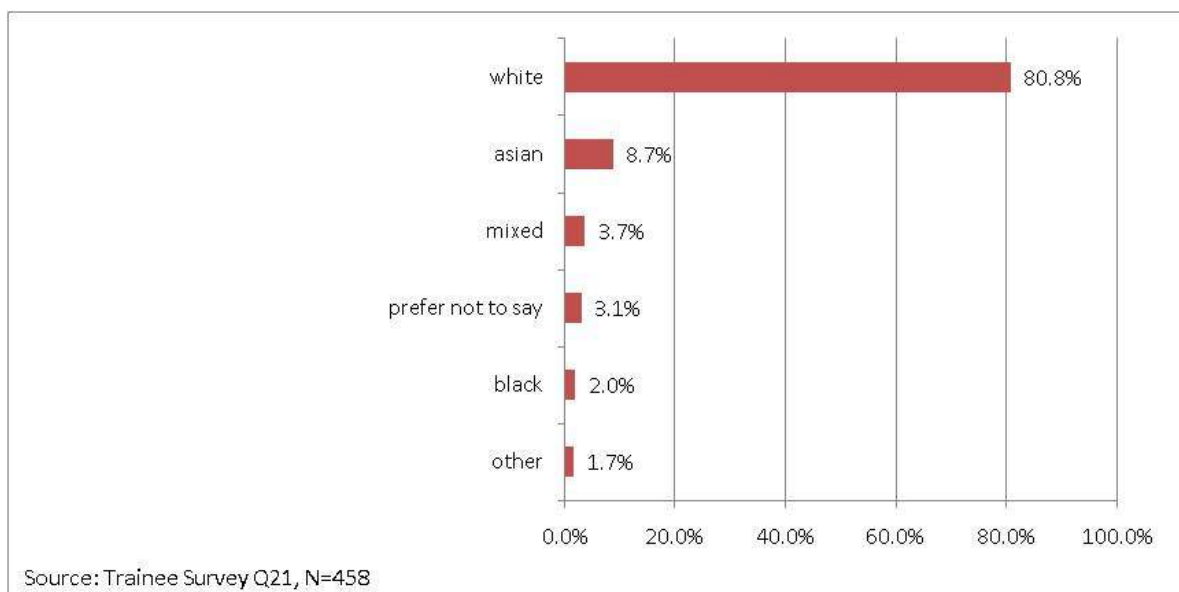
Figure I.9: Age



Ethnic background

80% of trainee respondents described their ethnic group as White, with a further 8.7% describing themselves as Asian, 3.7% Mixed, 2% Black and 1.7% another group.

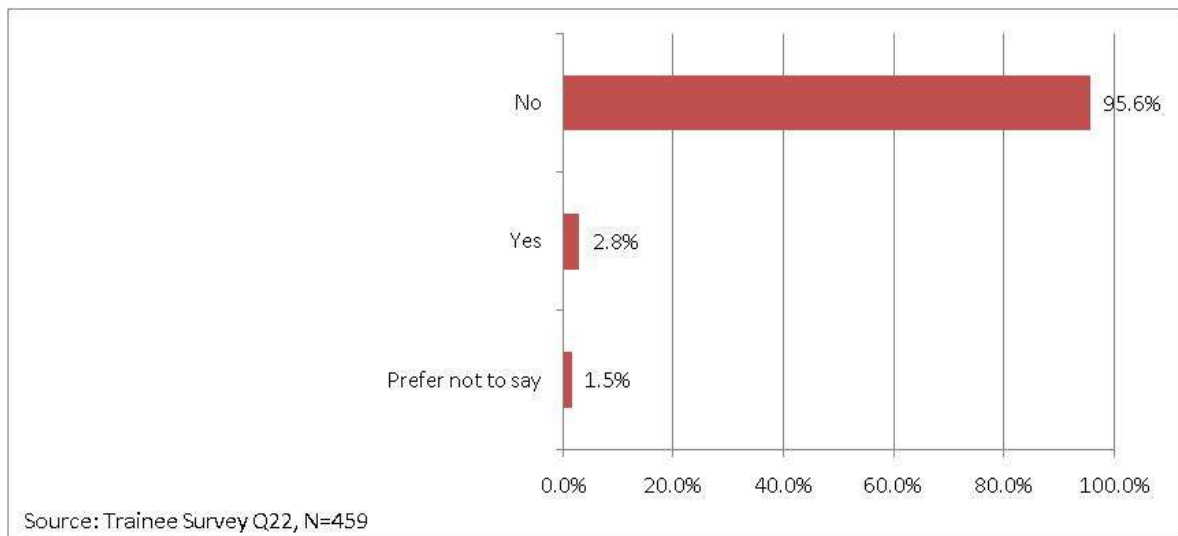
Figure I.10: Ethnic group



Disability status

The Equality Act 2010 generally defines a disabled person as someone who has a mental or physical impairment that has a substantial and long term adverse effect on the person's ability to carry out normal day-to-day activities. Using this definition, 2.8% of respondents described themselves as disabled.

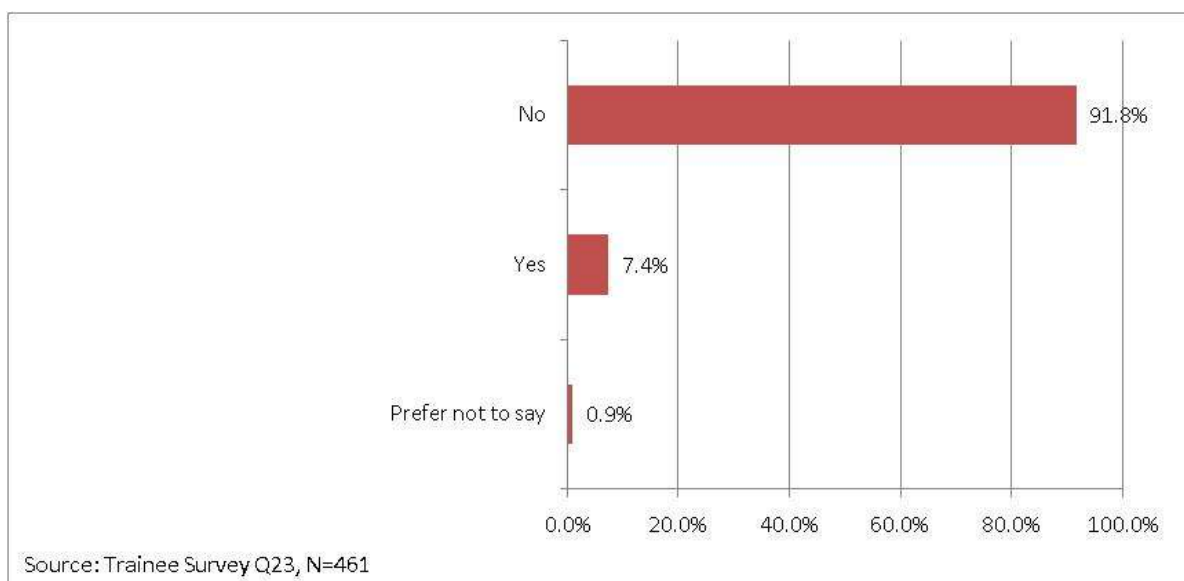
Figure I.11: Did trainees consider themselves to have a disability according to the definition in the Equality Act?



Carer status

7.4% of trainee respondents were primary carers for a child or children under 18.

Figure I.12: Were trainees a primary carer for a child or children under 18?



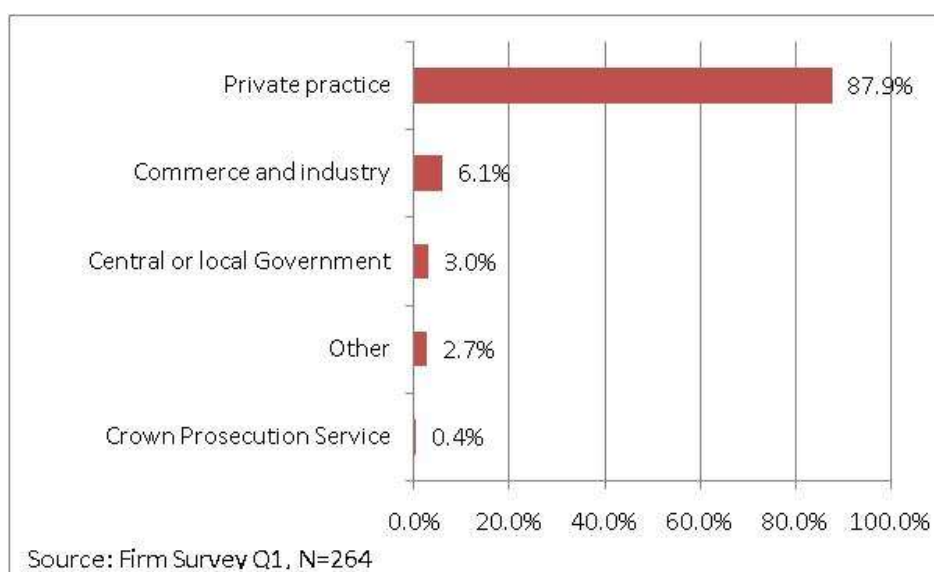
Firm survey

This section described the sample of respondents to the firms survey.

Firm type

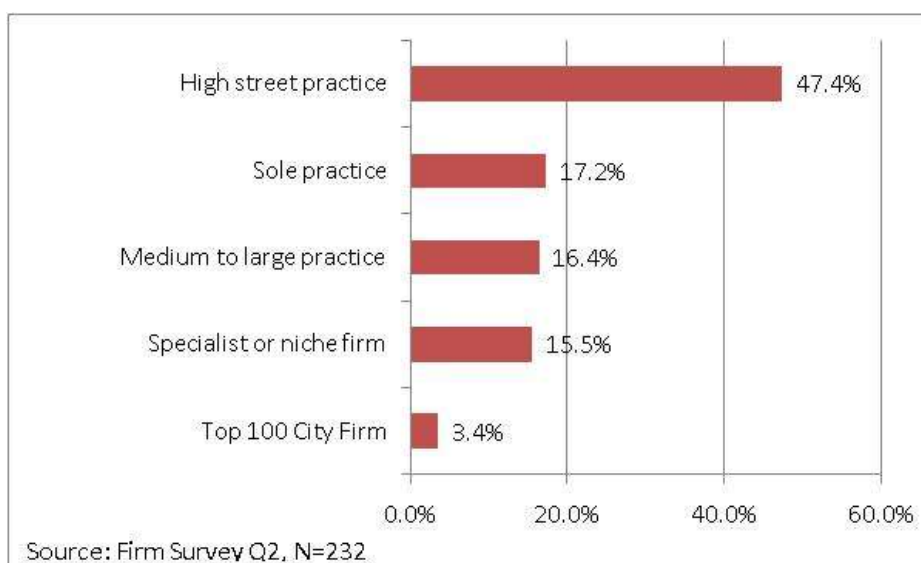
266 representatives of firms responded to this survey, of these the majority were organisations describing themselves as engaged in private practice.

Figure I.13: Type of organisation



Nearly half of respondents were representing firms described as 'high street practices' and a further 17% were sole practitioners. Only a small proportion of respondents were from 'Top 100 City Firms'.

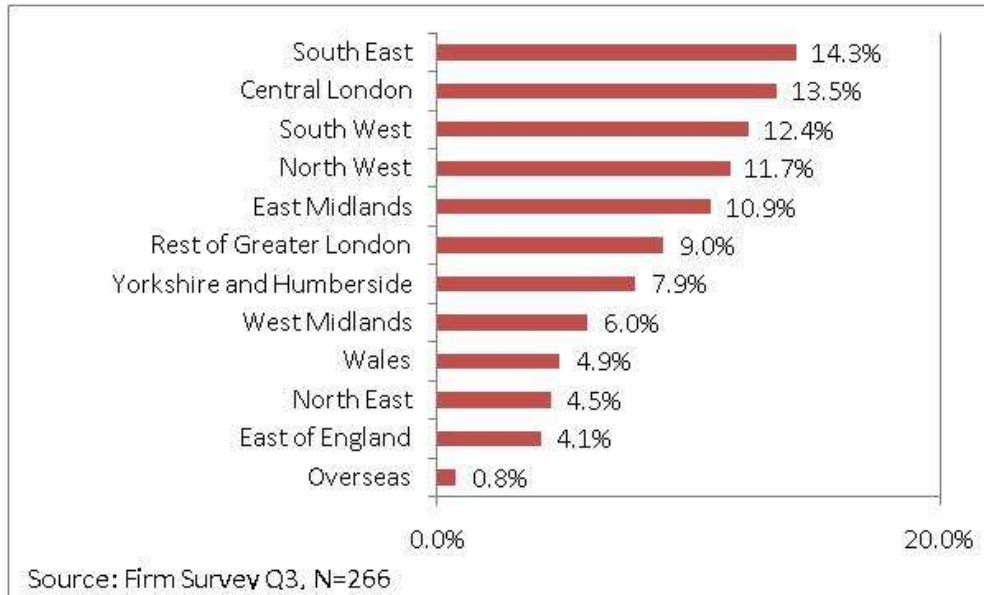
Figure I.14: Description of firm



Location of firm

Firms from the South East, central London and the South West most frequently responded to the survey. Fewer numbers of respondents came from firms in the East of England, the North East and Wales.

Figure I.15: Region where firm is located



Role and responsibilities of respondent

Respondents tended to hold senior positions in the firm they worked for. 62% of respondents stated that they were partners and 16% were sole practitioners. Other respondents included directors, heads of legal departments or managers. 9% of respondents held less senior roles, such as assistants or associates.

Figure I.16: Role of respondent

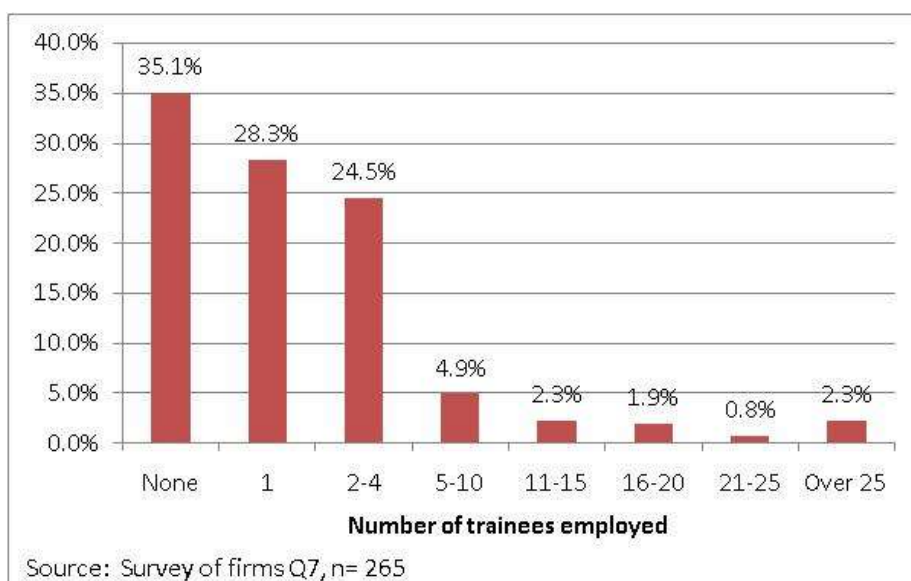


Trainees employed by firm

Firms taking part in the survey largely reflect the 'lower tier' of the market for trainees - in that they employ a small number of trainees and offer salaries at the lower end of the pay spectrum. Therefore findings should be taken as representing how this segment of the market will react, not how the entire market for trainees will behave.

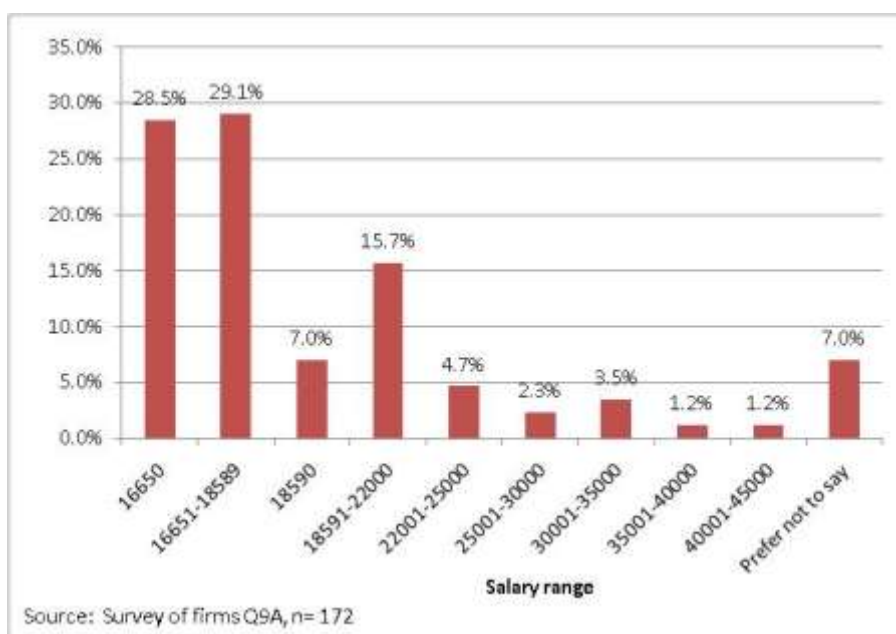
35% of respondents stated that their firm did not currently employ any trainees. The majority of those that did, only employed a small number of trainees (between one and four).

Figure I.17: number of trainees employed



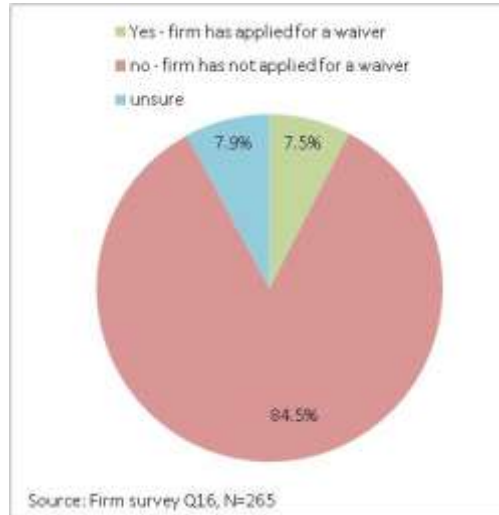
Salary levels paid by the firms responding to the survey tend to be at, or just above, the minimum salary level.

Figure I.18: Salary offered to trainees



The majority of respondents also stated that their firm had not previously applied for a waiver to pay trainees below the minimum salary.

Figure I.19: Applications for waivers



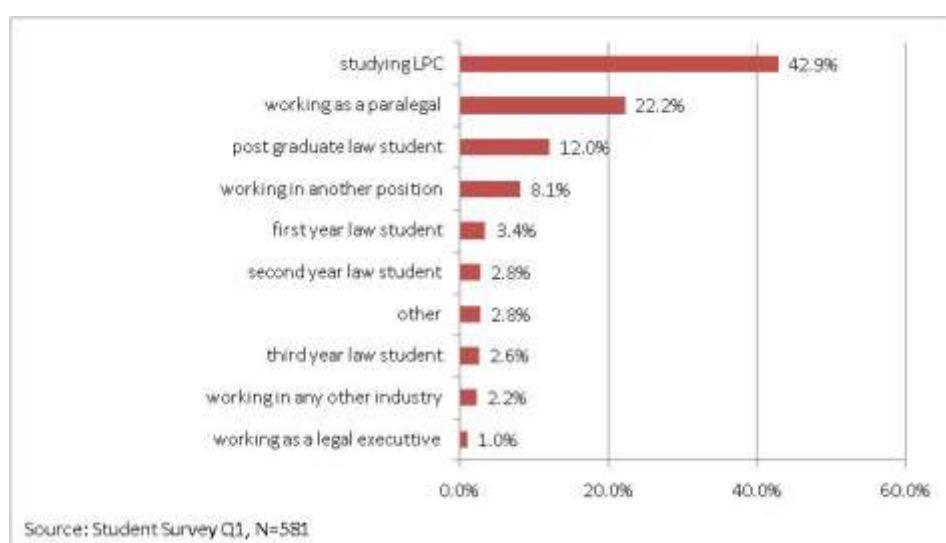
Survey of students, paralegals and others considering training as a solicitor

This section described the sample of respondents to the survey of students and others.

Status

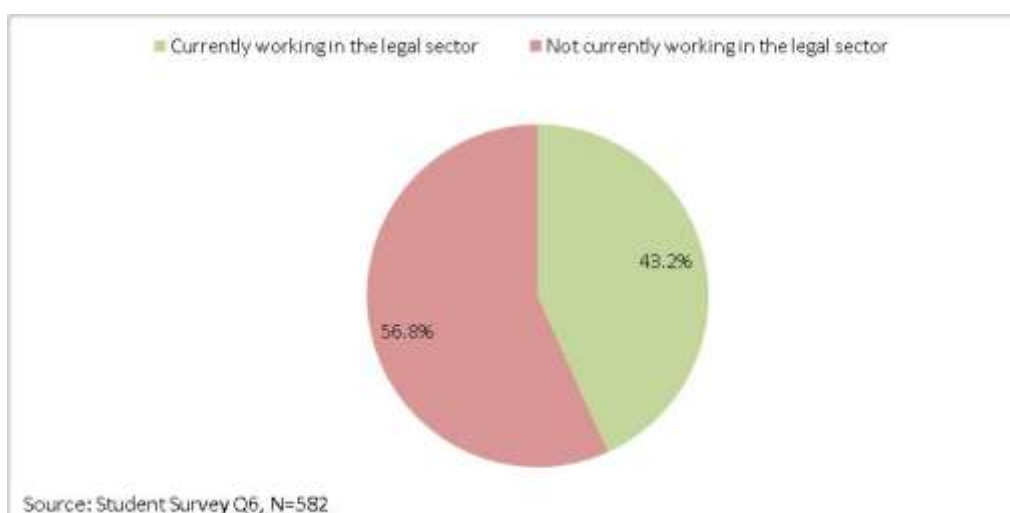
582 students and other interested parties (who were not trainees or solicitors) responded to this survey, of these the majority were studying the Legal Practice Course (LPC) (42.9%), working as a paralegal (22.2%) or post graduate law students (12%).

Figure I.20: Current status of respondent



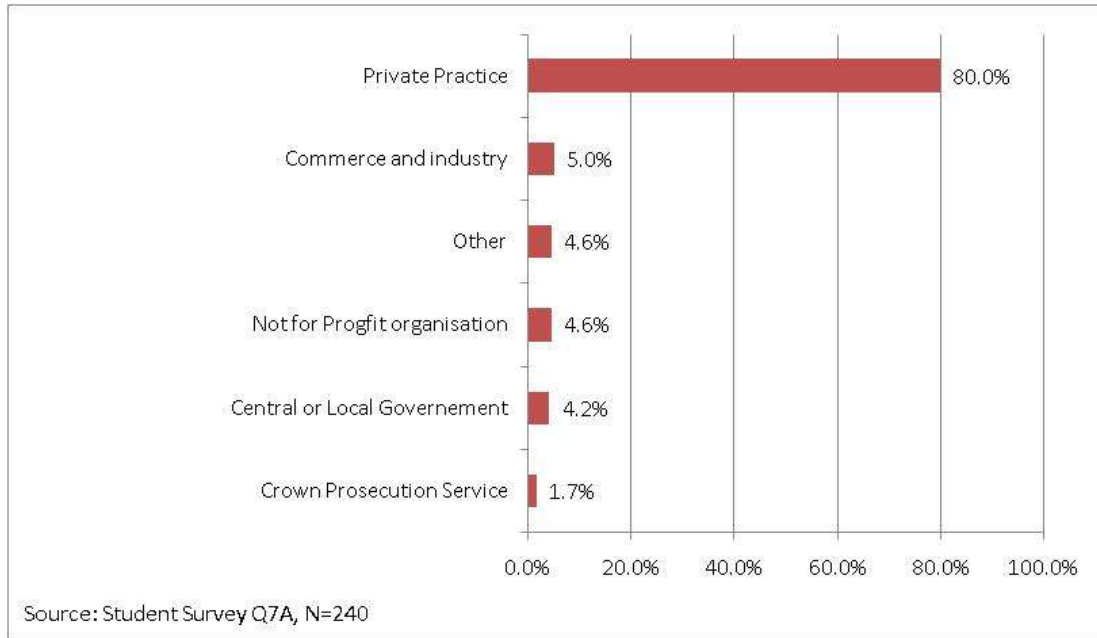
Just under half of respondents (43.2%) were currently working in the legal sector.

Figure I.21: Respondents working in the legal sector



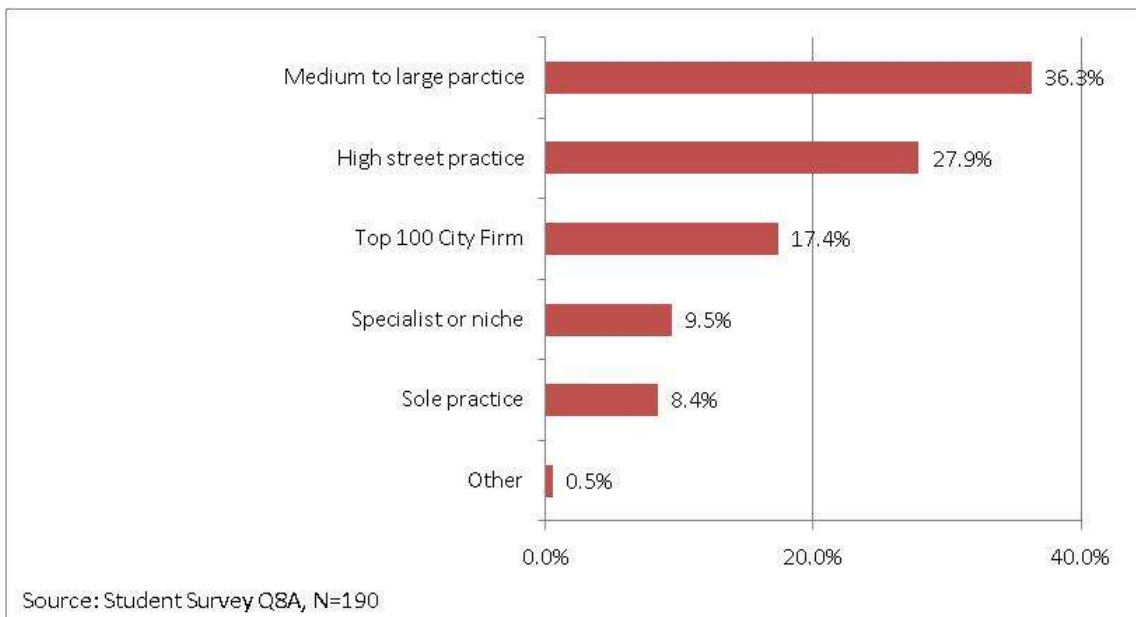
Of those working in the legal sector, 80% were working in private practice organisations.

Figure I.22: Type of organisation



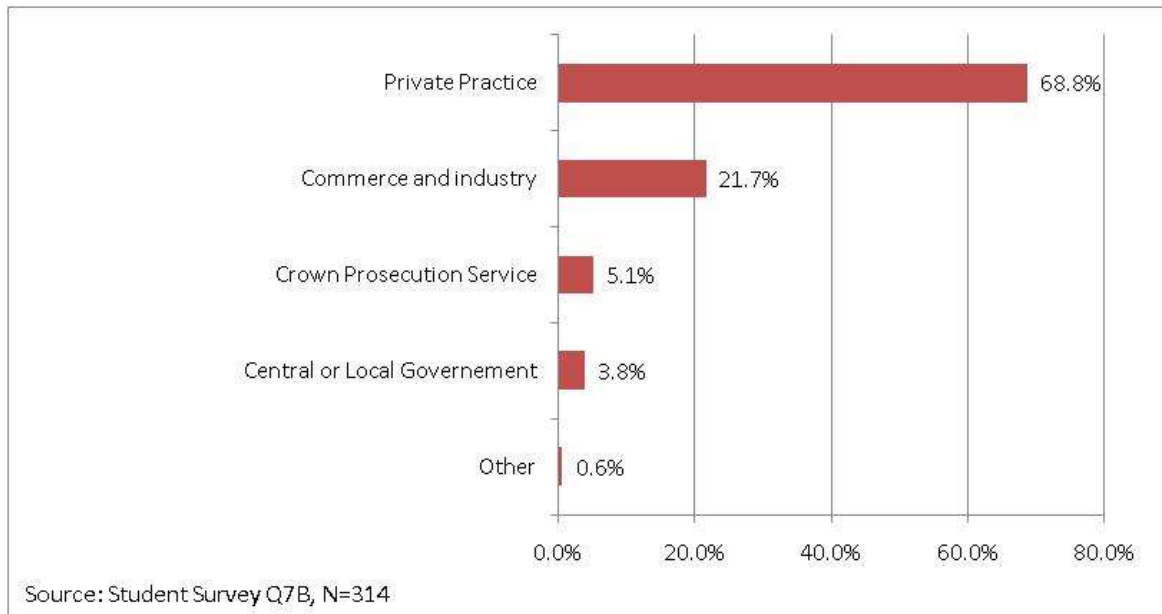
Of those working in private practice, just over one third (36.3%) described themselves as working in medium to large practices, and just less than a third (27.9%) described themselves as working in high street practices.

Figure I.23: Firm type



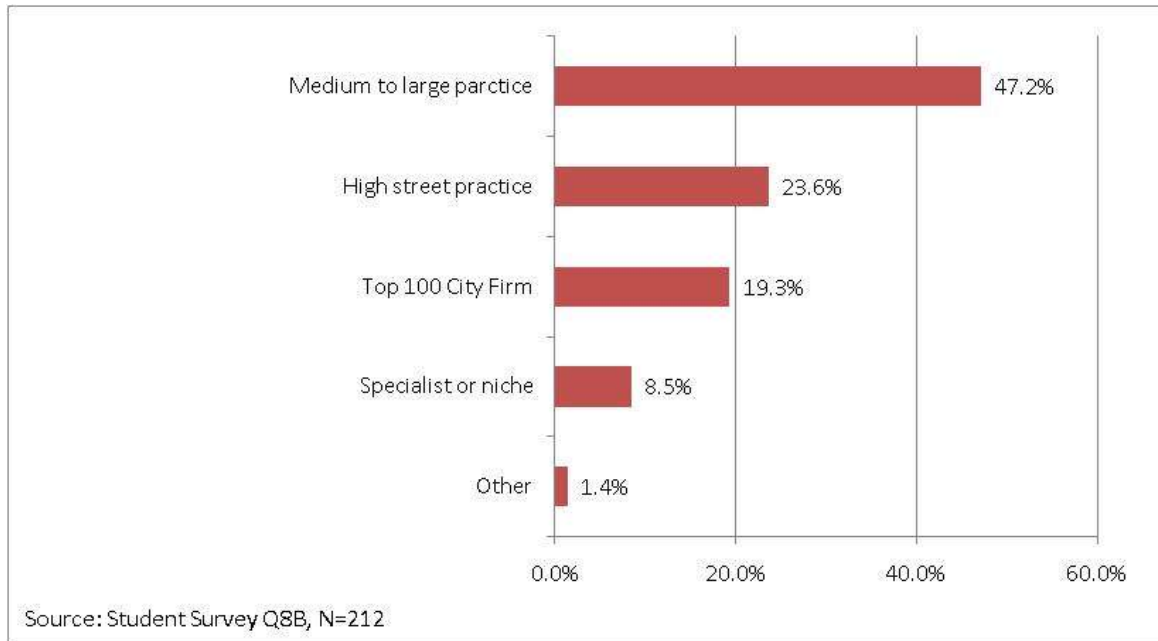
We asked those who were not currently working in the legal sector in which type of organisation they would prefer to work.

Figure I.24: Type of organisation students and others would prefer to work in



Of those not working in the legal sector who said they would prefer to work in private practice, 47% said they would prefer to work in a medium to large practice, and 23.6% in a high street practice. Only 8.5% said they would like to work in a specialist or niche firm.

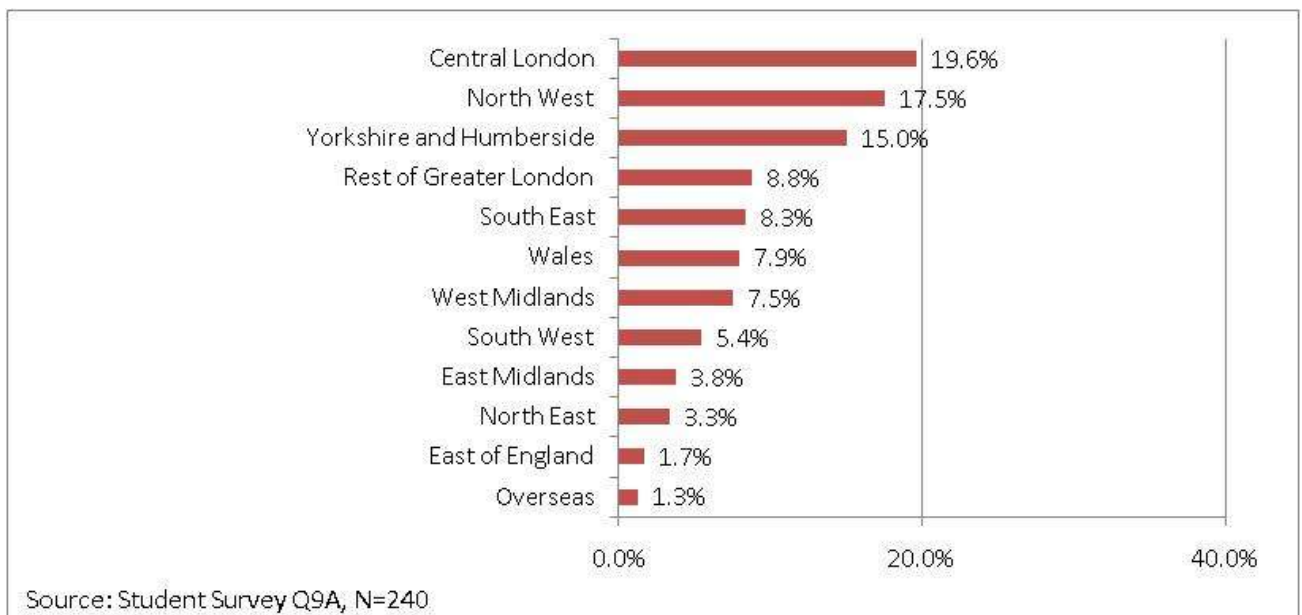
Figure I.25: Preferred firm type



Region of work

Of those currently working in the legal sector, 19.6% worked in central London and 1.3% overseas.

Figure I.26: Region of work



Of those not working in the legal sector, we asked them which region they would prefer to work in. Around one third (36.3%) said they would like to work in central London, with the North West, South West and South East the next popular choices.

Figure I.27: Preferred region of work



Training contract

Of those who completed this survey, one in five had secured a training contract.

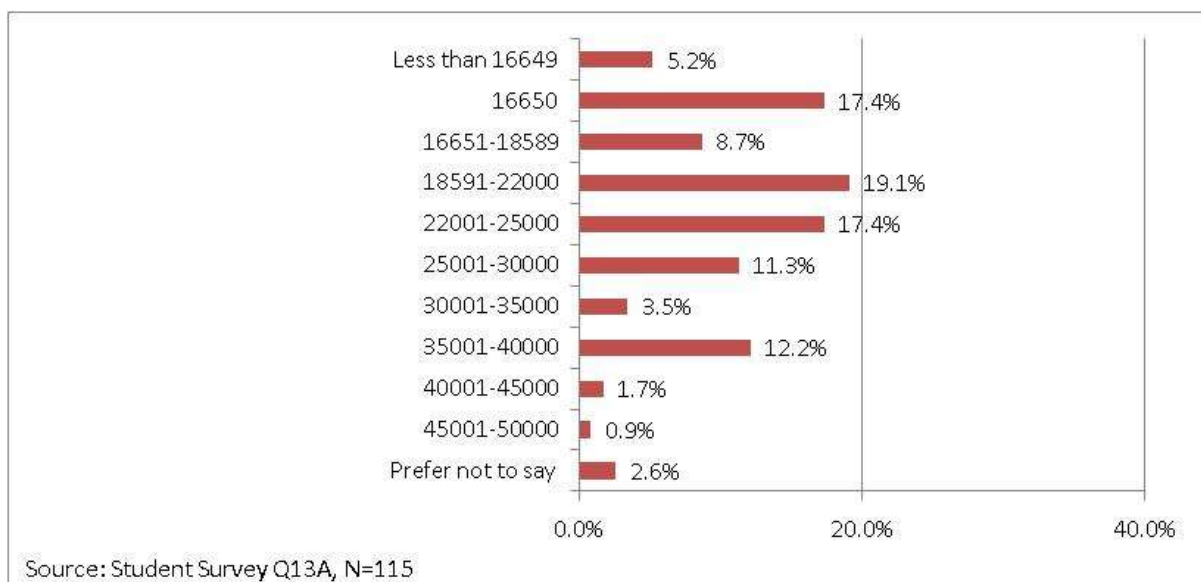
Figure I.28: Training contract status



Remuneration

We asked those who had secured a training contract what their trainee starting salary per annum would be. There was a varying range of responses, 17.4% of respondents said their salary would be £16650 per annum, 19.1% between £18591 and £22000, and 17.4% between £22001 and £25000.

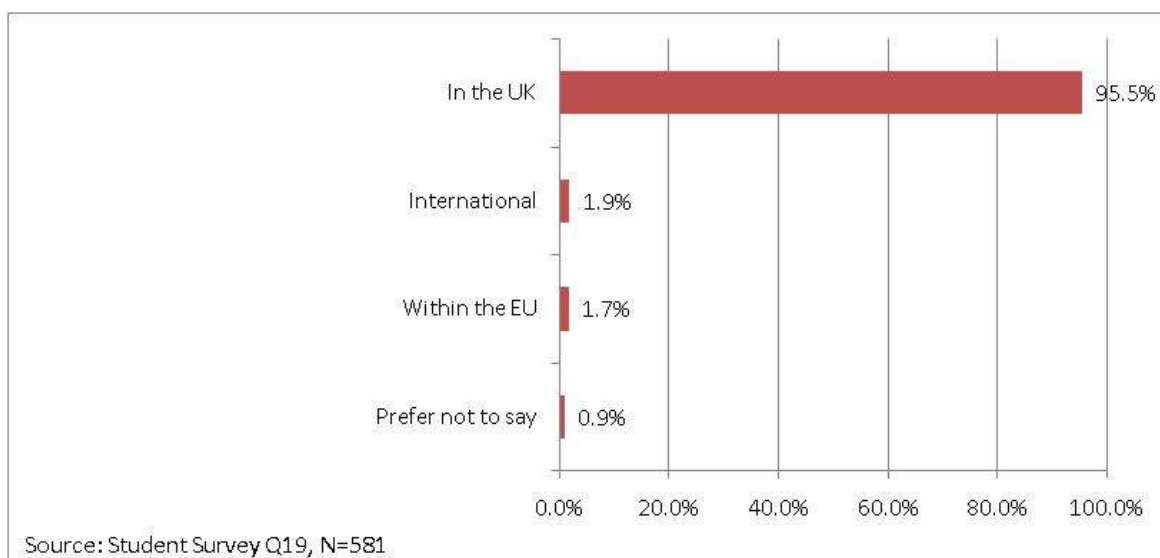
Figure I.29: Trainee starting salary



Main residence

95.5% of respondents were primarily resident in the UK.

Figure I.30: Main permanent residence

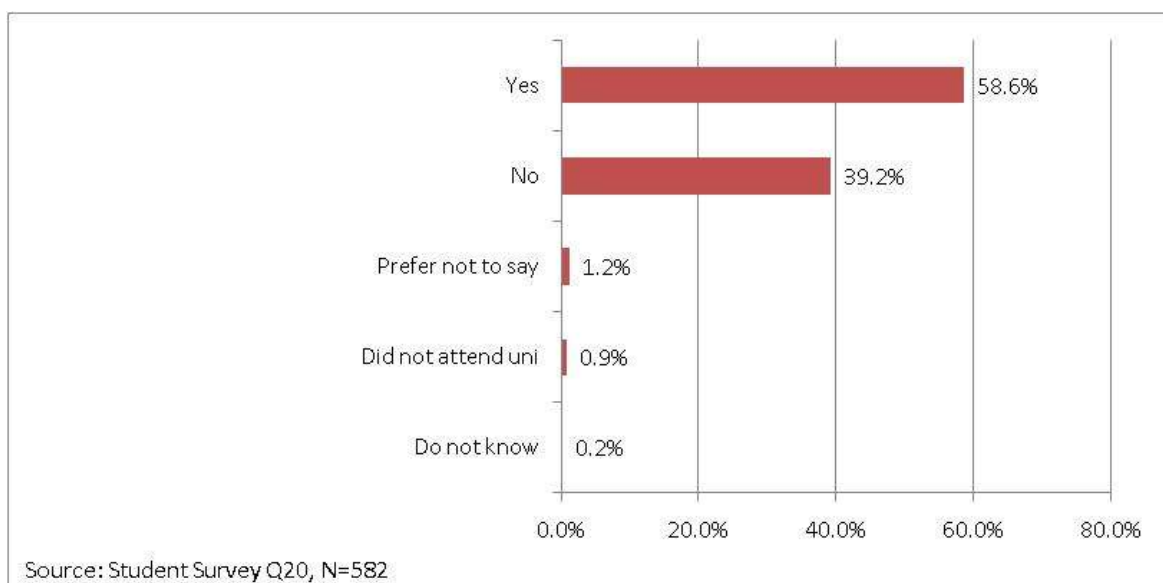


Socio-economic status

We used two proxy measures for socio-economic background; whether the trainee was part of the first generation of their family to go to university, and whether the trainee attended a state school or a fee paying school.

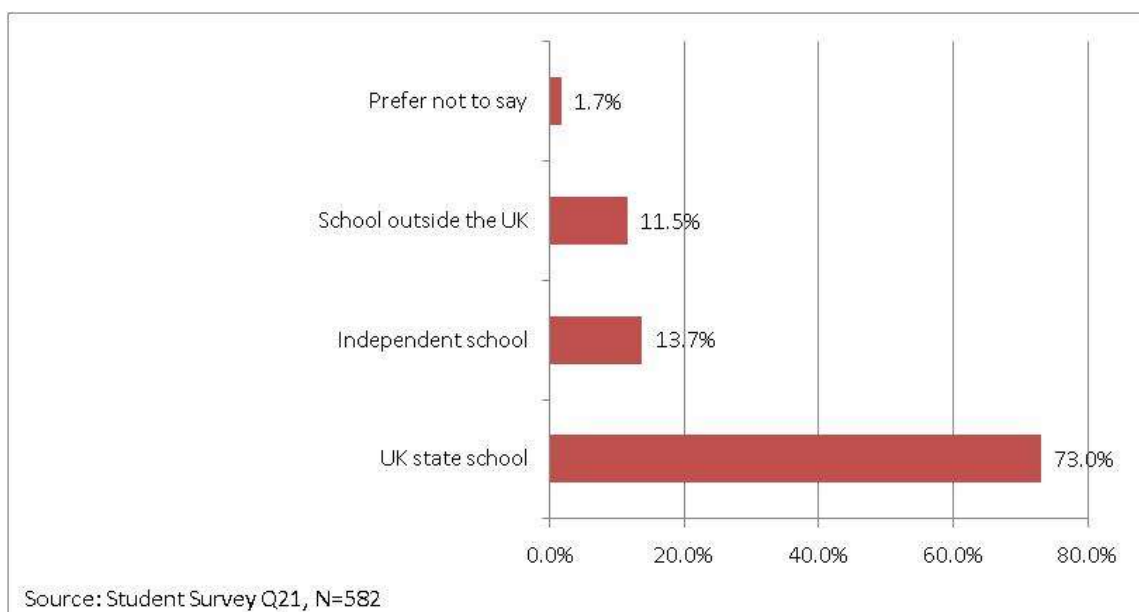
Of 460 students who responded, 52.8% were not part of the first generation of their family to go to university, but 46.5% were.

Figure I.31: If student went to university to study a degree or higher, were they part of the first generation of their family to do so?



Nearly three quarters of respondents went to a UK state school, with 13.7% attending a fee paying independent school, and 11.5% attending a school outside the UK.

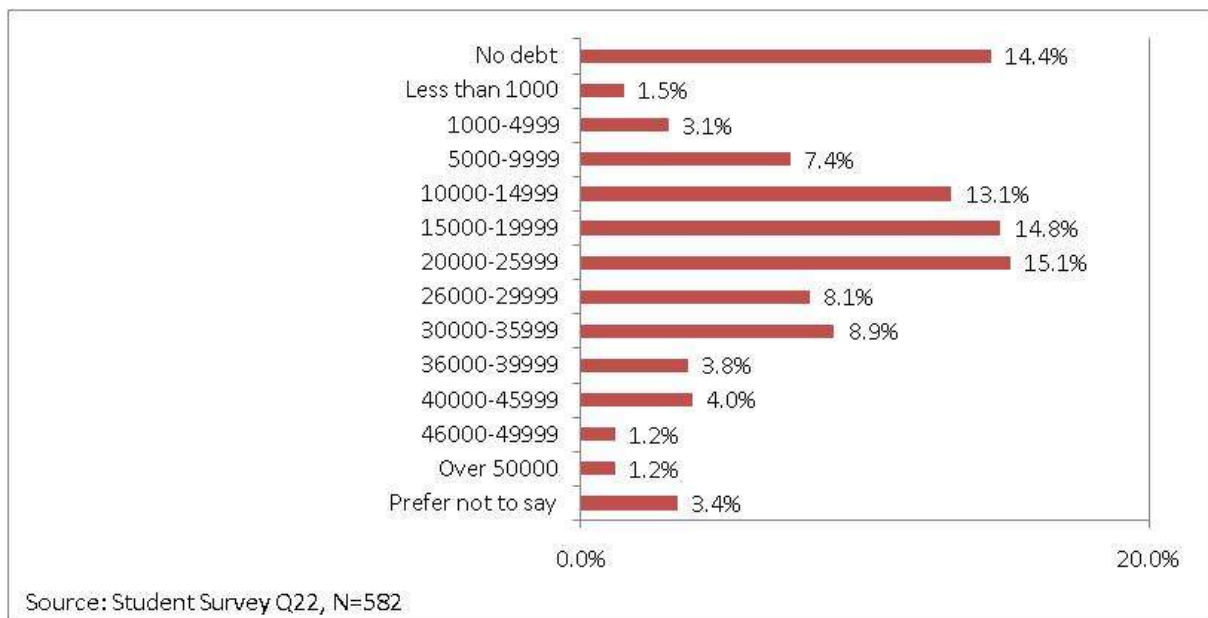
Figure I.32: Main school attended between ages of 11 and 18



Debt due to funding education and career

Student respondents had varying levels of debt relating to paying for their education and career. 13.7% had incurred no debt, but most trainees had between £5000 and £26000 worth of education related debt.

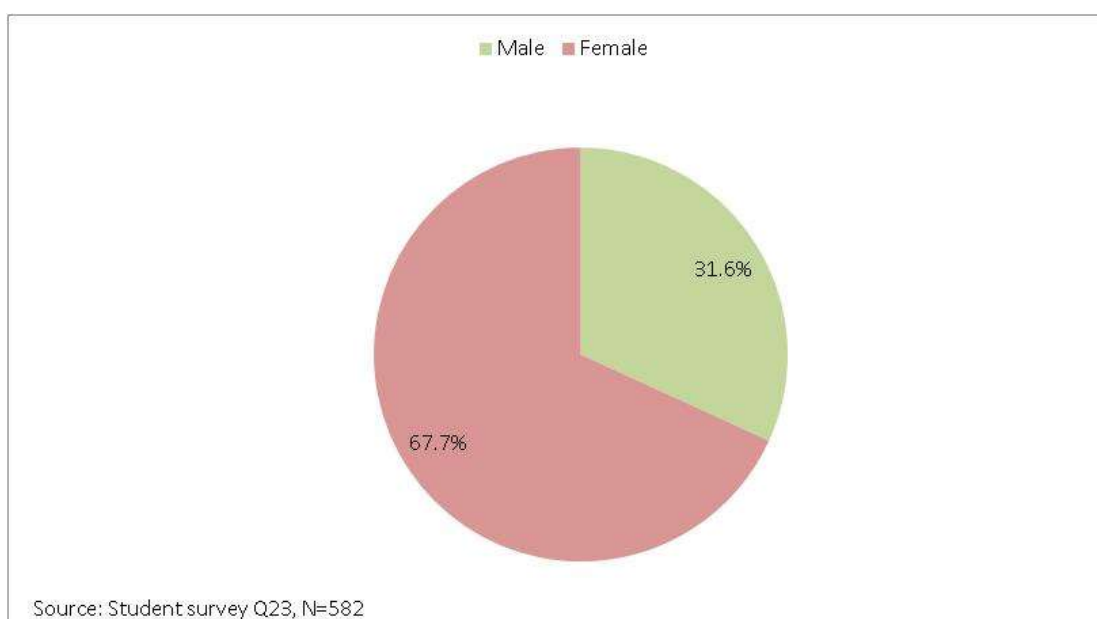
Figure I.33: Current level of debt due to funding education and career



Gender

67.7% of respondents were female, and 31.6% were male.

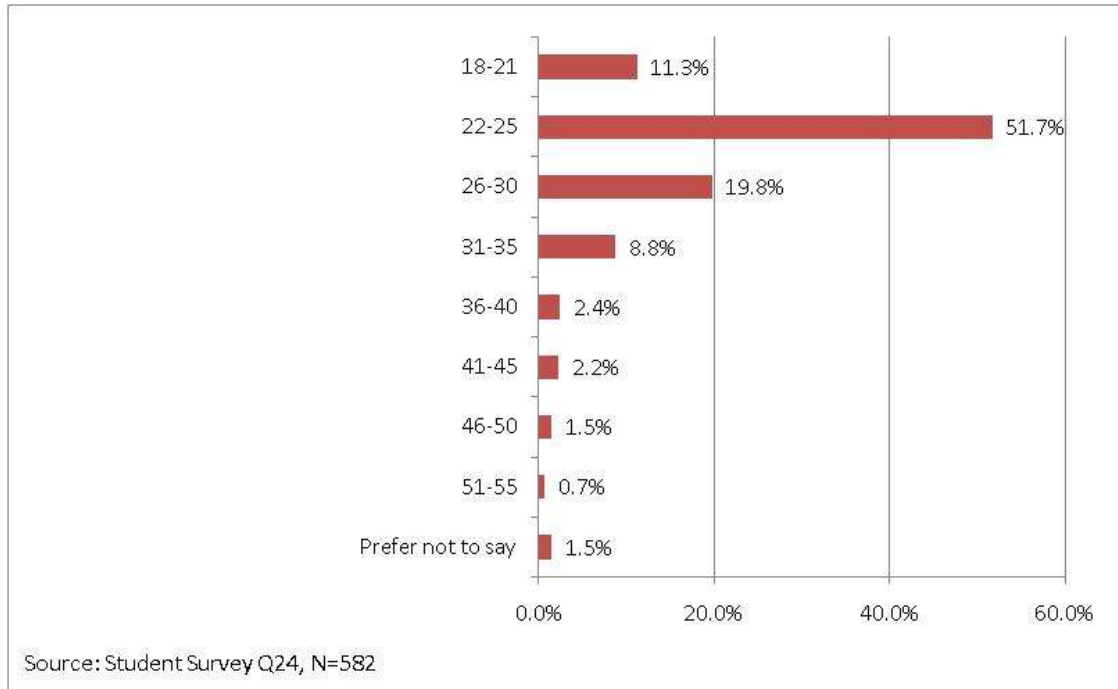
Figure I.34: Gender



Age

Just over half of respondents were aged 22-25, around 1 in 10 (11.3%) were 18-21, and around 1 in 5 were aged 26-30. The rest were over 30 years of age.

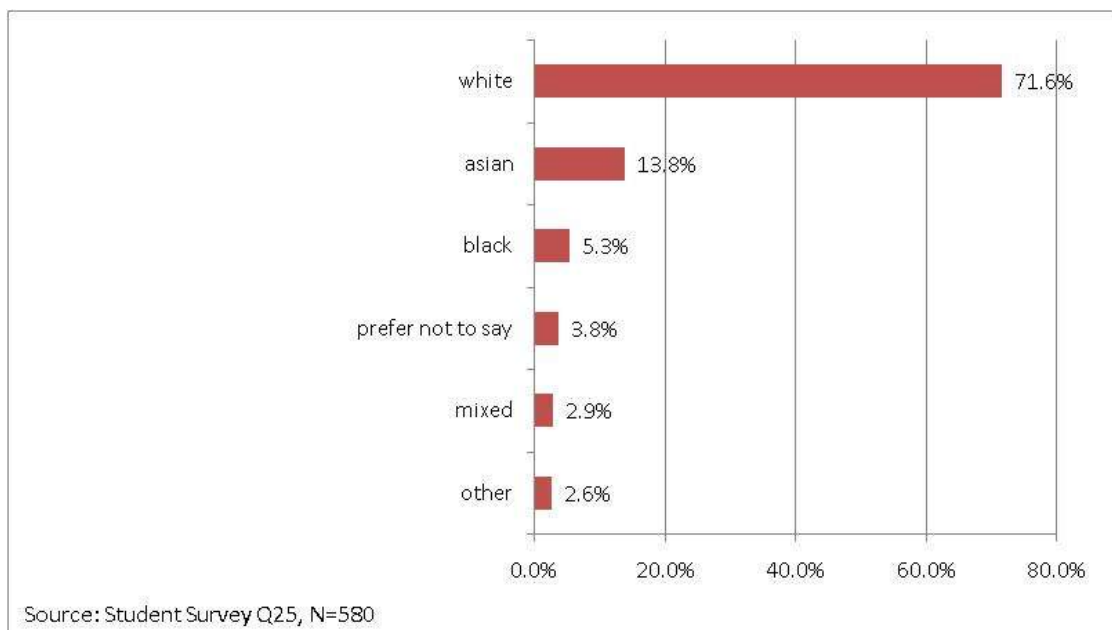
Figure I.35: Age



Ethnic group

71.6% of respondents described themselves as from a White ethnic group, with 13.8% from an Asian ethnic group, 5.3% Black, and 2.9% Mixed.

Figure I.36: Ethnicity

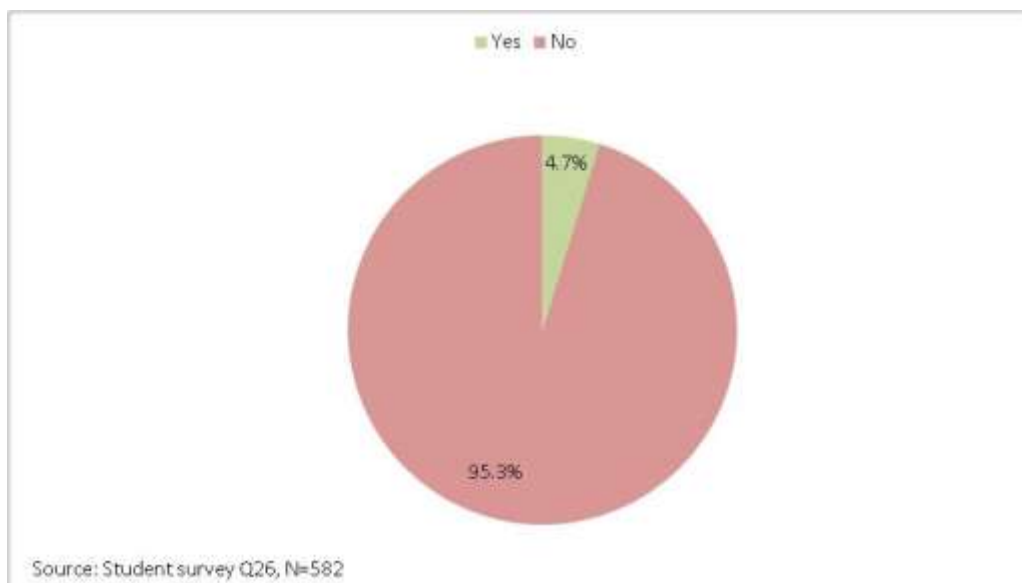


Disability status

The Equality Act 2010 generally defines a disabled person as someone who has a mental or physical impairment that has a substantial and long term adverse effect on the person's ability to carry out normal day-to-day activities.

4.7% of respondents defined themselves as having a disability.

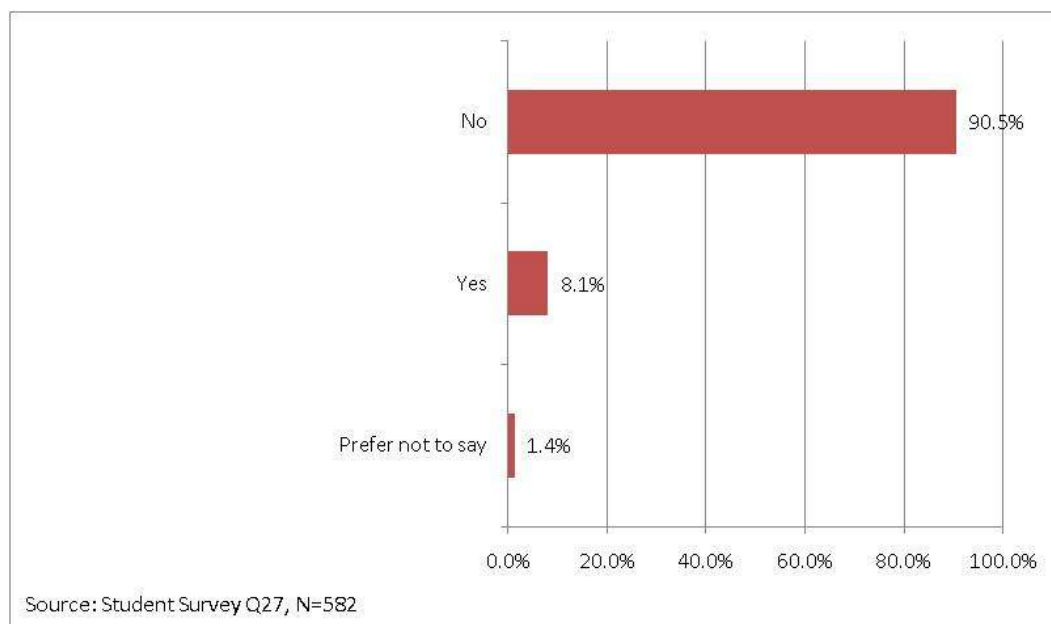
Figure I.37: Did respondent describe themselves as disabled?



Carer status

8.1% of respondents were a primary carer for a child or children under 18

Figure I.38: Is respondent a primary carer for a child or children under 18?



Appendix II. Benchmarking with other approaches to setting training salaries

This section sets out the approach taken in comparable industries to setting or suggesting training salaries as well as identified problems with access to, and diversity in, these professions.

Figure II.1: Benchmarking training salaries in other industries

Profession	Regulator		Training Programme Format	Minimum Starting Salary		
				Formally Imposed by Regulator?	Suggested by Regulator?	Notes
Barristers	Bar Standards Board	BSB	<p>The final stage of the route to qualification as a Barrister in England and Wales is pupillage. Pupillage comprises practical training under the supervision of an experienced Barrister. Pupillage is divided into two parts and consists of:</p> <ul style="list-style-type: none"> • Six months of non-practicing experience • Six months of practicing experience 	Yes.	All Pupils must be paid no less than £12,000pa + reasonable travel expenses where applicable.	The minimum salary for pupils is intended to be close to the National Minimum Wage. The reason for this is that pupils are not covered by the National Minimum Wage legislation.
Doctors	General Medical Council	GMC	<p>The Foundation Programme is a 2 year training programme that all UK medical school graduates are required to undertake in order to practice medicine in the UK. The programme was launched in August 2005 and enables new doctors to gain competencies in core clinical skills, as well as other professional skills such as team working and communication. Doctors are assessed throughout the 2 year period.</p>	No	No	Trainee Doctors working for the NHS earn a basic salary (£22,412 in year 1/£27,798 in year 2) which is set as part

Figure II.1: Benchmarking training salaries in other industries

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Profession	Regulator		Training Programme Format	Minimum Starting Salary		
				Formally Imposed by Regulator?	Suggested by Regulator?	Notes
			The GMC is responsible for the approval and quality assurance of the Foundation programme.			of the Government's annual spending review and not by the GMC.
Pharmacists	General Pharmaceutical Council	GPhC	<p>The one year training programme for Pharmacists is called a Pre-registration programme. Pre-registration Pharmacists must complete 52 weeks of supervised and assessed training in employment (at an approved hospital or community pharmacy) and pass the registration examination for admission to the GPhC register.</p> <p>The GPhC is responsible for quality assuring the one year training programme for Pharmacists and the subsequent registration as a as a Pharmacist.</p>	No	No	NHS hospital based Pre-registration Pharmacists/entry level typically start on a Band 5 salary (£21,176 approx) which is a suggested salary put forward by the NHS/agenda for change ⁴⁸ and not the GPhC.

⁴⁸ Most jobs in the NHS are covered by the Agenda for Change (AfC) pay scales. This pay system covers all staff except doctors, dentists and the most senior managers. In the AfC the NHS job evaluation system determines a points score which is used to match jobs to one of the nine pay bands and determine levels of basic salary. Each of the nine pay bands have a number of pay points. Staff will normally progress to the next pay point annually until they reach the top pay band. In addition to basic pay, there is also pay for staff who work in high cost areas such as around London. Details of the pay bands can be found here: <http://www.nhscareers.nhs.uk/details/Default.aspx?Id=237> – it is important to note that the information provides an indication of which AfC pay bands certain job titles fit into and is based on the nationally produced job profiles. For the band pay scales please click here: <http://www.nhscareers.nhs.uk/details/Default.aspx?Id=766>

Figure II.1: Benchmarking training salaries in other industries

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Profession	Regulator		Training Programme Format	Minimum Starting Salary		
				Formally Imposed by Regulator?	Suggested by Regulator?	Notes
Architects	Architects Registration Board	ARB	<p>The ARB is the UK's statutory regulator of architects. The ARB is the only body in the UK that is allowed to recognise the qualifications needed to become an architect. The most common route to the qualification takes 7 years which is divided into three parts:</p> <ul style="list-style-type: none"> • Part 1: a 3 year degree in architecture prescribed by ARB + 1 year practical experience. • Part 2: a 2 year full time study course + 1 year practical experience • Part 3: professional practice qualification 	No	No	The regulator does not impose a minimum salary. Guidance is available on industry wide trends ⁴⁹ which suggest that a part 2 qualified starting salary ranges from £23-27,000.

⁴⁹ See: <http://www.ribaappointments.com/Salary-Guide.aspx>

Figure II.1: Benchmarking training salaries in other industries

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Profession	Regulator		Training Programme Format	Minimum Starting Salary		
				Formally Imposed by Regulator?	Suggested by Regulator?	Notes
Chartered Surveyors	Royal Institution for Chartered Surveyors	RICS	<p>The Assessment of Professional Competence (APC) is the practical training and experience which when combined with academic qualifications, leads to RICS membership. The objective of the APC is to ensure individuals are competent to practise as a Chartered Surveyor. To enrol and start an APC the individual must be in suitable employment with a firm.</p> <p>The APC consists of:</p> <ul style="list-style-type: none"> • A period of structured training (primarily competency based) • A minimum of 400 days relevant practical experience • A final assessment interview 	No	No ⁵⁰	---

⁵⁰ In collaboration with Macdonald & Company, RICS produce an annual salary and benefits survey for the surveying profession. Click on the following link to access the 2011 report:
http://issuu.com/borncreative57/docs/uk_survey_results_2011?mode=embed&layout=http%3A%2F%2Fskin.issuu.com%2Fv%2Fflight%2Flayout.xml&showFlipBtn=true&logo=http%3A%2F%2Fwww.born-creative.co.uk%2Fclient%2Fexamplepage%2Fmacdonald.jpg&logoOffsetX=20&logoOffsetY=20

Figure II.1: Benchmarking training salaries in other industries

Figure II.1: Benchmarking training salaries in other industries						
Profession	Regulator		Training Programme Format	Minimum Starting Salary		
				Formally Imposed by Regulator?	Suggested by Regulator?	Notes
Chartered Accountants	Institute of Chartered Accountants in England & Wales	ICAEW	<p>Students cannot qualify for the ACA qualification without completing and passing all four of the following elements:</p> <ul style="list-style-type: none"> • Exams • Technical work experience (450 days) • Initial professional development • Structured training in ethics <p>Along with these four elements, ICAEW requires students to have:</p> <ul style="list-style-type: none"> • An ACA training agreement • Six monthly reviews throughout their training 	No	No ⁵¹	---

⁵¹ ICAEW does not have an expectation of a minimum salary for those undertaking an ACA qualification and experience however they do publish salary surveys on their website: <http://www.icaew.com/en/library/subject-gateways/career-and-personal-development/salary-surveys>

Figure II.1: Benchmarking training salaries in other industries

Figure II.1: Benchmarking training salaries in other industries						
Profession	Regulator		Training Programme Format	Minimum Starting Salary		
				Formally Imposed by Regulator?	Suggested by Regulator?	Notes
Teachers	General Teaching Council for England ⁵²	GTCE	<p>Anyone wanting to teach in England & Wales must complete Initial Teacher Training (ITT). There are many different types of ITT course (by age group/subject the teacher wants to teach) and all courses cover the principles of teaching along with practical experience in the classroom.</p> <p>Qualified Teacher Status (QTS) is awarded to teachers who can demonstrate that they meet the required professional standards to teach in maintained schools or non-maintained special schools. The standards are a set of statements, formally setting out what a trainee teacher is expected to know, understand and be able to do in order to be awarded QTS and succeed as an effective teacher. They are divided into three categories:</p> <ul style="list-style-type: none"> • Attributes • Knowledge and understanding • Skills <p>QTS is a permanent award and does not expire. Once gained, it allows teachers to teach any age and any subject. Once QTS is obtained, teachers can begin their induction as a Newly Qualified Teacher (NQT).</p>	No	No	All teachers are paid according to pay scales, updated each September by the Government. Once ITT has been completed and QTS has been achieved NQT's can expect to start on £21,588 per year (£27,000 in inner London). These minimum salaries are set by Government and not by the Regulator.

⁵² The Government is working towards a closure date for the GTCE of 31 March 2012.

Figure II.1: Benchmarking training salaries in other industries

Figure II.1: Benchmarking training salaries in other industries						
Profession	Regulator		Training Programme Format	Minimum Starting Salary		
				Formally Imposed by Regulator?	Suggested by Regulator?	Notes
Scottish solicitors	The Law Society of Scotland		Two year training contract similar to training contract in England and Wales. No mandatory minimum salary, but a recommended minimum salary is advised by the Law Society and revised each year. On 27 April 2012 the Law Society of Scotland's Council decided to implement requirements to ensure that all trainees are paid at least the National Minimum Wage.	No	Yes	---

Figure II.2: Barriers to access in larger professions in the United Kingdom (2005)

Profession	Issues around access
Accountancy	<ul style="list-style-type: none"> • Growing student debt has led to i) increased salaries for new recruits, and ii) alternative entry pathways becoming available that do not involve university education. The ACCA has a value of “open access”. • These alternative pathways, which target school leavers who might otherwise attend university, are seen as better value for firms as starting salaries are lower and retention is better. • Trainee packages usually cover the costs of the training and exams required to qualify, in addition to salary. Trainee salaries are seen as good, both at graduate and school-leaver level. • The flexibility of routes into the profession is cited as a key to a diverse profession and equality of access. Proportions of women and BME accountants and trainees reflect the general population.
Architecture	<ul style="list-style-type: none"> • Pay and status are considered to be low in proportion to the years of study (and therefore debt) required. • The author hypothesizes that this may be contributing to a lack of diversity in the architectural profession; both women and BME groups are under-represented. • Students tend to be poorly paid on work placements. • Professional body RIBA recommends, but does not comply, a minimum salary of £6.18 per hour/£8.17 in London (as of 2005), and reports that a number of trainees undertake unpaid work experience to further their career. • Lower pay for trainees than some other professions reflects the proportionately lower pay in general for qualified architects compared with other professions.
Chemistry	<ul style="list-style-type: none"> • Students perceive that more hours of study and lecture attendance are required in science and engineering, therefore some students feel there is a cost barrier as they will not have time to undertake part time work. • A 2002 report found that women perceived barriers to accessing science and engineering work, such as sexism, workplace culture and work/life balance. The author sees these type of barriers as more significant barriers to access than financial barriers.

Dentistry	<ul style="list-style-type: none"> • Many face barriers to access at the degree stage – there are 8 applicants for every place on a dentistry degree. • Around 40% of dental students are from BME backgrounds, however, there is under-representation of certain ethnic groups within the ‘BME’ group; BME dental students are not a cross section of all black and minority ethnic groups, and the majority are from Asian backgrounds.. • The Government committed £9million over 5 years to increasing the diversity of the dental profession. The General Dental Council also did not start comprehensively monitoring the diversity of the profession until 2005. • They are slightly more female dental trainees than male, but women earn less than men within the profession, and are less likely to own their own practice. • The cost of training means that newly qualified dentists are increasingly less likely to choose lower paid hospitals and lower paid areas of practice such as academia.
Engineering	<ul style="list-style-type: none"> • Women and BME groups are under-represented in engineering at both student level and employed level. • Engineering is one of the most highly paid, highly employed professions; engineering graduates earn around 30% more than the average graduate.
Medicine	<ul style="list-style-type: none"> • Students from lower socio-economic groups may be deterred from studying medicine due to the length of study and worry about student debt. • The likelihood of a student being accepted to medical school generally declines with socio-economic background. 38.5% of the general population come from the lower three socio-economic groups, whereas only 15% of students in medical schools come from these groups. • Similarly to dentistry, most BME medical students are from Asian backgrounds, with other BME backgrounds under-represented.
Nursing/ Midwifery	<ul style="list-style-type: none"> • There is a problem with the numbers and quality of nursing and midwifery teachers, as salaries for those working in academia are far lower than salaries for those working in practice. • Students who receive bursaries are not entitled to student loans, meaning students from lower socio-economic groups may face financial hardship (the bursaries are not means tested).

Social care	<ul style="list-style-type: none"> • The barriers here are around whether people sufficiently understand job opportunities and progression opportunities in social care.
Teaching (schools)	<ul style="list-style-type: none"> • There are new alternative routes to qualification, including work-based and flexible options, in an effort to recruit people from different backgrounds. • However, there is still concern around recruitment of BME teachers –only 2.4% of the teaching work force are BME teachers, compared with 12.9% of school children. • There are also issues around access to the top jobs for female and BME teachers. Over 60% of head teachers and deputy heads are male, and after 15-25 years experience, 16.9% of white teachers are in a top job, compared with 11.1% of black teachers and 9.6% of Asian teachers. • Financial incentives for teachers have substantially declined with the introduction of variable university fees, which may have an impact on access to teaching for those from lower socio-economic groups. However, it is hoped that the increasing flexibility of qualification routes will help to counteract this.
Veterinary science	<ul style="list-style-type: none"> • Applications far outweigh places on the university courses, which are a requirement to become a vet. More vets are actually registered in the UK who trained abroad than who trained in the UK. • Training requires 38 weeks of unpaid work experience, without student finance available. This is usually completed in vacation time, so students don't have that time to do paid work to pay off some of their debt. • Smaller firms have questionable financial viability, and with the costs of study so high, students are not attracted to the type of work associated with small firms, and do not want to train there. • There is a bias towards higher socio-economic groups. • More women train to become vets, but more men become practice partners.

Appendix III - Questionnaire: Firms

FIRMS



MINIMUM TRAINING SALARY REVIEW SURVEY

INTRODUCTION

Employers are currently required to pay trainee solicitors a minimum salary of £16,650 per annum (£18,590 in central London).

We are now reviewing our role in setting the minimum salary for trainee solicitors and we are seeking your views on the potential impact of removing the minimum salary requirement.

This survey is **anonymous** and should take no more than 10 minutes to complete.

If you have any queries about how to complete the questionnaire or about the survey in general, please call the SRA Research Team on 01527 883257 or by email on sraresearch@sra.org.uk.

We value your views and thank you for your assistance.

The survey closes on **21 March 2012**.

Section 1 - Introduction

Q1. In which type of organisation do you currently work?

(Please select one answer only)

Private practice	1
Commerce and industry	2
Central or local Government	3
Crown Prosecution Service	4
Other, please state	5

If Q1=1 then go to Q2
If Q1=2, 3, 4 or 5 then go to Q3

Q2. You said you work in private practice which of the following classifications best describes your firm?

(Please select one answer only)

Sole practice	
High street practice	
Medium to large practice	
Top 100 City Firm	
Specialist/niche firm	
Other, please state	

ALL

Q3. In which region do you work?

(Please select one answer only)

North East	
North West	
Yorkshire and Humberside	
East Midlands	
West Midlands	
South West	
East of England	
Central London	
Rest of Greater London	
South East	
Wales	
Overseas	

ALL

Q4. Which of the following best describes your position in the firm/organisation?

(Please select one answer only)

Sole practitioner	
Partner	
Assistant/Associate	
Consultant	
Prefer not to say	
Other, please state	

Section 2 - Trainee Solicitors

ALL

Q5. Do you have a responsibility for supervising or managing the work of trainee solicitors?

(Please select one answer only)

Yes	
No	
Prefer not to say	

ALL

Q6. Before taking part in this survey, were you aware that the SRA currently sets a minimum salary for trainee solicitors?

(Please select one answer only)

Yes	
No	

ALL

Q7. How many trainees does your firm/organisation currently employ?
(Please select one answer only)

0	1
1	2
2-4	3
5-10	4
11-15	5
16-20	6
21-25	7
Over 25	8

If Q7=1 then go to Q8

If Q7=2, 3, 4, 5, 6, 7 or 8 then go to Q9A and then go to Q10

Q8. Would you seriously consider employing trainees if you did not have to pay the minimum trainee salary?
(Please select one answer only)

Yes	1
No (please state reasons)	2
Unsure	3

If Q8=1 or 3 then go to Q11

If Q8=2 then go to Q14

Q9A. What do you pay your trainees as a starting salary? (please provide average figure, if different for each trainee)

(Please select one answer only)

Less than £16,649 (subject to SRA waiver)	
£16,650	
£16,651-£18,589	
£18,590	
£18,591-£22,000	
£22,001-£25,000	
£25,001-£30,000	
£30,001-£35,000	
£35,001-£40,000	
£40,001-£45,000	
£45,001-£50,000	
Over £50,000	
Prefer not to say	

Q10. Would you offer or start offering more training contracts if the minimum salary requirement was abolished?

(Please select one answer only)

Yes (please state reasons)	
No (please state reasons)	

Q11. If there was no minimum salary requirement imposed by the SRA what would you pay as a trainee starting salary?

(Please select one answer only)

Less than £16,649 (subject to SRA waiver)	
£16,650	
£16,651-£18,589	
£18,590	
£18,591-£22,000	
£22,001-£25,000	
£25,001-£30,000	
£30,001-£35,000	
£35,001-£40,000	
£40,001-£45,000	
£45,001-£50,000	
Over £50,000	
Prefer not to say	

If Q7=1 then go to Q13 and then go to Q14

If Q7=2, 3, 4, 5, 6, 7 or 8 then go to Q12 and then go to Q14

Q12. What factors do you consider when setting the salary for trainees?

(Please select all that apply)

Academic achievements of trainee	
Relevant experience of trainee	
The minimum training salary	
Trainee salary paid by competitors	
Resources in supervising and working with trainee	
Current profitability of your firm	
Other, please state	
Prefer not to say	

Go to Q14

Q13. If the SRA did not set a minimum training salary, what factors would you consider when setting the salary for trainees?

(Please select all that apply)

Academic achievements of trainee	
Relevant experience of trainee	
Trainee salary paid by competitors	
Resources in supervising and working with trainee	
Current profitability of your firm	
Other, please state	
Prefer not to say	

ALL

Q14. Should the SRA set a minimum salary for trainee solicitors?

(Please select one answer only)

Yes (<i>please state reasons</i>)	
No (<i>please state reasons</i>)	

ALL

Q14A. Do you think that removing the minimum salary requirement will discourage individuals from less wealthy backgrounds from pursuing a career as a solicitor?

(Please select one answer only)

Yes	
No	
Don't Know	
Please state your reasons	

Q14A2. Do you think that removing the minimum salary requirement would have any impact on the diversity of the profession (with regards to entrants' age, ethnicity, gender etc.)?

(Please select one answer only)

Yes	
No	
Don't Know	
Please state your reasons	

Q15. On a scale of 1 to 4 (where 1 is strongly agree and 4 is strongly disagree), how much do you agree with the following statements:

(Please select one answer only)

Removing the minimum salary would...

	1 Strongly agree	2 Agree	3 Disagree	4 Strongly disagree	5 Don't know/no opinion
Q15_1...reduce the overall quality of legal services					
Q15_2...lead to a lower calibre of new entrants					
Q15_3...increase the supply of well qualified solicitors					

Section 3 - Waivers

ALL

Q16. Has your firm/organisation ever approached the SRA for a waiver on the minimum salary requirement?

(Please select one answer only)

Yes	1
No	2
Unsure	3

If Q16=1 then go to Q17

If Q16=2 or 3 then go to Q19

Q17. Was it granted?

(Please select one answer only)

Yes	1
No	2
Unsure	3
Prefer not to say	4

If Q17=1 then go to Q19

If Q17=2, 3 or 4 then go to Q18 and then go to Q19

Q18. If not, did this result in you not being able to offer a training contract?

(Please select one answer only)

Yes	
No	
Unsure	
Prefer not to say	

Go to Q19

Q19. Do you have any additional comments on the SRA's review of the minimum salary requirement?

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THANK YOU

Appendix IV - Questionnaire: Trainees

TRAINEES

MINIMUM TRAINING SALARY REVIEW SURVEY

INTRODUCTION

Employers are currently required to pay trainee solicitors a minimum salary of £16,650 per annum (£18,590 in central London).

We are now reviewing our role in setting the minimum salary for trainee solicitors and we are seeking your views on the potential impact of removing the minimum salary requirement.

This survey is **anonymous** and should take no more than 10 minutes to complete.

If you have any queries about how to complete the questionnaire or about the survey in general, please call the SRA Research Team on 01527 883257 or by email on sraresearch@sra.org.uk.

We value your views and thank you for your assistance.

The survey closes on **21 March 2012**.

Section 1 - Introduction

Q1. In which type of organisation do you currently work?

(Please select one answer only)

Private practice	1
Commerce and industry	2
Central or local Government	3
Crown Prosecution Service	4
Other, please state	5

If Q1=1 then go to Q2

If Q1=2, 3, 4 or 5 then go to Q3

Q2. You said you work in private practice which of the following classifications best describes your firm?

(Please select one answer only)

Sole practice	
High street practice	
Medium to large practice	
Top 100 City Firm	
Specialist/niche firm	
Other, please state	

ALL

Q3. In which region do you work?

(Please select one answer only)

North East	
North West	
Yorkshire and Humberside	
East Midlands	
West Midlands	
South West	
East of England	
Central London	
Rest of Greater London	
South East	
Wales	
Overseas	

Q4. If you studied for a law degree, at what institution did you study?

Please state

Q5. How long after completing your Legal Practice Course did you commence your training contract?

(Please select one answer only)

Less than 3 months	
3 to 6 months	
6 to 12 months	
1-2 years	
2-3 years	
3-4 years	
4-5 years	
5-10 years	
Over 10 years	

Section 2 - Career Aspirations

Q6. In choosing a career as a solicitor, which three factors were the most important to you?

(Please choose up to three factors)

Interest in the work	
Prestige/Tradition of profession	
Likelihood of securing a job	
Security of employment	
Long term salary prospects expected	
Guaranteed minimum trainee starting salary	
Community value/benefit to society	
Work-life balance	
Other, please state	

Q7. In deciding which firms or organisations to apply to for a training contract, which three factors were most important?

(Please choose up to three factors)

Interest in the type of work carried out by the firm	
Prestige of firm/organisation	
Likelihood of employment with this firm/organisation after completion of training contract	
Long term security of employment	
High trainee starting salary	
Long term salary prospects expected	
Financial assistance for training e.g. LPC	
Quality of training	
Work-life balance	
Other, please state	

Q8. What were the three most important key factors you feel helped you to secure a training contract?

(Please choose up to three factors)

By obtaining good academic results	
By having done relevant work experience	
By having done relevant work experience with this firm/organisation	
By having worked as a paralegal	
By having worked as a legal executive	
By having worked in another position within the legal sector	
By having worked in another industry	
By having worked for below the minimum trainee salary	
By having done unpaid work	
Other, please state	

Section 3 - Remuneration

Q9. What is your current salary per annum?
(Please select one answer only)

Less than £16,649	
£16,650	
£16,651-£18,589	
£18,590	
£18,591-£22,000	
£22,001-£25,000	
£25,001-£30,000	
£30,001-£35,000	
£35,001-£40,000	
£40,001-£45,000	
£45,001-£50,000	
Over £50,000	
Prefer not to say	

Q10. Do you think your current remuneration is...?
(Please select one answer only)

Too low for a trainee starting salary	
About right for a trainee starting salary	
Too high for a trainee starting salary	

Q11. Before taking part in this survey, were you aware that the SRA currently sets a minimum salary for trainee solicitors?
(Please select one answer only)

Yes	
No	

Q12. If the SRA did not impose a minimum trainee salary, would you still want to train as a solicitor?

(Please select one answer only)

Yes (<i>please state reasons</i>)	
No (<i>please state reasons</i>)	

Q13. If the SRA did not impose a minimum trainee salary, would you still be able to train as a solicitor?

(Please select one answer only)

Yes (<i>please state reasons</i>)	
No (<i>please state reasons</i>)	

Q13A. Should the SRA set a minimum salary for trainee solicitors?

(Please select one answer only)

Yes (<i>please state reasons</i>)	
No (<i>please state reasons</i>)	

Q13B. Do you think that removing the minimum salary requirement will discourage individuals from less wealthy backgrounds from pursuing a career as a solicitor?

(Please select one answer only)

Yes	
No	
Don't Know	
Please state your reasons	

Q13B2. Do you think that removing the minimum salary requirement would have any impact on the diversity of the profession (with regards to entrants' age, ethnicity, gender etc.)?

(Please select one answer only)

Yes	
No	
Don't Know	
Please state your reasons	

Q14. Do you have any additional comments on the SRA's review of the minimum salary requirement?

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Section 4 – Background information

Q15. Is your main permanent residence...?

(Please select one answer only)

In the UK	
Within the EU	
International (outside the EU)	
Prefer not to say	

Q16. If you went to university to study a degree or higher, were you part of the first generation of your family to do so?

(Please select one answer only)

Yes	
No	
Did not attend university	
Prefer not to say	
Do not know	

Q17. Did you mainly attend a state or fee paying school between the ages of 11-18?

(Please select one answer only)

UK state school	
UK Independent/Fee paying school	
School outside the UK	
Prefer not to say	

Q18. If you are in debt due to funding your education and career, what is your current level of debt?

(Please select one answer only)

No debt	
Less than £1000	
£1000-£4999	
£5000-£9999	
£10000-£14999	
£15000-£19999	
£20000-£25999	
£26000-£29999	
£30000-£35999	
£36000-£39999	
£40000-£45999	
£46000-£49999	
Over £50000	
Prefer not to say	

Q19. Are you..?

(Please select one answer only)

Male	
Female	
Prefer not to say	

Q20. How old are you? (years)

(Please select one answer only)

18-21	
22-25	
26-30	
31-35	
36-40	
41-45	
46-50	
51-55	
56-60	
61+	
Prefer not to say	

Q21. Which of the following best describes your ethnic group?

(Please select one answer only)

White	British/English/Welsh/Northern Irish/Scottish
	Irish
	Gypsy or Irish Traveller
	Any other white background
Black or Black British	African
	Caribbean
	Other Black/Caribbean/Black British background
Asian or Asian British	Bangladeshi
	Chinese
	Indian
	Pakistani
	Any other Asian background
Mixed	White and Asian
	White and Black African
	White and Black Caribbean
	White and Chinese
	Any other mixed background
Any other ethnic group	Arab
	Any other ethnic group
Prefer not to say	

The Equality Act 2010 generally defines a disabled person as someone who has a mental or physical impairment that has a substantial and long term adverse effect on the person's ability to carry out normal day-to-day activities.

Q22. Do you consider to have a disability according to the definition in the Equality Act?

(Please select one answer only)

Yes	
No	
Prefer not to say	

Q23. Are you a primary carer for a child or children under 18?
(Please select one answer only)

Yes	
No	
Prefer not to say	

Q24. The SRA may wish to conduct further research on this issue. If you would like to take part, please supply an email address and we may contact you.

--

THANK YOU

Appendix V - Questionnaire: Students, paralegals and others considering training as a solicitor

STUDENTS,
GRADUATES,
PARALEGALS, ETC



MINIMUM TRAINING SALARY REVIEW SURVEY

INTRODUCTION

Employers are currently required to pay trainee solicitors a minimum salary of £16,650 per annum (£18,590 in central London).

We are now reviewing our role in setting the minimum salary for trainee solicitors and we are seeking your views on the potential impact of removing the minimum salary requirement.

This survey is **anonymous** and should take no more than 10 minutes to complete.

If you have any queries about how to complete the questionnaire or about the survey in general, please call the SRA Research Team on 01527 883257 or by email on sraresearch@sra.org.uk.

We value your views and thank you for your assistance.

The survey closes on **21 March 2012**.

Section 1 – Career Aspirations

Q1. Which of the following best describes your current status?
(Please select one answer only)

First year law student	1
Second year law student	2
Third year law student	3
Post Graduate law student	4
Studying LPC	5
Working as a paralegal	6
Working as a legal executive	7
Working in any other industry	8
Working in another position within the legal sector	9
Other, please state	10

If Q1=1, 2 or 3 then go to Q2A
If Q1=4, 5, 6, 7, 8, 9, 10 then go to Q2B

Q2A. At what institution are you currently studying law?

Please state

Q2B. If you studied for a law degree, at what institution did you study?

Please state

ALL

Q3. Are you considering becoming a solicitor?
(Please select one answer only)

Yes	1
No	2

If Q3=1 then go to Q4 and then go to Q6
If Q3=2 then go to Q5 and then go to Q18

Q4. In choosing a career as a solicitor which three factors were the most important to you?

(Please choose up to three factors)

Interest in the work	
Prestige/Tradition of profession	
Likelihood of securing a job	
Security of employment	
Long term salary prospects expected	
Guaranteed minimum trainee starting salary	
Community value/benefit to society	
Work-life balance	
Other, please state	

Go to Q6

Q5. If you had seriously considered becoming a solicitor, but have since changed your mind, what were the three main factors that deterred you?

(Please choose up to three factors)

No longer interested in law	
Demanding level of study	
High level of commitment	
Financial cost of completing the training	
Obtaining a training contract is too difficult	
Low trainee starting salary	
Unlikely to secure a job	
Security of employment	
Poor image of profession	
Worried about discrimination within the profession	
Work-life balance	
Other, please state	

Go to Q18

Q6. Are you currently working in the legal sector?

(Please select one answer only)

Yes	1
No	2

If Q6=1 then go to Q7A

If Q6=2 then go to Q7B

Q7A. In which type of organisation do you currently work?

(Please select one answer only)

Private practice	1
Commerce and industry	
Central or local Government	
Crown Prosecution Service	
Other, please state	

Q7B. In which type of organisation would you prefer to work?

(Please select one answer only)

Private practice	1
Commerce and industry	
Central or local Government	
Crown Prosecution Service	
Other, please state	

If Q7A=1 then go to Q8A

If Q7B=1 then go to Q8B

Q8A. You said you work in private practice which of the following classifications best describes your firm?

(Please select one answer only)

Sole practice	
High street practice	
Medium to large practice	
Top 100 City Firm	
Specialist/niche firm	
Other, please state	

Q8B. You said you would prefer to work in private practice which of the following classifications best describes the firm you would prefer to work?
 (Please select one answer only)

Sole practice	
High street practice	
Medium to large practice	
Top 100 City Firm	
Specialist/niche firm	
Other, please state	

If Q6=1 then go to Q9A
 If Q6=2 then go to Q9B

Q9A. in which region do you work?
 (Please select one answer only)

North East	
North West	
Yorkshire and Humberside	
East Midlands	
West Midlands	
South West	
East of England	
Central London	
Rest of Greater London	
South East	
Wales	
Overseas	

Q9B. In which region would you prefer to work?
(Please select one answer only)

North East	
North West	
Yorkshire and Humberside	
East Midlands	
West Midlands	
South West	
East of England	
Central London	
Rest of Greater London	
South East	
Wales	
Overseas	

ALL

Q10. Have you secured a training contract?
(Please select one answer only)

Yes	1
No	2

If Q10=1 then go to Q11A
If Q10=2 then go to Q11B

Q11A. In deciding which firms or organisations to apply to for a training contract, which three factors were most important?

(Please choose up to three factors)

Interest in the type of work carried out by the firm	
Prestige of firm/organisation	
Likelihood of employment with this firm/organisation after completion of training contract	
Long term security of employment	
High trainee starting salary	
Long term salary prospects expected	
Financial assistance for training e.g. LPC	
Quality of training	
Work-life balance	
Other, please state	

Q11B. In deciding which firms or organisations to apply to for a training contract, which three factors would be most important?

(Please choose up to three factors)

Interest in the type of work carried out by the firm	
Prestige of firm/organisation	
Likelihood of employment with this firm/organisation after completion of training contract	
Long term security of employment	
High trainee starting salary	
Long term salary prospects expected	
Financial assistance for training e.g. LPC	
Quality of training	
Work-life balance	
Other, please state	

If Q10=1 then go to Q12A

If Q10=2 then go to Q12B

Q12A. What were the three most important key factors you feel helped you to secure a training contract?

(Please choose up to three factors)

By obtaining good academic results	
By having done relevant work experience	
By having done relevant work experience with this firm/organisation	
By having worked as a paralegal	
By having worked as a legal executive	
By having worked in another position within the legal sector	
By having worked in another industry	
By having worked for below the minimum trainee salary	
By having done unpaid work	
Other, please state	

Q12B. What do you feel would be the three most important key factors that would help you to secure a training contract?

(Please choose up to three factors)

By obtaining good academic results	
By having done relevant work experience	
By having done relevant work experience with this firm/organisation	
By having worked as a paralegal	
By having worked as a legal executive	
By having worked in another position within the legal sector	
By having worked in another industry	
By having worked for below the minimum trainee salary	
By having done unpaid work	
Other, please state	

Section 2 – Remuneration

If Q10=1 then go to Q13A and then go to Q14 and then go to Q15
If Q10=2 then go to Q13B and then go to Q15 and then go to Q16

Q13A. What will be your trainee starting salary per annum?

(Please select one answer only)

Less than £16,649	
£16,650	
£16,651-£18,589	
£18,590	
£18,591-£22,000	
£22,001-£25,000	
£25,001-£30,000	
£30,001-£35,000	
£35,001-£40,000	
£40,001-£45,000	
£45,001-£50,000	
Over £50,000	
Prefer not to say	

Q13B. What is the minimum trainee salary you would accept?

(Please select one answer only)

Less than £16,649	
£16,650	
£16,651-£18,589	
£18,590	
£18,591-£22,000	
£22,001-£25,000	
£25,001-£30,000	
£30,001-£35,000	
£35,001-£40,000	
£40,001-£45,000	
£45,001-£50,000	
Over £50,000	
Prefer not to say	

Q14. Do you think this current remuneration is...?

(Please select one answer only)

Too low for a trainee starting salary	
About right for a trainee starting salary	
Too high for a trainee starting salary	

Q15. Before taking part in this survey, were you aware that the SRA currently sets a minimum salary for trainee solicitors?

(Please select one answer only)

Yes	
No	

Q16. If the SRA did not impose a minimum trainee salary, would you still want to train as a solicitor?

(Please select one answer only)

Yes <i>(please state reasons)</i>	
No <i>(please state reasons)</i>	

Q17. If the SRA did not impose a minimum trainee salary, would you still be able to train as a solicitor?

(Please select one answer only)

Yes <i>(please state reasons)</i>	
No <i>(please state reasons)</i>	

Q18. Should the SRA set a minimum salary for trainee solicitors?

(Please select one answer only)

Yes <i>(please state reasons)</i>	
No <i>(please state reasons)</i>	

Q18A. Do you think that removing the minimum salary requirement will discourage individuals from less wealthy backgrounds from pursuing a career as a solicitor?

(Please select one answer only)

Yes	
No	
Don't Know	
Please state your reasons	

Q18A2. Do you think that removing the minimum salary requirement would have any impact on the diversity of the profession (with regards to entrants' age, ethnicity, gender etc.)?

Yes	
No	
Don't Know	
Please state your reasons	

Q18B. Do you have any additional comments on the SRA's review of the minimum salary requirement?

--

Section 3 – Background information

Q19. Is your main permanent residence...?
(Please select one answer only)

In the UK	
Within the EU	
International (outside the EU)	
Prefer not to say	

Q20. If you went to university to study a degree or higher, were you part of the first generation of your family to do so?

(Please select one answer only)

Yes	
No	
Did not attend university	
Prefer not to say	
Do not know	

Q21. Did you mainly attend a state or fee paying school between the ages of 11-18?

(Please select one answer only)

UK state school	
UK Independent/Fee paying school	
School outside the UK	
Prefer not to say	

Q22. If you are in debt due to funding your education and career, what is your current level of debt?

(Please select one answer only)

No debt	
Less than £1000	
£1000-£4999	
£5000-£9999	
£10000-£14999	
£15000-£19999	
£20000-£25999	
£26000-£29999	
£30000-£35999	
£36000-£39999	
£40000-£45999	
£46000-£49999	
Over £50000	
Prefer not to say	

Q23. Are you..?

(Please select one answer only)

Male	
Female	
Prefer not to say	

Q24. How old are you? (years)

(Please select one answer only)

18-21	
22-25	
26-30	
31-35	
36-40	
41-45	
46-50	
51-55	
56-60	
61+	
Prefer not to say	

Q25. Which of the following best describes your ethnic group?
 (Please select one answer only)

White	British/English/Welsh/Northern Irish/Scottish
	Irish
	Gypsy or Irish Traveller
	Any other white background
Black or Black British	African
	Caribbean
	Other Black/Caribbean/Black British background
Asian or Asian British	Bangladeshi
	Chinese
	Indian
	Pakistani
	Any other Asian background
Mixed	White and Asian
	White and Black African
	White and Black Caribbean
	White and Chinese
	Any other mixed background
Any other ethnic group	Arab
	Any other ethnic group
Prefer not to say	

The Equality Act 2010 generally defines a disabled person as someone who has a mental or physical impairment that has a substantial and long term adverse effect on the person's ability to carry out normal day-to-day activities.

Q26. Do you consider to have a disability according to the definition in the Equality Act?
 (Please select one answer only)

Yes	
No	
Prefer not to say	

Q27. Are you a primary carer for a child or children under 18?
(Please select one answer only)

Yes	
No	
Prefer not to say	

Q28. The SRA may wish to conduct further research on this issue. If you would like to take part, please supply an email address and we may contact you.

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THANK YOU