

UK legal services 2024

Legal excellence, internationally renowned

About TheCityUK

TheCityUK is the industry-led body representing UK-based financial and related professional services. We champion and support the success of the ecosystem, and thereby our members, promoting policies in the UK and internationally that drive competitiveness, support job creation and enable long-term economic growth. The industry contributes 12% of the UK's total economic output and employs over 2.4 million people – with two thirds of these jobs outside London across the country's regions and nations. It pays more corporation tax than any other sector and is the largest net exporting industry. The industry plays an important role in enabling the transition to net zero and driving economic growth across the wider economy through its provision of capital, investment, professional advice and insurance. It also makes a real difference to people in their daily lives, helping them save for the future, buy a home, invest in a business and manage risk.

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UK legal services in numbers



Legal services employ

368,000

people across the UK, almost two thirds of whom are based outside London

28,601

disputes were resolved by Alternative Dispute Resolution in the UK in 2023



Legal services contributed

£37bn

to the UK economy in 2023

There are over

200

foreign law firms with offices in the UK



The UK is home to

350

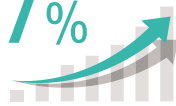
LawTech companies

Revenue generated by legal activities in the UK increased by

7.7%

year on year in 2023 to

£47.1bn



2ND

The UK ranks second globally for legal services fee revenue

Legal services' trade surplus was

£7.6bn

in 2023



In 2023 **64%** of cases in the Commercial Court were international in nature

Foreword

Our report, now in its 13th edition, underscores that the UK's legal services sector is a unique success story which continues to make a major net positive contribution across the UK. The sector plays a key role in supporting businesses to invest and grow and helps people to buy their homes, goods and services.

Legal services form an integral part of the UK's financial and related professional services ecosystem and underpin growth across the economy. In 2023, the sector contributed £37bn to the UK economy (1.6% of UK real gross value added) and a trade surplus of £7.6bn.

The UK's legal professionals and the services they provide are recognised across the world for their quality and excellence. The sector's significant economic contribution is well distributed across every nation and region of the country. It employs around 368,000 people, almost two thirds of whom are based outside London.

The UK's global reputation as a centre for justice and the rule of law is fundamental to the UK's status as one of the world's leading international financial centres. English common law is by far the most popular choice of governing law for cross-border contracts. The UK is also the world's leading centre for international dispute resolution in commercial disputes.

The UK's position as global leader in legal services innovation is underpinned by a highly developed legal market, a strong technology talent pipeline, a liberal regulatory regime and support from government. The burgeoning LawTech sector is predicted to continue to grow, further supporting growth and employment across the country.

This year, for the first time in the history of this report, we have seen a change in government, from a Conservative to a Labour led one. The new government has committed to upholding the rule of law and respect for international law. It has also made economic growth its primary mission.

The UK's legal services sector is already an important national asset, which supports business activity across the economy. Maintaining the country's preeminence as a global legal centre goes hand in hand with securing the country's future economic success. The contribution of the UK's legal professionals, including TheCityUK's law firm members, will be essential to achieving the UK's new growth mission.

Miles Celic

Chief Executive Officer, TheCityUK

Key findings

The UK is a world-leading centre of legal excellence and a destination of choice for international legal services and the resolution of disputes. The contribution of the sector is distributed across every region and nation. London leads the way as a truly global legal centre, but other cities across the country are also highly renowned for their legal services expertise, legal training and education.

Legal services are an integral part of the financial and related professional services ecosystem that makes the UK one of the world's leading international financial centres. Major international firms are drawn to London to access the breadth of services, seek advice from world-class legal and advisory firms, raise finance, and insure their businesses in the UK. The strength of the UK legal services sector therefore underpins the broader financial services ecosystem, and the wider economy.

The UK legal sector is an important economic contributor

- In 2023, the sector contributed £37bn to the UK economy, equivalent to 1.6% of the real GVA, and posted a trade surplus of £7.6bn.
- In 2022, the UK's legal services sector employed around 368,000 people across the country.
- Leading centres of legal services sector employment include London (133,000) Manchester (13,000), Birmingham (12,000), Leeds (9,000), Edinburgh and Glasgow (7,000), Sheffield and Cardiff (4,500), and Belfast (3,344).
- In 2023, total revenue from legal services activities increased to £47.1bn.
- The Total Tax Contribution of the related professional services industry – which includes legal services – was estimated to be £30.9bn in 2023, according to research by TheCityUK and the City of London Corporation.

The UK is a hub for legal sector innovation

- The UK's unique approach to legal services regulation continues to support legal services innovation. The UK further benefits from a highly developed legal market, a technology talent pipeline, a liberal regulatory regime and support for innovation by the government.
- Non-lawyers have been able to own and manage legal services businesses in the UK since the Legal Services Act 2007. Twelve per cent of England and Wales' nearly 10,000 law firms are now operating as alternative business structures (ABS).

¹ TheCityUK, 'The Total Tax Contribution of UK-based financial and related professional services', (May 2024) available at: <https://www.thecityuk.com/our-work/the-total-tax-contribution-of-uk-based-financial-and-related-professional-services/>

- In England and Wales, and in Scotland, the proportion of solicitors working in-house has risen substantially over the past 10 years and now account for around 25% of the profession. This reflects the increasing role of lawyers as trusted business advisers.
- The UK has become a global LawTech hub, with more than 350 companies attracting more than £5.5bn of investment in 2023.
- The UK is home to 44% of all LawTech start ups in Europe.
- By 2026, LawTechUK estimates that total employment in the LawTech sector could reach 15,000 people, with GVA generated by the sector potentially reaching £1.5bn.

The UK is a global legal centre

- The UK is the largest legal services market in Europe (valued at £43.7bn in 2022) and is second only to the US globally.
- London's position as a global legal centre is reflected by the following market indicators:
 - There are more than 200 foreign law firms from around 40 jurisdictions.
 - All of the world's top 50 law firms have offices in London.
 - Seven of the top 20 law firms in the world by revenue have headquarters in the UK.
 - Eight of the top 20 law firms in the world, based on number of lawyers in 2021/22, have their main base of operations in the UK.
 - The largest international law firms in London have 42% of their lawyers abroad.
 - There are more than 7,000 foreign lawyers practising in England and Wales.
- The international expertise of the UK's legal professionals is demonstrated by the fact that there are more than 6,500 solicitors of England and Wales, and 800 solicitors of Scotland, who are working abroad. The number of barristers who act for clients located abroad has more than doubled over the past decade. More than 2,475 members of the Bar of England and Wales now receive instructions from abroad, earning more than £506m in revenues in 2023.

The international role of English law, the UK's courts and dispute resolution

- The UK's global position in legal services is underpinned by the international prestige of English common law, which forms the basis of the legal systems for some 27% of the world's 320 jurisdictions.
- The UK's reputation as the leading centre for international dispute resolution is a strong driver for commercial parties to opt for their contracts to be governed by English law.
- The UK's world-renowned judiciary has facilitated the growth of this sector by establishing the Business and Property Courts, which continue to attract high numbers of international users. In 2023:
 - 75% of cases in the Patents Court, 64% in the Commercial Court, and 54% in Competition Court were international in nature (had at least one international party).
 - 40% of cases in the Commercial Court, 40% in Admiralty Court and 25% in Business Court were entirely international (only international parties involved).
- London is seen as the world's preferred centre for international alternative dispute resolution. The number of civil disputes resolved through arbitration, mediation and adjudication in the UK exceeded 28,601 in 2023.

The enduring benefits of English law

Beyond the UK's own justice system, English law has a significant global role. It is one of the most widely used legal systems – the basis of 27% of the world's 320 legal jurisdictions.²

English law is one of the two legal systems (along with New York law) most widely chosen to govern international contracts and is used for about 40% of the world's cross-border business and financial transactions (such as syndicated bank credits, international bond issues and derivatives). It is the law of choice in the international financial markets and for international insurance, shipping and commodity contracts. It is commonly selected for transactional matters of all kinds, including mergers and acquisitions (M&A), joint ventures, international construction projects and intellectual property licences.

Research commissioned by LegalUK in 2021 examined English law's role as a national asset and its wider commercial importance. It found that English law supports the creation of economic value and is also a critical platform on which other economic activity rests. As the global standard for internationally mobile transactions, English law was estimated to have governed around £250bn of global M&A and 40% of global corporate arbitrations in 2019, and £80bn of insurance contracts annually.³

The widespread current and historic use of English law for international business is due to its commercial approach, its predictability and adaptability, and its familiarity to businesses around the world. English law judgments are accepted almost everywhere, facilitating enforcement for parties in cross-border contracts. This further reinforces the position of England and Wales a centre for international dispute resolution.

English law is therefore both a national asset and an international public good that supports global business and trade. Ensuring the continued development of English law through high quality legislation and appropriate testing in the courts should remain a priority for the sector, government and Parliament.

² Philip Wood, 'Governing Law Risks in International Business Transactions', OUP, 2022

³ LegalUK, 'Economic value of English law', (October 2021), available at: <https://legaluk.org/report/foreword/>

The UK's reputation for the rule of law and legal services excellence

The UK's reputation for the rule of law and as a centre for legal services excellence continues to endure. Our courts and judiciary are internationally respected for their independence and expertise, including their knowledge of international markets and commerce. This position is supported by the expertise of our legal professionals and the quality of UK legal education and training facilities, which continue to attract high-calibre global talent.

The legal services sector underpins the wider financial and professional services ecosystem and is a key component of the UK's position as a leading international financial centre. The UK's reputation as a rule of law jurisdiction, the flexibility and resilience of English law, and the excellence of the UK's legal professionals and the services they provide are the key components which combine to make the UK's legal sector a unique national asset vital to UK prosperity. The sector employed 368,000 people across the country and contributed £37bn to the UK economy, equivalent to 1.6% of the real GVA in 2023.

The sector should be recognised and celebrated for its contribution. But in an increasingly competitive global environment the UK must work hard to ensure that international parties continue to understand the benefits of using English law and call upon the expertise of the UK's legal sector.

The UK's reputation for the rule of law and legal services excellence depends not only on our judges and legal professionals, but on the support of the wider political system and on the continued quality of the UK's regulation and legislation. Maintaining the UK's unique position as a global legal centre is the shared responsibility of the legal sector, the wider financial services industry, government, regulators and Parliament.

The contribution of legal services across the UK

Legal services facilitate a wide range of business activities and provide an essential framework of law and justice that underpins all commercial transactions. The UK's legal sector has both a multiplying and an enabling effect for business growth, supporting all other parts of the economy. London stands out as the global legal centre, but other cities such as Edinburgh and Glasgow in Scotland; Birmingham, Bristol, Leeds, Manchester and Newcastle in England; Cardiff in Wales; and Belfast in Northern Ireland are also important centres for the industry.

This report provides a wealth of data demonstrating the strength of the UK's legal services sector and its economic contribution. Yet it is important to remember that the vital contribution of the sector goes far beyond economics. Legal professionals support communities across the country by, for example, helping people to buy and sell property, plan their estates, resolve family disputes, secure justice, access services and enforce their rights.

Legal services as an economic contributor

The legal services sector enables economic growth throughout the UK by providing an infrastructure of law and justice that facilitates commerce. The UK's strong legal framework also contributes to fostering stronger financial institutions across the country, which further propel wider economic growth and drive the international competitiveness of the UK as an attractive place in which to do business and invest. The sector brings direct benefits that can be measured in terms of Gross Value Added (GVA), net exports and employment.

Gross Value Added

In 2023 the output of UK legal services was £37bn, or 1.6% of total UK real GVA, according to data from the Office of National Statistics (ONS). This data includes legal representation in civil and criminal cases, whether or not it occurred in courts. It includes advice in a range of areas, from corporate transactions to labour law, patents, trademarks and copyright as well as the activities of arbitrators, notaries and bailiffs. This covers retail work (including conveyancing and wills) and social welfare work (including immigration, discrimination and human rights). The main exclusions in the ONS definition are the activities of the law courts, and lawyers employed by non-legal firms whose activity would be credited to the sector of their employer.⁴

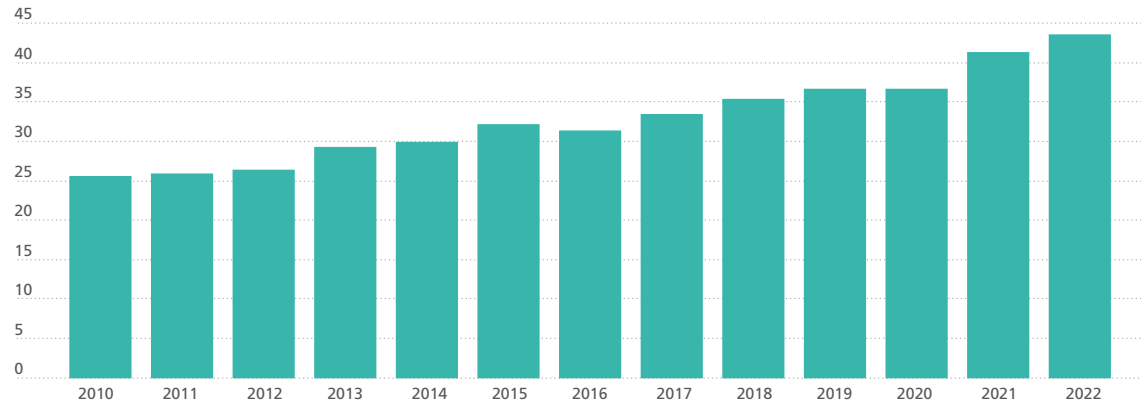
⁴ ONS, 'UK Balance of Payments – 03 Trade in services, The Pink Book', (31 October 2024), available at: www.ons.gov.uk/economy/nationalaccounts/balanceofpayments/datasets/3tradeinservicesthepinkbook2016

Total UK legal activities revenue

Revenue generated by legal activities in the UK has trended strongly upwards in the past decade and increased year on year by 7.7% to reach £47.1bn in 2023.⁵

Figure 1: Revenue generated by legal activity in the UK, £bn

Source: ONS



Exports of UK legal services

UK legal services consistently generate a trade surplus, helping to offset the UK’s trade-in-goods deficit. These exports are generated from many sources: primarily UK and international firms with an office in the UK, but also by barristers and advocates providing services to foreign clients; and by lawyers employed in-house by other organisations. The sector provides vital support to UK and multinational firms and is especially helpful when organisations seek to develop a presence in new international markets and structure multijurisdictional projects.

⁵ Office for National Statistics, ‘Monthly Business Survey turnover of services industries’, (November 2024) available at: <https://www.ons.gov.uk/economy/economicoutputandproductivity/output/datasets/monthlybusinesssurveyturnoverofservicesindustries>

In 2023, total gross UK exports of legal services reached £9,468m, the largest ever figure. Exports from solicitors’ firms make up the vast majority of these exports, estimated at £9,234m. Exports by barristers/advocates totalled £116m, similar to previous year. Exports generated by lawyers in other organisations (including patent agents) totalled £118m in 2023, a slight drop from £151m in 2022.⁶

Taking account of imports (mainly related to billings of UK businesses from law firms based overseas) **net exports of UK legal services stood at £7,601m in 2023 (Figure 2), an annual increase of 14% from 2022.⁷ In the past 10 years, net UK exports of legal services have risen by more than 80%. This growth has been mainly driven by law firms.**

Figure 2: Net exports of UK legal services (£m)

Source: ONS

	Exports	Imports	Net exports
2015	5054	839	4215
2016	5506	873	4633
2017	5965	975	4990
2018	6074	1024	5050
2019	6436	1219	5217
2020	6266	1503	4763
2021	6751	1356	5395
2022	8405	1671	6657
2023	9468	2081	7601

Legal services as a national employer

Legal services jobs are highly skilled and distributed across the UK, with clusters of expertise which attract investment and drive growth in every region and nation. The sector provides continuous education, training and apprenticeships to develop the skills of its new and existing employees on an ongoing basis.

The UK’s legal sector is diverse, highly flexible and readily adapts to client needs. Lawyers in Scotland have developed expertise in energy law to service the 2,000 companies operating in the UK’s energy sector, while Belfast has emerged as a leading centre for legal innovation and LawTech. The North West of England is the largest legal hub outside London and firms based there are benefiting from growing practice areas in maritime and environmental law.

⁶ ONS, ‘UK Balance of Payments –03 Trade in services, The Pink Book, (October 2024), available at: www.ons.gov.uk/economy/nationalaccounts/balanceofpayments/datasets/3tradeinservicesthepinkbook2016

⁷ Ibid.

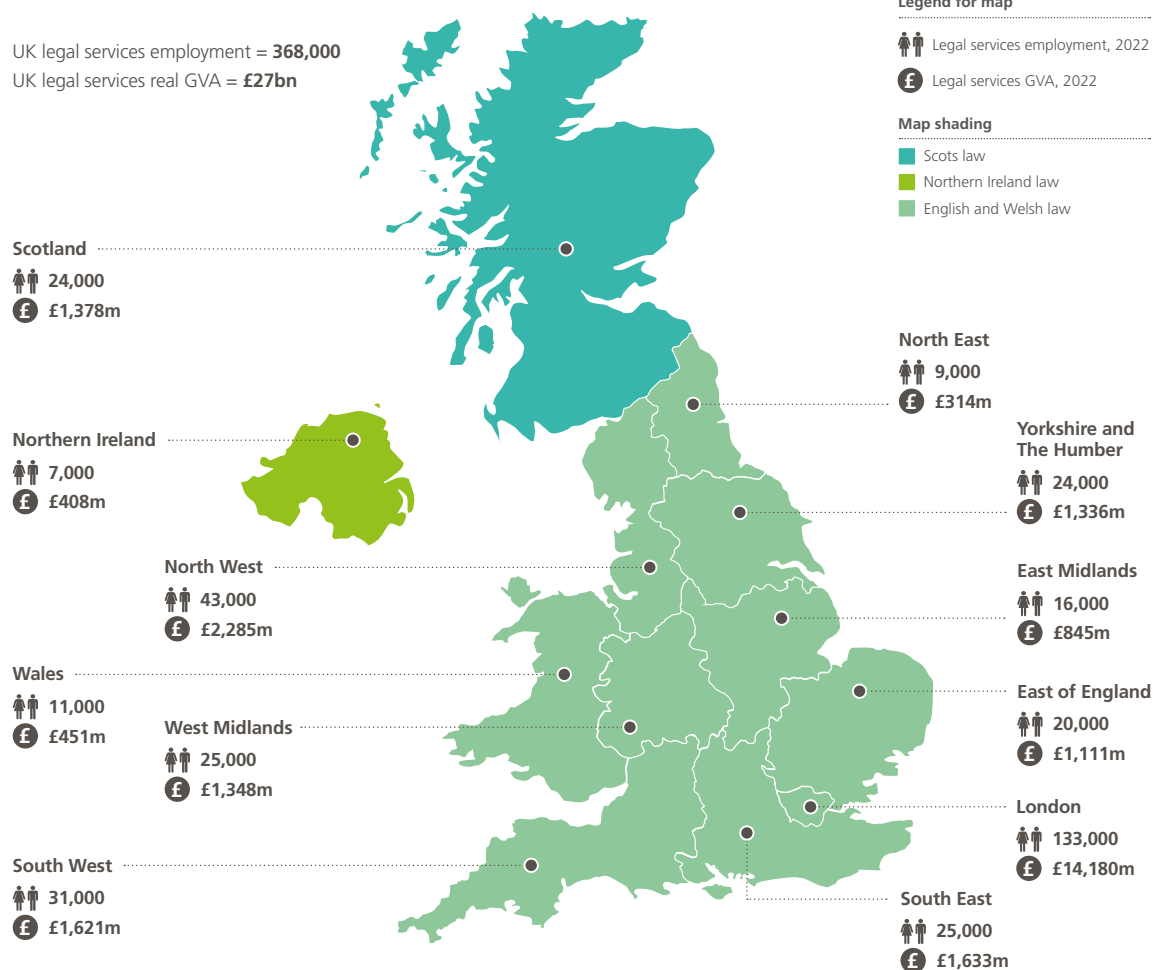
Employment

In 2022, the total number of people employed and self-employed in legal services in the UK was 368,000 according to ONS and NISRA data. Almost two thirds of these jobs are outside London.

Figure 3: Legal services across the UK

Source: ONS, Nomis, TheCityUK

UK legal services employment = 368,000
UK legal services real GVA = £27bn



The scale of the contribution that legal services makes across the nations, regions and cities of the UK is further illustrated by the table below (Figure 4).

Figure 4: The employment and GVA contribution of legal services across the UK in 2022 (latest year data disaggregated by region and city is available)

Source: ONS, Nomis, TheCityUK calculations

	Legal services employment in selected nations/regions/cities, 2022	Legal services GVA in selected nations/regions/cities 2022, (£m)	Legal services employment in selected nations/regions/cities, 2022	Legal services GVA in selected nations/regions/cities 2022, (£m)	
East Midlands	16,000	845	South East	25,000	1,633
Northampton	900	135	Guildford	1,500	43
Nottingham	4,500	164	Southampton	1,250	57
Leicester	1,500	78	Reading	1,250	57
Derby	1,000	50	Brighton and Hove	900	47
East of England	20,000	1,111	Milton Keynes	1,000	206
Cambridge	1,750	48	Crawley	450	13
Norwich	1,750	27	South West	31,000	1,621
Ipswich	1,250	16	Bristol	10,000	787
Chelmsford	900	38	Exeter	2,000	42
Peterborough	900	20	Cheltenham	1,250	28
Watford	400	32	Bournemouth	1,500	46
Southend-on-Sea	700	14	Gloucester	700	27
London	133,000	14,180	Swindon	500	17
North East	9,000	314	Poole	450	44
Newcastle	4,000	87	Wales	11,000	451
North West	43,000	2,285	Cardiff	4,500	217
Manchester	13,000	617	Swansea	800	25
Liverpool	7,000	121	West Midlands	25,000	1,348
Preston	1,250	43	Birmingham	12,000	791
Stockport	1,000	82	Coventry	1,000	39
Warrington	500	189	Yorkshire and The Humber	24,000	1,336
Salford	2,500	242	Leeds	9,000	502
Northern Ireland	7,000	408	Sheffield	4,500	257
Belfast	3,344	342	York	900	52
Scotland	24,000	1,378	Bradford	900	126
Edinburgh, City of	7,000	368	Halifax	300	21
Glasgow, City of	7,000	468			
Aberdeen, City of	1,500	94			
Fife	800	18			

Considering combined authorities, which are political designations rather than official statistical designations, and which reflect urban conurbations rather than discrete cities, Greater Manchester (24,000), West Midlands Combined Authority (16,000) and West Yorkshire (14,000) had the highest levels of legal services employment (Figure 5).

Figure 5: Legal services employment in Combined Authorities, 2022

Source: TheCityUK calculations based on data from Nomis

Greater Manchester	24,000
West Midlands	16,000
West Yorkshire	14,000
West of England	12,000
Liverpool City Region	10,000
East Midlands	8,000
North East	7,000
South Yorkshire	6,000
Cambridgeshire and Peterborough	4,000
York and North Yorkshire	2,250
Tees Valley	2,000

Note: NOMIS data are for 2022 (latest available data) although some of the Combined Authorities listed were created only in 2024.

The UK's legal professions

The UK's main legal professions have continued to grow year-on-year.

Figure 6: The UK's main legal professions and bodies

Source: TheCityUK

Jurisdiction	Profession	Number of members (2022)	Professional body	Regulator
England and Wales	Solicitor	170,973	Law Society of England and Wales (TLS)	Solicitors Regulation Authority (SRA)
	Barrister	17,775	General Council of the Bar ('the Bar')	Bar Standards Board (BSB)
	Legal Executives	8,985	Chartered Institute of Legal Executives (CILEX)	CILEX Regulation
Scotland	Solicitor	13,800	Law Society of Scotland	Law Society of Scotland
	Advocate	444	Faculty of Advocates	Faculty of Advocates
Northern Ireland (NI)	Solicitor	3,042	Law Society of NI	Law Society of NI
	Barrister	700	The Bar Council of NI	The Bar Council of NI

Solicitors

In England and Wales, the solicitor profession continues to grow and remains by far the largest legal profession in the UK with 170,973 practising solicitors in 2024, an increase of 31% since 2014. In 2023, the number of solicitors employed in private practice (those in law firms or independent/sole practitioners) was 95,792, while those not in private practice reached record highs at 66,328.

In Scotland, in 2024, there are 13,800 practising solicitors. Law firms employ around 9,000. In Northern Ireland, in 2024, there are 3,042 practising solicitors. There are 441 private practice firms in Northern Ireland, which employ around 2,400 practising solicitors.

Barristers and advocates

The number of barristers in independent practice in England and Wales totalled 17,775 in 2023, including 2,046 King's Counsel (KC). In Scotland, there were around 444 practising advocates in 2023, of which 150 were KC. In Northern Ireland there are around 700 barristers, including over 100 KC.

Legal executives

In 2023, there were a total of 8,985 Chartered Legal Executives. The total number of legal executives and paralegals was 15,017, up slightly from 14,575 the previous year. The majority of legal executives, 59.5%, work in private practice firms, while 14.6% work in the public sector and 9.6% work in-house.

Students, apprenticeships, training contracts and pupillages

In 2021-2022 (its first year of running), 433 individuals entered the profession in England and Wales through the new Solicitors Qualifying Examination (SQE), while 5,196 individuals qualified through the Legal Practice Course. SQE-qualified lawyers will increase significantly in coming years as other routes to qualification are phased out. SRA data show that the number of solicitor apprenticeships has more than doubled to 584 in 2021/22 (up from 222 in 2020/21) and this figure is likely to rise further in future. According to the Law Society of England and Wales, there were a total of 4,952 training contracts in the 12 months to 31 July 2022. This is an almost 10% decrease on the previous year and a continued downward annual trend.

At the Bar in England and Wales, there were 1,102 people undertaking their pupillage in 2022-23, up slightly from 1,055 the previous year and more in line with pre-pandemic levels. At CILEX there were 2,214 students in 2023, continuing a significant downward annual trend from 5,300 in 2019. The Law Society of Scotland's latest figures show around 1,200 law graduates and around 750 solicitor trainees each year. There are currently 311 trainees registered with the Law Society of Northern Ireland.

Figure 7: Law firms with largest number of UK based training contracts offered, 2024-25

Source: Legal Cheek, 'The Firms Most List' www.legalcheek.com/the-firms-most-list/?metakey=_cmb_training_contracts

Law Firm	Number of Contracts	Law Firm	Number of Contracts
Clifford Chance	100	Addleshaw Goddard	60
Linklaters	100	Pinsent Masons	60
Slaughter and May	95	Accutrainee	50
CMS	90	Eversheds Sutherland	50
Freshfields	90	Hogan Lovells	50
A&O Shearman	80	Irwin Mitchell	50
Clyde & Co	73	Norton Rose Fulbright	50
DLA Piper	65	White & Case	50
Herbert Smith Freehills	62		

The in-house sector

The in-house sector continues to grow across the UK. Most in-house solicitors work in the private sector, with many concentrated in financial services. Major UK financial institutions are known to have in-house litigation teams consisting of between 15 and 40 people. Data from the Law Society of England and Wales show that the in-house sector continues to grow with 35,738 solicitors working in-house in 2023. According to the Law Society of Scotland, 25% of Scottish solicitors were working in-house in 2023.

Diversity and inclusion in UK legal services

Across the sector, law firms, chambers, in-house teams and the judiciary are eager to draw upon the diversity of talent available in the UK. Diversity in the legal sector is well established but progress is still needed, particularly at the more senior levels.

In England and Wales

- In 2023, the proportion of solicitors with practising certificates who were women remained unchanged at 53%. Women continue to make up a slightly larger proportion of the in-house community, at 56%.
- In 2023, in the number of solicitors from ethnic minority groups rose slightly to 18.8% (up slightly from 18.4% in 2022), following a slow but steady upward trend.
- In 2023, 4.4% of solicitors identified as lesbian, gay or bi-sexual (LGB) and 6% declared a disability.
- In 2023, of the practising barristers who disclosed the data, 40% were women and 59% were men. While for pupillages the split was 57% female to 43% male.
- In 2023, of the practising barristers who disclosed the data, 17% were of ethnic minority background, although the figure is higher for pupils at 24% for 2022-23.
- In 2023, only 19.9% of King's Counsel were women, up slightly from 19.2% in 2022.
- In 2023, 76% of CILEX members were women, while 16% were of ethnic minority background.
- As of 1 April 2024, judiciary figures show that 38% of court judges and 53% of tribunal judges are female, and 11% of judges were from an ethnic minority group.

In Scotland

- In 2024, Law Society of Scotland figures show that 58% of practising solicitors are women, making up more than two thirds of practising solicitors under the age of 40.
- In 2023, according to the Faculty of Advocates, only 28.6% of the 444 practising advocates are women. Of the 150 King's Counsel, only 24% are women.
- In 2023, official data shows that 27.27% of all judges in Scotland are women.

In Northern Ireland

- In 2024, 54% of practising solicitors are female while 46% are male. For trainees, 68% are female and 32% male.

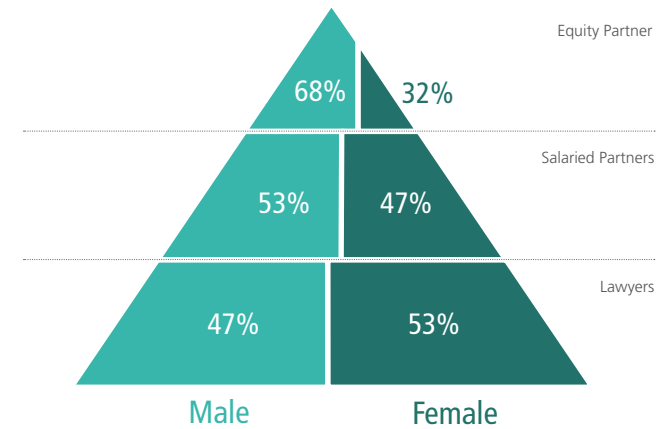
Remaining challenges

Women in senior leadership

Despite making up the majority of the solicitor profession, and having done so for many years, female solicitors continue to be underrepresented at senior levels. The professional bodies, regulators and law firms have all made significant efforts to improve this situation, but progress has been slow. SRA data for 2023 highlights that the seniority gap for women remains, with 32% of full-equity partners (the most senior level in law firms) and 47% of salaried partners being women. A similar trend is seen in Scotland and Northern Ireland.

Figure 8: Gender diversity in law firms in England and Wales 2021-22

Source: SRA data



Women in LawTech

Research by LawTechUK reveals a notable gender disparity in LawTech founders. It's Ecosystem Tracker found that female founders lead only 14.3% of LawTech ventures in the UK. Seventeen per cent of UK LawTech companies are female-founded, while 9% of non-UK companies are female-founded. This includes co-founding teams with at least one female founder. Female LawTech entrepreneurs encounter challenges in securing funding, with all-female founder teams receiving only 2p for every £1 of equity investment in the UK in 2021. Recognising the need for greater gender diversity, LawTechUK is leading initiatives to encourage more female founders.⁸

Social mobility

The sector continues to face challenges in ensuring that talented people from all socio-economic backgrounds can enter one of its professions. Currently, lawyers and judges across the UK are disproportionately likely to come from relatively privileged backgrounds. The sector is working hard to address this imbalance. In 2024, legal services firms made up 40% of the 'Top 75 Social Mobility Employer Index', including five entries in the top 10. The list, compiled by the Social Mobility Foundation, recognises firms for initiatives such as outreach programmes, objective recruitment systems and career progression policies. Legal services organisations that ranked highly include Herbert Smith Freehills, CMS, DLA Piper, Slaughter and May, Linklaters, Pinsent Masons, Hogan Lovells, Freshfields, Shoosmiths, Simmons & Simmons, Shepherd and Wedderburn, and Addleshaw Goddard.

The sector's main professional bodies also continue to promote and support diversity and inclusion initiatives. The Law Society of England Wales's Diversity Access Scheme marks its 20th anniversary in 2024. The Law Society of Scotland's Lawscot Foundation supported its seventh cohort of academically talented students from less-advantaged backgrounds through their legal education. In June 2024, the Law Society of Northern Ireland published a new Diversity, Equality and Inclusion Strategy, including an annual 'Centenary Bursary' to cover tuition fees for a number of students based on income.

⁸ LawTechUK, 'LawTech Ecosystem Tracker', (accessed November 2024), available at <https://lawtechuk.io/our-reports/>

UK legal sector market trends

Number of law firms

ONS figures show that the legal services market in the UK comprised 33,040 firms in 2023/24, with 30,395 in England and Wales, 1,630 in Scotland and 1,015 in Northern Ireland.⁹ These firms compete with a range of other legal professionals to differing extents. Within reserved work, these include barristers, notaries, legal executives, law costs draftsmen, trade mark attorneys, licensed conveyancers and patent attorneys; within unreserved work, these include the wider legal services market delivered by unregulated providers such as will writers.

UK law firm fee revenue and key market trends

According to Legal Business 100 in 2023, revenue for the UK's top 100 firms (ranked by revenue) rose by 8% to £33.77bn in 2023, a figure which has grown more than 75% over the past decade (this figure stood at £19.1bn in 2013). The revenue of the top 25 firms rose by 7.7% to £26.4bn, which now accounts for almost 80% of the revenue of the top 100 firms. The top 10 firms' £18.3bn collective turnover for 2022/23 is almost as much as that earned by the entire top 100 in 2013 (£19.1bn).

In 2022/23, firms ranked 26-50 experienced a 7% increase in average revenues and an increase in total revenues of more than £300m to £4.5bn. For the firms ranked 51-100, average turnover was up 6%.

While the UK has a fully developed and diverse legal sector with markets larger than £1bn across a wide range of practice areas, it is notable that more than one third of the UK's market by revenue (37%) is made up by the corporate, insolvency and banking areas.

⁹ ONS, 'UK businesses: activity, size and location', (25 September 2024), available at: <https://www.ons.gov.uk/businessindustryandtrade/business/activitysizeandlocation/datasets/ukbusinessactivitysizeandlocation>

Figure 9: UK legal services market practice areas by market size (percentage of total market revenue)¹⁰

Source: Strategy&PwC UK Legal Services Market Report 2022



Figure 10: Revenue and profit of the largest 100 law firms in the UK, £bn

Source: Legal Business

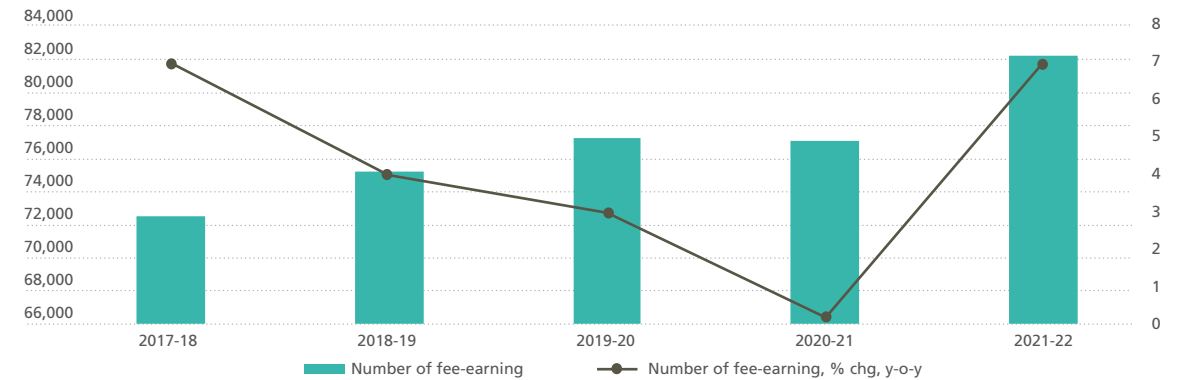


¹⁰ Market is defined by Strategy& PwC as the total turnover of solicitor firms headquartered within the UK; therefore the market excludes spend on US headquartered firms with UK offices; this market excludes further spend on barristers, other legal service providers (patent agents, etc.)

The UK's top 100 law firms have increased headcount over the past year (up 7%) to 82,188.

Figure 11: Total fee-earning headcount of the largest 100 UK-based law firms

Source: Legal Business

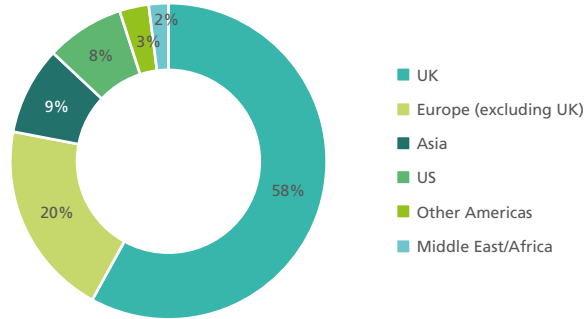


The UK's position as a hub for international commerce and law is exemplified by the top 100 UK law firms continuing to build their international practices, with 42% of the lawyers employed by these firms currently being based overseas. Despite the mass withdrawal of UK-based law firms from Russia, Europe (including Russia) remains the leading region for lawyers from top 100 firms, with 20% based there (down from 21% in 2022). Asia is next with 9% (no change), then the US with 8% (no change) followed by 'Other Americas' 3% (no change) and Middle East and Africa also 2% (no change).¹¹

¹¹ Legal Business 100 (2023) available at: www.legalbusiness.co.uk/analysis/lb100-overview-here-comes-the-rain-again/

Figure 12: Geographical distribution of lawyers in largest 100 UK law firms (% share), 2022/23

Source: Legal Business



International legal services firms in London

London is one of the leading global centres for international financial and related professional services. The co-location and clustering effect of banking, insurance, fund management and other financial services helps to underpin London’s position as a global legal services centre and consolidate its status as the world’s most preferred jurisdiction for dispute resolution.

The UK legal market has an extensive history of being open and welcoming to international law firms. Today there are more than 200 foreign law firms based in the UK from over 40 jurisdictions. US firms have a particularly established presence in the UK, with around 100 having offices in the country, and London is the main European hub for most of them. Initially, US firms based in London tended to focus on helping European clients to access the US market and vice versa. Now, around half of the foreign firms in the UK offer a full-service English law capability. Many of these firms derive a considerable percentage of their revenue from their offices in London. The largest non-UK firms ranked by London fee-earners on this list include Baker McKenzie, Kirkland & Ellis, Latham & Watkins (Figure 8).¹²

¹² Legal Business, ‘Global London 2023: Main table’, (April 2023), available at: <https://www.legalbusiness.co.uk/analysis/global-london-2023/global-london-2023-main-table/>

Figure 13: The largest offices of non-UK law firms in London, 2022/23

Source: Legal Business

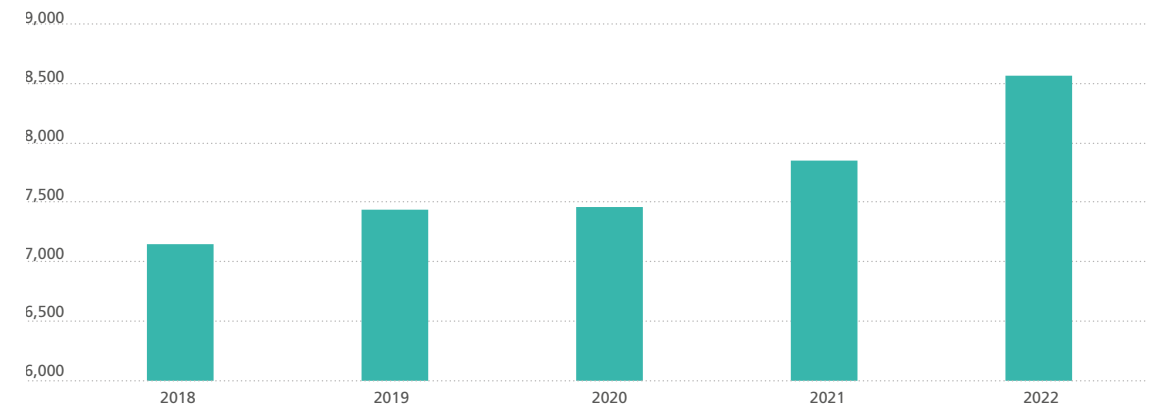
	London fee-earners	Of which England & Wales qualified	Other qualified
Baker McKenzie	563	550	13
Kirkland & Ellis	497	388	33
Latham & Watkins	589	391	198
White & Case	502	406	96
Simpson Thacher & Bartlett	196	145	51
Dentons	395	310	85
Bryan Cave Leighton Paisner	433	421	12
Reed Smith	365	331	34
Debevoise & Plimpton	148	100	48
Goodwin	234	231	3
Mayer Brown	291	261	30

The headcount of the largest 50 foreign law firms in London reached a record 8,569, in 2022. The total number of partners also grew to a new high of 2,361 (an increase of 5% from 2,243 in 2021).

The continued presence of large international law firms helps explain London’s prominence as a global legal hub.

Figure 14: Total headcount of fee-earners (50 largest overseas law firms in London).

Source: Legal Business



International law firms in London feature prominently in rankings of the largest global firms. US firms have traditionally been more focussed on their domestic market, given the greater scale of the US economy. However, with ongoing merger activity combined with the pressure to expand internationally and the continued prominence of English Law in commercial contracts, it is becoming more common for leading US firms to have between 25-40% of their lawyers based outside the US.

Figure 15: Top 50 Largest UK law firms in the UK, by revenue, 2022/23

Source: Legal Business

Firm name	Location	Turnover, (£m)	Firm name	Location	Turnover, (£m)
DLA Piper	International	2833	DAC Beachcroft	National	300
Allen & Overy	International	2080	Macfarlanes	London	296.6
Clifford Chance	International	2062	Withers	International	288
Hogan Lovells	International	1971	Irwin Mitchell	National	276.4
Linklaters	International	1901.1	Mishcon de Reya	London	255.9
Freshfields	London	1840	Stephenson Harwood	London	228
Norton Rose Fulbright	International	1690	HFW	London	225.3
CMS	International	1587.7	Watson Farley & Williams	London	215.4
Eversheds Sutherland	International	1192.6	Travers Smith	London	197.5
Herbert Smith Freehills	International	1186	Shoosmiths	National	194
Ashurst	International	879	Charles Russell Speechlys	London	193.7
Slaughter and May	London	812	Gateley	Birmingham	162.7
Clyde & Co	London	788.6	RPC	London	157.4
Bryan Cave Leighton Paisner	London	683.9	TLT	Bristol	157
Pinsent Masons	International	605.9	Mills & Reeve	National	147
Gowling WLG	International	530.8	Knights	National	142
Simmons & Simmons	London	521	Trowers & Hamlins	London	135.6
Bird & Bird	International	495	Hill Dickinson	Liverpool	129.6
Addleshaw Goddard	National	443.2	Freeths	Midlands	128.7
Taylor Wessing	London	439	Burges Salmon	Bristol	128.2
Womble Bond Dickinson	National	424.8	Weightmans	National	124.2
DWF	National	380	Keoghs	Bolton	107.7
Osborne Clarke	Bristol	378.9	Penningtons Manches Cooper	London	106.7
Fieldfisher	London	370	Brodies	Scotland	106.3
Kennedys	London	313	Browne Jacobson	Nottingham	105

International law firms in London are leading advisers on deals which take place in the world's international capital markets. They offer a wide range of services, including advising on M&A, securities, project finance, tax and intellectual property. Other smaller firms are world leaders in their own niche practices, providing deep sector-specific experience. A combination of professional expertise and a high-quality Admiralty Court has ensured that the UK continues to be the world's leading centre for international maritime law.

Figure 16: Top 20 largest UK law firms outside London, by revenue, 2022/23

Source: Legal Business. Note: The table excludes firms identified by Legal Business as 'national', 'London' or 'International'.

Firm name	Location	Turnover, (£m)
Osborne Clarke	Bristol	378.9
Gateley	Birmingham	162.7
TLT	Bristol	157
Hill Dickinson	Liverpool	129.6
Freeths	Midlands	128.7
Burges Salmon	Bristol	128.2
Keoghs	Bolton	107.7
Brodies	Scotland	106.3
Browne Jacobson	Nottingham	105
Ampa	Birmingham	104.8
Birketts	Ipswich	85.2
Burness Paull	Scotland	83.3
JMW	Manchester	74.3
Walker Morris	Leeds	67
Shepherd and Wedderburn	Scotland	66.7
Bevan Brittan	Bristol	65.9
Foot Anstey	Exeter	60.8
Clarke Willmott	Bristol	60.8
RWK Goodman	Bath	53
Ashfords	Exeter	50.2

The UK as a global leader in legal sector innovation and technology

Regulatory innovation and its impact on the market

Most jurisdictions around the world prohibit non-lawyers from involvement in law firms. However, in England and Wales the Legal Services Act 2007 permits business models, known as Alternative Business Structures (ABS), that allow investment, ownership and management by non-lawyers.

This regulatory innovation allowed the entry of the 'Big Four' accounting firms (Deloitte, EY, KPMG and PwC) into the legal services market, challenging the established order of the sector. Globally, the Big Four's legal divisions are already considerable, with total lawyer headcount rivalling some of the world's largest law firms. In 2024, PwC has more than 4,000 lawyers operating in over 150 countries, KPMG more than 3,850 lawyers in 84 countries, Deloitte more than 2,400 lawyers in 80 countries, and EY more than 2,400 lawyers in 94 countries. In the UK alone, Deloitte now has more than 550 lawyers, putting it close to becoming one of the top 50 law firms in the UK, while PwC has 454 lawyers in the UK, and KPMG has more than 250. EY is the only Big Four firm to see a recent reduction in lawyer headcount in the UK, although it still has more than 250 lawyers.

The most recent data from the SRA for 2021/22 shows that ABS now make up nearly 12% of firms in England and Wales with a turnover of £480m. In 2023, Thomson Reuters found that the value of the global Alternative Legal Service Provider (ALSP) market is \$20.6bn, up from \$13.9bn in 2019.¹³

In response to this market shake up, established law firms have had to reconsider their operating models. Large law firms in particular have increasingly turned to mergers and acquisitions to build scale, deepen specific practice expertise and enter new geographical markets. There have been more than 200 publicly reported mergers involving UK-based law firms in the 'Lawyer 100' rankings since 2011, and 80 involved a UK firm merging with a firm in another jurisdiction.¹⁴ Transatlantic mergers between UK and US firms have been coveted, with several large global firms being created from such mergers: DLA Piper in 2005, Hogan Lovells in 2010, Norton Rose Fulbright in 2013, and Eversheds Sutherland in 2017. By 2023, all of these firms had lawyer headcount in the thousands and revenues in \$ billions.¹⁵ In 2024, Allen & Overy and Shearman & Sterling completed their merger. It was the first merger of one of the UK's 'Magic Circle' firms with a US firm and the largest transatlantic law firm combination in decades. The new A&O Shearman creates a firm with nearly 4,000 lawyers and 3,000 other employees across 47 offices, generating combined global revenues of about \$3.5bn.

¹³ Thomson Reuters, 'Alternative legal services providers', available at: <https://www.thomsonreuters.com/en-us/posts/wp-content/uploads/sites/20/2023/01/2023-ALSP-Report.pdf>

¹⁴ Jomati, 'UK Law Firm Mergers', (October 2023), available at: <http://jomati.com/uk-mergers>

¹⁵ www.reuters.com/legal/legalindustry/ao-shearman-joins-ranks-major-transatlantic-law-firm-mergers-2024-05-01/

The UK government continues to support further areas of legal innovation. In 2024, the government announced new legislation for the sector, including the Arbitration Bill and Property (Digital Assets etc) Bill. The Arbitration Bill will enact recommendations from the Law Commission to update the Arbitration Act (1996) to ensure that it is fit for purpose and that it continues to support the UK as a leading destination for commercial arbitration. The Property (Digital Assets etc) Bill responds to the development of new types of assets such as crypto-tokens which challenge the traditional categories of personal property rights.

The rapid growth of the LawTech sector

The global market for LawTech (also known as 'legal tech', particularly in the US) was worth almost \$30bn at the end of 2022.¹⁶ LawTech startups represented \$5.4bn of that, and their contribution is forecast to grow at compound annual growth rate of 3.7% according to the ONS.¹⁷ LawtechUK commissioned research estimates the potential annual demand for LawTech services to be worth £7bn-£22bn to the UK economy.¹⁸

The Legal Services Act 2007 was one of the catalysts for the explosive growth in legal sector innovation. In addition, the UK's legal talent pool and international market presence made it a prime destination for LawTech development. The UK has now become a global hub for the sector and is home to 44% of all LawTech start-ups in the EU.¹⁹ According to LawTechUK, there are now 356 LawTech companies operating in the UK, 254 of which are UK-founded with investment of more than £1.38bn. The remaining 102 non-UK headquartered LawTech companies active in the UK received more than £4.26bn in investment.²⁰

According to research by LawTechUK, by 2026 total employment in the sector could reach 15,000 people and the GVA generated by the sector could reach £1.5bn.²¹

The UK's position is underpinned by a highly developed legal market, a technology talent pipeline, a competitive tax system, a liberal regulatory regime and government support for innovation. The UK LawTech Delivery Panel was set up in 2018 as cross-sector body to support innovation in legal services, bringing together government, industry and judiciary to identify policies to support innovation. In 2020, the Panel announced the 'LawTechUK Vision' to help accelerate the digital transformation of the UK's legal sector. The centrepiece of the Vision was the LawTech Sandbox – a development and testing environment modelled on the pioneering regulatory sandbox in financial services, encouraging tech businesses, experts and public bodies to come together to innovate and establish new products and

¹⁶ Thomson Reuters, 'Practice innovations: LegalTech in Latin America', (October 2024), available at: www.thomsonreuters.com/en-us/posts/legal/practice-innovations-legal-tech-latin-america/

¹⁷ LawTechUK, 'Ecosystem Tracker', available at <https://lawtechuk.io/our-reports/>

¹⁸ Ibid.

¹⁹ Thomson Reuters, 'LegalTech Startup report', available at: <https://legalsolutions.thomsonreuters.co.uk/content/dam/openweb/documents/pdf/uki-legal-solutions/report/tr-legaltech-startup-report-2019.pdf>

²⁰ LawTechUK, 'Ecosystem Tracker', available at <https://lawtechuk.io/our-reports/>

²¹ The LawTechUK Report 2021, 'Shaping theFuture of Law', available at <https://lawtechuk.io/our-reports/>

frameworks that reinvent service delivery and benefit businesses and wider society. These initiatives have also been backed by government funding. In August 2022, the UK government announced a further £4m to deliver a second phase of the LawTechUK programme, supporting the development of new technology like machine learning and data analytics tools.²²

We are now in a new period of growth and further innovation as the UK legal sector responds to opportunities presented by Generative AI. A LexisNexis survey has found that the number of lawyers in the UK using Generative AI for work purposes has almost quadrupled in a little over a year, and that 82% of lawyers now use or plan to use AI for work.²³ The same survey found that nine out of 10 in-house lawyers now use, or have plans to use, Generative AI. The ambition to deliver legal work faster is what’s driving the vast majority of in-house lawyers to embrace AI.

The UK’s law firms in particular are leading the way. The Financial Times ranked the top 50 innovative law firms in Europe in 2024 and UK-based firms topped the list, securing the top five places, seven of the top 10, and a total of 23 of the top 50.²⁴

Figure 17: Extract from Financial Times innovative law firm index-Europe: ranking of the top 50 participating law firms

Source: Financial Times

Rank	HQ Country	Law Firm	Total Score /100	Rank	HQ Country	Law Firm	Total Score /100
1	UK/US	A&O Shearman	92.0	16	UK	CMS	82.1
2	UK	Ashurst	90.5	17	Global	Baker McKenzie	81.9
3	UK	Linklaters	88.2	18	Spain	Spain Ecija	81.2
4	UK/US	DLA Piper	88.2	19	UK	Kennedys	80.1
5	UK	Freshfields Bruckhaus Deringer	87.5	20	UK	Osborne Clarke	78.9
6	Spain	KPMG Abogados	86.6	20	US	McDermott Will & Emery	78.9
7	US	Dechert	86.0	22	UK/US	Norton Rose Fulbright	78.7
8	UK	Addleshaw Goddard	85.5	23	US	Meyer Brown	78.4
9	Spain	Garrigues	84.9	24	Spain	Uriá Menéndez	77.7
10	UK/US	Hogan Lovells	84.1	25	UK	UK Travers Smith	77.7
11	UK	Shoosmiths	83.6	26	UK	UK Herbert Smith Freehills	76.8
12	Spain	Cuatrecasas	83.4	26	UK	Bird & Bird	76.8
13	Global	Dentons	83.2	28	Baltics	Baltics Sorainen	75.7
14	Portugal	Vieira de Almeida	82.9	29	Portugal	Portugal Abreu Advogados	75
15	UK	Pinsent Masons	82.6	30	UK	Deloitte Legal	74.9

²² Ministry of Justice, ‘A Further investment in digital transformation of UK’s legal sector’. (August 2022) available at:

www.gov.uk/government/news/further-investment-in-digital-transformation-of-uk-s-legal-sector

²³ LexisNexis, ‘Fast law: why speed is the priority for lawyers using AI’, (November 2024) available at: <https://www.lexisnexis.co.uk/insights/fast-law-why-speed-is-the-priority-for-lawyers-using-ai/index.html>

²⁴ Financial Times, ‘FT law firm index – Europe’, (November 2024), available at: <https://www.ft.com/reports/innovative-lawyers-europe>

The UK’s leading position is underpinned by a network of ‘tech labs’ created by law firms, universities and others, including financial services businesses. These centres of innovation are providing employment across the UK. London is the epicentre of UK LawTech and is home to 43% of European LawTechs, but there are centres in every part of the UK. Ashurst has one in Glasgow; Hogan Lovells in Birmingham; and Bryan Cave Leighton Paisner, Freshfields and Latham & Watkins have centres in Manchester. Belfast has developed a strong reputation for legal innovation, hosting LawTech firms such as Axiom, iManage and BRIEFED, as well as legal services centres for A&O Shearman, Baker McKenzie and Herbert Smith Freehills.

Figure 18: Regional distribution of LawTech ventures across the UK, 2023

Source: LawTechUK Ecosystem Tracker

Region	Number of firms	% of total
London	151	60
South East	23	9.0
Scotland	13	5.1
South West	11	4.3
East of England	11	4.0
East Midlands	9	3.5
North West	9	3.5
West Midlands	8	3.1
Yorkshire and the Humber	8	3.1
North East	4	1.6
Wales	5	2.0
Northern Ireland	2	0.8

The UK's position within the global legal market

The global legal services market grew to \$765bn in 2022 and is predicted to reach \$950bn by 2027.²⁵ The UK is the largest legal market in Europe, and is second only to the US globally.

In 2023/24, total revenue across the world's 100 largest law firms broke through the \$150bn mark for the first time this year, with combined income rising by more than 6% to \$158.7bn.²⁶ 67 of the world's top 100 firms now turn over more than \$1bn, with 27 firms reporting turnover greater than \$2bn.²⁷

Over the past five years, average revenue growth across the Global 100 stands at 40%, with 40 firms boosting revenue by at least 40% during that period²⁸. Eighty-eight of the Global 100 managed to post rising revenues, with 63 posting growth of more than 5% and almost one quarter enjoying double-digit hikes.²⁹

While over two thirds of Global 100 law firms were US originated/headquartered firms, UK-based firms continue to feature prominently in the rankings. All of the top 50 global law firms by revenue have an office in London. While UK-based firms also held eight of the top 20 places based on revenue. DLA Piper was the largest UK-based law firm on this measure, followed by Clifford Chance, Allen & Overy, Dentons, Hogan Lovells, Freshfields, Linklaters, and Norton Rose Fulbright.

²⁵ The Business Research Company, 'Legal Services market', (accessed November 2024), available at: www.thebusinessresearchcompany.com/report/legal-services-market

²⁶ Legal Business, 'Global 100 Overview', (November 2024), available at www.legalbusiness.co.uk/analysis/global-100-overview-g100-defy-gloom-to-pass-150bn/

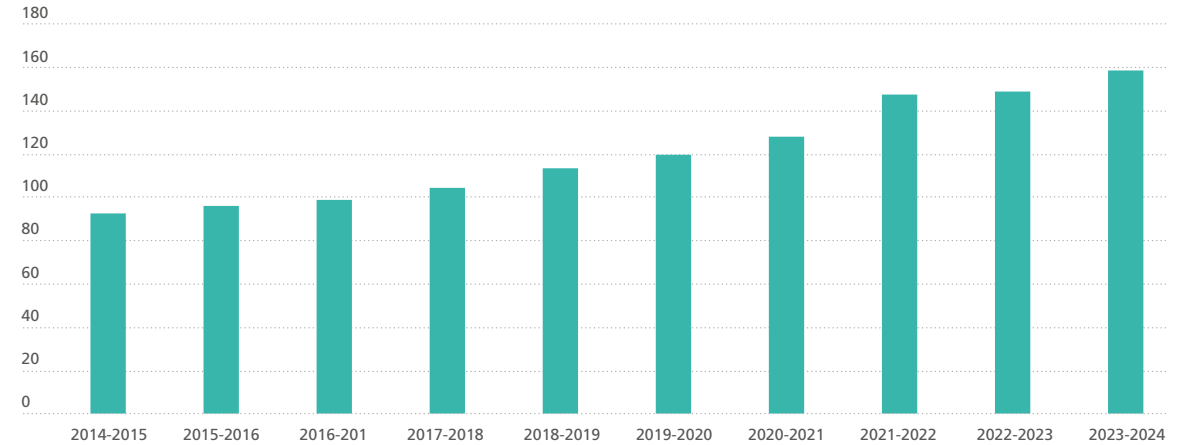
²⁷ Legal Business, 'Global 100: main table', (December 2022), available at: Global 100: Main table 2022 – Legal Business

²⁸ Legal Business, 'Global 100 Overview: G100 defy gloom to pass' (November 2024), available at: <https://www.legalbusiness.co.uk/analysis/global-100-overview-g100-defy-gloom-to-pass-150bn/>

²⁹ Ibid.

Figure 19: Total revenue of the world's largest 100 law firms, (\$bn)

Source: Legal Business



The world's three largest law firms (by gross revenue) continue to be Kirkland & Ellis (with \$7.2bn), ahead of Latham & Watkins (\$5.68bn) and DLA Piper (\$3.77bn).

When considering the composition of the top 100 firms, it is important to remember that UK law firms that account in sterling continue to suffer from the strong US dollar as the revenues we cite are reported in dollars. Many of these firms recorded strong growth in their own currency.

Figure 20: Largest 20 global law firms by gross revenue, 2023/24

Source: Global 100

Law firm	Headquarters	Gross revenue (\$m)
Kirkland & Ellis	Chicago (US)	7,208
Latham & Watkins	National (US)	5,688
DLA Piper	International (US/UK)	3,769
Baker McKenzie	International (US)	3,287
Skadden	New York (US)	3,270
Sidley	Chicago (US)	3,100
Gibson Dunn	Los Angeles (US)	3,074
Ropes & Gray	Boston (US)	2,993
White & Case	International (US)	2,949
Morgan Lewis	National (US)	2,899
Clifford Chance	International (UK)	2,882
Allen & Overy	International (UK)	2,756
Dentons	International (UK/US)	2,720
Hogan Lovells	International (UK)	2,683
Jones Day	National (US)	2,666
Freshfields	London (UK)	2,662
Linklaters	International (UK)	2,631
Simpson Thacher	New York (US)	2,336
Greenberg Traurig	National (US)	2,303
Norton Rose Fulbright	International (UK)	2,260

The continued popularity of English law for use in international business strengthens the position of UK-qualified lawyers and UK-based law firms. Global demand for UK qualified solicitors is high and many choose to work overseas. There are over 6,500 solicitors of England and Wales and over 800 solicitors of Scotland working outside the UK. The growth in UK legal professionals operating overseas is not, however, restricted to solicitors and law firms. Many barristers' chambers, especially those specialising in various forms of commercial law, are establishing permanent presences in locations such as Singapore, Hong Kong, Abu Dhabi, New York, Doha and Geneva to focus on dispute resolution and arbitration. More than 2,475 members of the Bar of England and Wales now receive instructions from abroad, earning more than £506m in revenues in 2023.³⁰

³⁰ Figure from Bar Mutual

Dispute resolution in London and the UK

The Business and Property Courts (B&PCs) are specialist courts within the High Court in the Rolls Building in London and at seven regional court centres which decide disputes in business and commercial cases, property, company law, insolvency and bankruptcy, intellectual property and other Chancery disputes and technology and construction disputes, both domestic and international with the aims of ensuring that:

- international business and domestic enterprises are equally supported in the resolution of their disputes
- cases are managed to deliver progress to trial without delay
- cases are tried, and appeals heard, by the most appropriate judge (whether a High Court Judge or other specialist judge)
- judges provide an efficient and effective service utilising modern technology to best advantage.

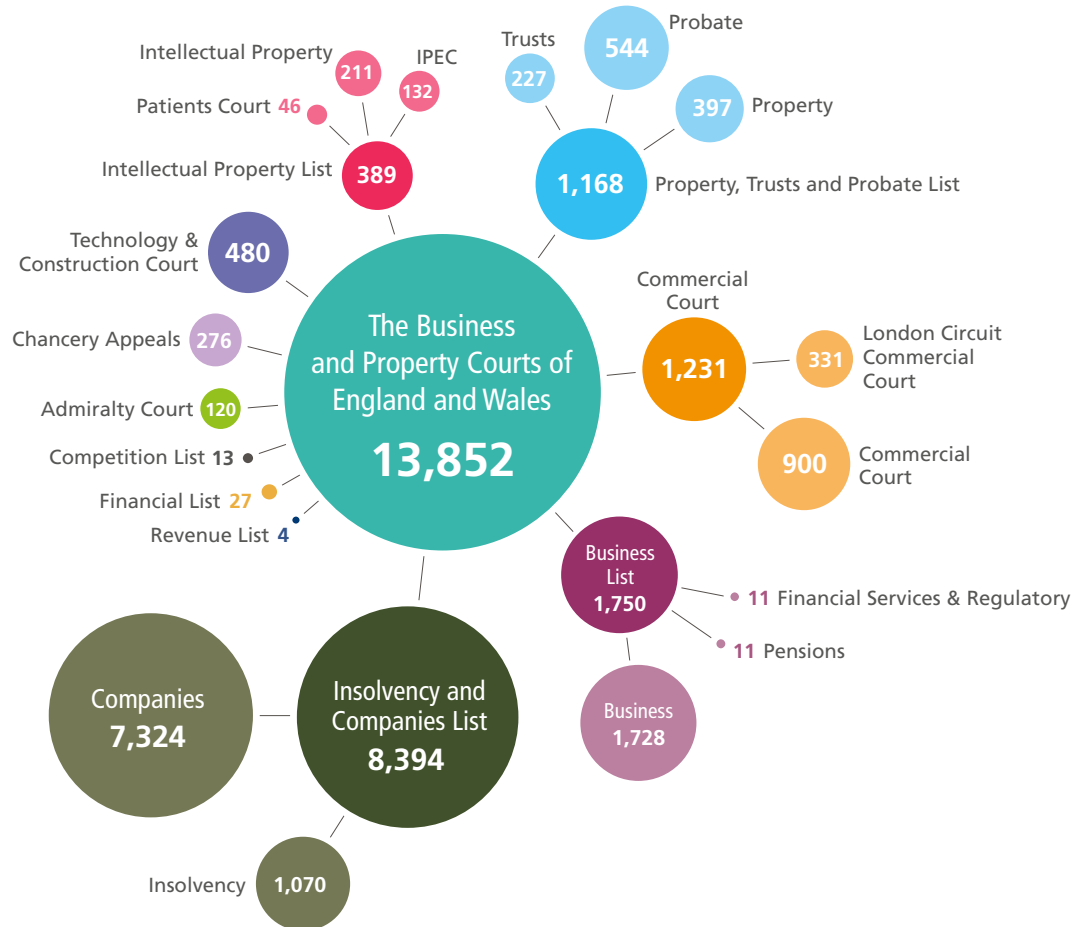
The work of the B&PCs continues to underpin the position of English law as the global business law of choice with decisions of B&PCs judges having a wide impact in financial, business, commodities, insurance, shipping and other markets.

Court based dispute resolution:

London's Rolls Building continues to house the Business and Property Courts, the world's biggest business, property and commercial court which includes all the specialist jurisdictions of the High Court dealing with commercial disputes. (note: includes only cases issued in the Rolls Building, London)

Figure 21: Cases issued by list, January – December 2023

Source: Civil Justice statistics quarterly: October 2023 to December 2023 © Crown copyright
Note: includes only cases issued in the Rolls Building, London.



The Commercial Court

There were 743 claims issued in the Commercial Court in 2023/24, and the total number of claims issued in the London commercial courts (i.e. also including the Admiralty Court, the London Circuit Commercial Court and the Financial List) was 1,192. In the Commercial Court, there were 396 trial sitting days, and 1,215 total sitting days. The number of paper applications was 3422 for the Commercial Court, and 4,597 for all the London commercial courts. There were 154 reserved judgments handed down in the Commercial Court, and 198 in all London commercial courts. A survey of judgments between April 2023 and March 2024 (262 judgments) revealed that 64% of litigants came from countries other than the UK (another record high), with litigants from 84 countries appearing.

The major cases heard by the court have included the start of a year-long trial of fraud claims by the Danish tax authority, SKAT; jurisdiction challenges and a term-long trial of insurance claims relating to aircraft stranded or detained in Russia and Ukraine following the invasion of Ukraine; business interruption claims arising from the Covid pandemic; a long trial of fraud claims in respect of West African oil trading; a 10-week trial concerning alleged fraud in holiday village and student accommodation; a trial of a dispute about the sale of a large Brazilian mining venture; a case relating to a property investment made by the Vatican; and a major dispute between two Russian businessmen. Russian sanctions-related issues continue to arise in cases before the court, and there have also continued to be significant numbers of applications for freezing orders and anti-suit injunctions, as well as paper applications. The court continues to deal with significant arbitration-related issues, including restraining proceedings brought in breach of arbitration agreements. The Arbitration Bill has continued to progress through Parliament, and judges of the court gave evidence to the House of Lords Special Bills Committee dealing with the proposed legislation.

Financial List

Two Financial List trials have taken place so far in 2024, one of which settled two weeks into the trial (Allianz Global Investors GmbH v Others v. Serco Group Plc before Mr Justice Trower). A third is scheduled to take place in November. Four more were listed but were vacated/ settled.

Two trials are currently scheduled to take place in 2025. Two more were listed but have already settled.

Sixteen cases have been issued in the Financial List so far in 2024. Twenty seven cases were issued in the Financial List in 2023.

The Technology and Construction Court

There were 432 new claims issued in the Technology and Construction Court (TCC) in 2023/24.

The TCC continues to hear claims requiring specialist technical input, including complex technology disputes, raising issues of system delivery failures, digital twin technology, reverse engineering and infringement of rights under the Software Directive. The court is dealing with one of the world's largest opt-in class actions, arising out of the Fundao Dam disaster in Brazil, together with other international environmental pollution claims and renewable energy disputes.

Cases concerning building safety issues in high rise buildings are increasing as a result of the Grenfell tragedy and the Building Safety Act 2022, although many are still at the procedural stages and have yet to give rise to full trials.

Procurement work continues to form an increasing share of TCC work, including challenges to the award of large public infrastructure contracts. Depending upon the circumstances of the case, applications and early trials are often heard very quickly, such as the National Lottery procurement challenge, where an expedited trial of preliminary issues was ordered to be heard within two months of application and a reserved judgment handed down one month after trial.

The number of adjudication enforcement claims issued in the TCC has remained steady at 110 reflecting the popularity and success of adjudication, protecting cash flow and an effective means of dispute resolution for the construction industry. The TCC has a tailored expedited procedure for adjudication enforcement claims, issuing directions within about three days of issue and fixing a hearing date for the summary judgment application within about six to eight weeks thereafter. The use of remote hearings for most adjudication business enables the TCC to allocate the claims wherever there is capacity, to ensure an early hearing date. Most enforcement claims are settled before the hearing and the adjudication often results in a final resolution of the dispute without the necessity for a trial or arbitration. In line with the increasing importance of AI in the construction and technology fields, the TCC now has its own AI working group, presenting a series of seminars in conjunction with litigators, construction professional and industry representatives.

The Patents Court

The level of the work in the Patents Court has been sustained and high during 2023-2024, in relation both to trials and interim applications. The rate of new claims being started has increased somewhat, further reason to think that the inception of the Unified Patent Court has not had a lasting adverse impact. Patent trials and hearings have been taken by the two full time Patents Judges, other Chancery Division Judges with authorisation to hear patent matters, and specialised Deputy High Court Judges. The costs-capping regime for the Shorter Trials Scheme (STS) is now in effect and is being monitored with the assistance of the IPLA. The Patents Court remains willing to will direct trials more quickly than its 12-month standard time to trial, assisted by hearing trials in September if necessary, and a number of major cases have been given expedited trials in 2025. Cases in the Patents Court are often of international significance, because they have global participants and set precedents that are followed or replicated elsewhere. Over 90% of cases currently listed in the Patents Court Diary involve at least one international party. There continue to be a considerable number of cases in the Patents Court involving FRAND.

A major part of the Patents Court's work is SEP/FRAND litigation between patent owners and patent implementers in the field of telecoms.

The technical complexity of the cases continues to show the scientific proficiency of the judges of the Patents Court in the UK, and their familiarity with commonly-litigated fields of technology like telecoms and life sciences, which along with the speed of bringing cases to trial make the court an attractive forum for major technology companies. Similarly, the judges' highly specialised body of experience in worldwide licence-fee rate setting continues to increase.

Case studies – InterDigital v Oppo, Panasonic v Xiaomi and Oppo, Moderna and CureVac v Pfizer and BioNTech

In InterDigital v Oppo the Patents Court heard a substantial FRAND trial to set global rates for InterDigital’s patent portfolio, the parties having agreed to the Patents Court’s preferred course of moving straight to FRAND terms as the real matter in dispute, and without the necessity for technical validity and infringement trials.

In Panasonic v Xiaomi and Oppo the Patents Court will also proceed (in October/November 2024) to determining global FRAND rates without the need for technical trials. The trial will be the first where global rates for two different licensees are set at the same time, with active case management of the evidence on overlapping issues.

Panasonic and Xiaomi also litigated the availability of declarations about interim licences pending the final FRAND determination, and there have been a number of similar disputes this year in the Patents Court (and the Court of Appeal) in that litigation and in Lenovo v Ericsson and Lenovo v InterDigital.

Moderna v Pfizer and BioNTech and Pfizer and BioNTech v Curevac both concerned the validity and infringement of patents for COVID vaccines. Unusually, the patentees were not seeking an injunction but only monetary compensation. As defendants in the infringement case brought by Moderna, Pfizer and BioNTech argued that Moderna waived its right to payment by public “pledges” during the pandemic. The pledge issues involved arguments of US Federal and State law and were tried by Jonathan Richards J, with Meade J trying the issues on validity and infringement. Assigning different judges to the patent and the pledge issues enabled final decisions to be made more quickly.

The Insolvency and Companies Court

The 2021 World Bank Report stated that a: “Well-functioning legal, regulatory, framework and systematic approach to debt resolution and insolvency strengthens the investment climate and advances economic growth”. England and Wales is one of only a few jurisdictions with a specialist Insolvency and Companies Court (ICC). The ICC’s seven full-time judges and 14 deputies have a deep understanding of insolvency laws and regulation; they provide a consistent approach and ensure that cases are managed and concluded efficiently.

There is a steady stream of restructuring plans and schemes of arrangement that come before High Court Judges in the Chancery Division. These typically concern the restructuring of financing companies within global groups, and are frequently brought before the court, and resolved, on an urgent basis. The flexibility of the UK restructuring regimes is a factor that continues to attract a large amount of international work in this area.

In the six months to October 2024, there has been a 20% increase in insolvency cases issued in the Rolls Building.

As an early adopter of the UNCITRAL model law on cross border insolvency, Great Britain has the tools for achieving coordinated, global solutions for all stakeholders of an insolvency proceeding. Recognition of a foreign insolvency can result in an automatic stay of all proceedings against the financially distressed entity in this jurisdiction. The ICC can also grant practical assistance to foreign insolvency officeholders, such as by permitting them to exercise the powers that an equivalent UK insolvency officeholder would have.

Consistency of approach often requires courts around the world to determine where an entity that operates across borders has its centre of main interests or ‘COMI’.

Anonymised case study

Company X was incorporated in the BVI and traded in oil and petroleum. It entered a charterparty with P for a shipment to Turkmenistan. X stated its address to be in the BVI and the charterparty provided for disputes to be resolved by arbitration in London under English law.

P's buyer refused to take delivery and the cargo was rerouted to Russia. P commenced LCIA arbitration proceedings in London claiming that X had breached the charterparty and seeking demurrage. X disputed the jurisdiction of the LCIA on the basis that the charterparty did not cover the second part of the journey to Russia and the arbitration did not proceed.

P brought a claim for demurrage against X in the BVI and obtained a judgment in default. X moved its registered office to Malta and managed to set aside the default judgment, but it did not inform P of its change of address. P obtained a second default judgment in the BVI, served a statutory demand on X at its BVI address and presented a winding-up petition in London based upon the BVI judgment debt. P argued that X's COMI was in England because six of its main contracts were governed by English law, it had participated in the English arbitration proceedings and had no physical office, directors or employees in Malta.

The case progressed through the ICC to the Court of Appeal where it was found that none of the factors relied upon by P were, individually or collectively, sufficient to establish that X actually conducted the administration of its interests on a regular basis in England (or any other particular location) so as to displace the presumption that its COMI was in the jurisdiction of its registered office, namely Malta.

Alternative dispute resolution

Alternative dispute resolution (ADR) provides a way of resolving disputes between parties without going to court. Arbitration is a form of ADR that allows contracting parties to choose a neutral venue where their disputes are settled.

The UK is a global leader in international arbitrations. This position is underpinned by the Arbitration Act of 1996 (and in Scotland the Arbitration (Scotland) Act 2010) which governs how awards are enforced. This is reinforced by:

- The depth of expertise of UK practitioners on the commercial issues involved, particularly in large and complex cases.
- A well-respected judiciary and courts system which provides vital support for a well-functioning ADR sector.
- Availability of supporting services such as interpreters, translators, stenographers and IT.

In 2023, the Law Commission review of arbitration estimated that there are at least 5,000 domestic and international arbitrations in England and Wales every year, potentially worth at least £2.5bn to the economy, although the actual figures may be much higher.³¹

In 2024, the UK government introduced a new Arbitration Bill to enact recommendations from the Law Commission review in order to update the Arbitration Act (1996) so that it continues to support the UK's position as a leading destination for commercial arbitration.

London is the most popular, and widely used, seat for international commercial arbitration by a wide margin. More of these take place in London than in any other city in the world. As an example, it is estimated that more than 80% of the world's maritime arbitrations are handled in London.³²

Analysis of the caseload statistics of six of the largest international commercial arbitral bodies shows that arbitration remains a popular a form of dispute resolution. The London Maritime Arbitrators Association (the LMAA) continues to lead the caseload statistics with 1,845 new cases in 2023.³³

The arbitrations conducted under the rules of these six bodies are predominantly international. The London Court of International Arbitration reports that in 2023 96% of its cases were international, 79% percent did not involve any UK parties, and only 4% involved UK parties only.³⁴

³¹ Law Commission, 'Review of the Arbitration Act 1996', (accessed November 2024), available at: <https://lawcom.gov.uk/project/review-of-the-arbitration-act-1996/>

³² HFW, 'The Maritime Arbitration Universe in Numbers' (July 2020), available at: www.hfw.com/downloads/002203-HFW-MaritimeArbitration-in-Numbers-July-2020.pdf

³³ The London Maritime Arbitrators Association, 'London Retains its Crown in International Maritime Arbitration', (March 2024), available at: <https://lmaa.london/london-retains-its-crown-in-international-maritime-arbitration/>

³⁴ London Court of International Arbitration, '2023 Caseload Statistics' (accessed November 2024), available at: www.lcia.org/lcia/reports.aspx

In the UK, ADR services continue to be provided across a range of activities and sectors at a domestic and international level. The total number of commercial and civil disputes raised through arbitration, mediation and adjudication totalled more than 28,601 in 2023.

In addition to the many arbitrations, mediations and adjudications taking place in the UK, the services of UK professionals are highly sought in ADR cases abroad. For example, in ICC arbitrations worldwide in 2023, 13% of arbitrators were appointed from the UK and 15% of new cases were lodged under English law – more than from any other country.³⁵

Figure 22: Arbitrations, mediations and adjudications in the UK (Number of referrals, appointments or cases submitted)

	2019	2020	2021	2022	2023
Mostly international					
London Maritime Arbitrators Association	1,789	1,797	1,668	1,807	1,845
London Court of International Arbitration	395	440	377	333	377
Lloyd's Open Form	41	44	37	34	23
Grain and Feed Trade Association (GAFTA)	388	291	310	337	301
ICC Int. Court of Arbitration (UK seated)	115	85	94	NA	85
Centre for Effective Dispute Resolution	4,635	3,665	1,563	1,104	952
CiARB Dispute Appointment service	NA	NA	NA	67	110
Total international	7,363	6,322	4,049	3,682	3,693
Mostly UK domestic					
Royal Institution of Chartered Surveyors	3,702	3,478	4,178	3,604	3,281
Centre for Effective Dispute Resolution	17,775	24,366	11,462	24,579	19,419
Adjudication Society	1,905	1,945	2,171	1,903	2,078
CiARB Dispute Appointment service	NA	NA	NA	173	130
Total domestic	24,402	29,789	17,811	30,259	24,908
Total	31,465	35,811	21,560	33,941	28,601

³⁵ ICC International Court of Arbitration, 'Dispute Resolution Statistics 2023', (June 2024) available at: https://iccwbo.org/wp-content/uploads/sites/3/2024/06/2023-Statistics_ICC_Dispute-Resolution_991.pdf

TheCityUK and legal services

Our Legal Services Group (LSG) brings together senior representatives from leading UK and international law firms, in-house counsel from leading financial institutions and representatives of the UK's main legal professional bodies. The LSG provides senior strategic oversight for our legal services work and provides thought leadership on the development of policy and regulation both for the legal sector and for the wider financial and professional services ecosystem. The group is chaired by James Palmer, from Herbert Smith Freehills.

The LSG's focus is on maintaining the international competitiveness of the UK's legal services sector, including by protecting the UK's reputation as a rule of law jurisdiction. We do this by building and maintaining strong relationships among the legal sector, government, regulators, and the wider financial services industry. We use the expertise of our members to support government and regulators to review, develop and implement legislation and regulation that is practicable and appropriate.

We continue to promote the importance of the sector as a foundation for UK economic growth and its value as an export commodity. This work is supported through our programme of ongoing engagement with government, particularly with the Ministry of Justice (MoJ), HM Treasury (HMT), Parliament, the Scottish Government, and other senior and influential government and industry groups.

In 2024, TheCityUK had regular engagements with the Lord Chancellor, ministers, and senior officials at the MoJ under both Conservative and Labour administrations. The LSG also convened discussions with the Chief Executive of the SRA and the Chief Executive of the Legal Services Board (LSB). The LSG and our legal services members led or supported many of TheCityUK's responses to government consultations and legislation across a range of policy issues.

Conclusion

This report demonstrates the key role the legal services sector plays in underpinning the UK's position as a world-leading international financial centre.

The sector's contribution to the UK economy is substantial and it supports employment across every nation and region of the country.

The breadth of expertise, professionalism and diversity of the UK's legal professionals is recognised around the world. The UK legal sector's status as a leading centre for innovation and the development of LawTech means it is well placed to thrive in the future.

Alongside the international prestige of English common law and the strength of the judicial institutions which underpin it, the UK's legal sector remains a national asset and an essential component of the broader financial and related professional services ecosystem that puts the UK at the heart of global business.

Acknowledgements and sources of information

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TheCityUK calculations on employment figures and the economic contribution of the sector are based on data from Office of National Statistics (ONS) and Northern Ireland Statistics and Research Agency (NISRA). Data on the Total Tax Contribution is taken from research published in May 2024 by TheCityUK and the City of London Corporation.

Data on the UK's legal professions are provided by the respective professional bodies and/or regulators. Data comparing law firms is mainly based on league tables published by the Legal Business 100 and the Legal Business Global 100.

Data on the work of the courts, including caseload figures is provided by HM Judiciary. We are grateful to the staff of the Office of the Chancellor of the High Court for their ongoing support and collaboration.

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Adjudication Society, www.adjudication.org

Bar Council, www.barcouncil.org.uk

Centre for Effective Dispute Resolution, www.cedr.com

The Faculty of Advocates, www.advocates.org.uk

HM Judiciary, www.judiciary.uk

International Bar Association, www.ibanet.org

International Chamber of Commerce, www.iccwbo.org

The Law Society of England and Wales,
www.lawsociety.org.uk

The Law Society of Northern Ireland, www.lawsoc-ni.org

The Law Society of Scotland, www.lawsocot.org.uk

LawTechUK, www.lawtechuk.io

The Lawyer, www.thelawyer.co.uk

Legal Business, www.legalbusiness.co.uk

Legal Services Board, www.legalservicesboard.org.uk

LexisPSL Arbitration www.lexisnexis.co.uk

Lloyd's Open Form, www.lloyds.com

London Court of International Arbitration, www.lcia.org

London Maritime Arbitrators Association, www.lmaa.london

Ministry of Justice, www.justice.gov.uk

Office for National Statistics, www.ons.gov.uk

Royal Institute of Chartered Surveyors, www.rics.org/uk

Social Mobility Foundation, www.socialmobility.org.uk

The Solicitors Regulation Authority, www.sra.org.uk

Strategy& / PwC, www.pwc.co.uk

Thomson Reuters, www.thomsonreuters.com

Financial Times www.ft.com

Judiciary of Northern Ireland www.judiciaryni.uk

Judiciary of Scotland <https://judiciary.scot/>

Chartered Institute for Arbitration www.ciarb.org

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