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Legal Services Regulatory Authority Publishes Annual Report on Admissions 2020

The Legal Services Regulatory Authority today publishes its second annual report on the admission policies of the legal professions.

The report, *Pathways to the Professions 2020: Annual Report on Admission Policies of the Legal Professions,* documents the number of persons admitted to practise as both solicitors and barristers in 2020, based on figures supplied to the Authority by the professional bodies. It also contains an overview of available data in relation to the costs of legal services. It is the second Annual Report on Admissions that the Authority has submitted to the Minister for Justice under section 33(1) of the Legal Services Regulation Act 2015.

In the report, the Authority states that the year 2020 was dominated by the Covid-19 pandemic which "had a significant negative impact on demand for the services of solicitors and barristers as well as the income of many professionals. However, this impact was not uniform across the professions or areas of practice. A range of State supports were introduced for both firms and individual practitioners."

The Authority also observes that: "The sudden shift to largely remote working and exclusively online training for solicitors and barristers during the year brought challenges and also what are expected to be lasting changes in terms of working practices, flexibility and access. The restrictions caused by the pandemic also dramatically increased the pace of introduction of technology-led innovations and efficiencies in the legal services arena, placing a renewed focus on the possibilities for technologically driven provision of legal services."

In terms of the impact of Brexit, the report notes that: "The year also saw the UK's departure from the EU, with economic and legal uncertainties for the entire Irish economy including legal services. While there are numerous negative economic aspects to Brexit for Ireland, there is also an anticipation that the UK's withdrawal from the EU may mean fresh opportunities for growth in commercial legal services provision in Ireland in the years ahead."

The key findings of the report include:

Solicitor Admissions

A total of 906 solicitors were admitted to the Roll of Solicitors in 2020, a 62% decrease on 2019. The "Brexit-effect" on increased admissions to the Irish Roll by UK solicitors has started to subside. The year saw a significant drop in the number of England and Wales-qualified solicitors entering the Roll, down to 443 compared to

1,838 in 2019. For the first time since 2016 – the year of the UK's announced departure from the EU – annual admissions to the Roll fell below 1,000.

- A total of 11,854 solicitors held Irish practising certificates on 31 December 2020, a
 decrease of 105 from 2019. This represents the first annual drop in the number of
 practising certificates held since 2009.
- The impact of Brexit on admissions to the Irish Roll of Solicitors and practising certificate numbers appears to have peaked in 2019. It is now to be expected that solicitor admissions numbers will stabilise, with solicitors qualifying through the Law Society's Professional Practice Course being the primary driver for new admissions.
- The Authority notes that the Law Society in November 2020 made a significant change to its admissions policy which means that England and Wales-qualified solicitors are not entitled to be issued with practising certificates unless they can demonstrate that they practise, or intend to practise, in Ireland from a physical establishment in this jurisdiction. It also notes the introduction of new regulations in January 2021 which enabled the Law Society to reinstate direct admission of England and Wales qualified solicitors to the Irish Roll subject to reciprocity.

Barrister Admissions

- A total of 167 barristers were called to the Bar of Ireland by the Chief Justice in 2020, allowing them to exercise a full right of audience before all courts. This is down 14% from 190 in 2019.
- Of the 167 barristers admitted to practise in the year, 116 were graduates of the King's Inns Barrister-at-Law degree course. The total also includes 47 barristers admitted having obtained their professional qualifications in England and Wales or Northern Ireland.
- The total number of barristers on the Roll of Practising Barristers maintained by the LSRA stood at 2,823 at the end of 2020, an increase of 88 on the total at the end of 2019.

Impact of Covid-19 and Brexit on Demand for Legal Services

- In the private sector, the Smith & Williamson *Annual Survey of Law Firms in Ireland* 2020/21 identified recruitment and retention of key staff as a key challenge for 53% of the Top 20 firms, as was competition from UK and international law firms (27%).
- The Authority notes the Law Society's assessment that while the solicitor employment market was subdued since March 2020, employment held up during the year and almost all solicitors were retained in their jobs by their employers. The Authority also notes the submission by the Legal Aid Board, which said it continued to find recruitment of solicitors challenging throughout 2020, with limited numbers applying for solicitor competitions compared with other public sector bodies.

- For barristers at the independent referral bar, the Authority notes the Bar of Ireland's
 assessment that demand for barristers services "ebbed and flowed" since March 2020.
 These patterns were in accordance with the various levels of restrictions; the
 prioritisation of certain types of cases such as criminal and urgent family law matters;
 and the availability and suitability of remote hearing facilities for certain cases.
- As was noted in the Authority's 2019 Annual Report on Admissions, it is difficult to
 determine exactly what proportion of newly admitted solicitors and barristers in any
 given year will go on to provide legal services in the State, and for how long. In
 addition, as patterns following the financial and economic crisis of 2008 show,
 admissions to the legal professions tend to follow, with a lag, the economic fortunes
 of the economy.

Costs of Legal Services

- The Authority in the report notes limitations in the availability of statistical data on the
 costs of legal services which pose constraints when it comes to drawing conclusions in
 relation to the areas which require its assessment under section 33(1)(c) of the Act.
 The Authority will continue to closely monitor and report on available data on legal
 demand and costs in its annual reports to the Minister.
- The Authority notes that the National Competitiveness Council's annual report for 2020 identified legal costs among a number of long-standing structural issues within the Irish economy that that may have been placing higher costs on Irish businesses and consumers relative to other European countries. In addition, the World Bank's *Doing Business 2020* report suggests that Ireland is a slow and expensive jurisdiction in which to enforce a commercial contract, with Irish businesses facing higher legal costs than their counterparts in many other countries. It also notes the ongoing work of the Department of Justice in relation to legal costs, including on foot of recommendations of the Review of the Administration of Civil Justice Group.

Developments and Recommendations in Legal Practitioner Training

- Legal practitioner education in Ireland in the short to medium term is about to undergo significant changes on foot of recommendations made by the Authority to the Minister for Justice in September 2020 in a report issued under section 34 of the Act. The report, Setting Standards: Legal Practitioner Education and Training made a total of twelve recommendations for reform of legal education and training for solicitors and barristers. The two core recommendations were 1: A clear definition of the competence and standards required to practise as a solicitor or barrister should be developed and 2. The establishment of a new and independent Legal Practitioner Education and Training Committee (the LPET Committee).
- The year 2020 saw several welcome developments from the professional training bodies in relation to the issue of professional competencies. The King's Inns published its Statement of the Required Competencies of a Barrister in November 2020, while

the Law Society advised the Authority that it was putting in place a competency framework for solicitors. In addition, the first solicitor trainees began their studies on the Law Society's flexible PPC, the PPC Hybrid, which includes online lectures and (pre-Covid-19) weekend on-site tuition. In addition to these developments, the Bar of Ireland in 2020 undertook a review of its Continuing Professional Development (CPD) scheme to examine the needs of the profession in the context of the evolving regulatory environment and the demands of modern legal practice as a barrister.

The Authority's report concludes that:

"With the combined impacts of Covid-19 and Brexit, 2020 can in no way be considered a normal year in terms of numbers and patterns of admissions to the professions and the overall dynamics at play in the legal services sector. Looking ahead, the Authority anticipates developments in the arena of legal practitioner education. In time, these may impact not only on standards of legal practitioner education and training, but also on the numbers admitted to the professions and the demand for and costs of the services of practising solicitors and barristers. The Authority will continue to both drive and monitor developments in the legal services sector in accordance with its statutory functions. These efforts will continue to shape and inform its annual assessments under section 33 of the Act."

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Pathways to the Professions 2020: Annual Report on Admission Policies of the Legal Professions is available to download here.

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