

“Trying to stick  
with the past has  
worked in no other  
area of business.”

*Partner, Hodge Jones & Allen Innovation in Law Report 2014 Survey*

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debate here:  
**#HJAInnovation**

Ipsos MORI conducted interviews with 508 legal professionals of which 60% were partners in the firms they worked for, 21% were Managing Partners, and 2% were Heads of their Chambers. This survey represents the views of some of the most senior and experienced legal professionals in the country. What's yours?

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# Introduction

by Professor Richard Moorhead



## I am extremely grateful for the invitation to introduce this report.

When I entered the legal profession back in the 1990s, I worked with the late, and much missed, Henry Hodge with his campaign to become Law Society President. Henry was of course the Hodge in Hodge Jones & Allen. His humour, wisdom and enthusiasm shone through even when dealing with hostile politicians and the rump of a profession at war with the present and terrified of the future. The lesson I learnt from him was that positive change was often pragmatic, piecemeal and messy. Changing the profession collectively was beyond difficult. There was too much fear and loathing.

He lost and the victor sought to hold onto the past. For a little while, the profession proceeded to denude itself. Even then, the direction of travel on legal aid and civil justice was well signalled. In many ways, the post 2010 cuts have merely, if dramatically, accelerated the process. 25 years of resistance inhibited change, but it has not ultimately prevented it. Lord Mackay had suggested many of the reforms that the Legal Services Act introduced. Lord Woolf's work had begun trying to get the profession to offer some kind of sense on civil justice costs. His failure provoked more radicalism not less. At some point the profession, or sections of it, one kept imagining, would have to get ahead of the curve rather than being swamped by it, but they could not.

This report is full of grief and anger within the profession at those changes. It is right, proper and decent that the profession mourns what has happened, but it must also (and will) move beyond this moment. As this report suggests, many may leave the law, firms will disappear, and the public will lose out. It will get worse too until things change. Whilst there are important lessons in the detailed record of professional dismay we see here, the crucial thing that this report does is to recognise a responsibility: to put forward ideas, to take risks, to experiment both individually and collectively, and to look outwards. That means challenging the received wisdoms of others, especially politicians, but also challenging the assumptions of lawyers too. It means not solely judging progress by the standards of the past. That responsibility is rooted in self-preservation, but it is rooted too in the needs of the public and small businesses. Access to justice is not some high ideal for them, it is a practical need for anything that helps. It's easy for me to say this. My mortgage is not on the line. But if progressive lawyers who read this report do not do something about it, and change what they can rather than what they would like to change, who will?



Professor Richard Moorhead

# Introduction

by Patrick Allen

Managing Partner, Hodge Jones & Allen



## Welcome, to this the first in a series of reports on Innovation in Law.

With these reports, we hope to start a debate about what collectively and individually we can do to innovate and by so doing improve outcomes for clients, improve efficiency in the legal process, and make the law the most satisfying and rewarding career possible.

The legal world is a different one to that which existed even five years ago. In that time, we have been through the longest and deepest recession since the 1930s, we have had our markets opened up to new competition, we have had the scope and provision of legal aid decimated and we have entered in to a new procedural world post-Jackson. This report highlights the impact these changes have had and are still having on access to justice, as well as the impact it has had on an already beleaguered profession. It is critical that we collectively debate the issues raised in this report and work together to seek solutions, alongside the innovations we introduce in to our individual practices. We must also raise public and political awareness of the current parlous state of justice in this country and seek to influence future policy. Without it, it is not too high-flown to say the very fabric of society is at risk.

In the research Ipsos MORI undertook for this report there was one statistic that stood out for me; 69% of the legal professionals interviewed would not recommend the law as a career. This we must change. We must make it the career that everyone wants to be in; for the pleasure in seeing justice served, for personal challenge and reward, and for the life-long opportunity for development that it offers.

Ipsos MORI interviewed 508 legal professionals in the research conducted for this report, of which 60% were partners in the firms they worked for, an additional 21% were Managing Partners, and another 2% were Heads of their Chambers. This survey thus represents some of the views of the most senior and experienced legal professionals in the country. I would like to thank all of those people who took part, for their time, and for the thought and effort they put in to their answers. I am sure you will agree that the results from the survey are extraordinary in their clarity and how on most issues we speak as a community with one voice. We have included many quotes from respondents, which come from an open question asked at the end of the survey on challenges for the future.

I would like to thank William Dawes and Paul Harvey at Ipsos MORI for undertaking the research on our behalf. I would also like to thank Jon Snow, Sir Keir Starmer, Lady Justice Gloster, Andrew Ritchie QC and Fiona Bawdon, for freely giving of their time and expertise at the launch of this report. Thank you too, to Professor Richard Moorhead, who has so kindly written the Foreword.

Finally, I would like to thank my team at Hodge Jones & Allen for working so hard on the writing and production of this report, ably led by Bree Knight.

I hope you enjoy the report and are able to join the on-going debate at #HJAInnovation or [www.hjainnovation.net](http://www.hjainnovation.net).



Patrick Allen

# Highlights from the report

**1**

## Justice is no longer being served

In the wake of the Legal Aid, Sentencing and Punishment of Offenders Act 2012 (LASPO), 83% of legal professionals agree that ‘the justice system is not accessible to all members of the public’, with 87% agreeing that ‘wealth is a more important factor in whether justice can be accessed than it used to be’. In the words of one senior legal professional, *‘I see the rule of law slowly becoming eroded as access to courts and tribunals (assisted by competent representation) become affordable only to the very poor or the very rich’*. With many now being forced to litigate in person, there are widespread concerns over how the courts will cope. One noted that *‘An inefficient court system, which is increasingly poorly staffed, is only going to get worse’*. Six in ten legal professionals believe that there is now little trust among the general public in the fairness of the judicial process.

**2**

## Courts need to modernise and fast

Many legal professionals are frustrated with the court system, with relatively few believing progress has been made in the introduction of IT in the courts. 50% believe the efficiency of the claims process is worse than it was 5 years ago; as one barrister / QC noted, *‘they have failed to modernise the court and its processes... modernisation would save significant sums’*. 57% of legal professionals support the idea of compulsory electronic communication of all documents between participants and the court and the same proportion would support the introduction of virtual or remote trials in some cases, particularly in smaller civil and commercial cases, and family cases not involving children. 79% agree that ‘changes to court fees are making it harder for people to bring cases to court’.

With the public court system failing them, many see the private sector having to provide an alternative, with 46% of legal professionals agreeing that ‘recent reforms are likely to contribute to a substantial increase in the future use of private arbitrators instead of the courts’.

## 3 The reality of living with Jackson

Four in ten legal professionals say the Jackson Reforms have directly impacted on the work they do, with most of the rest saying it has had no impact. Half of legal professionals agree that ‘The Jackson Reforms benefit business and government, rather than ordinary people’, with one stating ‘*Government did not realise the impact the Jackson Reforms would have on the legal profession ... everything has been to benefit insurers*’. The new processes and protocols have led 58% to agree that ‘compliance with court orders now takes

precedence over the delivery of justice’, particularly hitting litigants-in-person, who many believe are now being denied access to justice. Among those knowledgeable in this area, 60% agreed that ‘the taking of a percentage of damages, instead of success fees, is to the detriment of the claimant’, which is now the main means by which legal professionals have been forced to seek compensation for the work they do on behalf of clients.

## 4 Law as a career has lost its competitive edge

The vast majority of legal professionals (72%) are proud to work in the legal profession, but over half disagreed with the statement ‘I feel hopeful for the future of the profession’. Only 55% of those in the survey intend to carry on in the legal profession for the rest of their careers. There are concerns that the image of the profession has been tarnished, with one saying that ‘...*the image of the profession is in danger of becoming irreparably damaged; “lawyer bashing” has become a national sport*’. Nearly seven in ten would not recommend the legal profession as a career and 55% of Managing Partners/

Heads of Chambers agreed that ‘it is becoming tougher to recruit the best graduates into the legal profession’.

66

**The issue of access to justice in light of continued legal aid cuts is a huge problem.**

*Partner, Hodge Jones & Allen Innovation in Law Report 2014 Survey*

99

Heads of Chambers agreed that ‘it is becoming tougher to recruit the best graduates into the legal profession’.

# Report highlights

## 5 Still jobs for the boys

74% of legal professionals agreed with the statement that ‘senior positions throughout the legal profession are dominated by white, public-school educated men’. There is widespread belief that there is under-representation within solicitors for those who are state-educated, from ethnic minorities, or who have disabilities. There are more widespread beliefs that women, as well as these other groups, are under-represented among barristers; just 12% agreed that ‘it is easy to combine being a mother and developing a career in the legal profession’, while 69% agreed that ‘the cost of training deters ordinary people from becoming barristers’. With regards to the judiciary, over 70% of legal professionals believe women, the state-educated, ethnic minorities and those with disabilities are under-represented.

## 6 Management improving but not yet there

75% of legal professionals believe the way legal practices are managed is better than it was five years ago. However, some expressed concerns about practice management; one Managing Partner expressed his key challenge for the future as *‘The short-sightedness of lawyers who do not understand the basic economics of how to run a profitable business’*. 57% believe that ‘the quality of service provided to clients’ is better than it was five years ago, and 65% say ‘the value for money given to clients’ has improved over the same period.

66

**Key challenge for the future:**  
*‘The short-sightedness of lawyers who do not understand the basic economics of how to run a profitable business...’*

*Managing Partner, Hodge Jones & Allen  
 Innovation in Law Report 2014 Survey*

99

## 7 IT a force for good?

90% agreed that ‘the embedding of IT within working practice’ has improved over the last five years and half agreed that ‘the use of IT has delivered results in improved outcomes for clients’. There is widespread concern that ‘IT is starting to define working practices, rather than be an aid to legal professionals’ (63% agree with this statement). This may be part of a wider concern about changes in working life, with 79% agreeing that ‘there will be an inevitable deskilling of aspects of the legal process in the future’.

## 8 The big boys are moving in

91% of legal professionals agree that ‘we will start to see bigger practices dominating the legal market’, with one noting that *‘Competition from new, well-funded, entrants to the market will transform the way we provide legal services to private individuals, but this will come at a significant cost to the traditional “high street”’*. 89% agree that multi-disciplinary professional service companies will grow, 72% that consumer brands will soon enter the market in a significant way and 79% that there will be the emergence of international super-brands in the legal market. As a direct result of these new entrants, 89% agree that ‘there will be an inevitable commoditisation of legal services’ and 89% that ‘management will start to be dominated by non-legally trained staff’.

# 79%

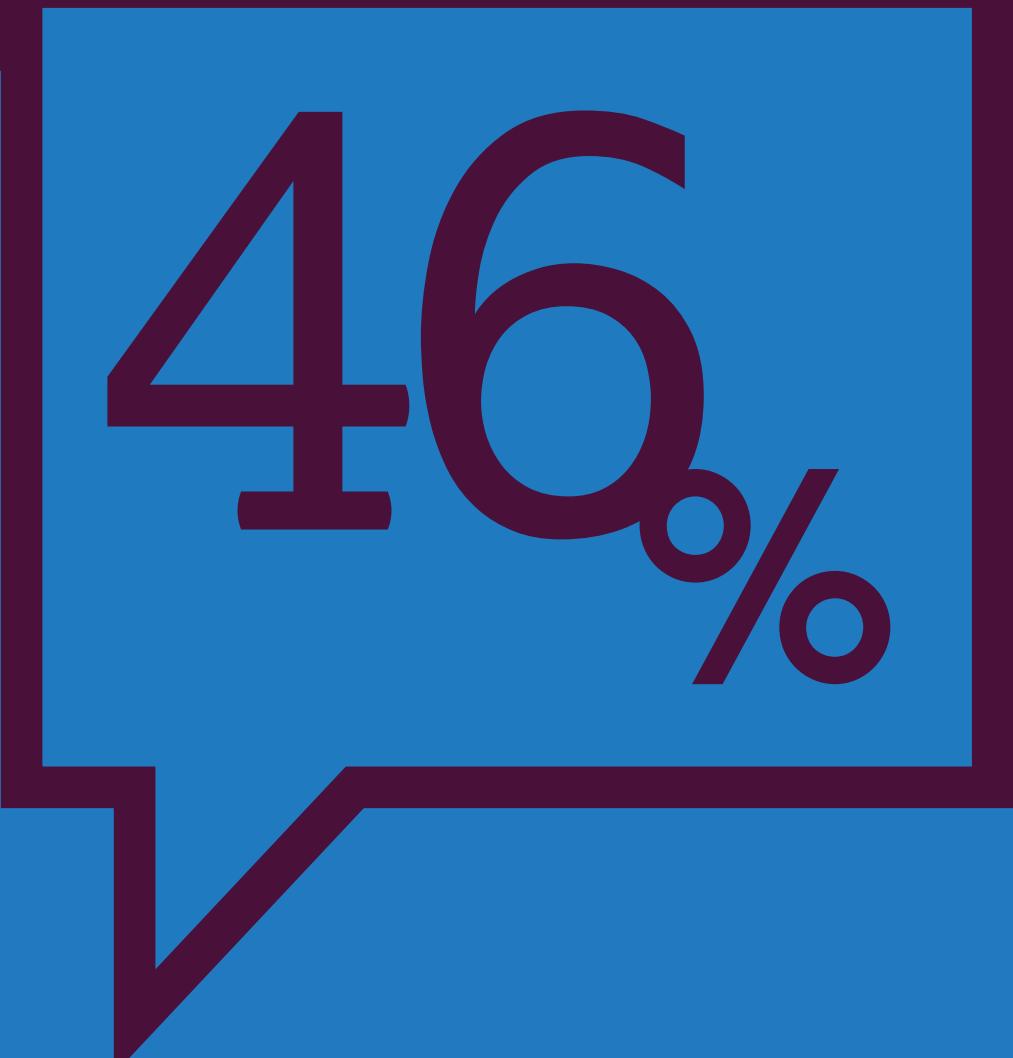
agreed that ‘there will be an inevitable deskilling of aspects of the legal process in the future’.

## 1: Justice

My worry is the removal of legal aid for people to get advice about law and get representation in court will start to undermine the rule of law because people will feel like the government isn't giving them access to justice in all sorts of cases.

And that will either lead to frustration and lack of confidence in the system, or it will lead to people taking the law into their own hands.

*Lord Neuberger, President of the Supreme Court, BBC Interview, March 2013*



46%

The number of publicly funded civil cases fell by 46% in 2013/14, compared to 2012/13.

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# Justice; equality and public understanding

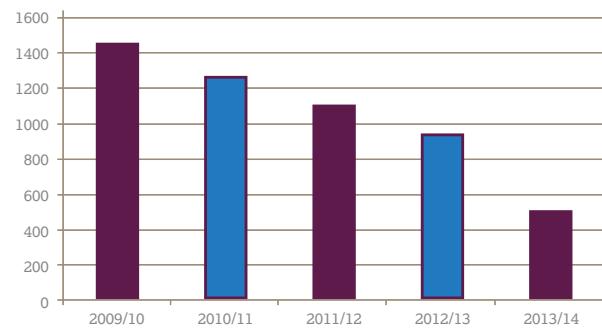
**83%** of legal professionals agree that ‘the justice system is not accessible to all members of the public’.

On 1 April 2013, reforms were introduced to remove legal aid funding from certain types of cases, including many civil, family, employment, housing, benefits and clinical negligence cases. The goal was to reduce the cost of the legal system by around £350m per year. In a numerical sense, the policy achieved its goal; the number of publicly funded civil cases fell by 46% in 2013/14, compared to 2012/13.

The fall in the number of publicly funded civil cases in England and Wales in 2013/14 was 428,000. One immediate consequence of this has been that, without public funding, many people have chosen or been forced to represent themselves in court. Information obtained under a Freedom of Information request submitted by Slater and Gordon to the Ministry of Justice, revealed that the percentage of parents representing themselves in family court cases involving children rose from 40% to 57% of all cases within the first year of the introduction of legal aid changes. In a written statement to MPs, prepared by the Judicial Executive Board in 2014, they stated: *‘There has been a large increase in the number of cases where one or both parties do not have legal representation – most prominently in private law family litigation. Where legal aid has been removed and individuals have become self-represented, the adverse impact upon courts’ administration and efficiency has therefore been considerable.’*

In this part of the report, the legal community’s attitudes to the current fairness of the justice system are examined, one year on from changes to legal aid, together with their views on the relationship between the justice system and the general public.

Figure 1.1 Publicly funded civil cases in England and Wales / 000s



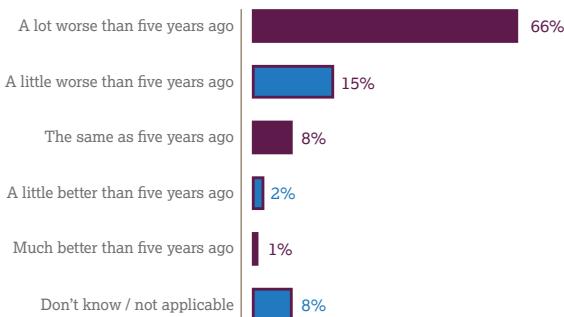
Source: Legal Aid statistics in England and Wales, Ministry of Justice, June 2014

## Access to Justice

Many legal professionals (83%) express the view that the current system does not provide access to justice for everyone in this country. This view is most strongly expressed among those working in smaller practices and those specialising in family or criminal work, but is an opinion shared by a majority of legal professionals in every size and shape of practice. Even among those specialising in commercial work, where the impact of these changes would have no significant impact, 78% of legal professionals agreed with the statement ‘The justice system is not accessible to all members of the public’. Perhaps more surprisingly, 54% of those specialising in commercial law disagreed with the notion that ‘justice is accessible to every type of commercial organization, regardless of size’, suggesting that financial constraints impact upon equality of justice even within the commercial sphere.

Whilst these opinions may not all be due to changes in the legal aid system, 81% of legal professionals believe ‘provision of access to justice for ordinary people’ is worse than five years ago, with 66% thinking it is ‘much worse’ (see figure 1.2). The group who feel most strongly about this are those leading legal practices through these changes (Managing Partners and Heads of Chambers), with 69% of this group believing this issue has got ‘much worse’ in the past five years.

*Figure 1.2 Provision of access to justice for ordinary people*



Source: Hodge Jones & Allen Innovation in Law Report 2014 Survey  
Base: 508 legal professionals

Many legal professionals appear to believe the reduction in public funding has resulted in a two-tier justice system. When asked, ‘*How strongly do you agree or disagree that wealth is a more important factor in whether justice can be accessed than it used to be?*’, there was an

**I see the rule of law slowly becoming eroded as access to courts and tribunals (assisted by competent representation) become affordable only to the very poor or the very rich.** 

*Partner, Hodge Jones & Allen Innovation in Law Report 2014 Survey*

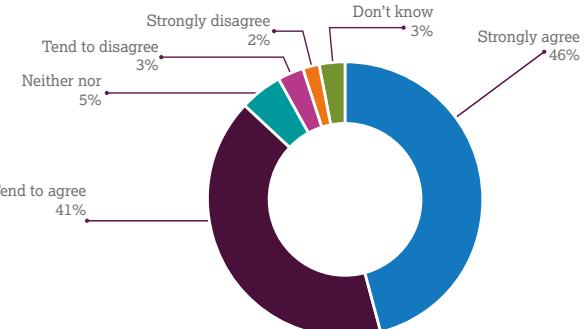
almost unanimous response, with 87% of legal professionals agreeing with this statement and nearly half (46%) strongly agreeing with the statement.

“The issue of access to justice in light of continued legal aid cuts is a huge problem.”

*Partner, Hodge Jones & Allen Innovation in Law Report 2014 Survey*

Possibly as a result of these widely held views on the impact of recent funding changes on access to justice, 78% of legal professionals would support ‘increased access to legal aid’, with 55% ‘strongly supporting’ such a change. This rises to 93% of professionals specialising in family work and 96% of those working in criminal law.

*Figure 1.3 ‘Wealth is a more important factor in whether justice can be accessed than it used to be’*



Source: Hodge Jones & Allen Innovation in Law Report 2014 Survey  
Base: 508 legal professionals

# 61%

of legal professionals agree: ‘There is little trust among the general public in the fairness of the judicial process’.

## Public trust in the legal process

As was noted in the quote from Lord Neuberger at the start of this chapter, one of the long-term impacts of these changes to provision of legal aid could be a loss of faith in the whole justice system. When asked, 61% of legal professionals already believe this to be case, agreeing with the statement ‘There is little trust among the general public in the fairness of the judicial process’.

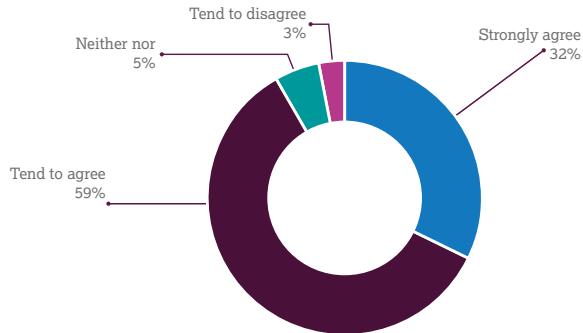
Most people interact with the law only occasionally; as a witness, as a defendant, or as a jury member and it is often a frightening or stressful time – 88% of legal professionals agreed that ‘The court process is intimidating to the general public’. With more people representing themselves, it has become important that they are well-armed with information, and have some knowledge of the law. Most legal professionals clearly do not believe they have this requisite knowledge (figure 1.4), with 91% agreeing that ‘The general public has little understanding of how the legal process works’ and a significant plurality believe that this understanding is worse now than it was five years ago.

**‘Courts will slow down even more as litigants-in-person increase and clog up the system even more. An inefficient court system, which is increasingly poorly staffed is only going to get worse. It is not a scenario I am looking forward to.’**

*Partner, Hodge Jones & Allen Innovation in Law Report 2014 Survey*

Arguably, one of the solutions to the problems associated with the rise in the number of litigants-in-person could lie in more education for the general public in how the legal system works. Whether specifically relating to this rise in more litigants-in-person, or because of more widely based considerations, 71% of legal professionals agree that ‘understanding the law and the legal process should be taught in schools’. The latest figures on papers taken at A-level show that the numbers studying law declined in 2014, with legal studies representing only 1% of all exams taken.

*Figure 1.4 ‘The general public has little understanding of how the legal process works’*



Source: Hodge Jones & Allen Innovation in Law Report 2014 Survey  
Base: 508 legal professionals

I have no legal representation...no expert evidence of any kind. I do not even have such basic materials as an orderly bundle of the relevant documents; a chronology; case summaries, and still less, any kind of skeleton argument. Instead, I have had to rummage through the admittedly slim court file. I shall do my best to reach a fair and just outcome, but I am the first to acknowledge that I am doing little more than “rough justice”.

*A quote from Mr Justice Holman (Willard Foxton, *The Spectator*, February 2014)*

## In Our View

### The Innovation in Law Debate

The removal of legal aid has brought inequality in access to justice and slower and more expensive processing of cases through the court. As a strategy, it is arguably failing its financial objective and more importantly fails the first test of any healthy legal system; the provision of justice to all.

People are starting to lose trust in the justice system, and do not have the knowledge they need to represent themselves. Social unrest potentially threatens the UK if this situation continues.

78% of legal professionals would support the introduction of increased access to legal aid, but are there other, more innovative, ways that equality of justice can be delivered, while noting the Government's objective of cutting costs?

Here are some of our thoughts...

Join the debate here:

#HJAInnovation

# Innovate:

- > provide free telephone and online access to a government funded Legal Help Centre, such as provided in The Netherlands
- > the legal profession should fund an independent annual audit of the total cost of the justice system, including court costs, legal aid, claimant and defendant costs in order to measure the true financial impact of changes to legal aid, court fees and the Jackson Reforms
- > the courts should deduct a percentage of damages and all criminal confiscations, and put them in to a contingency legal aid fund, such as is successfully operated in Hong Kong
- > introduce one-way cost-shifting in to a wider range of cases, including claims against the state
- > reduce or remove VAT from solicitor and barrister fees when they are representing individuals in certain privately funded cases
- > remove the VAT element when reporting the cost to the taxpayer of legal aid.



## 2: The Courts

Work continues to explore how the use of digital technology can be used across the court system to realise substantial savings and performance improvements. We must have a court system which is modern and provides swift and efficient justice and treats victims and witnesses with the care they deserve.

*The Rt Hon Chris Grayling MP, Lord Chancellor and Secretary of State for Justice,  
Ministry of Justice Annual Report 2013-14*



57%



of legal professionals support the idea of introducing virtual courts in certain cases.

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# The courts; moving in to the modern world

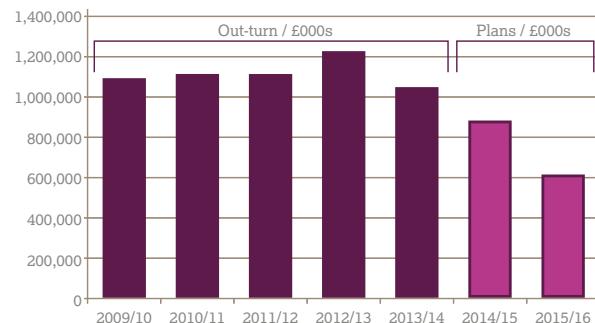
**36%**

of legal professionals agree: ‘The courts have made significant strides in introducing new technology in recent years’. 31% disagree with this notion.

The court system may appear to the lay-person an archaic and bewildering place. As was noted earlier, 88% of legal professionals agree with the statement ‘the court process is intimidating to the general public’. However, on balance, most legal professionals do not believe that tradition has been kept for its own sake, and a significant plurality reject the notion that ‘the courts have retained tradition at the expense of providing an efficient system’. Even perhaps the most potent symbol of tradition and authority, that of traditional legal dress, is not seen negatively by legal professionals, with only 30% supporting the idea of the ‘introduction of plain clothing for judges and advocates in all trials / hearings / tribunals’, whilst 43% oppose the idea.

However, beneath the desire for retention of some traditions, there is a widespread belief among legal professionals that the processes involved in taking a case through the courts could be improved.

Figure 2.1 Ministry of Justice expenditure limits on the courts and tribunal system (£000s)



Source: Ministry of Justice Annual Report and Accounts 2013-14

The expenditure limit available to the Ministry of Justice for the Courts and Tribunal service is being cut significantly. In the Ministry of Justice Annual Report and Accounts 2013/14, the budgeted expenditure out to 2015/16, suggests a 41% cut in annual expenditure within a two-year period (see figure 2.1). Assuming no significant change in the number of cases being processed by the court, this implies a significant increase in procedural and financial efficiency, some of which may come about through initiatives such as plans to use more IT in the court system. Ursula Brennan, Permanent Secretary at the Ministry of Justice, claims in their annual report, that *‘MoJ has been a trail blazer in “digital by default”; in 2012 we established a Digital Services Division – the first of its kind in a government department – and followed that up in 2013 with moves to build digital capability across the Department as well as moving a number of key services online.’*

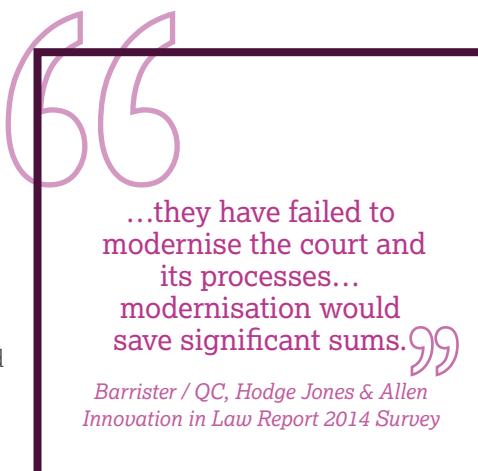
In this part of the report, the legal community’s attitudes to communication, efficiency and the cost of the court process are examined.

## IT and communication in the courts

Legal professionals are clear in wanting to see greater investment in IT in the courts, but show a level of skepticism regarding the amount of progress made to date. Around a third believes the courts have made progress in introducing new technology in the courts, whilst a similar number disagree. Many more (48%) of those specialising in commercial law agree progress has been made, while the vast majority of those working in criminal law disagree (60%), perhaps reflecting that a number of court IT initiatives have been focused on the commercial courts.

The areas that many legal professionals would like addressed, and where IT could be part of the solution are; communication, the overall efficiency of the court process and reducing costs to participants.

Communication is an area where some believe there has been progress, but there are mixed views. More legal professionals than not, by a small margin, believe that 'Communication between lay-participants, professional participants and the court system' is worse than it was five years ago. There are differences across different areas of the legal sector; more of those working within larger firms believe communication has improved, while many more specialising in criminal law believe the quality of communication is now worse.



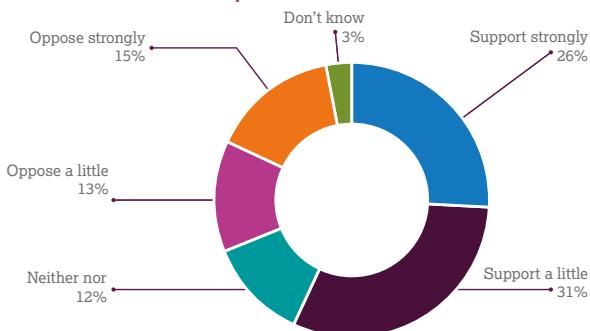
There is a widespread support for 'Compulsory electronic communication of all documents in the court process'; 57% support this idea, with only 28% opposing. Support is particularly strong amongst those working in firms specialising in commercial law, where 69% support this idea.

Communication is part of the bigger picture of making the court process more efficient and it is in this broader area that many legal professionals would like to see more radical change; 50% of legal professionals believe the efficiency of the claims process in court is worse now than it was five years ago, with just 15% thinking it has improved. Those specialising in family or civil law are much more likely to believe the situation has got worse.

## Support for virtual courts

One idea for improving the efficiency of the court process that was tested in the Hodge Jones & Allen research with legal professionals, was the idea of using virtual courts in certain cases. 57% of legal professionals supported this change, with just 25% opposing it. There was net support across all parts of the legal community. Subsequent to asking them about their support for this idea, respondents in the survey were asked which type of cases they thought this would be appropriate for.

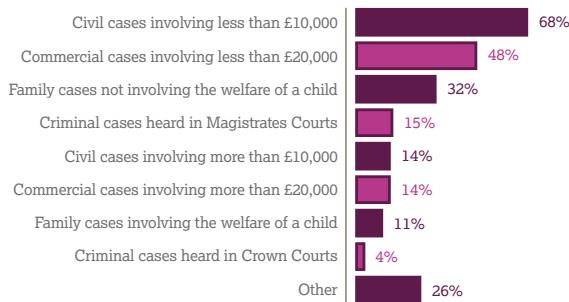
Figure 2.2 Support for 'compulsory electronic communication of all documents in the court process'



Source: Hodge Jones & Allen Innovation in Law Report 2014 Survey  
Base: 508 legal professionals

**57%** of legal professionals support the introduction of the use of virtual or remote trials / hearings / tribunals in certain types of cases, with just 25% opposing this change.

**Figure 2.3 Support for introduction of virtual courts, by case type**  
*Q. For which of the following case types, if any, would you support the introduction of virtual or remote trials / hearings / tribunals?*



Source: Hodge Jones & Allen Innovation in Law Report 2014 Survey  
Base: 508 legal professionals

There is very strong support for the introduction of virtual or remote proceedings for relatively low value civil and commercial cases, but there is also some support for family cases, if there is not a child involved. It should be noted that legal professionals are at least as likely as others to support the introduction of virtual or remote proceedings in their speciality area:

- 68% of civil law specialists support virtual or remote proceedings for lower value civil cases
- 59% of commercial law specialists support virtual or remote proceedings for lower value commercial cases
- 34% of family law specialists support virtual or remote proceedings for family cases, where no child is involved
- 19% of criminal law specialists support virtual or remote proceedings for criminal cases heard in Magistrates Courts.

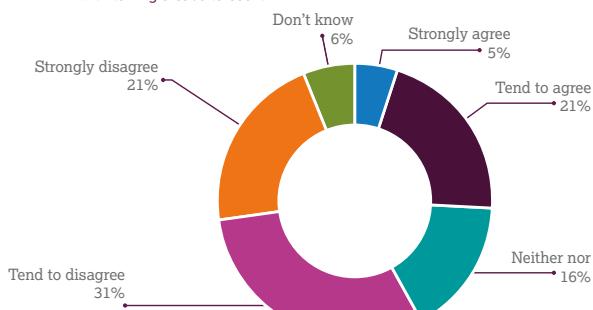
## The cost of the court system

Related to the efficiency of the court process, are concerns regarding the impact of rising court fees in some case types. The Ministry of Justice recently completed a reform of court charges, following a consultation document; their two stated aims were to 'recover close to the full costs of the civil court cost system through fees, transferring more of the cost to the user and reducing the cost to the general tax payer' and 'setting some fees above cost to better reflect the value of those proceedings to the court user' (Source: Court Fees: Proposals for Reform, Ministry of Justice, April 2014). The majority of the changes came in to effect in April 2014, with an expectation that this would generate an additional £105m of income per annum (offsetting a £125m deficit in 2012/13). From the current list of 141 different court charges of over £100, 116 were increased in the recent changes, 24 were left unchanged and one charge was reduced.

A majority of legal professionals disagree with one of the basic tenets behind these changes in court fees, that of full cost recovery. 53% disagree with the statement 'Litigants in civil cases should bear all the costs associated with taking a case to court', compared to only 26% who agree with this statement. What it made clear is that one of the reasons for this opposition is that the vast majority believe these changes to court fees are making it harder for people to bring cases to court. Many also believe that this is having a specific impact on employment tribunals, leading to loss of access to justice: 59% agree with the statement 'The introduction of fees in employment tribunals is obstructing access to justice'.

This concern regarding the impact of rising court fees on equal access to justice may be one of the reasons why 72% of legal professionals support the idea that there should be 'greater use of IT to drive down the costs to users of the courts system'. There is stronger support for the use of IT in the court system among people working within larger firms, and among those specialising in civil and commercial cases.

*Figure 2.4 'Litigants in civil cases should bear all the costs associated with taking a case to court'*



Source: Hodge Jones & Allen Innovation in Law Report 2014 Survey  
Base: 508 legal professionals

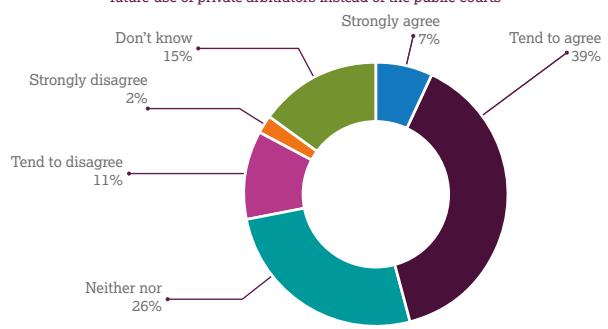
**Key challenge for the future:  
'To continue to provide  
an affordable and effective  
system of both civil and  
criminal justice that is a model  
for the civilised world...'**

*Partner, Hodge Jones & Allen Innovation  
in Law Report 2014 Survey*

## Privatisation of the courts

These concerns, about both the process efficiency and the cost of taking a case through the court system, appear to be leading to the belief that there will be an inevitable 'privatisation' of the justice system. Already happening in some areas, many believe that in future more people will agree to go to private arbitrators, rather than the courts, with the prospect of private arbitrators offering superior IT and document handling procedures, as well as delivering a faster and cheaper outcome. 46% of legal professionals agree with the statement 'Recent reforms are likely to contribute to a substantial increase in the future use of private arbitrators instead of the public courts.' Managing Partners and Heads of Chambers are more likely to hold this view, as are those specialising in family law.

*Figure 2.5 'Recent reforms are likely to contribute to a substantial increase in the future use of private arbitrators instead of the public courts'*



Source: Hodge Jones & Allen Innovation in Law Report 2014 Survey  
Base: 508 legal professionals

## In Our View

### The Innovation in Law Debate

The court system is changing and modernising, in response to changes in available technology and under pressure to reduce costs, although no significant investment in IT in civil courts is likely for at least the next two years. It is clear that most legal practitioners think the change is happening too slowly and too late. In an environment in which legal professionals are being asked to deliver more for less, the slow movement of the court system is preventing them from delivering even greater value for their clients.

With the now firmly stated principle that court fees will be met by litigants in civil courts, this has arguably removed one of the motivations for the Courts to innovate and drive down costs to participants.

It looks inevitable that people will increasingly opt out of the court system and look for solutions through private arbitrators, who are seen to offer equally good outcomes (in terms of the service of justice) but are faster, cheaper and easier to deal with. Whilst this may be the pragmatic solution for many, effective privatisation of justice is not a long-term solution that many would support and we believe there must be other innovative ways to improve the court system.

Here are some of our thoughts...

Join the debate here:

#HJAInnovation

# Innovate:

- > introduce electronic documentation in to all courts, not just the current introduction in to commercial courts and some criminal proceedings in magistrate's courts
- > lobby for a government review of court processes and documentation, led by professional legal practitioners and informed by the views of lay-users of the court system
- > introduce online solicitor and barrister access to all information and documents relating to cases going through the courts
- > assess the value of contracting out aspects of court proceedings to the private sector, such as electronic document handling
- > introduce more fixed penalties for minor criminal cases, to free up the courts.

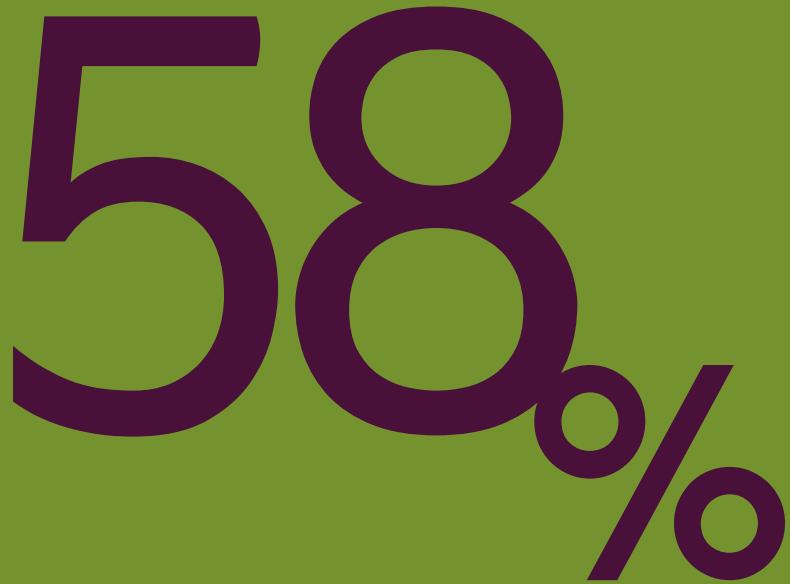


## 3: Jackson

Every stakeholder group seems to perceive the public interest as residing in a state of affairs which coincides with its own commercial interest.

I have tried to cut through that and, after listening to a mass of conflicting arguments for a year, to design an evidence-based package of reforms which is in the public interest. Time will tell if that design is successful.

*Lord Justice Jackson, Civil Justice Council conference, March 2014*



58%

of legal professionals agreed with the statement: ‘compliance with court orders now takes precedence over the delivery of justice’.

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#HJAInnovation

# Jackson; impact on costs, justice and compensation

**41%** of legal professionals say the Jackson Reforms have directly impacted on the work they do.

In April 2013, the government brought in the Legal Aid, Sentencing and Punishment of Offenders Act 2012 (LASPO). This had a major impact on the legal sector as a whole, but particularly those organisations and individuals involved in personal injury cases, together with their clients. These are generally referred to as the Jackson Reforms, after Lord Justice Jackson's recommendations for reforms on the civil justice system.

These reforms have impacted on many aspects of civil law; how claimant work can be obtained, how it is funded, the rates paid to solicitors and barristers, and the much stricter court processes that now need to be followed.

## Key changes within the Jackson Reforms:

- Success fees and after the event (ATE) insurance premiums are no longer payable by the losing side
- Referral fees are banned in personal injury cases
- The Road Traffic Act personal injury portal scheme has been extended to claims up to £25,000, as is also the case in public liability cases
- A new fixed recoverable costs regime has been introduced
- Capping of success fees in certain areas
- 'Qualified one way costs shifting' (QOCS) have been introduced in personal injury cases, which caps the amount that claimants may have to pay to defendants
- New strict procedural guidelines on cost budgeting have been introduced.

The 'Mitchell' case (*Mitchell v News Group Newspapers Limited*), where the claimant's solicitors had costs restricted to court fees only because of a missed court deadline, were initially upheld in the Court of Appeal, and then the same court stated on 4th July 2014 (in the case of *Denton v White*), that '*Mitchell had been misunderstood and is being misapplied by some courts*', thus advocating a more flexible case-by-case judgement by the courts.

The Ipsos MORI research programme for this report was started on 18th June 2014 and was completed on 16th August 2014, meaning that most people in the survey responded to the questions on the Jackson Reforms after the second announcement from the Court of Appeal on the Mitchell case, although a small number would have answered questions before this announcement.

## Impact of the Jackson Reforms

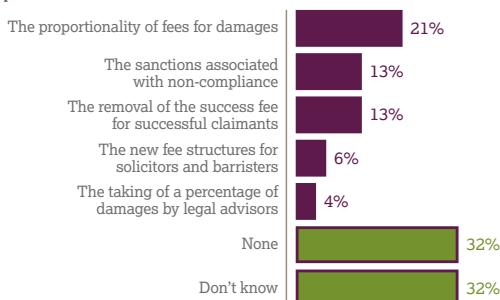
The Jackson Reforms contained within LASPO, along with other regulatory and funding changes, including those relating to Legal Aid, have challenged the business model and working practices of many legal service providers in the UK. Whilst the majority (55%) say the Jackson Reforms have not impacted on their work, a significant minority (41%) state that they have.

As with all changes, they bring with them positive and negative impacts, for all groups involved. When asked which were the positive measures contained within the Jackson Reforms, the most common responses were 'none' or 'don't know'. The next most commonly cited were the proportionality of fees for damages (21%), the sanctions associated with non-compliance (13%) and the removal of the success fee for successful claimants (13%).

## Hodge Jones & Allen Innovation in Law Report 2014

**Figure 3.1 Benefits of the Jackson Reforms**

*Q. Which, if any, of the following changes within the Jackson Reforms do you think are positive measures?*



Source: Hodge Jones & Allen Innovation in Law Report 2014 Survey  
Base: 508 legal professionals

The concerns of legal professionals with regards to the impact of the Jackson Reforms are centred around four main issues:

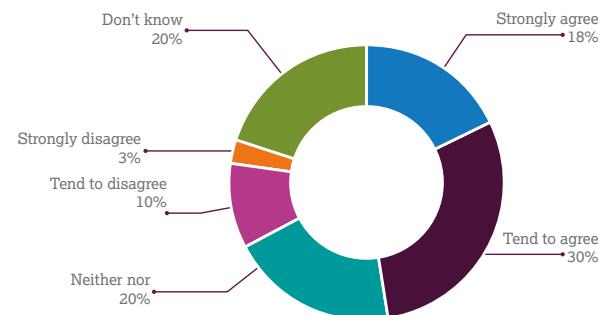
- The balance of justice shifting from individuals to business and government
- The impact of procedural intransigence on the delivery of justice, particularly for litigants-in-person
- The impact of fee changes on both clients and legal service providers
- The process by which these recommendations were made and subsequently introduced.

**66**  
Government did not realise the impact of the Jackson Reforms on the legal profession... Everything has been to benefit insurers.

*Legal Professional, Hodge Jones & Allen Innovation in Law Report 2014 Survey*

## Jackson and access to justice

*Figure 3.2 'The Jackson Reforms benefit business and government, rather than ordinary people'*



Source: Hodge Jones & Allen Innovation in Law Report 2014 Survey  
Base: 508 legal professionals

47% of legal professionals agree that; 'The Jackson Reforms benefit business and government, rather than ordinary people', with few (13%) disagreeing with this statement. As can be seen in figure 3.2, a significant

proportion (20%) said they didn't know what the impact had been; if these 'don't knows' are excluded from the analysis, then 59% of legal professionals knowledgeable in this area, believe businesses and government have benefited, at the expense of ordinary people, from the Jackson Reforms.

# 58%

of legal professionals agreed with the statement: 'compliance with court orders now takes precedence over the delivery of justice'.

Many believe that the increased pressure to comply with court orders, and the financial penalties arising from non-compliance, has meant that procedural issues are now more important than the delivery of justice. 58% of legal professionals agreed with the statement: 'compliance with court orders now takes precedence over the delivery of justice' and it should be noted that most of these would have been interviewed after the Court of Appeal's second intervention. Many think that the impact of enforcing these procedural issues is most harshly applied in the case of litigants-in-person. The High Court ruled in the case of Hobson v West London Law Solicitors, that these procedural rules should be applied as strictly to litigants-in-person as professional litigators. Over half of legal professionals thought these reforms mean litigants-in-person are being denied access to justice (53% disagreed with the positive statement: "The Jackson Reforms mean that litigants-in-person have sufficient access to justice").

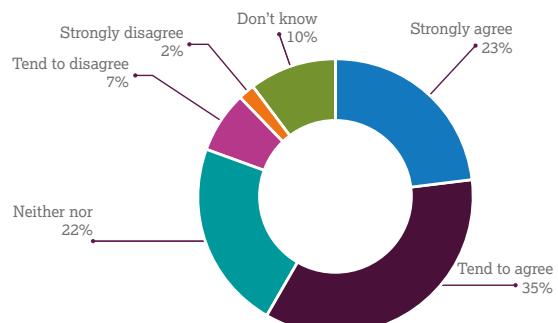
# 66

**Key challenge for the future:**  
 'To resolve the crisis brought about by the implementation of the Jackson Reforms so that justice once again prevails in the legal system'.

*Managing Partner, Hodge Jones & Allen  
 Innovation in Law Report 2014 Survey*

# 99

Figure 3.3 'Compliance with court orders now takes precedence over the delivery of justice'



Source: Hodge Jones & Allen Innovation in Law Report 2014 Survey  
 Base: 508 legal professionals

## The commercial impact of Jackson

Changes to how cases are funded have impacted on legal services companies, as well as on the ultimate damages receivable by a client at the end of a successful claim. Fees have been cut significantly, particularly for low value cases, and in combination with falling numbers of Road Traffic Accident cases (see figure 3.4, showing the number of cases reported to the Compensation Recovery Unit, which records the number of cases of this type) this has led to many organisations liquidating this part, or all, of their business. The Solicitors Regulation Authority reports that 1,069 legal firms in the UK closed in the 12 months to April 2014.

Figure 3.4 Number of cases referred to the Compensation Recovery Unit

	Clinical Negligence	Employer	Motor	Other	Public	Unknown	Total
2010/11	13,022	81,470	790,999	3,855	94,872	3,163	987,381
2011/12	13,517	87,350	828,489	4,435	104,863	2,496	1,041,150
2012/13	16,006	91,115	818,334	17,695	102,984	2,175	1,048,309
2013/14	18,499	105,291	772,843	14,467	103,578	2,123	1,016,801

Source: Compensation Recovery Unit

As well as the commercial impact of these funding changes, 50% of legal professionals agree with the statement: 'The taking of a percentage of damages, instead of success fees, is to the detriment of the client.' When those who responded 'Don't know' to this question are excluded from this analysis, this figure rises to 60%.

66

The administration of justice should not be motivated by political policy decisions.

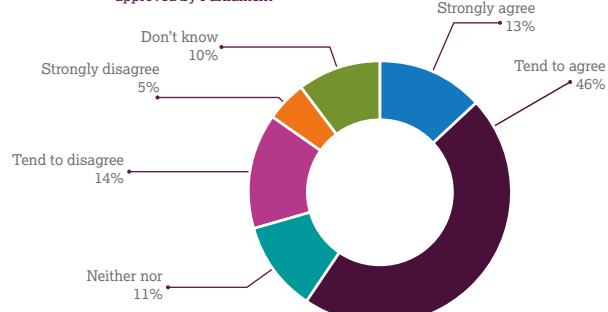
Partner, Hodge Jones & Allen Innovation in Law Report 2014 Survey

99

## The process of judicial reform

Whilst it is clear that most legal professionals have concerns about the design and impact of the Jackson Reforms, fewer were concerned about the process by which they came about, with the reforms coming from the judiciary, rather than from a Parliamentary group. Only 17% of legal professionals agreed with the statement 'Any review of the judiciary system, such as the Jackson Reforms, should be conducted by Parliament rather than the judiciary', while 52% disagreed with this statement. However, many did agree that formal approval of any changes to the justice system should be formally agreed by parliament.

Figure 3.5 'Any changes to the justice system should be formally approved by Parliament'



Source: Hodge Jones & Allen Innovation in Law Report 2014 Survey  
Base: 508 legal professionals

## In Our View

### The Innovation in Law Debate

The Jackson Reforms have threatened the existence of many law firms in the UK. There have been fundamental changes to the economics of running personal injury cases and many smaller firms outside of the major conurbations will no longer be able to do this work. The full impact of the commercial implications have yet to be felt, as many pre-Jackson cases are still working their way through the system. Without commercially viable legal representation, justice cannot be served. The latest ruling on the Mitchell case offers some respite, but it is clear that many feel that process now dominates and as one respondent noted the challenge is now 'to make use of the court service when it has been rendered unfit for purpose mainly through the creation of unnecessary hearings and form filling'. 66% of legal professionals directly affected by the Jackson Reforms would now be willing 'to recommend to a client that they seek settlement through binding arbitration, rather than go to the courts'.

With the prospect of revision of this Act low, we believe that innovation has to be largely found in the way we as legal professionals manage cases and communicate with each other, whilst lobbying for pragmatic and reasonable application of the Act with the courts.

Here are some of our thoughts...

Join the debate here:

#HJAInnovation

# Innovate:

- introduce more punitive penalties for both defendants and claimants, if they unreasonably refuse to engage in settlement discussions
- increase financial penalties if a defendant is shown to have refused a reasonable offer from the claimant in the pre-trial period, including family cases
- encourage and facilitate the use of private arbitrators in all but the most complex cases
- collectively start an information programme for the government and the judiciary on the reality of personal injury case-work and the commercial impact of Jackson on legal practices
- increase damages to ameliorate the impact on claimants of fixed costs.



## 4: Legal Profession

I would currently actively dissuade young people from entering the profession.

It is too highly regulated, making a living is getting more and more difficult, and job satisfaction is steadily decreasing.

*Partner, Hodge Jones & Allen Innovation in Law Report 2014 Survey*



69%

of legal professionals would not recommend the legal profession as a career.

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#HJAInnovation

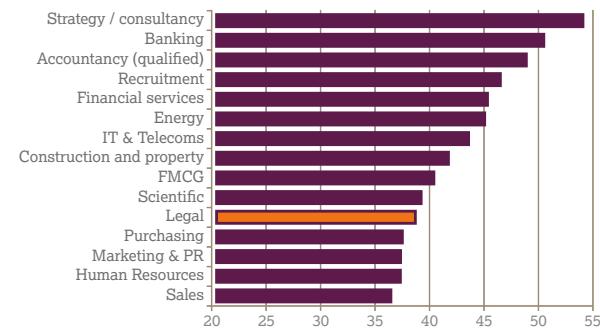
# Law as a profession; satisfaction, equality and training

**57%** of legal professionals are not hopeful for the future of the profession.

A career in the law remains an exciting prospect for many young people. There has been a rise of over 50% in the number of people graduating from universities in England and Wales with a first law degree since the start of the century. This initial academic training has also been translated into the number of people enrolling with the Solicitors Regulation Authority, prior to starting their Legal Practice Courses and applying for a training contract. According to The Law Society, student enrolments nearly doubled in the period 2000/01 to 2012/13, although there was a significant dip during the recession, before rising sharply again over the past few years.

Thus, there is a healthy funnel of new lawyers coming in to the profession, but they are fighting over training contracts that have remained broadly static in number for over a decade. The ratio of people enrolling with the SRA each year and the number of training contracts available is approaching 3:1. This reflects trends in the number of practicing solicitors; after a steady rise from 2005 to 2012, this number is now static. When the rise in in-house solicitors is accounted for (now over 20,000), then it becomes clear that the number of solicitors in private practice is starting to decline.

Figure 4.1 Average pay across top 15 paying sectors / £s



Source: Reed (Recruitment consultancy: [www.reed.co.uk](http://www.reed.co.uk))

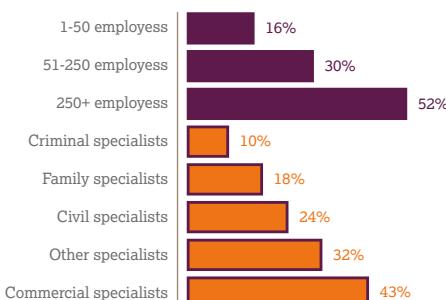
This oversupply of new lawyers now means that the median salary of a newly qualified solicitor working as an assistant or associate in private practice is around £35,000 (Source: The Law Society PC Holder Survey 2013). According to Reed, one of the largest recruitment consultancies in the UK, average wages across all legal jobs is around £38,000, lagging significantly behind jobs in strategy and consultancy, banking, accountancy and even recruitment and property.

In this chapter, we examine how current legal professionals feel about their personal prospects, prospects for the profession as a whole, equality in the profession and the way solicitors and barristers are trained.

## Law as a career

83% of respondents in the survey were at the level of partner or above, within their organisation, and were thus mostly experienced and long serving professionals. There was widespread concern amongst this group about the future of the profession, but this varied significantly depending on the area of law in which they specialised and the size of the firm they worked for; 43% of those involved in commercial law agreed with the statement 'I feel hopeful for the future of my profession' compared to just 10% of those involved in criminal work; 52% of those working in large firms felt optimistic, compared to just 16% in smaller firms.

**Figure 4.2 Optimism for the future**  
% agreeing 'I feel hopeful for the future of my profession'



Source: Hodge Jones & Allen Innovation in Law Report 2014 Survey  
Base: 508 legal professionals

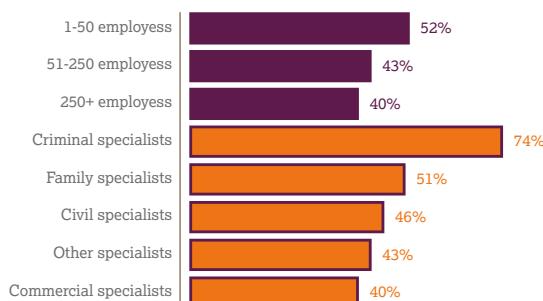
66  
...the image of the profession is in danger of becoming irreparably damaged; 'lawyer bashing' has become a national sport.  
*Partner, Hodge Jones & Allen Innovation in Law Report 2014 Survey*

This concern for the future is reflected in the personal plans of many legal professionals; 55% intend to carry on in the legal profession for the rest of their career, while 20% say they are unsure what their future career holds. 24% are already making plans to leave the profession, either in the next few years or at some point before the end of their career. Only 33% of those involved in criminal work intend to carry on in the legal profession for the rest of their career.

Despite these concerns over their personal futures, most remain proud members of the legal profession, with 72% agreeing 'I am proud to work in the legal profession'. However, whether because of the changes discussed in earlier chapters, relatively low pay, or changes to working practices, many would not recommend it as a career. Only 15% of legal professionals agreed with the statement 'The legal profession is one that I would recommend to anyone', with 69% disagreeing.

# 69% would not recommend the legal profession as a career.

**Figure 4.3 Optimism for the future**  
% agreeing 'It is becoming tougher to recruit the best graduates into the legal profession'



Source: Hodge Jones & Allen Innovation in Law Report 2014 Survey  
Base: 508 legal professionals

With average pay falling behind that of many other professions, many are concerned about how to attract the best graduates. 55% of Managing Partners and Heads of Chambers agree 'it is becoming tougher to attract the best graduates in to the legal profession' and 47% of them agreed that 'outside of commercial law, the legal profession is one where people are increasingly motivated by a passion for the law rather than financial reward'. As with many of these statistics, the average masks significant differences between different areas of the law and different sized companies – with commercial law and larger firms at one end of the spectrum and criminal law and smaller firms at the other.

66  
The cost of training and the size of debt incurred will result in fewer lawyers coming from other than privileged backgrounds.

Partner, Hodge Jones & Allen Innovation in Law Report 2014 Survey

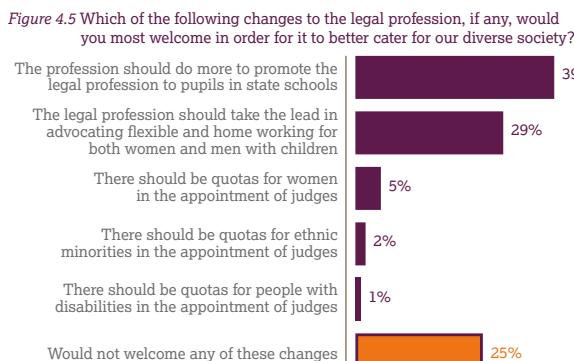
**Figure 4.4 Perceptions of equal opportunities in the law**  
% believing each demographic group was under represented, within each working group, relative to the population of the UK

	Solicitors	Barristers	Judiciary
Women	21%	40%	77%
State-educated	45%	62%	71%
Ethnic minority groups	56%	58%	74%
People with disabilities	68%	64%	75%

Source: Hodge Jones & Allen Innovation in Law Report 2014 Survey  
Base: 508 legal professionals

## Equality in the law

Despite work being carried out by the Legal Services Board and The Law Society and following academic studies by the University of Westminster, there are still widespread concerns among legal professionals about equality of opportunity and reward within the legal profession. In The Law Society's PC Holder Survey 2013, it identified that the median salary for white males was £60,000, compared to £45,000 for Black Asian Minority Ethnic (BAME) males, £42,500 for white females and £40,500 for BAME females.



Source: Hodge Jones & Allen Innovation in Law Report 2014 Survey  
Base: 508 legal professionals

Legal professionals in the Hodge Jones & Allen Innovation in Law Report 2014 Survey were asked if they felt different demographic groups were over or under represented within solicitors, barristers and the judiciary, relative to the population of the UK as a whole. They were asked to consider this with regards to women, state-educated people, ethnic minority groups and people with disabilities.

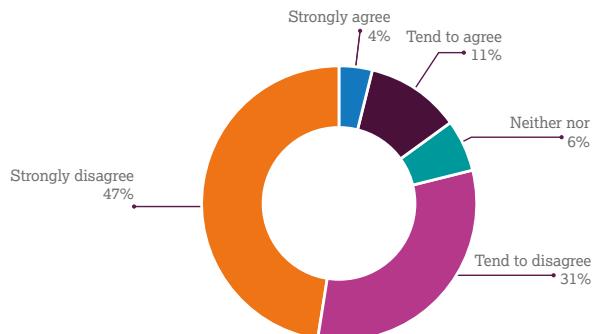
- A small plurality felt women were under-represented within solicitors, reflecting Solicitor Regulation Authority (SRA) workforce data for 2013 that showed that 47% of legal employees were women. However, many in the Hodge Jones & Allen survey believed women were under-represented within the barrister population, and there was near unanimity in the belief that they were under-represented in the judiciary. Only 12% of men and 11% of women agreed with the statement that 'It is easy to combine being a mother and developing a career in the legal profession'.

- Where many legal professionals believe there is under-representation is with regards to state-educated people, ethnic minorities and disabled people. More believe this is the case with barristers than solicitors, but again the highest proportion believing this to be the case is with regards to the judiciary. 69% of legal professionals agree that 'the cost of training deters ordinary people from becoming barristers'.

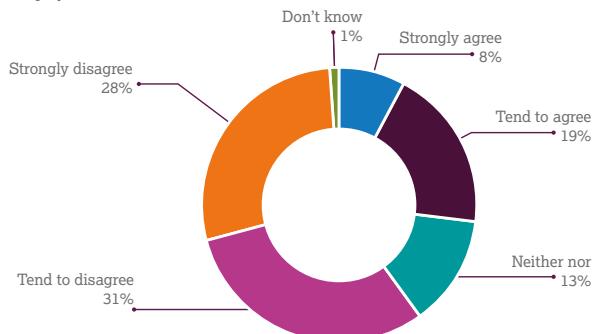
This perception of inequality is perhaps most strongly expressed in views on senior positions in the industry, that are seen to be dominated by white, public school educated men. These views are equally strongly shared by those currently leading the profession, with 78% of Managing Partners and Heads of Chambers agreeing with this proposition. Despite these perceptions of inequality, when asked if they would support a number of changes to the legal profession in order for it to better cater for a diverse society, there was little support for introducing quotas in the appointment of judges, although 39% felt 'the profession should do more to promote the legal profession to pupils in state schools' and 29% felt 'the legal profession should take the lead in advocating flexible and homeworking for both men and women with children.'

**71%** of legal professionals support an increase in homeworking.

Figure 4.6 Removing the professional distinctions between legal professionals  
*'The professional distinction between legal executives and solicitors should be abandoned'*



*'The professional distinction between solicitors and barristers should be abandoned'*



Source: Hodge Jones & Allen Innovation in Law Report 2014 Survey  
Base: 508 legal professionals

## Legal training and professional status

The SRA is proposing to shift their legal education focus, being less prescriptive on the question of 'how' legal education is given, but with more emphasis on the skills that are needed at the end of the process. Legal professionals in the Hodge Jones & Allen Innovation in Law Report 2014 Survey were asked if they would like to see a move away from the GDL / LPC / traineeship model, towards on the job training and examinations, more akin to the training and accreditation process followed by accountants. There was a muted response to this idea, with 30% agreeing with this proposal and 53% opposing it. There was slightly stronger opposition to replacement of the current Continuous Professional Development (CPD) model for qualified legal professionals, towards one with more formal on-going education and re-testing throughout a legal professional's career, with 27% agreeing with this proposal, but 57% opposing the idea.

Legal professionals were also asked whether the professional distinction between legal executives and solicitors, and separately solicitors and barristers, should be abandoned. Only 15% agreed that 'the professional distinction between legal executives and solicitors should be abandoned', but 28% agreed that the distinction between solicitors and barristers should be abandoned, rising to 44% among those involved in criminal law.



of legal professionals agree that  
'senior positions throughout the legal  
profession are dominated by white,  
public-school educated men'.

## In Our View

### The Innovation in Law Debate

To deliver a world-class legal system we need to recruit the best talent from our Universities. We do not operate in a vacuum and we are competing with financial institutions, accountants, management consultants and industry for the best people, not only here in the UK, but in a global market. In order to compete we need to provide careers that are challenging, satisfying, rewarding, and respected by the wider community.

These results show that, except in a few specific areas of law, we are failing on almost every count, except perhaps the challenge and reward of the job. As the demands on lawyers change, and we learn to live in a new environment of less public funding and more onerous procedural demands, we need to ensure that becoming a lawyer remains on the short-list of careers for the brightest and best in the land. To do that, we also need to make sure we make it a career accessible to all, whatever their background. This requires us to innovate collectively, as an industry, as well as on our home patches where staff satisfaction should be at the top of the agenda. An easy win could be the increased use of homeworking, an idea that 71% of legal professionals support, but this on its own is not enough.

Here are some of  
our thoughts...

Join the  
debate here:

#HJAInnovation

# Innovate:

- work together to take the message about the legal profession in to our schools and provide structured work experience and internships to students in state schools
- lobby for and promote home-working and career breaks for all across the sector
- learn from companies such as Google and Microsoft, on how to create a better working environment and greater work-life balance
- communicate to government and the public, that the 'fat cat' legal profession is myth, not reality
- partner with other professional service firms, for short-term job-swaps, to learn lessons on alternative ways of working.



## 5: Management

Tomorrow's legal world, as predicted and described here, bears little resemblance to that of the past.

Legal institutions and lawyers are at a crossroads, I claim, and are poised to change more radically over the next two decades than they have over the last two centuries. If you are a young lawyer, this revolution will happen on your watch.

*Professor Richard Susskind, Introduction to 'Tomorrow's Lawyers'*



of legal professionals believe legal practices are managed better than they were 5 years ago.

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#HJAInnovation

# Practice management; culture, IT and structural change

**74%** of legal professionals believe legal practices are managed better than they were 5 years ago.

The legal industry is not immune to the commercial forces that apply to the rest of the economy, where there have been long-term trends towards internationalisation, minute focus on efficiency gains, greater use of IT and expert systems, more use of outsourced providers for non-core tasks, greater focus on brand building, increased consolidation and more external regulation. In addition, all parts of the UK economy felt the affects of a long recession, forcing many to make difficult decisions. Many businesses did not survive, but many of the remaining organisations are stronger and fitter for the experience. The legal industry has felt all of this, but has simultaneously had to deal with the affects of radical government policy change on legal aid, rules for civil cases, and changes in court procedures and protocols.

**'Specialisation is increasingly important – there must be more mergers of smaller practices to meet client expectations and cut overheads.'**

Barrister / QC, Hodge Jones & Allen Innovation in Law Report 2014 Survey

As was earlier reported, over 1,000 legal firms closed in the 12 months to May 2014 (Source: SRA), with 17% of these merged or amalgamated. The SRA in its report 'Consolidation in the legal service market' (March 2014), provided the following statistics on consolidation within the UK legal services market:

- sole practitioners represented 41% of all practices in 2006; by 2013 this had fallen to 29% of all practices
- there were 60% more mergers in 2012 than in 2008
- 42% of the top 50 firms consider a merger likely by 2016
- the top 10 conveyancing firms increased their market share from 5% in 2010 to 10% in 2012

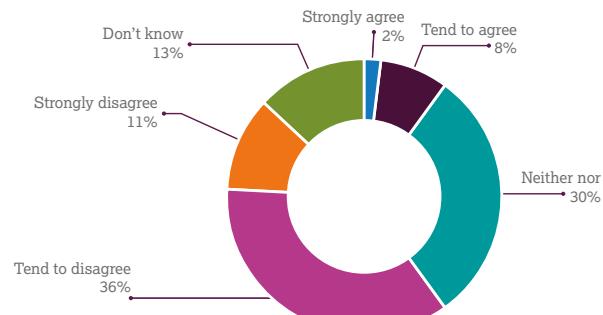
- criminal legal aid reforms are expected to reduce providers by two-thirds.

In this section of the report, we examine legal professionals' views on changes in working practice, management and culture, the impact IT is having on their work and their views on the future landscape of the legal services market.

## The quality of legal management

Legal practices are now managed better than they were five years ago, according to most legal professionals, a view most strongly endorsed by Managing Partners/Heads of Chambers and those working in larger organisations. Despite this apparent optimism, few believe working practices in the law are ahead of those in other professional service companies.

Figure 5.1 'Working practices in the law are ahead of those in other professional service companies'



Source: Hodge Jones & Allen Innovation in Law Report 2014 Survey  
Base: 508 legal professionals



Most legal professionals also believe that financial management of legal practices has improved over the past 5 years, with 74% saying financial management was either much better (26%) or a little better (49%) than it was five years ago.

## Changes to working practices

Part of this improvement may be attributable to greater use of IT and embedding of bespoke software within the working practices of most firms. 90% of legal professionals (and 93% of Managing Partners / Head of Chambers) say that the embedding of IT within working practices is better than it was five years ago, with 35% saying it is 'much better'. For many, the goal of a paperless office, or at least a move towards it, has been on the agenda. 60% of legal professionals say that 'the movement towards a paperless office' is better than it was five years ago.

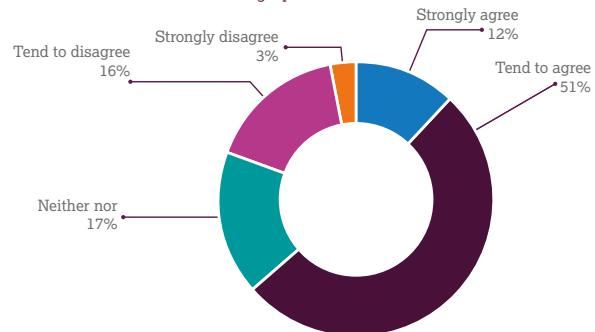
**Key challenge for the future:** 'The short-sightedness of lawyers who do not understand the basic economics of how to run a profitable business...'

*Managing Partner, Hodge Jones & Allen Innovation in Law Report 2014 Survey*

There is widespread agreement that the use of IT has improved outcomes for clients (although 22% disagree with this idea), and many think it has also improved commercial efficiency; 42% disagree with the statement 'the use of IT has yet to deliver results in improving commercial efficiency', while 33% agree. 70% of legal professionals support the idea of 'greater use of IT to drive down costs to clients'.

There are however concerns among legal professionals regarding the implications of greater use of and investment in IT. There is a worry among many legal professionals that IT is becoming the tail that is wagging the legal dog; 63% agree with the statement 'IT is starting to define legal practices, rather than be an aid to legal professionals'.

Figure 5.2 'IT is starting to define working practices, rather than be an aid to legal professionals'



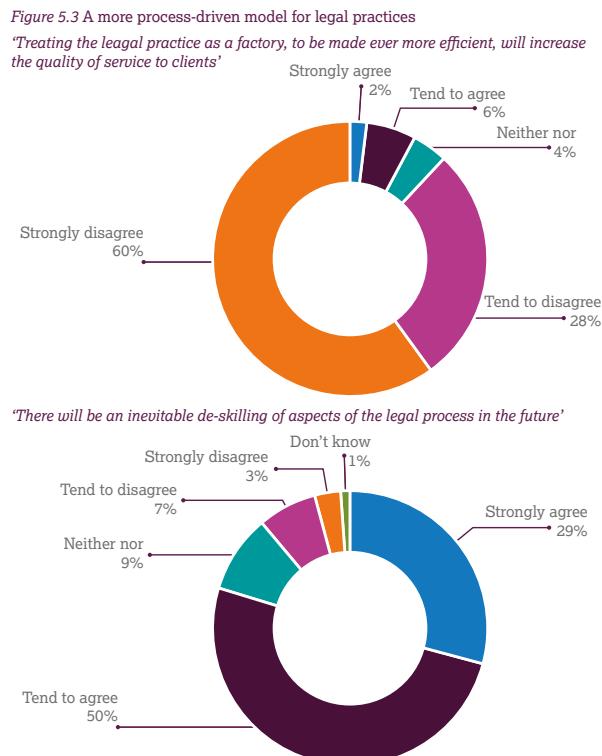
Source: Hodge Jones & Allen Innovation in Law Report 2014 Survey  
Base: 508 legal professionals

This concern may be part of a broader concern that there is a deskilling of some component parts in the legal process, and that legal practices are introducing elements of a factory process, in the drive for greater efficiency.

# 79%

of legal professionals agree ‘there will be an inevitable deskilling of aspects of the legal process in the future’.

Less than one in 10 legal professionals (and Managing Partners / Heads of Chambers) agree that ‘treating the legal practice as a factory, to be made ever more efficient, will increase the quality of service delivered to clients’, whilst 79% of both Managing Partners and other legal professionals agree ‘there will be an inevitable deskilling of aspects of the legal process in the future’.



Source: Hodge Jones & Allen Innovation in Law Report 2014 Survey  
 Base: 508 legal professionals

These widely reported management changes appear to be delivering in terms of improved service and value to clients:

- 57% of legal professionals (and 62% of Managing Partners / Head of Chambers) say that ‘the quality of services provided to clients’ are better than they were five years ago (with just 16% saying they are now worse)
- 65% of legal professionals (and 69% of Managing Partners / Head of Chambers) say that ‘the value for money given to clients’ is better now than it was five years ago (with 12% saying it is now worse).

## The impact of new entrants

One of the areas in which legal professionals foresee the greatest change, is with regards to the opening up of the market to new entrants. In the Hodge Jones & Allen Innovation in Law Report 2014 Survey, respondents were asked a series of question specifically about the impact of these entrants.

**‘Competition from new, well-funded, entrants to the market will transform the way we provide legal services to private individuals, but this will come at a significant cost to the traditional “high street”.’**

*Partner, Hodge Jones & Allen Innovation in Law Report 2014 Survey*

Almost all legal professionals believe new entrants will mean that bigger practices start to dominate the market. Many feel that these new entrants will be consumer brands, along with the emergence of new international super-brands. Others believe that one of the threats to existing players will be multi-disciplinary professional service companies, offering consultancy, business and legal advice; 89% of legal professionals agree there will be more of these sorts of firms.

Hodge Jones & Allen  
Innovation in Law Report 2014

**Figure 5.4 The threat of new entrants to the market**  
% agreeing with each statement

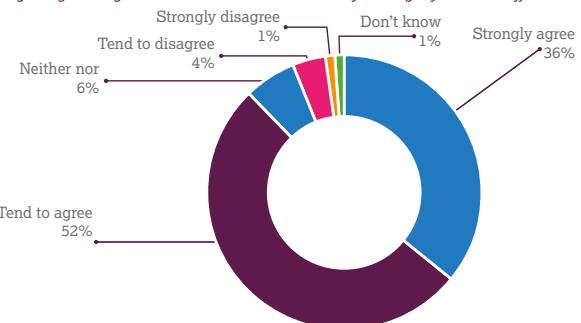


Source: Hodge Jones & Allen Innovation in Law Report 2014 Survey  
Base: 508 legal professionals

There are wider concerns about new entrants, and the opening up of ownership to non-legal shareholders. 81% of legal professionals agree ‘having shareholders will mean that commercial criteria will dominate over professional criteria in decision-making’.

Although still the dominant belief, less of those working in larger practices (71%) and those working in commercial law (76%) believe this will be the case. Nearly nine in 10 also believe that directly as a result of new entrants in to the market, that management will start to be dominated by non-legally trained staff. Although they were not asked whether this was a positive, negative or neutral change, nearly nine in 10 agreed new entrants would lead to ‘an inevitable commoditisation of legal services’.

**Figure 5.5 Impact of new entrants**  
% agreeing ‘Management will start to be dominated by non-legally trained staff’



Source: Hodge Jones & Allen Innovation in Law Report 2014 Survey  
Base: 508 legal professionals

**Key challenge for the future:**  
**‘Learning to cope with change and accepting that change management will be a continual challenge’.**

*Partner, Hodge Jones & Allen Innovation in Law Report 2014 Survey*



## In Our View

### The Innovation in Law Debate

Innovation in how we manage our practices is not an option; it is an absolute necessity in the face of the economic environment, intensifying competition and regulatory and funding changes. As one Managing Partner in the survey said, when asked what their biggest challenge was, 'For my sector, survival, survival and survival'.

The survey results show that management change is happening, and that it is working in terms of delivering better results and improved value-for-money for clients. However, there were also notes of fear, with people anticipating the worst in terms of the impact of new entrants and the impact of IT on the way people will be required to work in the future. To deny these changes are going to happen is like Canute denying the sea; they will happen and we need to embrace them and individually and collectively invent for ourselves a better future.

Hodge Jones & Allen has started a Continuous Innovation Programme, challenging everyone in the organisation to re-examine the old ways and see how they can be bettered. Not every innovation is an improvement, but the net benefits have been enormous.

Here are some of our thoughts...

Join the debate here:  
**#HJAInnovation**

# Innovate:

- > we are to offer on-line fixed-price advice to litigants-in-person on how to conduct their case
- > we have brought in a renowned academic to model our personal injury cases, to identify the factors that lead to successful client and commercial outcomes
- > we are to offer an outsourced 'general counsel' service to SMEs on a fixed price deal
- > we have developed an App to provide clients with information, advice and contact numbers, if they are arrested
- > we have brought in managers from other sectors, to revitalise and professionalise our processes.



# About

## Hodge Jones & Allen

Patrick Allen, Managing Partner of Hodge Jones & Allen, founded the practice in 1977 with the intention of creating a law firm that served every corner of society, and where client service meant excellent care and support. Those are still the principles that guide us today. We passionately believe that everyone who is subject to the law should have access to the law. Our award-winning expertise in civil liberties, criminal law, medical negligence, housing and personal injury, not to mention our large family law team and our knowledge of wealth protection through wills and trusts, makes Hodge Jones & Allen one of the most pre-eminent law firms in the UK today. The firm achieves high ratings in many of its areas of practice and has led many high profile cases including representing Magdalene Laundry victims, the father of Stephen Lawrence and families in the Snatch Land Rover cases. The firm and its lawyers have been short-listed in 17 national legal awards in the past two years.

Patrick Allen allied this philosophical goal with leading-edge financial and management practice, resulting in the practice growing in each of the last 37 years, with employees now numbering over 210. Our focus on technology and innovation to drive the delivery and control the costs of legal services is designed to ensure Hodge Jones & Allen continues to be at the forefront of the legal services industry. The rapid changes now embracing the legal sector will have an impact on all law firms. Despite these changes, clients can be sure that Hodge Jones & Allen will always put their interests first and fight for what is right.

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# Research method

Hodge Jones & Allen  
Innovation in Law Report 2014

Ipsos MORI conducted research for Hodge Jones & Allen in order to explore attitudes towards the future of the legal profession. In total, 508 solicitors and barristers took part in the survey online between 18th June and 16th August 2014. Emails were sent out to 17,187 legal professionals inviting them to take part in the survey, covering those from a range of specialisms within the profession. This included 378 Managing Partners and Heads of Chambers from the largest legal organisations in the country, who were sent letters by Hodge Jones & Allen in addition to an email from Ipsos MORI. Two follow-up emails were then sent to all contacts to encourage them to take part in the survey.

Figures from this survey have been rounded up or down to the nearest percentage and therefore they may not in all circumstances add up to 100%.

Figures from this research can be quoted, provided they are not being used in a commercial context and reference is made to ‘The Hodge Jones & Allen Innovation in Law Report 2014’.

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