

# The role of in-house solicitors

February 2014

## *Executive summary*

### *Background and objectives of the research*

The Solicitors Regulation Authority (SRA) commissioned Oxera to conduct economic research into the role of in-house solicitors. The need for this research reflects the growing size and influence of this group of solicitors. As in-house solicitors are a large and diverse group, it is important to understand more about the specific segments that make up this market. This information will assist the SRA to make its regulation more proportionate to the risks related to specific segments.

For the purpose of this research, in-house solicitors are defined as solicitors, Registered European Lawyers and Registered Foreign Lawyers who are employed by an organisation that is not a regulated legal business, e.g. in commerce or industry, the not-for-profit sector, a trade union or local government. In-house solicitors are allowed to act only for their employer, subject to limited exceptions.

### *Methodology*

The analysis undertaken by Oxera includes:

- market segmentation—developing a framework to group in-house solicitors and legal teams into segments that have similar characteristics and are likely to experience common trends and risks;
- benchmarking the current composition of in-house solicitors—in addition to analysing existing data and literature, two extensive surveys were undertaken:
  - an on-line survey of in-house solicitors: 2,013 in-house solicitors responded to the survey, representing 8% of the total market. The results to this survey can therefore be expected to be representative;
  - a telephone survey of employers of in-house solicitors: 213 senior representatives from a broad mix of organisations employing in-house solicitors took part. The survey covered the business case for employing in-house solicitors, views on becoming licensed as an alternative business structure (ABS), and the challenges, benefits and trends associated with employing in-house solicitors;
- economic analysis and regulatory and academic consultation—in order to identify trends, drivers of change, risks and challenges for in-house solicitors, round-table discussions were held with the Policy, Risk and

Research departments of the SRA. These discussions were complemented by the insights drawn from the international research of Professor John Flood, Professor of Law and Sociology at Westminster University.

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