

The Legal Industry & Commerce  
Salary Survey 2006



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Michael Page  
LEGAL

## Introduction

Our 2006 national salary surveys are our most ambitious yet – with dedicated surveys covering private practice, industry and commerce and the financial services. We invited over 500 UK and US law firms and over 900 in-house departments from industry and the financial services to participate.

Our research was carried out by means of a postal and/or electronic questionnaire and/or telephone interview. Aside from assimilating minimum and maximum salary information according to location, level of qualification and type of firm, we have also researched some of the most interesting trends occurring in the legal market during the last 12 months, as well as looking forward. We are pleased to assist with any bespoke analysis/research as required. Please note that the information obtained has been supplemented by other market information to which we have access.

### A Marketing Update

In addition to salary surveys, Michael Page Legal conducts additional market research amongst client and candidate groups. We have been involved in seminars and workshops on the recruitment and retention of staff as well as getting involved in various Diversity in Law programmes.

Client and candidate events also form a crucial part of the Michael Page Legal calendar. Events last year included our fifth National Quiz, a National Golf Tournament and an open evening at Hamleys Toy Store in December. We are sure to host many more in 2006.

Now in its third successful phase since development, the Michael Page International website is well established as one of the premier recruitment sites in the UK. Michael Page Legal receives over 1,000 job applications each month and a third of all candidates who find roles come directly through our website. We hope that you will also find it an excellent source of information to assist you with your job search or recruitment needs.

### 21 Years of Michael Page Legal

Established in 1985, Michael Page Legal specialises in the recruitment of lawyers at all levels, from partner or head of legal roles to paralegals on both a permanent and locum/contract basis. Our clients include all the leading UK law firms, US firms and a large cross-section of industry & commerce and financial services clients who have in-house legal departments. We operate within the UK in London, Bristol, Birmingham, Manchester, Leeds and Reading and internationally in Paris, Amsterdam, Milan, Frankfurt, Madrid, Sydney, Melbourne, Tokyo, Hong Kong, Singapore, and Sao Paulo.

This year we celebrate 21 years of specialist Legal recruitment and are proud to incorporate 21 years of expertise in this guide.

In the increasingly competitive world of Legal recruitment, Michael Page Legal continues to work hard to provide you with the highest levels of service and delivery available in the market today. I hope you enjoy the guide and we look forward to looking after your interests for at least another 21 years.

### Stephen Hockey

Managing Director of Michael Page Legal

## London

In London, Energy, Technology, Pharmaceuticals and Media continue to show growth, with the majority of activity being at the 3 to 6 years' pqe level.

The desire for lawyers to move in-house remains as strong as ever, with lawyers keen to move into a role which will develop their awareness of key business issues, as well as ideally retaining a specialist knowledge of an area of law.

The market remains job driven and therefore if marketed well should give companies a good choice of candidates.

Salaries and packages remain relatively static, reflecting a market where there are still more candidates than vacancies.

### MEDIA

Level of Experience		Average (£)	Minimum (£)	Maximum (£)
Newly Qualified	Basic	38,000	35,000	54,000
1 to 3 years' pqe	Basic	43,000	33,000	55,000
	Package	51,000	35,000	62,000
3 to 5 years' pqe	Basic	62,000	52,000	73,000
	Package	68,000	55,000	80,000
5 to 7 years' pqe	Basic	68,000	58,000	86,000
	Package	75,000	62,000	105,000
7 + years' pqe	Basic	87,000	65,000	130,000
	Package	98,000	68,000	150,000
Head of Legal	Basic	115,000	66,000	220,000
	Package	142,000	72,000	350,000

### PROPERTY

Level of Experience		Average (£)	Minimum (£)	Maximum (£)
Newly Qualified	Basic	40,000	35,000	45,000
1 to 3 years' pqe	Basic	51,000	45,000	56,000
	Package	56,000	50,000	60,000
3 to 5 years' pqe	Basic	60,000	55,000	72,000
	Package	68,000	60,000	76,000
5 to 7 years' pqe	Basic	67,000	58,000	81,000
	Package	78,000	64,000	95,000
7 + years' pqe	Basic	82,000	62,000	93,000
	Package	95,000	69,000	120,000
Head of Legal	Basic	90,000	75,000	310,000
	Package	130,000	87,000	369,000

### MANUFACTURING

Level of Experience		Average (£)	Minimum (£)	Maximum (£)
Newly Qualified	Basic	40,000	35,000	45,000
1 to 3 years' pqe	Basic	48,000	45,000	55,000
	Package	52,000	54,000	57,000
3 to 5 years' pqe	Basic	62,000	55,000	70,000
	Package	71,000	60,000	75,000
5 to 7 years' pqe	Basic	70,000	60,000	82,000
	Package	80,000	65,000	90,000
7 + years' pqe	Basic	75,000	62,000	87,000
	Package	85,000	67,000	100,000
Head of Legal	Basic	100,000	74,000	160,000
	Package	122,000	80,000	199,000

## London

### PHARMACEUTICALS

Level of Experience		Average (£)	Minimum (£)	Maximum (£)
Newly Qualified	Basic	45,000	40,000	50,000
1 to 3 years' pqe	Basic	49,000	45,000	55,000
	Package	55,000	50,000	62,000
3 to 5 years' pqe	Basic	62,000	52,000	65,000
	Package	71,000	60,000	79,000
5 to 7 years' pqe	Basic	72,000	62,000	95,000
	Package	92,000	75,000	120,000
7 + years' pqe	Basic	96,000	80,000	103,000
	Package	125,000	115,000	140,000
Head of Legal	Basic	140,000	110,000	235,000
	Package	168,000	150,000	300,000

### ENERGY

Level of Experience		Average (£)	Minimum (£)	Maximum (£)
Newly Qualified	Basic	40,000	38,000	50,000
1 to 3 years' pqe	Basic	50,000	45,000	55,000
	Package	54,000	49,000	59,000
3 to 5 years' pqe	Basic	62,000	52,000	65,000
	Package	70,000	60,000	77,000
5 to 7 years' pqe	Basic	72,000	64,000	97,000
	Package	91,000	75,000	125,000
7 + years' pqe	Basic	99,000	90,000	105,000
	Package	130,000	120,000	140,000
Head of Legal	Basic	140,000	110,000	235,000
	Package	168,000	150,000	300,000

### RETAIL

Level of Experience		Average (£)	Minimum (£)	Maximum (£)
Newly Qualified	Basic	39,000	35,000	50,000
1 to 3 years' pqe	Basic	45,000	40,000	53,000
	Package	52,000	45,000	62,000
3 to 5 years' pqe	Basic	60,000	50,000	75,000
	Package	68,000	55,000	90,000
5 to 7 years' pqe	Basic	72,000	57,000	78,000
	Package	79,000	68,000	85,000
7 + years' pqe	Basic	76,000	65,000	93,000
	Package	90,000	70,000	120,000
Head of Legal	Basic	115,000	82,000	180,000
	Package	142,000	90,000	250,000

### HI TECH

Level of Experience		Average (£)	Minimum (£)	Maximum (£)
Newly Qualified	Basic	39,000	37,000	45,000
1 to 3 years' pqe	Basic	45,000	37,000	52,000
	Package	53,000	40,000	63,000
3 to 5 years' pqe	Basic	56,000	50,000	73,000
	Package	65,000	57,000	87,000
5 to 7 years' pqe	Basic	72,000	52,000	81,000
	Package	76,000	62,000	98,000
7 + years' pqe	Basic	78,000	65,000	95,000
	Package	86,000	73,000	125,000
Head of Legal	Basic	95,000	77,000	160,000
	Package	120,000	83,000	250,000

## Thames Valley and the South Coast

The Thames Valley and South Coast continue to attract high quality candidates from around the country looking for high quality work with a true work/life balance.

All market sectors are continually addressing staffing issues and shortages and in 2005 there was considerably more movement in the lower and middle market than in 2004. The general in-house market place is more optimistic and the first half of 2006 is expected to be busy for recruitment at all levels. The fastest part of the market still being 3 to 5 years' ppe.

The salary differential between The Thames Valley and South Coast is lessening as South Coast companies compete to attract the best candidates. This trend is expected to continue further as the Private Practices compete to keep their quality staff.

<b>IN HOUSE</b>			
Level of Experience	Average (£)	Minimum (£)	Maximum (£)
Newly Qualified	35,000	30,000	42,000
1 to 3 years' ppe	45,000	35,000	55,000
3 to 5 years' ppe	50,000	40,000	60,000
5 to 7 years' ppe	60,000	50,000	80,000
7 + years' ppe	80,000	60,000	120,000
Head of Legal	120,000	90,000	200,000
Contract Manager 1 to 5 years'	45,000	30,000	60,000
Contract Manager 5+ years'	60,000	45,000	100,000

## The South West

2005 witnessed a significant increase in the number of in-house roles in the South West region. Bristol and Swindon continue to provide the majority of these opportunities. Demand was also strong along the M5 corridor towards Cheltenham.

60% of in-house roles were sourced via the Financial Services industry with few positions available in other industry sectors.

A significant number of senior lawyers looking for Number 1 and 2 positions in the region have been disappointed and the market at 6+ years' pqe remains inactive. Most companies open their requirements at the 2 to 5 years' pqe level for first and second moves.

The salary differential between Industry and Practice remains significant with only the very top firms able to compete with salary packages.

A flexible approach to working practices adopted by many companies adds momentum for a lawyer to work in-house.

The salaries featured do not include Car, Bonus, Healthcare and Pension.

IN HOUSE			
Level of Experience	Average (£)	Minimum (£)	Maximum (£)
Newly Qualified	33,000	30,000	36,000
1 to 3 years' pqe	38,000	33,000	48,000
3 to 5 years' pqe	47,000	39,000	64,000
5 to 7 years' pqe	60,000	47,000	78,000
7 + years' pqe	68,000	53,000	83,000
Head of Legal	92,000	65,000	200,000

## Birmingham and the Midlands

Demand for in-house specialists has continued to outstrip supply for General Commercial Lawyers with 3 to 6 years' pqe.

Private Practice Lawyers from top city firms are keen to make the migration from fee earning work to a role that gives them diversity and challenge, managing projects from initiation through to completion.

In-house firms are capitalising on the lack of progression opportunities at Associate level within some of the city firms. This has resulted in businesses recruiting highly qualified fee earners with excellent commercial and interpersonal skills who get frustrated with the lack of progression to partnership.

There has been increasing demand for specialist areas such as Intellectual Property Patent Attorneys, Litigation, PFI, and Insurance Lawyers. This we believe will steadily increase over 2006 with salaries being raised to recruit and retain these specialist individuals, as demand continues to outstrip supply.

Demand has continued to be strong during 2005 within the Financial Services, Manufacturing, Pharmaceutical and FMCG sector and we believe this trend will continue over the next 12 months.

The salaries illustrated are based on the basic salaries on offer within many in-house clients. The majority offer an extensive benefits package including bonuses of up to 40% to 50%, Final Salary Pension schemes, Private Medical Healthcare, Company Car or Car Allowance. This makes their proposition attractive to candidates and has been very effective on retention levels within their businesses.

IN HOUSE			
Level of Experience	Average (£)	Minimum (£)	Maximum (£)
Newly Qualified	34,650	26,250	42,000
1 to 3 years' pqe	45,150	29,400	52,500
3 to 5 years' pqe	52,500	42,000	63,000
5 to 7 years' pqe	64,050	47,250	84,000
7 + years' pqe	76,650	51,450	115,500
Head of Legal	118,650	73,500	157,500

## Manchester and the North West

The mood around the North West market has generally become more optimistic and the last year has seen much more movement at all levels. Decisions by large corporations to come into the region during 2005 can only further opportunities for the future. Furthermore, a number of businesses have made the decision to recruit their first in-house lawyer, again creating fantastic opportunities for setting up legal functions.

A significant proportion of roles coming to market throughout the last year have been in specialist areas of Compliance, Employment, Intellectual Property, PFI and this is a trend which is likely to continue.

There seems to be a real dearth of candidates at the 2 to 5 years' pqe level, particularly those with strong contract management skills and businesses continue to look for strong commercial awareness as well as technical skills from prospective candidates.

Salaries have largely remained in line with inflation with packages remaining very attractive however in some areas, candidates with the scarcer skills have attracted significant premiums.

IN HOUSE			
Level of Experience	Average (£)	Minimum (£)	Maximum (£)
Newly Qualified	30,000	28,000	35,000
1 to 3 years' pqe	40,000	28,000	50,000
3 to 5 years' pqe	48,000	38,000	65,000
5 to 7 years' pqe	53,000	48,000	80,000
7 + years' pqe	75,000	55,000	83,000
Head of Legal	110,000	65,000	180,000

## Yorkshire and the North East

The most obvious change to the in-house market in Yorkshire and the North East has been the increase in demand for lawyers to oversee contract management issues for the regions' companies. The demand for in-house lawyers has been steady throughout the year and this has been matched by the willingness of candidates to move in-house. This has resulted in flat salaries compared to the increases seen in Private Practice, with candidates seeking varied work and work/life balance rather than pure financial reward.

The demand for in-house lawyers by both Financial Services and Professional Services will drive the market in 2006. The growth of Leeds as a business community will draw new companies North and so 2006 should be a successful year for those looking to move to in-house.

<b>IN HOUSE</b>			
Level of Experience	Average (£)	Minimum (£)	Maximum (£)
Newly Qualified	33,000	28,000	36,000
1 to 3 years' ppe	40,000	33,000	48,000
3 to 5 years' ppe	48,000	43,000	64,000
5 to 7 years' ppe	55,000	50,000	80,000
7 + years' ppe	74,000	55,000	82,000
Head of Legal	110,000	65,000	160,000

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