



Llywodraeth Cymru  
Welsh Government

# Commission on Justice in Wales:

**The Role of Legal Services and the  
Legal Profession in the Welsh Economy**

# Contents

<b>Overview</b>	1
UK Legal Services Sector	1
Overview	1
Diversity in the Legal Profession in England and Wales	3
Legal Services Sector in Wales	4
Overview	4
The Profession in Wales	7
<hr/>	
<b>Key Trends, Challenges and Opportunities</b>	8
Industry Trends	8
Access to Justice and the Profession	8
Legal Marketplace	10
Technology Driven Innovation	11
Brexit	14
Access to Talent	14
Prominence of UK Legal Sector post-Brexit	14
Welsh Government and Brexit	16
<hr/>	
<b>Legal Education &amp; the Legal Services Profession</b>	17
<hr/>	
<b>Welsh Government and Economic Development</b>	22
Well-being of Future Generations (Wales) Act 2015	22
Prosperity for All: The National Strategy	22
Prosperity for All: Economic Action Plan	23
Links to UK Government Strategy	24
Inward Investment	24
Procurement	25
Welsh Government Business Support and Investment	26
Business Advice and Support for Startups and SMEs	26
Business Development Support for Established Businesses	26
Property Solutions	27
Assistance for Trade and Export	27
Skills Development	28
Research, Development & Innovation	32
Promotion and Awareness Raising	33
Finance for Growth	35
<hr/>	
<b>Conclusions</b>	38

Mae'r ddogfen yma hefyd ar gael yn Gymraeg. This document is also available in Welsh.

## Overview

1. The Commission on Justice in Wales (the Commission) has been established by the First Minister of Wales to review the operation of the justice system in Wales and set a long term vision for its future.
2. This evidence submission gives an overview of the legal profession, legal tech and the economy of Wales, and how Welsh Government is promoting the strength and stability of the Welsh legal services sector and maximising its contribution to the prosperity of Wales.

### UK Legal Services Sector

#### Overview

3. The UK contains 3 separate legal jurisdictions – England and Wales, Scotland, and Northern Ireland. These have their own legal systems, professions, bodies of law and courts, although the Supreme Court covers the whole of the United Kingdom.
4. The Solicitors Regulatory Authority (SRA) puts the number of SRA regulated law firms in England and Wales in 2015/16 at 10,415, 550 of which have adopted an alternative business structure (ABS)<sup>1</sup>. It cites 139,313 practicing solicitors and 39,027 non-practicing individuals on the roll of solicitors<sup>2</sup>. The Bar Council for England and Wales cites 16,005 practicing barristers in England and Wales<sup>3</sup>. Legal practitioners work both in private practice and in-house within other organisations including government departments and other business settings.
5. The Law Society of Scotland cites 11,761 practicing solicitor members and 2,242 non-practicing solicitors retained on the roll in 2016-17<sup>4</sup>, and the Law Society of Northern Ireland cites there are over 2,300 solicitors currently practising law in Northern Ireland<sup>5</sup>.
6. The Law Society's *Legal Services Forecast 2017-2025*<sup>6</sup> suggests that over the longer term it is likely that the number of jobs in the legal services sector will be increasingly affected by automation of legal services functions.
7. English and Welsh law is the most popular choice of law in the world for commercial contracts, governing 40% of all global corporate arbitrations. TheCityUK's 2017 report *Legal Excellence Internationally Renowned*<sup>7</sup> cites the UK as the leading global centre for the provision of international legal services and dispute resolution, as well as being an important centre for legal education and training.
8. London is known as a global centre for finance, international business and dispute resolution. The city brings together end-to-end legal expertise covering advisory services to make business transactions smooth, as well as skills in different types of dispute resolution should issues arise.
9. The business of law remains a significant contributor to the overall UK economy. TheCityUK's 2017 report found that Legal services employ around 311,000 people, two-thirds of whom are located outside of London. Major centres of legal services employment included Manchester (with

<sup>1</sup> An ABS is a firm where a non-lawyer: is a manager of the firm, or has an ownership-type interest in the firm. A firm may also be an ABS where another body is a manager of the firm, or has an ownership-type interest in the firm and at least 10 per cent of that body is controlled by non-lawyers.

<sup>2</sup> <https://www.lawsociety.org.uk/support-services/advice/practice-notes/archive/alternative-business-structures/4-may-2011/#abs2>

<sup>3</sup> The Bar Council for England and Wales, Annual Review 2016/2017, <https://www.barcouncil.online/the-annual-report-in-numbers/>

<sup>4</sup> Law Society of Scotland Annual Report 2017 <https://www.lawscot.org.uk/about-us/strategy-reports-plans/annual-reports/annual-report-2017/grow/>

<sup>5</sup> Law Society of Northern Ireland <https://www.lawsoc-ni.org/about-us>

<sup>6</sup> Legal Services Forecast 2017-2025, The Law Society, 2017 <http://www.lawsociety.org.uk/Support-services/Research-trends/legal-services-sector-forecasts-2017-25/>

<sup>7</sup> TheCityUK 'Legal Excellence Internationally Renowned: UK Legal Services 2017' <https://www.thecityuk.com/assets/2017/Reports-PDF/Legal-excellence-internationally-renowned-Legal-services-2017.pdf>

12,000 in employment), Birmingham and Leeds (8,000 each), and Bristol (7,000). These jobs are highly skilled with clusters of expertise which attract investment and drive growth<sup>8</sup>.

10. A number of leading firms have established operations in cities outside of London. Allen & Overy, Baker McKenzie and Herbert Smith Freehills in Belfast; Hogan Lovells in Birmingham; Ashurst in Glasgow; DLA Piper in Leeds (the only Magic Circle firm with headquarters outside London); and Berwin

Leighton Paisner, Freshfields Bruckhaus Deringer and Latham & Watkins in Manchester.

11. While these operations initially focused on back office support and commoditised legal work, many firms based outside London are now increasing their scope to include a range of increasingly complex legal activity.

Region	Employment in Legal Services (2015)	Legal Services GVA (£bn, 2015)
London	100,000	8.5
North West	40,000	1.9
South East	33,000	3.8
South West	22,000	1.6
Yorkshire and the Humber	22,000	1.1
Scotland	19,000	1.5
Wales	16,000	0.4
East of England	15,000	2.3
East Midlands	15,000	0.9
Northern Ireland	6,000	0.25
North East	6,000	0.46
<b>UK</b>	<b>311,000</b>	<b>24.1</b>

Figure 1: The employment and GVA contribution of legal services across the UK (TheCityUK, 2017)<sup>9</sup>

12. In addition to its direct benefits through its employment and its direct impact on the economy, a stable legal environment contributes to the UK being one of the easiest countries in the world to do business. The World Bank's *Ease of Doing Business*

*Index*<sup>10</sup> cites the UK 7th of 190 countries. A high ease of doing business ranking means the regulatory environment is more conducive to the starting and operation of a local firm.

<sup>8</sup> TheCityUK's Legal Services Review 2017 is based on ONS data from 2015, and does not take into account subsequent ONS statistical releases.

<sup>9</sup> TheCityUK 'Legal Excellence Internationally Renowned: UK Legal Services 2017' <https://www.thecityuk.com/assets/2017/Reports-PDF/Legal-excellence-internationally-renowned-Legal-services-2017.pdf> Figures based on ONS GVA statistical releases in 2015

<sup>10</sup> World Bank Doing Business Rankings, 2017 <http://www.doingbusiness.org/rankings>

13. The UK's specialist Business & Property Courts in London, Manchester, Birmingham, Leeds, Bristol and Cardiff ensure that international businesses and domestic enterprises are equally well supported in resolving disputes in areas such as financial services, intellectual property, technology and construction. These Courts have been developed to meet the needs of international businesses operating across industrial sectors. They include:

- the Financial List
- the Commercial Court (the world's leading forum for the resolution of international trade, shipping and insurance disputes)
- the Insolvency and Companies List (which has handled some of the biggest international reconstructions and insolvencies of recent years)
- the Intellectual Property List (which will continue as one of the most popular Patent, Trademarks and IP forums in Europe)
- the Business List of the Chancery Division
- the Technology and Construction Court (dealing with disputes arising out of construction and engineering projects both in the UK and internationally, together with IT and procurement disputes).

### **Diversity in the Legal Profession in England and Wales**

14. The SRA's report *Mapping advantages and disadvantages: Diversity in the legal profession in England and Wales*<sup>11</sup> found that although the legal profession has become more broadly representative of the population over the last twenty years, with more women and minority ethnic groups entering it,

the profession remains heavily stratified by class, gender and ethnicity. It also found that women are less likely to work in senior roles in large city law firms and other high-income areas of the profession and minority ethnic women face a double disadvantage.

15. The main trends highlighted within the SRA's report are:

- Across all ethnic groups, men are more likely to become a partner compared to their female counterparts.
- The share of BAME males becoming a partner, especially those of Asian origin, has increased significantly.
- The share of white males becoming a partner has decreased.
- There is an increasing share of solicitors leaving private practice to work in-house. This tendency is more pronounced amongst women and white women in particular. Furthermore, the reducing share of in-house male solicitors parallels an increase of BAME female solicitors moving in-house, notably those of Asian origin.

16. In December 2017 the Bar Standards Board published two new pieces of research intended to provide a qualitative and quantitative evidence base to inform the current decision-making about the future training of barristers. The first, *Barriers to training for the Bar: a qualitative study*<sup>12</sup> identified perceptions of the Bar as the preserve of an elite, privileged group, more accessible to white men from an elite educational background. Also cited were a lack of access to accurate information about training for the Bar, the financial costs of training and access to funding.

---

<sup>11</sup> Mapping advantages and disadvantages: Diversity in the legal profession in England and Wales <http://sra.org.uk/documents/SRA/research/diversity-legal-profession.pdf>

<sup>12</sup> Barriers to training for the Bar: a qualitative study, 2017 [http://www.barstandardsboard.org.uk/media/1910425/barriers\\_to\\_training\\_for\\_the\\_bar\\_research.pdf](http://www.barstandardsboard.org.uk/media/1910425/barriers_to_training_for_the_bar_research.pdf)

17. The second report, *Exploring differential attainment at BPTC and Pupillage*<sup>13</sup>, provides a quantitative analysis of high level, aggregate data in relation to the performance of students on the compulsory Bar Professional Training Course (BPTC) and progression to the final stage of training, known as pupillage. Findings indicate that ethnicity has a significant predictive value for BPTC average module scores, and that ethnicity and socio-economic status both have a significant predictive value for success at obtaining pupillage.

18. The Bar Council's 2016/2017 Annual Report cites that of its 16,005 members, 64% are men, 36% are women. 12,726 of its members are self employed, 2,898 are employed, 370 are dual capacity and 5,840 are public access registered<sup>14</sup>.

## Legal Services Sector in Wales

### Overview

19. Although Wales does not have a distinct legal system, it does have various devolved powers (conferred by the Government of Wales Act 2006

and the Wales Act 2017). For legal advice to be effectively given it should be done so through the prism of devolved Welsh law. This not only applies to local clients doing business in Wales but also often with regard to English entities on their dealings and engagements with Welsh businesses and public bodies.

20. Welsh Government analysis of the Inter-Departmental Business Register<sup>15</sup> (IDBR) cites 950 enterprises in the legal profession<sup>16</sup>, with 10,245 employees and a turnover of £1m<sup>17</sup>.

21. The Gross Value Added (GVA) for legal and accountancy services<sup>18</sup> in Wales is £725m<sup>19</sup>, with weekly median gross earnings of £402.60<sup>20</sup>.

22. The Solicitors Regulatory Authority (SRA) breaks down the number of solicitors and law firms in Wales and their turnover:

	Head Offices (Total including Licensed Bodies)	Licensed Body Head Offices	Practising Solicitors	Turnover
2015	453	16	3,713	£370m
2016	444	23	3,612	£380m
2017	438	26	3,778	£397m

Figure 2: Legal Firms and Practising Solicitors in Wales, SRA<sup>21</sup>

<sup>13</sup> Exploring differential attainment at BPTC and Pupillage [http://www.barstandardsboard.org.uk/media/1910429/differential\\_attainment\\_at\\_bptc\\_and\\_pupillage\\_analysis.pdf](http://www.barstandardsboard.org.uk/media/1910429/differential_attainment_at_bptc_and_pupillage_analysis.pdf)

<sup>14</sup> The Bar Council for England and Wales, Annual Review 2016/2017, <https://www.barcouncil.online/the-annual-report-in-numbers/>

<sup>15</sup> Inter-Departmental Business Register (IDBR) <https://www.ons.gov.uk/aboutus/whatwedo/paidservices/interdepartmentalbusinessregisteridbr>

<sup>16</sup> Legal profession defined as SIC2007 691, 2017

<sup>17</sup> Employment data is rounded to the nearest five and Turnover data is rounded to the nearest Million

<sup>18</sup> Legal and Accountancy Services (SIC2007 69) is the lowest sector level available for these sources

<sup>19</sup> GVA Statistics, ONS, 2016 <https://www.ons.gov.uk/economy/grossvalueaddedgva>

<sup>20</sup> Annual Survey of Hours and Earnings, ONS, 2017 <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours>

<sup>21</sup> Statistics provided directly to Welsh Government from SRA on 15 May 2018

23. The Law Society cited 17 licensed Alternative Business Structures (ABS) in Wales in 2015<sup>22</sup>. The SRA's 2017 Annual Review cites some 4% of law firm head offices are based in Wales, but less than 1% of ABS firms have their head offices in Wales<sup>23</sup>.

24. The UK Legal 500 states that the large commercial law firms in Wales are located along

the M4 corridor, from Newport in the east to Swansea in the west, with Cardiff the commercial hub. It goes on to say that due to poor transport links Cardiff is often not convenient for clients in Mid and North Wales; clients unable to source help from local firms in these areas tend to instruct firms in England<sup>24</sup>. This is a common pattern of economic activity and not specific to the legal sector.

Name of Firm	Branch or Head Office	Office Location	UK200 Ranking	Turnover (£m)
Eversheds <i>*figures quoted before merger with Sutherland</i>	Branch	Cardiff	13	438.6
DAC Beachcroft	Branch	Cardiff	22	207.0
BLM	Branch	Cardiff	37	104.1
Blake Morgan LLP	Branch	Cardiff	50	74.5
Lewis Silkin LLP	Branch	Cardiff	63	44.9
Clarke Wilmott LLP	Branch	Cardiff	65	43.2
Hugh James	Head Office	Cardiff	75	37.0
Simpson Millar LLP	Branch	Cardiff	83	32.5
Geldards LLP	Head Office	Cardiff	101	24.0
Gordon Dadds	Branch	Cardiff	102	23.2
Radcliffes LeBrasseur	Branch	Cardiff	127	17.0

Figure 3: The Lawyer top 200 UK Law Firms 2017 by revenue 2017 – firms based in Wales<sup>25</sup>

25. In terms of its overall national and global scope, Eversheds Sutherland (International) LLP<sup>26</sup> is the most prominent. Whilst it does handle a significant amount of local work, much of its instruction

originates in England and internationally. Its Cardiff office focuses include energy and education. It also houses the firm's nationally renowned inquiries and investigations group.

<sup>22</sup> Law Society Wales Factsheet <http://www.lawsociety.org.uk/Policy-campaigns/Work-in-Wales/documents/The-solicitors-profession-in-wales-fact-sheet>

<sup>23</sup> SRA Annual Review 2015/16 (published June 2017) <https://sra.org.uk/sra/news/press/annual-review-2015-2016.page>

<sup>24</sup> UK Legal500 Wales <http://www.legal500.com/c/wales/overview>

<sup>25</sup> The Lawyer Top 200 UK Law Firms by Revenue 2017 – full list at <https://www.thelawyer.com/top-200-uk-law-firms/>

<sup>26</sup> Eversheds Sutherland <http://www.eversheds-sutherland.com/global/en/where/europe/uk/offices/cardiff.page>

26. While the majority of law firms situated in Wales are indigenous, a number of English firms, including Clarke Willmott LLP<sup>27</sup> and Lewis Silkin LLP<sup>28</sup> have established offices in Cardiff over recent years. Easy access to graduate talent and lower cost base have been cited by many financial and professional services firms as crucial in their decision to establish operations in Wales.

27. Feedback from a potential inward investor from the legal services industry in 2017 cited Wales' legal community, strong university connections and a strong business services community as strengths, but decided not to establish operations in Wales due to concerns in the depth of legal talent in the market (in particular 5 year post-qualified experience [PQE] lawyers), current connectivity from Cardiff to London, and whether the abolition of the Severn bridge tolls at the end of 2018 would lead to a talent drain with increased competition from Bristol-based firms looking for the same skilled workers<sup>29</sup>.

### **Bodies and Networks in Wales**

28. The Law Society's Wales Office is based in Cardiff. The office represents the Society's view and interests to the Welsh Government, Westminster and Brussels. The current issues cited by the Society are changes to legal aid, the law-making process in Wales, and the contribution of the legal sector to the Welsh economy<sup>30</sup>.

29. The Legal Wales Foundation<sup>31</sup> has a membership that represents the judiciary, the Counsel General, law schools, the legal services of the National Assembly for Wales and of the Welsh Government,

the Courts and Tribunals Service, the Crown Prosecution Service, the Wales and Chester Bar, the Law Society, the Chartered Institute of Legal Executives, barristers' chambers and solicitors' practices. The Foundation provides a forum for the discussion and formulation of views and proposals for action on issues affecting the administration of justice, the teaching and researching of law, and the provision of legal services as they affect Wales.

30. Public Law Wales<sup>32</sup> is Wales' Public Law and Human Rights Association. The Society aims to promote discussion, education and research relating to public law and human rights in Wales, and promote expertise amongst lawyers practising in Wales in the fields of public law and human rights.

31. Legal Network Wales<sup>33</sup> is Wales' only dedicated legal referral and support service, operated by Hugh James and launched in February 2014, following the acquisition by Slater & Gordon of Pannone Solicitors LLP who established the original network. Hugh James has been a hub firm for a similar network since 2007 and has successfully worked with around 170 firms in South, West and Mid Wales.

32. Law Wales<sup>34</sup> provides explanatory material and commentary on Wales' constitutional arrangements and law. Developed alongside Westlaw UK, it provides information about Wales' constitutional arrangements and law made in Wales.

<sup>27</sup> Clarke Willmott <https://www.cardiff-times.co.uk/clarke-willmott-invests-in-cardiff-office/>

<sup>28</sup> Lewis Silkin <http://www.pavilionlegal.com/news/latest-news/lewis-silkin-to-open-cardiff-base-with-welsh-government-backing.html>

<sup>29</sup> Feedback given to Welsh Government officials in 2017, identity of potential investor not revealed for commercial confidentiality.

<sup>30</sup> Law Society <http://www.lawsociety.org.uk/policy-campaigns/work-in-wales/>

<sup>31</sup> Legal Wales Foundation <http://www.legalwales.org/index.html>

<sup>32</sup> Public Law Wales <http://www.legalwales.org/public-law-wales.php>

<sup>33</sup> Legal Network Wales <https://www.hughjames.com/about-us/legal-network-wales/>

<sup>34</sup> Law Wales <http://law.gov.wales/?lang=en>



## The Profession in Wales

33. The ONS *Business Register and Employment Survey* shows a reduction in the number of employees performing legal activities in Wales between 2015 and 2016, whereas in the UK as a whole the number increased.<sup>35</sup>

No. of Employees performing legal activities	2015	2016
UK	263,000	293,000
Wales	13,000	9,000

Figure 3: ONS Business Register and Employment Survey 2017

34. The number of practicing solicitors, registered European lawyers and registered foreign lawyers in Wales decreased slightly in 2016 then increased in 2017. The gender balance amongst all practicing solicitors, registered European lawyers and registered foreign lawyers in Wales is above 50%, but the number of women who are partner or equivalent is much lower.

	Female		Male		Total known	Total Unknown	Total
	Count	% of known	Count	% of known			
2015	1,885	51%	1,809	49%	3,694	19	3,713
2016	1,871	52%	1,722	48%	3,593	19	3,612
2017	1,996	53%	1,756	46%	3,752	26	3,778

Figure 4: Breakdown by gender for all Practising Solicitors, Registered European Lawyers and Registered Foreign Lawyers in Wales, SRA<sup>36</sup>

	Female		Male		Total known	Total Unknown	Total
	Count	% of known	Count	% of known			
2015	365	32%	780	68%	1,145	0	1,145
2016	364	33%	749	67%	1,113	0	1,113
2017	370	34%	730	66%	1,100	0	1,100

Figure 5: Breakdown by gender for all Practising Solicitors, Registered European Lawyers and Registered Foreign Lawyers who are a Partner or equivalent in Wales, SRA<sup>37</sup>

<sup>35</sup> UK Business Register and Employment Survey, 691: Legal Activities, statistics from Nomis accessed 11 May 2018 <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/businessregisterandemploymentsurveybresprovisionalresults/previousReleases>

<sup>36</sup> Statistics provided directly to Welsh Government from SRA on 15 May 2018.

<sup>37</sup> Statistics provided directly to Welsh Government from SRA on 15 May 2018.

The location of Practising Solicitors, Registered European Lawyers and Registered Foreign Lawyers is determined from the individuals' main practice working office address, or their primary address provided. These are therefore an estimate figure due to cross-border working.

## Key Trends, Challenges and Opportunities

35. Through Welsh Government's relationships with the legal services industry (both within and outside of Wales), regulatory bodies, and trade associations, we have identified a number of industry-specific and wider macro-economic trends globally that are predicted to have an impact on the legal profession, and trends which are already impacting the industry.

### Industry Trends

#### Access to Justice and the Profession

##### Legal Aid

36. Legal aid provides funding for legal assistance to those who cannot afford to pay a lawyer to give them legal advice or represent them in court. It was first established in 1949 in England and Wales at the same time as the establishment of the NHS and welfare reform.

37. On 1 April 2013 the Legal Aid, Sentencing and Punishment of Offenders Act 2012 (LASPO)<sup>38</sup> changed the eligibility criteria for access to legal aid for many areas of the law including divorce, child custody, clinical negligence, welfare, employment, immigration, housing, debt, benefits and education.

38. A post-legislative memorandum of LAPSO was submitted by the Ministry of Justice to the Justice Select Committee on 30 October 2017<sup>39</sup>. The memorandum states that the Ministry of Justice has committed to producing post-implementation reviews for various policies contained within Parts 1 and 2 of LASPO, with separate reviews for legal aid and for civil litigation funding.

39. Since the enactment of LAPSO the National Audit Office (NAO) 2014 report *Implementing reforms to civil legal aid*<sup>40</sup> found:

**“The Ministry reduced fees for providers without a robust understanding of how this would affect the market, and its monitoring has been limited. Many providers told us they were struggling to provide services for the fees paid, despite using a range of approaches to reduce costs. The Ministry wanted to stimulate the development of innovative solutions to providing services at a lower cost. It has monitored whether providers are in financial distress. However it has not monitored the extent to which providers are choosing not to undertake civil legal aid work. There is no requirement to perform a minimum level of work to remain a provider.”**

#### Access to Legal Services

40. Access to justice exists when the public can understand and use information and services in a timely and affordable way to prevent and resolve their legal problems and to achieve just outcomes.

41. In its 2017 report *Access denied? LASPO four years on*<sup>41</sup> The Law Society states that reducing the scope of legal aid through LASPO has opened up a number of gaps in the provision of legal advice, concluding that the UK Government failed to take account of the fact that solicitors providing early advice were a significant source of referrals to mediation, and that removing access to early advice from a solicitor would, therefore, adversely affect uptake of mediation.

<sup>38</sup> Legal Aid, Sentencing and Punishment of Offenders Act 2012, <http://www.legislation.gov.uk/ukpga/2012/10/contents/enacted>

<sup>39</sup> Legal Aid, Sentencing and Punishment of Offenders Act 2012: Post-Legislative Memorandum [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/655971/LASPO-Act-2012-post-legislative-memorandum.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/655971/LASPO-Act-2012-post-legislative-memorandum.pdf)

<sup>40</sup> Implementing reforms to civil legal aid, NAO, 2017 <https://www.nao.org.uk/wp-content/uploads/2014/11/Implementing-reforms-to-civil-legal-aid1.pdf>

<sup>41</sup> Access Denied? LAPS Four Years On, The Law Society, 2017 <https://www.lawsociety.org.uk/support-services/research-trends/laspo-4-years-on/>

42. The Competition and Markets Authority (CMA) spent a year conducting a thorough review of the industry and found that there was not enough information available on price, quality and service to help those in need of legal support choose the best option. Its final report<sup>42</sup> concluded that competition in legal services for individual consumers and small businesses is not working well. Obtaining the right service at good value can therefore be challenging as consumers can face wide variations in the cost of similar services. Consumers can also struggle to find enough information to help them identify their legal need in the first place.

43. Rachel Merelie, Acting Executive Director for Markets and Mergers at the CMA said:

**“You might not need a lawyer very often but when you do it will often be at a crucial point in your life – whether that’s buying a property, resolving a dispute or getting expert advice on financial and employment matters. So the transparency, affordability and accessibility shortcomings we have identified are a real concern. Consumers who are equipped with the information they need to assess the services on offer and choose the best deal for them, will not just benefit personally but will also help drive competition, quality and innovation across the whole market. That means a better outcome for everyone and, importantly, fewer people will be discouraged from seeking the help they need.”<sup>43</sup>**

44. The CMA’s final report recommended that the regulators:

- revise their regulatory requirements to ensure that companies offering legal services display information on price, service and conditions of redress openly on their websites and in their publicity material

- improve and promote the existing Legal Choices website so that it becomes a starting point for customers needing help to navigate the market and purchase services
- make more regulatory data available to facilitate the development of reliable comparison sites
- encourage legal services providers to engage with feedback and review platforms to ensure that customers can benefit from the experience of previous consumers before making their choice.

45. The SRA issued 217 ‘scam alerts’ to warn the public and the profession of cybercrime in 2017. In the majority of cases, fraudsters were pretending to be solicitors to give their scam an air of legitimacy. One of the most common types of scam attempts is to hook members of the public by telling them that they are entitled to part of an inheritance.

46. Technology could have an impact on greater access to justice linked to the CMA’s recommendations, including:

- helping bring down the cost of commercially provided services to the ‘latent legal market’; a term developed by Richard S. Granat<sup>44</sup> to describe those who would buy services if they were cheap enough
- supporting the provision of legal information, education and simple advice
- supporting litigants in person to receive both advice, mediation and adjudication online
- using artificial intelligence and conversational computing to provide accessible advice and answer legal questions.

<sup>42</sup> Legal services market study Final report, Competition and Markets Authority (CMA), 2016 <https://assets.publishing.service.gov.uk/media/5887374d40f0b6593700001a/legal-services-market-study-final-report.pdf>

<sup>43</sup> CMA demands greater transparency from legal service providers, CMA, 2016 <https://www.gov.uk/government/news/cma-demands-greater-transparency-from-legal-service-providers>

<sup>44</sup> The Latent Market for Legal Services, Closing the Justice Gap, 2013 <https://www.slideshare.net/rgranat/latent-market-for-legal-services>

47. Those who are unable to obtain a lawyer may still be able to obtain legal help for crucial parts of the case through unbundling. Instead of online static court forms for individuals to download, print, and complete by hand, it is possible for users to use interactive guided interviews which walk the user through the process step-by-step via a user-friendly questionnaire interface<sup>45</sup>.

48. LawWorks<sup>46</sup> is a charity working in England and Wales to connect volunteer lawyers with people in need of legal advice, who are not eligible for legal aid and cannot afford to pay and with the not-for-profit organisations that support them. LawWorks Cymru<sup>47</sup> is based in Wales and provides dedicated support to increase access to justice across the country. From their office in Cardiff, they work with a range of stakeholders, including legal teams, legal aid providers, law schools and other charities to identify and support opportunities for volunteering to help those most in need.

49. Reaching Justice Wales (RJW)<sup>48</sup> is part of a network of seven Legal Support Trusts across England and Wales working with the Access to Justice Foundation to support pro-bono and advice agencies, ensuring funds can be distributed where needed most throughout England and Wales. The Charity supports voluntary sector agencies which provide free legal advice where there is need, supplementing but not replacing legal aid, contributing to the availability of legal advice across Wales.

## Legal Marketplace

50. Alternative legal services providers (ALSP) are an increasingly important component of the legal services landscape. A 2017 study by Thomson Reuters<sup>49</sup> found the value of the global ALSP market is around \$8.4bn. The legal services sector has become more complex as ALSP and tech businesses both compete *and* collaborate with established law firms. This is in a response to changes in customer demand and a trend towards a disaggregation in the delivery of different legal services.

51. Thompson Reuter's research also found that around 50% of law firms and 60% of corporate legal departments are using ALSP for at least one type of service. The most common are low-risk or standardised high-volume tasks to reduce costs and improve efficiency.

52. The introduction of Alternative Business Structures (ABS) through the Legal Services Act (2007) enabled the legal services sector to secure external funding. This has contributed to the growth of ALSP in the UK. Whilst many of the new ABS firms do not currently compete with incumbent commercial law firms, there is increasing competition from other new market entrants. For example, accountancy firms PwC<sup>50</sup> and Deloitte<sup>51</sup> are widening their range of legal services and making an impact in the market.

53. Beyond cost, lawyers are realising that to maintain and strengthen their relationships with clients they have to find innovative ways of providing value after a deal is done. Where firms have found notable time and cost savings through the use

---

<sup>45</sup> A2J Guided Interviews and online interactive PLEI' PLE Learning Exchange Ontario, March 2017 <http://plelearningexchange.ca/a2j-guided-interviews-online-interactive-plei/>

<sup>46</sup> LawWorks <https://www.lawworks.org.uk>

<sup>47</sup> LawWorks Cymru <https://www.lawworks.org.uk/solicitors-and-volunteers/get-involved/lawworks-cymru>

<sup>48</sup> Reaching Justice Wales <http://www.reachingjusticewales.org.uk/>

<sup>49</sup> Thomson Reuters, '2017 ALSP Study: Understanding the growth and benefits of these new legal providers', February 2017 <https://blogs.thomsonreuters.com/legal-uk/2017/02/06/2017-alsp-study-new-legal-providers/>

<sup>50</sup> PwC Legal <https://www.pwc.co.uk/services/legal-services.html>

<sup>51</sup> Deloitte Legal <https://www2.deloitte.com/global/en/services/legal.html>

of technology and process automation, clients who are aware of these systems may now expect a drop in fees.

### **Technology Driven Innovation**

54. The Law Society of England and Wales' 2017 report *Capturing Technological Innovation in Legal Services*<sup>52</sup> predicts that leading legal services providers across all disciplines will likely embrace innovation as part of their corporate DNA, inspiring people with a vision for how a process can be redesigned and where a business could follow a completely different direction.

55. However, the report also states that although technological solutions play a key part in many of the innovations it features, technology in itself is not the cure-all for firms – and few firms will find their problems solved purely in investing in a piece of software. The case for change and mechanisms for implementation need to be driven by a firm's long-term strategy and business model, which technology can then enable.

56. Some of the emerging technologies which are enabling transformation in the legal services sector are outlined below:

### **Service Automation and Artificial Intelligence**

57. At the Law Society's Inaugural Lecture on the Future of Law, Chancellor of the High Court Sir Geoffrey Vos addressed some of the changes and innovations that lawyers will need to become familiar with, and the ways in which solicitors, barristers and judges operate will be transformed within a generation. He describes artificial intelligence as:

**'AI falls into two categories: ordinary artificial intelligence which has become a reality due to high data processing speeds, and what is becoming known as artificial general intelligence or strong or full AI. This latter is where machines can perform the kind of intellectual decision-making that we normally associate only with humans: for example, the decision of a judge to choose between allocating the custody of a child to her father or her mother, or the decision as to what happened at a contested business meeting'**<sup>53</sup>.

58. The McKinsey Global Institute has been conducting an ongoing research program on automation technologies and their potential effects. Their 2017 report *A future that works: Automation, employment, and productivity*<sup>54</sup> highlights several key findings:

**'The potential impact of automation on employment varies by occupation and sector. Activities most susceptible to automation include physical ones in predictable environments, such as operating machinery and preparing fast food. Collecting and processing data are two other categories of activity that can increasingly be done better and faster with machines. This could displace large amounts of labor, for instance in mortgage origination, paralegal work, accounting, and back-office transaction processing.**

**It is important to note, however, that even when some tasks are automated, employment in those occupations may not decline, but rather workers may perform new tasks. In addition, employment in occupations may also grow, if the overall demand for that occupation grows enough to overwhelm the rates of automation.**

---

<sup>52</sup> Law Society of England and Wales' 2017 report 'Capturing Technological Innovation in Legal Services' <https://www.lawsociety.org.uk/support-services/research-trends/capturing-technological-innovation-report/>

<sup>53</sup> Sir Geoffrey Vos' speech, Law Society's Inaugural Lecture on the Future of Law, 2017 <https://www.judiciary.gov.uk/wp-content/uploads/2018/03/chc-speech-banking-standards-board-lecture.pdf>

<sup>54</sup> A future that works: Automation, employment, and productivity, McKinsey Global Institute, 2017 <https://www.mckinsey.com/~/media/McKinsey/Global%20Themes/Future%20of%20Organizations/What%20the%20future%20of%20work%20will%20mean%20for%20jobs%20skills%20and%20wages/MGI-Jobs-Lost-Jobs-Gained-Report-December-6-2017.ashx>

**Automation will have a lesser effect on jobs that involve managing people, applying expertise, and those involving social interactions, where machines are unable to match human performance for now.'**

59. In the delivery of legal services there are elements of predictable, repeatable work that can be undertaken whatever the matter type or practice area. Robotic Process Automation (RPA) can be used as a 'digital workforce' that automates high-risk, manual, rules-based and repetitive tasks and radically improves agility, efficiency, accuracy and compliance.

60. Many law firms have had document automation for a long time, but these tools have evolved considerably in the last few years. Using automation, logic and decision trees to create document templates that define all of the relevant search terms upfront, non-lawyers and businesses are able to use the technology to produce initial draft documents and contracts that used to require input from legal teams. Utilising these technologies are said already to have reduced JP Morgan's lawyers' bills by 360,000 hours in a year<sup>55</sup>.

61. Artificial intelligence is already being used in services to support customer service and improve their experience. Parts of the NHS plan to use video calling, wearable devices and predictive technology to improve how they care for patients. Microsoft's HealthVault Insights<sup>56</sup> uses machine learning and analytics to bring together patient data from a range of sources, including wearables, so medical professionals can spot trends in people's health. This could eventually support the more accurate underwriting of life and health insurance.

62. The Serious Fraud Office (SFO) is utilising OpenText, described as an "AI lawyer", which is set to start work in April 2018 to automatically analyse documents. It previously piloted similar OpenText technology during its four-year investigation into fraud at Rolls-Royce which involved reviewing 30 million documents. The SFO said that technology was up to 80% cheaper than using outside counsel to review those documents and identify legally privileged material.<sup>57</sup>

### **Distributed Ledger Technologies**

63. Distributed Ledger Technologies such as blockchain have many more applications, both existing and potential, as well as being used for cryptocurrency. Sir Geoffrey Vos describes distributed ledger technologies as:

**'A digital ledger is simply a limited or unlimited network of computers or nodes that communicate with one another and verify the transaction according to the coded rules of their establishment.'**<sup>58</sup>

64. Blockchain and other distributed ledger technologies are being tested and deployed across financial services, most notably in cryptocurrencies, but there are much wider potential applications of the technology.

65. Blockchain is being viewed as the foundational technology for the future of risk management, but it is critical for firms to understand that while blockchain promises to drive efficiency in business processes and mitigate certain existing risks, it can also pose new risks. Additionally, it is important to understand the evolution of regulatory guidance and its implications.

<sup>55</sup> 'JPMorgan Software Does in Seconds What Took Lawyers 360,000 Hours', Bloomberg, 2017 <https://www.bloomberg.com/news/articles/2017-02-28/jpmorgan-marshals-an-army-of-developers-to-automate-high-finance>

<sup>56</sup> Microsoft HealthVault insights <https://www.healthvault.com/en-us/healthvault-insights/>

<sup>57</sup> 'Serious Fraud Office hires 'artificial intelligence lawyer' <https://news.sky.com/story/serious-fraud-office-hires-ai-lawyer-11325218>

<sup>58</sup> Sir Geoffrey Vos' speech, Law Society's Inaugural Lecture on the Future of Law, 2017 <https://www.judiciary.gov.uk/wp-content/uploads/2018/03/chc-speech-banking-standards-board-lecture.pdf>

66. A number of use cases have been established in legal services using blockchain. In intellectual property, royalties from streaming could be coded into the blockchain to ensure artists are paid immediately.

67. Smart contracts are computer protocols that embed the terms and conditions of a contract. Many kinds of contractual clauses may thus be made partially or fully self-executing, self-enforcing, or both. If a service isn't delivered, a customer doesn't pay, or if it exceeds the contractual parameters of use, the smart contract could trigger payment, penalties or cessation of service.

68. Other use cases include land ownership in developing countries and chain of custody, both of which demonstrate blockchain's effectiveness at ensuring certainty of transactional history in a highly encrypted database. There is also the potential for exploring the use of blockchain in motor claims, to enable insurance carriers, repair garages and hire companies to process claims automatically.

### **Predictive Analytics**

69. Predictive analytics is the process of using data to make predictions about potential unknown, future events. Used in a wide range of industries, predictive analytics uses techniques like statistics, modelling, data mining, and even machine learning to not just process data but to extract context from it.

70. A lawyer can now tell a client about both the risks and benefits of a different path towards the same goal with a greater degree of accuracy and efficiency than ever before. Firms are no longer relying on the experience of a handful of individuals, but instead have the power of many teams with a wider range of specialties to draw from.

71. This allows them to provide not only better advice to clients, but to do so with a greater level of confidence in their recommendations. For example, a firm could identify the most common types of triggers for claims. This would in turn provide them with insight about which practices the business would have to change or which behaviours they should avoid to reduce the number of these claims in the future.

### **Conversation as a platform: virtual assistants, livechat and chatbots**

72. Along with advancements in natural language processing and deep learning, technology companies are embracing artificial intelligence-powered software to create innovative user engagement and interaction tools.

73. Chatbots function as digital representatives, simulating human behaviour in order to make interactions simpler, more efficient, and more consistent. Chatbots make customer services immediately scalable as they bring the ability to handle multiple interactions contemporaneously without the need to employ extra staff.

74. As AI makes them more sophisticated, some chatbots are trained to identify more complex queries and refer them to a human operator. They are also relatively straightforward to build using a third-party AI platform.

## **Brexit**

### **Access to Talent**

75. Lawyers holding one of the six UK legal professional titles<sup>59</sup> and UK citizenship, and their firms, currently access the EU legal services market through the Treaty for the Functioning of the EU (TFEU)<sup>60</sup>.

<sup>59</sup> These titles are Solicitors of England and Wales, Barristers of England and Wales, Scottish Solicitors, Scottish Advocates, Barristers of Northern Ireland and Solicitors of Northern Ireland.

<sup>60</sup> CONSOLIDATED VERSION OF THE TREATY ON THE FUNCTIONING OF THE EUROPEAN UNION 26.10.2012 Official Journal of the European Union C326/47 [http://eur-lex.europa.eu/resource.html?uri=cellar:2bf140bf-a3f8-4ab2-b506-fd71826e6da6.0023.02/DOC\\_2&format=PDF](http://eur-lex.europa.eu/resource.html?uri=cellar:2bf140bf-a3f8-4ab2-b506-fd71826e6da6.0023.02/DOC_2&format=PDF)

76. The Justice Select Committee's final report on its inquiry into the implications of Brexit on for the Justice system<sup>61</sup> cited that cross-border practising rights within the EU were a key concern for witnesses. Three EU laws combine to create an effective 'single market in legal services':

- the Lawyers' Services Directive 1977 allows lawyers qualified in any Member State the right to provide services on a temporary basis in all other Member States
- the Lawyers' Establishment Directive 1998 (or simply 'the Establishment Directive') requires Member States to allow lawyers from elsewhere in the EU to practise there permanently, and to provide a route to qualification in the legal professions within that jurisdiction
- the Mutual Recognition of Professional Qualifications Directive 2005 (known as 'PQD') supports the above with provisions regarding the cross-border recognition of qualifications (including in the legal professions).

77. Lawyers have a unique position in relation to the legal regime for free movement in the EU. It is a profession that is covered by a separate system of directives and employs a unique mechanism of mutual recognition without immediate integration into the profession of the receiving EU Member State.

78. The Council of Bars and Law Societies of Europe (CCBE) has stated:

**'the system which has been created is simple, non-bureaucratic and very liberal and has led to easy cross-border mobility for lawyers, notwithstanding the wide diversity of legal**

**systems among the Member States. With these two Directives, lawyers have reached a level of free movement for the legal profession within the European Union which is, as yet, inconceivable in other parts of the world, even in the framework of federal structures, for example the USA. Cross-border free movement of lawyers in the European Union is a model and a goal for many lawyers outside the European Union.'**<sup>62</sup>

79. There are Member State-specific restrictions on foreign (non-Member State) lawyers and law firms. Post-Brexit, if agreement cannot be reached on maintaining the current level of Single Market access, these restrictions may impact on the ability of UK lawyers and UK-based law firms to operate in individual Member States<sup>63</sup>.

### **Prominence of UK Legal Sector post-Brexit**

80. TheCityUK estimates over 200 foreign law firms from circa 40 jurisdictions – employing in excess of 10,000 people – operate in the UK. Many of them depend upon EU market access, London's position as a leading global financial centre and the ability to recruit English and Welsh law qualified talent. In a European context, the total value (in millions of euros) of UK-based trade in legal activities is 172% and over 400% greater than the value of the second and third ranked EU Member States Germany and France<sup>64</sup>.

81. Over a quarter of the world's 320 legal jurisdictions are founded on English common law principles<sup>65</sup> and 40% of governing law in global corporate arbitrations is English law<sup>66</sup>. English Welsh Law is also the basis of law and governance of the

<sup>61</sup> Implications of Brexit for the justice system, March 2017 <https://publications.parliament.uk/pa/cm201617/cmselect/cmjust/750/750.pdf>

<sup>62</sup> CCBE position Evaluation of the Lawyers' Directives, 2014 [http://ccbe.eu/NTCdocument/EN\\_12092014\\_EN\\_CCBE\\_1\\_1412929215.pdf](http://ccbe.eu/NTCdocument/EN_12092014_EN_CCBE_1_1412929215.pdf)

<sup>63</sup> A comprehensive country specific database of these rules, including for each Member State can be found in the IBA Global Regulation and Trade in Legal Services Report 2014 <http://www.ibanet.org/Document/Default.aspx?DocumentUid=1D3D3E81-472A-40E5-9D9D-68EB5F71A702>

<sup>64</sup> The impact of Brexit on the UK-based legal services sector, TheCityUK, 2016 <https://www.thecityuk.com/research/The-impact-of-Brexit-on-the-UK-based-legal-services-sector/>

<sup>65</sup> Legal Services are GREAT campaign, 2017 <https://www.gov.uk/government/news/legal-services-are-great>

<sup>66</sup> Queen Mary University, International Arbitration Survey, 2010 [http://www.arbitration.qmul.ac.uk/media/arbitration/docs/2010\\_67InternationalArbitrationSurveyReport.pdf](http://www.arbitration.qmul.ac.uk/media/arbitration/docs/2010_67InternationalArbitrationSurveyReport.pdf)



53 members of the Commonwealth of Nations, whose combined population is 2.4 billion, of which more than 60 per cent is aged 29 or under.<sup>67</sup>

82. The Justice Select Committee's final report on its inquiry into the implications of Brexit on for the Justice system makes clear that legal services sector underpins many areas of UK economic activity, stating:

**'Its ability to continue to facilitate these in the EU will diminish without protection of existing practising rights there for UK lawyers. There is also clear evidence of reciprocal benefit. We recommend the Government include achieving this protection in its Brexit negotiating strategy'**<sup>68</sup>.

83. The Committee also made the recommendation:

**'...that the Government should consider and promote the legal services sector in the context of its expected post-Brexit trade recalibration and the pursuit of new deals; it should outline steps it will take to protect and provide opportunities for the sector.'**

84. The Lord Chief Justice and the Chancellor of the High Court developed the below points to underscore the unique strengths of English law and the high quality of dispute resolution services in the UK<sup>69</sup>:

- The UK has a totally independent judiciary and compliance with the rule of law. These factors inspire business confidence and underpin international trade and investment.
- The substantive English common law is clear, fair and predictable, and based on precedent.

- The English common law, together with the UK legal system, is, and has always been, flexible. It adapts to meet the challenges of an ever-changing commercial world.
- UK court and arbitral procedures are practical and innovative, delivering speedy and efficient resolution of business and financial disputes.
- Litigation and arbitration in the UK is cost effective.
- The UK will remain a global Arbitration and Alternative Dispute Resolution (ADR) centre post-Brexit. Brexit will have no impact on the New York Convention on Arbitral Awards.
- The mutual recognition and enforcement of UK judgments abroad will largely continue as before, whether under long-standing bilateral treaties or under common law principles of comity.
- A UK exclusive jurisdiction clause will continue to be given effect after Brexit.
- London and the UK will continue to provide unrivalled access to high-quality legal services.
- The UK will remain one of the leading financial, insurance and commercial centres in the world.

85. The Lord Chief Justice stated in his 2017 report<sup>70</sup>:

**'The UK's strength in delivering legal services internationally is underpinned by a strong regulatory framework and expertise in regulatory law. In addition, the English language is and will remain the language of business, irrespective of the consequences of Brexit.'**

<sup>67</sup> The Commonwealth: Fast Facts <http://thecommonwealth.org/fastfacts>

<sup>68</sup> Implications of Brexit for the justice system, March 2017 <https://publications.parliament.uk/pa/cm201617/cmselect/cmjust/750/750.pdf>

<sup>69</sup> Legal UK, 'The strength of English law and the UK jurisdiction' 2017 <https://www.judiciary.gov.uk/wp-content/uploads/2017/08/legaluk-strength-of-english-law-draft-4-FINAL.pdf>

<sup>70</sup> The Lord Chief Justice's Report 2017 <https://www.judiciary.gov.uk/wp-content/uploads/2017/09/lcj-report-2017-final.pdf>

## Welsh Government and Brexit

86. Trade in services can be particularly difficult to liberalise given the regulatory complexities and political sensitivities associated with services. Even the EU's Single Market has not fully liberalised trade in services. Services industries in Wales are closely linked with trade in goods. For example financial services, consultancy, advertising and legal services are all connected to trade in goods to some extent. The financial services sector is a major export sector generating a large trade surplus for the UK.

87. Whilst Wales is less specialised in trade in services there would be indirect impacts for the Welsh economy if it were not possible to maintain the same level of trade in services in the future. Also important is that there are important connections between regulatory alignment and free movement of people to facilitate trade in services. As we set out in our publication *Brexit and Fair Movement of People*<sup>71</sup> we advocate a flexible – but managed – approach to migration more closely connected to employment. This must be coupled with rigorous prevention of exploitation of workers by unscrupulous employers to improve wages and conditions for all workers.

88. The Welsh Government has been clear and consistent in its six priorities:

- Continued full and unfettered access to the Single Market and participation in a Customs Union to protect the 60% of Welsh exports that go to the EU and to retain and increase job-creating investment.
- A new migration system that links migration more closely to employment so we can recruit the doctors, nurses, engineers and other workers we need, while protecting employees from exploitation.
- Wales not to lose a penny of funding due to Brexit as promised during the referendum.
- A fundamentally different constitutional relationship between the devolved governments and the UK Government – based on mutual respect.
- Maintaining the current social and environmental protections, including workers' rights.
- The vital importance of a transition period to avoid a 'cliff edge'.

---

<sup>71</sup> *Brexit and the Fair Movement of People*, 2017 [https://beta.gov.wales/sites/default/files/2017-09/Brexit%20and%20Fair%20Movement%20of%20People-%28EN%29main\\_WEB.pdf](https://beta.gov.wales/sites/default/files/2017-09/Brexit%20and%20Fair%20Movement%20of%20People-%28EN%29main_WEB.pdf)

## Legal Education & the Legal Services Profession

89. English and Welsh law schools offer a number of undergraduate and postgraduate courses, from Bachelor of Law (LLBs) and Master of Laws (LLMs), to the Graduate Diploma in Law (GDL) [law conversion course for those with non-law degrees], Legal Practice Course (LPC) [for aspiring lawyers] and the Bar Professional Training Course (BPTC) [for those who wish to become a barrister in England or Wales].

90. The courses the law schools run will prepare students to work in the law system in England and Wales only. In order to provide a qualifying law

course, law schools must have their programmes approved by either the Solicitors Regulation Authority (SRA) [for the GDL or LPC] or the Bar Standards Board [for the BPTC]. Courses must meet their specific requirements in the content covered and assessed.

91. The latest statistics tracking the number of student enrolments and graduates in law show that Wales contributes around 5% of the UK's law students and graduates at both postgraduate and undergraduate qualification level.

2016/17	UK	Wales (including Open University)	% of UK HE students studying Law in Wales
Undergraduate Student Enrolments	69,595	3,200	4.6%
Postgraduate Student Enrolments	20,135	940	4.6%
Undergraduate Qualifications Obtained	19,540	985	5%
Postgraduate Qualifications Obtained	11,680	620	5.3%

Figure 6: Number of Student Enrolments and Qualifications Obtained, HESA, 2016/2017 statistics<sup>72</sup>

<sup>72</sup> Student Enrolments <https://www.hesa.ac.uk/data-and-analysis/students/where-study> Qualifications Obtained <https://www.hesa.ac.uk/data-and-analysis/students/outcomes>

92. The latest statistics tracking the employment of graduates studying law across the UK show the percentage of Welsh graduates in professional employment is very similar to the UK

average, with around two thirds of law graduates in professional roles. These occupations may change over the leavers' careers; this is tracked in the Longitudinal DLHE survey.

Standard Occupational Classification	Wales	NI	Scotland	England	UK
Managers, directors and senior officials	5	5	15	165	185
Professional occupations	35	70	60	590	755
Associate professional and technical occupations	125	45	120	2190	2480
<b>Total professional</b>	<b>165</b>	<b>120</b>	<b>195</b>	<b>2945</b>	<b>3425</b>
<b>Percentage professional</b>	<b>65%</b>	<b>71%</b>	<b>52%</b>	<b>65%</b>	<b>64%</b>
Administrative and secretarial occupations	30	15	50	565	660
Skilled trades occupations	5	0	10	30	40
Caring, leisure and other service occupations	10	5	15	100	125
Sales and customer service occupations	30	25	70	620	745
Process, plant and machine operatives	5	0	0	20	25
Elementary occupations	15	5	30	245	290
<b>Total non-professional</b>	<b>90</b>	<b>50</b>	<b>175</b>	<b>1575</b>	<b>1890</b>
<b>Percentage non-professional</b>	<b>35%</b>	<b>29%</b>	<b>48%</b>	<b>35%</b>	<b>36%</b>
Not known	0	0	0	5	5
<b>Total</b>	<b>255</b>	<b>170</b>	<b>370</b>	<b>4525</b>	<b>5320</b>

Figure 7: Occupation of full-time first degree leavers in Law entering employment in the UK by location of HE provider in 2015/16<sup>73</sup>

<sup>73</sup> Occupation of full-time first degree leavers entering employment in the UK by location of HE provider and subject area of degree 2011/12 to 2015/16 [https://www.hesa.ac.uk/files/pre-release/dlhe\\_sfr245\\_1516\\_table\\_7.xlsx](https://www.hesa.ac.uk/files/pre-release/dlhe_sfr245_1516_table_7.xlsx)

93. There are a number of institutions in Wales offering different aspects of legal education:

Institution	Legal Services Specialisms
Aberystwyth University	<ul style="list-style-type: none"> <li>• Business Law</li> <li>• Criminal Law</li> <li>• Criminology and Applied Psychology</li> <li>• European Law</li> <li>• Human Rights</li> <li>• Maritime Law</li> </ul>
Bangor University	<ul style="list-style-type: none"> <li>• Bangor Centre for International Law</li> <li>• Institute of Competition and Procurement Studies</li> <li>• EU Law</li> <li>• Corporate Finance Law</li> <li>• Maritime Law</li> <li>• Commercial &amp; Company Law</li> <li>• Administrative Law</li> <li>• Child and Family Law</li> </ul>
Cardiff University	<ul style="list-style-type: none"> <li>• Centre for Political and Legal Analytics</li> <li>• Cardiff Centre for Crime, Law and Justice</li> <li>• Centre for European Law and Governance</li> <li>• Centre for Human Rights and Public Law</li> <li>• Centre for Health and Social Care Law</li> <li>• Centre for Law and Religion</li> <li>• Centre of Law and Society</li> <li>• The LawLab Research Centre</li> <li>• International Commercial Law</li> <li>• Bar Professional Training Course</li> </ul>
Cardiff & Vale College	<ul style="list-style-type: none"> <li>• LTC4 (Legal Technology Core Competencies Certification Coalition) Provider</li> <li>• CILEx (Chartered Legal Executive) Provider</li> <li>• City &amp; Guilds Legal Administration</li> </ul>
Gower College, Swansea	<ul style="list-style-type: none"> <li>• Foundation Degree in Criminal Justice (validated by University of South Wales)</li> </ul>
Swansea University – Hillary Rodham Clinton School of Law	<ul style="list-style-type: none"> <li>• Swansea University Legal Centre</li> <li>• Centre for Criminal Justice and Criminology</li> <li>• Centre for Innovation and Entrepreneurship in Law (CIEL)</li> <li>• Legaltech/Lawtech – including law clinic for technology start-ups, hackathons, bootcamps and coding training for law students</li> <li>• Cyber Threats Intelligence Centre</li> <li>• Institute of International Shipping and Trade Law</li> <li>• Wales Observatory on Human Rights of Children and Young People</li> <li>• Jurisdiction</li> </ul>

Institution	Legal Services Specialisms
University of South Wales	<ul style="list-style-type: none"> <li>• USW Legal Advice Clinic</li> <li>• LTC4 (Legal Technology Core Competencies Certification Coalition) Provider</li> <li>• Intellectual Property &amp; Confidentiality Law</li> <li>• Cyber Security</li> </ul>
University of Wales, Trinity Saint David	<ul style="list-style-type: none"> <li>• CILEx Provider</li> <li>• Public Sector Law</li> <li>• Business Law</li> <li>• Contract Law</li> <li>• Property Law</li> </ul>
Coleg y Cymoedd	<ul style="list-style-type: none"> <li>• CILEx Level 3 Diploma in Law and Practice</li> </ul>

Figure 8: Academic Institutions in Wales offering legal services courses and associated research specialisms<sup>74</sup>

94. Students cannot currently qualify as a solicitor without passing the Professional Skills Course (PSC). This is a modular course that aims to ensure that they have reached the appropriate level of skills and knowledge during the Legal Practice Course (LPC) and the training contract. The training contract, or period of recognised training, is the final stage on the path to qualifying as a solicitor. It is the stage at which students put into practice all the knowledge and skills they have learnt, and develop these still further within a working environment. The training contract is usually a two-year period spent working at a law firm.

95. The SRA confirmed in April 2017 that from August 2020 the new Solicitor’s Qualification Examination (SQE), a new postgraduate law course, will replace the current system of qualification, removing the requirement to complete the LPC and creating one overarching exam for graduates seeking to qualify as solicitors<sup>75</sup>.

96. The Chartered Institute of Legal Executives (CILEx<sup>76</sup>) is the professional body which governs the education and training of Chartered Legal Executives. CILEx offers various training pathways into the legal sector alone or in partnership with further and higher education. Legal secretaries can enter the profession with a GCSE to a Level 6 Higher Diploma. A range of relevant qualifications can now be taken flexibly/part-time through Coleg Gwent, Cardiff & Vale College, Brightlink Learning and Pitman Training as an alternative to a full-time course.

97. LTC4 (Legal Technology Core Competencies Certification Coalition<sup>77</sup>) is a non-profit organisation that has established legal technology core competencies and certification that all law firms can use to measure ongoing efficiency improvements. Its training providers are committed to helping LTC4 establish an industry standard for technology competence. As members, they have access to the core competencies and may be able to assist their clients with achieving LTC4 certification.

<sup>74</sup> Information collated from provider’s websites, course guides, UCAS and discussions with providers. The research specialisms listed may not be an exhaustive list, and focus on particular areas of excellence.

<sup>75</sup> Solicitors Qualifying Examination, 2017 <https://sra.org.uk/solicitorexam/>

<sup>76</sup> Chartered Institute of Legal Executives <https://www.cilex.org.uk/>

<sup>77</sup> LTC4 <http://www.ltc4.org/>

98. The University of South Wales (USW) and Cardiff and Vale College (CAVC) are the UK's first academic institutions to become members of LTC4, an organisation setting the global standard for legal technology proficiency in industry standard real-life workflows. Leading law firms in the US, Canada and Europe including Allen & Overy, Linklaters and DLA Piper use LTC4's legal technology core competencies to make sure they have the skills needed to remain competitive now and in the future. USW and CAVC will incorporate the competencies into the practical modules of their curricula; ensuring students have the crucial digital skills as well as the academic expertise relevant to the modern workplace.

# Welsh Government and Economic Development

## Well-being of Future Generations (Wales) Act 2015

99. The Well-being of Future Generations (Wales) Act is about improving the economic, social, environmental and cultural well-being of Wales. It contains seven well-being goals to make Wales a prosperous, resilient, healthier, more equal and globally responsible country with cohesive communities, a vibrant culture and a thriving Welsh language. Welsh Government's Well-being Statement 2017<sup>78</sup> sets out our approach to meeting the requirements of the Act.

100. In addition to contributing to the achievement of its well-being goals, Welsh Ministers must also take account of the five ways of working as part of the sustainable development principle:

- **Long term** – the importance of balancing short-term needs with the need to safeguard the ability to meet long-term needs, especially where things done to meet short term needs may have detrimental long term effect.
- **Integration** – considering how the public body's well-being objectives may impact upon each of the well-being goals, on each other, or on the objectives of other public bodies, in particular where steps taken by the body may contribute to one objective, but may be detrimental to meeting another.
- **Involvement** – ensuring that people with an interest in achieving the well-being goals are involved and ensuring that those people reflect the diversity of the people we serve.
- **Collaboration** – acting in collaboration with any other person (or different parts of the Welsh Government itself) where that could help to meet Welsh Government's well-being objectives or help another organisation meet theirs.

- **Prevention** – how acting to prevent problems occurring or getting worse may help public bodies meet their objectives.

101. The Act is an essential driver for public service improvement. It provides for better decision-making by ensuring that public bodies take better account of the long-term, help to prevent problems, take an integrated and collaborative approach and involve people. Together, the seven well-being goals and five ways of working are designed to support and deliver a public service that meets the needs of the present without compromising the ability of future generations to meet their own needs.

## Prosperity for All: The National Strategy

102. Welsh Government's long-term aim is to build a Wales that is prosperous and secure, healthy and active, ambitious and learning, and united and connected. Our Programme for Government, *Taking Wales Forward*<sup>79</sup>, sets out the headline commitments we will deliver between now and 2021.

103. *Prosperity for All: The National Strategy*<sup>80</sup> takes those key commitments in *Taking Wales Forward*, places them in a long-term context, and sets out how they fit with the work of the wider Welsh public service to lay the foundations for achieving prosperity for all. It represents a commitment to a new way of working: one that recognises the challenges we face today, the Wales we want for the future, and the steps we need to take to make it a reality.

104. Our aim is to drive a Welsh economy which spreads opportunity and tackles inequality, delivering individual and national prosperity. We will enable people to fulfil their ambitions and enhance their well-being through secure and sustainable employment. We will break down the barriers

<sup>78</sup> Welsh Government Well-being statement, 2017 <http://gov.wales/docs/strategies/170919-wellbeing-statement-en.pdf>

<sup>79</sup> *Taking Wales Forward 2016-2021* <http://gov.wales/docs/strategies/160920-taking-wales-forward-en.pdf>

<sup>80</sup> *Prosperity for All: The National Strategy*, 2017 <http://gov.wales/docs/strategies/170919-prosperity-for-all-en.pdf>



many face to getting a job, and create the right environment for businesses to grow and thrive.

105. Our National Strategy *Prosperity for All* has also included a review and revision to our initial Government well-being objectives from November 2016; so that there is a single set of Government objectives, and associated steps to meet them. Our revised well-being objectives that are set for this government term (2016–2021) are:

- support people and businesses to drive prosperity
- tackle regional inequality and promote fair work
- drive sustainable growth and combat climate change
- deliver quality health and care services fit for the future
- promote good health and well-being for everyone
- build healthier communities and better environments
- support young people to make the most of their potential
- build ambition and encourage learning for life
- equip everyone with the right skills for a changing world
- build resilient communities, culture, and language
- deliver modern and connected infrastructure
- promote and protect Wales' place in the world.

### **Prosperity for All: Economic Action Plan**

106. Published in 2017, our new Economic Action Plan<sup>81</sup> sets out our approach to working with business and others to build on our economic foundations, future-proof businesses and empower our places and people to become more productive.

107. The Plan supports and aligns with the Welsh Government Prosperity for All agenda and with its broader approach in terms of Well Being for Future Generations. Its focus is upon achieving the twin goals of wealth and well-being through a more dynamic and collaborative relationship with business through a new prism of an Economic Contract and Calls to Action.

108. Since 2009, our approach to supporting key strategic areas of the economy has been to support individual sectors, many of which like creative industries and financial and professional services have become huge success stories. However, forces such as decarbonisation, automation, artificial intelligence and other forms of digitalisation are already transforming industries and individual firms, breaking down the traditional boundaries between different sectors of the economy. The opportunities of the data revolution, for example, are increasingly driving new collaborations across sectors. Our Plan sets out to re-cast our support in a way that can help build the industries of the future.

109. To drive wider impacts from our interventions, we are establishing a new Economic Contract with business in Wales. This will benefit businesses and the Welsh Government because we will use the Economic Contract to frame a new and dynamic relationship with business based upon the principle of public investment with a social purpose.

110. The Economic Contract will help lock-in inclusive growth by asking businesses to commit to growth, fair work, reducing carbon footprints, health, skills, and learning in the workplace. This reflects the kind of behaviours that responsible and successful businesses already undertake. We will recognise those business already taking steps to adopt these responsible business and employment practices and we will encourage others to take a similar path.

---

<sup>81</sup> Prosperity for All: Economic Action Plan, 2017 <http://gov.wales/docs/det/publications/171213-economic-action-plan-en.pdf>

111. Whilst the Economic Contract seeks to drive responsible business practices and inclusive growth, the Calls to Action will challenge businesses and the Welsh Government to co-invest in the types of investment activity that will future proof those businesses and the wider economy.

112. To qualify for business finance in the future, businesses will be required to develop proposals that align to at least one of the five Calls to Action:

- Decarbonisation
- Innovation, Entrepreneurship and Headquarters
- Exports and Trade
- High Quality Employment, Skills Development and Fair Work
- R&D, Automation, and Digitalisation.

### **Links to UK Government Strategy**

113. We believe there are clear overlaps between the UK Government Industrial Strategy's Grand Challenges<sup>82</sup> and our Calls to Action. The UK Government's Industrial Strategy's five foundations and the objectives in our Plan are complementary, and both share the understanding that lagging productivity is a core structural weakness of the Welsh and UK economies.

114. These common threads provide business with confidence and certainty on our commitment to work with the UK Government and others to support existing businesses in adapting to change and in promoting the industries and businesses of the future.

115. The changes set out in our Economic Action Plan will support our ability to compete for funding announced in the UK Government's Industrial

Strategy. This includes our invitation to groups of businesses to come together to develop proposals via our Calls to Action and the potential to use the best of these to compete for UK Government Sector Deals and Challenge Fund investment.

### **Inward Investment**

116. UK and internationally-owned businesses investing in Wales bring significant localised opportunities through areas such as supply chain, academic interaction and skills development. They provide a range of employment opportunities, catering for all levels of capability whilst offering opportunities for progression for all. They also contribute positively to our exporting position as much of their products and services are for delivery internationally.

117. Wales has an open and outward-facing economy and is a long-established destination for foreign direct investment as well as investment from elsewhere in the UK; both are crucial to the Welsh economy.

118. Our support for investors is varied but tailored to meet the company's requirements. It ranges from the provision of a dedicated single point of contact to answer enquiries, to more focused activity such as identifying suitable properties or offering financial support. Ministerial involvement has undoubtedly been a crucial factor in securing some recent successes; this sends a clear message to companies that we are serious about attracting their investment. We also continue to support companies after they arrive in Wales. We have a comprehensive aftercare programme with dedicated account managers where appropriate.

---

<sup>82</sup> Industrial Strategy: building a Britain fit for the future, 2017 <https://www.gov.uk/government/publications/industrial-strategy-building-a-britain-fit-for-the-future>

119. Levels of investment into Wales from companies outside of Wales, including other parts of the UK, has reached record highs in recent years. This is proof of Wales's reputation as a great place to do business and evidence that our business friendly approach is paying dividends.

## Procurement

120. All Public sector procurement is subject to the Public Sector Procurement Directives, a legal framework which encourages free and open competition and value for money in line with internationally and nationally agreed obligations and regulations. All our opportunities are advertised in line with the treaty principles of:

- non-discrimination
- free movement of goods
- freedom to provide services
- freedom of establishment.

121. In addition to these fundamental treaty principles, some general principles of law have emerged from the case law of the European Court of Justice. The most important of these general principles within a procurement context are:

- equality of treatment
- transparency
- mutual recognition
- proportionality.

122. As such, we are currently unable to specify Welsh Suppliers as we have to abide by the rules of these Directives. We do however make every effort to have early engagement with the market to ensure our Welsh suppliers are aware of the opportunities we are advertising and to allow them to compete on an equal footing.

123. All National Procurement Service (NPS) opportunities are advertised in an open, fair and transparent way on the Sell2Wales website<sup>83</sup>. There is no charge to suppliers to register themselves on this site and they will then receive free alerts to their inbox whenever a suitable opportunity in their specific category area is advertised.

124. As part of the NPS Category Management approach we undertake pre-procurement market engagement events to help Welsh suppliers prepare for the opportunity. As an example, current solicitors' events saw NPS working alongside Business Wales and Welsh Government's F&PS sector team to run events held nationally across Wales where they could hear the views of suppliers. Officials also supported both Bangor and Cardiff universities at Procurex<sup>84</sup>; the Welsh procurement showcase for companies looking to provide services to the public sector.

125. NPS also undertook extensive dialogue with representative bodies in Wales working within the sector to publicise our plans. Where requested we helped Welsh firms understand and prepare the procurement process more effectively on a 1:1 basis.

126. The Wales Procurement Policy Statement<sup>85</sup> embeds ethical and sustainable procurement at the heart of public procurement policy across Wales. Statutory guidance for public bodies subject to the Act sets out the expectation that public bodies apply the Wales Procurement Policy to help discharge their well-being duty.

<sup>83</sup> Sell2Wales <https://www.sell2wales.gov.wales/>

<sup>84</sup> Taking place 8 November 2018 <http://www.procurexlive.co.uk/wales/>

<sup>85</sup> Wales Procurement Policy Statement <https://gov.wales/topics/improvingservices/bettervfm/publications/procurement-policy-statement/?lang=en>

## Welsh Government Business Support and Investment

127. Welsh Government's business support strategy broadly covers the following areas:

- Business Advice and Support for Startups and Small to Medium Enterprises (SMEs)
- Relationship Management Support for Established Businesses
- Property Solutions
- Assistance for Trade and Export
- Skills Development
- Research, Development & Innovation Support
- Promotion and Awareness Raising
- Finance for Growth.

### Business Advice and Support for Startups and SMEs

#### Business Wales

128. Business Wales<sup>86</sup> is a free bilingual service that provides business support and advice to people starting, running and growing a business in Wales. With a network of offices across Wales, it offers a mixture of online and face-to-face support, as well as training workshops and individual advice. It is also the main entry point for entrepreneurs and businesses that have previously not engaged with Welsh Government to enquire about the support available to them.

129. Business Wales offers pre-start and start-up support, including the on demand Business Online Support Services (BOSS), face-to-face support, networking, identifying funding opportunities and workshops.

130. Businesses that are planning or going through significant growth can access the support provided by Business Wales Relationship Managers. This is a specialist service that combines the unique range of Business Wales services with carefully selected brokered partners and networks.

#### Business Wales Accelerated Growth

131. Business Wales Accelerated Growth<sup>87</sup> offers individual support to high growth pre-revenue and SME businesses. It is delivered by a team of highly experienced and proven high growth entrepreneurs, based on the philosophy that the best people to advise entrepreneurs are entrepreneurs. The programme is targeted at high growth businesses who want to enter their next growth phase and have the potential and determination to get there.

#### Business Development Support for Established Businesses

132. For established companies, and those which display fast growth capability, the Welsh Government's Sector teams have dedicated Business Development Managers (BDMs) to assist businesses with support and that of its partners to remove barriers to growth.

133. The Financial and Professional Services (F&PS) Sector team is responsible for working with the Legal Services sector, supporting both indigenous companies and inward investors to start and scale their operations in Wales.

134. Both indigenous Welsh companies and inward investors into Wales have benefitted from financial and non-financial support from the sector team.

---

<sup>86</sup> Business Wales Helpline 03000 6 03000 <https://businesswales.gov.wales/>

<sup>87</sup> Business Wales Accelerated Growth <https://businesswales.gov.wales/growth/>

The Sector team has a dedicated lead for Legal Services whose role involves working with:

- the legal profession in Wales to understand the opportunities and barriers to growth
- inward investors to inform them of the Welsh business proposition and support them in establishing operations in Wales.

135. The F&PS sector team has established relationships with the legal profession's trade associations and regulators including The Law Society, the Legal Services Board, the Legal Services Consumers Panel, and the Solicitors Regulatory Authority to understand the wider strategic landscape of legal services in the UK and internationally to inform policy development.

### **Property Solutions**

136. Whilst property forms just part of the 'Wales economic offer', the availability of the right site or property can be fundamental to winning a project in competition with other regions of the UK as well as international competitors.

137. As part of a company's Business Development relationship with Welsh Government, they can access bespoke support in finding suitable premises across Wales. Sectors and Business teams work closely with property professionals to highlight opportunities which would suit that business's circumstances.

138. Land and property markets vary greatly across Wales and the sub regions require differing approaches to delivery. There are areas where levels of demand are high and the market delivers an appropriate and affordable property solution. In other areas, property supply is unable to stimulate

or match demand without government intervention in order to deliver the type of properties required by business.

139. The Welsh Government has wide-ranging powers to acquire, dispose, manage, develop and fund property-related activity by the private and public sectors. These powers can be deployed to ensure an adequate supply of sites and premises across Wales capable of meeting the needs of businesses and strategically important economic development projects, and to provide accommodation where the private sector is not sufficiently active.

140. Business Wales' Property Database<sup>88</sup> is an online search tool for commercial land and property, available for sale and rent throughout Wales, sortable by property size, type and tenure. The details contained on the Database are produced with information supplied by property owners, commercial agents and the public sector across Wales. The search allows people to find many types of commercial property and land in Wales, including office accommodation, industrial and warehouse, commercial land available for development and properties within Enterprise Zones.

### **Assistance for Trade and Export**

141. TheCityUK estimates that Welsh legal services exports totalled £30m in 2016, accounting for 22% of all professional services exports that year.<sup>89</sup>

142. We recognise that exporting is a driver and enabler for growth and that it creates economic opportunity for individuals and businesses. Welsh Government supports businesses to grow their exporting capability by focussing on addressing the barriers in four key areas:

---

<sup>88</sup> Business Wales Property Database <https://businesswales.gov.wales/property-database>

<sup>89</sup> EXPORTING FROM ACROSS BRITAIN: Financial and Related Professional Services, TheCityUK, 2018 <https://www.thecityuk.com/assets/2018/Reports-PDF/Exporting-from-across-Britain.pdf>

- inspiring companies to see exporting as a vehicle for growth
- transferring the knowledge and skills to help companies increase their capability to export
- helping companies to connect with potential customers overseas
- supporting visits to overseas markets.

143. These aims are delivered by experienced export advisers with the support of five programmes:

- In-Wales events
- International Trade Development (ITD) programme
- International Trade Opportunities (ITO) programme
- Overseas events (including trade missions)
- Overseas Business Development Visit (OBDV) grant scheme.

144. Welsh companies are also able to access support offered by the UK Government such as UK Export Finance<sup>90</sup> (UKEF) and access to business opportunities; our programmes complement that support, minimising any confusion for businesses.

145. Welsh Government conducts a programme of business development activity on trade and offers a range of support for exporters tailored to meet each company's needs. Our core activity is driven by our overseas events programme, which is published annually and enables companies to travel to markets to meet customers or attend exhibitions and trade shows.

146. This activity includes a mixture of new and emerging markets which can be more challenging to access, such as Singapore, as well as more traditional markets where there are relatively few barriers for Welsh companies to overcome, such as the Netherlands and the USA. This allows us

to add value for more experienced exporters whilst also ensuring that newer exporters can explore exporting in a safe and secure environment.

147. Welsh Government's F&PS sector team and International team have worked together to support the promotion of Welsh academia internationally and nurture their alumni networks, for example through Bangor University's links to Chinese law schools.

### **Skills Development**

148. A key focus on messaging associated with Wales as a destination for businesses to invest is the competitive skills and training programmes offered to businesses, and the depth of the talent pool available to a wide range of professional services organisations.

149. The Welsh Government's Skills Employer Engagement Team work directly with employers to support the skills needs of both significant indigenous expansion projects and potential overseas investors. The team complements and works collaboratively with Sectors and Business teams who lead the Welsh Government's package of support to these projects.

150. This includes ensuring employers and potential investors can forge productive relationships with Wales' training providers, especially Higher and Further Education, to not only access required training but also influence future provision to ensure Wales' training and development continues to meet the needs of our employers.

### **Regional Skills Partnerships**

151. Regional Skills Partnerships (RSPs) are in place to drive investment in skills by developing responses based upon local and regional needs. The RSPs are:

<sup>90</sup> UK Export Finance <https://www.gov.uk/government/organisations/uk-export-finance>

- Regional Skills Partnership North Wales<sup>91</sup>
- Cardiff Capital Region Skills Partnership<sup>92</sup>
- South West and Mid Wales Regional Learning and Skills Partnership<sup>93</sup> .

152. RSPs are tasked with analysing economic challenges and likely growth areas to identify the skills needed in the workforce. They produce Regional Employment and Skills Plans to analyse and influence the provision of skills based on regional economic need, to support growth and key infrastructure projects in each region. These plans provide recommendations to Welsh Government to influence the prioritisation and deployment of skills funding.

153. Welsh Government produces, annually, a set of three Regional Labour Market Intelligence Reports to provide RSPs with a consistent set of core labour market intelligence (LMI) available on which to base their Regional Employment and Skills Plans.<sup>94</sup>

154. The F&PS Sector team collaborates with RSPs to support the development of skills for the legal sector addressing immediate and long-term requirements, and work with academia and skills providers with the aim of producing a steady pipeline of talent in Wales. The team has been working with the Cardiff Capital RSP to produce a guide outlining the potential skills and talent availability in the region to support indigenous companies grow as well as inward investment discussions.

## Apprenticeships

### Policy and Delivery

155. Our Apprenticeship Plan<sup>95</sup> is strategically linked for economic growth. This Plan is not about delivering 100,000 apprenticeships in Wales per se – it is honed to meet skills gaps. It is about training linked to the employers' requirement and providing Apprentices with a range of portable skills that will last them a lifetime.

156. Unlike England, we are working to ensure that what is delivered provides good returns for the Welsh Economy in terms of sector and level. For maximum benefit to the country, there is a clear rationale for how apprenticeships fit into the wider plan for productivity and growth.

157. Our delivery priorities are:

- Addressing acute skill shortages through extending and developing apprenticeships, particularly in growth sectors.
- Developing higher level skills, focusing on apprenticeships at level 3 and above, where returns tend to be higher and where the most successful European countries deliver.
- Improving Access, Equality and Equity of opportunity, through supporting people into employment who are new to the workplace and focusing on progression in the workplace.
- Deliver Apprenticeships in Welsh, through strengthening opportunities to undertake an apprenticeship through the medium of Welsh or bilingually.

<sup>91</sup> Regional Skills Partnership North Wales <http://www.northwaleseab.co.uk>

<sup>92</sup> Cardiff Capital Region Skills Partnership <http://www.lskip.wales/>

<sup>93</sup> South West and Mid Wales Regional Learning and Skills Partnership <http://www.rlpsww.org.uk/>

<sup>94</sup> LMI Reports for the three Regional Skills Partnerships can be downloaded at <https://businesswales.gov.wales/skillsgateway/regional-skills-partnerships>

<sup>95</sup> Apprenticeships Skills Policy Plan, 2017 <https://gov.wales/topics/educationandskills/skillsandtraining/apprenticeships/apprenticeships-skills-policy-plan/?lang=en>

- Increasing apprentices aged 16-19 – including raising the number of school leavers going on to apprenticeships.
- Developing skill pathways – integrating apprenticeships into the wider education system.
- Establish a new system for framework review and development to ensure that Apprenticeships are designed to meet employer needs and are responsive to industry changes.

### The Apprenticeship Levy

158. The Apprenticeship Levy is a UK government proposal. It will be collected across the whole of the UK. All employers (public, private and third sector) with a pay bill of more than £3 million each year will pay the levy. The levy rate is 0.5% of pay bill; there is an allowance of £15,000 per year. The levy is paid to HM Revenue and Customs through the PAYE process. The rate and scope of the levy has been set by the Chancellor. Welsh Ministers were not consulted.

159. The apprenticeship levy is a UK Government employment tax which directly conflicts with areas of devolved competence. We have our own distinct approach to apprenticeships in Wales, which supports our ambition for a prosperous and secure Wales<sup>96</sup>.

### Apprentice Frameworks that relate to the Legal Sector

160. The Legal Practice Level 7 Higher Apprenticeship Framework was first published in March 2015. A Level 4 Legal Services Apprenticeship Framework also previously existed. Initially there was a good take up of the Level 4 legal apprenticeship, however the dropout rate was quite high and the pass rate was quite low, also CILEx then withdrew the Level 4 Diploma in Providing Legal Services. As a result this framework was then

subsequently withdrawn by the Sector Skills Council for the Legal Sector (Skills For Justice).

161. In developing these frameworks Skills For Justice engaged with the legal services sector as part of a requirement to undertake research into employer need. Employers such as Kennedys, Wragge & Co, Browne Jacobson, Lyons Davidson, New Law, Co-op Legal, RBS Legal and Dentons were involved in the development of the Level 7 framework. We believe that these firms do not have any significant operations in Wales. To date there has been no take up of this framework within the legal profession.

162. There is a Higher Apprenticeship in Probate and Conveyancing at Levels 4 and 6. However, there has been little take-up by the legal profession for the Level 6 framework. As a result the Level 6 Framework in Probate and Conveyancing and Level 7 framework in Legal Practice are likely to be withdrawn in order to concentrate our Higher Apprentice delivery at Levels 4 & 5.

163. Welsh Government is working with the Higher Education Funding Council for Wales (HEFCW) to develop degree apprenticeships (Level 6). We will give apprenticeship support to the legal sector in Wales through the continuation of a Higher Apprenticeship in Probate & Conveyancing at Level 4 and many other areas of job roles that are part of a Legal practice including apprenticeships in accounts, IT, and management.

### Further, Higher and Professional Education

164. Welsh Government's F&PS sector team continue to work closely with academia and the legal profession in Wales to support them in understanding the skills needs of the sector and their talent requirements now and in the future.

<sup>96</sup> Welsh Government's apprenticeship policy <https://businesswales.gov.wales/skillsgateway/apprenticeships>



165. The University of South Wales Centre for Financial and Professional Services<sup>97</sup> was launched by the First Minister in 2012. It provides an educational hub designed to deliver courses for companies and employees in the Central Cardiff Enterprise Zone (CCEZ), including law firms. It also continues to build on the University's strong reputation as a major player in the business community, by leading the way in offering work based-learning and industry-endorsed degree courses.

166. Working with Welsh Government's F&PS sector team and LSkiP, the University of South Wales (USW) and Cardiff and Vale College (CAVC) became the UK's first academic institutions to become members of LTC4<sup>98</sup> in 2017.

167. USW and CAVC will incorporate the LTC4 competencies into the practical modules of their curricula; ensuring students have the crucial digital skills as well as the academic expertise relevant to the modern workplace. This will assist the Welsh legal services community to innovate and diversify their operations, for example expanding into international markets and exploiting opportunities that emerging technology can bring.

168. Welsh Government's F&PS team facilitated an introduction between the Intellectual Property Office (IPO) and USW to support the IPO in training its legal staff.

169. Welsh Government's F&PS team has worked closely with CILEx and academia in the evolution of their syllabuses. The Chartered Institute of Legal Executives (CILEx<sup>99</sup>) offers various training pathways into the legal sector alone or in partnership with further and higher education. A range of relevant qualifications can now be taken flexibly/part-time

through Coleg Gwent, CAVC, Brightlink Learning and Pitman Training as an alternative to a full-time course.

170. Welsh Government's F&PS sector team worked closely with the previous Counsel General Theodore Huckle on the development of a barrister training programme in partnership with Cardiff University, driven by the need for a more diverse skills base of the Bar in Wales. These discussions contributed to the establishment of Cardiff University's Bar Professional Training Course<sup>100</sup>.

171. Welsh Government's F&PS Sector team facilitate introductions to examine opportunities for research collaboration for example through Knowledge Transfer Partnerships (KTPs), and participation in industry focused learning such as the National Software Academy<sup>101</sup> for software development skills.

172. The F&PS Sector team has worked with the Legal Wales Foundation since 2012 to promote the legal profession and raise awareness of the challenges and opportunities global trends such as digitisation will bring the profession.

173. The team has worked to inform the legal profession in Wales of the academic and government support available. This included a presentation to Swansea District Law Society in Partnership with Jon Howden-Evans, Head of SEA at Swansea University in 2015.

174. It has also introduced a number of institutions into the Department for International Trade (previously UK Trade and Investment) including Swansea University's Law School to support the promotion of their work overseas, in particular strengthening links with Hillary Clinton following her receiving of an honorary doctorate in 2017.

---

<sup>97</sup> The University of South Wales Centre for Financial and Professional Services <http://cfps.southwales.ac.uk/>

<sup>98</sup> LTC4 <http://www.ltc4.org/>

<sup>99</sup> Chartered Institute of Legal Executives <https://www.cilex.org.uk/>

<sup>100</sup> Bar Professional Training Course (PgDip) <http://www.cardiff.ac.uk/study/postgraduate/taught/courses/course/bar-professional-training-course-pgdip>

<sup>101</sup> <http://www.cardiff.ac.uk/software-academy/about-us>

## Research, Development & Innovation

### Research and Development Support

175. SMART is a suite of programmes delivering advice and financial support to Welsh businesses and universities to commercialise new products, processes and services. SMART Innovation<sup>102</sup> delivers:

- general and specialist advice on R&D
- subsidised technical consultancy
- manufacturing & design health checks
- IP advice and audits
- certain innovative pilots such as our work on open innovation for anchor and larger companies.

176. SMART is delivered via a field force of Innovation Specialists. It has a budget of £19.6m over life of programme (2015/16 – 2021/22). Of this, £11.7m is derived from the European Regional Development Fund, and £7.9m from Welsh Government.

177. SMART Cymru<sup>103</sup> delivers grant funding to businesses. Smaller funding, usually up to £25K and often associated with new technology for a company, is delivered via an innovation voucher. Larger projects dealing with genuine, pioneer research and development are supported by SMART Cymru grants. These can be for any of the traditionally recognised stages of development. The amount and intervention rates of support depend on the R&D stage and the size of the company.

178. SMART Expertise<sup>104</sup> supports bids from universities for them to collaborate with businesses on R&D projects. These need to be genuine collaborations with active business involvement and substantial private sector match-funding to ensure a strong commercial pull.

---

Outputs	
Number of enterprises co-operating with supported research institutions	332
Employment increase in supported enterprises	173
Number of enterprises supported to introduce new to the market products	50
Number of enterprises supported to introduce new to the firm products	75
Number of patents registered for products	83
Private investment matching public support in innovation or R&D projects	19,586,196

---

<sup>102</sup> SMART innovation [https://businesswales.gov.wales/expertisewales/sites/expertisewales/files/SMARTInnovation\\_E.pdf](https://businesswales.gov.wales/expertisewales/sites/expertisewales/files/SMARTInnovation_E.pdf)

<sup>103</sup> SMART Cymru [https://businesswales.gov.wales/sites/business-wales/files/documents/Growing%20a%20business/SMARTCymru%20Brochure%20Eng\\_growing.pdf](https://businesswales.gov.wales/sites/business-wales/files/documents/Growing%20a%20business/SMARTCymru%20Brochure%20Eng_growing.pdf)

<sup>104</sup> SMART Expertise <https://businesswales.gov.wales/expertisewales/smartexpertise>

## Legal Innovation

179. The Welsh Government's Financial & Professional Services Ministerial Advisory Panel<sup>105</sup> identified the importance of the legal services industry in 2013, and has continued to look seriously at technology developments in order to gain an understanding of the potential impact on the business of law.

180. The concept of a centre for innovation in the business of law was recommended by Professor Doolan in his review of the legal sector in Wales in 2015, commissioned by the then Welsh Government Economy Minister Edwina Hart.

181. In 2017 Swansea University launched its Centre for Innovation and Entrepreneurship in Law<sup>106</sup> (CIEL) as part of the Hillary Rodham Clinton School of Law. Welsh Government continues to collaborate closely with Swansea University to promote the Centre and refer businesses both in the legal profession and more widely as potential collaborators and partners.

182. CIEL is responding to emerging challenges and opportunities arising from the changing nature of legal service delivery, including the impacts of technologies such as artificial intelligence, blockchain, smart contracting and digital platforms that support access to justice. A Legal Tech Wales' conference in January 2018<sup>107</sup> in Swansea focused on the challenges and opportunities technology can bring to legal services.

183. In 2013 at Welsh Government's annual Digital Festival, the F&PS Sector team supported by Her Majesty's Courts and Tribunal Services (HMCTS) hosted a seminar on the Digital Lawyer.

184. Welsh Government's support of Lawtech has continued; experts in legal AI from the firm iManage presented at the Digital Festival in 2017<sup>108</sup>, and Swansea University's Centre for Innovation and Entrepreneurship in Law (CIEL) is sponsoring the professional services seminar at this year's Digital Festival in May 2018<sup>109</sup>.

## Promotion and Awareness Raising

185. In October 2017 the Ministry of Justice (MOJ) launched its 'Legal Services are GREAT'<sup>110</sup> campaign to target stronger links with emerging and established markets across the world and cement the UK's reputation as the world's pre-eminent legal centre.

186. The campaign aims to highlight the strengths of English and Welsh law and embed and extend the reach of legal services to ensure the UK remains the number one place to litigate, resolve disputes and do business. Welsh Government is working with MOJ to ensure the Welsh legal sector plays a prominent part in the campaign, and to lobby for the use of 'English and Welsh' law in their promotional materials rather than 'English Law' which has been used to date<sup>111</sup>.

<sup>105</sup> Financial and Professional Services sector panel <https://gov.wales/topics/businessandconomy/our-priority-sectors/financial-and-professional-services/financial-and-professional-services-sector-panel/?lang=en>

<sup>106</sup> Centre for Innovation and Entrepreneurship in Law (CIEL), Swansea University <http://www.swansea.ac.uk/law/ciel/>

<sup>107</sup> Legal Tech Wales Conference, 31 January 2018 <http://www.swansea.ac.uk/law/legaltechwales/>

<sup>108</sup> Robotics and Law: The future of AI in the legal sector, 2016 Digital Festival, <https://www.eventbrite.co.uk/e/robotics-and-law-the-future-of-ai-in-the-legal-sector-tickets-37060840973#>

<sup>109</sup> Panel Discussion: How digital technologies impact the professional services sector? <http://www.digital-festival.co.uk/events/digital-festival/agenda-cb9e948458e2445bb59b0f7e5654d773.aspx>

<sup>110</sup> Legal Services are GREAT <https://www.gov.uk/government/publications/legal-services-are-great>

<sup>111</sup> 'English Law' referenced on page 3 [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/668334/legal-services-are-great-brochure.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/668334/legal-services-are-great-brochure.pdf)

187. Launched in 2016, Welsh Government's 'This is Wales' campaign has seen more than thirty companies – of all sizes and from all key economic sectors across Wales – fronting, backing and promoting Wales through filmed interviews and written articles. Based on their own experiences and in their own words they tell the world exactly what Wales can offer businesses. The overriding message is that Wales is open for business and is a great business destination to start, grow and invest in.

188. Following the Brexit vote, the campaign supports the Welsh Government's drive to sell Wales to the world. Advocates include Aston Martin – one of the latest high profile companies to invest in Wales, established companies like FTSE 100 Admiral, global players like Airbus, GE Aviation, adrenalin fuelled attractions like Zip World and thriving financial service sector companies like Deloitte, Target Group and Eversheds Sutherland.

189. They appear in the campaign alongside film production companies, home grown food and drink specialists, hi-tech global leaders like IQE, innovative pioneering businesses like Riversimple, and innovative emerging tech companies like Amplyfi, Bipsync and Disberse.

190. All highly successful companies, they talk about how they have benefited from being based in Wales, what attracted them to Wales, how they have grown their business in Wales and why they would encourage others to come to Wales. Reasons cited include the quality of the workforce, links to good universities, high productivity levels, excellent business networks, collaborative opportunities, good infrastructure and transport links and quality of life are all cited as strong plus points.

191. The comprehensive and integrated campaign to attract inward investment includes a new website<sup>112</sup> and a business magazine, now in its second year, is produced and updated annually giving an overview on Wales, its economy and the strength of the different sectors supported by a series of articles from businesses.

192. The target audience for the campaign are national and international businesses based in and around London and the Midlands that are looking to expand. It also reaches out to a global audience through the Welsh Government's network of overseas offices, enabling the distribution of marketing literature around the world.

193. In addition to the Trade and Invest campaign, Business Wales provides resources to promote Welsh businesses. Their Directory of Welsh Businesses<sup>113</sup> enables businesses to promote their goods, services and credentials to other businesses and to consumers. In addition, their Events Finder<sup>114</sup> service collates business related training, workshops, networking, seminars and more from a variety of organisations.

194. The Welsh Government's support offering for the legal sector features strongly on our recently re-launched Business Wales website<sup>115</sup>, and work is ongoing to publish complementary content on TradeandInvest.wales<sup>116</sup> – Wales' inward investment website. This content includes information on our academic offering which is a vital requirement for both indigenous business growth and securing inward investment.

---

<sup>112</sup> Trade and Invest website <https://tradeandinvest.wales/>

<sup>113</sup> Directory of Business in Wales <https://businesswales.gov.wales/business-directory/>

<sup>114</sup> Business Wales Event Finder <https://wales.business-events.org.uk/>

<sup>115</sup> F&PS Sector, Business Wales <https://businesswales.gov.wales/financial-and-professional-services/sectors/legal-services>

<sup>116</sup> F&PS Sector, Trade and Invest Wales <https://tradeandinvest.wales/key-industries/financial-professional-services>

195. Eversheds Sutherland will feature as a success story within the 2018 Trade and Invest inward investment brochure<sup>117</sup>. This will be promoted internationally through our overseas office network and available on our trade and invest website.

196. The F&PS sector team in partnership with various bodies such as Ministry of Justice, Academia and the Law Society promoted the Welsh legal services sector at the celebration of 800 years of Magna Carta<sup>118</sup> in London in 2015, but found little appetite for engagement with the legal profession in Wales to participate.

197. As part of Wales Week in London the F&PS sector team in conjunction with the Cardiff Capital RSP hosted an event on 28 February 2018 'Cardiff Capital Region: Bridging the skills gap for Financial, Legal and Professional Services'<sup>119</sup> with speakers including Swansea University's Centre for Innovation and Entrepreneurship in Law and LTC4.

198. F&PS Sector officials have worked to inform the legal profession in Wales of the academic and government support available. This included a presentation to Swansea District Law Society in Partnership with Jon Howden-Evans from Swansea University in 2015.

199. The F&PS Sector team has also worked to highlight the support available to legal services firms at Legal Wales Foundation Conferences<sup>120</sup> since 2012.

200. The team also supports engagement with London-based legal services businesses through working with key stakeholders including the Association of London Welsh Lawyers, who hosted an event as part of Wales Week in London on issues affecting the legal sector in Wales, opened by the previous Counsel General Mick Antoniw AM<sup>121</sup>.

## **Finance for Growth**

### **Business Finance**

201. The purpose of the Welsh Government's Business Finance offer is to enable companies to invest to create new employment opportunities which add to Welsh GVA.

202. Financial support is repayable on a non-interest charging basis on annual/monthly instalments once the project is completed, unless it can be demonstrated that the project is mobile.

203. A mobile project argument is where there is a cost differential between Wales and another location outside the UK. In these circumstances, we can mitigate the costs subject to complying with EU state aid and our value for money ceiling and the award would not be repayable.

204. Good grants management and governance are very important to Welsh Government. As part of the appraisal process, checks are undertaken before grant funding is awarded and as part of the grant monitoring processes.

205. There are a number of steps involved as part of the standard application process within Sectors and Business at Welsh Government:

- An enquiry is received from a company.
- The enquiry is passed to a Business Development Manager who contacts the company to discuss the project.
- The company will be asked to provide a high level outline of the proposed project so that an assessment can be made on how Welsh Government could support the project.
- If it is supportable the company would be asked to formally apply, providing any necessary supporting evidence.

<sup>117</sup> Trade and Invest Wales [https://tradeandinvest.wales/sites/default/files/this\\_is\\_wales\\_2018.pdf](https://tradeandinvest.wales/sites/default/files/this_is_wales_2018.pdf)

<sup>118</sup> The Global Law Summit 2015 <http://magnacarta800th.com/events/the-global-law-summit/>

<sup>119</sup> Wales Week in London 2018 <https://walesweek.london/whats-on/skills-innovation>

<sup>120</sup> Legal Wales Conferences <http://legalwales.org/conference.html>

<sup>121</sup> Welsh law seminar and networking, 8 March 2018

- Upon receipt of a fully completed application the Business Development Manager will undertake due diligence and background checks to better understand the company, the project and the proposed benefits to Wales.
- Due diligence checks are undertaken by reviewing a number of areas including:
  - Corporate information held by Welsh Government.
  - Publicly available information, e.g. on websites such as ‘Companies House’, the ‘Charity Commission’, ‘Financial Conduct Authority’ (FCA) and credit reference agency websites, and by undertaking internet searches. In addition, the Welsh Government has recently signed up to membership of a “CIFAS” database where activity on fraud can be checked.
  - Information provided by the applicant, such as business plans, CVs, annual accounts and financial forecasts.
- The Business Development Manager will complete a written appraisal of the project; this will include an assessment of the value for money and key risks of the project. It will also include a recommendation from the Head of Sector or relevant budget holder.
- Cases are scrutinised by the Investment Recommendation Panel (offers £1m and below) or Welsh Industrial Development Advisory Board (offers over £1m).
- A recommendation to support or reject the application, based on the recommendation from above, is then made to the Cabinet Secretary for Economy and Transport or the First Minister who will make the final decision on the project.

206. Applications for Welsh Government Financial Support should demonstrate:

- The business plan is commercially viable.
- There is a clear product / service offering.
- There is a clear market opportunity across the UK and / or internationally.
- There is a strong management team capable of delivering the plan.
- There are other funds being invested from within the business or from other sources as Welsh Government would not exceed 50% of the total investment requirement.
- There is a clear explanation of why Welsh Government funding would enable the project to proceed, or a rationale that the funding would enable the company to accelerate the delivery of the plan.
- The sum requested represents value for money in terms of the economic benefit for the Welsh economy.

207. Payments are made in instalments over the lifetime of the project against milestones relating to job numbers, capital expenditure and salary expenditure with the final payment being made when all the jobs are in place, all the capital expenditure is defrayed and the equivalent of two years salaries have been paid.

#### **Development Bank of Wales**

208. Headquartered in North Wales, the Development Bank of Wales is a core component of the Welsh Government’s economic policy and delivery, and is included in the Programme for Government – Taking Wales Forward, and Prosperity for All; the national strategy and the economic action plan.

209. The key impacts and outputs of the Development Bank will be:

- To drive up investment levels to £80m per annum within 5 years. It invested £67m in Welsh SMEs in 2017/18 (£56m in 2016/17).
- Achieve a minimum target of 1:1.15 Private Sector Leverage (PSL).
- Provide direct investment support to the Welsh economy in excess of £1bn over 5 years through increased investment products to SMEs and the management of cross-departmental initiatives such as the 'Help to Buy' scheme.
- Increase jobs created and safeguarded to over 5,500 p.a. by 2021/22 (3,900 in 2017/18).
- Significantly increase provision of finance to microbusinesses.
- Provide cost-effective investment management and support services across Welsh Government.
- Work with ONS (Newport) and Welsh Universities to create an Intelligence Unit, in order to develop a better understanding of Welsh businesses' finance needs and design products appropriately.
- Provide a value for money service to its stakeholders.

## Conclusions

210. The legal profession faces unprecedented change with advances in technology, the impact of new entrants to the market, rapidly evolving customer expectations of the services they receive, and the challenges of Brexit.

211. In promoting the strength and stability of the Welsh legal profession and maximising its contribution to the prosperity of Wales, these changes pose not only challenges but also present potentially significant opportunities.

212. We support industry representation in continuing their efforts to supporting the profession to respond to these changes, and work to promote both the Welsh legal sector and the advantages of English and Welsh Law as a legal framework.

213. Adoption of emerging technologies by the legal profession, and attracting innovative tech companies to grow the Welsh tech ecosystem will establish Wales internationally as a centre for excellence for legal innovation. The Centre for Innovation and Entrepreneurship in Law at Swansea University, and other innovative programmes across our further and higher education institutions are an important part of achieving this aim. We encourage the Welsh legal profession to actively engage with academia to support the wider adoption of these innovations.

214. Modern business practices and technological change is driving a convergence and merging of traditional sector boundaries. Against this changed context, Welsh Government has developed an approach through our Economic Action Plan that recognises thematic sectors. This includes 'tradeable services', which align with the rest of the UK's next generation services, within which legal and wider business professional services fall.

215. More broadly, our business support is now being delivered through a new prism provided by our Calls to Action which respond to the challenges and opportunities all businesses face as they seek to sustain, compete and grow into the future. These are relevant to legal services businesses, particularly in terms of their requirement to innovate and exploit new digital technologies in their service delivery and in reaching new markets.

216. Welsh Government has supported the legal profession in Wales, including encouraging Welsh law firms to engage with public sector procurement, and raising the profile of Wales as a destination for legal firms both in our domestic market in London and internationally. Welsh Government will continue to support the profession in Wales working with industry bodies and academia.

217. Key to the future success of the profession is ensuring the right skills and progression routes are in place to enable it to adapt to the ever evolving changes to market, and to be agile enough to seize the opportunities those changes bring. Welsh Government has supported our education providers to establish courses such as LTC4 in Wales, and we will continue to work with both academia and the profession to promote skills development.