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LAWYERS' FEES HAVE FALLEN

*Newly qualified lawyers start at £105,000*



On 16th October last year The Times of London reported that 'almost half of the law firms in the UK saw a fall in fees last year' with a resultant loss of profit and that staff costs are rising to 38.5% of fee income for the biggest firms and as high as 42.5% for those in the second rank according to size of turnover. This rising cost of staff is reflected in what some firms are paying for 'new starters' in the City of London. Note that the article did not say that the lawyers were losing money but suffering a fall in profitability. There was a likelihood that some firms may face mergers or just go out of business.

This article prompted me to reflect on our own year in RML which I can complete now that we are in 2018.

The fall in income for law firms is not surprising since the same reduction in income had been felt for some time by engineers and their brokers in the insurance sector. The latter must be an accurate bell-weather for consultants working in the construction industry. Our latest news on the insurance market is that there has been a continuing but slow improvement in fees to the levels of some years ago, i.e. before the crash of 2008. In 2009 there was a disastrous fall in income for brokers which was mirrored in the falling incomes of consultants as investment in infrastructure and many other things just dried up. We are seeing a more rapid version of this trend in RML's fees too, with 2017 showing a doubling of our fees since 2014. 2018 is already looking to be a better year than 2017.

Our staff costs have risen although they are still a long, long way behind the City of London salaries.

The pattern of mergers between big firms in construction goes on apace, whether amongst designers or contactors, as there seems to be a constant need to be bigger. I wonder why. It seems to me that the number of large companies in our sector is decreasing at an extraordinary rate. Some companies are disappearing completely. One very experienced friend tells me that tender lists are shortening and that he expects this trend to continue.

So where does this lead a great many small firms never mind single traders? Well, I commented back in June last year that small is beautiful and that must be the case since there are so many small firms in the UK and they would not exist if they served no useful purpose.

We have taken on new permanent staff to meet our increased workflow, and we are looking to take on more in 2018. We are still a small business however, and this attaches many 'soft' benefits to our offering to clients. I have explained before that if needs be we will stand on our heads for them.

Kind regards

**Idris**

Chief ranter and problem solver

Richards, Moorehead & Laing Ltd.

## BREAKING DOWN STUBBORN MINDS

*The difficulty lies not so much in developing new ideas as in escaping from old ones.* John Maynard Keynes

Didn't John Maynard put it so well? Various versions of his famous observation exist. Despite some situations crying out for attitudes as well as practices to change stubborn people refuse to react to the evidence that is before them. Very stubborn people have to be chastised for years before they accept change. Change will not take place unless others persist with their new ideas, persistence is a great virtue and an essential characteristic if you are an entrepreneur or an innovator.



I commented last September how Neil deGrasse-Tyson laments that because of the way that they are educated and trained many people lack basic skills that allow them to differentiate between proven facts and firmly held beliefs. At RML our principal designers and managers have persisted in broadcasting their principles and views about the importance of understanding and acting upon the close links between soil-science, vegetation and wildlife. These are key environmental aspects that affect civil engineering

earthworks and site aftercare and there have been some very stubborn people in civil engineering who refused to accept this.

*One can find very stubborn people in other fields too, see later.*

Most engineers have learned that their future success relies on pleasing and impressing the man-in-the-street as much as any project promoter. The public image of construction and how it affects the environment now figures largely in an engineer's mind because his job depends on it and so it should,

This general acceptance has been hard won. One can never forget projects where the planning for earthworks were a complete nonsense. Nonsensical because the timing was so wrong, indicating a winter of earthworks rather than a start in the following Spring yet engineers just ploughed on (sorry another intended pun). Why would one begin the installation of a cross-country pipeline without reference to when the soils in a region were approaching field capacity in respect of moisture content and without making proper provision to deal with existing land drains and saturated soils? This happened once across SE England and the result was many miles of a pipeline looking like a first-world-war-battlefield. Would you start construction without having a clear understanding of the nature and character of the site that you were about to enter? Probably not. Our early investigation of why

vegetation failed to grow on highway slopes indicated that this was where engineers were going wrong, their site investigations were solely concerned with geotechnical issues. Topsoil was dismissed as 'unsuitable'.

*This was the norm.*

In RML's world this was never the case. I would like to think that we led the way in the 1980s by promoting the need to work with nature, assessing environmental impacts and developing working methods in great detail. We then put them down in words and built them into applications seeking approval of works.

But back to Keynes and deGrasse-Tyson; we do find today that some environmental managers fail to recognise the conflicts that arise when their firmly held belief in regulation is confronted by new ideas of managing the environment. We have fallen foul of these people. They do not appreciate that at RML we have a deep technical understanding as well as an emotional link with how nature works and on this basis are prepared to develop new ideas and want to escape from some old ones. Obstruction based on rigid beliefs has cost RML dear, bad for our business and bad for the environment too.

Kind regards

**Ivor**

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