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Lexcel Annual Maintenance Visit Report

For

Davies Battersby

Date : November 2012

Presented by : John Wooddissee

**Lexcel Assessment Report**

Date issued: February 2012

**Practice Details**

Name of organisation	Davies Battersby
Postal address	St. Michael's Rectory, St. Michael's Alley, Cornhill, London, EC3V 9DS.

**Lexcel Contact details**

Name	Melanie Nash
Job title	Solicitor
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\* The e-mail address given will be used as the primary communication channel with the practice.

**Assessment Body Details**

Assessment Body	The Assessment Network Ltd
Telephone	01480 479222
E-Mail	info@tan.org.uk
Website	www.theassessmentnetwork.co.uk
Assessor Name	John Wooddissee

**Lead Assessor Declaration**

Name of Assessment Body	<b>The Assessment Network Ltd.</b>		
<p>I confirm that I have had no other involvement with the implementation of the Lexcel practice management standard at the above organisation apart from the assessment and as per Lexcel office guidance.</p> <p>I confirm that I have conducted the assessment on behalf of the named assessment body.</p> <p>I further confirm that the contents of this report has been explained to the above organisation.</p>			
Signature (or Tick Box)	<i>M. J. Wooddissee</i>		
Print name	M J Wooddissee	Date	21/11/12
Internally verified			
Signature (or Tick Box)	<input type="checkbox"/>	Date	

**Assessor's Assessment Summary****Introduction & Assessment History :**

This is a Year 1 Annual Maintenance Visit to the Practice carried out against Version 5 of the Lexcel Standard. The Practice has been Lexcel certificated since 2008. The Practice is also recognised against the "Core" Investors in People Standard.

I would like to thank all of the staff interviewed for their courtesy and patience. In addition, specific thanks are also due to the "Lexcel Champion", Melanie Nash, for her help in ensuring that the process ran like clockwork. It was very much appreciated!!

**Overview of the Organisation :**

Davies Battersby is a small, specialist legal Practice based in the City of London. Established for some 15 years, it specialises in Shipping and Commodities work, Commercial Litigation and Employment work; and has a generally long established and increasingly international client base – particularly on the shipping/commodities side. **Despite its relatively small size, the Practice has a strong reputation for "punching above its weight", both in terms of some of the work which it handles, and the clients for whom it works.** The two Founding Directors still lead the Practice, which also has an associate office in Bucharest and is continuing to forge close links with other overseas legal Firms – particularly in the Middle East and Far East.

The Practice, which is incorporated, currently has two Directors. In addition, there are

a further 3 admitted fee earners, and 1 part-time support staff. Other than the recruitment of an additional fee earner (from a Lexcel certificated Practice!!), there have been no significant changes since the previous visit. Despite the current economic situation, the Practice has enjoyed “a busy old year”!!

**Methodology :**

The Practice had prepared some documentation as its preferred method of presenting itself to me. This included a copy of its Office Manual, a list of current matters and copies of its Business and Marketing Plans together with other supporting documentation. I was also given access to the “Central Registers”. In the light of that, and the agreed reassessment objectives, I decided to conduct a “traditional” AMV. This comprised a desk review of the Office Manual and other documentation, and an audit of a sample of both open and closed case files.

The process also included interviews with one of the Founding Directors, and two fee earners. The only member of support staff is part-time and was not available for interview – she was, however, interviewed on the previous visit.

The detailed findings established during the assessment are outlined in the standard Law Society Lexcel reporting documentation which forms part of this report. The file checklists, and on-site working documents will be submitted for internal verification with the signed copies of this report.

**Assessment summary :**

The Practice should continue to be highly commended for maintaining a very high level of compliance against the Standard. Indeed, overall compliance levels have been consistently sustained, and compliance is very clearly an embedded part of the ethos and culture within the Practice. **This is a Practice which is very, very clear about what it wants to do and how it will do it – it then gets on and does it extremely effectively.** There will still be short term challenges around continuing to sustain those high levels of compliance in the face of continuing change and development – both within the Firm, and externally within the legal sector. There is also a clear short term imperative to continue to take decisive action both to maximise cashflow, minimise costs and bring in additional work. Critical to this will be the need to maintain a cost effective organisation structure, which remains firmly focussed on business development, and which allows key staff the time to be able to “rain make” effectively; and the Directors more time to devote to the ongoing strategic development of the Firm. There is also a key need to consider how best to address the impact of the new regulatory framework.

**Recommendation :**

Having carried out the assessment process rigorously and in accordance with the guidelines laid down by The Law Society, and The Assessment Network Ltd., I am satisfied beyond any doubt that, as no non-compliances were observed, Davies Battersby, now meet the requirements of Version 5 of the Lexcel Standard. The Lexcel Assessment Panel is asked to endorse this recommendation and formally continue Lexcel Certification for Davies Battersby.

**Non-Compliances and Areas for Improvement or Areas of Good Practice**

Number of major non-compliances	NONE.	Date CA due	N/A.
Number of minor non-compliances	NONE.	Date CA Due	N/A.
Number of areas for improvement	EIGHT		
Number of areas of good practice	SEVENTEEN		

**Assessors Overall Recommendations**

Re-visit required within 3 months of last on-site date	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Documentary evidence of corrective action to be sent to assessor within 21 days of last on-site date	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Continue certification (select if <b>no</b> non-compliances)	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Corrective action received on site	Yes <input type="checkbox"/> No <input type="checkbox"/> Partial <input type="checkbox"/>

**Assessment Details**

Assessment type	Initial <input type="checkbox"/>	AMV1 <input checked="" type="checkbox"/>	
	AMV 2 <input type="checkbox"/>	Full <input type="checkbox"/>	
Total on-site days	0.5 days	On-site dates	21/11/12
Total preparation time	0.5 days	Total report writing time	0.5 days
Number of assessors	One.		
Name of other assessor(s)	N/A.		
Total fee paid to Assessment Body	£		

**Other Quality Standards**

Lexcel only	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Conveyancing Quality Scheme (CQS)	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Joint - Lexcel & Investors in People	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Joint - Lexcel & ISO9001:2000	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Credit given for IIP/ISO9001	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Does the organisation hold an SQM franchise?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, date awarded : N/A. Date of last audit : N/A. Areas audit covered : N/A.
Credits given for SQM	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

**Assessment Statistics**

Total number of fee earners	5	
Number of fee earners in sample	3	
Total number of support staff	1	
Number of support staff in sample	0	
Total number of open files	131	
Number of open case files in sample	5	
Number of closed files in sample	2	
Total number of case files in sample	Direct access [7]	Access via fee earner [ ]

## Lexcel Standard Compliance

### Section 1 : Structures and Policies

Major/Minor	Requirement	Details	Evidence required
None.			
Areas of good practice			
<p>1.1.b – The Practice continue to actively consider their current business structure, and have taken a careful, and informed, decision not to change their existing structure at present. The Practice is encouraged, however, to continue to consider its business structure, and particularly, whether in the more medium term it might wish to implement an LLP, or an ABS, particularly if it develops closer relationships/joint ventures with overseas law firms.</p> <p>1.2 – The Practice should continue to be commended for the continued development and implementation of a very practical, yet very comprehensive, approach to Risk Management “in the round”, supported by an effective Risk Management Framework. Ongoing development of this continues to take place, and the approach is now firmly embedded into both the operations and the culture of the Practice. The robustness of the processes has been demonstrated by the very high levels of compliance which have now been sustained over a number of visits.</p>			
Areas for improvement			
<p>1.1.b – The Practice is strongly encouraged to keep its structure under review as it continues to develop and change. Although the nature of its work, and of its client base will clearly minimise any impact from the Legal Services Act, there is still going to be a need for the Practice to further consider how best, and at what level, it can most profitably carry out some of its worktypes – particularly perhaps the less complex Litigation/Debt Recovery work. The recruitment of a Paralegal might be one option for consideration, as this could also help to ensure that the senior staff have sufficient time to devote to the strategic development of the Firm, as opposed to fee earning work.</p> <p>1.1.b – The Practice is also strongly encouraged to keep their organisational structure under review given the need to address the challenges of the new regulatory framework. There is a need to clearly decide, define and articulate what senior roles are required and how these might best be filled – there will be skills implications inherent in this process. Again, it is accepted that the Firm is aware of the need to address these issues – the COLP and COFA have been nominated, but there is a need to decide what other roles/resources might be necessary, and whether any reallocation of existing roles is required.</p> <p>1.3 – The Practice is reminded that the policy required by this section of the Standard (which is a new requirement in Version 5), needs to be reviewed on an annual basis “to verify that it is in effective operation across the Practice”. The assessor will expect to see evidence of this review at the next visit, if a non-compliance is to be avoided.</p>			



## Section 2 : Strategic Plans

Major/Minor	Requirement	Details	Evidence required
None.			
<b>Areas of good practice</b>			
<p>2.1 – A very clear, simple business strategy, the context of which was clearly understood by all of those interviewed. There are some clear and SMART short term objectives set within the context of a broader medium/longer term strategy. The challenges now will be to continue to consolidate and develop the Firms “core” worktypes, and look to further develop those skills in either complementary worktypes, or in complementary industry sectors, e.g. Oil, Gas, Power etc.</p> <p>2.2 – The business strategy is supported by a simple marketing strategy which substantially reflects the current context of the Practice, and the aspirations within the Business Plan. The Practice understands that this may need to be revisited in the light of ongoing development and change as outlined above. There will be a clear need for the Practice to continue to try and attract more profitable/higher value work from utilising its skills base in complementary areas. Its ability to do this effectively will depend, in part, on its ability to “free up” the Founding Directors so that they can “rain make” more effectively. The Practice may need to “speculate to accumulate” to make this happen!! The Practice is also strongly encouraged to consider how it might produce its highly regarded newsletter on a more frequent and consistent basis!!</p> <p>2.4 – The Practice should be commended for the development of a simple but effective Business Continuity Plan. The Practice has also conducted a “Disaster Recovery” scenario, and has implemented the “lessons learned” from that scenario. The Practice are reminded to ensure that the Plan is kept under review, and are also reminded of the need to continue to test out its implementation at least on an annual basis.</p> <p>2.5 – A practical, simple ICT strategy with a clear direction for both the short and medium term. Given the changing legal landscape, and the current pace of ICT development, there is a very strong likelihood that the Practice will need to undertake significant investment in ICT in the short/medium term. The Practice is very strongly encouraged to consider moving to a server based infrastructure. This would clearly enable an upgrade to the current “office” programmes to take place, and also, perhaps, the introduction of PC based dictation programmes which could significantly improve fee earner productivity. The Practice is also encouraged to consider whether a move to a “cloud” based infrastructure, would offer greater resilience, at potentially less cost. The Practice would need to reconsider its Outsourcing Policy in the event of any move to the “cloud”.</p>			
<b>Areas for improvement</b>			
None.			

**Section 3 : Financial Management**

Major/Minor	Requirement	Details	Evidence required
None.			
Areas of good practice			
<p>3 - A range of management information which is accessible to everyone and, given the small size of the Firm, is discussed with staff on a regular basis. Effective systems, well managed and well implemented.</p>			
Areas for improvement			
<p>3 – The Practice is strongly encouraged to continue the significant progress which is being made in terms of maximising cashflow through interim billing, more effective credit control, and management of WIP – regardless of the worktype. This will be critical to the Practice’s ability to both survive and thrive in what is becoming a very much changed “legal landscape”. There is a need to ensure that all staff continue to fully understand the critical importance of this issue.</p> <p>3.4/3.5 – The Practice is reminded that the Procedures required by these sections of the Standard, need to be reviewed on an annual basis “to verify they are in effective operation across the Practice”. The assessor will expect to see evidence of these reviews at the next AMV, if non-compliances are to be avoided.</p>			

#### Section 4 : Information Management

Major/Minor	Requirement	Details	Evidence required
None.			
Areas of good practice			
<p>4.5 – The Practice should be commended for the development of a sound, practical Social Media Policy as required by Version 5. It should also be commended for the “blog” which it now runs via its website. It is, however, encouraged to consider whether it could make greater and more effective use of social media channels in its marketing activities, perhaps through established channels such as LinkedIn.</p> <p>4.7 – A comprehensive (but still commendably thin!!) Office Manual which goes beyond the basic requirements of Lexcel Version 5. The Manual has been significantly rewritten, in order to ensure its compliance against Version 5, and represents good practice which is easily assessable as to compliance. Processes and systems remain well understood by all staff, and are very well embedded into both the operations and the culture of the Practice.</p>			
Areas for improvement			
<p>4.5 – The Practice is reminded that the policy required by this section of the Standard (which is a new requirement in Version 5), needs to be reviewed on an annual basis “to verify that it is in effective operation across the Practice”. The assessor will expect to see evidence of this review at the next visit, if a non-compliance is to be avoided.</p>			

**Section 5 : People Management**

Major/Minor	Requirement	Details	Evidence required
None.			
<b>Areas of good practice</b>			
<p>5.6 – The Practice has been recognised as an Investor in People for some years. As such, it very clearly continues to demonstrate good standards in terms of training and developing its staff, and the ongoing coaching, mentoring and support offered to them. It has established processes and systems which are consistently implemented and were well evidenced during interview.</p>			
<b>Areas for improvement</b>			
<p>5.2 – Linked to the issue in Section 1.1.b, is a need for the Practice to “flesh out” the job/person specifications for the new senior roles which will almost certainly be required going forward. As previously outlined, these then need to be effectively communicated to all staff so that there is a very clear understanding of the respective roles and responsibilities.</p> <p>5.6.b – Given the ongoing need to consider organisational development, coupled with the increasing competitiveness, and changing nature, of the marketplaces in which it operates; the Practice is strongly encouraged to consider what further leadership, and change management, skills might be necessary if the Firm is to continue to survive and thrive. Like many small Firms, the Practice is highly vulnerable to the loss of a small number of key staff, and it is encouraged to develop contingency plans to deal with this eventuality.</p>			

**Section 6 : Risk Management**

Major/Minor	Requirement	Details	Evidence required
None.			
<b>Areas of good practice</b>			
<p>6 – The Practice should continue to be highly commended for the simple, effective approach it has taken to operational risk management. There is a very well defined Risk Framework, which is proactively managed by the Risk Director, and there is a clear understanding from staff on all aspects of risk. The processes are clearly highly effective, well implemented and, taken together, constitute a very robust approach. There has been ongoing file review evidence to demonstrate the improvements that have both been made, and sustained, since the initial assessment.</p> <p>6.9.b – There are simple, effective, albeit largely informal, communication processes which clearly contribute to both effective supervision, and a real feeling of involvement in the Firm by all of those interviewed.</p> <p>6.9/6.11 – There is a well embedded process of file reviews (and supervision) which are consistently implemented and well managed throughout the Firm. Interview evidence again very clearly demonstrated that staff felt the process was well handled and beneficial to both sustaining and improving standards.</p>			
<b>Areas for improvement</b>			
None.			

**Section 7 : Client Care**

Major/Minor	Requirement	Details	Evidence required
None.			
<b>Areas of good practice</b>			
<p>7 – It remains very clear from both interview and documentary evidence that the Practice continues to place very significant emphasis on the levels of ongoing client care which it provides. In the very great majority of instances it clearly does so – and this again was evident from the many client comments and compliments noted in some of the files reviewed. As outlined at previous visits, <b>the Firm's complaints and claims record remains "second to none"!!!</b></p> <p><b>7.2 – Linked to the above, the Practice should continue to be commended</b> for the overall quality of its "standard" Client Care/Terms &amp; Conditions of Business documents. They are both detailed and comprehensive, yet well written in clear language and easily understood. The Practice is, however, strongly encouraged to carry out a complete review of its client care documentation, particularly in the light of the new OFR regime.</p> <p>7.6 – The Practice should also continue to be commended for undertaking regular reviews of the Client Satisfaction data and for implementing action where appropriate. This process is an embedded part of the Practice's overall risk management framework.</p>			
<b>Areas for improvement</b>			
None.			

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**Section 8: File and Case Management**

Major/Minor	Requirement	Details	Evidence required
None.			
<b>Areas of good practice</b>			
<p>8 – The Practice should continue to be commended for the high standards of file management which was evidenced across many Fee Earners. Standards have improved since the initial visit, and that is clearly evidenced by both interview and file review evidence. In Lexcel terms, Davies Battersby, continues to be a well run, and well managed Practice. As before, the challenge will be to improve and sustain that consistency during, what is clearly going to be, a further period of ongoing change and development.</p>			
<b>Areas for improvement</b>			
None.			

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**Confirmation Assessment Report Understood**

Practice Representative			
Signature (or Tick Box)			
Print name	Patrick Battersby	Date	21/11/12

Assessor			
Signature (or Tick Box)			
Print name	John Wooddissee	Date	21/11/12

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**For Lexcel office internal use only**

Reviewed by		Date	
Action required			