



Law of the land

The UK's regional legal firms are proving that it is not always necessary to be in London to serve the global shipping industry. **Adam Corbett** reports

London's world-renowned shipping law firms operate from some of the most prestigious real estate that money can buy.

Reed Smith's high-rise head office boasts an impressive panoramic view of the City of London.

Norton Rose Fulbright partners can entertain clients from a balcony overlooking famous tourist attractions scattered along the River Thames.

But these spectacular vistas come at a high price.

And there are signs that shipping clients are shunning the attractions of the City and increasingly looking to source lower-cost legal services in the UK's growing regional maritime law scene.

The view from Birketts Solicitors' building is somewhat different from those of its metropolitan rivals.

Shipping partner Nicholas Woo is talking to *TW+* from his office 70 miles (112km) northeast of London overlooking the ground of Ipswich Town, recently relegated from English football's second tier.

Over the past decade, Woo, who has a strong client base in China and the Far East, has built up a substantial shipping practice at Birketts. In 2006 he

decided that rather than commute to London every day to work at Richards Butler, he would prefer to work near his home in the tranquil Suffolk countryside of eastern England.

"I quickly got tired of commuting and was open to building a shipping litigation practice outside of London," Woo says. "I saw the attraction of being able to offer the same service as those provided by City firms but at



+ In 2008-09, Henry Adams of Birketts Solicitors completed a 900-mile (1,450km) unsupported expedition to the South Pole with two team-mates. They followed in the footsteps of Sir Ernest Shackleton's 1907-09 Nimrod Expedition, arriving at the pole in 66 days. Adams, who joined Birketts in 2007, specialises in shipping, transport and marine insurance work. He is the great-great-grandson of Sir Jameson Boyd Adams, who was Shackleton's second in command on the expedition, which advanced to within 112 miles (180km) of the South Pole.

much lower cost, given the lower overheads of practising outside the City."

Most legal work comes from relationships, he points out, and the business of international clients is rarely influenced by a firm's location, especially in the internet age. The bonus for clients is that regional firms can offer hourly rates up to one-third cheaper than London practices.

"This lower charge is profitable to Birketts because of the lower overheads, whereas

the City firms could lose money if they tried to match our charges," Woo says.

The 12-strong Birketts shipping team now includes experienced equity partners Alex Davey, formerly of Ince & Co, and Henry Adams, who joined from Clyde & Co.

Yet the City firms would suggest that being cheap is no guarantee of quality. Firms such as Birketts, they say, are fine for routine shipping work but lack the range of legal talent and broader litigation and transactional capability that City firms offer.

Not so, responds Woo, arguing that Birketts' shipping services can match its London rivals.

"Simply because Birketts is in the 'regions' and therefore 'lacks depth' is itself a shallow observation," he says.

"It is correct that the larger shipping firms may have niche areas of practice that other firms lack. But the fact of the matter is that many [P&I] clubs and household shipping names already recognise the services that Birketts is able to provide, and this alone is sufficient retort to the comments made about 'regional' law firms."

Woo says Birketts has ambitions to grow and is looking at expanding into ship finance.

Birketts is not the only regional legal entity putting pressure on the City firms. P&I clubs — one of the main sources of business for London law firms — are increasingly handling work in-house and offering members the same legal services at a fraction of the price.

In North P&I's case, it has located its freight, demurrage and defence (FD&D) legal services team in Newcastle upon Tyne, a city of about 300,000 in northeast England, 280 miles (450km) north of London.

North has grown its FD&D department to around 40 lawyers and is by far the biggest shipping legal team outside the

capital. It is offering members a broad range of legal services free at the point of use but covered by the mutual's FD&D premium.

Steven Cockburn, deputy director of North's FD&D team, says: "Over the years we have grown and grown because we have seen it work successfully for our members. They have immediate advice and assistance 24/7, 365 days a year. They have specialists on the end of the phone immediately and it's probably the same person they have worked with for years, who works for a known and trusted team."

Global director Katherine Birchall adds: "Members can call us for general advice on, say, charterparties, which is all part of the cover, but it might cost thousands to get the same advice from a private practice."

Birchall believes North can match the City firms in terms of its skill set, pointing out that many of her team have been appointed from established players Ince & Co, Norton Rose, HFW and Clifford Chance.

"We make sure we recruit people who are high-calibre, because if they can't do the work in-house, then it won't work for the members," she says.

North also offers an attractive working environment for lawyers, who have the opportunity to handle a wide variety of cases, without the commercial and financial pressures of working in London.

"We have to turn things around quickly but we don't have the billing pressure or pressure to bring in clients: the work lands on your plate. If you enjoy working as a shipping lawyer, then it's all here," Birchall says.

Newcastle is becoming a hotbed for the regional shipping law scene. Long-established Mills & Co, with its 22-member shipping team, is probably the largest private practice outside London. Newcastle's Stembridge Solicitors is also a



Above / Nicholas Woo says seeking legal advice outside London doesn't mean settling for second best

Right / This photo of Henry Adams, taken in Antarctica, hangs in the Birketts lobby in Ipswich (Photography: Birketts Solicitors)



well-known shipping dispute mediation firm.

The rise of regional firms has not gone unnoticed by London firms that have grown their own presence outside the metropolis. Clyde and Co took on many of the Eversheds shipping team when it closed its Newcastle practice and maintained the team there. It also kept its cargo legal team

operating from Guildford, southwest of London. And Campbell Johnston Clark has opened an office in Newcastle to provide shipping services.

But Hill Dickinson's Julian Clark points out it can be difficult for the City firms to expand in the regions. If they want to take advantage of lower costs outside London by charging less, they will end up

undercutting their own London-based partners.

Clark has been considering growing Hill Dickinson's shipping practice in Liverpool but that does not mean it will be cheaper than London. "What you can't do is have a separate cost structure that is cheaper in the northwest than London, because all you do is compete against yourself," he says. ☒

Above / North by name, north by nature: Katherine Birchall and Steven Cockburn have grown the P&I mutual's legal team to 40 lawyers (Photograph: Adam Corbett)