



Lexcel v5 - sole practitioners guide

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Introduction

With a variety of practice types seeking and retaining accreditation, there are certain aspects of the standard where compliance can have different implications.

This guide is designed to provide practical advice to sole practitioners, who are the **only fee earner** in the practice, in relation to specific sections of the standard. Only requirements where compliance may differ for sole practitioners are included.

If you have any questions about applying the Lexcel requirements to the circumstances of your practice, please contact the Lexcel office via:

Phone: +44 (0)20 7320 5933

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Benefits

There are a variety of benefits sole practitioners can experience by achieving Lexcel accreditation. These advantages can include improving efficiency through the implementation of Lexcel's effective practice management framework.

Utilising Lexcel's effective framework can also reduce the number of mistakes and complaints for sole practitioners. While this can help prevent the number of claims, insurer awareness of Lexcel means that this can also result in a reduction in insurance premiums.

Lexcel accreditation provides recognition of a practice's commitment to achieving, developing and maintaining best practice and service excellence. By being independently assessed, Lexcel can demonstrate this dedication to your existing and potential clients.

With increasing access to a large volume of legal services providers, Lexcel accreditation can prove to be a differentiator when prospective clients are searching for a practice to instruct. Achieving Lexcel accreditation can, therefore, promote practice excellence to enhance your business' commercial edge.

While there is flexibility to tailor standards to meet your own practice's needs, fulfilling Lexcel's requirements means these will be set against a nationally recognised standard.

Implementing Lexcel

You are encouraged to have simple and brief documentation which appropriately reflects your working practices. Clearly, this will be more concise and more straightforward than those needed for a much larger practice. You should however ensure that your approach:

- Is appropriate to the needs of your practice;
- Is designed to make your practice more resilient and effective;
- Avoids imposing an administrative burden without a corresponding practice benefit; and



- Is properly documented in order for you to manage your firm effectively and achieve Lexcel

You are required to have a variety of documented policies and plans. As a sole practitioner you are responsible for all policies and plans and it is, therefore, not necessary to document your accountability, as this is presumed.

If you want to keep things simple, you can put everything in a single document: your office manual can set out all your policies, procedures, plans as well as evidence that you have conducted the necessary reviews.

The requirements in Section 7 - Client Care and Section 8 - File Management, do not differ for sole practitioners and so are not included in this guide.

Requirements

The table below highlights Lexcel v5 requirements which will impact differently on sole practitioners:

1. Structures and policies	
1.1.a Practices will have documentation setting out the legal framework under which they operate.	When documenting the legal framework under which you operate, a sole practitioner must give consideration to the continuity of the practice in the event of death, incapacity or an emergency. This could be dealt with in a will, a letter or other instructions left with either a fellow practitioner with whom you have a reciprocal arrangement or a relative/friend.
1.4.a Practices will have a policy on the avoidance of discrimination and the promotion of equality and diversity, which must include employment and partnership, recruitment and selection, training and conditions of service and promotions within the practice	The requirement for a policy on anti-discrimination and equal opportunities includes clients, third parties, employment, recruitment and selection, training, conditions of service and promotions within the practice. If you have no staff and do not plan to recruit in the future some elements of this policy do not have to be documented. You are encouraged to give this policy careful consideration as the legal implications of not addressing this policy fully may be great.
2. Strategic plans	
The documents required by this section should reflect what is meaningful to your business. You may want to combine your business and marketing plan or keep them separate.	
2.1 Practices will develop and maintain a business plan which must include: a: measurable objectives for the next 12 months b: a recruitment plan c: the person responsible for the plan d: a procedure for a review of the plan to be conducted every six months to verify the plan is in effective operation across the practice	You should be able to demonstrate that you have considered appropriate factors, and should broadly cover the following areas: <ul style="list-style-type: none"> • Where the practice is now • Your objective for the following 12 months – all objectives should be SMART • If you do not have any staff and do not intend to recruit, you do not need to have a documented recruitment plan. If, however, this is not the case you must have a plan and it must be put in place. • Where you would like the practice to be in



	<p>three years</p> <ul style="list-style-type: none"> • What resources are required to achieve the objectives i.e. finance, people, IT, premises • Succession planning/retirement - consider ongoing Professional Indemnity Insurance issues • Holiday support or cover for the practice • Marketing strategy for the practice that outlines existing activity, any new or additional activity plus the allocation of a marketing budget • Timescales for the review of all planning documentation, which must be at least every six months.
<p>2.4 Practices will have a business continuity plan, which must include:</p> <p>a: evaluation of potential risks and the likelihood of their impact</p> <p>b: ways to reduce, avoid and transfer the risks</p> <p>c: key people relevant to the implementation of the plan</p> <p>d: a procedure to test the plan annually, to verify that it would be effective in the event of a business interruption</p>	<p>When considering the content of your business continuity plan, you will need to consider the potential risks that could interrupt the running of your business, including:</p> <ul style="list-style-type: none"> • IT or telephone problems • Disasters that could affect the premises • Incapacity or ill health <p>Consideration should be given to the responsibilities regarding the execution of the plan especially if there is a need to involve 3rd parties.</p> <p>The Sole Practitioner Group (SPG) has issued guidance on "Protecting Your Practice in Emergencies", which you may find useful. You can find this information at www.spg.uk.com under "Know How".</p>
<p>2.5 Practices will have an information technology (IT) plan</p>	<p>You may decide that your IT plan should be included in your business plan required in Section 2.1, as your IT is an important resource.</p>
<h3>3. Financial management</h3>	
<p>3.2 Practices will be able to provide documentary evidence of their financial management procedure, including:</p> <p>a: annual budget including, income and expenditure</p> <p>b: annual income and expenditure accounts</p> <p>c: annual balance sheet</p> <p>d: annual income and expenditure forecast to be reviewed quarterly</p> <p>e: variance analysis conducted at least quarterly of income and expenditure against budgets</p> <p>f: quarterly variance analysis which includes at</p>	<p>These requirements may be dealt with by your practice's accountant or by you. If they are dealt with by your accountant, an assessor will accept a letter confirming that you meet all the requirements.</p>



least their cash flow	
3.3 Practices will have a time recording process which enables the accurate measurement of time spent on matters for billing purposes.	Time recording may be via an IT based or manual system. Time recording on all matters is accepted as best practice, however, it is only necessary on matters where time is a factor for billing purposes. If you do fixed fee work it is recommended that time recording be carried out on a periodic sample basis to check that work is profitable.
4. Information management	
4.1 Practices will have an information management policy 4.2 Practices will have an e-mail policy 4.3 If the practice has a website, the practice must have a website management policy 4.4 If personnel in the practice have Internet access the practice must have an Internet access policy	This section requires that all personnel receive appropriate training to understand the policies. If you have staff the training should be at an appropriate level taking into consideration the nature of their work. If you do not have any staff, you can disregard the requirement to train staff.
5. People management	
5.1 Practices will have a plan for the training and development of personnel 5.3 Practices will have procedures to deal effectively with recruitment and selection, which must include: a: the identification of vacancies b: the drafting of the job documentation c: methods of attracting candidates and applicants d: selection methods used e: storage, retention and destruction of records f: references and ID checking g: checking fee earners' disciplinary record.	You must have a plan which reflects all training requirements for yourself and your staff, including CPD, management, IT and any other training needs. There must also be a budget allocated to support the training plan. If you do not have any staff and do not intend to recruit, you do not need to have procedures to deal with recruitment. If, however, this is not the case, you must have procedures in place.
5.2 Practices will list the tasks to be undertaken by all personnel within the practice and document the skills, knowledge and experience required for individuals to fulfil their role satisfactorily, usually in the form of a person specification.	You will need to be able to describe your responsibilities and objectives. You do not however, have to have a written job description or person specification.
5.7 Practices will have a performance management policy which includes: a: the practices approach to performance management b: performance review periods and timescales c: the person responsible for the policy d: a procedure for an annual review of the policy, to verify it is in effective operation across the practice	At least annually, you need to review your responsibilities, objectives, tasks and training needs. This must be documented and may be part of the business plan required in 2.1 or a separate self appraisal. You may consider engaging a business coach to assist with your development review. If you are not the only member of staff, this requirement will also apply to all other staff in the practice.
6. Risk management	
6.9 Practices will have processes to ensure that	If you have staff, you must have processes in



all personnel, both permanent and temporary, are actively supervised. Such processes will include:

- a:** checks on incoming and outgoing correspondence, where appropriate
- b:** departmental, team and office meetings and communication structures
- c:** reviews of matter details in order to ensure good financial controls and the appropriate allocation of workloads
- d:** the exercise of devolved powers in publicly funded work
- e:** the availability of a supervisor
- f:** allocation of new work and reallocation of existing work, if necessary

place to deal with their supervision, this includes support and temporary staff.

6.11 Practices will have a procedure for regular, independent file reviews, of either the management of the file or its substantive legal content, or both. In relation to file reviews, practices will:

- a:** define file selection criteria
- b:** define the number and frequency of reviews
- c:** retain a record of the file review on the matter file and centrally
- d:** ensure any corrective action which is identified in a file review is acted upon within 28 days and verified by the reviewer
- e:** ensure that the designated supervisor reviews and monitors the data generated by file reviews
- f:** conduct a review at least annually of the data generated by file reviews.

If you are the only fee-earner, you will be “self-supervising” and will need to demonstrate how you conduct file reviews. If you would like help in finding a fellow-Lexcel accredited Sole Practitioner in a similar practice area to undertake file reviews with, please contact the Lexcel office.

You may want to involve support staff in conducting a procedural file review or you may have a reciprocal agreement with another sole practitioner who will review a sample of your files. Client confidentiality must be addressed if you use an external file reviewer.