

Background

Carillion is one of the UK's leading support services and construction companies, employing around 40,000 people, with annual revenues of £4 billion. Their in-house team, Carillion Legal, employs around 30 solicitors in England, Dubai and Canada to service the core needs of the Carillion Group; in addition the in-house legal team work with a panel of 12 private practice firms and around 60 paralegals and staff in Carillion Advisory Services (CAS), an onshore legal resource to provide legal support services to Carillion, its network of law firms and other major companies.

Carillion Legal provides support and advice across the organisation's four business segments:

- **Support services** (facilities management, energy services, rail services, road maintenance, utility services and consultancy).
- **Public Private Partnership (PPP) projects** (investing activities in PPP projects in the sectors of: defence, health, education, transport, security, energy services and other Government accommodation).
- **Middle East construction services** (building and civil engineering activities in the Middle East).
- **Construction services** (exc. Middle East) (building, civil engineering and developments activities in the UK and our construction activities in Canada).

Finding a strategy to demonstrate quality

Carillion is an organisation familiar with process and the quality assurance that normally goes hand in hand with process industries: "engineers, construction and service processes and quality assurance is what the business is about", but ten years ago the legal team was a disparate part of the business. Carillion Legal took up the challenge to write a legal strategy to integrate the team with the aims and quality systems of the wider business. They started by asking questions of their lawyers such as: why do we do law? how do we do law? how do laws impact the business? how do you measure what you do? how do you report it?

Along with other in-house teams, Carillion Legal wanted to demonstrate its value to the business and refused to accept the typical measure of "in-house = cheaper". Instead, they looked for other ways to ensure they had quality standards in place and could demonstrate this to the business.

Carillion Legal began to test out the viability of pursuing Lexcel – a quality mark that was gaining traction in the profession, but which at that time seemed more oriented toward private practice firms. In 2005/6 this was an exercise in a purely Carillion Legal UK context to see how it could work with corporate policy. However, the success of the scheme in the UK has seen it be extended across the Canadian and Middle East offices with the intention of having a common policy, common processes and quality standards across all.

Life with Lexcel

The ethos of Lexcel defines how Carillion Legal operates. No new policies have been written purely for the Lexcel scheme: *"Lexcel makes you do it, but we would have done it anyway. It raises broader questions about the running of a legal department if these are not the sorts of things already in place"*.

Carillion believes in the merits of having a legal team operate to consistent standards and Lexcel is a fully integrated part of achieving that goal. But they caution: *"Whether Lexcel is for you depends on what you want it for. Teams, be it private practice firms or in-house, who only treat it*

as a tick-box exercise and who only attend to it in the run up to an audit and then put it back in a drawer, will fail.

Carillion expresses the perception that the Lexcel auditor is not out to get a scalp but rather wants to help legal teams demonstrate what they do well (and will help them make what they do count if the auditor gets the feeling they do actually do it and have just struggled to articulate this in the audit) as well as pass on good practice tips. The experience of the Carillion Legal individuals who have been audited is: *“they may worry ahead of time, but they do prepare for the audit and often enjoy it – they realise they already do what is asked of them as a matter of course”*.

Lexcel is about demonstrating the value of what Carillion Legal does to the Carillion business – the business may not know what Lexcel is, but it knows that it is a proper, defined and audited system. And, as a reminder, the Lexcel certificate is visible in Head Office, the Lexcel Logo attached to every email and the team visibly under scrutiny by the external auditor.

The time commitment

One of the biggest misconceptions is that Lexcel is something removed from daily practices; something that will require time to put into place and maintain in addition to an already heavy workload. Carillion Legal explains that *‘in a good well run practice Lexcel is already happening, it just doesn’t have a name – all the processes you have in place to ensure you do the best service for your client, chances are these are already contributing to your Lexcel success’*.

Carillion Legal assigns one person as the point of contact for the Law Society and coordinator of the Lexcel process – this position rotates through the different offices on an annual basis. The time commitment for that person is not consistent throughout the year, rather about four months before the audit they will *“ramp up awareness of the upcoming audit”* and then prepare for and follow up with the auditor.

Carillion Legal describes the Lexcel co-ordinator and manager role as *“mainly an administrative task, updating manuals and so on”*. They are not concerned over the amount of time, as the policies are largely already written and *“these are tasks that the legal team would need to do in any case. Lexcel requirements are not particularly onerous or at kilter with how most legal teams operate already”*.

Over a year, the time commitment for the Lexcel coordinator averages no more than one day a week (raising awareness four months before the audit; a two-day lead in, mock interviews for colleagues).

Benefits to the business

In today’s climate risk is a major factor; Lexcel is even more relevant now than before. Construction is a risky business and Carillion Legal is aware: *“why would people trust you to handle their risk if you don’t address the risk in your own department?”*.

“The legal profession is cautious and conservative by nature, however in-house teams are forced to change just as their businesses do. As the Carillion business environment has changed so too has Carillion Legal”. In addition, the complexity of in-house has continued to increase; following the recession there has been more regulation, more demanding clients and a need to operate better.

Other benefits to the legal team

All functions at Carillion get audited and each time one group is selected to be assessed. When it was the turn of the Legal team they were able to show the group's external auditor what they had already done for Lexcel and "*after that the process became a lot easier*".

Carillion appreciates and takes the recommendations of the Lexcel auditor very seriously – "*it's free consultancy*" – and they feel the auditor always tries very hard to find some other good practice to incorporate into its procedures, which all helps Carillion Legal to constantly improve its quality service to its client.

Resistance to Lexcel from some law firms and other legal teams

Carillion is pushing its panel firms to have Lexcel accreditation, as it makes sense for them to have that same level of quality assurance; of their panel of 12 firms, 3 have Lexcel, 2 have ISO9000, but to date the others have no specific quality marks.

Whilst smaller firms may well already have had to achieve Lexcel as part of a legal aid contract, Magic Circle firms and national firms typically do not have Lexcel and many have told Carillion Legal that they have no intention of getting the accreditation, one citing instead that "*their name is their quality mark*".

Big firms explain Lexcel as "*a bit too difficult*" to launch across all offices and areas of practice; if they have a quality mark, instead they choose ISO9000 as they can roll it out by office, but ISO9000 has a lesser audit requirement, is less aligned to a legal practice and less prescriptive than Lexcel.

Some firms tell Carillion Legal that they have good quality systems in place and that they can show their systems comply with Lexcel, but see little point in actually pursuing the accreditation. Carillion's counter to that is "*if the systems are in place, why not do it?*"

To those legal teams/firms who say they are a *profession*, they do not need checklists and processes to know what they are doing, Carillion raises the example of surgeons and pilots: "*the last time you had an operation, did you know the surgeon used checklists to make sure he had the correct instruments ready and so on? The last time you flew, the air crew used checklists to make sure the plane was safe – would you prefer they didn't? Why, if those professions use checklists, should the legal profession consider itself outside that?*"

Are you interested in becoming accredited?

Find all the information you need about applying for Lexcel online: www.lawsociety.org.uk/lexcel.
Download the Lexcel Standard for England and Wales, Scheme rules and self-assessment checklist.

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