

## Council Meeting

**Minutes of the Council meeting held on Thursday 25<sup>th</sup> July 2013  
at 11.00am at Holiday Inn Kings Cross Bloomsbury,  
1 Kings Cross Road, London, WC1X 9HF**

<b>Present:</b>	Ms A Bradley Mr G Kidd Mr R Gurney Mr A Clark Mr J Jones	Chair
<b>In Attendance:</b>	Ms S Kumar Mr W Pearson Mr S Faraway Mr S Ward Ms V Swan Ms S Cottis	Chief Executive Director of Operations Interim Director of Finance Interim Communications Manager Policy Advisor Executive Assistant

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### Item

#### **1. Apologies for Absence**

There were apologies for absence from Mr P Rowley and Ms J Smith.

#### **2. Minutes of the Meeting held on 30<sup>th</sup> April 2013**

The Council APPROVED the minutes of the meeting held on the 30<sup>th</sup> April 2013 as being a true record.

##### *Agreed Actions:*

- *At future meetings the minutes are to be circulated highlighting the parts that have been redacted in the published version on the website.*

#### **3. Matters Arising including record of decisions made outside Council meetings**

The Council NOTED there were no decisions made by Council since its previous meeting. The Council NOTED there were no matters arising that were not covered by the agenda of the meeting.

#### **4. Progress Report on Action Points**

The Council NOTED the progress report on the action points from the previous Council meetings.

#### **5. Declarations of Interest**

Mr R Gurney and Mr A Clark declared an interest of working for a CLC regulated firm that will be paying the CLC practice fee.

There were no other additional declarations to those in the Register of Interests.

## 6. Chief Executive's Report

The Council NOTED the paper presented which provided an update on the strategic issues since the last Council meeting. The following points arose from the discussion:

- There is a clear dependence on the availability of MOJ staff to deal with CLC applications. Timetable and resourcing will be discussed with MoJ officials at the bilateral on 5 August 2013.
- The Chair of the CLC wrote to the Lord Chancellor to discuss a possible meeting to discuss the CLC's S69 application.
- Regulatory activity around intervention and managed closedown has seen a spike and we are looking at what has caused this spike and also monitoring to see if a trend is developing.
- The Senior Management Team (SMT) have systems in place to deal with practices that are concerning them. These include intensive monitoring and regularly auditing their files. Watch list practices are reported to SMT monthly and by exception
- A list of the top five practices concerning the SMT is useful, however two of those practices are ones that we are already taking action on and the other is subject of scrutiny associated with its newly granted license. Council are particularly interested in how practices of interest are being identified and reported through to SMT in the pre regulatory activity phase.

### *Agreed Actions:*

- *To circulate the plan and timeline for how to get legal advice on entity D in the report.*
- *To create a list of entities that are not on the concern list but due to early indications they may be about to be included on it.*
- *To circulate the list of concerns about entities to council and staff on a regular basis.*
- *To research other options for helping with the advancement of the S69 work following the meeting with the Ministry of Justice.*

## 7. Executive Management Report

The Council NOTED and DISCUSSED the Executive Management Report for June 2013, which show the financial status of the CLC. The following points arose from the discussion:

- The CLC is a similar position that it has been all year and is performing well against budget. Part of the reason for the surplus position however is not sustainable as it is due to staff vacancies.
- All of the costs that are appropriately described as direct costs have now been moved out of the general overhead.
- A new format of the executive management report that will be implemented in the future will make the position clearer for the Council and it will be easier for them to interrogate the accounts.
- The current level of Legal Practice Inspectors (LPI's) is not sustainable, initial discussions have been held on what can be done to redress this issue. Further discussions need to be held on all the options from "growing our own" to having a 2 tier level to a recruitment campaign.

- The claims on the compensation fund are being reviewed on a monthly basis between the Director of Finance and the Director of Policy and Standards. The executive team are working towards a position where they will be able to make decisions sooner on cases as they will have more historical information. This now also is reported to SMT
- There is currently insufficient headroom in the budget to allow for all likely needed development activities.

*Agreed Actions:*

- *To provide a plan and timeline of how to improve staff resources in the operations area for the immediate time being.*
- *To provide a paper at the next Council meeting of outstanding compensation claims. The paper will also include details of any shifts in patterns.*
- *Full reforecast for 2013 and 2014 to be provided to Council in September.*
- *To prepare a budgeted proposal for required development activities.*

## **8. Progress Against the Business Plan**

The Council NOTED the update on the progress against the Business Plan for 2013. The following points arose from the discussion:

- There was an expectation that the new Customer Relationship Management (CRM) system would have been installed by April. Unfortunately there has been a delay on this, which has had an effect on other streams of work that is dependent on it. There is also a reduction in staff resources completing other work streams as their time has been used up in activities required to complete the CRM project.
- Due to the size of the team at the CLC and the level of expertise an external resource maybe required to help complete some of the outstanding projects.
- Business as usual is being dealt with in a timely fashion, but there are some delays on the development activity, because of a lack of resources. (see action at point 7).

## **9. CRM Update**

The Council NOTED the update on the CRM project.

## **10. Gateway Review of CRM**

The Council NOTED and DISCUSSED the report from the internal auditors on the Gateway Review of the CRM project. The following points arose from the discussion:

- The report highlighted some areas of concern with the project but was clear that the issues can be addressed so the project is completed. However in order to do this some additional costs will need to be incurred
- The previous cost analysis is being looked at and a report will follow in due course. In the meantime, additional cost could be funded from the surplus in the accounts for the current year.
- There will be a meeting on 30<sup>th</sup> July with suppliers of the CRM to discuss completion of the project.

*Agreed Actions:*

- *To provide details of cost analysis and details of any future proposed costs to the Audit Committee.*

## 11. ABS Licence Determinations Review

The Council NOTED and DISCUSSED the paper which provided a review of the ABS licence determinations. The following points arose from the discussion:

- The practices who have undergone the licensing process need to be invited for feedback on the process before the Council can review the recommendations.
- It would be useful when consulting with practices to get their views on the recommendations as well.

*Agreed Actions:*

- *To undertake research with entities who have gone through the ABS application process and provide further recommendations with a plan of implementation to the Council.*

## 12. Diversity Profiling

The Council NOTED and DISCUSSED the paper which presented an update on the Diversity Profiling Exercise the profession have undergone. The following points arose from the discussion:

- Over 55% responses were received which was good compared to other legal regulators.
- The data will be forwarded to the LSB so it can be incorporated into a survey of the legal profession.
- the CLC will provide each practice with two reports: a management report to help individual practices to identify diversity issues arising out of the profiling exercise and one for publication by the practice.
- The project had required considerable internal resource and it was therefore helpful that future iterations would be managed by firms not by the CLC.

## 13. Draft Business Plan 2013-14

The Council NOTED and DISCUSSED the draft business plan for 2013-14. The following points arose from the discussion:

- The published business plan is a high level plan that will cover the next 18 months.
- A detailed plan is being compiled to show how the plan is to be achieved.

The Council AGREED the following:

- For the Chief Executive and Chair to sign off the Business Plan for 2013-14.

*Agreed Actions:*

- *To produce and circulate the background plan to the Business Plan to Council.*

## 14. CLC Commitments

The Council NOTED the paper presented which provided an update on all of the public commitments the CLC has made and progress against them.

## 15. Communications and Marketing Update

The Council NOTED and DISCUSSED the paper which provided an update on the communications and marketing strategy. The following points arose from the discussion:

- The numbers for some of the road shows have been disappointing but this maybe because the community already feel the CLC is communicating with them appropriately. However the London event was well attended and there was an overall feeling that such events were good and had been missed
- An alternative to the roadshow may be to host a webinar, the possibility of this will be looked at by the executive team.
- Some trial advertisements for students have been published this will tell us how effective different approaches to advertising are.

*Agreed Actions:*

- *To look into holding a webinar alongside roadshows for the profession.*
- *To bring recommendations for a stakeholder survey to the next meeting of the Council.*

## 16. Confirming the Strategy Position of the Council.

The Council NOTED and DISCUSSED the paper which formally documented the strategy position for the Council following discussions on the 11<sup>th</sup> June. The following points arose from the discussion:

- The strategy is to be clear that our litigation application will be use to support a focus on property-related litigation.
- The idea of a single compensation fund concerns some regulators and the strategy will need to include some more detail of how the CLC could envisage it working.

*Agreed Actions:*

- *To create a publishable document outlining the agreed strategy and include details of how the document can be used.*
- *To meet with LSB giving them details of the CLC's strategy*

## 17. Developing the Licensed Conveyancer Qualification - Update

The Council NOTED the update on the potential developments for the Licensed Conveyancer qualification. The following points arose from the discussion:

- The marketing campaign to attract new students is being tracked to see how successful it is and which tools work most effectively.
- The conveyancer qualification is vocational and similar to an apprenticeship, as there is a lot of discussion about this at the moment, it might be a good opportunity to re-describe the conveyancing qualification.
- The external accreditation with OFQUAL is a viable option and costings on completing this work are being researched.
- The accreditation model to be used for external providers of the conveyancing qualification requires further research.
- An increasingly modular approach may be most attractive as would something that could be built on sequentially
- All of this work will take into account the recommendations of the LETR.

*Agreed Actions:*

- *To look at how the marketing of the professional qualification can be linked to the national apprenticeship frameworks dealing with legal services.*
- *To produce a plan including resource, cost and a timetable for undertaking the OFQUAL accreditation.*
- *To produce a plan and timetable for developing an accreditation model for the external delivery of the professional qualification, support from an external expert will be required for this work.*

**18. Practice Fee and Compensation Fund Contribution November 2013 – October 2014 and Budget 2014**

The Council NOTED and DISCUSSED the proposed practice fee, compensation fund contribution and budget 2014. The following points arose from the discussion:

- The reserves policy needs to be reviewed by the Audit Committee to ensure they are set at the right level.
- There is no evident need to look to increasing our fee level at this time
- The banding levels for the fees need to be reviewed and will be considered at the future review of fees.

The Council AGREED the following:

- The rates for the practice fee and contributions to the Compensation Fund remain as for 2012-2013 license year.

*Agreed Actions:*

- *In the communication to the community when the fees are published to include details of what longer term issues are going to be included in the fee review such as the bandings.*
- *Reserves policy to be looked at and modelling to be done on fee levels once agreement reached.*

**19. Response to the Call for Evidence made by the Ministry of Justice**

The Council NOTED the paper which outlined the direction of travel for the response to the MOJ for the call for evidence. The call for evidence closes on 2 September

*Agreed Actions:*

- *Any other comments the Council would like to be included in the response are to be emailed to the Policy and Standards department.*
- *To circulate a draft response to the Council for their comments.*

**20. Compensation Fund Application for a Grant**

The Council NOTED and DISCUSSED the paper presented following review by the task and finish group. The following points arose from the discussion:

- The case was considered by the task and finish group following the review of the policy and procedures of the compensation fund.
- The reason for the recommendation was that the claimant had not incurred a loss as yet and it was not clear that he would.

The Council AGREED the following:

- The recommendation of the task and finish group to reject the claim on the compensation fund.

*Agreed Actions:*

- *To respond to the applicant that the Council have denied the grant as per the grounds in the paper.*
- *To circulate to the Council the one page summary that has been prepared at the request of the Legal Ombudsman on criteria for decision making within the compensation fund.*
- *To circulate the rest of the framework documents for the compensation fund to council.*
- *To report back to council on the day to day handling of enquiries re compensation fund to ensure good consumer practice.*

## **21. Adjudication Panel Terms of Reference**

The Council NOTED and DISCUSSED the paper presented which amended the terms of reference of the adjudication panel following the decision that the panel will take over additional duties when the Discipline and Appeals Committee expires. The following points arose from the discussion:

- The terms of reference of all committees and panels will be published on the CLC website following a production of a publication policy.
- To allow the panel flexibility the panel are to decide how a case is to be heard.

The Council AGREED the following:

- To change the terms of reference of the Adjudication Panel as per the paper subject to the addition that the panel are to decide how a case is to be heard.

*Agreed Actions:*

- *To change the terms of reference for the adjudication panel as per the paper. To also include that the panel can decide how they hear a case and what information they want to request.*
- *To prepare a publication policy for the next Council meeting including details of publishing terms of reference for the committees.*

## **22. Items for Noting**

The following items were noted:

Council Workshop Notes 11<sup>th</sup> June 2013  
Council Work plan  
Internal Audit Work plan 2013

Audit Committee Minutes 9 April 2013

Meeting closed at 16.03.