

Council Meeting – FOR PUBLICATION

Minutes of the Council Meeting held on Thursday 20th February 2014
At 11.00 at MWB Business Exchange, Holborn, London

Present:

Ms A Bradley	Chair
Mr A Clark	
Mr G Kidd	
Mr P Rowley	
Mr J Jones	

In Attendance:

Ms S Kumar	Chief Executive
Mr S Faraway	Interim Director of Finance
Mr S Blandy	Director of Policy and Standards
Ms S Cottis	Executive Assistant
Ms V Swan	Policy Advisor
Ms L Nicholls	Legal Practice Inspector
Ms C Richardson	Education Project Manager
Ms P Sparrowhawk	Executive Assistant

1. Apologies for Absence

There were apologies for absence from Ms J Smith, Mr R Gurney and Mr S Ward

2. Minutes of the Meeting held on 12th December 2013

The Council approved the minutes of the meeting as being a true record with the following amendments:

- (i) Top of page 2. Change wording to “The current definition remains, ie the number of lay members must exceed by one the number of professional members.”

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

There were no matters arising.

4. Update on Actions

- The Nominations Committee had invited Mark Smith of Scrutton Bland (CLC external auditors) to join the interview panel on 27th/28th March because Jan Smith was not available to attend.
- To increase in-house monitoring and inspection capacity two new Legal Practice Inspectors (LPI) had been recruited and were currently completing their induction process. An enhanced programme of inspections would begin shortly to ensure that those practices identified as higher risk received visits in the very near future.
- Comparison Websites: Correspondence had been received from the LSCP and a meeting scheduled for all stakeholders to attend.

5. Declarations of Interest

There were declarations of interest from Mr J Jones and Mr A Clark with regard to the Apprentice Trailblazer Project, as both their practices were participants.

6. Review of Chief Executive's Report

Following an overview of the paper, the following items were discussed.

- 6.1 Redacted: commercially confidential
- 6.2 The CLC was pressing the Ministry of Justice to devote more resources to the delivery of applications for change from the front line regulators.
- 6.3 Following the departure of the Operations Director at the end of January 2014, future of the role was discussed. It was confirmed that as an interim step, the Operations Director's responsibilities had been divided between the CEO and other SMT members. This direct contact with the operational teams was providing useful insight and spreading management skills and expertise. Both these factors were showing immediate benefits and would be of value in the recruitment process.

7. Business Plan 2014

Following an earlier draft of the Business Plan presented at Council in December 2013, a new version was tabled agreed by SMT, which was more tightly focused and aligned with the CLC's resources.

After discussions, the Council agreed the business plan for 2014.

Action:

1. *Business Plan to be rolled out and Council kept informed on performance against plan.*

8. Executive Management Report

It was reported that the CLC had had a positive financial year for 2013. Savings were evident in most areas and turnover increased. An adjustment had been made to salaries allocation in December from support to direct costs to give a more accurate figure for regulatory costs.

The KPI's were now represented in more graphic formats, making trends and patterns more discernible. Simon Faraway and the team were thanked for making such good progress on financial reporting.

Action:

- 1. Provide some commentary and targets around the KPIs for future reports*
- 2. Capture historical intervention data for KPIs.*

9. Financial Statements 2013 – Draft

The paper presented was an early version of the Draft Financial Statement 2013 to enable Council to view the position and suggested format.

The external audit was now completed and had produced no difference in figures presented. This reflected better reporting and control of costs overall. This more accurate reporting put us in a stronger position to ascertain important decisions, ie. fee increases and project investment.

The Annual Report and its wording would be prepared for the Audit Committee to sign off on 17th April 2014 followed by Council on 1st May 2014.

The auditors had requested that CLC investigate whether it now needed to be licensed by the Financial Conduct Authority because it permitted CLC entities to make practice fee payments and Compensation Fund contributions by instalments.

Action:

- 1. Prepare Annual Report for approval*
- 2. Investigate whether an FCA License is necessary.*

10. Council Members

a. Re-appointments

On 30th April 2014 all current terms expire for the Council. Following a full round of appraisals with council members and discussions at Nominations Committee meetings, the Council were recommended to agree re-appointments. It was also agreed, given the needs of the CLC, to increase the size of the Council from 7 to 9 with the role specification following the skills identified. It was proposed to introduce a staggered term concept so that all appointments did not end at the same time and allow for continuity and stability. It was noted that one member would be standing down at the end of the current term.

Council approved to re-appointment members as:

New Independent Member One – 4 years

New independent Member Two – 4 years

New Professional Member – 4 years

Alex Clark – 4 years

John Jones – 3 years

Rob Gurney – 3 years

George Kidd – 3 years

Jan Smith – 3 years

Action:

- 1. To send letters to all members confirming the re-appointments.*
- 2. The appointments chart is to be updated with these changes.*

b. Appointment of Chair

Following an appraisal of the Chair carried out by the departing independent member of Council, the Nominations Committee Chair recommended Ms Anna Bradley is re-appointed as Chair of the CLC Council for a second term of 4 years. This was approved by the Council and accepted by Ms Bradley.

c. Council member recruitment

A verbal update was given to Council regarding the progress of the recruitment campaign in place for new nominations to Council.

A list of applicants was shared with Council members. The applications will be reviewed by the Nominations Committee at the Long List meeting.

Action:

- 1. Council to feedback to Ms Cottis any comments before 27th February 2014.*
- 2. Long-list presentation – 27th February 2014 - NomCom*
- 3. Shortlist presentation - 13th March 2014 – NomCom*
- 4. Final selection Interviews – 27th/28th March 2014 – NomCom*
- 5. New appointments in place – 1st May 2014*

11. Corporate Governance

Following various changes at the CLC in recent years the Corporate Governance Framework was due to be reviewed.

The Remuneration Committee had already reviewed their Terms of Reference which were being presented to Council for approval. The Audit Committee had also reviewed their Terms of Reference and had no further changes to propose.

Council was asked to agree amendments.

The following updates were also to be incorporated:

- 11.1 To change the details of re-appointment by deleting the wording 'once only'
- 11.2 To change the number of members to reflect the increase of membership eight plus a chair
- 11.3 To update the way the Council undertakes reviews of itself and the Adjudication Panel as agreed by the Remuneration Committee

The above changes were approved. It was recommended by the Chair that at a later stage, the Corporate Governance documentation wording should be overhauled to move away from the current prescriptive tone.

Action:

1. *Incorporate approved changes as requested*

12. Developing a New Qualification Framework

The Council agreed proposals for continuing work to develop a new model for education to qualify as a Licensed Conveyancer. Proposals should be tested on the regulated community and with providers of education.

Council thanked Claire Richardson for the work accomplished and for setting the path for the project.

13. Diversity Profiling

Summary

Where the number of responses to diversity categories lends itself to this, the diversity profile of the CLC regulated community has been analysed by job status, in order that both access and progression pathways can be taken into consideration.

The data was discussed by Council in terms of trends and insight and it was noted that the information specifically regarding women was a very positive message to the industry and should be promoted to a wider audience.

Action:

1. *Produce a one page 'good news' story for publications and promotion.*
2. *Update Equality Policy for approval by SMT and Council.*

14. Watch list and Interventions and Compensation Fund Update

A new format of Watch list and Interventions was presented to Council. It was agreed that the Watch list and Interventions would in future be presented as two separate items to Council and it was noted that it was a confidential paper which was not for outside circulation.

a) Watch List

Redacted: Regulatory information

b) Interventions

It was noted that CLC had carried out interventions into six practices during 2013.

- Two interventions in 2013 were due to dishonesty.

Action:

Alert our professional community within our communications update to the fact that a lottery-based activity requires a gambling license.

15. Publication of Disciplinary Determinations Proposed Consultation

Summary

A revised and more open Publication Policy was discussed and approved at the Council meeting in December 2013. It was agreed that the policy for publication of disciplinary determinations should also be reviewed, but required consultation.

The paper proposed a position for consultation on the CLC approach to publication of disciplinary determinations made by the Adjudication Panel.

Recommendations

Council commented on the draft consultation positioning.

- The current policy of publishing the names of respondents where a penalty exceeds £5,000 was discussed and it was agreed that the CLC should consult on the removal of the threshold.
- The consultation paper should explore whether the Adjudication panel should be invited to recommend publication (or not) of its determinations on a case by case basis.

Action:

1. *Discuss with Adjudication Panel at their meeting on 4th April 2014.*
2. *Take proposal forward to consultation with findings discussed with SMT and then recommendations taken to Council meeting on 24th July 2014.*

16. Audit Committee Minutes

The Audit Committee Minutes of 30th January 2014 were noted.

The Council meeting ended at 14.20 followed by a closed session by Council

The next Council workshop will be held on Thursday 13th March 2014 at Regus, City Point, 1 Ropemaker Street, London, EC2Y 9HT. The next Council meeting will be held on 1st May 2014 at CML Offices, Holborn.

Signed by Chair Date.....