

**Council Meeting**  
**To be held on**  
**27 April 2017**  
**10.00 a.m. – 12.30 p.m.**  
**CAN, Bank Room, 49-51 East Road, London,**  
**N1 6AH**  
**A G E N D A**

No	Item	Publication Status	Type of Paper	Lead
1.	<b>Welcome, Introductions and Apologies for Absence and Declarations of Interest</b>		For recording	<b>Chair</b>
2.	<b>Minutes and Matters Arising</b>  a) Minutes of the meeting of the Council held on 25 January 2017  b) Minutes of the meeting of the Council held on 28 March 2017 by teleconference  c) To note actions arising from previous meetings.	a) for publication - subject to redaction of information relating to policy in development . b) for publication - subject to redaction of commercially confidential information c) Actions from previous meetings have not been published as these have been published within written minutes of past meetings	Approval  Noting	<b>Chair</b>
3.	<b>Decision taken outside Council meeting:</b>  a) Ratification of Outputs from Strategy Workshops	Not for publication – contains information relating to policy in development and intended for future publication.	Approval	<b>Director of Strategy and External Relations</b>
4.	<b>CEO Report</b>	Not for publication – contains information which has been provided in confidence or which will be subject to future publication	Noting	<b>Chief Executive</b>
5.	<b>CMA Update</b>	Not for publication – contains information which is policy in development and intended for future publication	Approval	<b>Chief Executive</b>

No	Item	Publication Status	Type of Paper	Lead
6.	<b>Management Report</b> a) Q1 Performance Outturn b) Interventions & Watchlist c) Principal Risk Register d) Property News Round up	a) for publication, subject to redaction of commercially confidential material b) not for publication – contains information relating to ongoing investigations, proceedings and enforcement action c) not for publication – contains information, the disclosure of which would be prejudicial d) for publication	Review and noting	<b>Director of Finance and Operations</b>
7.	<b>Governance</b> a) Appointments to Council Committees	Not for publication – contains information intended for future publication	Approval	<b>Chair</b>
8.	<b>Performance Evaluation</b> a) Evaluation of CRM b) Evaluation of Education	a) Not for publication – contains commercially confidential information b) Not for publication – contains commercially confidential information	Noting	<b>Director of Strategy and External Relations</b> <b>Director of Regulatory Standards</b>
9.	<b>Indicative Sanctions Guidance</b>	Not for publication – contains information relating to the development of policy, which is intended for future publication	Approval	<b>Director of Regulatory Standards</b>
10	<b>Reviewing Regulatory Arrangements</b>	Not for publication – contains information relating to the development of policy, which is intended for future publication	Approval	<b>Director of Regulatory Standards</b>

No	Item	Publication Status	Type of Paper	Lead
11.	<b>Practice Fee and Compensation Fund Contribution November 2017 – October 2018</b>	Not for publication – contains information intended for future publication	Approval	<b>Director of Regulatory Standards</b>
12	<b>Committees</b> <b>a) Audit and Risk Committee</b> Draft minutes of meetings held on 21 March 2017 and 18 April 2017  <b>b) Remuneration Committee</b> Draft minutes of meeting held on 9 March 2017	Not for publication – policy in development  Not for publication – policy in development and personal information	Noting  Noting	<b>Committee Chair</b>  <b>Committee Chair</b>
13.	<b>Council Work Plan for 2017</b>	For publication	Noting	<b>Chief Executive</b>
14.	<b>Any Other Business</b>  (Items to be advised by email in advance to Helen Reihill)			
15.	<b>Dates of Next Meetings</b>  <b>Council Workshop: 8 June 2017</b> <b>Full Council: 27 July 2017</b>			



**Council for Licensed Conveyancers**  
**Minutes of the Council meeting held**  
**on**  
**Wednesday 25 January 2017**  
**at**  
**CAN Mezzanine, East Road, London, N1 6AH**  
**08.50h – 11.50h**

**Council Present**

Dame Janet Paraskeva (Chair)	Mr J Jones
Ms. J. Smith	Ms A Pierce
Mr A Clark	Ms T Perchard
Mr A Cogbill	Mr Q Quayle
Mr R Gurney	Ms J Smith

**CLC in attendance**

Ms S Kumar	Chief Executive
Mr S Ward	Director of Strategy and External Relations
Mr S Blandy	Director of Regulatory Standards
Mr J Hinrichsen	Director of Finance and Operations
Ms A Cosens	Head of Executive Office – minute taker

**Apologies**

Mrs H Foster

**1. Welcome, Introductions, Apologies and Declarations of Interest**

Apologies for absence were received from Heather Foster.

There were no additional declarations of interest to those which had previously been declared. Quinton Quayle highlighted the following interests, which had been declared previously:

- Director of 2Gether NHS Foundation Trust
- Senior Advisor, Prudential Plc
- Member of the Governing Counsel, Nursing and Midwifery Council
- Honorary Chairman, International Beverages, which includes Thai Beverages.

**2. Lord Keen of Elie, QC, Minister for Ministry of Justice**

Lord Keene of Elie, QC, Ministry of Justice Minister with responsibility for legal services and Advocate General for Scotland joined the Council meeting to speak about the government's plans for legal services. His attendance also provided an opportunity to set out the progress that the CLC has made in recent years, and its plans for the future.

After a wide ranging discussion the Chair thanked Lord Keen for joining the meeting and for his input.

### **3. Minutes of the meeting of the Council held on 3 November 2016.**

The Council was advised that most of the actions arising from its previous meeting had been completed. The following, in particular, were highlighted:

- Action Nov/002 – Green paper on complaints, disciplinary data, quality and price transparency on conveyancing is planned for publication;
- Actions Nov 003/004/010 – (publication) were dependent upon agreement of the Minutes of the previous meeting, following which they would be taken forward
- Action Nov/006 – The Annual Regulatory Return Report had been published in December, and was therefore complete.

The Council **AGREED** that minutes of the meeting of the Council held on 3 November 2016 be approved as a correct record, subject to minor amendments.

### **4. Chief Executive Officer's Report**

The CEO presented her quarterly report.

The following current issues, were highlighted:

- The Annual Regulatory Return, which had been published in November 2016, had received positive feedback from the LSB's research team;
- The new educational qualifications had been well received, and training providers had responded to student feedback with immediate improvements. Applications to study probate had exceeded expectations;
- The CLC recently responded to the LSB concerning its business plan, particularly relating to their resources to enforce;
- HMRC had recently clarified the process for making payment on account, as well as the basis for charging interest and penalties. Provision for the likely interest has been included in the end of year accounts;
- The Financial Conduct Authority has taken on board the CLC's concerns about lender panels and commercial arrangements that could impact on consumer choice of mortgage product within the terms of reference for its Mortgages Market review. The Council was advised that the outcome of the Mortgages Market Review would feature on the Building Societies Association website, once completed.
- The potential for the introduction of smart cards for lawyer ID, similar to that used by the Law Society of Scotland is being explored. If the scheme has potential, a full business case will be brought to the Council at a later date.

- The CLC is currently tendering for outsourced support services to be provided on a flexible, demand led basis to support with monitoring inspections, legal and intervention services.
- Prior to Christmas, the CLC joined with a number of other chief executives of front line regulators to press the Legal Services Board to move forward on the full separation of representation from regulation in the consumer and public interest.
- Sheila Kumar has been appointed to chair the cross-sector programme board which will be reviewing the outcomes arising from the CMA report.

The Council was informed that the CMA and SRA have volunteered some administrative resource for the CMA Programme Board, the key focus of which would be the development of action plans. It is envisaged that meetings of the Board will take place on a quarterly basis, and the Chief Executive would report back on additional support requirements for the Senior Management Team for the core work of the CLC once the terms of reference and timeline, which are being developed at the moment, have been finalised.

It was suggested that it would be useful for the CLC to consider associate membership of the Building Societies Association, which would facilitate a dialogue with mortgage lenders on current and emerging issues, as well as access to analysis of market information and the Association's Annual Conference.

The Council:

- (1) **NOTED** the Chief Executive's report on current issues and congratulated Sheila Kumar on being appointed as Chair of the CMA Programme Board and on the positive developments in Education;
- (2) **AGREED** to explore associate membership of the Building Societies Association

**Action Council/Jan/001** - to discuss associate membership of the Building Societies Association.

## 5. Management Report

### a) Q4 Performance Outturn

In introducing the report, the Director of Finance and Operations advised that the provisional outturn had been reviewed by the Audit and Risk Committee at its meeting on 17 January 2017, and that the full year performance was as expected.

The following points, in particular, were highlighted:

- The CLC has received an operating surplus of £473k, which is in excess of budgetary projection;
- The increase in free cash reserves is lower than the surplus reflected in the accounts due to a transfer of funds between the Practice Fund and the Compensation Fund in January 2016 to settle accumulated loan funds.

- The Compensation Fund is showing a full year surplus, due to the taking on of aged balances and intervention funds, which is partially offset by a new provision for interest potentially claimed by HMRC
- Specific variances were detailed within the report
- Provision has been made for a contingent liability claim.

Notwithstanding the positive financial position, it was observed that budgetary variances could signify a lack of stability in financial projections.

The Council was advised that annual projected practice fee income is based on conservative estimates taken from the previous year. During 2015 and 2016, the sale of CLC properties, recruitment activity arising from the relocation to London and the devolution of the education function had meant some uncertainty in terms of timing of planned activities. Quarterly performance is reviewed in detail by the Audit and Risk Committee. It was recommended that, looking forward, there should be less reported variances within the budget.

It was indicated that an analysis of the market size and impact of practices joining the CLC's regulatory schemes would be useful in the context of business and strategic planning, and it was agreed to provide an overview of the CLC's regulated community over the past 3 years within the subsequent report.

It was highlighted that the charts showing the gender of CLC staff on page 16 of the report were unclear, and it was agreed to review the format in advance of the Council's next meeting.

The Council:

- (1) **NOTED** key issues contained in the reporting suite of papers;
- (2) **AGREED** that the report would be published;
- (3) **AGREED** that staff be requested to review the presentation of the HR information in future reports.

**Action/Council/Jan/002** – to review the presentation of HR information within future reports.

## **b) Interventions & Watchlist**

The Council reviewed the watchlist and intervention activity during Quarter 4. The following points, in particular, were highlighted:

- 3 practices had been removed from the watchlist, as the concerns raised had been resolved
- No new practices had been added to the watchlist during Quarter 4.

It was noted that two practices had been on the watchlist in excess of 2 years. The Council was advised that this was to ensure that this was to ensure appropriate monitoring and support and that in some instances the concerns were minor, and to protect consumer interests. It was agreed to review the terminology and details supplied within submitted reports in future.

The Council:

- (1) **NOTED** the contents of the Watchlist;
- (2) **AGREED** to review the terminology and details within future reports.

**Action/Council/Jan/003** – to review the terminology and presentation of the regular Watchlist and Intervention report.

#### **c) Principal Risk Register**

The Council was advised that the Risk Register had been reviewed by the Audit and Risk Committee at its meeting on 17 January 2017.

It was observed that the risk register was well presented and captured the mitigating actions well.

The Council **NOTED** the assessment of the status of the principal risks.

#### **d) Property News Round Up**

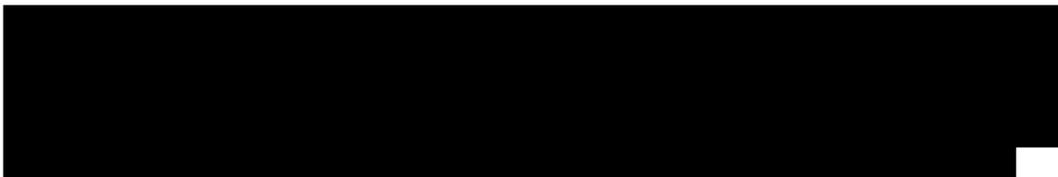
The Council observed that the news round-up was informative. It was suggested that a distinction should be made between references to Brexit and the outcome of the Referendum within the round up report and the Annual Report.

The Council **NOTED** the CLC's Property and Law Round Up and agreed to its publication.

### **6. Proposed Budget 2017**

The Director of Finance and Operations, in introducing the report, highlighted that the 2017 budget represents a continuation of that developed in 2016, incorporating much of the same principles and assumptions. Education related income and expenditure has been removed, following the transition of the service to the Scottish Qualifications Authority. Key workstreams will continue with the focus being on:

- The review of regulatory arrangements
- Development and refinement to monitoring and inspection processes
- Planned work that can also be cross referenced to the CMA report.



The following points, in particular, were drawn to the Council's attention:

- The Practice Fund and the Compensation Fund have been constructed on a 'bottom up' basis
- The majority of projected expenditure represents fixed costs
- A discretionary provision for advertising and marketing expenditure has been included
- November 2016 turnover has been used as a predictor
- The amount of practices who join or leave the CLC over the financial year is uncertain, therefore for the purposes of the forecast, it has been assumed that the level will remain the same
- Similarly, the costs to the Practice Fund of interventions and any aged balances which would transfer to the CLC are unpredictable

The Council requested additional details of the modelling activity on which the budget had been based. It was recommended that growth be factored into the strategy and that the forecast include stress tests associated with a downturn in the market.

The Council:

- (1) **AGREED** to request officers to circulate additional information relating to the models on which the proposed budget was based;
- (2) **AGREED** that the proposed budget incorporate stress tests to allow for a potential market downturn;
- (3) **AGREED** the proposed 2017 Budget (subject to (1) and (2) above).

**Action/Council/Jan/004:** To consider whether or not to run a further rate reduction at a future meeting.

## **7. Marketing and Communications Plan 2017**

The Council received a high level evaluation of the CLC's marketing and communication activities in 2016 and the outline plan for 2017. It was highlighted that the CLC is aiming to earn additional editorial space from the review of the CLC's handbook and its work to respond to the CMA's recommendations on price and transparency.

The Council was advised that a joint Legal Futures/New Statesman series of round tables will be examining the impact of artificial intelligence on delivery and regulation of legal services. The New Statesman has been selected as a partner in order to raise visibility with those MPs who have an interest in the future of legal services.

Whilst the level of advertising planned for the forthcoming year is in line with 2016, there will be a greater emphasis on thought leadership and education. The navigation and content of the CLC's website and links with the Legal Choices website will be reviewed as part of the response to the CMA's transparency agenda and the recommendations on information remedies within legal services.

The Council **NOTED** the Marketing and Communications Plan 2017.

## **8. CLC Practice Licensing Framework**

The Council reviewed a proposal to align the process of authorisation requirements for Licensed Bodies (ABS) with Recognised Bodies (RBs) and to amalgamate both into a single CLC Practice Framework. The Council was advised that there are currently 69 ABS, some of which are sole practitioners.

In introducing the report, the Director of Regulatory Standards explained that the objectives of the proposal are to:

- Remove unnecessary burdens and costs on regulatory practices;
- Maintain a consistent standard of client and consumer protection, which would be facilitated by a single point of contact;
- Operate the authorisation process cost effectively, which will encompass an annual review as opposed to an annual renewal.

The Council was advised that the proposal would be subject to a 12 week consultation period and would require the approval of the Legal Services Board. It would also be discussed with the Legal Services Consumer Panel

The Council **AGREED**:

(1) To consult on the following proposals:

- Alignment of the authorisation requirements for ABS and RBs, which would consist of:
  - Requirement for all practices to appoint a Head of Legal Practice (HoLP) and Head of Finance and Administration (HoFA);
  - Extending the period RB licences are issued from one year to an indefinite period, replacing the 'annual renewal process by an annual review
  - Making operational changes and improvements to the CLC's authorisation processes.

(2) Subject to the outcome of consultation, to submit the proposal to the Legal Services Board for approval.

**Action/Council/Jan/005:** to consult on the proposal to align the authorisation requirements for ABS and RBs.

**Action/Council/Jan/006:** Subject to the outcome of the consultation process, to submit the above proposal to the Legal Services Board for approval.

## **9. Draft Annual Report 2016**

The Council was invited to consider and comment on the draft narrative for the Annual Report 2016, and to delegate authority to the Chair and Chief Executive to

finalise the report prior to its submission to the Secretary of State for Justice and the Legal Services Board, along with the Annual Financial Statements.

Members were invited to advise the Secretary of minor typographical errors.

The final draft would be circulated prior to submission.

The Council:

- (1) **AGREED** to delegate authority to the Chair and Chief Executive to finalise the report prior to its submission to the Secretary of State for Justice and Chief of the Legal Services Board;
- (2) **NOTED** that a final draft of the Annual Report would be circulated to members electronically.

**Action Council/Jan/007:** Chair and Chief Executive to finalise the narrative of the Annual Report and to circulate a near final version to Council members.

## 10. Reports and Minutes of Committees

### a) *Audit and Risk Committee*

Alex Clark introduced the Chair's Annual Report of the Audit and Risk Committee for the year ended 31 December 2016, which reflects the business undertaken during the year and commended it to Council.

The Council was advised that the Annual Accounts will be considered by the Audit and Risk Committee on 21 March 2017, prior to submission to Council on 28 March 2017.

The Council

- (1) **NOTED** the Annual Report of the Chair of the Audit and Risk Committee for the year ended 31 December 2016; and;
- (2) **NOTED** the Minutes of the meeting of the Audit and Risk Committee held on 17 January 2017.

### b) *Remuneration Committee*

Jan Smith, Chair of the Remuneration Committee, introduced the Chair's draft Annual Report of the Committee's activities during the year 2016, highlighting that it is subject to finalisation by the Remuneration Committee. She highlighted that 2016 had been a constructive and positive year for the Committee following the considerable workload of the previous year, which had overseen a major reorganisation and relocation.

The Council:

- (1) **AGREED** to place on record its thanks to Jan Smith for chairing the Committee and effectively;
- (2) **NOTED** the draft Annual Report of the Chair of the Remuneration Committee;

(3) **NOTED** the draft minutes of the Remuneration Committee held on 3 November 2016.

## 11. Council Workplan

Council members were advised that the Berkeley Partnership would be in contact to schedule meetings to discuss the CLC's future strategy.

It was agreed to circulate a proposed schedule for Council meetings in 2018 to members for comment. It was highlighted that most governing bodies will follow similar scheduling arrangements each year.

The Council:

- (1) **NOTED** the Council Workplan for 2017;
- (2) **AGREED** to add a review of the CLC strategy to the items for consideration at its workshop on 8 June 2017, in addition to the item planned 9 March 2017;
- (3) **AGREED** the following dates of meetings during 2017:
  - 25 January 2017 – Council Meeting
  - 9 March 2017 – Council Workshop
  - 27 April 2017 – Council Meeting
  - 8 June 2017 – Council Workshop
  - 27 July 2017 – Council Meeting
  - 21 September 2017 – Council Workshop
  - 2 November 2017 – Council Meeting.

**Action/Council/Jan/008:** to schedule meetings to discuss strategy with Council members.

**Action/Council/Jan/009:** To circulate a schedule for Council meetings 2018.

## 12. Any Other Business

No additional items of business had been notified.

The Council discussed the options and preferences for receipt of Council agenda and papers.

It was **AGREED** that Council agenda should continue to be provided to members in paper format.

## 13. Date of Next Meeting

Thursday, 27 April 2017.



**Council for Licensed Conveyancers**  
**Minutes of the Council meeting held**  
**on**  
**Tuesday 28 March 2017**  
**by teleconference**

**Council Present**

Dame Janet Paraskeva ( <b>Chair</b> )	Mr A Clark
Mr A Cogbill	Mrs H. Foster
Mr J. Jones	Mr R Gurney
Mr Q Quayle	Mr Q Quayle

**CLC in attendance**

Ms S Kumar	Chief Executive
Ms A Cosens	Head of Executive Office – minute taker

Mr. M. Smith, Scrutton Bland (External Auditor)

**Apologies**

Ms T. Perchard, Ms A. Pierce, Ms. J. Smith

**1. Welcome, Introductions, Apologies and Declarations of Interest**

There were no additional declarations of interest to those which had previously been declared.

**2. External Auditor's Report Presented to Audit and Risk Committee, 21 March 2017 and Management Letter**

Mark Smith, Responsible Individual, introduced the external audit of the CLC's financial statements for the year ended 31 December 2016.

The Council:

- (1) **NOTED** that the 2016 audit of the CLC's financial statements had been presented to the Audit and Risk Committee meeting on 21 March 2017;
- (2) **NOTED** that an unqualified audit report was being proposed;
- (3) **APPROVED** the CLC Management Letter addressed to Scrutton Bland dated 28 March 2017; and
- (4) **AUTHORISED** Janet Paraskeva as Chair and Sheila Kumar as Chief Executive to sign and issue the Management Letter.

**3. CLC Annual Financial Statements 2016**

The Director of Finance and Operations introduced the CLC's Annual financial Statements for the year ended December 2016.



It was reported that the HMRC had agreed to a payment on account arrangement

[REDACTED]

which is consistent with standard practice.

The Council:

- (1) **APPROVED** the CLC's financial statements for the year ended 31 December 2016; and
- (2) **AUTHORISED** Janet Paraskeva as Chair and Sheila Kumar as Chief Executive to sign the annual financial statements and arrange for their publication.

#### **4. Date of Next Meeting**

Thursday, 27 April 2017 at 10.00 a.m. – 3.00 p.m.

## **RATIFICATION OF DECISIONS TAKEN OUTSIDE COUNCIL MEETINGS**

**Purpose:** For decision

**Author:** Stephen Ward

**Approver:** Sheila Kumar

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### **Summary**

At a workshop session on 9<sup>th</sup> March 2017, the full Council considered a range of issues relating to the strategic direction of the CLC. The outputs from that session were captured in a note circulated on 22<sup>nd</sup> March and since discussed with individual Council Members. The final version of those outputs is attached at Annex A.

### **Recommendations**

Council as asked to approve the note at Annex A as an accurate record of the progress made to define the direction of the travel for the CLC as we settle the five-year strategy for the organisation.

### **Risk Management**

Setting a new strategy for the CLC is intended to address better risks already identified in the CLC' strategic risk register as well as new risks identified through the strategy development process.

### **Financial impact**

Agreement of the record of the 9<sup>h</sup> March workshop does not give rise to any financial commitment or implication. Those will be identified for agreement at later meetings of the Council as the plan to implement an agreed strategy is developed.

### **Diversity and Inclusion Impact**

The CLC's new strategy will need to be implemented in a way that supports the delivery of the CLC's diversity and inclusion obligations and policies.

### **Communication Requirements**

None arising from the paper.

### **Publication status of this paper**

Only the summary sheet of this paper, not the annex which is policy in development and which will be published when finalised.



## **CLC Council Meeting**

### **CEO Report**

**Purpose:** Noting

**Author:** Sheila Kumar

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#### **Summary**

The Chief Executive's regular report to Council on current issues.

#### **Recommendations**

The Council is asked to note the contents of this paper.

#### **Risk management**

Where appropriate, risk is covered in each item contained in this report.

#### **Financial impact**

No negative financial impact on 2017 budget expenditure.

#### **Diversity and inclusion impact**

No diversity or inclusion impact resulting from the contents of this paper.

#### **Communications requirements**

This report is an update for Council members only.

#### **Publication status**

Not for publication.





**CMA Update and CLC Action plan**

**Date:** 27 April 2017  
**Purpose:** Approval  
**Author:** Sheila Kumar

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**Summary**

Following a year long market study into the legal services sector, the CMA published its findings and recommendations in December last year. An implementation group has been established and met. Action plans are due for publication by the end of June 2017. To date there has been much collaboration between certain of the regulators, particularly between CLC and SRA, and also with the CMA to establish informal agreement about the scope of expectation. LSB has an oversight role in judging the sufficiency of plans and the adequacy of implementation, though has agreed not to second guess the regulators. CMA will itself review progress within a three year window.

**Recommendations**

This paper contains a summary of the recommendations made by the CMA in the categories presented in its final report. Underneath each table of CMA recommendations Council will see a status update and recommendation(s) for decision. These will inform the CLC action plan.

Sections and pages are numbered as below:-

- 1. Transparency.....page 5-6, recommendation page 6
  - 1.1. Price.....page 7-12, recommendation page 11
  - 1.2. Quality (service and redress).....page 12-14, recommendation page 13-14
- 2. Helping consumers navigate the sector.....page 15-18, recommendation page 17-18
- 3. Facilitating comparison.....page 19-21, recommendation page 20-21
- 4. Consumer protection.....page 21-22, recommendation page 22
- 5. Regulatory framework.....page 23-25, recommendation page 25
- 6. Implementation.....page 25-29, recommendation page 26,27,28

Council is recommended to note the update and to agree the recommendations for each section of actions.

## **Risk Management**

Risk management implications are discussed within the individual action areas of the report.

## **Financial impact**

The financial impact is dealt with in the individual action areas. At this time, the main identified costs centre on the increased need for research to provide an evidence base for possible developments and also an increased cost for the development and then ongoing maintenance of website provision, particularly to Legal Choices.

Should there be a requirement for more development of tools to assist the profession, there would be a development cost, which would likely require upfront funding.

A further resource impact is on staff time. The capacity we may need to augment in dealing with the recommendations is under active consideration in new recruitment.

## **Diversity and Inclusion Impact**

A key driver for the CMA recommendations was to assist consumers in accessing and navigating the legal services market. In taking the recommendations forward the intention would be to have a positive impact on all matters of diversity and inclusion.

## **Communication Requirements**

None for this paper. The action plans are to be published by 30 June 2017 and will be circulated to colleagues in other regulators as part of Implementation Group actions in May. The draft action plan will then be circulated to Council in early May prior to circulation to the Implementation Group. The final draft will then be circulated to Council prior to the Council workshop on 8 June prior to publication by 30 June deadline.

## **Performance Pack Report – Q1 Out-turn**

**Purpose:** Noting

**Author:** Jason Hinrichsen

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### **Summary**

This report comprises of the following elements:

**Section 1:** The out-turn figures have previously been reported to the Audit and Risk Committee on 18 April 2017 and have been updated to include any comment or discussion items.

**Section 2:** Operational performance indicators.

**Section 3:** Human Resources indicators

**Section 4:** Complaints made against the CLC

**Section 5:** Procurement

**Section 6:** Projects

### **Recommendations**

Council is asked to review and note the paper.

### **Risk management**

This report may identify financial or operational issues which may need to be mitigated.

### **Financial impact**

There is no direct financial impact.

### **Diversity and inclusion impact**

There is no impact on diversity or inclusion.

### **Communications requirements**

There are no communication requirements

### **Publication**

For publication

## **Section 1: Out-turn – Overview of financial performance to 31 March 2017**

### **PRACTICE FUND**

#### **1 Financial Performance**

The Practice Fund financial results are summarised below:

Council for Licensed Conveyancers Income Statement for Q1	January - March 17		Variance	Var
	Actual	Budget	YTD	%
<b>REVENUE</b>	<b>656,880</b>	<b>645,776</b>	<b>11,104</b>	<b>2%</b>
<b>TOTAL STAFF COSTS</b>	<b>346,442</b>	<b>358,038</b>	<b>11,596</b>	<b>3%</b>
Salaries and Benefits	314,701	323,585	8,884	3%
Council Fees & Expenses	31,741	34,453	2,712	8%
<b>TOTAL OPERATING EXPENDITURE</b>	<b>260,747</b>	<b>313,993</b>	<b>53,246</b>	<b>17%</b>
External Relations	70,186	71,757	1,571	2%
Practice	26,208	28,908	2,700	9%
Regulatory	84,734	97,896	13,162	13%
Office Costs	79,619	115,432	35,813	31%
<b>SURPLUS</b>	<b>49,691</b>	<b>(26,255)</b>	<b>75,946</b>	<b>289%</b>

At the end of the first quarter we are reflecting a positive variance against budget on all line items.

Year to date revenues are 2% better than budgeted, this positive variance can be attributed to growth in individual licenses issued as well as additional practice license fees attributed to new practices coming into CLC regulation.

Staff costs are 3% below budget. The positive variance is attributed to timing of recruitment costs which have not yet been incurred.

Operating expenditure is 17% below budget. The contributing components of this variance are summarised below:

- **External Relations** costs are 2% under budget (£1,571 positive variance)  
The variance is attributed to underspend on consultancy costs due to timing, partially offset by overspend on marketing expenditure which is also related to timing of expenditure versus budget.
- **Practice** costs are 9% under budget (£2,700 positive variance). The variance is attributed to lower than budgeted storage costs.
- **Regulatory** costs are 13% under budget (£13,162 positive variance) the positive variance is driven by a reduction in the accrual of LSB/OLC costs which has been reduced following the receipt of updated figures from LSB/OLC in February. The general consultancy provision has also not yet been used, further contributing to the positive variance.
- **Office costs** are 31% under budget (£35,813 positive variance) Generally, office related costs are underbudget, most notably Internal Audit, telephone & internet cost and professional service costs. The remainder of the variance is attributed to the timing of the Berkeley Partnership invoice.

## 2 Cash reserves

As at 31 March 2017 the cash position of the Practice Fund can be summarised as follows:

Practice Fund			Increase / (Decrease)
Cash Reserves as at March 2017	YE Dec 16	Mar-17	
Minimum Reserves	1,000,000	1,000,000	-
Free Cash Reserves	2,725,386	2,510,817	(214,569)
<b>Total Cash in Hand</b>	<b>3,725,386</b>	<b>3,510,817</b>	<b>(214,569)</b>

Free cash is all cash not allocated to any reserve or specific purpose or source, and is thus surplus to minimum requirements.

The decrease in the free cash reserve is due to timing of cash receipts. We receive a good proportion of annual receipts in November, and the remaining balances in monthly instalments. Cash reserves increase during license renewal and decrease over the remainder of the year as operating expenditure exceeds monthly inflows.

## COMPENSATION FUND

### 1 Financial Performance

Council for Licensed Conveyancers Income Statement for Q1	January - March 17		Variance YTD	Var %
	Actual	Budget		
Practice contribution revenues	160,838	155,813	5,025	3%
Aged Balances received	49,501	-	49,501	-
Intervention funds received	185	-	185	-
<b>TOTAL REVENUE</b>	<b>210,524</b>	<b>155,813</b>	<b>54,711</b>	<b>3%</b>
<b>TOTAL EXPENDITURE</b>	<b>9,595</b>	<b>53,017</b>	<b>43,422</b>	<b>82%</b>
Compensation claim provision	680	30,000	29,320	98%
Legal Fees Re. Comp Fund Claims	4,482	13,716	9,234	67%
Intervention Consultancy	4,132	9,000	4,868	54%
LC's Run Off Cover (Future)	301	301	-	0%
<b>SURPLUS</b>	<b>200,929</b>	<b>102,796</b>	<b>98,133</b>	<b>47%</b>

The Compensation Fund is has generated a surplus of £200,929 in the first quarter and a positive variance against budget of £98,133. The positive budget variance can be attributed to:

- Aged balance funds received from practices, for which we do not budget.
- Lower than budgeted Compensation claim provisions.
- Lower than budgeted intervention consultancy cost, largely driven by timing of invoices. We expect further cost later in the year following recent interventions and possible regulatory actions.

- 

## 2 Cash Reserves

The cash reserves of the Compensation Fund can be summarised as follows:

Compensation Fund			Increase / (Decrease)
Cash Reserves as at March 2017	YE Dec 16	Mar-17	
Minimum Reserves	2,000,000	2,000,000	-
Free Cash Reserves	2,769,315	2,750,152	(19,163)
Aged Balances Reserves	724,931	774,432	49,501
Intervention Funds	726,856	727,041	185
<b>Total Cash in Hand</b>	<b>6,221,102</b>	<b>6,251,625</b>	<b>30,523</b>

The decrease in the free cash reserve is due to timing of cash receipts. We receive a good proportion of annual receipts in November, and the remaining balances in monthly instalments. Cash reserves increase during license renewal and decrease over the remainder of the year as operating expenditure exceeds monthly inflows.



[Redacted]	[Redacted]



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[Redacted]

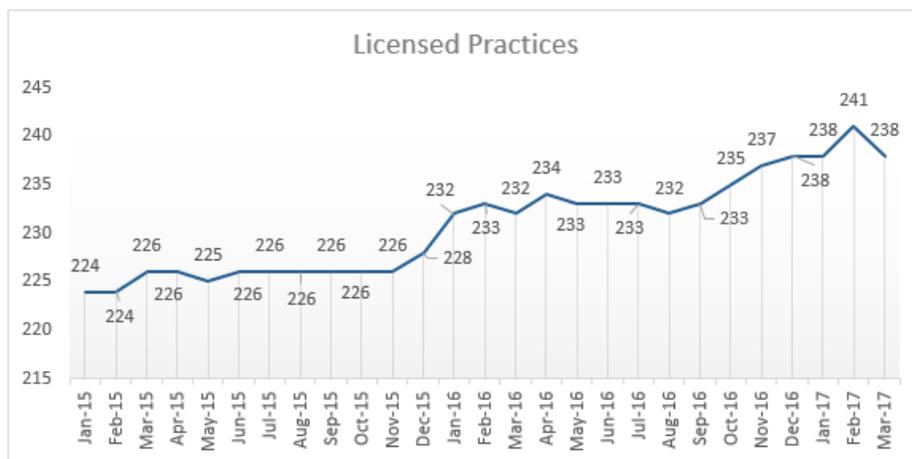


For publication – commercially sensitive, personal information and information intended for future publication has been redacted.

**Council  
27 April 2017  
Item 6 (a)**







- The number of practices under CLC regulation has not increased during the first quarter of 2017.

The practices regulated by the CLC at the end of March 2017 is summarised by entity type below:

Practices by Entity Type		ABS
Limited Company	152	56
Limited Liability Partnership	14	4
Partnership	19	
Sole Practitioner	53	
<b>Total</b>	<b>238</b>	<b>60</b>

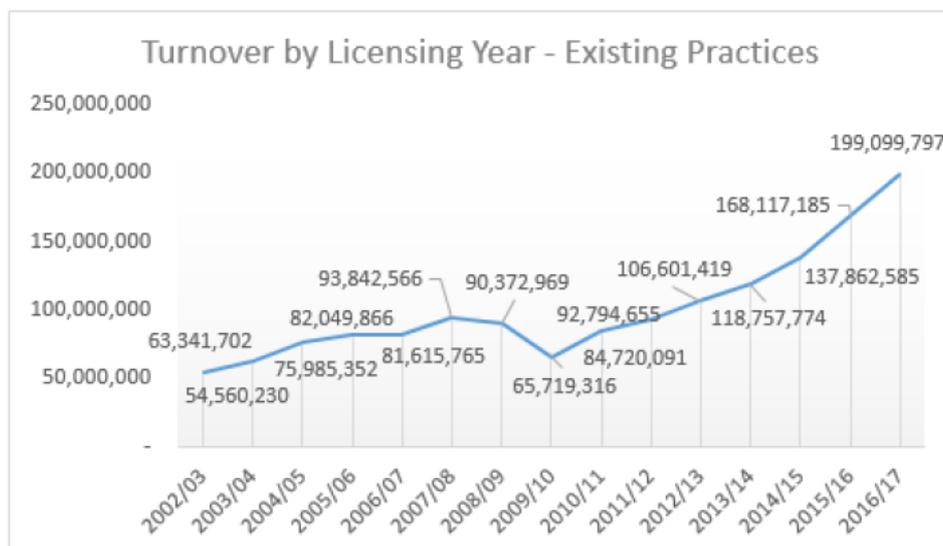
There are currently 60 (59 at the end of Q4 2016) regulated practices that are registered as Alternative Business Structures.

The table below summarises movement in the number of practices and declared turnover from the beginning of the last renewal period starting 1 November 2016.

Growth in turnover under CLC regulation	Nov 16 - Mar 17	
	No. of entities	Declared turnover (£)
Practices at Nov 16 renewal	235	199,099,797
New practices added	7	3,172,280
Less: Closed practices	-4	(471,133)
<b>Total at 31 March 2017</b>	<b>238</b>	<b>201,800,944</b>
<b>Net growth in turnover</b>		<b>2,701,147</b>

During the 6 months covered by the review period, 7 new practices have come under CLC regulation adding £3.2m to the declared turnover under regulation. Over the same period 4 practices closed reducing declared turnover by £471k.

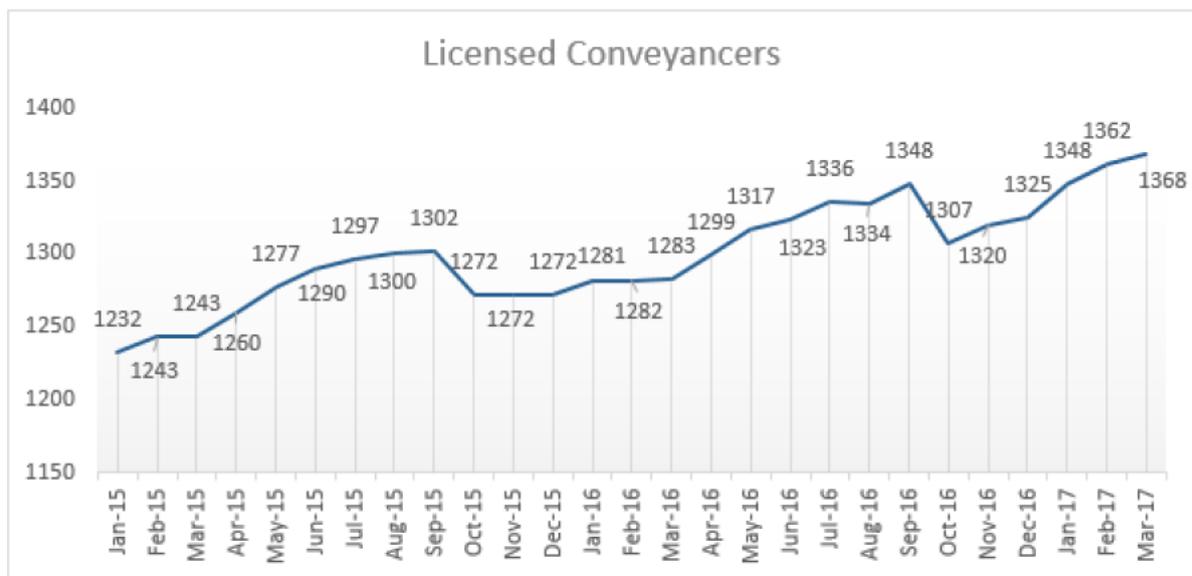
The table below summarises the declared turnover at license renewal point since 2002.



- 43 new individual licenses were issued in the first quarter of 2017. The table below summarises the individual licenses issued:

Individual License Holders	Employed	Manager	Total Q1 2017	Dec 16 Total
Probate	1	2	3	2
Conveyancing	969	326	1,295	1,254
Probate & Conveyancing	21	49	70	69
	991	377	1,368	1,325

The growth in individual license holders since January 2015 is captured in the graph below:

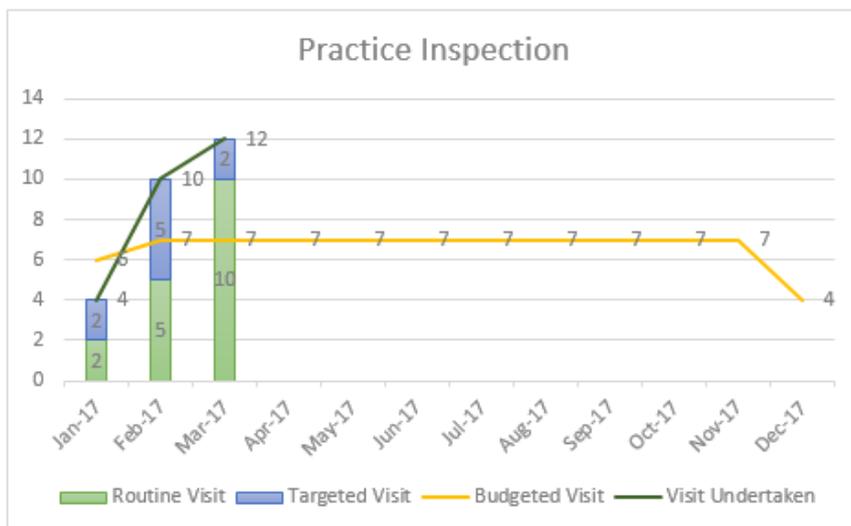


**Section 2.2 – Inspections & Monitoring**



- Over the last 12 months the number of practices on the watchlist have steadily declined due to active management of cases.
- During Q1 the following movements were recorded:
  - A practice was removed (due to an intervention into the practice)
- In April 2017 a further practice was added to the watchlist and a practice was removed following resolution of the concern.

Inspections conducted year to date have been summarised below:



17 routine and 9 targeted inspections have been conducted in the first quarter of 2017.

The status of accountant's reports received for the 2015 and 2016 financial years are summarised below:

Accountants Report	FYE 2015	FYE 2016
Received	223	168
Submitted Late	55	31
Not yet Submitted	1	5
Qualified	64	52
Qualified rate (received)	29%	31%

Although the rate of qualifications has increased year on year, we cannot yet conclude that there is an upward trend in qualification as we have only received 71% of the FYE2016 reports. All qualified reports are reviewed and logged immediately to determine what action needs to be taken. Action is dependent on the type of breach (significant or trivial), whether it was accidental or negligent and whether it has been resolved. Action would include asking for further details or scheduling a targeted inspection.

The most common reasons for qualifications include

- Bank reconciliations prepared late or incorrectly.
- Bookkeeping errors.
- Receipt and payment made from client account in contravention of the accounts code.
- Issues with the office side of the client account.
- Issues with the sample of reconciliation statements selected.

**Section 3 – Human Resources**

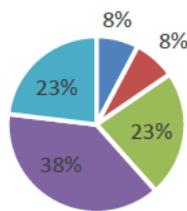
Sickness and Absence Statistics	Full Year 2016	Q1 2017
Equivalent Employees	16.75	15.5
Total work days	4,218	961
Sick days taken	69.5	13
% of work days absent	2%	1.35%

Type	2016 YE	Q1
Employee	17	13
Contractor	2	2
Council member	10	10
Resignations/redundancy	0	4

Staff movements:

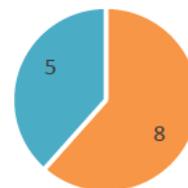
- 3 staff members were made redundant following a restructure of the Strategy and external relations team.
- 1 staff member resigned in February.

**Staff Grading**



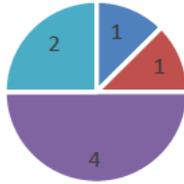
■ CEO ■ Senior Manager ■ SMT ■ Manager ■ Admin

**Staff Gender**



■ Female ■ Male

**Staff Grading - Female**



■ CEO ■ Senior Manager ■ SMT ■ Manager ■ Admin

**Staff Grading - Male**



■ CEO ■ Senior Manager ■ SMT ■ Manager ■ Admin

#### **Section 4 - Complaints against the CLC**

No complaints have been raised against the CLC in Q1 2017 (2016: 5). There are currently no unresolved complaints.

No instances of whistleblowing have been reported.

#### **Section 5 - Procurement**

A tender waiver was agreed in January 2017 for the procurement of facilitation services from Berkeley Partnership in relation to the development of the CLC Strategy.

Other than the above, no significant goods or services were procured during Q1 2017.

#### **Section 6 - Projects**

Other than the Strategy development exercise no projects are ongoing.

## **CLC Watchlist & Interventions**

**Purpose:** Noting  
**Author:** Jason Hinrichsen

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### **Summary**

This is a regular Council paper which provides an update on the Practices that have been assigned to the watchlist.

The CLC's aim is to ensure that it raises regulatory issues with a practice as early as possible to avoid the risk of a practice failing to meet its regulatory responsibilities. Where it concludes that issues with a practice are or may become significant, that practice is placed on the watchlist and is monitored intensively to mitigate risk to the consumer; risk of claims on that practice's professional indemnity insurance; and ultimately on the CLC's Compensation Fund. SMT review the watchlist on a weekly basis.

There have been 2 interventions in 2017. Further details of the circumstances are summarised in the report.

### **Recommendations**

Council is asked to review and note the paper.

### **Risk management**

Active management and monitoring of practices placed on the watchlist enable the CLC to mitigate the risk of losses to consumers, claims against PII insurance policies and ultimately the compensation fund.

### **Financial impact**

Failure of any practice may have a significant adverse impact on the consumer, the CLC and the profession.

### **Diversity and inclusion impact**

There is no impact on diversity or inclusion.

### **Communications requirements**

There are no communication requirements.

### **Publication**

Not for publication.



## **Principal Risk Register**

**Purpose:**                    **Review & Noting**

**Author:**                    **Jason Hinrichsen**

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### **Summary**

The Principal Risk Register as adopted by the Audit and Risk Committee and Council in January 2017 is attached for review and noting.

No adjustments to the risks, controls or rankings have been made or proposed since the previous Council meeting held on 28 January 2017.

The SMT have discussed and reviewed the Principal Risk Register in December 2016 and agreed that:

- 1) The existing risks are still valid and still adequately summarise the principal risks of the organisation.
- 2) Controls in place remain effective and adequately mitigate the risks.
- 3) Our assessment of the likelihood and consequences of risks before and after controls have not changed since the meeting on 28 January 2017.

### **SMT review in April 2017**

SMT reviewed the Principal Risk Register in the light of the current operating environment.

### **Recommendations**

Following review and ratification by the Audit and Risk Committee on 18 April 2017, Council are asked to review and note SMT's assessment of the status of the Principal Risks.

### **Risk management**

The report is for information only.

### **Financial impact**

There is no financial impact in relation to this paper.

### **Diversity and inclusion impact**

There is no impact on diversity or inclusion.

### **Communications requirements**

This paper is for Council and has been previously reported to the Audit and Risk Committee.



## **Background**

This is a regular report to the Council communicating the Audit and Risk Committee review and management's assessment of the principal risks.

## **Annexes**

Annex A – Risk Register

## **Publication**

Summary sheet only



## **PROPERTY AND LAW ROUND UP**

**Purpose:** For information

**Author:** Stephen Ward

**Approver:** Simon Blandy

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### **Summary**

The regular summary of information affecting the property market.

### **Recommendations**

This paper is for information only.

### **Risk Management**

Insight into the property market informs management of regulatory risks across the profession and risks to the CLC itself.

### **Financial impact**

None arising from the paper.

### **Diversity and Inclusion Impact**

None arising from this paper.

### **Communication and Publication Requirements**

This summary is also published on the CLC website and promoted through the newsletter.

## **Economic outlook**

Growth in the UK economy is expected to be around 1.8% this year, falling to 1.2% and 1.5% in 2018 and 2019 as domestic consumption falls and trade fails to compensate sufficiently even though overseas markets are reviving. (EY Item Club Spring Forecast, April 2017)

Households used savings and credit cards to increase their spending last year, pushing the saving ratio down to the lowest levels since records began in 1963 and pushing non-mortgage borrowing to high levels. Consumer spending now looks set to fall in the face of inflation (expected by the Bank of England to reach 2.7% by early 2018) and tighter loan criteria following an FCA investigation into lending. The minutes of the Bank of England's Monetary Policy Committee March Meeting noted:

'Measures of overall activity growth have been resilient, with official estimates indicating a fairly steady pace of expansion around historical average rates and business surveys suggesting little change in the near term. It is possible that slowing consumption may be offset to some degree by other components of demand, such as a more supportive net trade position following last year's fall in sterling and the recent pickup in global momentum.'

The Bank is widely expected not to increase interest rates from their current historic low of 0.25% until at least 2018 while inflation is expected to overshoot its 2% target by then before drifting back down.

Unemployment has fallen to its lowest rate since early 2005 (ONS) but average weekly earnings growth has remained weak, at 2.2% in January when larger rises would be expected with unemployment below 5%. Retail sales have been contracting and wages are expected to continue to stagnate.

## **Property Market**

On 13<sup>th</sup> April RICS issued a downbeat assessment of the UK housing market, reporting that 'new buyer enquiries and agreed sales [remained] stagnant in March' for a third successive month.

This is in contrast to the CML's Market Commentary issued in March 2017 which noted that transactions in February 2017 were above 100,000 for the second month in a row. The CML notes that with 340,000 first time buyers in the year to January, this group is larger than at any time since early 2008, indicating that government support is filtering through. Home ownership by 25-34 year-olds hit a low of 36% in 2014 and has risen slightly in recent years to 38% but is still much lower than ten years ago when it stood at more than 55%. The next age bracket (35-44) also saw a decline in ownership in the decade to 2016, from 74% to just 56%. (DCLG)

Prices are strong and rising outside London and stock levels are at record lows 'as the number of properties coming to market continues to decline'. (RICS) The East of England is the region which showed the highest annual growth, with prices increasing by 10.3% in the year to February 2017. Growth in the East Midlands was second highest at 7.5%, followed by the West Midlands at 7.0%. The lowest annual growth was in the North East, where prices increased by 2.2% over the year. London average prices have fallen slightly in recent months by at over 4% year on year. (ONS, February 2017 UK House Price Index)

Economists at the University of Reading have forecast that house price inflation will continue to outstrip wage growth so that first time buyers will need to rely on windows of opportunity created by periodic slumps in the housing market.

Commenting on the February House Price Index, Richard Snook, senior economist at PwC observed;

‘While good news for existing homeowners, however, this further rise in property prices – at four times the rate of consumer price inflation and more than double average earnings growth – will take home ownership even further out of reach for Generation Rent.

‘The good news for prospective future buyers is that we do expect a gradual slowdown in house price inflation in 2017 with our scenarios ranging from between 2% and 6% growth. There are several headwinds affecting the housing market over the next couple of years: uncertainty related to Brexit, rising consumer price inflation with consequent downward pressure on real earnings growth and, in the longer run, the potential for a supply increase due to initiatives in last week’s White Paper.’

The Housing White Paper published in February proposes an ambitious measures to increase new building, giving local authorities, developers, housing associations and others new powers, accountability and funding, and simplifying the planning process to increase the housing stock with the aim of bringing down the price to earnings ratio.

The CML reported that lending is increasingly being driven by remortgage activity, which ‘grew over 20% over the last twelve months’ (CML), fuelled no doubt by extremely low interest rates. (The Bank of England reported a February average of 1.42% for a two-year fix with a loan-to-value ratio of 75%, the lowest ever.)

### **Impact of Brexit on the property market**

RICS reported in March that 8% (or 176,500 people) of the UK construction workforce comes from the EU outside the UK. The body warned that inability to hire from outside the UK would harm an industry already facing skills shortages and ‘jeopardise a predicted £500 billion infrastructure pipeline’. This worst-case scenario may not come to pass in view of current discussions about ensuring access to workers for key sectors.

### **Policy developments**

Although the Housing White Paper has been published, the promised white paper on reform of the home buying process has not emerged. Responsibility for it has been passed from the Department for Business, Energy and Industrial Strategy to the Department for Communities and Local Government. Given the announcement of the General Election in June, it seems unlikely that this will be issued before the autumn.



## **Appointments to Council Committees**

**Purpose**      **Approval**

**Author:**      **Janet Paraskeva/ Sheila Kumar**

### **Summary**

This paper asks for the Council's approval to:

1. Terms of Reference of an Appointments Committee
2. Appointments to Council Committees

### **Risk management**

Members of the Council need to be appointed in a timely manner, to sustain membership of Council, ensure appropriate representation, best practice in governance and appropriate accountability.

### **Financial impact**

There are no specific costs associated with the establishment of an Appointments Committee, with the exception of expenses incurred in attendance at meetings.

### **Diversity and inclusion impact**

Appointment and recruitment decisions will need to be taken in line with best practice in relation to diversity and inclusion and equalities and employment legislation.

### **Communications requirements**

The terms of reference, when agreed, will be included within the CLC Corporate Governance Framework and published on the website.

### **Publication status of this paper**

Only the summary sheet of this paper will be published.





## **CRM Phase IIa Evaluation**

**Purpose:** For noting

**Author:** Stephen Ward

**Approver:** Simon Blandy

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### **Summary**

This paper sets out an evaluation of the realisation of the benefits identified in the Project Initiation Document for Phase IIa of the Customer Relationship Management implementation and the key lessons learned.

### **Recommendations**

The Council is asked to note this paper.

### **Risk Management**

The lessons learned will help us to manage risk in relation to the operation and future development of the CLC's CRM system.

### **Financial impact**

None arising from this paper. There will be a cost/benefit analysis of the CRM system later in 2017.

### **Diversity and Inclusion Impact**

None arising from this paper.

### **Communication Requirements**

None arising from this paper which is for internal use.

### **Publication status**

This paper is not for publication as it is commercially confidential.





**CLC Council Meeting**  
**Evaluation of the new Education Framework**

**Purpose:** For Noting

**Author:** Claire Richardson

**Approver:** Simon Blandy

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**Summary**

This paper provides Council with an evaluation of the project to transition from the previous CLC Student Training Framework which was managed by the CLC into a new qualification Framework managed by SQA, the national awarding organisation. The paper sets out:

1. the Key objectives and milestone dates;
2. the Project outcomes;
3. an evaluation of the process; and
4. benefits of the new qualifications framework.

**Background**

In September 2015 the CLC signed a Qualifications Partnership Agreement (QPA) with SQA by which SQA became responsible for two areas of education:

- A. The production and subsequent quality assurance of four new Diplomas under the National Qualifications Framework regulated by Ofqual:
  - Conveyancing Law and Practice Level 4 and Level 6
  - Probate Law and Practice Level 4 and Level 6
- B. The approval and subsequent quality assurance of education and training providers competent to deliver the new Diplomas in all class room and distance learning routes (together 'the DL programmes') leading to qualification as a CLC lawyer.

The apprenticeship route was excluded from the QPA because the approval process for apprenticeship standards and for training providers is managed and quality assured by the English and Welsh Governments. However, the close nature of the DL and apprenticeship programmes meant that production processes were where possible combined.

**Risk Management**

An External Project Board was established to manage the overall direction of the project and any risks posed to the project being delayed or derailed.

The group met every two weeks and was preceded by an internal SQA review meeting which produced management information made available at each External Project Board meeting.



The CLC Education Project Manager worked with the SQA teams to manage issues which arose between meetings.

**Financial Impact**

SQA met all costs associated with establishing the four new Ofqual regulated Diplomas and for approving the providers of education and training.

Expenditure associated with management of the transition process by the CLC has been incurred with the 2016 and 2017 budgetary year.

**Communications Requirements**

None arising from this report.

**Publication status.**

This report is an update for Council members only.



### **Indicative Sanctions Guidance for use by the Adjudication Panel - Update**

Purpose: For information  
Author: Akua Dwomoh-Bonsu  
Approver: Simon Blandy

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#### **Summary**

This report advises of the proposed timetable for consulting on proposed Indicative Sanctions Guidance for use by the Adjudication Panel, based on recommendations of the Indicative Sanctions Working Group to adopt a sanctions ladder approach.

#### **Recommendation**

The Council is invited to agree to undertake a consultation on the adoption of indicative sanctions guidance based on a sanctions ladder approach

#### **Publication Status**

Not for publication, as relates to policy development.





## **Review of the CLC's Regulatory Arrangements**

**Purpose:** Noting & Approval

**Author:** Dominique Conteh

**Approver:** Simon Blandy

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### **Summary**

This paper provides an update on the progress of the review of regulatory arrangements and an outline of the CLC's proposals for the next tranche of regulatory arrangements.

### **Recommendations**

Council is asked to note the progress on the review and approve the proposals for the next tranche of regulatory arrangements.

### **Risk Management**

The purpose of the current review is to update the CLC's Code of Conduct and Frameworks in response to changing legislation, newly emerging risks and market conditions and ensure that they remain fit for purpose.

### **Diversity and Inclusion Impact**

The CLC's aim in carrying out the review of its regulatory arrangements is to:

- Remove unnecessary barriers and restrictions and enable increased competition, innovation and growth to better serve the consumers of legal services;
- Reduce unnecessary regulatory burdens and costs on regulated Practices, ensuring that regulation is properly targeted and proportionate for all CLC Lawyers and Practices; and
- Maintain an appropriate level of consumer protection.

Amendments made to the CLC's regulatory arrangements that follow on from that review are intended to have a positive impact on the diversity of the profession. Where the CLC has identified any potentially negative diversity impacts – either on those working in CLC practices or on particular types of consumers- the CLC's focus will be on how best these can be mitigated. The CLC expects the proposals to contribute to a more competitive market better placed to innovate and respond to the needs of different groups of consumers, including vulnerable consumers.

### **Communication Requirements**

At this time, no further communication of this report is required.

### **Publication Status**

Not for publication, as relates to policy development.



## **Practice Fee and Compensation Fund contribution For the period November 2017 – October 2018**

**Purpose:** Approval

**Author:** Jason Hinrichsen & Simon Blandy

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### **Summary**

This paper sets out the objectives and principles to be applied in the determination of the fees to be charged to regulated practices and licensed individuals.

### **Recommendations**

Council is asked to approve the objectives and principles to be applied in determining the fees to be charged to the regulated community in the next cycle (Nov 17 to Oct 18).

### **Risk management**

The CLC's aim is to ensure that the fees are set at the correct level. They need to be set at a level which ensures the CLC has sufficient capacity and capability to carry out its regulatory obligations without building up excessive reserves.

### **Financial impact**

Setting fee rates at the correct level is essential for the continued prudential management of the CLC.

### **Diversity and inclusion impact**

There is no impact on diversity or inclusion.

### **Communications requirements**

Once the fee rates have been approved by the LSB, the profession will need to be notified and demands for payment circulated by mid-September 2016.

### **Publication**

Not for publication because the CLC will be consulting on the proposal agreed by Council.





## **CLC Council Meeting**

### **Minutes of Audit and Risk Committee Meetings**

**Purpose:** For Noting

**Author:** Audrey Cosens

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#### **Summary**

The minutes of the Audit and Risk Committee meetings held on 21 March 2017 and 18 April 2017 are attached.

#### **Recommendations**

Council is invited to note the minutes and to put any questions to the Chair.

**Risk management/Financial Impact/and Diversity and Inclusion** are considered in all Remuneration Committee discussions and decisions.

#### **Communication and publication requirements**

For Council only.





## **CLC Council Meeting**

### **Minutes of Remuneration Committee 9 March 2017**

**Purpose:** For Noting  
**Author:** Audrey Cosens

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#### **Summary**

The minutes of the Remuneration Committee held on 9 March 2017 are attached in redacted form to avoid disclosure of confidential information about individual members of staff.

#### **Recommendations**

Council is invited to note the minutes and to put any questions to the Chair.

**Risk management/Financial Impact/and Diversity and Inclusion** are considered in all Remuneration Committee discussions and decisions.

#### **Communication and publication requirements**

For Council only.



## **Council Work Plan 2017**

**Date:** 27 April 2017  
**Purpose:** Noting  
**Author:** Sheila Kumar

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### **Summary**

To provide Council members with an “in advance” outline of business for consideration at its forthcoming meetings.

### **Recommendations**

The Council is invited to note its forthcoming work programme.

### **Risk management**

There are no risk management considerations specific to this report. Assessment and mitigation of risk will be included within individual reports within the Council’s work plan.

### **Financial impact**

There are no financial considerations specific to this report. Where appropriate, assessment of the financial impact of items within the Council’s work plan will be included within individual reports.

### **Diversity and inclusion impact**

There are no diversity and inclusion considerations specific to this report, however as a regulator, the CLC has an objective to support an independent, strong, diverse and effective legal profession, as well as to act in the best interest of clients and to promote ease of access to its services. Diversity and inclusion will therefore be reflected within individual reports within the Council’s work plan.

### **Communications requirements**

The Council Forward Programme is for publication.

**2017 COUNCIL FORWARD PROGRAMME**

Annual Cycle	24 January Pre-working dinner discussion	25 January <b>Council Meeting</b> Q4 Results	9 March Workshop	27 April <b>Council meeting</b> Q1 Results	8 June Workshop	27 July <b>Council meeting</b> Q2 Results	21 September Workshop	2 November <b>Council meeting</b> Q3 Results
<b>Strategy and Planning</b>			Strategic Planning	Strategy Workshop Ratification	Review of Strategy			2017 Business Plan and Budget planning
<b>Performance and Risk</b>		<b>Management Report</b> <ul style="list-style-type: none"> <li>• Q4 Budget Outturn</li> <li>• 2016 Business Plan: Year-end Report</li> <li>• Interventions and Watchlist</li> <li>• Compensation fund</li> <li>• Business Plan 2017 inc programme for webinars and PNs and Budget Report</li> <li>• Property News Round up</li> <li>• Principal Risks</li> </ul> <b>CEO report</b>		<b>Management Report</b> <ul style="list-style-type: none"> <li>• Q1 Budget Outturn</li> <li>• Interventions and Watchlist</li> <li>• Compensation fund</li> <li>• Business Plan 2017 progress</li> <li>• Property News Round up</li> <li>• Principal Risks</li> </ul> <b>CEO report</b>		<b>Management Report</b> <ul style="list-style-type: none"> <li>• Q2 Budget Outturn</li> <li>• Interventions and Watchlist</li> <li>• Compensation fund</li> <li>• Business Plan 2017 progress</li> <li>• Property News Round up</li> <li>• Principal Risks</li> </ul> <b>CEO report</b>		<b>Management Report</b> <ul style="list-style-type: none"> <li>• Q3 Budget Outturn</li> <li>• Interventions and Watchlist</li> <li>• Compensation fund</li> <li>• Business Plan 2017 update</li> <li>• Property News Round up</li> <li>• Principal Risks</li> </ul> <b>CEO report</b>
<b>Governance</b>		Remuneration Committee Annual Report Audit and Risk Committee Annual Report		<ul style="list-style-type: none"> <li>• Appointments to Council Committees</li> <li>• Minutes of Remuneration Committee</li> <li>• Minutes of Audit and Risk Committees</li> </ul>			Council Effectiveness Review	
<b>Regulatory Activity</b>	Disciplinary arrangements  Sentencing Guidelines	Review of Regulatory Arrangements		Financial Protection Arrangements  CMA Update Report  Insurance Update  Review of Regulatory Arrangements <ul style="list-style-type: none"> <li>• Financial Protection Arrangements</li> <li>• Insurance</li> <li>• Outcome Of The CPD Consultation</li> </ul>		Regulatory Fee setting  LSB Report on CLC Self- Assessment  CMA Implementation Action Plan  First results of Annual Regulatory Return  Policy decisions consequent on review of Regulatory Arrangements  Financial Regulatory Delegations		
<b>Ad hoc Business Plan items</b>		Narrative for Annual Report 2016	Fees Insurance Run off	Evaluation of CRM  Evaluation of Education	Risk Appetite	Regulatory Standards Action Plan – half yearly update Evaluation of Communications and Marketing	ARR results	Adjudication Panel yearly update from Chair  Business plan and budget sign off for 2018