

Council Meeting
To be held on
27 July 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.	Welcome, Introductions and Apologies for Absence and Declarations of Interest		For recording	Chair
2.	Minutes and Matters Arising <ul style="list-style-type: none"> a) Minutes of the meeting of the Council held on 27 April 2017 b) Notes of Council Workshop held on 8 June 2017 c) Confirmation of decisions taken outside Council meeting d) Actions arising from previous meeting 	<ul style="list-style-type: none"> a) For publication – subject to redaction of information which is: policy in development; intended for future publication; commercially confidential b) Not for publication – contains information which is policy in development and intended for future publication c) For publication d) Actions from previous meetings have not been published as these have been published within written minutes of past meetings 	<ul style="list-style-type: none"> Approval Approval Approval Noting 	Chair
3.	Chair's Update	Verbal report – no written report for publication	Noting	Chair
4.	CEO Report	Not for publication – contains information which is policy in development, intended for future publication and commercially confidential	Noting	CEO
5.	Management Report <ul style="list-style-type: none"> a) Q2 Performance Outturn b) Interventions and Watchlist c) Principal Risk Register d) Property News Round Up 	<ul style="list-style-type: none"> a) For publication, subject to redaction of commercially confidential information b) Not for publication – contains information relating to ongoing investigations c) Not for publication – contains information, the disclosure of which would be prejudicial d) For publication 	<ul style="list-style-type: none"> Noting Noting Approval Noting 	<ul style="list-style-type: none"> DFO DFO DFO DSER
6.	Strategic and Future Planning <ul style="list-style-type: none"> a) CLC Strategy 2018/2022 b) CLC Business Plan 2017 Update and Forward look to 2018 c) Practice Fee and Compensation Fund Levy 	<ul style="list-style-type: none"> a) Not for publication contains information which is policy in development and intended for future publication b) Not for publication contains information which is policy in development and intended for future publication c) For publication subject to redaction of commercially sensitive information 	<ul style="list-style-type: none"> Approval Approval Approval 	<ul style="list-style-type: none"> DSER DSER DRS

No.	Item	Publication Status	Type of Paper	Lead
7.	Governance			
	a) Professional Reference Group	a) Not for publication – contains information which is policy in development	Approval	CEO
	b) Appointment Committee's Terms of Reference	b) Not for publication – contains information intended for future publication	Approval	CEO
	c) Proposed Amendment to Council Terms of Reference and Standing Orders	c) Report deferred	Approval	DRS
8.	Committees			
	Audit and Risk Committee	Not for publication – contains information which is policy in development	Noting	Committee Chair
9.	Council Work Plan for 2017	For publication	Noting	CEO
10.	Council and Committee Meeting Schedule 2018	For publication	Approval	CEO
11.	Any Other Business (Items to be notified in advance to Helen Reihill)			All
12.	Dates of Next Meetings			
	Council Workshop: 21 September 2017 Full Council: 2 November 2017			

Key:

CEO Chief Executive
DFO Director of Finance and Operations
DSER Director of Strategy and External Relations
DRS Director of Regulatory Standards

Council for Licensed Conveyancers
Minutes of the Council meeting held
on
Thursday 27 April 2017
at
CAN Mezzanine, East Road, London, N1 6AH
10.00h – 12.30h

Council Present

Dame Janet Paraskeva (Chair)	Mr J Jones
Mrs H Foster	Ms A Pierce
Mr A Clark	Ms T Perchard
Mr A Coghill	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

Observers in attendance

Richard Cryer	Independent member, Audit and Risk Committee
Jonathan Mounteney	Council member designate
Colin Wilby	Council member designate

1. Welcome, Introductions, Apologies and Declarations of Interest

There were no apologies for absence.

The Chair welcomed Richard Cryer, independent member of the Audit and Risk Committee and Jonathan Mounteney and Colin Wilby who would be joining the Council in May to the meeting as observers.

In addition to previously advised non-executive directorships, Quinton Quayle advised that he had been appointed to the Board of HS2 Ltd.

Action/Council/April/001: Details to be added to the Register of Interests.

To prioritise items for decision and to facilitate the flow of discussion at a meeting of the Council Workshop which would take place at the rise of its meeting, the Council **AGREED** to vary the order of published business, and to consider Agenda item 5 (CMA Update) and Agenda item 3 (a) (Ratification of Outputs from Strategy Workshops) after other agenda items.

2. Minutes of the meetings of the Council held on 25 January 2017 and 28 March 2017.

The Council **AGREED**:

(1) That minutes of the meeting of the Council held on 25 January 2017 be approved as a correct record, subject to a minor typographical error in the second paragraph of 5(b) (Interventions and Watchlist); and

(2) That Minutes of the meeting held on 28 March 2017 be approved as a correct record, subject to the addition of John Jones to the attendees.

Action/Council/April/002: John Jones to be recorded as attending the meeting of the Council on 28 March 2017.

3. Decision taken outside Council meeting

The Council:

(1) **AGREED** the note of decisions taken at the meeting of the Strategy Workshop on 9 March 2017 (Annex A) and the actions and recommendations contained therein.

Action/Council/April/003 SMT to propose draft strategic objectives based on the outputs from the Strategy Workshop on 9 March 2017 at the next Council Workshop session on 27 April 2017.

Action/Council/April/004: SMT to initiate **market research** to explore the potential and appetite for breadth opportunities

Action/Council/005: to liaise with other regulators, the regulated community and the CMA implementation Group to take forward the CMA's recommendations and shape policy.

Action/Council/006: to raise awareness of cybercrime and fraud prevention.

4. Chief Executive Officer's Report

The CEO presented her quarterly report.

[REDACTED]

- [REDACTED]

- [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
- [REDACTED]

The Council:

- (1) **NOTED** the Chief Executive Officer's report;
- (2) **AGREED** that the CLC should proceed with associate membership of the BSA

Action/Council/007: to proceed with BSA membership.

5. CMA Update

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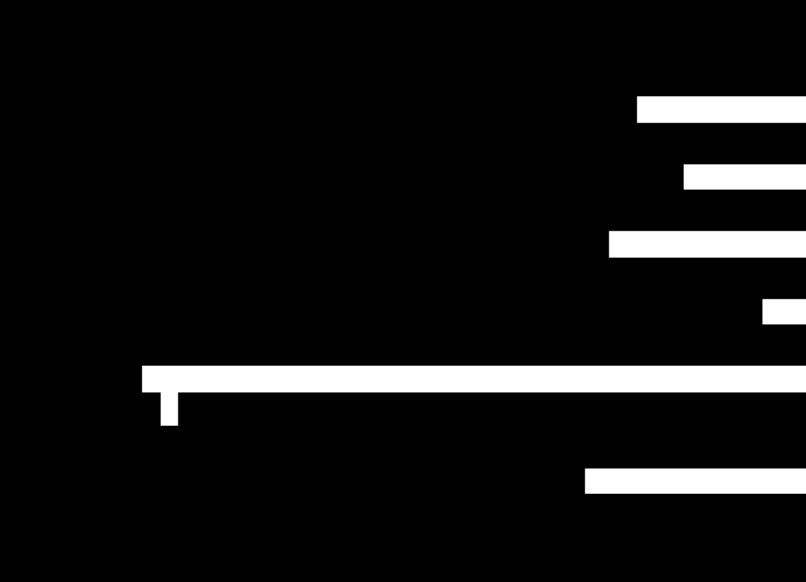
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The Chair thanked the Chief Executive for preparing and presenting a detailed update and synopsis of the CMA's recommendations.

Action/Council/008: To prepare and circulate the CMA Action Plan to Council members for consideration and to publish the final action plan by 30 June 2017.

6. Management Report

a) Q1 Performance Out-turn

In introducing the report, the Director of Finance and Operations advised that the outturn for the first quarter had been reviewed in detail by the Audit and Risk Committee at its meeting on 18 April 2017.

The following points, in particular were highlighted:

- The results for the end of the first Quarter of 2017 reflect a positive variance against budget on all like items;
- A surplus of £49,691 has been recorded in the practice fund for the first Quarter against a budgeted deficit of £-26,255. The variance against budget is attributed to timing of expenditure and positive revenue variances;
- It is expected that the variance against budget will reduce as the year progresses;
- The compensation fund is also recording a positive variance against the budget. This is attributed to aged balances received and the timing of expenditure;
- As a result of intervention activity in March 2017, additional expenditure on the compensation fund is expected;
- Cash reserves are as expected; a decrease in free cash reserves is anticipated, due to timing of cash receipts (prepayments were received from individuals and practices in November 2016, following which expenditure is incurred over the subsequent 12 months);
- Compensation fund provisions have reduced marginally as a grant was paid in Q1;
- No new probable claims were registered [REDACTED]

The Council:

(1) **NOTED** key issues contained in the reporting suite of papers:

(2) **AGREED** that the report would be published, subject to redaction of commercially sensitive and personal information.

Action/Council/April/009: to publish the Q1 performance outturn, subject to the redaction of commercially sensitive/personal information.

b) Interventions and Watchlist

The Council reviewed the watchlist and intervention activity during Quarter 1. The following points, in particular, were highlighted:

- Since preparation of the report there have been two additions to the watchlist and one removal from the list as a result of an intervention into practice 2 on the watchlist.
- A further intervention into a practice had been undertaken this week.

It was requested that future reports include the size of the firm; where this had been given in intervention reports, it was helpful.

Council discussed the due diligence process associated with change of regulators. Council was advised that a review is completed post all interventions for lessons learned.

The Council:

- (1) **NOTED** the Watchlist and interventions reports; and
- (2) **AGREED** that the report would not be published on the basis of confidentiality.

Action/Council/April/010: To include the size of the firm in future reports.

c) Principal Risk Register

The Council was advised that the principal risk register had been reviewed by the Audit and Risk Committee at its meeting on 18 April 2017.



The Council:

- (1) **NOTED** the SMT's assessment of the status of the Principal Risks.

d) Property and Law News Round Up

The Director of Strategy and External Relations introduced the current property and law digest. It was highlighted that current property forecasts are variable, with indicators being that households have less available budget due to credit limits having been reached. There has also been a decrease in the buy to let market, due to the introduction of new taxation rules.

The Council:

- (1) **NOTED** the CLC's Property and Law Round Up and agreed to its publication.

7. Governance

Appointments Committee – Terms of reference

At its meeting on 3 November 2016, the council agreed to establish an appointments Committee for the recruitment of non-executive members.

The Chief Executive introduced proposed terms of reference for the establishment of an Appointments Committee, which reflected comments of the Remuneration

Committee, which had reviewed proposed terms of reference at its meeting on 9 March 2017.

The following was confirmed:

- The meeting would be quorate provided that the chair and the Remuneration Committee nominee are present
- As stated in paragraph 3, it is intended that the Appointments Committee will be responsible for the appointment of the Chief Executive. It was recommended that this should be included within the *Responsibilities* section of the Terms of Reference.

The Council **AGREED**:

- (1) that the responsibilities section of the Terms of Reference should be amended to include the appointment of the Chief Executive;
- (2) that the Terms of Reference be amended as above and re-circulated to Council members for ratification.

Appointments to existing and forthcoming vacancies

As the conclusion of the term of office of Jan Smith and John Jones ends in April 2017, new appointments are to be made to the Remuneration Committee and the Audit and Risk Committee. The Remuneration Committee has been carrying a vacancy since the resignation of a lay member in August 2017, who had been co-opted onto the Committee. The Committee has since increased its quorum following a review of Terms of Reference, so it has been carrying a vacancy.

The Chair advised that the establishment of a Reference Panel for professional members is under consideration. The Reference Panel would enable the CLC to seek the opinions of practicing professionals on matters of developing policy, whilst liberating professional members from conflict of interest issues. An options paper would be developed and brought back to the Council in due course.

The Council **AGREED**:

- (1) The appointment of Quinton Quayle and Alan Cogbill, who are both lay members to the Remuneration Committee with effect from 1 May 2017;
- (2) The appointment of Alex Clark as Chair of the Remuneration Committee with effect from 1 May 2017;
- (3) The appointment of Andrea Pierce to the Audit and Risk Committee.

Action/Council/April/011: to develop an options paper for the establishment of a Professional Reference Panel for consideration at a future meeting.

Action/Council/April/012: to amend the Terms of Reference for the Appointments Committee and re-circulate to Council for ratification.

Action/Council/April/013: to make the necessary amendments to the membership of the Remuneration Committee and the Audit and Risk Committee.

8. Performance Evaluation

All CLC projects are evaluated, and the Council received an assessment of the customer relationship management implementation and the introduction of the new Education Framework.

(a) Evaluation of CRM

It was highlighted that whilst the project had been completed on time and within budget, there had been some customer service issues with the supplier, which would be addressed before any further development work is undertaken. Additional work is needed to ensure that the functionality of the system may be used to the maximum extent. The system had been introduced at a time of change, which had meant that new staff felt no ownership and which led to difficulties in engagement with the process.

The Council was advised that the current staff who are using the system are fully engaged and are investing time and effort with continued use of the system. Day to day engagement with the supplier is satisfactory, however negotiating major programme changes has sometimes led to difficulties.

The Audit and Risk Committee looks at different areas of the business, including the processes that are followed to record information and the functionality of the system. It was suggested that the Audit and Risk Committee would be well placed to review the original objectives and business case to draw conclusions from the evaluation. The Director of Finance and Operations advised that the cost benefits of the project would be included within the Q2 Management report.

The Council **NOTED** the evaluation of the CRM project.

(b) Evaluation of Education

The Council was advised that the project to transition from the previous CLC Student Training Framework into a new qualification framework managed by the SQA had transferred successfully. However not all of the key objectives were delivered on time, which in part was attributable to the production tasks being more complex and time consuming than had been envisaged by SQA. Difficulties in meeting the timetable had not initially been communicated to the CLC, which had impacted on the introduction timetable.

The CLC had therefore worked hard to communicate with transferring students, all of whom were able to transfer by 31 January 2017, and the level of students has been maintained. An additional training provider – Law Training (Kent) has since been added as an accredited learning provider.

It was suggested that the CLC give consideration to surveying any transferring students or potential students who had opted not to undertake the training. Officers advised that this would depend on the practicality, but would be taken in to account.

The Council **NOTED** the evaluation of the Education project.

9. Indicative Sanctions Guidance

The Director of Regulatory Standards summarised the discussions of the indicative sanctions working group, which had considered the merits of a tariff system or a sanctions ladder. The Council was advised that following detailed consideration, the working group had endorsed the sanctions ladder approach on the basis that:

- It represents the industry standard and the method applied by the Solicitor's Disciplinary Tribunal;
- It is supported by case law;
- It promotes proportionality and transparency
- It increases the prospect that the most severe sanctions are reserved for those cases which have resulted in the greatest prejudice for consumers, the public and/or reputation of the profession.

Members of the Working Party and in particular Akua Dwomoh-Bonsu were thanked for the work on developing the policy.

The Council **AGREED** that a sanctions ladder approach should be adopted for consultation.

Action/Council/April/014: to consult on the adoption of a sanctions ladder.

10. Reviewing Regulatory Arrangements

The Council received 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. It was informed that the timetable for the review activity has been affected by the CMA report and recommendations. A further report on the Conflict of Interest Code and Complaints would be submitted to the next Council meeting.

It was observed that the CLC's website does not currently cover all the protected code issues, and it was agreed to circulate the timetable for consultation generally.

The Council:

- (1) **NOTED** progress on the review and the timetable changes to reflect CMA recommendations;
- (2) **AGREED** the proposals for the next tranche of regulatory arrangements and the timetable.

Action/Council/April/014: to circulate the consultations timetable.

11. Practice Fee and Compensation Fund Contribution November 2017-October 2018

The Director of Finance and Operations introduced the objectives and principles to be applied in the determination of fees to be charged to regulated practices and licensed individuals. The outcome of the annual consultation would be reported to the Council meeting on 27 July 2017.

It was observed that the first principle set out within section 4 of the report (relating to the annual practice fee), whereby the cost of regulation for individual practices is allocated according to turnover was unclear. The Director of Finance and Operations undertook to clarify the wording.

The idea of risk-based fees may come back in the future for consideration after the CMA work concludes and the implications have been considered.

The Council:

- (1) **AGREED** the objectives and principles to be applied in determining the fees to be charged to the regulated community in the November 2017 to October 2018 cycle; and
- (2) **NOTED** that the outcome of consultation would be reported to its meeting on 27 July 2017.

Action/Council/April/015: to report the outcome of consultation to the next meeting of the Council.

12. Committees

a) *Audit and Risk Committee*

Heather Foster, Chair of the Audit and Risk Committee advised the Council that the Committee had held a discussion about non-executive director expenses and the impact of processing on HMRC taxation. A report would be submitted to a future meeting.

The Council

- (1) **NOTED** the minutes of the meeting of the Audit and Risk Committees held on 21 March 2017 and 18 April 2018.

(b) *Remuneration Committee*

The Council was advised that the minutes of the Remuneration Committee had been circulated in redacted form to avoid the disclosure of confidential information. A complete set of minutes and report had been prepared, and was available on request. The Committee would be meeting later that afternoon to review the staff handbook.

The Council **NOTED** the minutes of the meeting of the Remuneration Committee held on 9 March 2017.

Action/Council/April/016: Chair's report and minutes available on request.

13. Council Workplan

The Council was advised that the Workplan represented a current snapshot of reports and activities planned for 2017, which would be subject to change following the outcome of the CMA discussions.

The plan would be updated to include a review of regulatory arrangements. It was noted that the Principal Risk Register would be reported to the Council's meeting on 27 July 2017.

The Council was advised that some of the proposed dates for meetings in 2018 are causing issues. New dates would be circulated for consideration.

The Council **NOTED** the Council Workplan for 2017

Action/Council/April/017: to circulate revised dates for meetings in 2018.

14. ANY OTHER BUSINESS

Current serving members of the Council were invited to review, sign and return appraisal forms which were circulated.

Arising from discussions at recent Council workshops, members were advised that a training workshop on the role of government and regulatory bodies was planned.

15. VOTE OF THANKS

(a) Jan Smith

The Council thanked Jan Smith, whose term of office ends on 30 April 2017 for her contribution to the Council for Licensed Conveyancers and in particular for skilfully chairing the Remuneration Committee and wished her well.

(b) John Jones

The Council thanked John Jones, whose term of office ends on 30 April 2017 for his contribution to the Council for Licensed Conveyances and in particular for his work on education and wished him well.

16. Date of Next meetings

Council Workshop: 8 June 2017
Council: 27 July 2017.

For Ratification at Council meeting on 27 July 2017

Confirmation of Decisions Taken Outside Council Meeting

1. Ratification of decision made outside Council

- A** Council delegated Janet Paraskeva, Quinton Quayle and Rob Gurney to sign off the CLC's action plan for publication and submission to LSB and CMA.

The plan was based on Council decisions and discussions at the Council meeting on 27 April and the workshop. Each delegated Council member signed off the document to enable it to be published to the June 29th timeline agreed at the Remedies Programme Implementation Group.

Council is now asked to ratify that decision made outside of a formal Council meeting. The final version of the plan is attached and at <http://www.clc-uk.org/CLC-Lawyer/Service-and-price-transparency.aspx>

CEO Report

Purpose: Noting

Author: Sheila Kumar

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.

Performance Pack Report – Q2 Out-turn

Purpose: Noting

Author: Jason Hinrichsen

Summary

This report comprises of the following elements:

Section 1: The out-turn figures have previously been reported to the ARC on 18 July 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

ARC considered this report at its meeting on 18 July 2017

Publication

For publication.

Section 1: Out-turn – Overview of financial performance to 30 June 2017

PRACTICE FUND

1 Financial Performance

The Practice Fund financial results are summarised below:

Council for Licensed Conveyancers Income Statement for Q2	January - June 17		Variance	Var
	Actual	Budget	YTD	%
REVENUE	1,310,830	1,293,442	17,389	1%
TOTAL STAFF COSTS	651,792	781,099	129,308	17%
Salaries and Benefits	586,795	714,424	127,629	18%
Council Fees and Expenses	64,996	66,675	1,678	3%
TOTAL OPERATING EXPENDITURE	580,755	586,157	5,402	1%
External Relations	123,733	128,120	4,387	3%
Practice	52,370	56,816	4,447	8%
Regulatory	186,323	185,177	(1,146)	-1%
Office Costs	218,330	216,044	(2,286)	-1%
SURPLUS/ (DEFICIT)	78,284	(73,814)	152,098	206%

At the end of the second quarter we are reflecting an overall positive variance against budget.

Year to date revenues are 1% better than budgeted, this positive variance can be attributed to new practices coming into CLC regulation as well as growth in licenses issued to Licensed Conveyancers.

Staff costs are 17% below the budgeted expectation. The positive variance is attributed to the timing of new recruitment and associated recruitment cost as well as underspend on the training budget.

Operating expenditure is 1% better than the budget expectation. The contributing components of this variance are summarised below:

- **External Relations** costs are 3% under budget (£4,387 positive variance) the variance is attributed to underspend on consultancy costs (timing of expenditure), partially offset by overspend on marketing as a result of additional education spend and attendance at additional events.
- **Practice** costs are 8% under budget (£4,447 positive variance). The variance is attributed to timing of 3rd party inspection costs, partially offset by additional storage costs linked to the recent interventions.
- **Regulatory** costs are 1% over budget (£1,146 negative variance) the negative variance is attributed to higher than expected LSB/OLC recharges this is partially offset by underspend on the general consultancy budget.
- **Office costs** are 1% over budget (£2,286 negative variance). The variance is attributed to unbudgeted research conducted by IFF to support the strategy under development. This spend is partially offset by lower than budgeted costs on Berkeley partnership and internal audit.

2 Cash reserves

As at 30 June 2017 the cash position of the Practice Fund can be summarised as follows:

Practice Fund			Increase / (Decrease)
Cash Reserves as at June 2017	Mar-16	Jun-17	
Minimum Reserves	1,000,000	1,000,000	-
Free Cash Reserves	2,710,817	2,493,684	(17,133)
Total Cash in Hand	3,510,817	3,493,684	(17,133)

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 Q2	January - June 17		Variance YTD	Var %
	Actual	Budget		
Practice contribution revenues	318,261	311,627	6,634	2%
Aged Balances received	61,933	-	61,933	-
Intervention funds received	1,255	-	1,255	-
TOTAL REVENUE	381,448	311,627	69,822	22%
TOTAL EXPENDITURE	53,254	106,033	52,779	50%
Compensation claim provision	18,816	60,000	41,184	69%
Legal Fees Re. Comp Fund Claims	5,922	27,432	21,510	78%
Intervention Consultancy	27,915	18,000	(9,915)	-55%
LC's Run Off Cover (Future)	601	601	-	-
SURPLUS	328,194	205,593	122,601	60%

The Compensation Fund has generated a surplus of £328,194 at the end of the second quarter and a positive variance against budget of £122,601. The positive budget variance can be attributed to:

- Higher than budgeted practice contributions driven by new practices coming into CLC regulation.
- Aged balance funds received from practices, for which we do not budget as we are unable to predict the timing or amount of inflows.
- Lower than budgeted Compensation fund grant provisions have been made.
- Lower than budgeted Legal fees relating to compensation fund claim.
- This is partially offset by intervention related costs associated with the three interventions that were made earlier in the year.

2 Cash Reserves

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

Compensation Fund			Increase / (Decrease)
Cash Reserves as at June 2017	Mar-16	Jun-17	
Minimum Reserves	2,000,000	2,000,000	-
Free Cash Reserves	2,750,152	1,530,874	(1,219,278)
Aged Balances Reserves	774,432	786,864	12,432
Intervention Funds	727,041	728,111	1,070
Deposit at HMRC	-	1,391,105	1,391,105
Total Cash in Hand	6,251,625	6,436,954	185,329

We are in addition to the above holding client money amounting to £114,787 that relates to the 3 interventions executed earlier this year.

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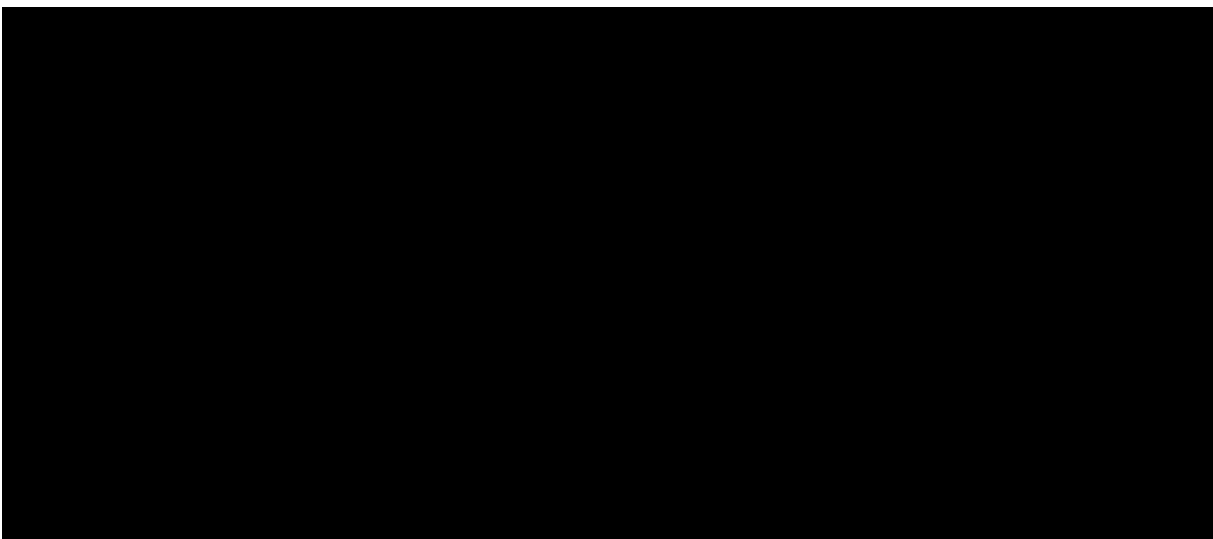
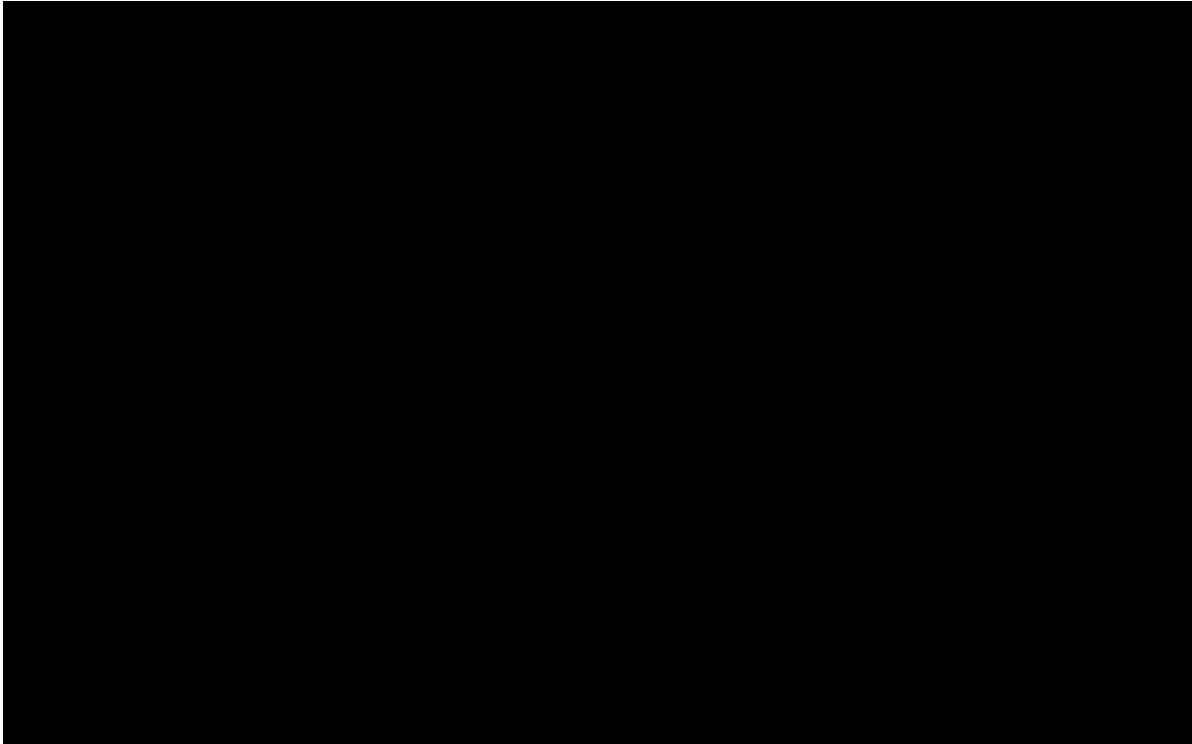
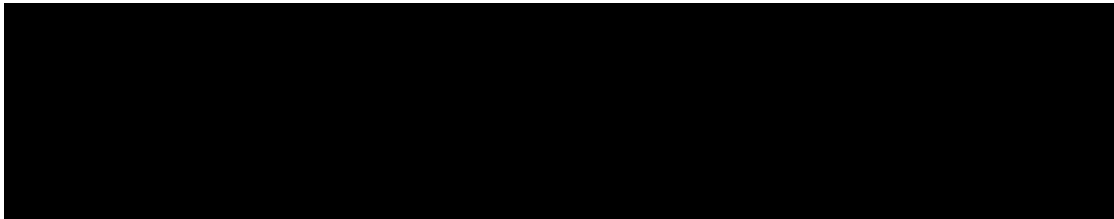
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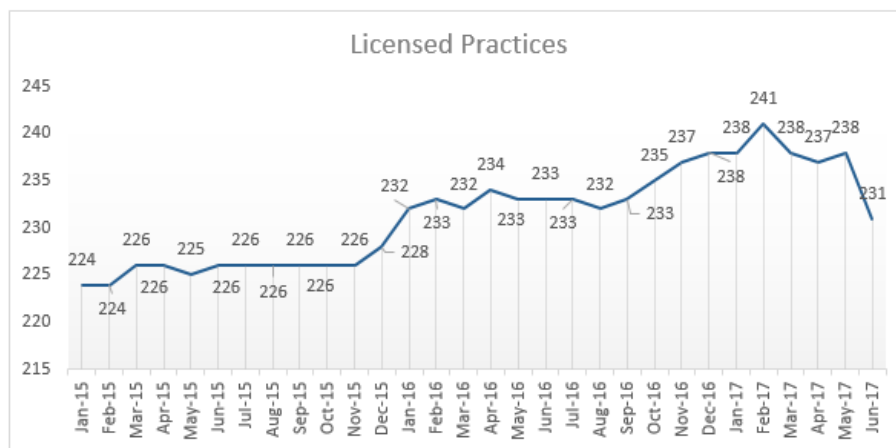
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Section 2: Operational performance indicators

Section 2.1 – Practices & Licensing



- The number of practices under CLC regulation has decreased during the second quarter of 2017.
- 8 practices closed at the point of insurance renewals.
- The reasons for closure were:
 - 4 - retirement
 - 2 - taking up salaried employment
 - 1 - unable to get PI insurance
- All the practices that closed had a turnover under £200k (with 4 of them under £100k)

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

Practices by Entity Type		ABS
Limited Company	153	55
Limited Liability Partnership	13	3
Partnership	19	
Sole Practitioner	46	
Total	231	58

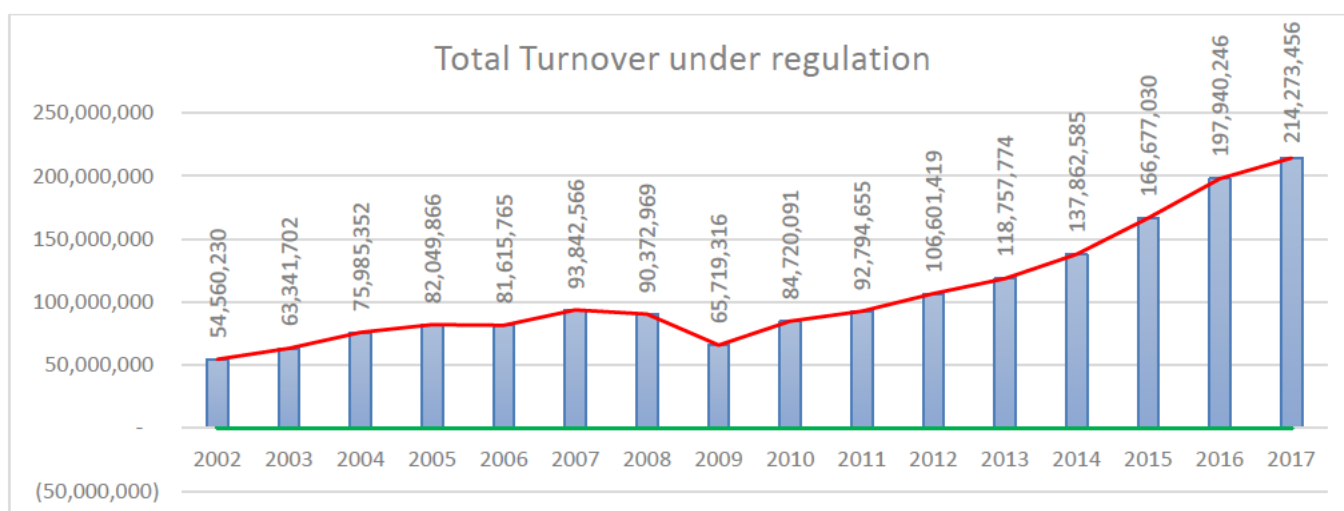
There are currently 58 (60 at the end of Q1 2017) regulated practices that are registered as Alternative Business Structures.

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 - Jun 17	
	No. of entities	Declared turnover (£)
Practices at Nov 16 renewal	235	199,099,797
New practices added	10	3,388,961
Less: Closed practices	-14	(3,022,342)
Total at 30 June 2017	231	199,466,416
Net growth in turnover		366,619

During the 9 months covered by the review period, 10 new practices have come under CLC regulation adding £3.4m to the declared turnover under regulation. Over the same period a total of 14 practices closed (including 1 merger for which the turnover has not been included in the closed practices turnover) reducing declared turnover by £3m.

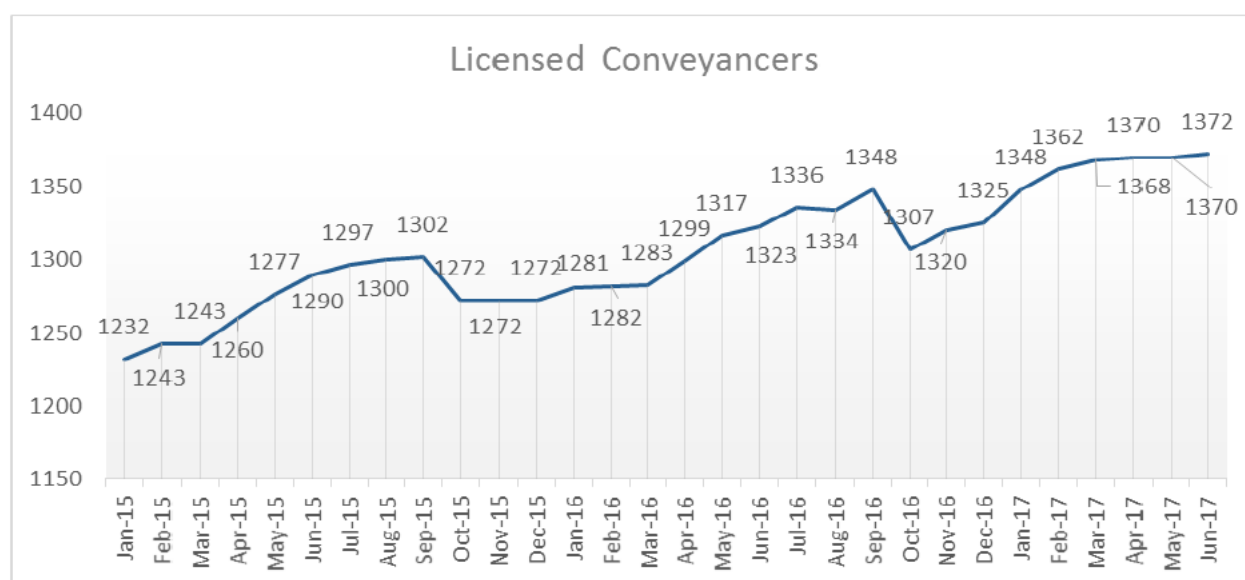
The table below summarises the declared turnover at license renewal point since 2002.



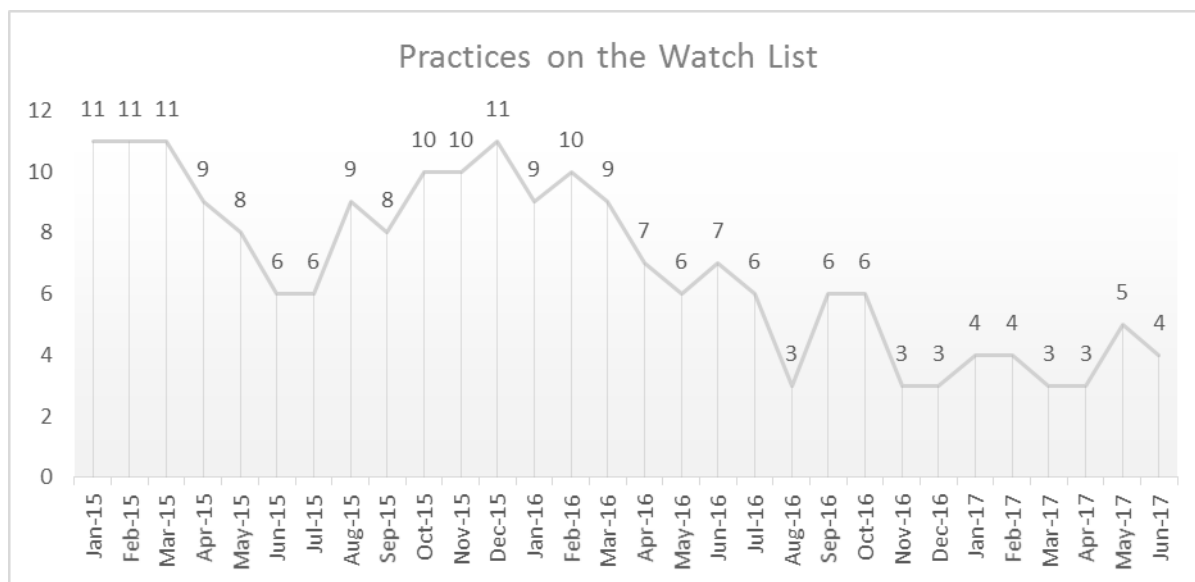
- 4 new individual licenses were issued in the second quarter of 2017. The table below summarises the individual licenses issued:

Individual License Holders	Employed	Manager	Total Q2 2017	Total Q1 2017
Probate	1	3	4	3
Conveyancing	972	325	1,297	1,295
Probate & Conveyancing	23	48	71	70
	996	376	1,372	1,368

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

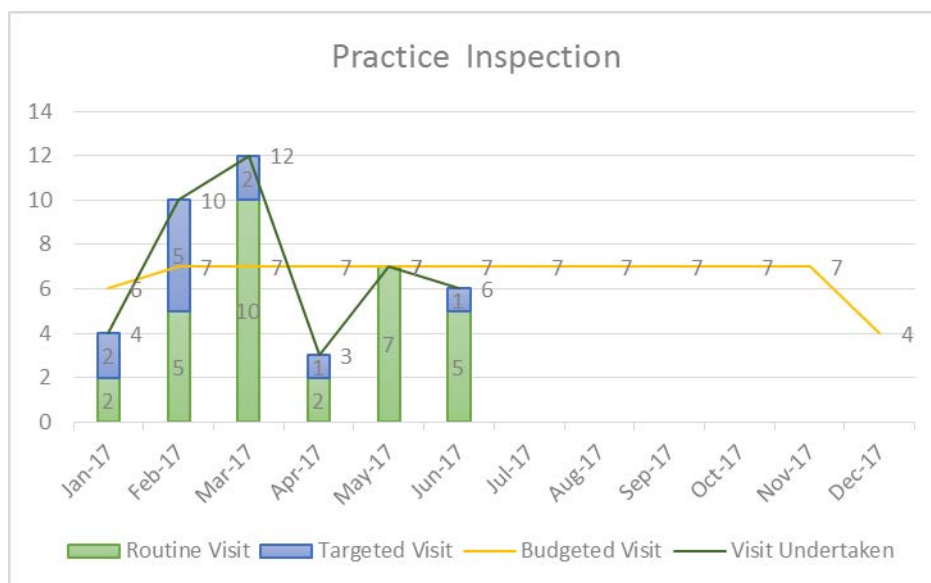


Section 2.2 – Inspections & Monitoring



- Over the last 12 months the number of practices on the watchlist have steadily declined due to active management of cases.
- During Q2 the following movements were recorded:
 - A practice was removed (due to an intervention into the practice)
- In May 2017 two practices was added to the watchlist, and a practice was removed in June following the resolution of the concern.

Inspections conducted year to date have been summarised below:



14 routine and 2 targeted inspections have been conducted in the second quarter of 2017.

The status of accountant's reports received for the 2015, 2016 and 2017 financial years are summarised below:

Accountants Report	FYE 2015	FYE 2016	FYE 2017
Received	223	214	9
Submitted Late	55	42	0
Not yet Submitted	1	4	0
Qualified	64	61	2
Qualified rate (received)	29%	29%	22%

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.

Interventions

One intervention occurred in Q2. Residential Lawyers Limited was intervened into in April 2017 because of breach of License conditions and the accounts code.

Section 3 – Human Resources

Sickness and Absence Statistics	Full Year 2016	Q1 2017	Q2 2017
Equivalent Employees	16.75	15.5	14
Total work days	4,218	961	840
Sick days taken	69.5	13	17
% of work day's absent	2%	1.35%	2.02%

The headcount at 30 June 2016 can be summarised as follows:

Type	2016 YE	Q1	Q2
Employee	17	13	13
Contractor	2	1	2
Council member	10	10	10
Resignations/redundancy	0	4	1

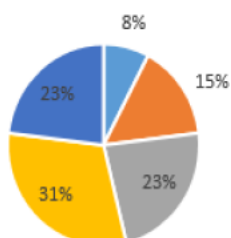
Staff movements:

- 1 staff member resigned in June.
- 1 staff member is leaving in August – a contractor has been employed as a replacement

The 2017 budget was based on a headcount of 20 individuals. Of these 20 heads:

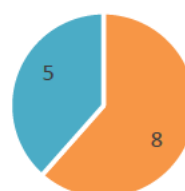
- 1 position has not been filled.
- 4 redundancies were made in February 2017.
- 1 staff member resigned in June 2017.

Staff Grading



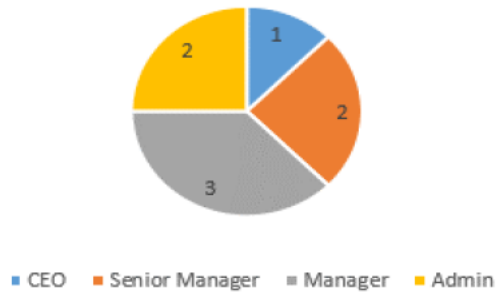
■ CEO ■ Senior Manager ■ SMT ■ Manager ■ Admin

Staff Gender

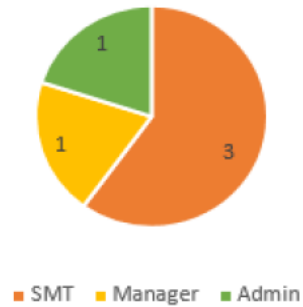


■ Female ■ Male

Staff Grading - Female



Staff Grading - Male



Section 4 - Complaints against the CLC

No complaints have been raised against the CLC in Q2 2017 (2016: 5). There are currently no unresolved complaints.

No instances of whistleblowing have been reported.

[Redacted]

[Redacted]

[Redacted]

[Redacted]

Section 6 - Projects

Other than the Strategy development exercise no projects are ongoing.

CLC Watchlist & Interventions

Purpose: Noting

Author: Jason Hinrichsen

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 3 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

Summary

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

The SMT have discussed and reviewed the Principal Risk Register in July 2017 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) No amendments are required to the register however finalisation of further mitigating actions have been moved to Q3.

The Audit and Risk Committee have reviewed the Principal Risk Register at a meeting held on 18 July 2017 and have concurred with the SMT assessment above.

The current Principal Risk Register is Appended in **Annex A**.

The new strategy development cycle has been finalised and the draft strategy has been circulated to Council for review and approval.

In light of the new strategy and supporting strategic objectives, SMT have reviewed the Principal Risk Register and propose the following amendments to align the Principal Risk Register with the new strategy:

- 1) Risk one and three should be split. SMT felt that both were composite risks and that it would be better to track the individual components.
- 2) The strategic objectives in the Principal Risk Register have been updated to align with the new strategic objectives.
- 3) A new risk was added relating to the delivering on the new strategy.

The Audit and Risk committee have further reviewed the proposed register and recommended the following changes which have been incorporated into the proposal:

- 1) Previous rating after control should not be completed as this is a first assessment
- 2) The rating after control on risk 4 should be increased from Low to Medium as the CLC is currently understaffed.
- 3) Additional controls were proposed for risk 6.

The proposed revisions to the Principal Risk Register are appended in **Annex B**.

Recommendations

The SMT recommends that:

- 1) Council ratifies the Principal Risk Register as recommended by ARC.
- 2) Consider the proposed new Principal Risk Register and whether it adequately supports the new strategy.

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 the Council only.

Background

This is a regular report to Council updating on management's assessment of the principal risks.

Annexes

Annex A – existing Principal Risk Register
Annex B – proposed Principal Risk Register

Property News Round up

Purpose: For information

Author: Stephen Ward

Approver: Sheila Kumar

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.

Uncertainty abounds in the general economy

Consumer and business confidence fell sharply at the time of the Brexit referendum, recovered somewhat thereafter but has taken another bad hit following the General Election. However, markets have responded well to the election result, believing that it makes a business-friendly Brexit (sometimes called a soft Brexit) more likely, with the prospect of a long transition period and a free trade deal with the EU to soften the impact on business. Medium term – 2020 – outlook is therefore more encouraging.

EY Item Club Summer Forecast (uses the HM Treasury model to forecast)

With wage growth in the doldrums, inflation saps the strength of consumption and is demand-deflationary, as we saw in the early years of this decade. Investment and exports are unlikely to offset the slowdown in consumption and the forecast sees GDP growth on 1.6% this year with 1.3% next year. They expect 1.8% GDP growth in 2019 and 2.0% in 2020. Inflation looks set to be back down to the 2% target by the end of 2018 and base rates are expected to be on hold until August 2018.

The mortgage market is expected to remain relatively subdued. Unsecured lending remains very high and will continue to be used heavily by consumers while inflation remains high and wage growth is subdued. House price inflation is falling back towards 0% by 2018, forecast to remain there through 2018.

Conveyancing market overview

The UK Conveyancing Market Briefing 2017 notes that from 2009 onwards the residential conveyancing market had been improving slowly through to 2016 but then declined in the second half of 2016 and the first half of 2017. In the first quarter of 2016 there was a spike in transaction volumes prior to the 31st March 2016 deadline for the Stamp Duty Land Tax changes imposed for additional properties. Since then and up to the middle of 2017 the market has been largely subdued and the number of house purchases for 2017 is generally expected to fall.

Between 2011 and 2016, the number of practising conveyancing firms in England and Wales fell by 26% from 7,677 to only 5,689. The number of practising solicitors working in conveyancing in England and Wales has also decreased by over 3,000 between 2009 and the start of 2017.

The author forecasts growth in residential conveyancing market value of less than 2% at current prices in 2017. A majority of conveyancers surveyed for the report are anticipating some volume growth in the next 12 months but market uncertainties are likely to limit this volume growth.

Housing market sees very patchy, very localised changes

According to Rightmove, the London market fell by 2.4% in June. Inner London fell most (4.2%) but the picture is patchy with Kensington and Chelsea leading annual growth in London (16%).

In the past it has been the case that trends begin in London and spread to the rest of the country. The national fall in June was just 0.4% according to Rightmove and 1% according to Halifax. Nationwide disagrees and says it saw a monthly rise of 1.1% and annual growth at 3.1%.

Some commentators are now beginning to consider the possibility of a major house price crash, but the consensus at the moment is against this.

In one way the London trend is reflected nationwide because the picture varies considerably at the local level across the country as across London. Kate Faulkner points to 'an apartment in Sunderland sold in 2008 for £250,000 [and] just sold in April this year for £85,000'. She also points to 4% rises in Northern Ireland but that's on prices that are down 45% from their peak. There have indeed been house price crashes, but they have been very localised. Any future crash may be less severe than past experiences because of current responsible lending and so much less chance of negativity equity becoming a widespread problem.

Clearly the massive reduction in buy to let activity and the government's commitment to build more houses, are both downward pressures on price over the long term as is the low disposable income of potential buyers at the moment because of high general inflation. However, as RICS points out, the sheer lack of supply continues to support prices for the time being.

The May report from RICS pointed to 'a lacklustre set of overall conditions once more, with enquiries, instructions and sales all declining over the month'. Respondents expected little change in the coming three months. The June report found house price growth weakening again.

Conveyancing transaction volumes seem steady overall with anecdotal evidence of significant local variation.

Office for National Statistics report

The report published on Tuesday showed that house prices continue to increase – although the increase has slowed it is still close to 5% with the fastest growth outside London. ONS uses Land Registry data. The report shows annual house price growth slower since 2016 but remains faster than the 2 to 3% growth reported by Halifax and Nationwide, the two most significant lenders, in recent months.

The report also reported that the number of houses sold in the UK slumped 41% year on year in March. This is largely because March 2016 was boosted by buyers rushing to complete before last year's stamp duty changes. In London, transactions fell by 57% (62% in Inner London).

CONFIRMING THE CLC'S STRATEGY FOR 2018-2022

Purpose: For decision
Author: Stephen Ward
Approver: Sheila Kumar

Summary

This paper records the CLC's new strategy for approval following the development work undertaken by the staff and Council in the first half of 2017.

Recommendation

The Council is asked to confirm the articulation of the CLC's strategy for 2018-2022 at **Appendix 1**. This articulation was circulated to all Council members prior to papers being sent to Audit and Risk Committee. The paper has been considered by Audit and Risk Committee at which the view was expressed that the strategic indicators set out in the paper could be more ambitious. A possible alternative formulation reflecting the comments made will be available for consideration at the Council meeting.

Risk Management

The strategy was developed in part in response to an assessment of the risks facing the CLC and mitigation of those risks is built into the strategy. The CLC's Principal Risk Register will be formally revised and brought for approval through the governance structures once the new Strategy is finalised. In advance of that, the SMT have reviewed the risks and the outcome of that is at the Risk section on this Council agenda. This formulation has already been to Audit and Risk Committee for consideration. Probably the key continuing risk is staff resourcing. However, we do not believe that there are any risks to delivery of the proposed strategic objectives which would result in the proposed Strategy being altered.

Financial impact

As part of this set of papers, Council has a recommendation on setting the fees which will determine the CLC's income for the next operating period. Delivering the strategy will require some resourcing changes. There may be some investment that would fall within Council policy

for making good from reserves required over the course of the strategy period – if that were to the case approval would be sought from Council. This has had preliminary scrutiny by Audit and Risk Committee.

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. This is a standing consideration in business plan and policy development.

Communication Requirements

The CLC's new strategy will be published on the CLC's website in early September, after the summer break and will be promoted through direct communications with stakeholders and the regulated community, and PR.

Publication status of this paper

The summary sheet will be published. The substance of the paper i.e. the Strategy, will be published as per the communications strategy above.

BUSINESS PLAN 2017 UPDATE AND FORWARD LOOK TO 2018

Purpose: For decision
Author: Stephen Ward
Approver: Sheila Kumar

Summary

This paper updates the Council on progress against the 2017 business plan and additional activities that will begin in the second half of 2017 to deliver the CLC's new strategy and its Action Plan in response to the CMA's recommendations.

Recommendations

The Committee is asked to:

1. Note the progress against the 2017 Business Plan and the new activities that have been added to it for the remainder of the year
2. Agree the business plan for 2018

This paper has received prior scrutiny by Audit and Risk Committee. Discussions were had around the presentation of the information particularly around the integration of business as usual items and clearer visual representation of progress. A version of how that might look will be available for Council members at the meeting. For discussion with Council is the suggestion from ARC of the inclusion of interim milestones which are currently held at operational level.

Risk Management

The CLC business plans are designed to mitigate risks to clients, the legal sector and the CLC itself.

Financial impact

Some activities reported here may require support from reserves in line with the Council's policy over the course of the Strategy period. Other operating costs can be met within the forecast income of the CLC for plan periods.

Diversity and Inclusion Impact

All activities need to be delivered with the aim of improving access to the profession and to legal services.

Communication Requirements

None arising from this paper. The CLC's business plan for 2018 will be published following its approval by the Council.

Publication status of this paper

This paper is not for publication as its contents will be published when finalised.

Practice Fee and Compensation Fund contribution

Purpose: Approval

Author: Simon Blandy and Jason Hinrichsen

Approver: Sheila Kumar

Summary

This paper sets out the proposed regulatory fee rates for 2017-2018 licence year for approval.

Recommendation

Subject to agreement of the Legal Services Board the SMT proposes that the Council:

- maintains the Licence Fee at £400,
- Keeps the Practice Fee rates at the level agreed at the 27 July 2016 Council meeting, and
- Maintain the Compensation Fund contributions at their current level (see Annexes C and D).

For Decision

Council is asked to determine the fee rates as set out in the Recommendation.

Risk management

The CLC's aim is to ensure that the fees are set at the correct level and to avoid volatility. They need to be set at a level which ensures the CLC has sufficient capacity and capability to carry out its regulatory obligations.

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 a risk that some of the practices with lower turnover may not be able to afford the rates which are set.

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 2017.

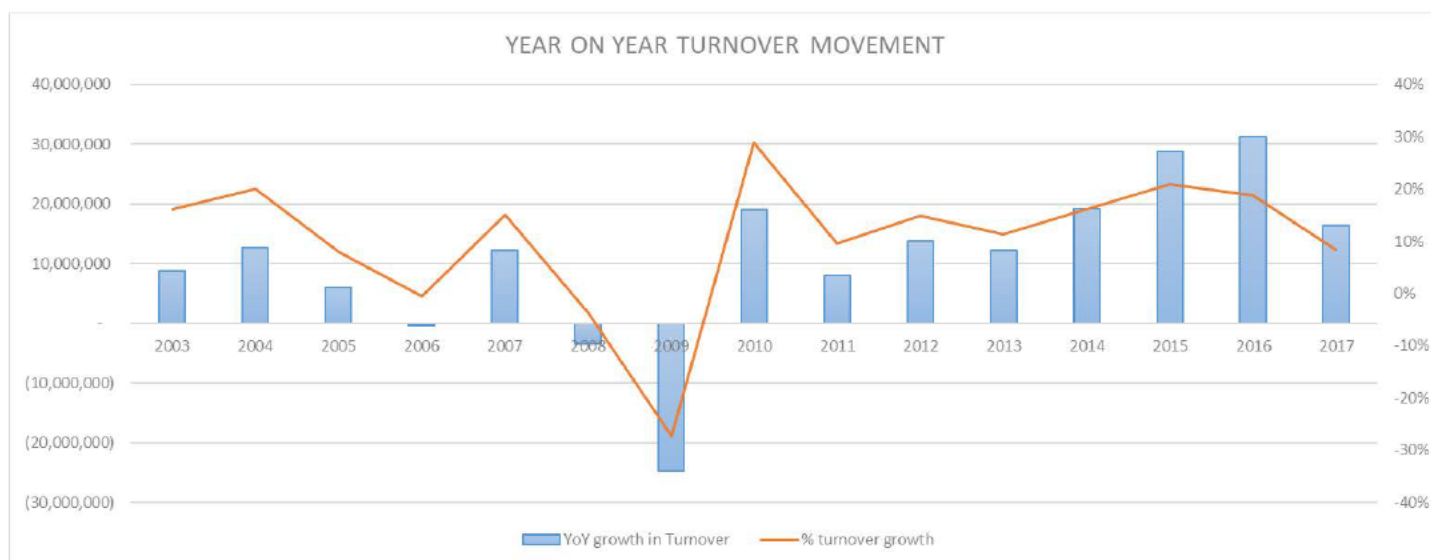
Publication

For publication.

**Practice Fee and
Compensation Fund contribution
November 2017 – October 2018**

1. Context

- 1.1 The CLC is embarking on a new 5-year strategy commencing Q3 2017.
- 1.2 The total declared turnover figure from the recent insurance renewal was £214 million (£198 million for 2016) – an increase of 8% (in 2016 the increase was 18%) for CLC practices.



- 1.3 It is unclear at this stage whether activity in the market and turnover growth is stalling or if we can expect current lower turnover growth rates to continue over the medium term.
- 1.4 The budgeted expenditure for 2018 is expected to increase when compared to 2017 as we expect to recruit additional staff and start on the execution of the CMA and CLC strategy. See Annex A.
- 1.5 Given an expected increase in expenditure and lower practice turnover growth (8%) it is unlikely that we would be able to reduce fee rates by 5% (the minimum agreed at the 27 April 2017 Council meeting) whilst still generating a surplus.
- 1.6 There is currently no appetite for using reserves to fund a deficit on the practice fund. Council has already agreed that reserves can be used for one – off development costs which would needs to be a CE request to Council.
- 1.7 Given the uncertainty in the market and the possibility of a downturn, a Practice fee rate reduction could translate into the need to rely significantly on reserves.
- 1.8 [REDACTED]

- 1.9 Given the quantum of the known claims on the Compensation Fund, and the projected remaining cash balance should all claims crystallise, there is still a need to increase the reserves on the Compensation fund. See Annex B.

2. Proposal

- 2.1 It is proposed that:

- a. the Licence Fee (currently £400) remains unchanged,
- b. Practice Fee rates are maintained at existing levels (see Annex C), and
- c. Compensation Fund contributions remain unchanged (see Annex D),

[REDACTED]

ANNEX – A
PRACTICE FUND FORECAST AND ESTIMATE

Practice Fund	Actual 2015	Actual 2016	Forecast 2017	Estimate 2018
Practice Fees	1,815,060	2,122,632	2,052,635	2,176,428
License Fees	522,559	535,394	550,002	552,768
Other Fees	34,115	56,628	44,655	40,885
Education	427,265	233,982	-	-
Total Income	2,798,999	2,948,636	2,647,292	2,770,081
Less: Total Expenditure	-2,754,527	-2,465,815	-2,482,082	-2,459,675
Surplus/(Deficit)	44,472	482,821	165,210	310,406

Notes to Financial forecast and estimate:

- 1) The surplus in 2016 coupled with a high turnover growth declared at the 2016 insurance renewal resulted in a decrease in the 20% fee rate cut in November 2016.
- 2) The decrease in revenue for 2017 is attributed to the 20% fee rate cut applied from November 2016 and the outsourcing of education services.
- 3) The forecast surplus in 2017 is driven by a lower than budgeted headcount due to staff movements and delay in finding suitable replacements.
- 4) The 2018 estimate is based on:
 - a. A full staff compliment for the full year.
 - b. All known BAU included in expenditure
 - c. Adjustments to the operating model where we are reasonably certain on our approach (for example reducing advertising and engaging a PR firm on retainer as well as outsourcing certain functions to consultants (ARR and some surveys).)
- 5) We anticipate the strategy will result in the CLC incurring additional costs which would be absorbed by the estimated surplus, these would include:
 - a. Additional spend on the Legal Choices website.
 - b. Consulting and expenditure relating to implementation of the CMA recommendations.
 - c. Uplift of existing staff salary packages
 - d. Changes to office space resulting in additional costs.

ANNEX – B
COMPENSATION FUND FORECAST AND ESTIMATE

Compensation Fund	Actual 2015	Actual 2016	Forecast 2017	Estimate 2018
Total Income	543,556	550,343	634,815	683,757
Compensation Grant Provision	-950,352	-472,066	-132,000	-180,000
Legal & Professional	4,328	-87,405	-54,864	-50,000
Intervention Support Cost	-	-	-70,000	-15,000
Insurance Costs	-27,659	-6,156	-601	-
Less: Total Expenditure	-973,683	-565,627	-257,465	-245,000
Surplus/(Deficit)	-430,127	-15,284	377,350	438,757

Notes to Financial forecast and estimate:

- 1) In July 2016, it was decided not to reduce the Compensation Fund contribution rates. The rationale for this decision was that should all existing claims and contingencies crystallise then the Compensation Fund have approximately £600k remaining. This would be significantly below the minimum reserve of £2m set.
- 2) The current estimate of cash reserves should all known claims crystallise is shown below:

Sufficiency of cash reserves to cover known claims	Jun-17
Total current cash reserves (including aged balances)	6,436,954
Potential claims:	
1) Probable provisions recognised in the accounts	(2,001,936)
2) Contingent Liability [REDACTED]	(3,703,859)
Cash remaining after all claims paid	731,159

- 3) On this basis cash reserves are still well below the £2m minimum reserve. It would be prudent to keep contribution rates steady.

Annex C
Practice Fee Rates

Current

Turnover Banding		Practice Fee payable				
From	To	Minimum Fee in Band				
0 and	100,000	856	or	1.2%	Of Turnover	Whichever is the greater
		Minimum Fee in Band			On Turnover in excess of	
100,001	500,000	1,200	plus	1.1%	100,000	
500,001	3,000,000	5,600	plus	1.0%	500,000	
3,000,000		28,100	plus	0.9%	3,000,000	

Annex D
Compensation Fund contribution

Turnover Banding			Compensation Fund contribution			
			Minimum Fee in Band			
Between	0 and	£100,000	£500			
			Minimum Fee in Band			On Turnover in excess of
Between	£100,001 and	£500,000	£500	plus	0.4%	£100,000
Between	£500,001 and	£3,000,000	£2,100	plus	0.3%	£500,000
Over	£3,000,000		£9,600	plus	0.2%	£3,000,000

Proposal to Establish a Professional Reference Group for the CLC

Purpose **Approval**

Author: **Simon Blandy**

Approver: **Sheila Kumar**

Summary

Other than through its Council members, the CLC does not have ready access to a wide range of practitioners (i) to identify emerging issues, and (ii) to obtain informed advice and opinion on current practice and issues in conveyancing and probate services.

This paper asks Council's approval to the establishment of a Professional Reference Group (PRG). Subject to the agreement of Council, it is proposed that members of the PRG are:

- A. recruited through an open but relatively informal process with high level and simple terms of reference
- B. asked to act in that capacity for an initial period of two years which may be extended.

Council is asked to determine whether members of the PRG should:

- C. not be paid
- D. be paid expenses only
- E. be paid on a retainer basis
- F. be paid on an attendance basis similar to the associate member of the Audit and Risk Committee (currently £250 pd) and to members of the Adjudication Panel (currently £325 pd)

Risk management

The PRG is likely to be a very useful resource for the CLC in the development of policy in the longer term. It will:

- i. enable the CLC to contribute with greater confidence to the debates on the future of conveyancing and probate services
- ii. assist in the identification of individuals with appropriate skills so they can be encouraged to apply to become Council members.

Financial impact

Any additional cost incurred in retaining members of the PRG will be offset by the value of the PRG as an additional resource for the CLC, and is likely to be met from the anticipated 2018 surplus.

Diversity and inclusion impact

Members will be recruited through an open but relatively informal process. Issues of diversity and inclusion, and equalities and employment legislation will be taken into account in determining that process, since it is in the CLC's interest to ensure that a broad cross-section of the profession is represented on the PRG.

Communications requirements

Information about recruitment to the PRG will be published on the CLC website.

Publication status of this paper

This paper will not be published since it relates to policy development.

Appointments Committee's Terms of Reference

Purpose **Approval**
Author: **Sheila Kumar**

Summary

This paper asks for the Council's approval to the Appointments Committee's Terms of Reference

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.

1. ns for change.

Chair's Report of Audit and Risk Committee 18 July 2017 (ARC)

Date: 19 July 2017
Purpose: For Noting
Author: Heather Foster

Summary

This provides a summary of Audit and Risk Committee work since the last Council meeting.

Recommendations

Council is invited to note the report and put any questions to the Chair of ARC

Risk Management/Financial Impact/and Diversity and Inclusion

Are considered in all Audit and Risk Committee discussions and decisions

Communications requirements

For Council only

Council Work Plan

Purpose

Noting

Author:

Sheila Kumar

Summary

To provide Council members with an “in advance” outline of upcoming meetings.

Recommendations

To note the report

Risk management

None in this paper

Financial impact

None in this paper

Diversity and inclusion impact

None in this paper

Communications requirements

None

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

Council Dates 2018

Purpose

Approval

Author:

Sheila Kumar

Summary

This paper asks for the Council's approval to:

- 1 To approve the dates for Council, Audit and Risk Committee and Remuneration Committee meetings for 2018

Risk management

Members of the Council need to know dates of all Council meetings in a timely manner, to allow members to include them in their schedule of meetings for 2018.

Financial impact

None in this paper

Diversity and inclusion impact

None in this paper

Communications requirements

The dates of meetings, when agreed, will be published on the website.

Background

There had been some difficulty in scheduling meetings for 2018 due to the other commitments that members have already in their diaries for 2018.

Members' views were taken and a schedule has been drawn up and is attached at **Appendix A**

ARC have looked at the proposed meeting schedule for 2018 which is based to complement the Council meetings and it was agreed that it would be finalised at the point Council agrees the proposed dates.

The Council is asked to approve the dates for 2018 Council meetings

2018 Meeting dates will be circulated to Council members.

Appendix A

CLC Council Meeting Schedule 2018

January 2018

Audit and Risk Committee – Tuesday 16 January 2018
Council meeting – Thursday 25 January 2018

March 2018

Council Workshop – Thursday 8 March 2018
Audit and Risk Committee (*Annual Financial Statements*) – Tuesday 20 March 2018
Council (*Annual Financial Statements*) – Wednesday 28 March 2018

April 2018

Audit and Risk Committee – Tuesday 17 April 2018
Remuneration Committee – Thursday 26 April 2018
Council – Thursday 26 April 2018

June 2018

Council Workshop – Thursday 7 June 2018

July 2018

Audit and Risk Committee – Monday 16 July 2018
Council – Tuesday 24 July 2018

September 2018

Council Workshop – Thursday 20 September 2018

October 2018

Audit and Risk Committee – Tuesday 23 October 2018

November 2018

Remuneration Committee – Thursday 1 November 2018
Council - Thursday 1 November 2018