

Executive Summary of Report to Council for Licensed
Conveyancers

Report of Governance Review

Executive Summary

This is the executive summary of the findings of a governance review of the Council of Licensed Conveyancers (CLC) conducted by Foresight Partnership, an independent consultancy, between October 2007 and January 2008.

The review used the Good Governance Standard for Public Services as the good practice framework against which the governance arrangements for CLC were evaluated. The work was overseen by a CLC governance review group.

The findings of the review have already been shared with the whole Council at its meeting on the 16th January 2008, and actions are already underway to address some of the development priorities identified through the review process.

The review was conducted in four phases:

- **Phase 1: Establishing the baseline**, included research on relevant policy documents and a desk review of key governance documentation
- **Phase 2: Governance in Practice** included the completion of a web enabled survey by 19 Council members and senior staff, in depth interviews with seven Council members and senior staff, in depth interviews with external stakeholders and the observation of a meeting of Council, and two key committees
- **Phase 3: Synthesis and Action Planning.** In this phase Foresight Partnership analysed all the feedback from the first two phases of the work, and produced a presentation showing the analysis and preliminary recommendations. This was used as a foundation for a workshop with the governance review group held on the 18th December 2007.
- **Phase 4: Report Preparation and Development of Recommendations.** In this phase the analysis and recommendations were further refined, drawing on the points raised in the workshop in phase 3. The full presentation with recommendations, were shared with the whole council at its meeting in January 2008. This report was requested as a final summary of the work of the governance review.

The main findings of the review were analysed under the six themes of the Good



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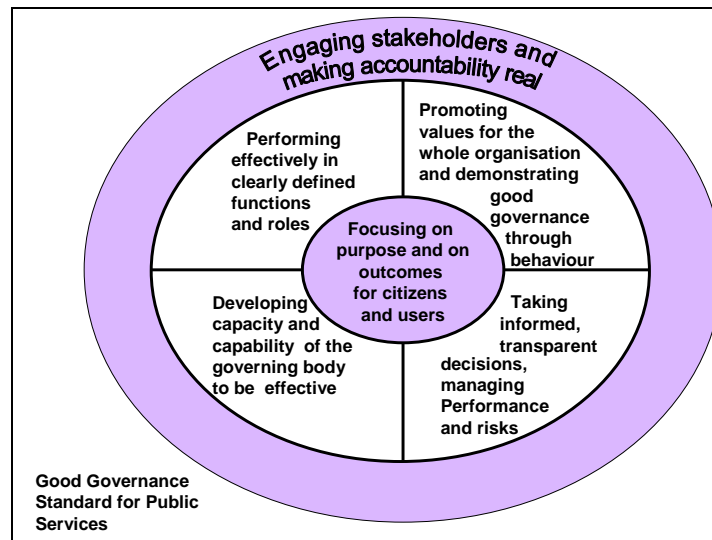
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Governance Standard.



Main Messages

The main messages from the review are set out below.

- The new challenges of the Legal Services Act 2007 present real opportunities but also threats for CLC
- CLC has come through the leadership challenges it faced in the last few years. An executive platform to take forward the work of CLC is beginning to develop well and the (relatively new) chief executive is well regarded.
- Council members are highly committed and collegiate in their approach.
- Financial management is now on a reasonably sound footing. There haven't been recent major financial challenges and CLC is currently in surplus.
- CLC is seen as a reasonably light touch regulator
- CLC's contribution to the consultation in relation to the Legal Services Act 2007 was viewed as competent and helpful but the organisation is not seen to have a sophisticated or well-developed approach to lobbying and influence compared to other small regulators.

There are a number of significant areas that need attention if CLC's governance is to be fit for purpose for the future. The main areas for attention are:

- That there is no longer term strategy for CLC in place, and the Council as a whole has not taken an active part in strategic debate

(Note: CLC have already taken action to address this finding, starting with the strategic away day in April 2008).

- There is a need to raise the profile of CLC, and to engage stakeholders more proactively through this period of change.
- There is work to do in clarifying and streamlining the respective roles of the Council and its committees, and in particular clarity is needed in relation to the respective roles of regulatory and governance committees, and to ensure that delegations of authority are clear.
- Streamlining the Council and committees also requires lifting Council Members involvement from too much operational detail, to a more strategic focus, balanced with effective constructive challenge.
- There are improvements evident in relation to performance information to the Council, but there is an opportunity to strengthen this, in particular there is no well developed set of key indicators in place to allow the Council to effectively monitor progress.
- Risk management and oversight needs more attention.
- Standards of behaviour are generally sound, but the main challenge for the Council is its role in shaping the culture of the CLC to meet its future challenges.
- Major changes are required to appoint a new Council with the right competency mix, and to build development support and performance review for the Council in the future.

Recommendations: Top Priorities for development

There are five key recommendations for the CLC to consider to modernise its governance arrangements and ensure it is fit for purpose for the future.

1. Develop a coherent longer term strategy for CLC

A key development priority is for the CLC to develop a coherent longer term strategy. This needs to take into account the external forces and drivers for change, including of course the developments in the Legal Services Act. The strategy should seek to capitalise on the strengths or potential strengths of the CLC's regulatory regime. The Council of the CLC should become the key driver and offer oversight over the development of the strategy, in conjunction with the senior executive.

2. Engage much more proactively and strategically with external stakeholders

The second development priority is for CLC to develop a much more effective and proactive approach to engaging with its key external stakeholders, particularly at this key stage in preparation for the implementation of the Legal Services Act.

3. Separate and streamline key regulatory committees and governance committees

Regulatory Committees

We recommend that CLC review the number of regulatory committees and see if they can be further streamlined. The streamlined regulatory committees should then have members and chairs appointed to them, based on the specific skills and perspectives needed for each committee. This implies developing a clear competency framework, and an appointments panel to make these appointments.

It will be important to invest in training for chairs and committee members and ensure that the executive support structure is aligned to effectively support these committees

Governance Committees

By separating the governance from regulatory committees, it will allow the governance arrangements to become much more streamlined. The streamlined governance arrangements may include the following:

- The Council as the governing body for CLC,
- Audit (incorporating the oversight of risk).
- Remuneration

There may be merit in considering establishing a small steering committee to steer the changes through to a new Council. This steering committee would disband once the new council was operational

4. Delegate, Delegate, Delegate

For both regulatory and governance committees, move away from detailed operational decision-making, to an oversight and stewardship role. This will require much more delegation and authority to the executive. An early starting point will be to expand the scope of the existing list of delegated authorities. The executive team needs to be developed and ready to respond to these responsibilities too.

5. Appoint a new smaller, streamlined council.

This stage will be much easier to accomplish, if the first four steps have already been tackled. If the regulatory committees are separated from the governance committees, then the Council does not need to be as large as it is today. There is a real opportunity to have a much more streamlined and effective decision making body.

Clear role specifications and competency requirements should be developed, followed by a proper process of appointment. If appointments have not already been made to the regulatory committees, then this would be the time to make those appointments, so that Council Members are no longer chairing the regulatory committees. The underlying principle here is that the new Council would hold the governance and oversight role and would not actively participate in the regulatory committees, but would hold them to account for their performance.

New Council Members should be paid an annual fee, and not be paid for attendance at meetings and be offered induction, development support and a process of performance review. Council member should be appointed for a term, perhaps for three or four years, renewable only once.