

CLC Council Meeting
Minutes of the Council meeting held
on
Thursday 29 October 2015
at
CAN Mezzanine, East Road, London, N1 6AH
1100hrs – 1530hrs

Council Present

Dame Janet Paraskeva (JP) Chair
Mr H Foster (HF)
Mr G Kidd (GK)
Mr A Clark (AC)
Mr J Jones (JJ)
Ms A Pierce (AP)
Ms T Perchard (TP)

CLC in attendance

Ms S Kumar (SK)	Chief Executive
Mr S Blandy (SB)	Director of Regulatory Standards
Mr S Ward (SW)	Director of External Relations
Mr H Hinrichsen (JH)	Interim Director of Finance
Mr J Hindmarsh(JH)	Associate Director of Regulatory Standards
Mrs S Reynolds (SR)	Head of Executive Office – minute taker

Apologies

Mr R Gurney (RG)
Ms J Smith (JS)

1. Welcome, Introductions, Apologies and Declarations of Interest

There were apologies from Jan Smith and Rob Gurney.

There were no other declarations of interest, excluding the standing one where trade members of the Council have a declared interest in the Compensation Fund discussions.

2. Minutes of Previous Council meetings

Minutes of previous meeting were approved.

The matters arising and actions log were noted.

3. FRS102 Presentation

The Director of Finance presented a report summarising the key changes to the accounting and reporting standards as they apply to the CLC and further highlight amendments required in the 2015 AFS.

The adoption of this statement will result in a number of changes to the 2015 Annual financial statements. The key changes are as follows:

- 1) Some of the terminology used will change.
- 2) The presentation of the primary statements will change.
- 3) There are some changes to accounting treatments resulting in restatement of figures.
- 4) Amendments to accounting policies and disclosure notes will be required.
- 5) We will need to restate the prior year figures based on amended accounting treatments.

The Committee noted the update which will come into force for CLC with the preparation of the 2015 financial statements.

4. CEO Report

The Council noted the contents of the CEO report, in particular the following updates were given at the meeting:

Unit and Archiving Project

The Unit currently holds a combination of intervention files and CLC's own filing but is not able to take all the intervention files held with third party suppliers. We therefore re-negotiated all of our external storage contracts to Deadfiles and a significant number of those files are in the process of being destroyed in line with our policy on data retention. We have managed to make significant reductions in going with a single supplier and giving notice on old and expensive contracts. The new third party supplier will take possession of the Unit files by end November.

Decision

Council agreed that the Unit at Buckingham Gate should be disposed of on the open market as soon as is practicable.

Adjudication Panel – publication of findings

The Council noted that the Adjudication Panel decision on Turner would be published week beginning 17 November. The Council agreed a statement to be published alongside the Panel's decision on the CLC's website. The AP Chair will be notified in advance of this taking place.

Action 001: Council have asked for a paper on Sentencing Guidelines to be produced for January 16 Council meeting.

5. Management Reporting

Principal Risk Register

The Council reviewed the new style Principal Risk Register, which also been through Audit and Risk Committee. SMT reported that 2 risk session had been held by the SMT and a revised operational risk register has also been designed which fed into Principal Risk Register.

The Chair confirmed that after discussion with the Chair of Audit Committee, she was in agreement to add a column on tolerance of the actual risk – this is an easy ways to set trigger points.

It was agreed that the Chair of the Audit Committee would provide a short paper for the March 16 workshop to look at risk appetite. SMT reviews risk, (both principal and operational) on a monthly basis and it was agreed that any Red operational risks will be flagged up to the ARC meeting, which takes place the week before the quarterly Council meetings. The PRR is a much slimmed down version – a lot of the previous risks were actually operational risks and are contained within that register.

The PRR was formally adopted by Council.

Action 002: Chair of Audit Committee to prepare a short paper on risk appetite for March 2016 workshop.

Q3 Budget ad Q4 Forecast

Council noted key issues in the reporting suite of papers.

Business Plan Out turn

Council noted the contents of the management report paper and were pleased with the clear content of the report, which had now been in operations since quarter one of 2015.

It was noted that the mini conferences had been pushed back to January 16 due to crowding in the diary.

Interventions and Watchlist

Council noted contents of interventions and watchlist items.

HMRC discussions were due to take place on outstanding amounts owed to them by RFS/Blueprint.

On Blueprint, insurers have refused payments from Master Policy – we are currently looking at what the Directors of Blueprint Directors were formally charged with before determining any payments from CLC policy.

Budget and Business Plan 2016

Council discussed and noted the BP and Budget papers - a revised paper would be presented to non-members of ARC committee on 10 December for consideration and the outcome of that meeting – a further revised paper would be send to ARC for noting.

Action 003: 2016 business plan – cover required referencing to self-assessment and aspirations – going from satisfactory to very good) – background required. Final version to be issued to council members Compensation Fund

Action 004: Council workshop in December – budget setting – ARC members not required to attend December session – they will scrutinise results at their January 16 meeting.

Action 005: On Strategic Issues page – change wording on lenders panel issue

Council noted the contents of the paper. Council asked if CLC was taking legal advice on CLC insurance policy payments – SB confirmed that CLC had not sought external advice but would probably do so in near future once various matters were clearer.

6. Business plan and progress report

The Council noted the progress report update – the BP had been set out on the basis that any work arising from a decision to change the location of the CLC would need to be accommodated through rebalancing of priorities during the year. In the event, the decision to move and selection of a new location happened more quickly than was expected.

Work to restructure the organisation and deliver the new operating model has also taken more time than was taken into account when the business plan was in preparation but the amount of SMT time in planning for the new model, managing the role assessment exercises, recruitment and induction process and dealing with related management issues had been quite significant.

The capacity of the organisation had greatly reduced during the second and third quarters as staff numbers were low and a much-reduced workforce was available to deliver the business plan. However, the core business of the CLC was able to continue during that transitional period and the team is now nearly back up to strength. In addition, major changes to the landscape with the arrival of major alternative provision of PI through the Society of Licensed Conveyancers and the consideration by the SRA of radical changes to

compensation arrangements, have meant that some work scheduled and in part undertaken earlier in the year has been rescheduled. The Council has rightly chosen to take full account of those changed circumstances and so work on changes to the compensation scheme and the review of PI is taking place to a longer timetable.

Overall, good progress has been made against the business plan objectives. Some activities plan have been rescheduled but all will be achieved within the business plan period. The only exceptions are the two conferences which are now fully planned and will take place in January 2016.

7. Business Continuity Plan

SR presented a revised BCP for approval by Council following the move from Chelmsford into part serviced accommodation in London. The plan was approved by Council with 2 additions:

- i) Add a sentence to ensure any advice given to CLC staff is in accordance with emergency service advice and
- ii) A wallet-size card should be issued to key staff on the emergency group.

Council asked ARC to test the plan at their next meeting in January 2016.

Action 006: add line in to refer to action taken in accordance with emergency services advice to cover CLC eg if we send staff home and there is advice that public should not use public transport. A handy wallet-size card to be issued to key staff with useful numbers to use in an emergency.

8. High level update and draft minutes from 15 October Audit and Risk Committee

9. AoB

- a) Council agreed to recognise the work that Michelle Timms had done in promoting apprenticeships – JP will mention in her speech at SLC conference and follow up with a thank you letter.

Action 007: JP to write to Michelle Timms to thank her for work with trailblazing apprenticeships and also to acknowledge this work at CLC conference

- b) Council agreed that CLC could rent an additional space within the CAN building to be used as quiet space or for confidential meetings. Specific costs would be sent round for noting.
- c) Updating of Handbook

Council noted that a plan for this project was in progress. SMT to ensure that this work is scheduled into business plan for next week and also that a plan to engagement council members is worked up.

Action 008: Send round to council members all CLC dates for 2016 on one page.

Plan to be updated for handbook rules update and include council involvement.

Action 009: Send round to council members all CLC dates for 2016 on one page.