



CLC Council Meeting

Thursday 26 April 2018

11.00 a.m. – 2.00 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, Apologies for Absence and Declarations of Interest		For recording	Chair
2.	Minutes and Matters Arising			Chair
	a) Minutes of the meeting of the Council held on 25 January 2018	a) For publication, subject to redaction of information which is: policy in development; intended for future publication; commercially confidential	Approval	
	b) Minutes of the meeting of the Council held on 28 March 2018	b) For publication, subject to redaction of information intended for future publication	Approval	
	c) Ratification of decisions taken outside Council meetings	c) Not for publication – contains information which is: commercial; intended for future publication	Approval	
	d) Actions arising from previous meetings	d) Actions from previous meetings have not been published on the basis that these have been published within written minutes of past meetings	Noting	
3.	Chief Executive's Report	Not for publication – contains information which is: policy in development; intended for future publication; commercially confidential	Noting	CEO
4.	Management Report			DFO/SMT
	a) Q1 Performance Outturn	a) For publication – subject to redaction of information which is: commercial; intended for future publication	Noting	
	b) Watchlist and Interventions	b) Not for publication – contains information relating to ongoing investigations, proceedings and enforcement action	Noting	DFO
	c) Principal Risk Register	c) Not for publication – contains information the disclosure of which would be prejudicial	Approval	DFO

No	Item	Publication Status	Type of Paper	Lead
	d) Property and Law News Round up	d) For publication	Noting	DSER
5.	Review of the Potential Application of Excess Reserves	Not for publication – contains information which is policy in development; commercial	Noting	DFO
6.	Evaluation of the SQA Managed Qualification Scheme	Not for publication – contains information which is: commercial; policy in development	Noting	DRS
7.	General Data Protection Regulation (GDPR) Update	Not for publication – contains information which is policy in development	Noting	DRS
8.	Implementation of CMA Recommendations set out in its Legal Services Market Study of Transparency	Not for publication – contains information which is policy in development	Approval	DRS
9.	Ministry for Housing, Communities and Local Government – Response to the Call for Evidence	For publication	Noting	DSER
10.	Committees a) Audit and Risk Committee b) Adjudication Panel – Succession Planning	a) Not for publication – contains information relating to policy in development b) Not for publication – contains information which is intended for future publication	Noting Update	Audit and Risk Committee Chair DRS
11.	Council Workplan	For publication	Noting	CEO
12.	Any Other Business (Items to be advised by email in advance to Audrey Cosens)			ALL
13.	Date of Next Meeting • Thursday, 7 June 2018 (<i>Council Workshop</i>) • Tuesday, 24 July 2018 (<i>Council</i>)		Noting	ALL

Key: CEO: Chief Executive
DFO: Director of Finance and Operations
DRS: Director of Regulatory Standards
DSER: Director of Strategy and External Relations
SMT: Senior Management Team

**Council for Licensed Conveyancers
Minutes of the Council meeting held
on
Thursday 25 January 2018
at
CAN Mezzanine, East Road, London, N1 6AH
9.00 a.m. – 11.30 a.m.**

Council Present

Dame Janet Paraskeva (Chair)	Mr. A. Clark
Mr. A. Cogbill	Mr. R. Gurney
Mrs. H. Foster	Mr. Q. Quayle
Mr. T. Perchard	
Mr. C. Willby	

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

In attendance:

Ms. K. Jack, Black Letter Communications *for item 12*
Mr. J. Leaver, Clarity Communications *for item 12*

1. Welcome, Introductions, Apologies and Declarations of Interest

The Chair welcomed members to the Council meeting.

Apologies for absence were received from Ms. A. Pierce and Ms. E. Boothroyd, Chair of the Adjudication Panel.

In addition to previously advised interests, Mr. Q. Quayle advised that he had been appointed as a Non Executive Director of Cottsway Housing Association.

2. Minutes and Matters Arising

The Council was advised that most of the actions arising had either been completed or were included on the agenda for discussion at this meeting.

The Council was informed that a recruitment exercise for the post of Deputy Director Communications was underway. [REDACTED]

[REDACTED]

[REDACTED]

The arrangements for the establishment of a Professional Reference Group would be progressed following completion of the Non Executive Director recruitment.

[REDACTED]

The Council **AGREED**:

- (1) That minutes of the meeting of the Council held on 2 November 2017 be approved as a correct record subject to the addition of Mr. Q. Quayle as being present; and
- (2) To note progress with actions arising from previous meetings.

Action: Jan/18/01 Further interviews for recruitment to the Professional Non Executive Director vacancies to take place on 31 January 2018 and 8 February 2018.

Action: Jan/18/02 Professional Reference Group to be put in place following completion of the Professional Non Executive Director recruitment.

3. Chief Executive's Report

The Chief Executive presented her quarterly report.

[REDACTED]

The Council **NOTED** the Chief Executive's report.

4. Management Report

a) Q4 Performance Out-turn

In introducing the report, the Director of Finance and Operations advised that the outturn for the fourth quarter had been reviewed in detail by the Audit and Risk Committee at its meeting on 16 January 2018.



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 information.

Action Jan/18/03: Future Council Workshop meeting to consider the options for the use of funds.

b) *Interventions and Watchlist*

The Council reviewed current watchlist and intervention activity.



The Council:

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

[REDACTED]

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 16 January 2018.

[REDACTED]

Officers were commended on a good report.

The Council:

- (1) **NOTED** the SMT's assessment of the status of the Principal Risks; and
- (2) **APPROVED** the Principal Risk Register as recommended by the Audit and Risk Committee.

d) Risk Management Policy

[REDACTED]

The Council **APPROVED** the Risk Management Policy (as amended).

Action Jan/18/05: To adopt the Risk Management Policy and arrange for its review on an annual basis.

e) Property and Law News Round Up

The Director of Strategy and External Relations introduced the current property and law digest.

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

The Council **NOTED** progress against the Business Plan 2017.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Action Jan/18/10: To ensure that additional activities not reflected within the Business Plan are captured within the 2017 Annual Report.

5. 2018 Budget

The Director of Finance and Operations introduced the 2018 Budget, which had been reviewed by the Audit and Risk Committee, at its meeting on 16 January 2018 who had recommended it for adoption.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The Council **APPROVED** the proposed budget 2018.

6. Governance

a) Delegation of Authority

The Corporate Governance Framework allows the Council to delegate the discharge of its functions to the Chair, Chief Executive, SMT and other individuals or Committees. The current register of delegated powers was last updated in 2011, and an updated delegation register was proposed.



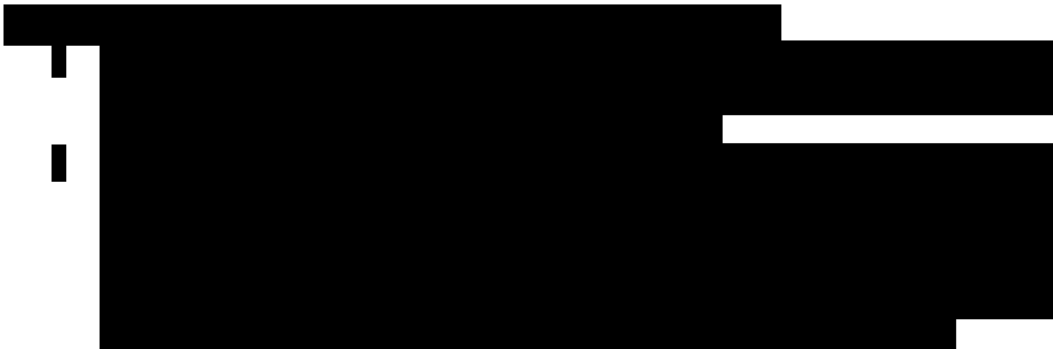
The Council **APPROVED** the revisions to the Register of Delegations, subject to incorporation of the above amendments.

Action Jan/18/11: To incorporate the Council's recommendations within the Register of Delegations and annex the Register of Delegations to the Corporate Governance Framework for regular review.

7. Committees

a) Audit and Risk Committee

The Chair of the Audit and Risk Committee introduced the report.



The Council:

- (1) **NOTED** the report of the Chair of the Audit and Risk Committee of its meetings held on 1 November 2017 and 16 January 2018;
- (2) **NOTED** the draft minutes of the meetings of the Audit and Risk Committee held on 1 November 2017 and 16 January 2018;
- (3) **NOTED** the Annual Report of the Chair of the Audit and Risk Committee.

(b) Remuneration Committee

The Chair of the Remuneration Committee introduced the draft Chair's Annual report for the year ended 31 December 2017.

The Council **NOTED** the draft report of the Chair of the Remuneration Committee for the year ended 31 December 2017.

(c) Appointments Committee

An update on the recent interviews conducted by members of the Appointments Committee was provided under matters arising above.

8. Adjudication Panel Chair's 2017 Annual Report to Council

The Chair of the Adjudication Panel's 2017 Annual Report was presented to Council

[REDACTED]

[REDACTED]

The Council **NOTED** the Annual Report of the Adjudication Panel for the year 2017.

[REDACTED]

9. Sanctions Guidance for use by Adjudication Panel – Update

Following the Council's agreed approach to sanctions, the Director of Regulatory Standards introduced a report which set out the outcome consultation.

[REDACTED]

[REDACTED]

Officers were commended for their work on developing the guidance.

The Council **AGREED** to submit the proposed Sanctions Guidance to the LSB for approval (as amended above).

Action Jan/18/13: to submit the proposed Sanctions Guidance (as amended above) to the LSB for approval.

10. Overview of the current protection arrangements and the benefits of other products.

The Director of Regulatory Standards introduced the report which provided an overview of the current protection arrangements and other areas for exploration.

[REDACTED]

The Council **NOTED** that a Practice Note on current protection arrangements and other benefits will be issued in March 2018.

Action: Jan/18/14: To issue a Practice Note on current protection arrangements and other benefits.

11. Council Workplan

The Council was advised that the Workplan represented a current snapshot of reports and activities planned for 2018.

[REDACTED]

The Council:

- (1) **NOTED** the forthcoming Workplan.
- (2) **AGREED** to consider the application of practice fund reserves and the CMA transparency agenda at its workshop on 8 March 2018
- (3) **AGREED** that dates for meetings in 2019 would be circulated.

Action Jan/18/15: To include consideration of the practice fund reserves and progress with the CMA transparency agenda at the next Council workshop.

Action Jan/18/16: to circulate the schedule of CLC meetings to take place in 2019.

12. CLC Strategy Launch: PR Briefing

Kerry Jack of Black Letter Communications and John Leaver of Clarity Communications attended the meeting to discuss the CLC's Strategy Launch and to demonstrate the key features of the CLC's new website.

13. Any Other Business

There were no other items of business.

14. Dates of Next Meetings

Thursday 8 March 2018 (*Council Workshop*)
Wednesday 28 March 2018 (*Annual Financial Statements*)

Council for Licensed Conveyancers
Minutes of the Council meeting held
on
Wednesday 28 March 2018
by teleconference

Council Present

Dame Janet Paraskeva (Chair)	Mr. A. Clark
Mr. A. Cogbill	Mrs. H. Foster
Ms. T. Perchard	
Mr. R. Gurney	

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 A. Pierce, Mr. Q. Quayle, Mr. C. Wilby

1. Welcome, Introductions, Declarations of Interest

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

2. Audit and Risk Committee meeting held on 20 March 2018 – Draft Minutes

The draft minutes of the meeting of the Audit and Risk Committee held on 20 March 2018, which had reviewed the Annual Financial Statements, the External Auditor's report and the draft Management letter, were included for information.

The Council was advised that the Audit and Risk Committee's comments on the Annual Financial Statements had been incorporated.

The Council **NOTED** the draft minutes of the Audit and Risk Committee meeting held on 20 March 2018.

3. External Auditor's Report Presented to Audit and Risk Committee, 20 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 2017.

The Council:

- (1) **NOTED** that the 2017 audit of the CLC's financial statements had been presented to the Audit and Risk Committee meeting on 20 March 2018;
- (2) **NOTED** that an unqualified audit report was being proposed;
- (3) **AUTHORISED** the Chair of Council and Chief Executive to make any changes required and to finalise and sign the representation letter.

4. CLC Annual Financial Statements 2017

The Director of Finance and Operations introduced the CLC's Annual Financial Statements for the year ended December 2017.

The Council was advised that the format of the accounts was consistent with that of the previous year. The CLC had previously opted to follow accounting standards and the level of disclosure was considered appropriate and represented good practice.

The Council:

- (1) **APPROVED** the CLC's financial statements for the year ended 31 December 2017; and
- (2) **AUTHORISED** Janet Paraskeva as Chair and Sheila Kumar as Chief Executive to make any changes required to finalise and sign the annual financial statements and arrange for their publication.

4. CLC Annual Report 2017

The Director of Strategy and External Relations introduced the draft Annual Report. The Annual Report is a separate publication to the Annual Financial Statements and Council members' comments on the draft were invited. The Chair and the Chief Executive would finalise the report prior to its publication.



The Council:

- (1) **NOTED** the draft Annual Report 2017; and
- (2) **AGREED** that the report be finalised by the Chair and Chief Executive prior to publication.

5. Date of Next Meeting

Thursday, 26 April 2017 at 11.00 a.m.



CEO Report

Purpose: For information

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 2018 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 – Q1 Out-turn

Purpose: **Noting**

Authors: **Jason Hinrichsen and Stephen Ward**

Summary

This report comprises of the following elements:

Section 1: Out-turn figures have been reported to the ARC on 17 April 2018.

Section 2: Operational performance indicators.

Section 3: Human Resources indicators

Section 4: Complaints made against the CLC

Section 5: Procurement

Section 6: Projects

Appendix A: Business Plan Q1 Progress

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 17 April 2018.

Publication

For publication.

Section 1: Out-turn – Overview of financial performance to 31 March 2018

PRACTICE FUND

1 Financial Performance

The provisional financial results for the first quarter of 2018 are summarised below:

Council for Licensed Conveyancers Income Statement for the first quarter	January - March 18		Variance	Var
	Actual	Budget	YTD	%
REVENUE	678,054	674,916	3,138	0%
TOTAL STAFF COSTS	339,405	321,195	(18,210)	-6%
Salaries and Benefits	314,342	294,425	(19,917)	-7%
Council Fees and Expenses	25,063	26,770	1,707	6%
TOTAL OPERATING EXPENDITURE	305,269	345,511	40,242	12%
External Relations	90,370	87,496	(2,874)	-3%
Practice	32,474	49,427	16,953	34%
Regulatory	96,270	102,303	6,033	6%
Office Costs	86,154	106,285	20,131	19%
SURPLUS	33,379	8,210	25,169	307%

At the end of the first quarter we are reflecting a surplus of £33,379 which is £25,169 better than the budget expectation. The variance is largely driven by the timing of expenditure and is likely to decrease as the year progresses.



[REDACTED]

- [REDACTED]

- [REDACTED]

- [REDACTED]

- [REDACTED]

2 Cash reserves

As at 31 March 2018 the cash position of the Practice Fund is summarised as follows:

Practice Fund			Increase / (Decrease)
Cash Reserves as at March 2018	Dec-17	Jan-18	
Minimum Reserves	1,000,000	1,000,000	-
Free Cash Reserves	2,309,521	2,131,164	(178,357)
Total Cash in Hand	3,309,521	3,131,105	(178,357)

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

[REDACTED]

[REDACTED]

[REDACTED]

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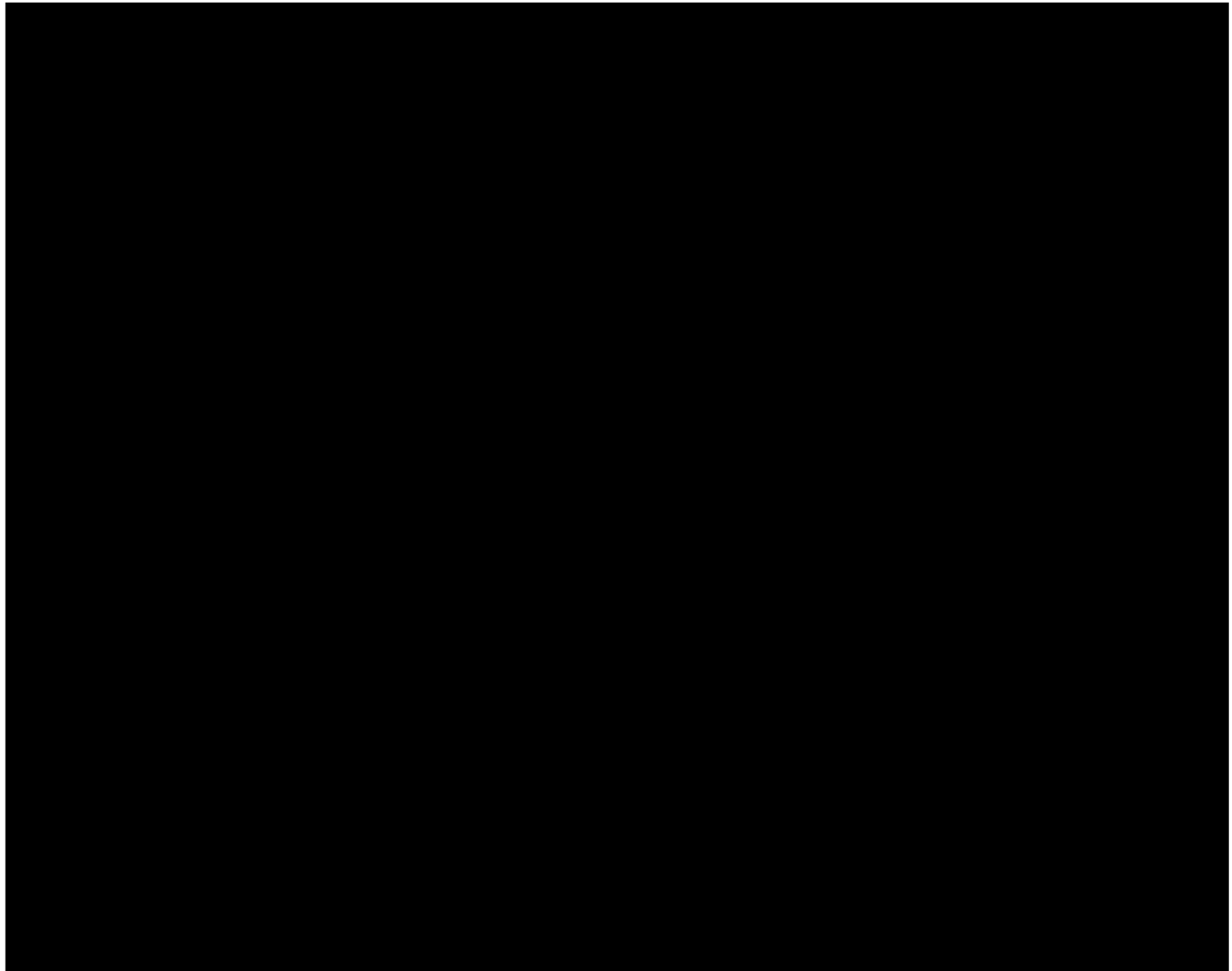
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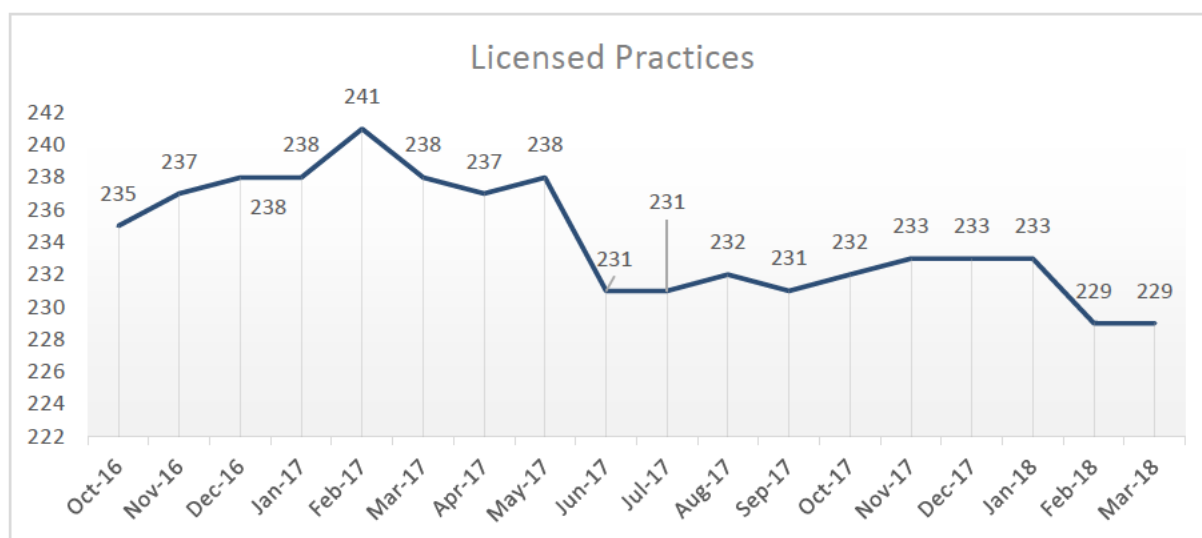
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Section 2: Operational performance indicators

Section 2.1 – Practices & Licensing



- The number of practices under CLC regulation has decreased by 4 over the quarter. Two of the practices merged with existing CLC practices.

The practices regulated by the CLC at the end of March 2018 is summarised by entity type below:

Practices by Entity Type		ABS
Limited Company	154	60
Limited Liability Partnership	12	3
Partnership	19	
Sole Practitioner	44	
Total	229	63

There are currently 63 (61 at the end of 2017) regulated practices that are registered as Alternative Business Structures.

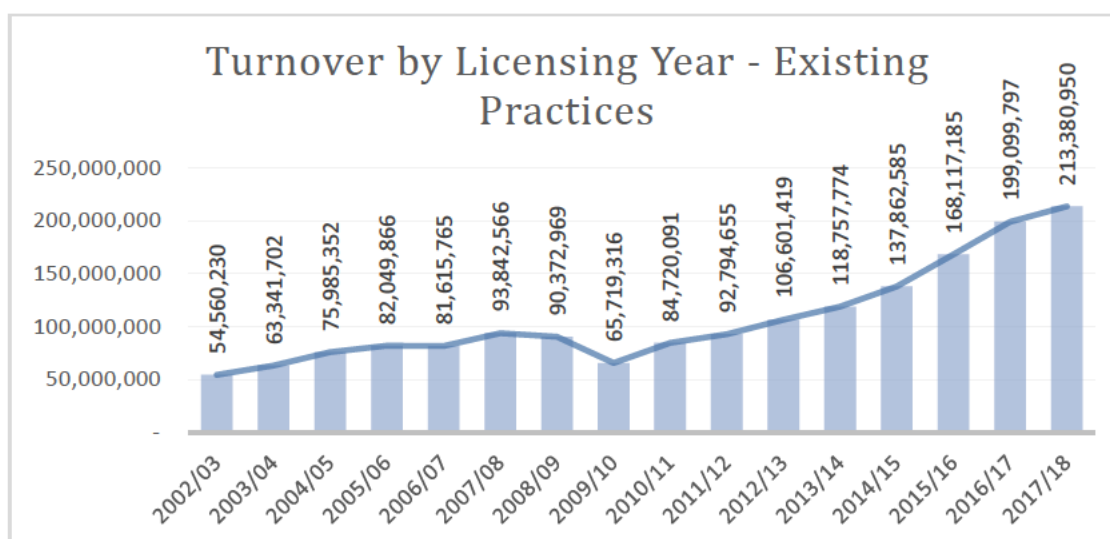
The table below summarises movement in the number of practices and declared turnover from the beginning of the last renewal period starting 1 November 2017.

Growth in turnover under CLC regulation	Nov 17 - Mar 18	
	No. of entities	Declared turnover (£)
Declared turnover at 31 October 2017	231	213,172,787
New practices added	1	257,845
Less: Closed practices	-3	(428,180)
Merged with CLC practices	-2	(405,222)
Total at 31 March 2018	233	212,805,393

The annual fee income lost from the 5 closed practices is approximately £10k.

In April, we have added 3 new practices with a combined turnover of £1,65m and an annual fee income of £18k.

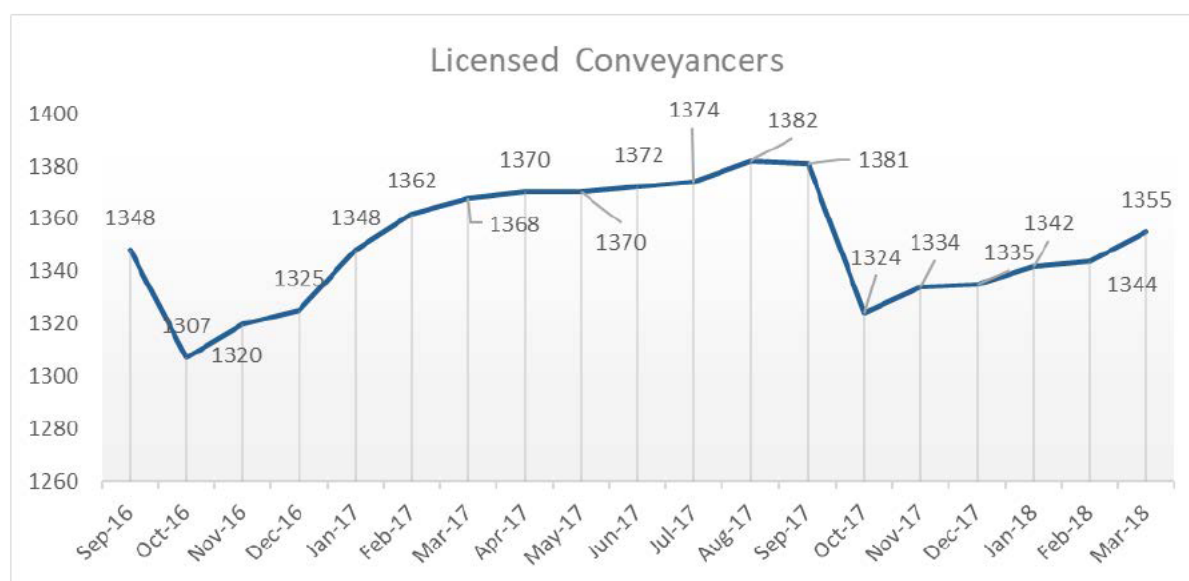
The table below summarises the declared turnover at license renewal point since 2002.



- The number of issued Individual licenses increased by 22 and Manager licences by 2 in the first quarter of 2018. The table below summarises the individual licenses issued at the end of Q1:

Individual License Holders	Employed	Manager	Total
Probate	1	3	4
Conveyancing	958	325	1283
Probate & Conveyancing	20	48	68
Total	979	376	1355

The growth in individual license over the previous 19 months is captured in the graph below:



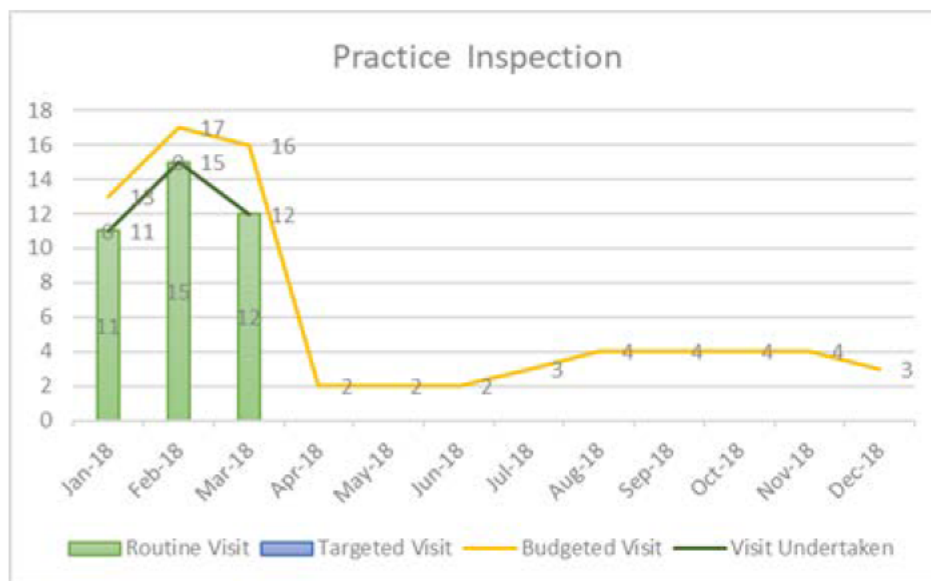
There are 13 fewer license holders that there were 12 months ago.

Section 2.2 – Inspections & Monitoring

Watchlist activity for the year is summarised below:



Inspections conducted year to date have been summarised below:



38 routine and no targeted inspection have been conducted in the first quarter of 2018.

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	226	175
Submitted Late	55	51	42
Not yet Submitted	1	1	5
Qualified	64	64	45
Qualified rate (received)	29%	28%	26%

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

No practice interventions have taken place in Q1 2018.

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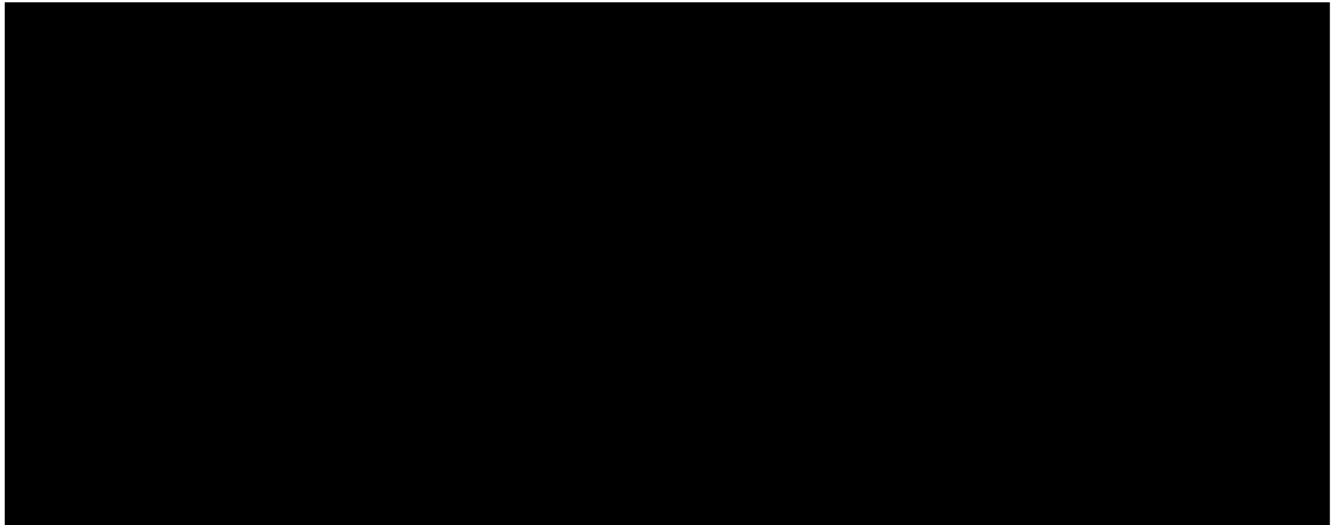
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[REDACTED]

[REDACTED]

[REDACTED]



Section 4 - Complaints against the CLC

No complaints have been raised against the CLC in Q1 2018 (2017: 0). There are currently no unresolved complaints.

No instances of whistleblowing have been reported.

Section 5 - Procurement

The CLC has agreed a new office lease with WeWork which commences in July 2018.

Section 6 - Projects

There are currently no projects.

Business Plan 2018: Key Milestones

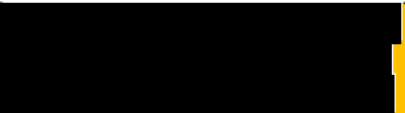

Ref	Activity	Lead	Deadline and measure	Comments on progress
Empower consumers to make informed choices				
1.	Review of current rules on estimates to ensure consistent and comparable fee information is available to consumers	SB	New rule in force January 2019	The deadline has been moved back from July 2018 to align with other regulators.
2.	Socialise CMA recommendations across the profession Promote use of independent feedback platforms to the profession	SW	75% of CLC-regulated firms have attended Managers conference with session on new transparency requirements in January Practice contacts at all firms have opened email communications on the new requirements Two articles have appeared in the legal press promoting the CLC's requirements Web content reviewed and updated 1 year after publication Promoted in six newsletters	On track Participation in the January conference was good Regional roadshows are planned for June 2018 Webinars will also provide support and guidance on transparency

			By December	
3.	Review Legal Choices information on customer journeys in conveyancing	SW	Half-yearly content reviews have taken place and changes have been deployed and documented	First content review will be rolled into redevelopment of the Legal Choices website.
4.	Review CLC information on customer journeys in conveyancing	SW	Revised material on CLC website by June	Completed
5.	Engage insurers on information sharing	SB	All brokers that are part of the Participating Insurers Agreement have been met to review progress on information sharing by December	On track
6.	<i>Subsumed into item 2 (was: promotion of use of feedback platforms)</i>			
7.	Contribute 5% of costs of Legal Choices	SW	Subject to all regulators contributing Value for money assessment completed	Done
8.	Enhance CLC data sets for regulatory purposes, identifying new sources of data that could be available from partners such as lenders, securing regular updates and making use	SB	Richer data from lenders, panel managers, Land Registry is informing CLC regulatory operations by July	

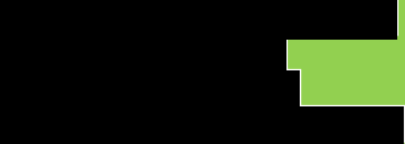
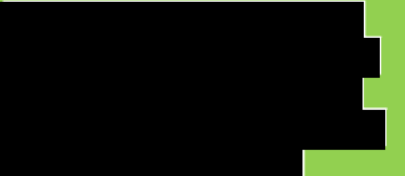
9.	Audit of lender policies and practices (external resource) Engagement with lenders that discriminate against LCs Raise intermediary awareness through their representative bodies	SW	Audit completed and reviewed by SMT by June 2018 Programme of meetings with lenders set and taking place at rate of 1 each month with effect from October 2018	To be scoped by new DD Communications
10.	Create and place content that will reach consumers at point of decision to raise awareness of choice	SW	at least one article in consumer press each month	On track
11.	Make consistent and comparable fee information available to potential clients Analyse consultation responses and implement rule change Run pilot scheme Provide compliance support through newsletter, webinar, events Monitor LC compliance with new transparency requirements	SK JH	Practice note published and webinar held by October Support promoted in newsletter monthly in H2 Compliance tested at each inspection	On track Consultation responses have been analysed. Guidance deadline has been pushed back to October to align with coming into force of new requirements in January 2018

Adapt CLC regulation to changing markets				
12.	Complete reviews of the Accounts Code and CPD framework	SB	New rules will come into force in January 2019	The deadline has been revised to align with other changes to the CLC rule book

13.	Complete reviews of regulatory arrangements: Licensed and Recognised Bodies Complaints Conflicts of Interest Estimates and Terms of Engagement Diversity and Equality	SB	Revised arrangements to be signed off by Council in July 2018	Licensed and Recognised Bodies. Programmed work completed. The new rules are not yet in force because they need to incorporate amendments currently being considered by the FCA (as the CLC's oversight regulator) to ensure they comply with the Insurance Distribution Directive. Other areas will follow after agreement of the transparency measures and will be brought to the Council in November.
14.	Amend current rules on letters of instruction and the communication of key information to clients in line with decisions on CMA recommendations	SB	Council decision Q3 2018	This is part of the work on the transparency agenda and the new rule will come into force in January 2019.
15.	Hold meetings or run consultations with Expert Advisory Panel to inform policy development	SB	Online and face to face meetings of the Panel held to inform policy development as necessary	Panel will be established following the completion of recruitment to the Council.

16.	Run events with Legal Geek to engage Legal Tech leaders	SW	Conveyancing-focused event completed by June	
	Training for staff on use of legal tech in CLC firms	JH	Training delivered by October	
	Hold meetings with legal tech providers to explore and implement collaboration for regulatory purposes	SW	Meetings with LSSA members completed by October	
17.	Develop audit approach with case management suppliers to improve regulation of large businesses	JH	Audit approach agreed by July	On track
	Document differential approaches to monitoring of different business models, practice sizes and focus (subsumed here from item 21 below) Audit training			
18.	Greater use of available data for risk assessment Lenders persuaded to provide more information	JH	Lenders have agreed to share more information	On track with new lender engagement push to begin Q3, 
		SW	CLC systems are capturing data and it is being used to assess risk by September	


19.	Secure meetings with institutional investors in law firms	SW	Meetings held with all current institutional investors in CLC firms by December	On track
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20.	Keep fraud prevention approach under review in light of emerging risks	SB	Review completed and rules/compliance support content revised by July	<p>New content has been provided to support practices and the CLC has joined the Home Office Flag It Up! campaign that focuses on money laundering and is aimed at conveyancers and other professionals. This is alongside our membership of the Take Five! Campaign that is designed to improve consumer awareness.</p> 
21.	<i>Subsumed into item 17 (was: documenting differential approaches)</i>			
22.	Engage ministers and civil servants to ensure value of CLC regime is understood	SW	Targeted Civil Servants and politicians briefed by CLC on transparency work progress, wider priorities across the year	<p>On track</p> 

For publication – information which is: policy in development; intended for future publication; commercial has been redacted


Council
26 April 2018
4 (a) Appendix A
Business Plan 2018
Progress Report Q1

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23.	<p>Begin to explore potential approaches that CLC could take to increasing the security of client money</p> <p>Support pilots of escrow system for fund transfers at exchange and completion</p>	SW	<p>Report to Council on assessment of potential by December</p> <p>Identify CLC-regulated entity firms to take part</p> <p>Ensure pilots meet regulatory expectations</p> <p>Promote successful pilots as part of work to improve the home buying process</p>	<p>On track</p> <p>Pilots with real transactions expected to take place early Q2</p> 
Be the Regulator of choice				
24.	Engagement with SQA, education providers, students and employers to assess performance of new education arrangements	SB	Recommendations for next phase by April	On track
25.	<p>Promote CLC qualifications</p> <p>Attendance at careers fairs to reach careers advisors</p> <p>Promotion in FE-related publications</p> <p>Develop and distribute school careers speech pack for LCs to use</p>	SW	Speaker packs available in CLC website and promoted to profession by end Q3	On track

26.	Deploy revised messaging through CLC's existing channels to improve non-CLC firms' understanding of the CLC's model of regulation and how to transfer into CLC regulation	SW	Direct communications and PR as agreed in detailed plan with PR agency throughout the year	On track
27.	Assessment of need for and potential impact of changes to the CLC's brand and title of LC	SW	Work on review to begin in November	On track
Core regulation and infrastructure				
28.	Annual Report and Annual Financial Statements	SW	Published in April Full account of CLC's achievements in 2017 Physical distribution to key stakeholders Deployment as web content Accompanied with easily digestible information on finance and resourcing Associated communications activity	On track
29.	Collection and analysis of Annual Regulatory Returns by independent research agency	SW	100% participation by firms Publication in November	ARR being scoped in Q2 to be in field Q3 with analysis of the results to be published in Q4

30.	All day conference for CLC managers and other specialist conveyancers and probate practitioners	SW	At least 200 participants Average 8/10 satisfaction rating	Completed 174 delegates (target of 200 missed) 18 Speakers 5 exhibitor Organisations 70 Responses to satisfaction survey Sessions (including breakouts) rated 'useful' or 'very useful' by 84% of respondents on average (Only two sessions below 80%) 81% said they would definitely attend a similar event in 2019
31.	First Licence ceremony	SW	At least 10 new licensees, June 2018	On track 20 new licensees have indicated they will attend. Central London venue secured for 7th June so that the ceremony + tea reception can take place following the Council workshop meeting.

32.	Stakeholder perceptions report: repeat of 2014 and 2016 reports to enable assessment of progress and help set targets for coming years	SW	Published December 2018	Collection of regulated community perception will be rolled into the ARR exercise
33.	Monthly emails to the Newsletter subscription list	SW	Opens > 40%, clicks > 10% 10% growth of subscription list by end 2018	On track. Newsletters generally exceed the targets for opens and clicks. February's newsletter significantly underperformed for reasons that are not clear. This means the average for Q1 was 38.6% opens and 10.1% clicks. 
34.	Increasing media coverage of CLC to improve consumer and lawyer engagement Working with retained PR agency to earn increased media coverage to engage specialist conveyancers and probate lawyers and potential users of conveyancing and probate services	SW	Year-end metrics soon to be added	Progress is good. We are increasing coverage of the CLC generally and we also now have regular articles in What Mortgage (consumer-facing) and Mortgage Finance Gazette (industry-facing) .

				Current rating is amber because metrics have not yet been agreed. This should be completed by the end of April and Council will be updated at the April meeting.
35.	Reviewing eligibility, collecting payment and issuing new licences	JH	All licences renewed and issued accurately	On track
36.	Reviewing all accountants reports and taking appropriate action with entities	JH	All reports submitted in timely manner after entity's financial year end and reviewed within 2 weeks of submission	On track
37.	Oversee the PII renewal process	SB	All firms seeking insurance receive quotes in time to renew	On track
38.	Responding to consultations from government, LSB, other regulators and others	SB	As necessary	On track <ul style="list-style-type: none"> • Response to LSB consultation on Internal Governance Rules • Response to MHCLG consultation on redress in housing market
39.	Desk-based monitoring and 70-80 inspection visits to firms carried out by staff and outsourced inspectors	JH	At least 70 visits completed and up to 80 if required	On track

40.	SMT visits to firms to gain better understanding of their businesses and their views of the evolution of the market and delivery models	SB	12 visits in year	One visit has been completed. Others are to be fitted in around CLC roadshows in June 2018 and Q3

41.	Participation in 3rd party conferences as speakers/participants	SW	CLC speakers at 6 third party events	On track. We have presented/will present at Conveyancing Association (February meeting) LegalEx (On each day of two-day conference in March) Society of Licensed Conveyancers Spring Roadshows (4 locations in May) Law Firms Services Conference (September) Westminster Policy Forum conference on the home buying process (September) Society of Licensed Conveyancers Annual Conference (November) Conveyancing Association Annual Conference (December)
42.	Complete preparation for GDPR	SB	Q1 2018	Will be achieved by deadline of 25 th May.
43.	Complete recruitment of up to three new professional members of the Council	SK	Q1 2018	One appointment made, one term extended by one year
44.	New CLC website launch	SW	January 2018	Completed. Increased traffic being maintained.

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In-year additions				
45.	Roadshows to promote new transparency approach, AML, GDPR	SW	w/c 11 th June	Timing to be kept under review – may move to Q3, depending on timetable of 1, above
46.	Money Laundering Regulations Checks	SB	All relevant persons to have submitted application for their checks by deadline.	On track. This is a significant exercise that requires checks to be carried out on the majority of those holding a CLC manager authorisation and other beneficial owners.
47.	Preparation for implementation of the Insurance Distribution Directive	SB	Revising CLC regulations and guidance to deliver compliance with the directive	On track
48.	Service standards (carried over from 2017)	SW	Internal piloting of revised service standards begins Q1 Service standards published – where appropriate – Q3	This work has begun in relation to correspondence and complaints.

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 and by exception when necessary.

A progress update on the 3 interventions that took place in 2017 is included in this 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.

CLC Watchlist & Interventions

Purpose: Noting

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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: For approval

Author: Jason Hinrichsen

Summary

The Principal Risk Register as presented to the Audit and Risk Committee on 17 April 2018 is attached for consideration.

The SMT have discussed and reviewed the Principal Risk Register in April 2018 and agreed that:

- 1) The existing risks are valid, accurate and complete 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.

The Audit and Risk Committee considered the Principal Risk Register at the 17 April 2018 Audit and Risk Committee and agreed with the SMT that the register required no amendments.

Recommendations

The SMT recommends that Council approves the Principal Risk Register as recommended by ARC.

Risk management

The report covers the Principal Risks identified by the CLC.

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 only.

Background

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

Annexes

Annex A – Principal Risk Register

PROPERTY AND LAW ROUND UP

Purpose: For information

Author: Stephen Ward

Approver: Sheila Kumar

Summary

The regular summary of information affecting the property market. This is a snapshot of recently published data and commentary. Much current commentary is contradictory and uncertain and this summary reflects that.

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 Requirements

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

Property and Law round up

April 2018

IMPROVING THE HOME BUYING AND SELLING PROCESS

Better information for potential clients

The drive to improve consumer information to help them choose their lawyers received a significant boost in April from the Ministry of Housing, Communities and Local Government (MHCLG).

In their [response to their call for evidence](#) on improving the home buying and selling process, MHCLG said it would 'work with industry and consumer groups to develop solutions using more transparent data, standard metrics, kite marks and quality standards'.

This supports the work that the CLC is doing to increase the information made available by our own regulated community. The Chief Executive of the CLC is also coordinating work across the sector to ensure that there is a consistent approach that provides a level playing field for all lawyers and empowers consumers. This is the sector's response to recommendations from the Competition and Markets Authority following their market study of legal services.

Transparency of referral fees

In the same document, MHCLG explained that it had decided for the time being not to ban referral fees in conveyancing. The response to the call for evidence said MHCLG would: 'work with industry to standardise the presentation of referral fees and ensure that customers are made aware of any potential referral fee before they make a decision whether to purchase'.

This means that estate agents will need to disclose the fact and amount of any referral fee they may receive when making that referral. At the moment, the client often first learns about that fee from their conveyancer in a letter of instruction. By that time, the client is unlikely to consider shopping around for another possible provider.

The CLC is pleased with this outcome, because it seeks to shift the moment of transparency to the correct point in the process. It also avoids what could be damaging disruption to the industry from an outright ban.

Work across the legal sector to improve information for clients as they make their choice of lawyer should over time increase the propensity of consumers to shop around, whether independently or through comparison websites.

This could lead to a gradual shift away from referral fees in a way that is manageable for the industry. It would allow estate agents time to reduce their reliance on referral fee income and allow conveyancers to strengthen other channels to market to maintain their pipeline of business.

Digital mortgage deeds

In early April, HM Land Registry (HMLR) confirmed that the first digital mortgage deed has been entered on the register, using the government's Verify service for the mortgage holder to sign the deed. This development is part of HMLR's ambition to make property transfer faster and simpler.

We are pleased that this involved a CLC firm. We are also pleased to be supporting pilots of other digital tools that could offer similar streamlining of the conveyancing process to help the consumer and support innovation in the industry.

ECONOMIC AND MARKET INDICATORS

The figures and opinion remain mixed. Cause for optimism may be helped by lower than expected inflation rates that may take pressure off the Bank of England to raise interest rates in May. Nonetheless, high remortgage activity seems to reflect consumer expectations of interest rate rises and an effort to fix their costs now.

One possible interpretation of the mixed picture across the country is that we are seeing the slow beginnings of a rebalancing of the housing market between London and the rest of the UK and that policy choices on stamp duty and help to buy are beginning to have their desired effect.

Office for National Statistics House Price Index - February

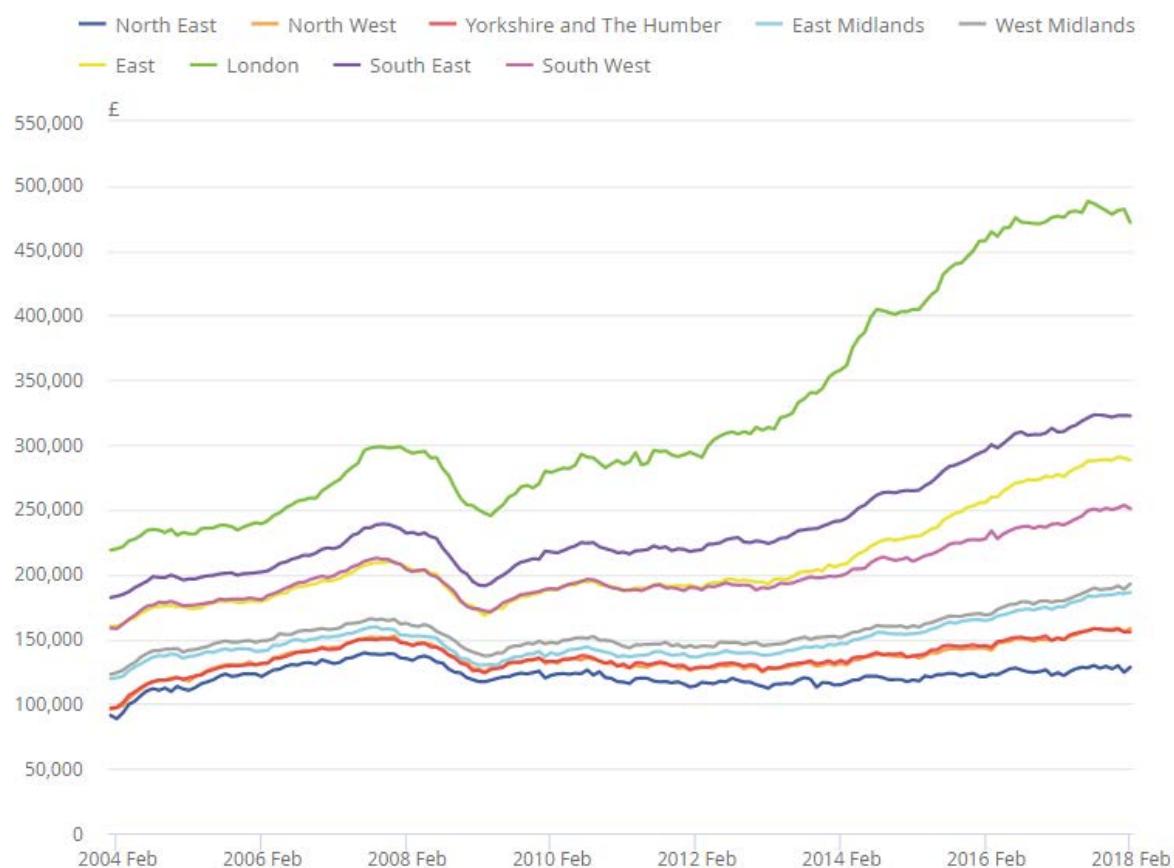
[ONS](#) found that average house prices in the UK have increased by 4.4% in the year to February 2018. Average house prices were found to have fallen by 0.1% on the month, driven mainly by a fall in London, which saw an annual 1% fall.



Source: HM Land Registry, Registers of Scotland, Land and Property Services Northern Ireland and Office for National Statistics

The main contribution to the increase in UK house prices came from England, where house prices increased by 4.1% over the year to February 2018, with the average price in England now £242,000. Wales saw house prices increase by 4.8% over the last 12 months to stand at £153,000.

The chart below shows the annual house price rates of change for the year to February 2018 by English region.



Source: HM Land Registry and Office for National Statistics

UK Finance – February mortgage figures

The picture from UK finance is rather more encouraging. They found that mortgage lending for first-time buyers, home movers and remortgagors increased in February 2018 compared to the previous year. Total homeowner house purchases, which combine both home movers and first-time buyers, reached 50,000, the highest level for February since 2007. The growth in remortgages year-on-year is likely to be a result of home owners looking to fix costs ahead of anticipated interest rate rises.

UK Finance found that:

- There were 25,200 new first-time buyer mortgages completed in February 2018, some 2.4 per cent more than in the same month a year earlier. The £4bn of new lending in the month was 2.6 per cent more year-on-year. The average first-time buyer is 30 with a gross household income of £41,000.
- There were 24,800 new home mover mortgages completed in the month, the same as in February a year earlier. The £5.3bn of new lending in the month was 1.9 per cent more year-on-year. The average home mover is 39 and has a gross household income of £55,000.
- There were 35,400 new homeowner remortgages completed in the month, some 11.3 per cent more than in the same month a year earlier. The £6bn of remortgaging in the month was 11.1 per cent more year-on-year.
- There were 5,200 new buy-to-let house purchase mortgages completed in the month, some 8.8 per cent fewer than in the same month a year earlier. By value this was £0.7bn of lending in the month, 12.5 per cent down year-on-year.

- There were 14,100 new buy-to-let remortgages completed in the month, some 20.5 per cent more than in the same month a year earlier. By value this was £2.2bn of lending in the month, 15.8 per cent more year-on-year.

Bank of England Credit Conditions Survey – Q1 2018

While the [survey](#) found that the availability of secured credit to households was unchanged in Q1, the demand for secured lending for house purchase was reported ‘to have decreased significantly in Q1, driven by a fall in demand for both prime and buy-to-let lending, but lenders expected the market to pick-up in demand in Q2.’ Default rates on secured lending fell significantly in Q1, for the fourth consecutive quarter and were expected to keep falling.

RICS Residential Market Report – March

There were some lurid headlines about [RICS’ Residential Market Survey](#) of March 2018 ([Stamp duty and Brexit 'have killed London market', says Rics report](#)). While the report is certainly downbeat, the widely-used headline was a quote from one particular respondent to the survey. It seems the market is slowing, and prices are falling, in London and the South East while other areas are seeing price increases. At the national level therefore, RICS’ price indicators remain flat. Estate agent’s stock levels are close to an all-time low.

The Nationwide House Price Index for March

[Nationwide](#) found annual house price growth steady at 2.1% but with a 1% annual fall in London prices. Their chief economist notes ‘historically low unemployment and mortgage interest rates together with the lack of properties on the market is likely to provide some support for house prices. Overall, we expect house prices to be broadly flat, with a marginal gain of around 1% over the course of 2018.’

Building Societies Association – Consumer sentiment

Given all of the above, it is not surprising that the BSA’s quarterly survey of 2,000 consumers across Britain found those in London and the South East the gloomiest about the housing market although overall sentiment is more negative than in March 2017. The table shows whether people are more positive or more negative about their prospects of buying a new home.

Home Purchase Index

	March 2018	March 2017
Britain as a whole	-3	+5
London	-13	-19
South East	-8	+16
East of England	0	-6
South West	-3	+10
East Midlands	-2	+14
West Midlands	+4	+16
Yorkshire & Humberside	0	+3
North West	+13	+17
North East	-11	+11
Wales	-9	+5
Scotland	+2	-3

Review of the potential application of excess reserves

Purpose: **Noting**

Author: **Jason Hinrichsen**

Summary

A paper on the possible application of excess reserves was presented at the workshop held on 8 March 2018.

The Council provided direction on some of the options and eliminated others from further exploration. This paper summarises various options for the use of reserves that are being considered. Further details, options and proposals will be provided at the June workshop.

Recommendations

Council is asked to note the paper.

Risk management

Effective use of reserves can significantly benefit the CLC, the regulated community and the consumer.

Financial impact

There is no financial impact unless a decision is taken to allocate funds to a project.

Diversity and inclusion impact

There is no impact on diversity or inclusion.

Communications requirements

There are no communication requirements.

Publication

Not for publication.

CLC Council Meeting

Initial Evaluation of the SQA managed Qualification Scheme

Purpose: For Noting
Author: Claire Richardson
Approver: Simon Blandy

Summary

This paper provides Council with an evaluation of the new qualification scheme managed by SQA after its first year of operation. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The number of current students already exceeds the number studying under the CLC scheme. [REDACTED]

[REDACTED]

[REDACTED] There has been a very encouraging uptake in the Apprenticeship schemes and the CLC is well placed to take advantage of the new Technical Level for Law (TLevel Law) when it is introduced as part of the 2020 national 16-19 curriculum.

[REDACTED]

[REDACTED]

[REDACTED]

Background

A report was presented to Council at its meeting on 27 April 2017 providing an initial evaluation of the transition to the new qualification scheme managed by the SQA.

A review has been carried out to assess the first full year of operation.

Risk Management

There is no continuing delivery role for the CLC.

The Licensing Team continues actively to liaise with SQA and the Approved Centres. It also continues to provide records of achievement for students and signpost other enquiries to the Approved Centres.

[REDACTED]

[REDACTED]

The CLC has no continuing staff costs related to Education provision. Queries received by students are answered by the Licensing Team. The decision by Council to reduce Practice Fees by 20% (from 1 November 2016) took fully into account the loss of CLC Education delivery function (and related costs).

[REDACTED]

[REDACTED]

[REDACTED]

Communications Requirements

None arising from this report.

Publication status.

This report is an update for Council members only.

General Data Protection Regulation (GDPR) update

Purpose: For noting
Author: Helen Gracie
SMT Approver: Simon Blandy

Summary

Council is asked to note the paper which reports on the steps being taken by the CLC to ensure the CLC and CLC practices are GDPR compliant by 25 May 2018 when the GDPR comes into force.

[REDACTED]

Risk management

Implementation of GDPR on 25 May 2018 introduces new risks for the CLC and for CLC practices. As set out in the paper, the CLC is raising awareness about GDPR with CLC practices and separately with CLC staff. The CLC is reviewing its policies and processes to ensure they are GDPR compliant on a risk basis.

At its request, the CLC has been allocated a case officer at the Information Commissioner's Office (ICO) which will enable the CLC to obtain advice, particularly on the scope of GDPR.

[REDACTED]

Financial impact

[REDACTED]

Diversity and inclusion impact

No direct diversity and inclusion impact has been identified.

Communications requirements

The CLC has a [GDPR page](#) on its website which is being regularly updated. The CLC newsletter will continue to raise awareness about GDPR and signpost to the GDPR page.

The CLC is updating its own data protection policies so they are GDPR compliant which will be published as and when they are finalised.

Publication status of this paper

This paper relates to policy development to comply with legislation and will not be published.

Implementation of CMA Recommendations set out in its Legal Services Market Study Transparency

Purpose: For Approval
Author: Simon Blandy

Summary

Council is asked to

- (1) agree the recommendations set out in the Appendix to this report, and
- (2) determine whether the CLC should publish determinations made by the Legal Ombudsman (LeO Data).

[illegible]

Risk management



Financial impact

Additional resources may be required if the CLC needs to enforce compliance with the amendments to the CLC's regulatory arrangements, as agreed by Council

Diversity and inclusion impact

No direct diversity and inclusion impact has been identified.

Communications requirements

The CLC will publish a consultation paper setting out the rule change required to give effect to the policy agreed by Council with draft guidance.

Publication status of this paper

This paper relates to policy development in response to the CMA Recommendations and will not be published.

Improving the Home Buying and Selling Process: Engaging with the Government's Agenda

Purpose: For noting

Author: Stephen Ward

Summary

This paper provides a brief overview of the CLC's engagement with the government's agenda on improving the home buying and selling process.

Recommendations

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

Risk management

Our work in this field should address any risk that we may be perceived as of the pace or failing to deliver on our mission to support innovation in the delivery of legal services.

Financial impact

This work can currently be delivered within existing budget provision.

Diversity and inclusion impact

As this work progresses, all players will need to ensure that it does not disadvantage any particular groups within the profession or consumers. The intention is to make legal services easier to access and use for all.

Communications requirements

This agenda creates significant need for communication and engagement with a wide range of stakeholders across the industry. This is already well under way and the CLC is well positioned. We will need to use all of our channels to keep the regulated community updated and engaged and to drive change across the industry.

Publication status

This paper can be published in whole.

INTRODUCTION

This paper provides a brief overview of the government's agenda on improving the home buying and selling process. We are closely and actively engaged in this work, with partners across the industry. This pace of activity is now quite fast and the landscape is changing quite often, so this paper sets out current activity and our overall goals.

The government's impetus helps create significant opportunities for the CLC to deliver on its promise to support innovation in the legal sector. We aim to put ourselves at the heart of the work to improve home buying and selling as part of our corporate strategy to become the regulator of choice as we continue to deliver high standards of consumer protection.

BACKGROUND

The Ministry of Housing, Communities and Local Government published its response to its call for evidence on improving the home buying and selling process on 8 April.

The Government response identified three areas for improvement:

1. a better consumer experience;
2. reducing time from offer to completion; and
3. reducing failed transactions.

Each of the main elements in the response is aimed to help in relation to one or more of the three areas for improvement.

Day to day delivery of this agenda has now moved from the Secretary of State to the Minister, Heather Wheeler. The Chair and Chief Executive are due to meet her on the morning on 1st May to offer our help driving this work forward to deliver real change by the industry.

Estate agents will now be required to hold a professional qualification and to be transparent about the fees they receive for referring clients to solicitors, surveyors and mortgage brokers.

Other measures the government expects will make the system easier, faster and more transparent include:

- encouraging the use of voluntary reservation agreements to help prevent sales falling through and crack down on gazumping
- setting a timeline for local authority searches so buyers get the information they need within 10 days
- requiring managing agents and freeholders to provide up-to-date lease information for a set fee and to an agreed timetable which will end the current situation where leaseholders are at the mercy of freeholders and their agents
- strengthening the National Trading Standards Estate Agency Team so they can carry out more enforcement activity which includes banning agents
- government working with consumer groups and the industry to develop a consistent set of performance metrics for conveyancers, so consumers can make a more informed choice

The government also said that, to 'bring the profession into the technology era', they will set up working group to bring industry and partners together to look at developing innovative digital solutions to speed up the home buying and selling process.

CLC'S RESPONSE TO THE GOVERNMENT'S PROPOSALS

In engaging with the government on this agenda, are three main areas we wish to focus on; transparency, technology and government leadership. But first we will look at the measures affecting estate agents.

Professionalisation of estate agents and transparency of referral fees

Coverage of the announcement focused on the professionalization of estate agents and the requirement that they should inform their clients of any referral fees in time for the client to be able to shop around for a conveyancer rather than relying on disclosure by the conveyancer in a letter of instruction.

The CLC has welcomed the government's decision not to impose a ban on referral fees, which could have been damagingly disruptive to the industry as well as to consumers and the national interest. We expect that the CMA transparency agenda could deliver incremental change by empowering consumers to shop around more.

We have met the Chief Executive of NAEA Propertymark, the estate agents' body who assures us that his members will comply with this requirement under the new regulatory regime.

We have agreed to join a working group convened by NAEA property mark to look at how estate agents can collect more comprehensive and accurate information about properties for sale that can be passed to conveyancers and so speed up the process.

Transparency (improvement area 1)

The MHCLG response has highlighted the need for greater transparency around conveyancing services. It is worth noting that there is significant overlap between this work and the CMA's market study response.

Through the Remedies Programme Implementation Group we aim to achieve an aligned approach on transparency in relation to conveyancing services between ourselves, the SRA and CILEx Regulation. We are looking to agree a standard format for price estimates for conveyancing and probate work.

Nobody wants legal services to become a race to the bottom where whoever offers the lowest fee wins, irrespective of the quality of the service delivered. In delivering on the CMA's recommendations, we are working hard on how firms can improve the way they promote the features and quality of their services, and show how they may differ from others.

We are keen that firms focus on selling on service and quality rather than on price. This may be a difficult transition for many, as law firms have traditionally found it difficult to differentiate themselves from each other. We will look for opportunities to help them as we develop our detailed response to the CMA recommendations.

We welcome the MHCLG's call for consumers to be able to make a more informed choice of conveyancer. Review sites are used, rated and increasingly trusted by consumers to guide their

buying decisions. It is this route, rather than kite marks or additional quality standards beyond existing regulatory requirements which we believe will best support consumers in shopping around and lead to informed consumer choice.

Technology (improvement areas 1, 2 and 3)

The Government's response also highlighted harnessing technology to improve the home buying process. This is of course something that we have been pursuing vigorously for some time now. They say that they want: *"In the long term ...the process to be enabled by the wide range of technological improvements which are already speeding up other aspects of our lives. We also want to encourage digital innovators so that they can use their skills and expertise to transform the process. In the short term, we want to work with industry and other public sector bodies to encourage the development of digital signatures, improve the ID verification process and promote the adoption of e-conveyancing."*

The proposal from MHCLG is to establish a technology working group which will initially prioritise work on digital signatures, improving and streamlining ID verification processes, and promoting the wider adoption of e-conveyancing; and work with innovators to explore routes to market for technological solutions. We are ready and enthusiastic to work with the Minister on this and are keen to take up a place on the Working Group.

Government leadership (improvement areas 1, 2 and 3)

From our role chairing the RPIG we are well aware of the complexities of corralling and driving forward a range of potentially competing stakeholders. The Government have set out an ambitious agenda, but are looking to the industry to deliver change itself.

While we agree it will be for others to bring forward solutions, we are firmly of the view that the Ministry will need to play a central role in ensuring progress. We will urge the Minister and the department to play a central and leading role in ensuring delivery and consider how they can best use their position to assist when agreement is proving difficult to reach or if progress stalls.



CLC Council Meeting

Audit and Risk Committee Chair's Report

Purpose: For Noting
Chair: Heather Foster

Summary

This report summarises the business considered at the Audit and Risk Committee at its meeting on 17 April 2018. (Appendix A)

Draft minutes of the Committee's meeting held on 17 April 2018 are included at Appendix B.

Recommendations

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

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

Communication and publication requirements

For Council only.

Adjudication Panel

Date of Meeting: 26 April 2018
Purpose: For Approval
Author: Simon Blandy

Summary

The Adjudication Panel was established in 2011 in place of the Discipline and Appeals Committee to determine appeals against licensing decisions made by the CLC and to determine misconduct cases referred to it.

This report invites the Council to agree that the terms of office of the four members whose term of office is due to expire on 31 August 2018 is extended by one year to 31 August 2019.

Recommendation

Council is asked to agree to extend the terms of office of the AP members whose term of office is due to expire on 31 August 2019 (namely Ian Melville, Ed Percival, Richard Morris and John Wilson) by one year so that they expire on 31 August 2019.

Risk management

There are no additional risks in extending the terms of office of these AP members.

Financial impact

There is no immediate financial impact in undertaking this project.

The financial consequences of any recommendation put to Council will be fully set out.

Diversity and inclusion impact

Equality, diversity and inclusion considerations are taken into account in determining AP Panel membership.

Communications requirements

The AP members will be invited to agree to a one year extension to their term of office. Assuming they agree, the extension will be confirmed to them by letter, and notification sent to the AP Chair.

Publication status of this paper

This paper will not be published.

Council Work Plan

Purpose

Noting

Author:

Sheila Kumar

Summary

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

Recommendations

The Council is invited to note the outline of business for consideration at its forthcoming meetings.

Risk management

None for the purposes of this report.

Financial impact

None for the purposes of this report.

Diversity and inclusion impact

None for the purposes of this report.

Communications requirements

None for the purposes of this report.

Annual Cycle	25 January 2018 Council meeting	8 March 2018 Workshop	28 March 2018	26 April 2018 Council meeting Q1 Results	7 June 2018 Workshop	24 July 2018 Council meeting Q2 Results	20 September 2018 Workshop	1 November 2018 Council meeting Q3 Results
Strategy and Planning								2018 Business Plan and Budget planning
Performance and Risk	Management Report <ul style="list-style-type: none"> Q4 Performance Outturn Interventions and Watchlist Compensation Plan Property News Round Up CEO report		External Auditor's Report and Management Letter CLC Financial Statements 2017	Management Report <ul style="list-style-type: none"> Q1 Budget Outturn Interventions and Watchlist Compensation fund Business Plan 2018 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 2018 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 2018 update Property News Round up Principal Risks CEO report
Governance	Adjudication Panel yearly update from Chair Scheme of Delegations Annual Committee Chairs' reports		Annual Report Minutes of Audit and Risk Committee	Appointments to Council Committees Minutes of Audit and Risk Committee Decisions taken outside Council meeting – ratification Adjudication Panel Succession Planning		Minutes of Audit and Risk Committee Minutes of Remuneration Committee	Council Effectiveness Review	Minutes of Audit and Risk Committee
Regulatory Activity	Budget Sign off Sanctions Guidance for Adjudication Panel			Implementation of CMA Recommendations set out within its Legal Services Market Study	Regulation of the market place	Regulatory Fee setting LSB Report on CLC Self-assessment First results of Annual Regulatory Return		ARR Results
Ad hoc Business Plan items	PR Briefing for Launch of Strategy	Practice Fund Reserves CMA Transparency agenda		Education Project Review Potential application of Practice Fund reserves CMA Transparency Implementation Implementation of GDPR		Regulatory Standards Action Plan – half yearly update Evaluation of Communications and Marketing	Risk Appetite	Business plan and budget sign off for 2019