

CLC Council Meeting

Minutes of the Council Meeting held on Thursday 12th June 2014
At CLC Offices, 16 Glebe Road, Chelmsford Essex

Present:

Ms A Bradley	Chair
Mr R Gurney	
Mr A Clark	
Mr G Kidd	
Ms H Foster	
Ms A Pierce	

In Attendance:

Ms S Kumar	Chief Executive
Mr S Faraway	Interim Director of Finance
Mr S Blandy	Director of Policy and Standards
Mr S Ward	Interim Director of Communications
Ms C Richardson	Education Project Manager (for item 7 only)
Ms P Sparrowhawk	Executive Assistant

Apologies for Absence

There were apologies for absence from Ms J Smith, Mr J Jones and Ms T Perchard.

1. Chief Executive's Report

The Chief Executive gave Council an overview of the report and some further items not noted within the CEO report, all of which required Council to note or make a decision.

- a) **The new qualification framework** – A third phase apprenticeship (TB3) is commencing in September 2014 BIS have invited us to express interest. It is anticipated that it will run along the same process as Trailblazer2. Council was asked whether it agreed to expressing an interest in a probate apprenticeship which could be done without final commitment. That this would overlap with the finalisation of TB2 was noted.

Action:

Council agreed to express an interest in TB3 for probate with final decision to be made at the July Council meeting.

- b) **BIS** - Department for Business Innovation and Skills (BIS) we understand held a cross-government meeting last week to look at how to improve and speed up purchase of property. We have written to BIS to express interest in being involved in the debate.

Action:

The Executive will report back in next CEO's report.

- c) Some indications of Governmental interest in how conveyancing processes can be changed to improve our ranking on the World Bank ease of doing business ranking.

Action:

1. *Revised Paper to go to Council in July 2014.*

- d) MoJ has written to all legal services regulators about a Deregulation Summit. There was also a reference to it in the Queen's speech. We have not yet been notified of a date.

- e) **Land Registry meeting** – The CEO reported on a recent meeting on 2nd June with Strategic & Statutory Business Land Registry Commercial & Customer Directorate. The LR was going through a change of infrastructure but it had not been made clear what the outcome might be.

Action:

A follow-up meeting would be arranged with their Infrastructure Leader at Land Registry to ascertain more information followed by a report back to Council.

- f) Adjudication Panel – It was noted by Council that the Chair of the Adjudication Panel, Peter Hinchliffe was standing down at the end of 2014, before his term of office was due to end. Mr Hinchliffe had advised that other commitments meant that he felt unable to continue as Adjudication Chair.

Action:

Plan and process for appointment to go to the Remuneration Committee.

- g) The Council Chair noted that the CEO's report held some excellent achievements, including substantial progress of the S69 application; clarification of the HMRC tax position, and (can we now say this in public?) confirmation from HSBC of intent to change its policy for accepting CLC practices onto its panel. These should be publicised.

1. Horizon Scanning

The paper presented some new environmental issues for information and discussion. Council noted the following:

- The growth of the size and turnover of the CLC regulated community is good news in that it can help to spread the regulatory burden over a wider base and help bring down the unit cost of regulation.
- Although there is reported to be a slight levelling off of the market at the moment, it seems we should plan for continued growth in terms of the overall size in turnover terms of our regulated community.
- The concentration of activity within larger firms means that the impact of a failure of a single firm will be greater and pose greater risk to the stability of the CLC. This will need to be taken account of in business planning and provisioning of the Compensation Fund.

2. Review of Regulatory Fee Structure

Summary and Recommendations

At the Council meeting on 12 December 2013 Council resolved to establish a Task and Finish Group comprising Mr G Kidd, Ms J Smith and Mr J Jones to advise the Council on a Review of the CLC's Regulatory Fee Structure. Council today was asked to agree the proposed timetable for the review of the fee structure.

Council approved the timetable presented. Following discussion, it was agreed that the membership of the Task & Finish Group should be exclusively Lay members to avoid potential conflicts of interest. As a result Heather Foster was appointed in place of John Jones so that the Group now comprised Mr G Kidd, Ms J Smith and Ms H Foster.

Actions:

1. *Change T&F Group to exclusively lay members*
2. *Implement timetable*

3. Professional Indemnity Insurance And Compensation Fund Arrangements

Summary and Recommendations

At the Council meeting on 1 May 2014 the Professional Indemnity Insurance and Compensation Fund Task and Finish Group (comprising Ms H Foster, Mr G Kidd and Mr A Clark) was established to advise the Council on issues relating to PII and CF.

The Council considered the report and recommendations of the T&F Group and resolved that:

- 3.1 The CLC should exercise the Reinstatement Clause in the CLC Compensation Fund Insurance Policy, the Chief Executive will determine when it is exercised.
- 3.2 In respect of SDLT claims generated by Reeve Fisher & Sands (RFS) and by Blueprint:
 - a. To continue liaising as required with MPS insurers
 - b. To seek to agree terms of a Memorandum of Understanding with HMRC
 - c. Generally in respect of SDLT claims not to pay interest or penalty on any outstanding SDLT claimed
- 3.3 The current membership of the Task and Finish Group remains unaltered to enable it to present to Council on 24 July 2014 reports on the professional indemnity insurance arrangements and the CLC's Compensation Fund reserves policy and to report back to Council on any further matters referred to it arising from that meeting.

Actions:

1. *Exercise the reinstatement clause.*
2. *Council to consider reports on PII and CF reserves at its meeting on 24 July 2014*

4 Enforcing SDLT Compliance

Summary

In response to issues with the system for SDLT payment and registration of title with the Land Registry, recommendations were presented to Council to mitigate the risk of late or non-payment of SDLT by the CLC regulated community. Reducing this risk helps protect consumers, reduces the exposure of the Compensation fund and the risk of resource-intensive interventions and the associated cost to the CLC.

A detailed discussion ensued. Council invited the Executive to return to the next meeting with a revised paper, including a consultation with Practices on their payment procedure, and a clearer statement, as a regulator, on our message and objectives to the community to implement these SDLT changes.

It was agreed by Council that we should action the LR offer of providing workbooks of intervened practices as a pilot.

Action:

Obtain Workbooks from Land Registry.

5 Self-Assessment Update

Summary

In 2012, the Legal Services Board (LSB) required all Approved Regulators (ARs) to submit a full self-assessment. The LSB has directed ARs to submit an update to that self-assessment. All ARs are to undertake and submit a further full self-assessment in 2015.

Recommendations

Council approved the following recommendations:

- a) The appointment of Teresa Perchard to work with the Chair and the executive on the self-assessment update.
- b) The Self- Assessment update 2014 submitted by the CLC will not be independently verified.

Action:

Organise a meeting to discuss self-assessment timetable and project.

6 Developing a new Qualification Framework

Ms C Richardson, Education Project Manager presented the above paper to Council for decision regarding the positioning of future education frameworks leading to levels of professional registration and/or licence with the CLC.

Council generally discussed the impact of consumers' understanding and expectation of dealing with an unqualified Conveyancing Technician at a practice and the development of a Technician Register.

Discussion on the proposed model for engagement with the future student population and the introduction of a voluntary range of development courses for Licensed Conveyancers wishing to apply for the Manager Licence, will happen later in the year.

Council agreed the above recommendations with the proviso that, due to an imminent submission to Department for Business Innovation and Skills (BIS) by 19th June that a proposition regarding the scope of the Register for Conveyancing Technicians would be emailed to Council for further comment before committing to the concept with BIS.

Action:

Email Council with Register scoping proposal.

There being no further business the Council Meeting was closed at 16.07

The next Council meeting will be held on 24th July 2014 at 11.30 CML offices, London

Signed by Chair Date.....