



**CLC Council Meeting**  
**Thursday 29 April 2021**  
**11.00 a.m. – 2.00 p.m.**  
**Council for Licensed Conveyancers**  
**A G E N D A**  
**By Zoom**

No	Item	Type of Paper	Lead
1.	Welcome, Introductions, Apologies for Absence		Chair
2.	Declarations of Interest	For recording	Chair
3.	Minutes and Matters Arising a) Minutes of the meeting of the Council held on 27 January 2021 information which is: commercial, in confidence has been redacted b) Minutes of the meeting of the Council held on 25 March 2021 c) Actions arising from previous meetings		Chair
4.	Chief Executive's Report	Noting	CEO
5.	Education and Training Annual Report	Noting	CEO
6.	Professional Indemnity - Cyber Cover Consultation	Approval	DSER
7.	CLC Reserving Policy	Approval	DFO
8.	Licence and Practice Fee Consultation Arrangements	Approval	DFO
9.	Equality Code – Consultation	Approval	DSER
10.	Delegation of Authority	Approval	DFO
11.	Review of Financial Delegations	Noting	DFO
12.	Principal Risk Register	Approval	DFO
13.	Watchlist and Interventions	Noting	DFO
14.	Published Indicators and Metrics	Approval	DFO

No	Item	Type of Paper	Lead
15.	<b>Committee Reports</b>		
	a) Audit and Risk Committee	Noting & Approval	<b>Audit and Risk Committee Chair</b>
	b) Appointments Committee	Noting	<b>Appointments Committee Chair</b>
	c) Remuneration Committee	Approval	<b>Remuneration Committee Chair</b>
16.	<b>Any Other Business</b>		
17.	<b>Dates of Forthcoming Council Meetings</b>	Noting	<b>ALL</b>
	<ul style="list-style-type: none"> <li>Thursday 22 July 2020 11.00 a.m.</li> <li>Thursday 11 November 2021 11.00 a.m.</li> </ul>		

No	Information Items – for discussion on request. Please notify the Head of Executive Office in advance	Type of Paper	Lead
18.	<b>Q1 Performance Outturn</b>	Information	<b>DFO</b>
19.	<b>Business Plan 2021 Progress</b>	Information	<b>DSER</b>
20.	<b>Property and Law News Round Up</b>	Information	<b>DSER</b>
21.	<b>Council Workplan</b>	Information	<b>CEO</b>

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

## **Declarations of Interest**

**Council for Licensed Conveyancers**  
**Minutes of the Council meeting held on**  
**Wednesday 27 January 2021**  
**By video conference**  
**9.00 a.m. – 11.15 a.m.**

**Council Present**

Dame Janet Paraskeva  
Sarah Debney  
Sheila Kumar  
Teresa Perchard  
Sally Szarka

Alan Cogbill  
Milton James  
Andrea Pierce  
Jenny Quinn  
Colin Wilby

**In attendance**

Ms. A. Cosens  
Mr. J. Hinrichsen  
Mr. S. Ward

Head of Executive Office  
Director of Finance and Operations  
Director of Strategy and External Relations

Ms. K. Jack, BlackLetter Law (*for  
item 13*)

**1. Welcome and Introductions**

The Chair welcomed members to the meeting. No requests to discuss information items had been received.

**2. and Declarations of Interest**

There were no declarations of interest. No requests to discuss information items had been received.

**3. Minutes and Matters Arising**

***a) Minutes of the meeting held on 12 November 2020***

The Council **AGREED** that minutes of the meeting of the Council held on 12 November 2020 be approved as a correct record subject to the following amendment:

Deletion of Heather Foster and inclusion of Jenny Quinn as Council member present at the meeting.

***b) Actions arising from previous meetings***

Most actions arising from previous meetings were either completed or featured elsewhere on the agenda.

The Council **NOTED** progress with actions arising from previous meetings.

#### 4. Chief Executive's Report

The Chief Executive introduced the report, which included updates on the following:

- The impact of current Coronavirus restrictions on conveyancing and the CLC
- The LSB's Business Plan and Strategy Consultation
- The CLC's response to the OLC Business Plan Consultation
- AML risk and compliance levels.

With regard to the SDLT and Land Transaction Tax holiday, termination of which is due on 31 March 2021, the Council was informed that whilst the Treasury has confirmed there are no plans to amend the temporary relief, it had advised that it remains under review. Following attainment of the threshold of signatures received by e-petition, the issue was due to be debated by Parliament on 1 February 2021 at 4.30 p.m. It was suggested that the ability to register transactions in process at the time of the termination of the relief date may mitigate against the effect of the cliff edge. It was agreed to seek further clarification from HMRC on the implementation of its guidance of an additional 2% tax for foreign nationals.

The Council agreed to ask the LSB for a briefing meeting on its proposed Business Plan and Strategy consultation.

It was agreed to circulate an assessment of responses from practices to the AML surveys mentioned within the report to Council members.

Sarah Debney asked for guidance on the CLC's expectations of specialist Money Laundering Reporting Officer training with regard to conveyancing and property transactions.

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

**Action January/21/01: To seek further clarification from HMRC on the implementation of its guidance with regard to the application of SDLT for foreign clients**

**Action January/21/02: To circulate an assessment of responses from practices to the AML surveys mentioned within the report to Council members**

**Action January/21/03: To advise Sarah Debney of specialist Money Laundering Reporting Officer training**

**Action January/21/04 To arrange a meeting with the LSB to brief Council members on its proposed Business Plan and Strategy**

## 5. CLC Budget and Business Plan 2021

### *a) Quarter 4 Performance Outturn*

The Director of Finance and Operations introduced the quarterly financial information report, including the provisional 2020 results which had been reviewed by the Audit and Risk Committee at its meeting on 12 January 2021.

The Council was advised that Audit and Risk Committee had commended officers on preparation of the report close to the year end.

The Council was informed that the presentation of contingency for Compensation Fund Claims would be discussed with the External Auditor.

The Council **NOTED** the Performance Outturn report for Quarter 4 of 2020.

### *b) 2020 Business Plan End of Year Review*

The Director of Strategy and External Relations presented a review of progress against the 2020 Business Plan. At its meeting on 12 November 2020, the Council agreed a rolling, three year approach to business planning to facilitate flexibility.

It was noted that activities affected by the pandemic had been included on the forward programme of work and the Council's workplan for 2021.

Officers were commended on progress with the plan and presentation of a clear report.

The Council **NOTED** the end of year report on the 2020 Business Plan.

### *c) 2021 Budget*

The Director of Finance and Operations introduced the proposed budget for 2021, which had been reviewed by the Audit and Risk Committee at its meeting on 12 January 2021 and who had recommended it for adoption.

The budget included provision for special projects within the priority areas of Professional Indemnity Insurance, Education, Disciplinary Sanctions, Review of Regulatory Framework, Review of Compensation Fund Operating Framework and which have been included on the Council Workplan.

The Council **AGREED** the 2021 Budget.

### *d) Council Workplan 2021*

The Council was invited to approve its Annual Workplan, which included provision for consideration of approved priority projects.

The Council was informed that since preparation of the Workplan, the Chair of the Adjudication Panel had agreed to present her Annual Report to the Council meeting on 22 July 2021, which would be added to the Workplan.

The Council **AGREED** its Workplan for 2021 (as amended above).

**Action January/21/05: To amend the Workplan as above.**

## 6. Professional Indemnity Insurance Review Plan

The Director of Strategy and External Relations introduced a report which invited the Council to consider the principles on which a strategic review of the CLC's Professional Indemnity Insurance (PII) arrangements would be based. Changes to the PII arrangements would be explored further at the Council's next workshop, prior to a consultation exercise.

The Council was advised that it is proposed to work with insurers and brokers to amend the deadline for securing insurance cover to improve consumer protection.

It was agreed to incorporate discussion with the CMA and FCA within the scope of the review and to consider whether to engage independent advice on the insurance market at the next Council Workshop discussion.

The Council:

- (1) **NOTED** that the risk agenda will be used to help regulated practices prepare for PII renewal in July 2021;
- (2) **NOTED** that the CLC will continue work to gain deeper insight into the operation of the PII market by gathering additional data from regulated practices and insurers
- (3) **NOTED** that the CLC will continue to work with brokers to improve proposal forms
- (4) **AGREED** that the CLC should seek to secure insurers' agreement to a revised timetable for PII renewal in 2021 that requires firms to secure cover by 31 May 2021;
- (5) **NOTED** that the CLC will finalise the new approach to securing cyber cover within the minimum terms and conditions in time for the 2022 insurance renewal round
- (6) **AGREED** that the CLC should develop and consult on potential changes to the Participating Insurers Agreement and the Minimum Terms and conditions with a view to implementation of any changes for the 2022 insurance renewal round.

**Action January/21/06: Include discussion with the CMA and FCA within the project plan**

**Action January/21/07: Independent advice to be discussed at the Council Workshop on 11 March 2021**

**Action January/21/08: To work with insurers to agree a revised renewal timetable in 2021**

**Action January 21/09: To gather additional data on the insurance market**

**Action January 21/10: To finalise the approach to cyber cover insurance in time for the 2022 insurance round**

**Action January 21/11: To develop and consult on potential changes to the Participating Insurers Agreement and Minimum Terms and Conditions**

## **7. Review of Regulatory Arrangements – Licensing Framework**

The Director of Strategy and External Relations introduced a report which invited the Council to agree the principles and approach to a review of the Licensing Framework, the outcome of which will then be reported to the Council meeting on 22 July 2021 for adoption.

The Council:

- (1) **AGREED** the approach to review of the Licensing Framework;
- (2) **NOTED** that a revised Scheme of Delegations will be submitted to the Council meeting on 29 April 2021 for review.

**Action January 21/12: to develop review of the Licensing Framework further at the Council Workshop on 12 March 2021**

**Action January 21/13: To submit a revised Scheme of Delegations to the Council meeting on 29 April 2021**

## **8. Risk Register and Risk Management Policy**

### ***a) Risk Management Policy***

The Director of Finance and Operations advised Council that the Principal Risk Register had been discussed and reviewed by the Senior Management Team and the Audit and Risk Committee at its meeting on 12 January 2021, who had agreed to the addition of emerging risks.

The Council **AGREED** to adopt the Principal Risk Register as proposed.

### ***b) Risk Management Policy Review***

The Director of Finance and Operations introduced the annual review of the Risk Management Policy, which had been considered by the Audit and Risk Committee at its meeting on 12 January 2021, whose comments had been incorporated.

The Council **AGREED** the Risk Management Policy.



## 9. Watchlist and Interventions

The Director of Finance and Operations introduced the report.

The Council **NOTED** the Watchlist and Interventions report.

## 10. Published Indicators and Metrics

The Council considered the indicators and metrics for Quarter 4 of the 2020 for publication.

The Council **AGREED** to publish the indicators and metrics detailed at Appendix A of the report.

**Action January 21/14: To publish the indicators and metrics.**

## 11. Committee Reports

### a) Audit and Risk Committee Chair's Report

The Chair of the Audit and Risk Committee presented the Chair's Annual report to Council and a summary of business considered by the Committee at its meeting on 12 January 2021.

The Council was advised that the Committee had discussed the impact of Covid 19 on the Internal Audit Plan and considered that it remains relevant to the current situation. The Committee did not consider that additional audits are required at this time due to Covid 19.

The Council was informed that the CLC had been awarded the highest possible 'Substantial Assurance' Internal Audit Opinion for the fourth consecutive year.

The Council:

- (1) **NOTED** the draft minutes of the Audit and Risk Committee meeting held on 12 January 2021 and the report of the Chair of the Audit and Risk Committee;
- (2) **NOTED** the Annual Report of the Chairs of the Audit and Risk Committee.

### b) Appointments Committee Chair's Annual Report

The Chair of the Appointments Committee introduced the Chair's Annual Report to Council.

The Council **NOTED** the Annual Report of the Chair of the Appointments Committee.

**c) Remuneration Committee Chair's Annual Report**

The Chair of the Remuneration Committee introduced the Chair's Annual Report to Council, including a recommendation for amendment of Section 18 the Committee's Terms of Reference to make explicit the responsibility of the Committee for oversight of non-standard terms for termination of the Chief Executive or other Executive Directors if this arises.

The Council:

- (1) **NOTED** the Annual Report of the Chair of the Remuneration Committee;
- (2) **AGREED** the above amendment to the Terms of Reference of the Remuneration Committee.

**Action January 21/15: To amend the Remuneration Committee's Terms of Reference as above.**

**12. Any Other Business**

There were no other items of business.

**13. Annual Review of PR**

Kerry Jack of BlackLetter Law Communications presented an overview of public relations activity in 2020 and plans for 2021, based upon the CLC's business plan.

Officers undertook to circulate press releases referred to within the presentation to Council members.

The Council **AGREED** the proposed PR approach for 2021.

**Action January 21/16: to circulate press releases referred to within the report to Council members.**

**14. Dates of Forthcoming Council Meetings**

- Thursday 25 March 2021 (Annual Financial Statements) 5.30 p.m.
- Thursday, 29 April 2021 11.00 a.m.
- Thursday 22 July 2020 11.00 a.m.
- Thursday 11 November 2021 11.00 a.m.

**INFORMATION ITEMS**

**15. Property and Law News Round Up**

The Council **NOTED** the round up review of major developments and the economic outlook that will affect the conveyancing market.

**Council for Licensed Conveyancers**  
**Minutes of the Council meeting held on**  
**Thursday 25 March 2021**  
**5.30 p.m. – 5.50 p.m.**  
**by teleconference**

**Council Present**

Dame Janet Paraskeva <b>(Chair)</b>	Alan Cogbill
Sarah Debney	Milton James
Sheila Kumar	Andrea Pierce
Teresa Perchard	Jenny Quinn
Sally Szarka	Colin Wilby

**CLC in attendance**

Ms. A. Cosens	Head of Executive Office
Mr. J. Hinrichsen	Director of Finance and Operations

Mr. M. Smith, Scrutton Bland (External Auditor)

**Apologies**

There were no apologies for absence.

**1. Welcome, Introductions, Declarations of Interest**

No interests were declared.

**2. Audit and Risk Committee meeting held on 16 March 2021 – Draft Minutes**

The draft minutes of the meeting of the Audit and Risk Committee held on 16 March 2021, which had reviewed the Annual Financial Statements, the External Auditor's report and the draft Letter of Representation, were included for information.

The Chair of the Audit and Risk Committee drew the Committee's attention to the Going Concern assurance, included within the agenda pack. The Council was advised that the External Auditor had issued an unqualified opinion and that the Audit and Risk Committee was recommending approval of the Letter of Representation and Annual Financial Statements 2020.

The Council **NOTED** the draft minutes of the Audit and Risk Committee meeting held on 16 March 2021.

**3. External Auditor's Report Presented to Audit and Risk Committee, 16 March 2021 and Letter of Representation)**

Mark Smith, Responsible Individual, introduced the external audit of the CLC's financial statements for the year ended 31 December 2020, and which represented an unqualified opinion and draft Letter of Representation.

The Council:

(1) **NOTED** that an unqualified audit report was being proposed;

- (2) **AGREED** the Letter of Representation; and
- (3) **NOTED** the External Auditor's report; and
- (4) **AUTHORISED** the Chair of Council and Chief Executive to sign the representation letter.

**Action March 21/01: To sign and issue the Letter of representation.**

#### **4. CLC Annual Financial Statements 2020**

The Director of Finance and Operations introduced the CLC's Annual Financial Statements for the year ended December 2020.

With regard to the intentional planned deficit in 2020 to utilise excess reserves, the inclusion of additional clarification of the rationale behind the CLC's agreed Reserves Policy, and of the intention to review the Practice Fund Reserves Policy was suggested.

As this Policy will be reviewed in 2021 and revisions will therefore be reported within the 2021 Annual Financial Statements, it was agreed to include further details within the CLC's 2020 Annual Report.

The Council:

- (1) **APPROVED** the CLC's financial statements for the year ended 31 December 2020 (as amended above); and
- (2) **AUTHORISED** the Chair and Chief Executive to make any changes required to finalise and sign the annual financial statements and arrange for their publication.

**Action March/21/02: To finalise and publish the Annual Financial Statements**

**Action March 21/03: To include information on the current CLC's Reserves Policy within the 2020 Annual Report.**

#### **5. Any Other Business**

There were no other items of business.

## **Chief Executive's Report**

**Purpose:** For noting  
**Author:** Chief Executive

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### **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 2021 budget expenditure.

### **Diversity and inclusion impact**

No diversity or inclusion impacts resulting from the contents of this paper.

### **Communications requirements**

This report is an update for Council members only.

### **Publication status**

Not for publication.

## EDUCATION AND TRAINING ANNUAL REPORT

**Purpose:** For noting

**Author:** Deputy Director of Authorisations and New Business

**Approver:** Chief Executive

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### Summary

There are two parts to this general education and training update.

Part one provides a summary of the key development since the last discussion in November 2020 around the education and training space.

Part two is the standard retrospective look back at the past years' performance of the CLC education and training framework covered in the annual reviewed carried out with the SQA.

### Recommendations

The Council is invited to note the Education and Training Annual Report.

### Risk management

The CLC divested itself from direct delivery of education to address any perceived conflict of interest between being the licensing authority and education provider. The CLC liaises with SQA and the Approved Centres to ensure that improvements continue to be made to the qualification scheme.

### Financial impact

None for the purposes of this report.

### Diversity and inclusion impact

The education delivery arrangements have improved the student experience and attracted a wide range of students whereby promoting diversity within the profession.

None for the purposes of this report.

### Communications requirements

None for the purposes of this report.

### Publication status

This report is not for publication as it contains information which is: policy in development; intended for future publication; commercially sensitive.

## PROFESSIONAL INDEMNITY – CYBER COVER CONSULTATION

**Purpose:** For approval  
**Author:** Director of Strategy and External Relations  
**Approver:** Chief Executive

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### Summary

The paper sets out the CLC's proposals for meeting requirements to affirm the extent of cyber cover in its minimum terms and conditions for professional indemnity insurance.

### Recommendations

Council is asked to comment on the proposed changes to the MTC and to note the plans for consultation.

### Risk management

Our approach seeks to manage potential risks to consumer protection and the CLC's Compensation Fund.

### Financial impact

There is no financial impact on the CLC arising from the proposals in this paper.

### Diversity and inclusion impact

There to not appear to be any diversity and inclusion impacts arising from these proposals. A wider review of the PII scheme taking place in 2021 will include an assessment of whether any particular groups in the regulated community are disproportionately impacted by any aspects of PII.

### Communications requirements

Engagement with key stakeholders on the issues in this paper has already begun. A full, public consultation will be supported by direct communications with the regulated community and consumer representatives as well as promotion on the CLC's website and through PR channels.

### Publication status of this paper

This paper is not for publication as the policy contained in it will be the subject of a public consultation.

## Reserving Policy

**Purpose:** Approval  
**Author:** Director of Finance and Operations  
**Approver:** Chief Executive

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### Summary

The CLC has maintained a minimum reserve on the Practice and Compensation fund for many years. The reserving policy have however not been formalised into a policy document.

The reserving policies were discussed at a Council workshop in March 2021 and it was decided that the reserve policies should be reviewed and formalised into a policy document.

This paper presents the first version of the policy document for review, comment and approval.

Annex B illustrates the application of the reserving policy for 2021 and illustrates the current reserve levels for both the Practice Fund and Compensation Fund

### Recommendations

It is recommended that the Council review and approve the attached policy.

### Risk management

Insufficient reserve levels could result in volatility of fee rates should the Council be under reserved. This could result in financial and reputational risk to the CLC.

### Financial impact

Inappropriate reserve levels may result in financial loss to the CLC.

### Diversity and inclusion impact

There is no diversity and inclusion impact.



**Communications requirements**

This paper is for Council only as it contains information which is: policy in development; intended for future publication.

**Background**

none

## **Licence and Practice Fee Consultation Arrangements**

**Purpose:** Approval  
**Author:** Director of Finance and Operations  
**Approver:** Chief Executive

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### **Summary**

The CLC is required to consult on its proposed fee rates each year before making an application for approval to the LSB.

At the Council workshop in March 2021 we discussed various changes to the practice fee arrangements, specifically:

- 1) Reviewing the fee bandings.
- 2) Charging some recharges independently of the practice fee.
- 3) Adjusting fee rates to compensate for independent collection of the recharge.

This paper includes the proposed draft consultation for review and comment.

### **Recommendations**

It is recommended that the Council review and approve the approach being taken in the consultation document.

### **Risk management**

Any changes to our billing arrangements could have an impact on the fees collected and will need to be carefully considered to ensure there are no unintended consequences.

### **Financial impact**

Incorrect assumptions and modelling could result in the under collection of fees which would increase the reliance on the Councils reserves.

### **Diversity and inclusion impact**

There are no diversity and inclusion impacts.

### **Communications requirements**

This paper is for Council only, however the approved consultation will be published for comment by interested parties.

## **Background**

none

## **Annexes**

Annex A: Consultation document

## EQUALITY CODE REVIEW

<b>Purpose:</b>	<b>For approval</b>
<b>Author:</b>	<b>Director of Strategy and External Relations</b>
<b>Approver:</b>	<b>Chief Executive</b>

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### Recommendations

The Council is asked to comment on the draft revised Equality Code and agree that the CLC undertake a three-month public consultation.

### Summary

The paper sets out proposed revisions to the Code of Conduct for consultation.

### Risk management

The Equality Code revision does not address any of the Principal Risks monitored by Council, but it is key to meeting one of the regulatory objectives and is the important to ongoing work with the Legal Services Board.

### Financial impact

There is no immediate financial impact from the proposals in the paper. The work is provided for in the 2021 business plan.

### Diversity and inclusion impact

The changes to the Equality Code are intended to deliver improvements to equality, diversity, and inclusion in the sector.

### Communications requirements

The proposed consultation will be promoted to the regulated community, stakeholders, and bodies with expertise in equality, diversity, and inclusion.

### Publication status of this paper

This paper is not for publication as the CLC will publish a consultation on the Equality Code.

## Delegation of Authority

**Purpose:** Approval  
**Author:** Director of Finance and Operations  
**Approver:** Chief Executive

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### Summary

A review of the delegation of authority by the Council.

### Recommendations

Council is asked to approve the attached delegations of authority.

### Risk management

Inappropriate decisions made may result in financial and reputational risk to the CLC.

### Financial impact

Inappropriate decisions may result in financial loss to the CLC.

### Diversity and inclusion impact

There are no diversity or inclusion impacts.

### Communications requirements

This paper is for Council only.

## Review of Financial Delegations

**Purpose:** Noting  
**Author:** Director of Finance and Operations  
**Approver:** Chief Executive

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### Summary

The Chief Executive has the authority to incur expenditure in line with the approved budget, and also has the power to delegate financial authority to incur expenditure on behalf of the CLC to any staff members (Corporate Governance Framework – Annex D (9)).

Following the revision of the procurement and delegation of authority policies the SMT has reviewed the financial delegations and have agreed the attached financial delegations.

### Recommendations

It is recommended that the Council review and note the attached financial delegations. Formally the delegations do not require Council approval as they follow from the primary delegation from Council to the CEO. They are brought here because of the suggested changes and because it is right that Council should have comfort around the sub delegations.

### Risk management

Inappropriate financial delegations may result in financial and reputational risk to the CLC.

### Financial impact

Inappropriate expenditure decisions may result in financial loss to the CLC.

### Diversity and inclusion impact

There are no diversity and inclusion impacts.

**Communications requirements**

This paper is for Council only. Once agreed the delegations will be signed by SMT and HEO and then notified to all staff

**Background**

none

**Annexes**

Annex A: Financial Delegations – April 2021

## Principal Risk Register

**Purpose:** Approval  
**Author:** Director of Finance and Operations  
**Approver:** Chief Executive

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### Summary

This report details the principal risks of the CLC together with controls currently in place and further mitigating actions being taken to manage the risks.

### Recommendations

The SMT recommends that Council approves the Principal Risk Register as recommended by the Audit and Risk Committee.

### Risk management

The report is a key reporting document in CLC's risk management.

### Financial impact

There is no financial impact in relation to this paper.

### Diversity and inclusion impact

There is no impact on diversity or inclusion from this paper.

### 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

Annex B – Issue Log



## CLC Watchlist & Interventions

**Purpose:** Noting

**Author:** Director of Finance and Operations

**Approver:** Chief Executive

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### 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 interventions that have taken place since the beginning of 2017 is also included.

### 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 Council Meeting**

### **Audit and Risk Committee Chair's Report**

**Purpose:** For Noting and Approval

**Chair:** Jenny Quirke

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#### **Summary**

This report summarises the business considered at the Audit and Risk Committee at its meeting on 2 April 2021. (Appendix A).

Draft minutes of the Committee's meeting held on 20 April 2021 are included. (Appendix B)

#### **Recommendations**

Council is invited:

- (1) To note the report and to put any questions to the Chair.
- (2) To consider the Committee's recommendation that the scope of the Internal Audit Review of Governance include observation of a Council meeting

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

#### **Communication and publication requirements**

The report of the Chair of the Audit and Risk Committee and minutes of the meeting of the Audit and Risk Committee will not be published on the basis that they contain information which is policy under development and intended for future publication and commercially confidential.



## **Appointments Committee Chair's Report**

**Purpose:** For Noting & Approval

**Chair:** Dame Janet Paraskeva

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### **Summary**

This report summarises the business considered at the Appointments Committee at its meeting on 18 February 2021.

### **Recommendations**

The Council is invited to:

- (1) Note the report and to put any questions to the Chair
- (2) Agree to offer a further, four year term of office (up to 30 May 2025) to Colin Wilby.

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

### **Communication and publication requirements**

For Council only.



## CLC Council Meeting

### Remuneration Committee Chair's Report

**Purpose:** For Noting

**Chair:** Colin Wilby

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#### Summary

This report summarises the business considered at the Remuneration Committee at its meeting on 19 February 2021.

#### 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 Remuneration Committee discussions and decisions.

#### Communication and publication requirements

The report of the Chair of the Remuneration Committee and minutes of its meetings will not be published on the basis that they contain information which is: confidential; policy under development; intended for future publication.

## Performance Pack Report – Q1 Out-turn

**Purpose:** Noting

**Author:** Director of Finance and Operations

**Approver:** Chief Executive

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### Summary

This is a regular report to Council which includes indicators and metrics for the quarter just ended.

### Recommendations

Council is asked to review and note the paper.

### Risk management

There are no financial or operational issues identified in this report which 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

The Audit and Risk Committee considered a version of this report at its meeting on 20 April 2021.

### Publication

A summary of quarterly indicators and metrics is published on the CLC website.



## 2021 Business Plan Q1 Progress Update

**Purpose:** For noting

**Author:** Director of Strategy and External Relations

**Approver:** Chief Executive

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### Summary

This paper reports on progress against the 2021 business plan. The plan is now amended by Council on a rolling, quarterly basis.

### Recommendations

Council is asked to note progress against the business plan at the end of Q1.

### Risk management

The business plan contributes to the management of principal and operational risks.

### Financial impact

This is covered in the financial outturn reporting.

### Diversity and inclusion impact

The business plan includes measures to promote diversity and inclusion across the regulated community.

### Communications requirements

The outturn of the business plan is reported after the end of the year in Annual Reports.

## PROPERTY AND LAW ROUNDUP

**Date of Meeting:** 29 April 2021  
**Purpose:** For noting  
**Author:** Director of Strategy and External Relations

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### Summary

The regular round up of key developments affecting the legal services regulated by the CLC.

### Recommendations

The Council is asked to note the contents of this report.

### Risk management

Information and insight compiled by the CLC informs the work of the staff and Council.

### Financial impact

N/A

### Diversity and inclusion impact

N/A

### Communications requirements

N/A

### Publication status of this paper

This paper is for publication.

## **PROPERTY AND LAW ROUNDUP**

### **DIGITISATION**

The sector continues to make progress towards a more fully digital property transfer process. The incremental steps noted below are now widely accepted as the model of how the entire home buying and selling process will be reformed over time. While piecemeal, this is not expected to be a slow process but instead organic.

#### **Digital ID**

HM Land Registry has launched its Safe Harbour scheme. It sets a standard for ID checking which, if followed by conveyancers, would mean there was no recourse against them by HM Land Registry if it later becomes clear that their client is not who they claimed to be. This is an important step forward and we encourage all CLC lawyers to follow the standard.

Work on a digital ID standard for the whole of the home buying and selling process is progressing well. We took part in a recent meeting with DCMS, which is developing the national framework for digital identity within which the conveyancing scheme will sit. We expect that a pilot of the scheme will begin soon and we will encourage CLC firms to take part, with our support as needed. We will monitor the impacts closely to ensure the scheme delivers the expected benefits in terms of better, more accurate and secure ID checking, an improved consumer experience and reductions in identity fraud. This recent report of an [£800,000 mortgage fraud fuelled by identity theft](#) shows the importance of this work.

#### **Upfront data**

The Law Society has announced a pilot of TA6 Part One. This is a property information form that can be completed by the seller before a conveyancer is instructed. In effect, it goes some way towards the Buying and Selling Property Information approach developed by the Home Buying and Selling Group and which is being adopted by CMS providers as a way to speed up transactions. The Law Society pilot is a positive step, that we hope will encourage estate agents and conveyancers to make use of upfront property information.

## **THE HOME BUYING AND SELLING MARKET**

### **RICS Residential Market Survey**

The March survey from RICS, found that buyer enquiries and agreed sales gained significant impetus following stamp duty holiday extension, that house prices continue to move higher across the UK (partly due to under-supply) and that forward looking indicators point to renewed momentum being sustained over the near term. RICS added: 'That said, this rise in sales looks set to be concentrated over the next few months, with the twelve-month expectations series consistent with more modest growth in sales further ahead.' However, continued growth in sales is expected and this is consistent with the CLC's view of the next twelve months or so.



## ECONOMIC OUTLOOK

### The stability of CLC firms and the conveyancing market

The CLC has monitored practices very closely since the beginning of lockdown in March 2020. The insight we have makes us confident about the financial stability of the practices we regulate as we emerge from the pandemic restrictions and business returns to more normal conditions, with the end of the furlough scheme and land tax holidays in England and Wales in sight.

Conveyancing practices look set to have done similar or better volumes in 2020/21 than in previous years, with the lost transactions in the initial lockdown having been made up for since then. Based on this, we expect turnovers and profits for 2020/21 to be same or better than the previous year

The current consensus from all the major forecasts on the UK economy give us every reason to be optimistic for the medium term. The economy is expected to grow by 5% in each of 2021 and 2022 and this should mean the property market remains active.

Although we may see a slowdown in sales after the end of the SDLT holiday (as referred to by RICS above), practices have had a good 12 months and should have financial reserves to help them through future shocks and structural changes in the market.

### Economic Forecast

In April, the International Monetary Fund raised its forecast for global and British economic growth in 2021. It shifted its forecast for UK growth from 4.5 per cent to 5.3 per cent in its [World Economic Outlook](#) published this week. IMF did note that 'High uncertainty surrounds this outlook, related to the path of the pandemic, the effectiveness of policy support to provide a bridge to vaccine-powered normalization, and the evolution of financial conditions.'

## Latest World Economic Outlook Growth Projections

(real GDP, annual percent change)	2020	PROJECTIONS	
		2021	2022
<b>World Output</b>	<b>-3.3</b>	<b>6.0</b>	<b>4.4</b>
<b>Advanced Economies</b>	<b>-4.7</b>	<b>5.1</b>	<b>3.6</b>
United States	-3.5	6.4	3.5
Euro Area	-6.6	4.4	3.8
Germany	-4.9	3.6	3.4
France	-8.2	5.8	4.2
Italy	-8.9	4.2	3.6
Spain	-11.0	6.4	4.7
Japan	-4.8	3.3	2.5
United Kingdom	-9.9	5.3	5.1
Canada	-5.4	5.0	4.7
Other Advanced Economies	-2.1	4.4	3.4

## Council Work Plan 2021

<b>Purpose</b>	<b>Noting</b>
<b>Author:</b>	<b>Head of Executive Office</b>
<b>Approver:</b>	<b>Chief Executive</b>

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### Summary

At its meeting on 12 November 2020, the Council reviewed progress against Business Plan activities and agreed to adopt a 3-year rolling approach to Business Plan development.

The Council Workshop on 16 September 2021 will focus on ongoing development of Business Plan activities.

The Council is invited to agree its Work Plan for the forthcoming year.

### Recommendations

The Council is invited to note its Work Plan for 2021.

### Risk management

None for the purposes of this report. Risk implications will be discussed within individual reports.

### Financial impact

None for the purposes of this report. Financial implications will be discussed within individual reports.

### Diversity and inclusion impact

None for the purposes of this report. Diversity and inclusion implications will be discussed within individual reports.

### Communications requirements

None for the purposes of this report.

### Publication status

For publication.

Annual Cycle	27 January 2021 Council meeting	11 March 2021 Workshop	25 March 2021	29 April 2021 Council meeting Q1 Results	10 June 2021 Workshop	22 July 2021 Council meeting Q2 Results	16 September 2021 Workshop	11 November 2021 Council meeting Q3 Results	Issues for future discussion
Strategy and Planning				2021 Business Plan Update		2021 Business Plan Update Education		2022 Business Plan and Budget planning  Quality Indicators – assessment of sector-wide pilot and next steps	
Performance and Risk	<b>Management Report</b> <ul style="list-style-type: none"> <li>Q4 Performance Outturn</li> <li>Interventions and Watchlist</li> <li>Compensation Plan</li> <li>Business Plan 2020 outturn</li> <li>Property News Round Up</li> <li>Key Performance Indicators</li> </ul> 2021 Budget  Principal Risk Register  Risk Management Policy  CEO report			<b>Management Report</b> <ul style="list-style-type: none"> <li>Q1 Budget Outturn</li> <li>Interventions and Watchlist</li> <li>Compensation fund</li> <li>Business Plan 2021 Progress</li> <li>Property News Round up</li> <li>Key Performance Indicators</li> </ul> Principal Risk Register  CEO report		Management Report <ul style="list-style-type: none"> <li>Q2 Budget Outturn</li> <li>Interventions and Watchlist</li> <li>Compensation fund</li> <li>Business Plan 2021 progress</li> <li>Property News Round up</li> <li>Key Performance Indicators</li> </ul> Principal Risk Register  CEO report		Management Report <ul style="list-style-type: none"> <li>Q3 Budget Outturn</li> <li>Interventions and Watchlist</li> <li>Compensation fund</li> <li>Business Plan 2021 progress</li> <li>Property News Round up</li> <li>Key Performance Indicators</li> </ul> Principal Risk Register  CEO report	
Governance	Annual Committee Chairs' reports		External Auditor's Report and Management Letter  CLC Financial Statements 2020	Committee Chairs' reports  Review of Delegations  CLC Reserving Policy	Practice Fee Setting	Committee Chairs' reports  Annual Review of Council Terms of Reference  Annual Report – Adjudication Panel		Committee Chairs' reports  Non-executive recruitment and appointments to Committees	Council meeting format
Regulatory Activity	Licensing Framework	Regulatory Fee Setting		Regulatory Fees – Consultation  Equality Code		Regulatory Fee setting  Compensation Fund Operating Framework  Review of Code of Conduct – approval of plan  Licensing Framework  Adjudication Panel Rules - Review		ARR Results	
Ad Hoc Business Plan Items	Annual review of PR  Professional Indemnity Insurance	Professional Indemnity Insurance		Annual Review of Education  Professional Indemnity Insurance – Cyber Cover Consultation				Staff Handbook post Covid review  Annual evaluation of communications  Professional Indemnity Insurance	