

**Council for Licensed Conveyancers
Minutes of the Council meeting held on
Thursday 12 May 2022
By Video Conference
11.50 a.m. – 1.05 p.m.**

Council Present

Dame Janet Paraskeva
Sarah Debney
Jenny Quirke
Colin Wilby

Alan Cogbill
Sheila Kumar
Sarah Ryan

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

1. Welcome and Introductions

The Chair welcomed Sarah Ryan to her first CLC Council meeting.

Apologies for absence were received from Milton James, Victoria MacGregor and Sally Szarka.

No requests to discuss information items at 15-18 had been received.

2. Declarations of Interest

The Council was advised of the following interests:

- Council members and SLT staff in item 3(c) (*Ratification of Decisions taken Outside of Council Meetings*) with regard to Non Executive Director and Senior Management Team remuneration.

3. Minutes and Matters Arising

a) Minutes of the meeting held on 10 February 2022

The Council **AGREED** that minutes of the meeting of the Council held on 10 February 2022 be approved as a correct record.

b) Minutes of the meeting held on 15 March 2022

The Council **AGREED** that the minutes of the meeting of the Council held on 15 March 2022 be approved as a correct record,

c) Ratification of decisions taken outside of Council Meetings

The Council was requested formally to ratify decisions which had been taken outside of Council meetings.

The Council was informed that decisions with regard to the appointment of Non Executive Directors effective from 1 May 2022 featured twice within the report in error which would be corrected within the Minutes of this meeting.

The Council **AGREED** the following decisions, approval for which had been obtained outside of scheduled Council meetings:

Professional Indemnity Insurance

- (1) That automatic 90-day extension of PII cover must be provided by the last insurer in the event that a practice is unable to renew cover
- (2) That PII cover will be in line with the standard minimum terms and conditions
- (3) That PII cover will attract a pro rata premium based on the most recent annual premium
- (4) That practices may not take on new work during the extended cover period and this provision will not be available to practices:
 - a. If their insurer has notified the practice and the CLC, no later than three months before the expiry of annual cover that the insurer will not offer renewal of cover at the end of the year. As the insurance ends on 30 June, this means that notice of non-renewal must be provided by the insurer no later than 31 March
 - b. If the inability to renew cover is due to regulatory breaches that are subject to CLC action.
- (5) That no change is made to integrated run-off cover on the basis that insurers are expected to ensure that the annual premium they collect for PII cover includes a sum that reflects the risk of the insured firm going into run-off during or at the end of that insurance year
- (6) That the Participating Insurers' Agreement is retained, with some amendments
- (7) That higher excesses may be allowed in very limited circumstances when the CLC has approved this following a joint submission from the insurer and practice
- (8) That a further band of minimum excesses of a further 1% on fees above £1,000,001 is set for the largest practices
- (9) The CLC will continue to explore how consumers can be better protected against cyber risks through insurance and regulatory requirements (and which is separate from amendments to Professional Indemnity Insurance arrangements)
- (10) To incorporate the amended wording as set out in the consultation document relating to Insurance Act Compliance

- (11) To introduce a new requirement on practices to have submitted a PII proposal to at least one of the approved CLC schemes no later than 1 May each year
- (12) To introduce a new requirement on insurers to issue quotes to practices no later than 1 June each year where the proposal has been submitted by 1 May
- (13) Further proposals may be submitted by practices and quotes issued by insurers during June
- (14) To introduce a new PIA requirement that insurers should issue claims history within 5 working days of receiving a request from the practice
- (15) To amend the CLC Licensing Framework to make explicit that CLC regulated lawyers who have been managers in a practice that has not paid any required PII premiums will have this taken into account if and when they seek managerial positions in different practices
- (16) The CLC will continue to work with brokers and insurers to improve the availability of cover for start-up and transferring firms

Adjudication Panel Appointments

- (17) To appoint Gillian Seager as a lay member of the Adjudication Panel for a four year term of office commencing 1 May 2022
- (18) To appoint Isobel Leaviss as a lay member of the Adjudication Panel for a four year term of office commencing 1 May 2022
- (19) To appoint Andrew Hudson as a lay member of the Adjudication Panel for a four year term of office commencing 1 May 2022

Non-Executive Director Appointments

- (20) To appoint Victoria MacGregor as lay Non-Executive Director of the Council for Licensed Conveyancers for a four year term of office commencing 1 May 2022
- (21) To appoint Sarah Ryan as a professional Non-Executive Director of the Council for Licensed Conveyancer for a four year term of office commencing 1 May 2022
- (22) To appoint Victoria MacGregor and Sarah Ryan to the Audit and Risk Committee

Consumer Reference Group

- (23) To appoint Teresa Perchard to convene a Consumer Reference Group on a per diem fee of £350 for an estimated 4-6 days' commitment, subject to review following 12 months

Non Executive Director and Senior Management Team Remuneration

- (24) To approve the recommendation of the Remuneration Committee to move a remuneration policy of median market reference points for Non Executive Directors
- (25) To approve the recommendation of the Remuneration Committee to move a remuneration policy of median market reference points for the CLC Senior Management Team

d) Actions arising from previous meetings

The Council reviewed actions arising from its previous meetings. Actions which had not been completed either featured on the Council agenda for its consideration or on the future work programme.

At its meeting on 10 February 2022, the Council had delegated authority for the finalisation of a Joint Regulator Statement on Disciplinary Sanctions to the Chair and Chief Executive. The Council was advised that the final draft Statement was received on 10 May 2022, and had now been signed on behalf of the CLC and returned to the LSB with a quote for inclusion in the press release when the Joint Regulator Statement is launched, likely to be in the week beginning 16 May 2022.

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 CLC's application to change Professional Indemnity Insurance rules has been submitted to the LSB
- The Practice Fee setting arrangements will be considered by the Council on 28 July 2022 in line with its Work Programme
- The Licensing Framework will be considered by the Council on 28 July 2022
- Staffing and Recruitment
- Following de-approval of the Conveyancing Academy as a provider of SQA qualifications, the CLC is continuing to work with funding agencies to support students who have been affected
- A lessons learnt review had been held with the Simplify Group in April; findings which are not unique to Simplify will be disseminated separately as advice to the regulated community
- The CLC will be preparing a response to a current consultation by the LSB on changes to its Regulatory Performance Assessment approach.
- The Land Registry is developing a strategy for conveyancing and to address the transaction caseload which had arisen over the pandemic and SDLT holiday

- Anti-Money Laundering Compliance.

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

5. 2022 Business Plan Q1 Progress Report

The Council reviewed progress with the 2022 Business Plan, which included the following amendments:

- The inclusion of a review of the approach to monitoring inspections for more targeted and efficient use of resources
- The CLC is providing effective guidance and signposting to support practices with compliance with the sanctions regime. Monitoring of compliance will now be incorporated within Business as Usual activity
- Review of the CLC's Strategy has been added to the Business Plan as the current strategy period comes to an end in 2022 and a series of Council Workshops have been arranged over the coming months.

The Council **NOTED** progress against the 2022 Business Plan.

6. Principal Risk Register

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 26 April 2022.

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

7. CLC Watchlist and Interventions

The Director of Finance and Operations introduced the report.

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

8. Adjudication Panel Rule Changes Approval

At its meeting on 11 November 2021, the Council agreed to consult on changes to the Adjudication Panel Rules and to address gaps that had been identified within the review process. The Council considered a report on the outcome of the consultation exercise which had taken place from mid-February 2022 to the end of April 2022 and which had attracted 47 responses.

The Council was informed that there had been no significant objections to the proposals. 2 respondents had disagreed with a proposal to increase membership of the Adjudication Panel; 2 respondents had disagreed with a proposal for the Adjudication Panel Chair to be a legally qualified lay person; 5 respondents had disagreed with a proposal to provide provenance for the Panel

Chair to delegate and 5 respondents had disagreed with the amendment of the title of the Adjudication Panel Rules to Adjudication Panel Constitution Rules.

The Council **AGREED** to submit an application to the Legal Services Board for the following amendments and additions to the Adjudication Panel Rules and procedures as set out in the consultation document:

- (1) The addition of definitions relating to the Adjudicator and Adjudication Assistant and to clarify the difference between the Adjudication Panel Chair and a Chair of a Panel for a particular case;
- (2) Removal of the role of Deputy Chair, a role which is not used;
- (3) A requirement for the Adjudication Panel Chair to be a legally qualified lay person
- (4) To provide provenance for the Adjudication Panel Chair to delegate
- (5) Amendment of the Adjudication Panel Rules to the Adjudication Panel Constitution Rules
- (6) Amendments to the Adjudication Panel Disciplinary Procedure Rules
- (7) The creation of the Adjudication Panel Licensing and Recognition Rules
- (8) The creation of the Adjudication Panel Restoration Procedure Rules
- (9) The creation of the Adjudication Panel Fraud and Error Rules.

Action: May/22/01: To submit an application to the LSB for the amendment of the Adjudication Panel Rules and procedures.

9. Compensation Fund Review

The Council considered a legally privileged report which outlined the issues identified within the Compensation Fund review and received an update on progress with the review from the Chair of the Compensation Fund Working Group.

The Council **NOTED** the report.

10. Compensation Fund Determinations

The Council received an update on progress with drafting of determinations of Compensation Fund claims of a value in excess of £50k.

The Council **NOTED**:

- (1) The update on progress with drafting of the Compensation Fund determinations
- (2) That the final recommendations for determination would be reported to the Council's meeting on 28 July 2022.

Action: May/22/02: To consider determinations of Compensation Fund Claims of a value in excess of £50k at the Council meeting on 28 July 2022

11. Published Indicators and Metrics

The Council considered the indicators and metrics for Quarter 1 of the current year for publication.

It was suggested that consideration is given to including the size of practices within the complaint data.

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

Action: May/22/03 To publish the Indicators and Metrics.

12. Committee Chairs' Reports

(a) *Audit and Risk Committee*

The Chair of the Audit and Risk Committee presented a summary of business considered by the Committee at its meeting on 26 April 2022, which had included:

- Governance Statement and Quarterly Statements on Internal Control
- Q1 Performance Outturn, 2022
- Principal Risk Register
- Internal Audit Progress Report

The Council was advised that the Audit and Risk Committee had conveyed its appreciation to Teresa Perchard and Andrea Pierce, whose terms of office had ended on 30 April 2022 and that the Committee is looking forward to Sarah Ryan and Victoria MacGregor joining the Committee. A briefing for the new members with the Chair of Audit and Risk Committee would be arranged in advance of its next meeting.

The Council **NOTED** the report of the Chair of the Audit and Risk Committee

Action: May/22/04: to arrange a briefing for new members of the Audit and Risk Committee

13. Any Other Business

There were no other items of business.

14. Date of Next Council Meeting

The Council **AGREED**:

- (1) that its next meeting on 28 July 2022, would be held in person at the CLC's offices
- (2) To hold an additional Council Workshop on 27, 28 or 29 July 2022, the focus of which will be upon development of the strategy.

Action: May/22/05: To hold an additional Council Workshop in July to consider development of the strategy.

INFORMATION ITEMS

15. Q1 Performance Outturn

The Council **NOTED** the Performance Outturn report for Q1, which had been reviewed and discussed in detail by the Audit and Risk Committee at its meeting on 26 April 2022.

16. Equality Code Review

The Council **NOTED** the final draft of the Equality Code Consultation

17. 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.

18. Council Workplan

The Council **NOTED** its forthcoming Workplan, which included an additional Council Workshop meeting on 22 June 2022 and would be amended to include a Workshop meeting between 27 and 29 July 2022 following consultation on members' availability.