

**Council for Licensed Conveyancers
Minutes of the Council meeting held on
Thursday 7 November 2024
By Video Conference
11.30 a.m. – 1.10 p.m.**

Council Present

Dame Janet Paraskeva (Chair)	Sarah Debney
Alan Cogbill	Milton James
Jenny Quirke	Sarah Ryan
Colin Wilby	Sheila Kumar, Chief Executive
Victoria MacGregor	Sally Szarka

Also Present

Victoria Goodfellow, Adjudication Panel
Chair (*for item 12*)

In attendance

Ms. A. Cosens	Head of Executive Office (<i>minutes</i>)
Catherine Drennan	Head of Policy and Regulatory Standards
Mr. J. Hinrichsen	Director of Finance and Operations
Ms. C. Richardson	Deputy Director of Authorisations and New Business
Mr. S. Ward	Director of Strategy and External Relations

1. Welcome and Introductions

The Chair welcomed members to the Council meeting.

No requests to discuss information items at 16-18 had been received.

2. Declarations of Interest

Sally Szarka declared a potential interest in discussion of SRA regulatory requirements and consultations as a solicitor regulated by the SRA. (*Minute 4 below refers*)

3. Minutes and Matters Arising

(a) Minutes of the meeting held on 25 July 2024

The Council **AGREED** that the minutes of the meeting held on 25 July 2024 be approved as a correct record.

(b) **Actions Arising from previous meetings**

The Council reviewed actions arising from previous meetings, most of which had either been completed or featured on the current agenda or forward programme of work.

The Council **NOTED:**

- (1) actions arising from previous meetings
- (2) That the amendments to the Council's Terms of Reference that had been agreed at its meeting on 25 July 2024 had been incorporated and circulated to members.

Action Nov/24/01: To incorporate the amended Council Terms of Reference within the Corporate Governance Framework.

4. Chief Executive's Report

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

- The LSB approval of the CLC's application to amend the CLC Code of Conduct and to make consequential subsidiary codes in full, the Decision Notice for which has been published on the [LSB's website](#). The programme for CLC November 2024 Roadshows in London, Bristol, Liverpool and Leeds will explain the changes in detail. The amended Codes, which will take effect from January 2025 are published on the CLC's website [here](#).
- The CLC submission of the final proposals for its new Ongoing Competency Code to the LSB for informal feedback; formal proposals will then be submitted to the LSB. A high level of interest is expected in the proposals is expected, which will be accompanied by an implementation and support timetable for the CLC's regulated community
- Licence renewals following closure of the renewal period on 31 October 2024.
- The CLC's establishment of a Technology and Innovation Working Group to bring together stakeholders from the conveyancing and probate sector to gather insights, experience and understanding to shape and develop the first CLC guidance on the responsible and ethical use of technology in practice. The Working Group, which will be chaired by CLC Council member Milton James, will hold its first meeting on 5 December 2024. External membership currently includes representatives from a range of conveyancing practices, PII and lenders.
- The CLC will submit an application to the LSB for changes to the Adjudication Panel Procedure Rules, the proposals for which aim to strengthen the Rules, clarify and codify existing practice; where relevant, experience or learning from cases that have been before the independent Adjudication Panel have informed the changes.

- The CLC will shortly launch a consultation on updating of the Compensation Fund Operating Framework with the aim of submitting an application for approval of proposed changes to the LSB in the first Quarter of 2025
- The CLC responded to a [consultation by the Law Society](#) on proposed changes to the TA6 form (for the provision of detailed property information to be completed by the seller), although as responses to the online form were limited to yes/no answers in some cases, which did not enable the CLC to make all the points that it would have liked. The CLC has signed up to attend consultation workshops to discuss the impact of the proposals on consumers and conveyancers.
- The effects of the October 2024 UK Budget, including its impact on the CLC's Business Plan, employer National Insurance contributions and property market would be further discussed at the Council's forthcoming Workshop on 5 December 2024
- The CLC is continuing to liaise with the Government and the Probate Registry on the impact of significant delays at the Probate Registry which is having a negative effect on consumers, particularly where belated inheritance tax penalties are levied many years after the event
- The LSB has advised of its intention to review the CLC's disciplinary and enforcement process as part of its sector-wide review
- The LSB approved the CLC's applications for Practising Certificate Fees and Compensation Fund Contributions in October. The accompanying Decision Notices include a number of expectations for inclusion within the subsequent year's application which the CLC is reviewing and which will be further discussed with Council
- The LSB has announced that it will be taking enforcement action against the Solicitors Regulation Authority following its review of the events leading up to the closure of Axiom Ince in a [press release](#)
- The CLC published an [Open Letter to Unregulated Legal Services Providers](#) in October, referring to its forthcoming powers under the Digital Markets, Competition and Consumer Act 2024 (due to come into force in 2025) under which the CMA will be empowered to impose financial penalties for consumer protection law. The SRA published [research into unregulated provision](#) last year, the findings of which were that although growth in unregulated provision increases access to justice, particularly for those on lower incomes, there are fewer protections and routes to redress for poor quality and services provided by unregulated providers
- Organisational changes i.e. creation of a Director role to allow for greater career trajectory where appropriate and increased organisational resilience. An updated organogram would be circulated.
- The CLC is participating in an annual benchmarking survey of regulators and similar employers, the report of which has been delayed this year to allow for HMT's approval process, the outcome of which will be assessed and reported when available.

The Chief Executive informed the Council of recent regulatory forums that she had attended in Birmingham and Wales, and which had raised opportunities for technology to provide information about services and regulation to vulnerable

people and for automatic translation into other languages. It was observed that vulnerable or older clients who do not speak English can be reliant upon family members to translate for them, and which may not be in their best interests. This would be picked up in the website refresh and may also be something that Technology and Innovation Group could consider

It was noted that there may be outcomes or expectations arising from the report into events at Axiom Ince for regulators of legal services to consider, and in the context of the LSB's forthcoming Disciplinary and Enforcement Review, which is due to commence following submission of the CLC's Regulatory Performance Assessment. It was observed that the CLC's approach to consumer protection including the regular submission of regulated practice accounts would have been likely to have prevented a similar incident]. It was agreed to review the SRA's current [Consultation on potential changes to how client money is handled in the legal sector](#) against the CLC's regulatory approach.

The CLC will also work with qualification providers on the provision of information about CLC qualifications and outcomes. The CLC would be participating in National Conveyancing Week 17-21 March 2025 to attract people into the profession. It was agreed to write to individuals regulated by CILeX Regulation about the benefits and requirements of CLC regulation to coincide with its annual licence renewal period which closes at the end of December. The Council was informed that CLC and SRA Lawyers must complete an Accounts Unit prior to applying for a practicing licence. The CLC will also work with qualification providers on the provision of information about CLC qualifications and outcomes.

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

Action Nov/24/02: Submission of application to the LSB for changes to the Adjudication Panel Procedure Rules

Action Nov/24/03: To consider Business Planning at the CLC's Workshop on 5 December 2024

Action Nov/24/04: To circulate a CLC Organogram

Action Nov/24/05: To review the SRA's current consultation on how client money is handled in the legal sector against the CLC's regulatory approach and processes

Action Nov/24/06: To write to CILeX practitioners/produce an article on the benefits of CLC regulation and opportunities offered by qualifications

5. Regulatory Performance Assessment 2004

The Director of Strategy and External Communications introduced the draft CLC Regulatory Performance Assessment submission for discussion, and invited members' comments in advance of its submission to the LSB.

Unlike previous years, the 2024 assessment does not focus on particular issues or areas of follow-up from past assessments tailored to individual front-line regulators and the detailed submission is therefore lengthy.

The following comments and observations were made:

- The draft submission addressed the LSB's detailed information requirements and was a comprehensive report
- The CLC's submission should highlight that the CLC requires timely submission by practices of their annual accounts which are reviewed for red flags
- The addition under characteristic 6 of the submission that the CLC is ready to work to remove impediments to consumer choice and is committed to safeguarding consumer interests
- Additional clarification that the CLC licenses operations as a regulator and the CLC sets regulations
- Clarification that the CLC has no representative body has been included
- Consider inclusion of explanation that the CLC has taken legal advice on the publication of informal reprimands, which it is not permitted to do, and highlight its application for changes
- The inclusion within the submission of the establishment by the CLC of the Technology and Innovation Working Group and membership of the Working Group

Council members were thanked for their comments and suggestions and invited to send any further comments as soon as possible and before the submission deadline of 16 November 2024.

6. Principal Risk Register

The Council reviewed the Principal Risk Register which had been discussed by the Senior Management Team. The Audit and Risk Committee had reviewed the Principal Risk Register on 29 October 2024, and supported the proposed change to the controls and mitigating actions at risk 3. The report had been updated to reflect the UK Budget on 30 October 2024.

It was noted that one of the immediate impacts of the Budget is an increase in employer National Insurance contributions, which based on current employment represents an annual increased cost of £25k for the CLC. An increase in the levies that are paid by the CLC is also likely.

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

7. Reserve Policy

At its meeting on 25 July 2024, the Council considered the risks that holding reserves mitigated as well as the funding required to mitigate the risks assessed as high and medium. On the basis of this assessment Council provided direction for reserve categories and indicative reserve values. The reserve policy, last revised in July 2022 was updated to include these changes and presented to Council for review and approval.

The updated reserve policy for the Practice Fund retains the minimum reserve however the basis of determining the reserve value has changed from 3 months of expenditure to 3 months of committed expenditure. The market uncertainty reserve has been changed to a cashflow reserve with a target level of £500k and ceiling level of £1m. It was noted that due to the variability of cashflow during the year that this reserve value would be highly variable.

The Compensation Fund reserves have also been amended to include a special purposes reserve which is currently set at £2m. The unallocated Compensation Fund reserve has been renamed the Compensation Fund Operating Reserve as it better describes its purpose.

It was noted that the proposed amendments rendered the Reserve Policy more robust and it was acknowledged that the OLC levy which is charged in advance of its annual budget impacts on the CLC's financial management process.

The updated policy includes the governance arrangements for reporting actual Practice and Compensation Fund reserve levels to the Audit and Risk Committee on a quarterly basis, and it was agreed to clarify that reserve levels are also reported to the Council on a quarterly basis. A typographical error in the 2nd paragraph of section 4 of the Policy was corrected from "lively" to "likely".

The Council **AGREED** the Reserve Policy (*as amended above*).

Action July/24/07: To incorporate the above amendment within the Reserve Policy.

8. AML Update – Q3 2024

The Council reviewed the quarterly update on Anti Money Laundering supervision activities and forthcoming work.

The Council **NOTED** the update on Anti Money Laundering activity.

9. 2024 Business Plan Q3 Progress Report

The Council reviewed progress against the 2024 Business Plan which is published [here](#).

The Council noted that progress against Business Plan activities has generally been good and it was observed that the CLC delivers an impressive amount of work in a challenging environment. Some work has had to be rescheduled because of unforeseen external demands, and enhanced LSB reporting requirements.

The Council was informed that the CLC had increased capacity in regulatory policy and supervision to meet the additional demands placed on it.

The Council **NOTED** progress with the 2024 Business Plan.

10. Business Planning 2025

The Director of Strategy and External Relations introduced a review of priorities for development into the Business Plan for 2025, which would then be submitted to the Council for approval at its meeting on 20 February 2025. Members were informed that areas were not presented in order of their potential priority. Members were invited to suggest further potential areas for inclusion within the Business Plan for next year, taking account of the changing environment.

The following comments were made during initial discussion of areas of priority and potential focus for further thought and development:

- Improving the consumer experience of will writing and probate that arises from the use of unregulated providers and the challenges that the Probate Registry continues to face
- Continuing to highlight the impact of delays at the Probate Registry as well as the Land Registry on consumers and particularly for post completion registrations
- The potential for ambassadorial roles for Council members.

It was agreed to hold a fuller discussion on essential priorities, including sustainability and resourcing of proposed activities at the Council's Workshop on 5 December 2024.

11. Variation to Order of Business

At this point in the proceedings (12.40 p.m.), the Council **AGREED** to vary the order of business to enable the Chair of the Adjudication Panel to present her Annual Report to Council.

12. Adjudication Panel Chair's Annual Report to Council

Independent Chair of the Adjudication Panel Victoria Goodfellow attended the meeting to provide an overview of the Panel's work during 2023/24. The Adjudication Panel's findings on individual cases are published [here](#).

Under its remit to effectively hold the regulatory standards of the profession to protect consumers and the public interest, the Adjudication Panel has determined six cases over the course of the year, and there are a further two cases that have commenced and are ongoing.

The cases have ranged in complexity and length and several respondents have appointed legal representatives, including KCs and senior legal representation. It was highlighted that the CLC's application for comprehensive amendment of Adjudication Panel Rules and Adjudication Panel Procedure Rules will improve the process further.

Most Adjudication Panel hearings have been held remotely and in public, unless there are specific grounds for them to take place in person or confidentially. Observers, who are able to attend on request have joined hearings remotely, and the remote arrangements have been working well and are easier for people to attend.

It was observed that the CLC is a robust regulator that monitors compliance against its regulator codes which are set out within Case To Answer referrals which are determined by an adjudicating member. The CLC's Annual Disciplinary and Enforcement report reports on themes arising from disciplinary and enforcement activity and Adjudication Panel decisions are included within the CLC's Newsletter to its regulated community, in addition to their publication on the website.

The Council thanked Ms Goodfellow for her report and for the valuable work undertaken as independent Chair of the Adjudication Panel.

The Council **NOTED** the Annual Report of the Chair of the Adjudication Panel.

13. **Published Indicators and Metrics** (Agenda Item 11)

The Council considered the indicators and metrics for Quarter 3 of 2024 for publication. The Council was informed that the OLC case data at paragraph 4.5 was based on the most recent OLC case data available (Q1 2024). Data for Q2 and Q3 does not include early resolution cases and has not been reported on. This is being addressed with the OLC.

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

Action Nov/24/08: to publish the indicators and metrics for Q3

15. Committee Chairs' Reports

(a) *Audit and Risk Committee Chair's Reports*

The Council received a report summarising the business considered at the Audit and Risk Committee at its meeting on 29 October 2024.

In addition to the governance reports elsewhere on the Council's agenda, the Chair's report included:

- Governance report and quarterly Statements of Internal Control
- An amendment to the 2024 internal audit review programme which had replaced a planned review of the CLC's website with a review of Microsoft 365 set up and security configuration at the CLC's request to allow for updating of the CLC's website that is included within the forthcoming Business Plan and which means that there is more benefit to be derived from its inclusion within a future review programme
- The following Internal Audit review programme for 2025 that had been agreed by the Committee:
 - Monitoring and Regulatory inspections, including how practices are risk assessed for inspection
 - Advisory review on compliance with GDPR regulations, particularly relating to information collated from licence holders, including the extent to which records are retained and erased
 - Business Continuity Planning
 - Regulatory Performance Assessment, the scope of which will be dependent on the current year's Regulatory Performance Assessment
 - Follow up of actions arising from 2024 audit reviews.

The Council **NOTED** the draft minutes of the Audit and Risk Committee meeting held on 29 October 2024 and Chair's report.

16. Any Other Business

There were no other items of business.

17. Dates of Council meetings

Forthcoming meetings of the Council have been scheduled as follows:

- Thursday 20 February 2025 *including Annual General Meeting*
- Thursday 25 March 2025
- Thursday 22 May 2025
- Thursday 24 July 2025
- Thursday 20 November 2025

Members were reminded of a forthcoming Council Workshop meeting on 5 December 2024, that would be taking place in person and which would be

followed by the first meeting of the Technology and Innovation Working Group.

INFORMATION ITEMS

18. Q4 Performance Outturn

The Council **NOTED** the performance outturn for Q3, which had been reviewed by the Audit and Risk Committee at its meeting on 29 October 2024.

19. Property and Law Round Up

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

20. Council Workplan 2024/25

The Council **NOTED** its forthcoming Workplan.