

**CLC Council Meeting**  
**Minutes of the Council meeting held**  
**on**  
**Monday 27 July 2015**  
**at**  
**CAN Mezzanine, East Road, London, N1 6AH**  
**1100hrs – 1530hrs**

**Council Present**

Dame Janet Paraskeva (JP)      Chair  
Ms J Smith (JS)  
Mr H Foster (HF)  
Mr G Kidd (GK)  
Mr A Clark (AC)  
Mr J Jones (JJ)  
Ms A Pierce (AP)  
Ms T Perchard (TP)

**CLC in attendance**

Mr S Kumar (SK)	Chief Executive
Mr S Blandy (SB)	Director of Regulatory Standards
Mr S Ward (SW)	Director of External Relations
Mr R Little (RL)	Interim Director of Finance
Ms E Boothroyd	Interim Chair of Adjudication Panel (Item 6 only)
Ms S Thomson (ST)	Head of Executive Office – minute taker

**Apologies**

Mr R Gurney (RG)

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

There were apologies from Rob Gurney.

There were no other declarations of interest, excluding the standing one where trade members of the Council have a declared interest in the Compensation Fund discussions. One Council member noted that his practice has opted out of the CLC Master Policy.

**2. Minutes of Previous Council meetings**

**Minutes were approved with the following amendments:**

Minutes for 30 April:

Pg 3 item 5 – para – reword to say we are reporting a profit rather than a loss.

On 3 June workshop noted that a paper would return to Council in due course of policy development.

2016 workshops will look in depth at key topics eg insurance and compensation fund – these deep dives will allow SMT to develop policy issues.

**Action July001:  
Committee secretary to add items onto 2016 work plan: policy development paper and workshop topics.**

## **2.b Matters Arising and update on Actions from Previous meetings**

The matters arising and actions log were noted.

**Action July002:  
Action no 2 - change wording from “workplace” to “Marketplace”.  
Record eg changes or decisions in the market place in the CEO report.  
Action no 8 – should be split into two parts – draft completed but not submitted to LSB – amend to read part I completed and part II in progress.**

## **3. CEO Report**

The Council noted the contents of the CEO Report.

The paper asked Council to determine on whether to continue with CEO report in current format or whether to amalgamate into the performance reporting.

Council decided to keep the CEO report as it was a good vehicle to report on issues like “what’s happening in the market place”. Chair/CEO to determine CEO report format going forward.

JP and TP were approved as the 2 Council members on the “self-assessment working group” – the final document will be sent to Council members for information in late October.

Glebe Road Sale – SK confirmed that there had bit quite a bit of interest in Glebe Road and there were a couple of potential offers. Council members will be kept updated in weekly updates.

**Decision July15 – no 1:  
Keep CEO report but use it to update Council on quarterly issues not reported in the performance report.**

**Action July003:**

**Final Self-assessment document to be sent to Council Members in October for information.**

**Action July004:**

**Council members to be kept up-to-date on Glebe Road sale via weekly update.**

**4. Practice fee and Compensation Fund Contributions**

A paper was presented to Council to agree the regulatory fee rates for 2015-2016 licence year and to decide on the level of provision for a discount to be applied to Compensation Fund contributions for those regulated entities that remain in the Master Policy Scheme.

In particular, Council was asked to agree, subject to the agreement of the Legal Services Board, that:

1. the basis for calculating Practice and Licence Fees remain unchanged;

**Decision July15 – no 2:**

**Council agreed the calculation for setting practice and licence fee to remain unchanged – and noted the increased growth in income – which was mainly due to the fact that practice turnover (mostly on larger practices) was increasing year on year.**

2. £100,000 of the income from commission on the Master Policy be distributed pro rata to firms that have remained in the scheme

**Decision July15 – no 3:**

**After substantial discussion it was agreed to instruct Willis to refund the full amount of the income from commission on the master policy back to those firms who had remained in the master policy on a pro rata basis.**

**Action July005:**

**SB to instruct Willis to calculate and refund remaining MP practices with a rebate calculated on a pro rata basis.**

**Item 5 – Management Report**

**Performance pack/Budget and Outturn**

Council noted key issues in the reporting suite of papers.

**Income**

Education and salary costs results positive due to increased demand on courses and a delay in recruiting staff.

**Expenditure**

Intervention costs were slightly over budget – this is not due to new interventions – ongoing costs to conclude the last couple of major interventions had been necessary – these additional costs were being monitored carefully. SMT were assessing the situation to ensure costs were kept under review in second half of year. Savings could be made on costs of post intervention work around how much investigation should be done to mitigate a loss or put right a title defect and work on how we target this work is ongoing.

**Decision July15 – no 4:**

**It was agreed that the budget heading - redundancy/intervention/interest – could be off set against the gain on sale of glebe Road. This should not be a budget line item.**

Education costs – Council noted that there will be an income gap next year on Education once SQA take over delivery of qualifications.

Overall results are good despite loss of staff due to voluntary redundancy and an unplanned office move.

**Interventions and Watchlist**

Council noted contents of interventions and watchlist items.

**Action July006:**

**It was agreed going forward that a note of any disciplinary actions to be included in this paper.**

**Business plan and progress report**

Council noted the update on the business plan and progress report, which indicated that lots of areas in plan on track. SMT will focus on where deadline have been revised to ensure they do not slip again,

It was noted that inspections and monitoring visits were on target to complete 50 visits in year.

On conduct complaints – council noted that we get a substantial number of complaints in year – CLC advocate a solution based approach, liaising with the practice which ensures a lot to do proceed to a formal complaint. In 2014 we dealt with about 100 actual complaint cases.

**Action July007:**

**It was agreed that 2015 figures will be reported in Q4 performance suite.**

**Proceeds of Glebe road**

Robin Little presented a paper on options for investing the proceeds of the sale of Glebe Road.

**Decision July15 – no 5:**

**Council agreed to invest the proceeds in a low risk instant access account with eg Nationwide – reviewing the policy every six months.**

## **6. Adjudication Panel Chair Yearly Review**

The acting chair of the Adjudication Panel presented Council with a roundup of panel work over the last year.

It was noted that policies and procedures have been updated in conjunction with CLC's Regulatory Standards and a Panel page on CLC's website had been developed. KPI information had recently been introduced for reporting purposes and a process has been established should the AP chair have a conflict on a particular case.

All panel member appraisals have been conducted and all have indicated they would like to remain on the panel for a second term. Panel members have also indicated that some training would be useful on specific topics going forward.

**Action July008:**

**Build in AP training needs into 2016 CLC training plan.**

The Council thanked Ms Boothroyd for her work over the last year – the presentation had been a good reminder for Council about issues facing panel members.

## **7. Appointment of AP Chair**

Emma Boothroyd had been acting chair since the departure of previous Chair in 2014. The Council endorsed the recommendation to appoint Ms Boothroyd into the substantive post.

**Decision July15 – no 6:**

**Agreed interim Chair be appointed to substantial post.**

**Agreed re-appointment of existing panel members**

**Action July009:**

**Chair to inform Ms Boothroyd of the unanimous decision and SB to discuss ways to support EB in her role and to confirm reappointment to existing panel members for another term.**

## **8. ToR and Governance of Committees**

The Audit Committee Terms of Reference were presented for approval. The main change to these ToR were to change the name of the committee to Audit and Risk Committee. The Council agreed to this, and the other small amendments. The quorum was agreed to stay the same – “a minimum of 3 members”.

Council agreed that wording should change to “Audit and Risk Committee should meet at least once per year”. This change should also be adopted for Remuneration Committee.

The Governance recommendation changes were approved.

**Decision July15 – no 7:  
Audit Committee terms of reference approved.**

**Action July010:  
ToR to be updated with small changes as agreed above.**

## **9. Reviewing Professional Indemnity Insurance arrangement**

Council discussed a paper which set out the scope for a discussion that would take place at the September Council Workshop about Professional Indemnity Insurance arrangements, looking again at the issues from first principles.

### **Next steps**

The September Council Workshop will discuss PI arrangements, focusing on the following questions:

- a. What standards for PI should the CLC set for its regulated community?
- b. Does the market require a Master Policy to ensure coverage for all regulated entities?
- c. If so, what is the CLC’s proper role in relation to that Master Policy?

Council agreed to start to think about these issues in advance of the September workshop.

## **10. Information Items**

### **a) Remuneration Committee Minutes**

Council noted the minutes.

**b) Audit committee minutes**

Council noted the minutes from 16 April.

**11. AoB**

Council meetings times going forward: Where possible, it was agreed to commence meetings at 1100hrs to allow council members to travel into London. This would be a cost saving to CLC as no overnight accommodation would be required.