

**Council for Licensed Conveyancers  
Minutes of the Council meeting held on  
Thursday 10 February 2022  
By Zoom Video Conference  
11.00 a.m. – 12.55 a.m.**

**Council Present**

Dame Janet Paraskeva  
Sarah Debney  
Sheila Kumar  
Andrea Pierce  
Colin Wilby

Alan Cogbill  
Milton James  
Teresa Perchard  
Jenny Quirke  
Sally Szarka

**In attendance**

Ms. A. Cosens  
Mr. J. Hinrichsen  
Kerry Jack  
Chenab Mangat

Mr. S. Ward

Head of Executive Office  
Director of Finance and Operations  
Black Letter Law (*for item 3*)  
Deputy Director of Policy and Regulatory  
Standards  
Director of Strategy and External Relations

**1. Welcome and Introductions**

The Chair welcomed members to the meeting. The Council was introduced to Chenab Mangat, Deputy Director of Policy and Regulatory Standards, who was welcomed to his new role at the CLC.

There were no apologies for absence.

No requests to discuss information items at 18-19 had been received. An oral update on the Compensation Fund Review would be provided by the Chief Executive and Chair of the Compensation Fund Review Working Group under the Chief Executive's report.

Teresa Perchard, who has been representing the CLC on the OLC's Challenge and Advisory Group advised that she would be attending a meeting of the Group subsequent to the Council meeting.

**2. Declarations of Interest**

There were no declarations of interest

**3. Annual Evaluation of Communications**

Kerry Jack of Black Letter Law presented a review of the Communications Strategy and activity in 2021 and plans for 2022, based upon the CLC's business plan.

The Council:

- (1) **NOTED** the review of Communications for 2021; and
- (2) **AGREED** the Communications plan for 2022.

#### 4. Minutes and Matters Arising

##### *a) Minutes of the meeting held on 11 November 2021*

The Council **AGREED** that minutes of the meeting of the Council held on 11 November 2021 be approved as a correct record.

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

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

#### 5. Chief Executive's Report

The Chief Executive introduced the report.

In addition to the updates contained within the report, the Council was informed that:

- The CLC is continuing to monitor the experience of students of the Conveyancing Academy and has been helping the SQA and funding agencies as far as possible with information and practical assistance to help students continue with their chosen course of study. The SQA has oversight of the Conveyancing Academy's qualifications and the ESFA and Welsh Work based Learning Department have regulatory oversight of the Conveyancing Academy's approved status as a qualification centre and apprenticeship training provider. The CLC has published information for students and their employers on its website.
- The Land Registry is keen to engage the CLC as a partner in its strategy for the quality of applications and reduction of requisitions, which was discussed at its meeting on 8 February 2022
- The Compensation Fund Review Group has been endeavouring to identify and recruit a resource for the redrafting of the Compensation Fund Operating Framework, however this has been challenging in the current employment market. Discussions with a potential legal resource for the review of the Compensation Fund Operating Framework have been promising and it is anticipated that the Compensation Fund Working Group will consider a cost estimate and outline plan in March 2022.

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

## 6. CLC 2021 End of Year Reports

### 6(a) 2021 Q4 Performance Outturn

The Director of Finance and Operations introduced the quarterly financial information report, including the provisional 2021 results which had been reviewed by the Audit and Risk Committee at its meeting on 25 January 2021.

The Council was informed that since review of the report by the Audit and Risk Committee, the performance of the Practice Fund had been revised to include accrual for the OLC levy, staff leave pay and bonus and expense accrual.

The report included details of Compensation Fund claims with a value of over £50,000 that are outside of the executive's delegation limit, and the Council was invited to confirm the determination process for such claims.

The Council:

- (1) **NOTED** the performance outturn report for Quarter 4 of 2021;
- (2) **AGREED** to confirm the following process for determination of Compensation Fund claims with a value of over £50,000:
  - (a) The investigation and drafting of the determination will be delegated to a Regulatory Supervision Manager
  - (b) The determination will be reviewed by the Chief Executive and the Director of Finance and Operations prior to a recommendation to Council for approval
  - (c) The determination and relevant supporting documentation will be presented to Council for review and approval

**Action Feb 22/01: To implement the above process for determination of Compensation Fund claims with a value of over £50,000**

### 6(b) 2021 Business Plan End of Year Report

The Director of Strategy and External Relations introduced a report which set out progress against the 2021 Business Plan. The CLC's Business Plan is now reviewed and updated by the Council on a quarterly, rolling basis.

The Council was informed that amendments and additions that had been agreed by the Council at its meeting on 11 November 2021 had been included within the Business Plan for 2022, which was also included on the agenda (*Minute 7(a) refers*)

The Council **NOTED** the outturn of the 2021 Business Plan.

## 7. CLC Budget and Business Plan 2022

### 7(a) 2022 Business Plan

The Director of Strategy and External Relations introduced the proposed Business Plan for 2022. It was highlighted that the plan assumes that pandemic restrictions would ease in the first half of 2022, permitting a return to more usual working arrangements.

The Business Plan had been reviewed by the Audit and Risk Committee at its meeting on 25 January 2022, which had suggested the inclusion of a review of the impact of the pandemic on the CLC and regulated community and review of the opportunities for ensuring staff health and wellbeing which had been incorporated within the Plan.

The following points were highlighted:

- The LSB is commencing a consultation on its Business Plan, which may impact upon CLC planned activities
- The annual programme of CLC practice inspections will commence in Q2 to allow a focus in completing complex disciplinary cases; the number and nature of practice inspections will not be affected
- The Business Plan includes monitoring and analysis of Tier 1 practice complaints and the referral of cases to the OLC and increased support to practices to improve complaints handling alongside changes to the collection of contributions towards OLC costs.
- Revision of the Adjudication Panel and Compensation Fund rules and review of the Equality Code and ongoing competency requirements included within the plan will require rule change applications to the LSB

It was suggested that consideration be given to the flow and deployment of staff throughout the year to enable focus on key activities. It was acknowledged that some flexibility within the Business Plan may be required to enable important objectives to be prioritised, which would be reported to the Council. The Council was informed that some outsourcing arrangements are in place to support the CLC's business objectives.

It was recognised that the CLC would be reliant upon OLC data to meet its practice complaints handling objective to a certain extent and it was agreed to raise this at the appropriate Chairs' meeting.

The Council **AGREED** the Business Plan for 2022.

**Action Feb/22/02: to raise OLC information sharing at the Regulator Chairs' meeting.**

## 8. 2022 Budget

The Director of Finance and Operations introduced the proposed budget for 2022, which had been reviewed by the Audit and Risk Committee on 25 January 2022, who had recommended it for approval. A note on the budget deficit and reserve utilisation had been circulated to Council members.

The Council was advised the budget figures reported to the Audit and Risk Committee had unintentionally excluded new staff costs due to a formula error, however the costs had been included within the detailed analysis section of the report. Revised figures were included within the report before Council.

It was confirmed that the level of excess reserves has been decreasing over the last 3 years and it is expected that the remaining surplus reserve will be utilised in 2023. The position will continue to be monitored and will become clearer after the insurance renewal round. Any further action required will be reported to the Council's meeting on 28 July 2022.

The Council **AGREED** the 2022 Budget.

**Action Feb/22/03: to update the LSB on the CLC's plans for management and use of reserves should any changes be agreed by Council.**

## 9. 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 25 January 2022, whose comments had been incorporated.

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

## 10. CLC Watchlist and Interventions

The Director of Finance and Operations introduced the report.

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

## 11. Regulatory Performance Assessment

The Council reviewed the findings of the LSB's Regulatory Performance Assessment for 2021, which had concluded that while the CLC is continuing to improve its performance in all areas, further work is required with regard to meaningful consultation and engagement with the regulated community and transparency of its decision making and published information.

The Council was advised of the steps that the CLC has been taking to increase and evidence the quantity of responses to consultations, an example of which included a simple questionnaire within the current consultation on Professional Indemnity Insurance. It noted quarterly performance indicators would be reviewed at its meeting on 28 July 2022. A review of the CLC's transparency arrangements had been included as a separate agenda item at Minute 12 below.

The Council **NOTED** the steps being taken by the CLC to address the LSB Regulatory Performance Assessment.

## 12. Transparency Arrangements Review

The Director of Strategy and External Relations introduced a review of 3 aspects of transparency in relation to the CLC's work, in particular:

- Transparency of decision making, including information about the work of the CLC that may be of interest to the regulated community, wider stakeholders and consumers
- The publication of disciplinary information
- The inclusion of disciplinary information in the CLC's public register of regulated individuals and entities

The Council was informed that the CLC has adopted the Information Commissioner's model publication scheme, while it is not subject to Freedom of Information legislation. No issues have been raised either with regard to responses to information or subject access requests, nor with regard to transparency from the regulated community or journalists.

With regard to disciplinary information, it was explained that the routes to disciplinary processes differ between ABS and RBS and that some administrative sanctions may be applied by the CLC for the purposes of bringing practices and/or individuals into compliance without referral to the Adjudication Panel. It was agreed to return to the issue of publication of lower level sanctions once the consultation on Adjudication Panel Rule changes had completed. It was suggested that examples of the consumer impact of administrative sanctions (where applied) to facilitate compliance would be of assistance when considering issues around publication.

It was suggested that publication of up to date data on OLC complaints would also be helpful for Legal Choices.

The Council **AGREED:**

- (1) To pilot a Council Chair's blog about decisions made at Council within a week of each meeting
- (2) To change the online presentation of published agenda packs so that each published paper (whether published in summary or in full) appears as its own link to make issues more easily trackable
- (3) That deliberations around Compensation Fund decisions should remain confidential

- (4) To review the explanatory information on the website when Compensation Fund rules are amended, including guidance for potential claimants
- (5) To review the online content about the CLC's regulatory approach for clarity and ease of access
- (6) To include a high-level review of the types of risks to the CLC and to the regulated community within the 2021 Annual Report
- (7) To consider review of KPIs at the Council meeting on 28 July 2022 in line with the Council's work programme
- (8) To increase promotion of the CLC's Annual Financial Statements and Annual Report with effect from the 2021 reports that will be published in April 2022
- (9) To return to the issue of publication of lower-level sanctions following completion of the consultation on changes to the Adjudication Panel Rules
- (10) That the next version of the CLC's online register of the regulated community include disciplinary data as published in line with the CLC's policies
- (11) To review the impact of the changes agreed by Council and the Publication Policy in 2023.

**Action Feb/22/04: to pilot a Council Chair's blog**

**Action Feb/22/05: Future publication of Council agenda and reports to include separate links for individual items**

**Action Feb/22/06: To review the explanatory information regarding the Compensation Fund when the Rules are amended**

**Action Feb/22/07: To review the online content about the CLC's regulatory approach for clarity and ease of access**

**Action Feb/22/08: to include a review of the types of risk to the CLC and the regulated community within the 2021 Annual Report**

**Action Feb/22/09: To review KPIs, which are included for consideration within the Council workplan on 28 July 2022**

**Action Feb/22/10: to increase promotion of the CLC's AFS and Annual Report**

**Action Feb/22/11: to consider the issue of publication of lower-level sanction following completion of the Adjudication Panel Rules consultation**

**Action Feb/22/12: To include disciplinary data as published in line with the CLC's policies within the next version of the on-line register of licensed individuals and practices**

**Action Feb/22/13: to review the impact of the above changes and the CLC Publication Policy in 2023**



### 13. Response to the LSB 2022 Business Plan Consultation

The Council reviewed its proposed response the LSB's 2022 Business Plan Consultation, the deadline for submissions for which had been extended from 4 February 2022 to enable the Council to consider its response.

It was agreed that it was appropriate to include reference to the risk and cost of the performance of the OLC and the cost associated with extension of regulatory remit and redress arrangements to unregulated activities within the response.

The Council **AGREED** the proposed response to the LSB's 2022 Business Plan Consultation (*with the above inclusion*).

**Action Feb/22/14: to submit the consultation response (as amended above) to the LSB**

### 14. Joint Statement on Disciplinary Sanctions

The Council considered a draft sector wide statement circulated by the LSB, the purpose of which is to address counter inclusive misconduct, including bullying and harassment and recognise disciplinary sanctions as one of the means of tackling it.

The views of other legal regulators which were broadly supportive and views of the Chair of the CLC Adjudication Panel were included within the report. It was noted that while the principles behind the Joint Regulator Statement were worthy of support, there were some concerns around the potential to compromise the independence of disciplinary and employment tribunals and may set precedents for the introduction of other statements on individual types of misconduct which could amount to the imposition of minimum sentencing for issues which would already represent breaches of Codes of Conduct for behaviour.

It was agreed to support the joint statement in principle, subject to clarification of the LSB's expectations around implementation and to delegate authority to the Council Chair and Chief Executive to finalise and approve the final statement. Officers were asked to circulate any significant revisions to the joint statement to Council prior to finalisation.

The Council **AGREED**:

- (1) To support the introduction of a Joint Regulator Statement on Disciplinary Sanctions in principle, subject to clarification of the LSB's expectations around its implementation
- (2) To delegate authority to the Council Chair and Chief Executive to finalise and approve the Joint Regulator Statement, with any significant revisions to be circulated to Council prior to its finalisation.

**Action Feb/22/15: Council Chair and Chief Executive to finalise and approve the Joint Regulator Statement on Disciplinary Sanctions, with any significant revisions to be circulated to Council members in advance.**



**Action Feb/22/16: To clarify LSB expectations for implementation of the Joint Statement**

**15. Published Indicators and Metrics**

The Council considered the indicators and metrics for Quarter 4 of 2021 for publication. It was noted that it is planned to include metrics tracking for complaints referred to the OLC within future reports.

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

**16. Committee Chairs' Reports** (*Agenda item 15*)

**(a) Audit and Risk Committee**

The Chair of the Audit and Risk Committee presented the Annual Report for 2021 and a summary of business considered by the Committee at its meeting on 25 January 2022, which had included:

- Governance Statement and Quarterly Statements on Internal Control
- Finance Director's Update for Q4
- Review of Principal Risk Register
- Review of the Business Plan 2022
- Review of the proposed Budget for 2022
- The External Audit Plan of the Annual Financial Statements for the year 2021
- Review of the Internal Audit Programme for 2021
- The Annual Internal Audit Opinion

The Council was informed that the Annual Internal Audit opinion had found for the fifth consecutive year that the CLC has an adequate and effective framework for risk management, which represents the highest assurance possible. Officers were commended on this attainment.

The Council:

(1) **NOTED** the reports of the Chair of the Audit and Risk Committee

**(b) Appointments Committee Chair's Annual Report**

The Chair of the Appointments Committee presented an Annual Report of business for the year 2021, which had included:

- Succession Planning and Recruitment for Council membership
- Arrangements for the Recruitment and Appointment of lay Adjudication Panel members
- Annual Review of Appointments Committee Terms of Reference
- Council Member Appraisals

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 presented an Annual Report of business for the year 2021, and which had included:

- Staffing updates
- Staff remuneration
- Non-Executive remuneration
- A detailed review of the Staff Handbook, including benchmarking of benefits

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

**17. Any Other Business**

There were no other items of business.

**18. Date of Next Council Meeting**

Council, Thursday 24 March, 2022.

**INFORMATION ITEMS**

**19. 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.

**20. Council Workplan**

The Council **NOTED** its forthcoming Workplan.