

## Annual Review of Council Terms of Reference

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

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### 1. Summary

- 1.1 In line with best practice, The Council reviews its Terms of Reference annually.
- 1.2 The Council's current Terms of Reference are attached at **Appendix A**.
- 1.3 The Council's Terms of Reference refer to the Responsibilities of the Council, which are set out at Section 1 of the CLC's Corporate Governance Framework and which are attached at **Appendix B** for reference.
- 1.4 The Council last reviewed its Terms of Reference on 27 July 2023, when it agreed that no changes were required. No changes are proposed by the Executive at this time.
- 1.5 Council may wish to note that the Financial Reporting Council published a revised [UK Corporate Governance Code this year](#). There have been minimal changes, which do not affect the CLC. Council may wish to note that it has expanded its expectations of its Annual Reporting requirements for listed companies to include the following within their Annual Reports with effect from January 2026:
  - An annual review of the effectiveness of organisations' risk management and internal control framework, including a description of how the board has monitored and reviewed the effectiveness of the risk management and internal control framework
  - A declaration of effectiveness of the material controls as at the balance sheet date; and
  - A description of any material controls which have not operated effectively as at the balance sheet date, including any action taken, or proposed to improve the controls and any action taken to address previously reported issues.

### 2. Recommendations

The Council is invited to review its Terms of Reference (**Appendix A**)

### 3. Risk management

- 3.1 The Council's responsibilities include the review of the CLC's risk management arrangements, which are reflected within its Terms of Reference.

#### **4. Regulatory Objectives**

The Terms of Reference and Responsibilities of the Council form part of the CLC Corporate Governance Framework which supports the CLC's Regulatory Objectives below.

1. protect and promote the public interest
2. support the constitutional principle of the rule of law
3. improve access to justice
4. protect and promote the interests of consumers
5. promote competition in the provision of legal services
6. encourage an independent, strong, diverse and effective legal profession
7. increase public understanding of the citizen's legal rights and duties
8. promote and maintain adherence to the professional principles

#### **5. Financial impact**

- 5.1 There are no financial implications specific to this report.

#### **6. Communications requirements**

- 6.1 The Council's Terms of Reference are included within the Corporate Governance Framework, which is published [here](#)

## Appendix A Council Terms of Reference

1. The conduct of business of the Council is governed by the Code of Conduct for Members of the Council for Licensed Conveyancers.

### Membership

2. The Council will make appointments of Members to the Council, including the Council Chair, for a term of up to four years.
3. The Council will consist of a non-executive Lay Chair, 8 non-executive members and the Chief Executive.
4. The Lay members of the Council shall exceed the number of Licensed Conveyancer (or other Authorised person) Members as defined within the Regulations for the Appointment and Service of Council Members 2020.
5. Membership of the Council will be reviewed at the end of each Member's term of office with the possibility of re-appointment once only, for a further term of office of up to four years.

### Reporting

6. The Council will report on its work to the CLC's stakeholders through an Annual Report which will be published each year.
7. As soon as is practicable minutes of each meeting will be circulated to members for noting.

### Responsibilities

8. The responsibilities for the Council are set out in section 1 of the CLC's Corporate Governance Framework.

### Review of Effectiveness

9. The Council will review its own effectiveness and terms of reference annually and implement any recommendations for change.
10. The Lay Chair of the Council will review annually the performance of Members. The Council's Appointments Committee will have regard to individual appraisals and a regular audit of skills needed when considering the reappointment or extension of terms of office for Council members in

compliance with the CLC's Regulations for the Appointment and Service of Council Members 2020 (or as amended from time to time).

11. The Council's Appointments Committee will oversee an annual appraisal process for the Lay Chair of the Council that will be conducted by an independent adviser.

### **Authority**

12. The Council is authorised to review or investigate any activity within its statutory powers.
13. The Council may require the Staff to carry out such additional activity as it deems appropriate within its terms of activity.
14. The Council may at its discretion appoint additional Council members within the limits set by the Administration of Justice Act 1985 schedule 3 on the understanding that all other provisions of the Regulations for the Appointment and Service of Council members 2020 are met.
15. The Council may delegate some of its powers as appropriate to members of Staff on the recommendation of the Chief Executive in accordance with a scheme of delegation.

### **Meetings**

16. The Council shall meet at least twice a year. The Lay Chair of the Council may convene additional meetings when considered necessary.
17. A minimum of four Members of the Council including the Lay Chair must be present for the meeting to be quorate provided at least one Licensed Conveyancer (or other Authorised person) member is present and there is a lay majority.

**APPENDIX B**  
**Responsibilities of the Council**  
**Excerpt from Corporate Governance Framework**

**Regulatory**

8. To exercise all monitoring regulatory, rule making, investigative, disciplinary, intervention, prosecution, enforcement, civil litigation and cost recovery powers vested in the CLC under the Administration of Justice Act 1985, the Courts and Legal Services Act 1990 and the Legal Services Act 2007.
9. To oversee all matters relating to the setting of standards for entry into the profession and the education and training of Licensed Conveyancers, including monitoring of training institutions and those providing authorised courses.
10. To oversee all matters relating to the keeping of the register of Licensed Conveyancers, the licensing of Licensed Conveyancers and the issuing of certificates to Recognised Bodies.
11. To oversee all matters relating to the setting and maintenance of ethical conduct and quality standards for Licensed Conveyancers, Regulated Practices (entities regulated by the CLC) and any person employed or remunerated in connection with a Regulated Practice. In particular, to
  - Set standards and regulatory policy to regulate the professional practice, conduct and discipline of Licensed Conveyancers or other Authorised Persons and Regulated Practices;
  - Set standards and regulatory policy to maintain adequate professional indemnity insurance and a compensation fund to protect the public;
12. To oversee the issue of guidance on the interpretation and application of rules and regulations made by the Council and on matters of professional conduct and standards to maintain compliance with the standards and those regulations relevant to the CLC's duty of consumer protection.
13. To oversee all applications for waivers of the CLC's Rules or other dispensations.
14. To oversee all matters relating to professional indemnity for Licensed Conveyancers including the making, revocation or amendment of indemnity rules under the Administration of Justice Act 1985.
15. To oversee all matters relating to monitoring, securing or enforcing compliance by Licensed Conveyancers and Recognised Bodies with requirements imposed

by primary or secondary legislation including rules and regulations made by the Council or guidance issued by the Council.

16. To oversee all proceedings before the Adjudication Panel and all litigation arising from such proceedings.
17. To oversee all matters relating to the Compensation Fund including making the Compensation Fund Rules, authorising the payment or refusal of grants over £50,000 and the financial management of that Fund.
18. To oversee all matters relating to monies held following intervention, including the authorisation of the transfer of funds held on trust to the Compensation Fund subject to rights of subrogation.
19. To oversee all matters relating to the payment of regulatory fees including the making of the Fees Rules.
20. To approve the publication of any CLC consultation paper involving major issues of regulatory policy and any paper subsequently issued by the CLC in connection with that consultation if the subsequent paper involves any change to a policy previously approved by the Council.
21. To approve the CLC's response to any significant consultation conducted by the Government or by another key stakeholder.
22. To periodically review and if reasonably practicable, improve its arrangements for maintaining the independence of its regulatory functions.
23. To ensure that any individual, whether remunerated or not, with a role in the exercise of regulatory functions in the Council for Licensed Conveyancers is aware of and complies with the Internal Governance Rules made by the Legal Services Board currently in force and arrangements in place to maintain the independence of its regulatory functions.
24. To permit any Member of Council or employee of the CLC who considers that the independence or effectiveness of the regulatory functions is being or will be prejudiced to communicate directly with the Legal Services Board, Consumer Panel, OLC and other approved regulators after having first followed the process appropriate for the member or employee.
25. In the event that it is unable to resolve any point arising under or in connections with the Internal Governance Rules made by the Legal Services Board currently in force if it deems it appropriate to refer that point to the Legal Services Board for clarification and to accept any response provided by

the Legal Services Board as determinative unless expressly indicated otherwise.

26. Where it considers that an action which would otherwise constitute a breach of the Internal Governance Rules made by the Legal Services Board currently in force is required by primary legislation, the matter will be referred to the Legal Services Board before any action is taken. It is accepted that the response of the Legal Services Board will be determinative.

## **Strategy**

27. To establish the overall strategic direction of the CLC.
28. To determine the strategic priorities for the CLC in alignment with its statutory functions.
29. To determine the strategic objectives and key performance targets relating to such priorities.
30. To approve the CLC's strategic plan proposed by the Chief Executive.
31. To monitor at regular intervals information about the CLC's performance in order to ensure that its functions are carried out efficiently and effectively.
32. To ensure that a distinction is maintained in practice between the strategic planning responsibilities of the Council and day to day management, which is the responsibility of the Chief Executive.
33. To ensure that the CLC has due regard to the views of stakeholders in the performance of its functions.

## **Financial Management**

34. To approve the CLC's annual business plan.
35. To approve the CLC's annual budget.
36. To prepare and approve the CLC's annual report and annual accounts.
37. To develop and approve any significant change in accounting policies and practices.

38. To ensure that the CLC has sufficient resources for its regulatory functions to be efficiently and effectively discharged, and that it uses such resources efficiently and achieves value for money.
39. To vary the payment of any grants where the full grant may jeopardise the viability and sustainability of the Compensation Fund.
40. To approve the appointment or removal of external auditors.