

**Council for Licensed Conveyancers  
Minutes of the Council meeting held on  
Thursday 25 July 2024  
By Video Conference  
10.30 a.m. – 2.00 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

**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 19-21 had been received.

**2. Declarations of Interest**

Janet Paraskeva, Alan Cogbill, Colin Wilby, Milton James, Jenny Quirke and officers declared an interest in item 15(b) (*Appointments Committee Recommendations*).

**3. Minutes and Matters Arising**

**(a) Minutes of the meeting held on 16 May 2024**

The Council **AGREED** that the minutes of the meeting held on 16 May 2024 be approved as a correct record.

The proposed establishment of an Education Standards Group referred to at minute 11 (*Education and Training Annual Report*), was noted and the Council



was advised that any relevant updates from the Group when it had been set up would be reported in future Chief Executive's reports.

**(b) *Ratification of Decision taken outside of a Council Meeting***

The Council **AGREED** to ratify the following decision to consult on Practising Fee rates and Compensation Fund contributions:

- (1) That the Practice Fee rate is increased by 9%
- (2) That the Compensation Fund contribution rate remains unchanged
- (3) That the Office for Legal Complaints (OLC) levy allocation for 2024-25 is changed from 70%/30% (availability/usage allocation) to 50%/50% (availability/usage allocation)
- (4) That individual licence fees remain unchanged
- (5) That all other fees and charges remain unchanged.

**(c) *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** actions arising from previous meetings.

#### **4. Chief Executive's Report**

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

- Professional Indemnity Insurance (PII) Renewals and growth in the PII market; with two new insurers entering the CLC market in the current year there is improved competition and choice in the market and which is indicative of confidence and positive performance of CLC practices. A [press release](#) had been issued to coincide with the timetable for new CLC license applications and renewals
- Planned practice closures, none of which were caused by an inability to obtain PII, and new practices
- [The Regulatory and Administrative Fee consultation](#), which is due to run for eight weeks up to 13 September 2024. 10 responses have already been received and an analysis of responses will be sent to the Council when the consultation has closed.
- The timescale for the Legal Services Board (LSB) decision on the CLC's application for changes to its Code of Conduct had been extended to 17 September 2024
- Feedback from a complaints and post completion workshop that was held with the convenors of the Professional and Consumer Reference Groups held on 3 July 2024 which will be developed to address issues identified

- Feedback from a [Complaints Survey](#) of all CLC-regulated practices, the initial assessment of which shows that numbers of first tier complaints are relatively low, with a relatively small number of practices having reported any complaints referred to the OLC, and of the complaints referred to the OLC, even smaller numbers resulting in any adverse findings against practices. While the data suggests that this is not a high risk area for CLC practices, policy steps to improve first and second tier complaints handling and to reflect the CLC's commitment to consumer focused regulation were agreed
- Implementation of a new ongoing competency regime commencing with the new licensing year in November 2024
- Preparation of proposed revisions to the [Adjudication Panel Rules](#), including guidance material and an equality impact assessment prior to their submission to the LSB for approval
- Progress with development of a single register of all regulated professionals that is being developed through the [Legal Choices](#) governance framework and product development
- The Legal Services Consumer Panel (LSCP) has published its 2024 [Tracker Survey](#), which will be discussed with practices. It indicates that clients of legal services who shop around find that information on pricing and services has become easier and more transparent and that almost all consumers were content with the choice of provider; and that reputation and price are important to conveyancing clients.
- Arrangements to establish working relationships with ministers, departments and relevant select committees on proposed improvements to the home buying and selling process, including engagement on development of a [Digital Information and Smart Data Bill](#)
- An announcement by the [Solicitors Regulation Authority](#) (SRA) that it intends to apply to the LSB for approval to take over the regulation of CILEx lawyers from CILEx Regulation.
- CLC Chief Executive Sheila Kumar will have an introductory meeting on 5 September 2024 with Craig Westwood, who takes up his role as Chief Executive of the LSB in August
- The arrangements and timeline for the subsequent Regulatory Performance Assessment by the LSB, evidence for which will be requested in September, and which will include reporting on activity relating to the [regulatory objective on economic crime](#) and matters relating to the LSB's statement on financial protection. The ensuing report for which will be issued in March 2025.

The outcome of the CLC's work on professional indemnity insurance was acknowledged and it was suggested that client take-up is closely monitored so that the position is maintained. The Council was informed that the CLC has established close relationships with insurers and brokers, which alongside its clear participating insurers' agreement and developing relationships with new entrants would support this.

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

**Action July/24/01: to circulate analysis of responses to the practicing fee certificate consultation to Council after it has closed.**

## 5. 2024 Business Plan Quarter 2 Progress Report

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

It was noted that progress against the Business Plan has been generally good and that for a small number of activities work had been rescheduled because of unforeseen external demands, including a new approach to public affairs, the focus of which was on engagement following an earlier than expected general election.

The following points and observations on the Business Plan were noted:

- The LSB had extended the timeframe for its decision on the CLC's [application for amendments to the Code of Conduct](#), changes to which would be likely to take effect in the new year
- Recruitment is underway to further enhance the CLC's policy capacity
- A programme of webinars and roadshows to support the Risk Agenda and revisions to Handbook Guidance will be held in Quarter 4.
- Review of the Adjudication Panel Rules is nearing finalisation and which will then be submitted to the LSB for approval. It is anticipated that training for Adjudication Panel members will be held in Quarter 4.

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

## 6. Empowering Consumers

The Director of Strategy and External Relations introduced a discussion paper setting out considerations for the CLC's provision of assurance to the LSB in September in connection with the [LSB's Statement of Policy on Empowering Consumers](#) and which is separate to reporting required under the Regulatory Performance Assessment. The Council was informed that the LSB's expectations around reporting metrics had been discussed with the LSB, who had indicated that in line with the focus on the Legal Services Consumer Panel's 2024 Tracker Survey highlighted in Minute 4 above, consumers' ability to shop around for a legal service provider is considered to be key.

The Council was invited to comment on the substance of the CLC's assurance for submission to the LSB by 30 September 2024, which included:

- The CLC's [Informed Choice](#) rules are having a positive impact on transparency of price, provider choice, service delivery and monitoring of compliance
- As indicated by the LSCP's Tracker Survey, when consumers shop around they are more likely to choose a Licensed Conveyancer for conveyancing or probate services than another provider

- As conveyancing is one of the most used legal services, it is often referred to as one of the most complained about. The proportion of transactions by CLC lawyers that have to be dealt with by the Legal Ombudsman is very low, at roughly 1 in 400 transactions, with only around 1 in 2750 resulting in a full Ombudsman decision (based on estimates of CLC-regulated conveyancing transactions and complaints to the Ombudsman in 2022/23)
- The CLC's commitment to continue to bear down on consumer complaints, which may be helped by work to raise standards of post completion work which will address more significant risk and harm to consumers and the public interest
- Where trends in issues or systemic problems in a particular practice are identified, these are reported to the Council and feature in the [CLC's Risk Agenda](#)
- The CLC regularly collaborates with other legal regulators and which included a leading and active role with the SRA and CILExRegulation in 2018 to develop common ways of presenting price information for conveyancing and probate services and joint research with consumers into further information that they might use to make their selection of legal services provider, the findings of which are set out in a report on [Quality Indicators](#) from 2023 and which continues to inform ongoing work to empower more consumers
- The CLC has adopted the [British Standard definition of vulnerability](#) and will be advising practices on how to incorporate this within their work and is participating in joint research with the Bar Standards Board and CILExRegulation to tackle digital exclusion effectively
- The CLC has a dedicated [Consumers Section](#) on its website which includes a range of guides and articles for consumers and regular columns, including in [What Mortgage](#) and [First Time Buyer](#) magazines to support consumer legal education and the home buying and selling process. An interview for an item on [Conveyancing Fraud](#) had recently been recorded for BBC's Good Morning Live
- Disciplinary information about CLC-regulated lawyers is published on its [website](#), on the CLC's [register of practitioners](#) and [Legal Choices](#), which covers all legal regulators
- The CLC is supportive of HM Land Registry's plans to publish data on requisitions and in conjunction with the SRA and CILExRegulation is discussing the potential for requisition data to be included with consumer information. It has also been seeking to open discussions with the Probate Registry to develop consumer information and to which the Registry is yet to respond
- The CLC continues to discuss with the Legal Ombudsman how its published data can be used to inform consumers
- CLC entities are [encouraged to](#) make available customer reviews provided by independent third parties

The Council **AGREED** the general information to be included within the CLC's submission of assurance to the LSB of the work that it has undertaken and is undertaking to empower consumers.

**Action: July/24/02: To submit assurance to the LSB on the CLC's work on Empowering Consumers by 30 September 2024.**

#### **7. Review of the Delegation of Authority**

The Council conducted an annual review of the Delegation of Authority, the last review of which was undertaken in July 2023 and agreed one amendment to the Delegation of Authority to add or remove practices to the Watchlist which was delegated to the Director of Finance and Operations for review by the Senior Management Team.

The Council **AGREED** the above revision to the Scheme of Delegations.

**Action: July/24/03: To amend the Scheme of Delegations as above.**

#### **8. Annual Review of Council Terms of Reference**

The Council conducted an annual review of its Terms of Reference.

It was agreed to amend the tenure of office provisions and Appointments Regulation to reflect the potential need for flexibility in Council membership and re-appointments where required.

The Council **AGREED** to amend its Terms of Reference to allow for flexibility in consideration of reappointments where there is a sound strategic need.

**Action: July/24/04: To amend the Council's Terms of Reference as above.**

#### **9. Business Continuity Plan - Annual Review**

The Council conducted an annual review of the Business Continuity Plan, which had been considered by the Audit and Risk Committee at its meeting on 16 July 2024, whose comments had been incorporated and which was recommending it for adoption.

The Council noted that ongoing walkthrough scenario testing is being undertaken and that any significant results would be reported back the Audit and Risk Committee. It was informed that Disaster Recovery would be included within the IT risk scenario testing and it was agreed to reflect Disaster Recovery at paragraphs 5.13 and Appendix I of the Business Continuity Plan.

The Council **AGREED** the Business Continuity Plan (as amended above).

**Action: July/24/05 to amend the Business Continuity Plan as above.**

## 10. AML Update - Q2 2024

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

It was confirmed that with regard to outcomes arising from regulatory supervision inspections, all practices are expected to come into compliance by the time of finalisation of inspection reports and that the results of actions in connection with the Office for Professional Body Supervision (OPBAS) Assessment were recorded on page 5 of the submitted report.

It was suggested that future reports include:

- cross-referencing of outcomes arising from supervision
- Suspicious Activity reporting
- How non-compliance that has been identified outside of regulatory inspections has been addressed

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

**Action: July/24/06: to consider incorporation of the above information about compliance within future reports.**

## 11. Revised Compensation Fund Operating Framework for Consultation

The Director of Finance and Operations introduced a report inviting the Council to approve revisions to the Compensation Fund Operating Framework for consultation. It was noted that Sarah Debney had made some suggestions for inclusion, which would be considered prior to the consultation.

Subject to the Council's agreement of the revised Framework, the CLC would consult on the proposed changes, including with the Professional Reference Group and Consumer Reference Group, prior to making an application to the LSB for approval of the revisions.

The main objectives for review of the framework included:

- Redrafting of the rules in plain English
- Simplifying and grouping the rules
- Setting specific rules to outline the eligibility criteria for applications to the Compensation Fund
- Detailed and specific criteria for the assessment and determination of applications
- Clarification of the rules and requirements for making, accepting and payment of an offer
- Clarification of when an application can be refused
- New rules governing the grouping and determination of similar or linked claims

It was suggested that consideration be given to amending the title of from Compensation Fund Operating Framework to Compensation Fund Rules.

The Council thanked Alan Cogbill and officers for the substantial work that had been undertaken in reviewing of the framework.

The Council **AGREED** the proposed amendments to the Compensation Fund Operating Framework for consultation.

**Action July/24/07: To incorporate the proposed revisions into the Compensation Fund Framework for consultation.**

## 12. 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 in detail at its meeting on 16 July 2024, including proposed amendments to Risk 1 and Risk 3 to enhance the controls, and was recommending it for adoption.

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

## 13. Reserve Policy Review and Update

The Director of Finance and Operations introduced proposed revisions to the Reserve Policy, which was last revised in July 2022, review of which had been discussed in recent Council Workshops. Proposed revisions had been reviewed by the Audit and Risk Committee at its meeting on 16 July 2024 and circulation of the report had been delayed to enable further discussion on the principles for inclusion within the Reserving Policy. The submitted report aimed to provide analysis and information for the determination of appropriate reserve categories and their funding levels based on identified risks, their likelihood and impact.

The Council discussed the following proposals:

1. Retention of the Minimum Reserve to mitigate risks that are medium or high and relating to events that are outside of the CLC's control
2. Renaming of the Market Uncertainty Reserve to Cashflow Reserve, for the management of operational cashflow and unanticipated expenditure, at a target level of £500k, and ceiling level of £1m
3. Creation of a new Special Purposes Reserve to ringfence funds for any special purpose or event that the Council deems appropriate
4. Removal of the OLC Levy Cashflow Reserve and the OLC funds will be kept separate for the purpose of paying the levy when it falls due  
Renaming of the Unallocated Compensation Fund Reserve to Compensation Fund Operating Reserve, which

It was confirmed that no changes to the governance or the use of the Reserves was proposed, which is always subject to Council's approval and that any



amendments to the flexibility of the Reserving Policy would continue to support operational needs and growth while subject to minimum level of reserve.

In review and discussion of the potential identified risks, it was noted that the CLC is permitted to seek loan funding under the Administration of Justice Act should it be required, and Commercial loan funding has however not previously been used, however it would be an option should it be required. In the event of any such decision being considered, this would be subject to Council's approval, as would consideration of any reductions to discretionary expenditure.

It was suggested that a question to ascertain the impact of interest rates on regulated firms' turnover could be included within the next Annual Regulatory Return survey.

The appropriate level of minimum reserve was discussed. It is currently based on 3 months of total expenditure with out specific reference to the risks that holding these funds seeks to mitigate. The management team presented a table of identified risks, which included the risk rating, mitigations and actions to be taken as well as the likely loss. The quantum of these potential losses is lower than the current reserve level. The appropriate level of this reserve was discussed and it was agreed that CLC should maintain sufficient minimum reserve in excess of the risks levels identified. It was suggested that a minimum reserve based on 3 months of committed expenditure (excluding discretionary non contractual cost) could be a workable alternative.

The level of other reserve categories to be held was debated and it was suggested that the proposed Cashflow Reserve and Compensation Fund Operating Reserve are expressed as a range between figures as opposed to individual figures.

The Council **AGREED** that the above points would form the basis of final revisions to the Reserving Policy which would then be submitted to the Council for approval.

**Action: July/24/08: To submit final revisions to the Reserving Policy to the Council for approval.**

#### **14. Published Indicators and Metrics**

The Council considered the indicators and metrics for Quarter 2 of 2024 for publication.

The Council **AGREED**:

- (1) to publish the indicators and metrics detailed at Appendix A of the report.
- (2) to incorporate the above information within future reports.

**Action July/24/09: to publish the indicators and metrics for Q2**



## 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 16 July 2024.

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

- Governance Statement and Quarterly Statements on Internal Control
- Annual review of the Committee's Terms of Reference; no amendments were agreed, however the Committee had agreed to reconsider further whether the current level of detail on Anti-Bribery Act 2010 provisions needs to be restated in within the Terms of Reference or if it can be removed
- Review of the Director of Finance and Operations' Update to June 2024, which also featured elsewhere on the Council agenda
- The outcome of an Internal Audit review of Creditor Financial Controls which had provided Substantial Assurance that the CLC has a well functioning control framework for the management of creditors
- The outcome of an internal audit review of the CLC's Anti-Money Laundering provisions which were reviewed against the key areas of the OPBAS Sourcebook which had provided Reasonable Assurance that the CLC has robust control in place and suggested some areas for improvement in the maintenance of records

The Council **NOTED** the draft minutes of the Audit and Risk Committee meeting held on 16 July 2024 and Chair's report.

### (b) *Appointments Committee Chairs' report to Council*

Janet Paraskeva, Colin Wilby, Milton James, Jenny Quirke and officers declared an interest in this item.

Chair of the Appointments Committee Dame Janet Paraskeva advised that a report of the Committee's meeting held on 17 July 2024 would be discussed in private session/circulated to Council members subsequently.

## 16. Any Other Business (*Agenda item 17*)

There were no other items of business.

## 17. Dates of Council meetings (*Agenda item 18*)

Forthcoming meetings of the Council have been scheduled as follows:

- Thursday 7 November 2024.
- Thursday 20 February 2025 *including Annual General Meeting*
- Thursday 25 March 2025
- Thursday 22 May 2025
- Thursday 24 July 2025



- Thursday 20 November 2025

The Council was reminded that members and colleagues from the Legal Services Board would be attending the Council's Workshop meeting on 19 September 2024, which would include a Board to Board meeting. Agenda items and a briefing note would be circulated to Council members subsequently.

It was noted that the scheduled Council Workshop on Thursday 5 December 2024, which would be in person, would consider Business and Budget planning.

**Action July 24/10: to circulate an agenda and briefing note for the forthcoming Board to Board meeting to be held on 19 September 2024.**

### **INFORMATION ITEMS**

#### **18. Q4 Performance Outturn (*Agenda Item 19*)**

The Council **NOTED** the performance outturn for Q4, which had been reviewed by the Audit and Risk Committee at its meeting on 16 July 2024.

#### **19. Property and Law Round Up (*Agenda item 20*)**

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

#### **20. Council Workplan 2024 (*Agenda Item 21*)**

The Council **NOTED** its forthcoming Workplan.

*At this point in the proceedings (12.05 p.m.), officers left the meeting, which continued in private session.*