



FACULTY OFFICE

ADVISORY BOARD

Briefing Paper - Master's Priorities for 2019

This briefing paper sets out the position as at January 2020 in relation to the priorities which the Master set for the Advisory Board at the beginning of 2019:

Advising on the Regulatory Performance Standards and Diversity Action Plans

The Board considered this priority at three of its meetings during 2019. Significant work was undertaken by the Faculty Office during 2019 to meet the LSB's Regulatory Performance Standards and sufficient progress had been made by December 2019 in order for the LSB to assess two additional criteria as having been met (Regulatory Approach: RA4 and Authorisation: A5). However, they did not consider that the Faculty Office had made adequate progress against two other criteria (Well-led: WL3 & WL4) and these are now regarded as being 'Not Met – Action Required.' These are primarily around transparency of decision making. Action has already been put in place to seek to meet these standards early in 2020.

Revision of the Code of Practice

Less progress has been made on this priority than hoped due to a number of factors including delays in confirming the acceptability of the proposed costings, the busyness of the senior notary authors tasked with updating the Code of Practice, and internal discussions on the format of the Code (which, whilst widely regarded as user-friendly and helpful, is highly complex and currently requires significant external IT resource to effect changes). This priority will be carried forward to 2020.

Advising on the new Practising Certificate Fee Structure

The Board was asked to provide advice on the introduction of a new Practising Certificate fee structure which would involve moving away from a fixed fee payable by all notaries, to a fee which more fairly represented the vast diversity of turnover derived from notarial practices around the Country whilst still maintaining a reasonable secure and stable income for the Faculty Office. Following that advice, the Faculty Office consulted on a new fee structure based upon the level of turnover and proposed five bands which would result in some 47% of the profession paying a reduced sum for their annual Practising Certificate (those with a turnover of <£15k) and those with turnovers in excess of £300k paying substantially more. This new structure was introduced in Autumn 2019 for the 2019/20 practising certificate year. It was broadly welcomed by the profession and, although it has resulted in a slightly lower income than had been anticipated, seems to have operated well. A review is being undertaken to understand why rather fewer notaries than anticipated fell within the highest bands

(compared with previous disclosures) and some queries will be raised where the declared turnover was substantially lower than the figures given in previous years where no other explanation can be identified. In broad terms, the new fee structure has been considered a success.

Advising on the OPBAS Action Plan

Due in large part to the specialist nature of the Faculty Office's role as Professional Body Supervisor (PBS) for the notarial profession and the timescales demanded for completion of this priority, the majority of the work around the preparation of the OPBAS Action Plan was actioned in-house without the benefit of advice from the Board. The Faculty Office (note that, unusually, it is The Faculty Office rather than the Master which is named in the legislation as the PBS) is making good progress against its Action Plan. A full risk analysis of the profession has been completed covering both AML and other risks and work is starting on analysis of the Risk Assessments called in as part of the 2019/20 practising certificate renewal round. This aspect of the Faculty Office's work will continue to grow with the transposition of the 5th Money Laundering Directive into UK law on the 10th January 2020 so this matter is likely to come back to the Board.

Neil Turpin, Chief Clerk

22 January 2020