



## Minutes of Quarterly Master's Council Meeting

Held on Monday 01 February 2021 at 16:00 via video conference

Present: Morag Ellis QC, Master of the Faculties  
Howard Dellar, Registrar Faculty Office  
Ian Blaney, Deputy Registrar Faculty Office  
Neil Turpin, Chief Clerk Faculty Office  
Mark Craig, Chair of the Advisory Board Faculty Office  
Mili Bhanji, Risk, Compliance and Investigations Officer and Deputy Chief Clerk

In attendance: Sue Goss, Accountant for the Faculty Office

### 1. Review of minutes and matters arising

The minutes of the meeting dated 04 January 2021 were approved. No matters arising.

### PART I – England & Wales Notarial Matters

#### 2. Faculty Office update

##### Financial update

Sue Goss reported that as at 31 January 2021 income was ahead against a prudent budget and expenditure was within budget.

By way of summary she provided the following information:

##### ***Income***

- 40 more paid licenses since December bringing the total to 363 as at 31/01/2021 against a budget of 325 for the full year
- 726 practising certificate fees received at 31/1/2021 against a budget of 725, although one Notary appears to have paid twice so the fee will have to be refunded
- 49 Channel Island practising certificates issued against a budget of 52
- 23 UK appointments (budget for full year 30)
- 7 Overseas appointments (budget for full year 10)
- 129 Notarial packs (budget for full year 160)
- 56 Certificates of Exemption (against a budget of 60)
- 142 license fees waived against a budget of 100 (had these licences been paid for they would have generated income of £46,150)

## ***Expenditure***

- licences to notaries time budgeted at a ratio of 36:64 but actual ratio as at 31/1/2021 was 44:56 (this split is applied to the management charge, irrecoverable VAT on the management charge, and the PI insurance)

The Master thanked Sue for her foresight and skill in helping to budget accurately in the most extraordinary of circumstances that the officers have experienced for the last 11 months.

The Master observed that whilst the financial situation is positive, it raises strategic questions that require further analysis given the Law Commissions consultation on marriage licences and the proposed statutory changes. If these proposed changes were to go through, then that could potentially lead to a significant change in the volume of special licenses.

Neil Turpin added that if a major change was proposed then it was likely to be published in 2022 and therefore its impact was unlikely to take effect until 2023.

This led to a general discussion about income streams and the financial relationships between the different types of work within the Faculty Office.

It was agreed that:

- budgeting would continue on a conservative basis with ongoing sensitivity testing in light of the potential challenges ahead
- The Faculty Office would remain open to innovative solutions in terms of future operational efficiencies
- Emergency Special licences at no cost to the couple are pastorally necessary but it would be helpful to inform Lambeth Palace of the cost to the Faculty Office in terms of resource

### Practising certificate applications

Neil Turpin confirmed that majority of the existing applications had now been issued but there were a few still being issued for newly appointed notaries.

### Covid-19 Impact update

Neil Turpin reported that a senior notary had raised a query about notaries being able to have video calls with clients. It raises the question as to whether we should be widening the rules and whether notaries can provide work to clients not residing in England and Wales.

It was agreed that the Faculty office would inform the senior notary that whilst we are open to consider this point, it raises serious and far reaching questions about the nature of notarial services. As such, we would require a persuasive argument from the societies, and it may be that the societies would need to take counsel's advice.

The Master confirmed that it would be useful to add this as a subject for the next Advisory Board.

### KPIs update

Mark Craig confirmed that Advisory Board members had been invited to comment and to make suggestions for new KPIs by the end of January 2021 but nothing has been forthcoming.

It was agreed that Mili Bhanji would prepare a paper for the next Advisory Board, which would be distributed in advance to serve as a further reminder and also as a starting point for a detailed discussion.

No update with regards to existing KPIs.

#### Internal risk register

The progress status of each risk area was considered, and the following items were discussed further as follows:

*a) Governance*

The Faculty Office confirmed that no suitable response to the associate lay member advertisement for the Advisory Board had been received. The Master confirmed it may be necessary to approach individuals directly to fill these vacancies.

*b) Budget and the proposed change in marriage law*

The current financial turbulence was discussed at length under item 1 of the Agenda.

*c) Succession planning*

It was agreed that the Faculty Office would explore additional initiatives to avoid over dependencies on key individuals

#### Inspections

Neil Turpin reported that there are only a few inspections remaining from 2020. It was agreed that to avoid ongoing delay the Faculty Office would start the process of identifying a list of inspections for 2021.

The Master invited comment around the draft guidance for the handling of data held by inspectors. It was agreed that it would be appropriate to consult with the inspectors on the draft document.

#### s.69 order update

No update.

#### Boards

No update.

#### Website

Nothing to report.

#### Diversity Questionnaire

Neil Turpin confirmed that the diversity data collection process had been completed and provided an analysis of the raw data.

The following observations were noted:

- Slight increase in BAME membership
- Sharp decrease in membership over the age of 55
- Corresponding increase in younger membership

To build on future diversity questionnaires and awareness of diversity issues, Mili Bhanji attended the Regulator's Equality and Diversity forum.

The Master confirmed that the diversity data will be used to inform our priorities, which she will consider following the outcome of the LSB review.

The Master reported that she would invite external parties to another council meeting to facilitate a wider conversation around diversity.

#### Continuing Professional Education Regulations

Ian Blaney presented a paper arising out of recommendations made by the working party on professional qualifications and CPD.

To set this recommendation into practice would require an amendment to the Notaries (Post-Admission and Training) Rules 2019.

The effect of the proposed amendments is to allow the Master to mandate that:

- Notaries will have to focus one of their CPD points in a specific area (i.e. AML)
- Notaries that have been out of practise for more than two years undertake extra supervision if required

The Master agreed the proposed changes and requested the Faculty Office proceed to the next stage in putting these into effect.

#### Notaries Enforcement Guidance

Ian Blaney confirmed that the draft guidance had been amended to reflect suggestions made by the Master and the Advisory Board.

The Master approved the guidance and agreed that it should be added to the Faculty Office website.

### **3. LSB matters**

Howard Dellar confirmed that LSB had forwarded the interview transcripts and several follow-up questions. The review outcome was still pending.

This led to a discussion about the LSB review process and an analysis of LSBs follow-up questions.

### **4. AML matters**

Neil Turpin confirmed that:

- a meeting was scheduled with OPBAS in March to discuss progress against the action plan
- a risk assessment of the membership was underway
- Part 1 of the Legal Sector Affinity Group guidance (waiting on Treasury approval) had been published on the website to replace the existing guidance
- Part 2 is due to be published at the end of February

### **5. Legal Choices**

Howard Dellar confirmed that the Legal Choices group was having a review of its governance.

## 6. Remedies Programme Implementation Group

Howard Dellar reported that the next meeting of the group would likely be the last one as the group will be wound up in its current form.

## 7. Economic Crime Levy

Neil Turpin reported that the Faculty Office had received an enquiry from Treasury about incomes for regulated communities.

## 8. Any other business

There was a discussion about an invitation from the SRA about taking part in their stakeholder perceptions exercise. Mark Craig agreed to participate and will report on the experience.

## PART II – Overseas Notarial Matters

These items are not for publication

## PART III – Ecclesiastical Matters

These items are not for publication

## 9. Date of next Master's Quarterly meeting

Monday 10<sup>th</sup> May 2021

Next Senior Officer's meeting – Monday 1<sup>st</sup> March 2021

## Glossary

<b>NotaryPro</b>	Online system used to administer the regulation of the profession
<b>LSB</b>	Legal Services Board
<b>OPBAS</b>	Office for Professional Body Anti-money laundering Supervision
<b>MAC</b>	Master's Audit Committee
<b>IGRs</b>	Internal Governance Rules
<b>KPIs</b>	Key Performance Indicators
<b>RPIG</b>	Remedies Programme Implementation Group
<b>CMA</b>	Competition and Markets Authority
<b>AML</b>	Anti-Money Laundering