



Minutes of Quarterly Master's Council Meeting

Held on Monday 10 May 2021 at 15:00 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 Quarterly Master's Council meeting dated 01 February 2021 and the Faculty Office Senior Officer's meeting dated 12 April 2021 were circulated and approved.

No matters arising.

PART I – England & Wales Notarial Matters

2. Faculty Office update

Financial update

Sue Goss provided an update on:

- Faculty Office (FO) Company Accounts
- comparison of income to budget
- comparison of expenditure to budget
- summary of shortfall on Licences and surplus on Notaries
- accumulated surplus/shortfall as at 31/3/2021.

In summary, overall expenditure was within budget although, due to additional time being spent on Licences, there had been a shift in the allocation of expenditure from Notaries to Licences. Both Notarial and Licences income was better than expected. The Notaries achieved a surplus of £125,790, reducing the accumulated deficit from £242,996 to £117,206. On Licences there was a shortfall of £81,559 for the year, reducing the accumulated surplus from £388,482 to £306,923. The overall Faculty Office reserves stand at £189,716, an increase of £44,230.

The Contingency Fund reserves now stand at £166,146, an increase of £11,732.

Sue Goss also confirmed that the FO company accounts were with Haysmacintye and this led to a discussion around:

- the Master's control of the company and role as an office-holder
- PAYE and the various roles within the company
- the difficulty in establishing a realistic budget without sight of the LSB's findings

KPIs update

Mark Craig confirmed that the Advisory Board at its meeting in March had deliberated on this topic and the decision was that it would seek to create one additional KPI somewhere in the field of public confidence. There needs to be a balance in making sure that KPIs are meaningful without setting up the FO to fail by choosing unachievable indicators.

Mili Bhanji confirmed that the Advisory Board had raised several useful explanations for taking a cautious approach and had demonstrated a lack of appetite for additional KPIs at this stage.

The Master expressed her concern at the lack of interest on issues of diversity. The LSB had issued guidance on making good use of diversity data which lays the foundation for having usable and meaningful KPIs.

The next KPI therefore needs to relate to the subject of diversity as this is both right in itself and will ensure we travel in the same direction as the LSB. The Advisory Board needs to do everything possible to support the FO staff as they put the case forward for new KPIs, which may be broad ranging and cover issues around education and widening knowledge and access to the profession.

Howard Dellar confirmed he was in discussions about the availability and use of funds from various stakeholders and this could be relevant to this subject. He would report on developments at the next meeting.

Internal risk register

Ian Blaney provided a progress report regarding the status of each risk area. Changes regarding the following items were discussed further:

a) Governance

A new lay member had been appointed and the risk level would therefore be changed to reflect this change.

b) Premises and Health and safety

The office location is inherently high risk but disruption attributable to fire or other disasters and accessibility to premises has reduced in terms of likelihood because of the successful roll out of homeworking.

c) Brexit impact

Possibility of disruption is less likely as there have been no significant issues such as a disruption in the provision of goods and services that the FO use. Mili Bhanji also confirmed that the FO website host had confirmed that data is only stored and shared between their servers in the UK.

d) Income

Potential drop in marriage licence income is dependent on law reform but income is better than the conservative budget at present. FO have responded to consultation on law reform. No change to risk. Continue watchful brief.

e) Complaints

Mili Bhanji is systematising complaints and keeping an eye on timelines. Correspondence is now stored on a shared drive and is easily accessible.

Inspections

A discussion took place about the level of insight gained during a recent meeting with the inspectors.

The Master was also encouraged that applications were being received in response to the published advertisement for additional inspectors.

S.69 order update

Ian Blaney confirmed that he had resubmitted the draft application and had received an email from the MoJ confirming the order was with their lawyers. Whilst further delay is likely, overall, this was a positive outcome as there were no signals that the MoJ were going to send the FO back to the drawing board. Essentially, it was a technical discussion at the present time.

Boards

Ian Blaney reported that the Qualifications Board met on 18th March and confirmed that we are on track for a full year as there were 15 students signed up already.

He also confirmed that the Board deliberated a paper on the forthcoming changes to CILEX Law School Modules' and concluded that:

- The FO should wait to see how this might impact the provision of modules in conveyancing and probate and company law for our system.
- Open early talks with UCL about whether they could replicate such a provision.

Mark Craig reported that the Advisory Board met on 02 March and there had been a number of discussions, including a detailed discussion about diversity within the profession, which he said will be followed up at the next meeting in line with earlier discussions.

Notarial Issues – Post Office Certification

Neil Turpin received expressions of concern that the Post Office is currently planning to introduce "legal services" into their business model, specifically document or identity verification and certification services.

This led to a discussion about public interest concerns and it was agreed that there was scope to make representations on the matter.

The Master confirmed it would be useful to get a steer from the senior members of the profession, and as such, it would be added as an agenda item for the next Advisory Board meeting.

3. LSB matters

There was a discussion about the diversity letter received from LSB which feeds into the additional KPI topic.

4. Anti-Money Laundering matters

Mili Bhanji confirmed that:

- Part 2 of the Legal Sector Affinity Group guidance (specific to notaries) had been published on the website
- Desk based reviews underway in line with the OPBAS action plan
- AML supervisor's annual report under Regulation 46A next step
- New SAR Guidance for anti-money laundering supervisors (NCA/OPBAS)

This led to a discussion about intelligence sharing with other regulators and to include information on the website, where appropriate.

5. Legal Choices

No update

6. Remedies Programme Implementation Group

No update.

7. Any other business