



## **FACULTY OFFICE**

### **Quarterly Master's Council Meeting**

Meeting held on Monday, 3 April 2023 at 3.30pm via Zoom and in-person

#### **Present/online:**

Morag Ellis KC, Master of the Faculties (ME)  
Jim Clifford, OBE (JC)  
Howard Dellar, Registrar, Faculty Office (HD)  
Ian Blaney, Deputy Registrar, Faculty Office (IB)  
Mili Bhanji, Deputy Chief Clerk, Faculty Office (MB)  
Neil Turpin, Chief Clerk, Faculty Office (NT)  
Jaymisha Tailor, Administrator (JT) (Minutes)

#### **Introductions – Jim Clifford OBE:**

ME introduced Jim Clifford OBE to the Faculty Office. JC will sit in and see how the Quarterly Masters' Council (QMC) meetings are conducted and may in future undertake a similar role to that undertaken by Mark Craig in the past.

ME explained to JC that Mark was present as a consultant on the team, Chairman of the Advisory Board and Audit Committee. Mark was in the post for 4/5 years and was very helpful. He attended the QMC meetings and provided independent support and guidance on LSB matters. Mark unfortunately became ill a year or so ago and we have not only been missing Mark, but also missing what he brings to the Faculty Office.

ME further reported that JC has similar skillset to Mark. JC has expertise in governance and regulatory matters.

ME explained that Mark worked with the team to collate an action plan, presented to OPBAS and one that we continually use. We want to make sure that we remain on track, and we therefore greatly welcome JC and his expertise to the Faculty Office

#### **Apologies**

None to report

#### **Approval of Minutes from the last QMC meeting**

ME approved minutes of the last QMC meeting. No further comments or matters arising from the minutes reported.

#### **PART I – England & Wales Notarial Matters**

##### **1. Faculty Office**

**(i) Financial Report and Update:**

Income:

Special Marriage Licences – SG reported that we exceeded the budget (630 against the budget of 610). It was reported that the licences are on the decline but have exceeded budget so that is positive.

Notarial income is on course and the budget exceeded on all fronts.

Expenditure:

SG reported that the financial calculations are in progress. There is an underspend on IT & website hosting however provision will need to be made on the Cyber Security budget. IB added that the invoice for Counsels' Opinion has not yet been sent through so will need to make provision for that.

SG confirmed that a discussion needs to be had around next year's budget. MB & SG to discuss inspections expenditure. ME is keen to see an increase in this budget.

SG reported that she could not see the expenses for the intern. ME explained to JC that we wanted to contribute to the "10,000 Black Interns project" and recruited one intern from the project.

ME explained that we should be maintaining good and proper housekeeping with the two separate sources of income and two separate functions reflected in the accounting.

Fees:

HD reported that he is in discussions with Lambeth Palace about increase in Special Marriage Licence fee.

With regards to "Waived Fees", NT reported with Covid less of a threat we are not expecting as many death bed licence applications. NT confirmed numbers have settled and we are back to pre-Covid normal levels. IB and NT have prepared papers looking at the demographics of weddings and will need to consider implications.

Notary demographics were discussed – NT reported that the notaries are generally getting older, and the real concern is the age profile but recent data on age is encouraging. NT reported that we have turned the corner after several years, after a steady decline, this year we have seen circa 15 more people join the profession than retiring with 57 potential applicants this coming summer. HD further added that Brexit has certainly provided more work.

ME added that banding has enabled us to build up reserves. There was previously a deficit therefore the Annual Fee was increased and looked at different bands of earnings. Those who earn more are charged more. With regards to diversity, asking the Qualifications Board to widen the pathway to becoming qualified. All this encourages attracting and retaining notaries in the profession.

Other financial updates:

SG reported that there are a lot of funds in the Virgin Money Account and now that interest rates have gone up, this needs to be reviewed. HD to review to ensure that the funds are not tied down and are invested somewhere with low risk and at least some rate of return. Discussions with Virgin Money may be required.

Special licence surplus is eroding but will address this in another paper at the next meeting.

Audit – An audit was undertaken in 2022. This year the Faculty Office will undergo a “review” to be undertaken by Hays McIntyre. It has been reported that there is currently a shortage of Auditors.

SG has been reviewing options to move to a new accounting software package such as XERO Accounting. Xero appears to be cost effective at £15 per month plus VAT. SG reported that you have to apply for a free 30-day trial period initially and then will be billed monthly at the end of the trial period if you choose to continue using Xero after the trial period. The package is Cloud based, not desktop. The alternative option is to find a desktop package that works with Citrix.

JC added that he is familiar with accounting software packages such as Xero and QuickBooks. JC reported that Xero has more add-ons and that the Faculty Office may not need or benefit from all of them.

SG stated the situation is that a vast bulk of the entries go via Pay Pal or World Pay. World pay payments are paid directly into the bank account whereas Pay Pal payments are transferred across by NT. It would be prudent to seek David Nason’s input as to whether NotaryPro could be linked with the accounting Software package.

SG & NT to follow this up and to report on any update/progress in the next meeting in May.

## **(ii) Away Day Review**

IB explained he wanted to share the notes made on the Away Day. ID reported that the papers included an Action Plan and the characteristics that we as a regulator ought to be exhibiting.

ME added that this was a useful day led by IB and is a form of continual assessment which seems to be the way the LSB are moving in terms how the LSB review regulators. We have challenged ourselves to reflect on the characteristics at monthly meetings.

## **(iii) Risk Register**

IB Reported on the following updates:

A.02: Away Day was held on 2 March 2023. Agendas of meetings being restructured to allow concentrated effort to be put into priorities.

A.05: Audit Committee met on 9 February 2023 to discuss budgetary planning.

C.08 SG and NT working on a procedures manual and SG is looking into whether to move over from Excel to an alternative accountancy software package to assist with unplanned financial deficit.

C.10: Consider and consult the Archbishop on an increase in the licence fee for Spring 2023

D.05: A policy on conducting inspections remotely has been prepared by the inspectors and must now be reviewed by the Faculty Office.

D.06: There is a review of the disciplinary system with a policy and proposal paper to Quarterly Master's Council on 3 April 2023.

E.05: NT to report on latest discussions with David Nason – this is still on the agenda.

F.01: OPBAS report in December 2022 contained criticisms of the Faculty Office. An action plan has been prepared and the FO is making progress working through the action points.

HD reported that positive conversations with OPBAS have taken place since and those action points coloured red are being actively addressed.

JC questioned risk point marked F.02 and asked if the FO is that much under attack by the media that could result in a reputational risk, leading to loss of membership and other stakeholder support. IB reported that the FO generally have a low profile, and this is more a theoretical risk in that if it was not in the forefront of our minds, we may not be ready or able to act proactively if anything adverse were to materialise. For example, Gay Marriage issue – people are already starting to talk about Establishment in this connection.

#### **(iv) Discipline Cases – Updates**

Vidal Martin – we are currently waiting on collection of costs. Martin had expressed that she had gone through a bereavement and therefore we have requested a proposal for payment.

Alan Kerr - The Court of Faculties ordered that Mr Kerr be struck off the Roll of Notaries.

Kumeri – the Court of Faculties ordered that Kumeri be admonished. The Commissary is yet to publish the determination. Kumeri was afforded time to review and respond to the costs schedule.

MB reported that civil proceedings for costs had commenced on one more case and we should have the final response by mid-May 2023. This is another defended claim.

MB reported overall we have kept within the timescales and everything within our control is on course

IB commented that papers will be reviewed and circulated by the next meeting as there have been delays. Working on a small sample therefore it is difficult to draw systematic conclusion.

ME emphasised that it is imperative that new cases are tracked and to ensure we are complying with target times.

#### **Disciplinary System – Scoping Papers**

IB explained the purpose of the paper and the proposals therein. If implemented, it would be on par with the current tribunal system and would give more flexibility about who can investigate and who can prosecute.

It would assist the Faculty Office in recognising any concerns at an earlier stage and to put together an action plan. Should this result in non-compliance, then inevitably it would go to a hearing.

ME reported that the scoping paper was good and clear. The tables illustrate a concise action plan, but she had some reservations about the power to order a medical investigation.

ME requested IB to send the paper to the Commissary and Deputy Commissary for their comments. General support at the meeting for the paper on review of the disciplinary system. This will need to be considered at next monthly meeting on 15<sup>th</sup> May 2023. Following that IB to take the draft consultation paper to the meeting on 5<sup>th</sup> June 2023.

Some ideas to be considered:

- Ground the proposals around LSB characteristic 1 – public protection.
- Guidance on adjournments when respondent claims sickness
- Guidance on abuse of process proceedings.

**(v) KPI's Update:**

KPI update included within scoping papers. MB has prepared a spreadsheet regarding inspections data which will be shared before the next meeting

**(vi) Complaints Wording**

Master approved changes to wording and communicated to all notaries.

**(vii) Horizon Scanning**

IB confirmed the following:

Ministers have launched an expert industry working group to boost public confidence in e-signatures – no update but note that the Michael Lightowler is on the group and liaising with Professor Mason.

IB to continue keeping abreast with legislative developments and to liaise with Societies as necessary. Following which, IB will alert ME and the Advisory Board.

**(viii) Inspection list 2023 (not for publishing)**

**MB reported that the draft inspection list would be presented to the inspectors, once approved. The registrar to finalise and approve.**

**(ix) Faculty Office Newsletter March**

MB reported that the newsletter had been distributed to notaries by email and included an item on Proliferation Financing as requested by the Master.

**2. LSB Matters**

ME stated that this ties in with Point 3 of the agenda and for speed Points 2 & 3 will be reviewed together.

**3. The Master's Priorities Updates**

**(i) Protecting and promoting the interests of consumers**

**S69 Order:**

IB confirmed that there had been substantive engagement with the MOJ and the matter is progressing.

**Insurance minimum terms, run off cover and the level of cover:**

Insurance minimum terms, run off cover and the level of cover all need consideration and relevant changes made to our rules following a suitable consultation and taking into account the findings of the LSB's research into the state of the professional indemnity market.

NT to prepare first draft of insurance meeting for next meeting.

**(ii) Protecting and promoting the public interest and promoting and maintaining adherence to the professional principles.**

**Review of the FO Discipline System:**

See paper on Discipline System – scoping paper.

**Review of the three sets of Accounts Rules:**

This is to be reviewed, revised and draft proposal prepared by NT to be presented at the next Quarterly Master's Council meeting, detailing what the issue is, why we think it's the right approach, even if it is in note form of rationale so that it can be expanded.

**Reinforce the sanctions regime-review against action plan**

MB confirmed that update on sanctions activities from previous week to be presented at the master's meeting in May.

**Review progress on increasing FO reserves**

At the Faculty Office we will continue to build up the Faculty Office's reserves to the equivalent of six months expenditure.

**(iii) Encouraging an independent, strong, diverse and effective legal profession**

**Diversity**

MB reported that our Diversity Champion Ola Olajide will be presenting a paper at the next Quarterly Council meeting.

**Post Qualification Requirements**

IB to prepare policy paper and will try and get the scope for the next meeting

**Wellbeing – Update**

Evidence points to other life factors being at play when people burn out. A suggestion was made to offer a referral service as part of the disciplinary process.

A generous donation was given to Law Care for the work they do. HD reported he had been in touch with the CEO of Law Care to attend next Master's Council meeting.

**(iv) Supporting the Constitutional Principle of Law**

**2024 Lecture**

ME suggested we should nudge Sir Keith John Lindblom for his consent to issue a publication on the Faculty Office website.

**(v) Increasing public understanding of the citizen's legal rights and duties and improving access to Justice. Legal Education.**

**Legal Choices**

HD reported there was no update / nothing to add.

**4. AML Matters -OPBAS review**

MB/IB/HJD had a positive meeting with OPBAS last week. Discussion around works streams for action plan.

MB reported that a risk scoring exercise and draft methodology is in progress (which impacts the LSB Sanctions AP). ME questioned how the Risk assessments are to be shared as there is a concern that there are notaries on the Advisory Board therefore OPBAS would not agree to this. JC and MB to discuss this separately. MB welcomes JC input.

ME suggested that there should be a good session on the OPBAS Plan at the next council meeting.

**PART II – Overseas Notarial Matters**

These items are not for publication

**PART III - Ecclesiastical Matters**

**(1) Marriage Law Update**

These are not for publication

**Date of Next Meeting:**

15<sup>th</sup> May 2023 – (Masters Meeting)

3 July 2023 - (Master's Quarterly Council Meeting)

**Any other Business:**

None

Meeting concluded at 18:00pm