



General Council Meeting of the Equity Release Council

Date: 05 November 2019

Time: 11.00 – 12.30

Location: ERC Office, 35-41 Folgate Street, London E1 6BX

PRESENT:

Name	Surname	Company
David	Burrowes	Chairman, Equity Release Council
Jim	Boyd	CEO, Equity Release Council
Donna	Bathgate	COO, Equity Release Council
Chris	Pond	Standards Board Chairman, Equity Release Council
Iftakhar	Ahmed	Brethertons
Michelle	Baker	Roger Brooker & Co
Claire	Barker	Equilaw
Donna	Bathgate	Equity Release Council
Amy	Boekstein	Instinctif
Jim	Boyd	Equity Release Council
Paul	Bridgewater	OneFamily
David	Burrowes	Equity Release Council
Janis	Burton	Forrester Hyde
Andrew	Card	Bower Retirement
Paul	Carter	Pure Retirement
Vanessa	Carver	Fmifa
George	Davis	KRD
Jim	Dredge	Equity Release Council
Jane	Elgar	Browns Solicitors
Tom	Evans	Canada Life
Chris	Faye	Equity Release Council
Kerry	Gane	Retirement Plus
Andrew	Gilbert	LV=
Mark	Glithero	Key
Will	Hale	Key
Laura	Hall	Equity Release Council
Kevin	Hull	The Right Equity Release
Howard	Imbert	Forrester Hyde
Lisa	King	Brethertons
Peter	Maxwell-Lyte	MaxLyte Financial
Liz	Murley	Viva Retirement Solutions
Greg	Neilson	AVIVA
Allie	Pallister	Equity Release Council
Celia	Perry	Julie West Solicitors

Harold	Pritchard	L&G Home Finance
Ron	Radway	Essex Equity Release Advice Centre
Kath	Roberts	Eversheds - Sutherland
Paul	Saroya	Viva Retirement Solutions
Tristan	Treacy	Retirement Bridge
Gemma	Walker	Forever Legal
Gary	Webster	Equity Release Supermarket
Mark	Williams	Mortgage Monkey
David	Wright	Sixty Plus
APOLOGIES		
Kathy	Tedstone	HBFS
Nicola	Firth	Knowledge Bank
Barbara	Emmett	OneFamily
Glenda	Edloff	Jigsaw Financial Planning
Finbarr	Kelly	Future Vision Financial Planning
Melanie	Carroll	Bolt Burdon
Roger	Marsden	AVIVA
Liz	Barclay	
Graham	Evans	Equity Release Supermarket
Matthew	Burton	Hodge
Nikki	Smith	JUST
Paul	Turner	JUST
Emma	Morris	Brethertons
Dave	Harris	More2Life
Mel	Kettle	Gateway Surveyors
Mike	Oliver	Mike Oliver Associates
Paul	Barber	Retirement Bridge
James	Harrison	Mike Oliver Associates
Richard	Jeremiah-Clarke	Connect Mortgages
Finbarr	Kelly	Future Vision Financial Planning
Jat	Patti	Stanmore Law Practice
Phil	Regan	Hodge
Carl	Ross	Optima Legal
Gemma	Walker	Forever Legal
Dan	Baines	Age Partnership

1. WELCOME AND INTRODUCTION

DJB

DJB opened the meeting by welcoming everyone, thanking attendees for giving their time to attend what is a very important meeting for the council. Apologies for the meeting were read out and noted.

2. MINUTES

The Chairman drew attention to the minutes of the previous AGM and asked for any comments; none were received. The members agreed the Minutes of the Annual General Meeting held on 24 April 2019 as a true record, proposed by Harold Pritchard and seconded by Greg Neilson.

3. SPECIAL RESOLUTION

The Chairman set out the background to this item. A governance review had taken place earlier in the year, with professional advice sought from DAC Beachcroft lawyers, along with consultation with ERC Board members and referring to relevant papers on Board Governance. DJB outlined the key areas of consideration by the Board which were to expand the breadth of the Board, increasing Board member numbers in order to appropriately represent the Membership of the council.

In order to implement this evolution of the Council's governance, the Articles of Association needed to be reviewed and updated to reflect the proposed changes. The changes are summarised in the following:

Special Resolution:

In recognition of the continued developments and growth of the industry and the subsequent growth and representation of the membership, the Board of Directors would like to propose a Special Resolution to the member firms to support an amendment to increase the Main Board numbers, introduce co-opted members of the Main Board to assist representation of the industry and include a position for an independent director.

The proposal to increase the Main Board numbers is: • the number of directors shall be a maximum of 19 and the minimum number is one. • the directors shall comprise: not more than eleven (11) persons, each elected by a ballot of the members; the Chairperson, Standards Board Chairperson, Chief Executive and Chief Operating Officer who shall each be appointed by a decision of the directors; a director considered by the directors to be independent (within the meaning of the UK Corporate Governance Code) appointed by a decision of the directors; and up to three (3) co-opted persons, each appointed by a decision of the directors.

The Directors would also like to amend the Articles of Association to recognise these changes and take the opportunity to update other references contained in the Articles. As such the entirety of the proposals constitute the intention to propose a special resolution to amend the Articles of Association in the draft Articles supplied with the changes outlined.

DJB talked through the process undertaken to arrive at the resolution, which has been deemed appropriate to recommend, given the ERC has grown significantly and is now a far bigger representative Association.

The draft version of the Articles is available with the original tracked changes to show the amendments and additions. A ratified version will go through legal process and be submitted to Companies House.

DJB asked if there were any questions – none were received.

DJB explained that a vote would now take place and outlined the process, announcing the Proxys that had been received appointing the Chairman to vote, along with Proxys received naming an attendee to vote, all of whom were noted as present.

In line with Article 46, the Chairman asked for a show of hands in favour of the resolution.

As declared by the Chairman under Article 48, the proposed Special Resolution was passed unanimously by members.

DJB thanked members for their support for this important resolution and invited members to contact him if they have any nominations for a new co-opted Board Member position.

4. LAUNCH OF THE COUNCIL'S NEW STANDARDS

CP

Chris Pond, Standards Board Chairman introduced the council's standards, emphasising they are at the centre of everything the Council does. The SHIP rules and standards helped improve public perception of the equity release market and increase consumer confidence and the Council has continued to build on this.

In line with other regulators moving from a Rules based approach to a Principles based approach, the Council is evolving the Standards to reflect the market needs and changed in the sector. CP noted the extensive work undertaken over the past eighteen months by the Standards Board members, especially Jim Dredge and the ERC team.

CP presented the standards review journey and recorded his thanks to all members who had contributed to the direction of travel and responded to the consultation.

The Standards are now in plain English, understandable and relevant to current market demands. They seek to ensure outcomes are appropriate for customers, recognising that each customer has different needs. CP noted that whilst the Council is not seeking to set fees and charges, there is an expectation of fair pricing by members. He emphasised the need for firms to identify customers who may be vulnerable.

Next Steps – talking through the implementation process, CP asked members to consider any implications for their business in order to take the appropriate action, leading up to the 'go-live' date of 1 January 2020. The revised Standards will be in place from 1 January 2020 and members will be expected to comply from this date.

DJB thanked CP and the Standards Board for all their hard work to deliver these revised Standards and asked for any questions or comments.

Kevin Hull (KH) referred to the increasing trend towards advisers tied to provider firms. CP responded that the new Standards would apply to all advisers.

David Wright commented that he is firmly in favour of independence and everyone should be treated the same.

Will Hale commented that he is confident that the revised standards work for tied channel, independent channel and whole of market and he has no concerns.

Harold Pritchard agreed with Will Hale's comments.

KH added that whilst the revisions are positive, two months is not long for members who do not have large infrastructures, to put everything in place. KH noted the difference between advisers and larger member firms and felt it may be too big a change in a short time frame.

Ron Radway noted his agreement with the point made.

DJB confirmed that the Council is open to all feedback and it was important to allow the Standards Board to work through the process.

Jim Boyd, ERC CEO, added that the Standards Board structure is very robust and representative of the membership, supported also by the Advisory Panel and Conduct Forum.

There being no further questions DJB thanked everyone who has contributed to this significant piece of work.

5. COMPETENCY FRAMEWORK

DB

Donna Bathgate, ERC COO, welcomed everyone to the new offices, noting this is the first time the council has held a meeting in the Atrium and asked members to offer feedback on the venue.

DB picked up on the update from Jim Boyd and outlined the background to the Conduct Forum which is newly established and the first meeting of the group is scheduled for January 2020.

DB began by assuring members that comments and input from the membership to get heard by the Council and are appropriately assigned for follow up. Updating on progress since the April AGM, DB referred back to earlier activity that had led to the current focus and strategy for the council. The working groups, forums and panels are now firmly established and permanent entities.

An example of how these groups help accelerate progress is the subject of Drawdown - a deep dive was undertaken by the conduct forum working group and findings were fed back into the Standards Review, resulting in a joined-up approach to the council's activity.

COMPETENCY FRAMEWORK

DB

DB updated the meeting about the work being undertaken in respect of the development of a Competency Framework. DB noted the level of experience on the new Competency Framework Group which is Chaired by Paul Saroya, thanking everyone for their time and expertise.

Referring back to the update she gave the members at the Annual General meeting in April 2019 – she highlighted how when first undertaken the methodology for the development of such a framework the group had focussed on exploring education and training for three key areas:

- Technical Knowledge
- Business Knowledge
- Soft Skills

and tackling the knowledge required at various entry points and experience held such as:

- New entrant
- Under supervision
- Competent status

DB presented the Development Journey since and explained how the above had further developed into modular topics built on an expanded framework looking at sections:

- Know your industry
- Know your market
- Know your client
- Know your products
- Know your Process
- Know your Skills

and showed some draft artwork for one of the training modules; thanking Tom Evans & Alice Watson at Canada Life for their sponsorship and support to help bring the Competency Framework to life. There will be consideration on what formats will be best served to deliver this learning material.

The plan is to launch a framework for the Financial Adviser community (end of Q1 2020) and one for the Legal Advice community by mid-year 2020. The structure will also help those firms to utilise the framework to support those in the firm that are possibly not participating directly in the process with the customer themselves but have an important role in the support network in the firm's structure who would also benefit from having a deeper knowledge.

DB highlighted that another collaborative exercise is also being undertaken within the market which also involves the work of the competency framework. Working with a range of other trade bodies and awarding bodies alike will be set to achieve improved collaboration in all aspects of education and competency in the later life financial planning landscape for the good of the customer outcome .

DB believes progress to date is positive and hopes members agree. DB closed by asking for questions.

David Wright felt an immersive course would be very useful and enquired whether there was any potential for the council to provide a 3-day training course for new advisers? DB responded that if members felt strongly that the council should do so, it could be explored but it is important that the council did not try to reinvent the wheel, given the great training modules provided in the market, by member firms and Academies and accredited bodies.

DJB added that there may be some peer to peer activity that could also take place. The Chairman expressed the council's appreciation for all the hard work being undertaken on the Competency workstream and invited members to raise any other points and asked, is there anything else the Council should be doing?

DJB drew attention to a programme called ITV Tonight – scheduled on ITV on Thursday evening, which is featuring an Equity Release Case Study.

DJB was asked what the Council's plans are in respect of the General Election and DJB responded that the council will be focussing on issues that will exist regardless of which party is in Government.

Paul Saroya asked, in light of the fact that there is a No Negative Equity Guarantee built into each plan that is recommended through the ERC, and because there is an ageing population and because things have moved on in our industry over the last 3-4 years; could the Council look at other things that could be added to this list for the future. I.e. Similar downsize Protection etc. CP replied that the Standards will continue to evolve to ensure they are fit for purpose in order to keep pace with changes in the market, consumer needs and product development.

Will Hale asked, what interaction does the council have with other trade bodies, for example UK Finance. DJB confirmed that council activity does include liaising with other bodies and highlighted that the ERC have good partnership working with other trade bodies at panel events and consultations such as by the FCA.

Another example is the Council's work in relation to competency where it put out a call to action to all trade bodies in the market and all have responded; there is considerable crossover and common ground and in future the council may look at a joint charter to produce more cohesive output from this crossbody activity.

DJB highlighted the strength of the Council's standards and how they give a good defence to media seeking to link the ER industry with the past poor reputation. The updating of the standards and focus on outcomes is a good platform for the Board to consider the next steps in the development of the later life sector. The competency work, qualifications and standards put the Council in a good position to move forward.

Jim Boyd drew attention to the planned ERC Summit, planned for 12 March 2020, outlining the potential programme for the event, the venue and possible speakers, including senior treasury ministers. JB went on to summarise the key elements of achievement this year on the path to professionalising the organisation. The council has produced best practice for our sector; the Competency Framework underpins this and supports the work of the ERC and Standards going forward.

DJB thanked everyone for attending and for their contribution.
The meeting closed at 12.25