

To:	Legal Services Board	
Date of Meeting:	Out of Committee (27/7/12)	Item: Paper (12) 57

Title:	SRA compensation fund s69 Order
Workstream(s):	Ensuring effective redress for consumers (see Business Plan 2011/12)
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Status:	Unclassified

Summary:

In 2011 the Lord Chancellor made an Order under s69 to amend the SRA's compensation fund powers to allow ABS firms to make contributions and pay out compensation grants from the existing statutory based compensation fund. That Order was time limited by a "sunset" clause that is due to expire on 31 December 2012.

The sunset clause was inserted as the SRA had indicated that it would undertake a review of the compensation arrangements in sufficient time to find a more permanent solution. However, that review was delayed and subsequently the sunset clause is due to expire without a suitable replacement being found. In order to ensure that compensation arrangements were in place a new s69 Order has been drafted. The Board gave publication authority for the public consultation of this Order at its April 2012 meeting.

The consultation closed on 13 July 2012 and three responses were received. These have been considered and a summary of consultation responses and decision document at **Annex A**. A draft recommendation is at **Annex B**. The SRA has consented to the Order being made.

Recommendation(s):

The Board is invited to:

- consider the decision document
- agree the publication of the document
- make a recommendation to the Lord Chancellor that he makes an Order under section 69 in line with the draft Order attached to the decision document.

Risks and mitigations	
Financial:	None
Legal:	None
Reputational:	There is a risk that the LSB's reputation if the order is not passed by 31 December 2012
Resource:	Sufficient

Consultation	Yes	No	Who / why?
Board Members:		X	
Consumer Panel:		X	
Others:	None		

Freedom of Information Act 2000 (Fol)		
Para ref	Fol exemption and summary	Expires
Annex A	Fol exempt s22 intended for future publication	N/A
Annex B	Fol exempt s22 intended for future publication	