

Revised Compensation Fund Operating Framework for consultation

Purpose: Approval

Author: Director of Finance and Operations

Approver: Chief Executive

Summary

The current Compensation Fund Operating Framework has been in place for more than 10 years. This report advises of the outcome of a review of the Framework and asks the Council to approve revised rules for consultation.

The main objectives of redrafting the rules have been:

- 1) Redrafting the rules in plain English
- 2) Simplifying and grouping the rules
- 3) Setting specific rules that outline the eligibility criteria for making an application for a grant
- 4) Providing specific guidance on the types of losses that are eligible for grants
- 5) Including detailed and specific criteria for assessing applications and making determinations
- 6) Clarification of the rules and requirement for making, accepting and payment of an offer
- 7) Clarification of when an application can be refused
- 8) New rules governing the grouping and determination of similar or linked claims.

Once the revised rules are agreed by Council, the CLC will need to consult on the changes (including with the PRG and CRG), consider any responses, make changes if required and then apply to the LSB for approval of the new rules.

Recommendations

Council is asked to review the amended Compensation Fund Operating Framework and subject to any changes recommended, approve the rules for consultation.

Risk management

Clear rules and guidance assist potential applicants in determining whether they are eligible to make an application and receive a grant. These rules also help ensure that

applications are considered in a fair and transparent manner and that the determinations made are consistent in their approach and outcomes.

When rules are unclear or insufficient in increases the risk that they will be incorrectly or inconsistently applied.

Regulatory objectives

The Compensation Fund Operating Framework supports the following regulatory objectives:

RO1 - protect and promote the public interest

RO4 - protect and promote the interests of consumers

Financial impact

There is no direct financial impact linked to approval of the rules however the application of the rules is likely to impact the assessment of applications and the awarding of grants to claimants.

Diversity and inclusion impact

There is no impact on diversity or inclusion. We monitor any trends in the metrics against a range of criteria including EDI.

Communications requirements

Following approval of the draft rules by Council a consultation document will be prepared and published for comment by interested parties.

Publication

This paper is not intended for publication, and includes legal advice which is privileged and confidential. Subject to approval, consultation on the proposed revisions to the Compensation Operating Framework will be published [here](#).