

# LEGAL SERVICES ACT 2007

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## EXPLANATORY NOTES

### COMMENTARY ON SECTIONS

#### **Part 5: Alternative Business Structures**

##### **Background**

##### ***Section 76: Cancellation of designation as licensing authority by order***

195. This section sets out how the designation of a licensing authority may be cancelled in whole or in part. Cancellation is by the Lord Chancellor on the recommendation of the Board. The Board must recommend cancellation where the licensing authority requests it and adheres to the requirements under [section 76\(3\)](#). Under [section 76\(5\)](#) the Board may make a recommendation for cancellation where an act or omission of the licensing authority, or a series of such acts or omissions has had, or is likely to have, an adverse impact on the regulatory objectives, and in all the circumstances of the case it is appropriate to cancel the designation. In considering whether it is appropriate to cancel the designation, the Board must consider the impact of taking action on the other regulatory objectives. By [section 76\(6\)](#) the Board may not exercise this power unless it is satisfied that the use of any of the powers set out in sections 31 to 43 (performance targets, directions and public censure) would not adequately deal with the situation. [Section 76\(7\)](#) introduces **Part 2 of Schedule 10**, which makes provision about recommendations under section 76(5).
196. The Lord Chancellor may decide not to make the order recommended by the Board, but must give reasons and publish them.
197. [Part 2](#) of Schedule 10 sets out the details of the procedure to be used when the Board is considering making a recommendation for cancellation under section 76(5). Paragraph 18 provides that the Board must give the licensing authority a warning notice, setting out its reasons for cancellation, which it must publish. The licensing authority may then make written representations (or oral representations, if authorised by the Board) within 28 days or a longer period specified by the Board. The Board must publish a report about those representations after having regard to the licensing authority's comments about the draft report.
198. [Paragraphs 19 to 24](#) set out the process whereby the Board must consult the OFT, the Consumer Panel, the Lord Chief Justice and such other persons that the Board considers reasonable to consult.
199. [Paragraph 25](#) requires the Board to provide to the licensing authority a copy of any advice from those persons, and to publish that advice together with any representations made by the licensing authority under paragraph 18. The licensing authority and any body licensed by that authority may then make written representations and, if authorised by the Board, oral representations. The Board may also allow others to make written or oral representations. The remainder of the paragraph sets out related procedures.