



Legal Aid
Agency

CONTROLLED WORK

Lord Chancellor's guidance on determining financial eligibility for Controlled Work and Family Mediation (May 2025)

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1. Introduction

1.1 General

1. The following guidance constitutes the Lord Chancellor's guidance for determinations in respect of an individual's financial resources, in accordance with Part 1 of the Legal Aid, Sentencing and Punishment of Offenders Act 2012 ["the Act"], for controlled work and family mediation. As in practice responsibility for financial determinations in respect of an individual for these services has been delegated to providers, this guidance is addressed to providers responsible for processing such cases.
2. Responsibility for financial determinations in respect of an individual has been delegated to providers for the following forms of civil legal services:
 - (a) Legal Help;
 - (b) Help at Court;
 - (c) Help with Family Mediation
 - (d) Family Mediation
 - (e) Family Help (Lower)
 - (f) Legal Representation for proceedings in:
 - (i) the Health, Education and Social Care Chamber of the First-tier Tribunal under the Mental Health Act 1983 or paragraph 5(2) of the Schedule to the Repatriation of Prisoners Act 1984;
 - (ii) the Mental Health Review Tribunal for Wales; **or**
 - (iii) the Immigration and Asylum Chamber of the First-tier Tribunal; **or where transitional arrangements apply.**¹

These forms of civil legal services are all **non-contributory** i.e. if the client qualifies within the financial limits these services can be provided without payment of a contribution from income or capital.

Family Help (Higher) and Legal Representation other than the categories above are **not** covered in this guidance, as the Director has **not** delegated responsibility to providers for making the financial determinations for such cases. Providers exercising delegated powers for emergency representation should refer to the detailed guidance provided for

¹ Transitional Arrangements

Under changes that come into force on the implementation of the 2018 Standard Civil Contract, Legal Representation for proceedings in the Immigration and Asylum Chamber of the Upper Tribunal, in relation to an appeal or review from the Immigration and Asylum Chamber of the First-tier Tribunal, has become certificated work. This work has moved from controlled work to certificated work under the 2018 Contract for matters started on or after 1 September 2018. If the controlled work matter that gave rise to the appeal to the Upper Tribunal started before 1 September 2018 transitional arrangements apply and the guidance herein is applicable to the financial determination.

certificated work [see Civil Representation – Lord Chancellor’s guidance on determining financial eligibility for Certificated Work].

3. The financial limits and method of calculating disposable income and capital for the various forms of civil legal services are fixed in the Civil Legal Aid (Financial Resources and Payment for Services) Regulations 2013 as amended [“the Financial Regulations”]. References to regulations in this guidance are references to the Financial Regulations, unless otherwise stated.

1.2 Exceptions to the means test

1. There are a range of circumstances in which no determination of an applicant’s financial resources is required,
2. These include legal help in contemplated proceedings or legal representation in proceedings or contemplated proceedings in relation to any matter described in paragraph 5(1)(a) or (b) (mental health and repatriation of prisoners) of Part 1 of Schedule 1 to the Act, to the extent that the individual’s case or application to the Health, Education and Social Care Chamber of the First-tier Tribunal or Mental Health Review Tribunal for Wales under the Mental Health Act 1983 or paragraph 5(2) of the Schedule to the Repatriation of Prisoners Act 1984 is, or is to be, the subject of proceedings before the Health, Education and Social Care Chamber of the First-tier Tribunal or Mental Health Review Tribunal for Wales.
3. A full list of exceptions to the means test can be found in regulation 5 of the Civil Legal Aid (Financial Resources and Payment for Services) Regulations 2013. Some specific examples are set out below.

Child applicants seeking controlled legal representation

4. Since August 2023, applicants under the age of 18 seeking controlled legal representation have not been required to undergo means testing.
5. However, where an individual under 18 is seeking funding for legal help, help at court, help with mediation, help with family mediation, family help (lower) or family mediation, a determination in respect of their financial resources continues to be necessary.

Legal help in relation to inquests

6. In certain circumstances, legal help in relation to inquests may be provided on a non-means tested basis. Funding for legal help in relation to inquests is usually subject to the applicant passing a means test, unless: i) it is

received in conjunction with a successful application for exceptional case funding for representation at the inquest; or ii) where, if the applicant were to make such an application for exceptional case funding, they would be reasonably likely to succeed.

7. Please refer to the Lord Chancellor's Exceptional Funding Guidance (Inquests) for further detail on these exceptions.

Applications to the First Tier Tribunal (Special Educational Needs and Disability) or the Welsh Tribunal for Education, made on behalf of the child or young person

8. Where foster parents and/or approved prospective adoptive parents (APAP) make an appeal to the First Tier Tribunal (Special Educational Needs and Disability) (FTT/SEND) or Education Tribunal for Wales in respect of a looked after child in accordance with section 51 of the Children and Families Act 2014 or section 70 of the Additional Learning Needs and Education Tribunal (Wales) Act 2018, respectively, the legal aid certificate will be in the name of the foster parent or APAP, and so the means of the child should not be taken into account.
9. In line with regulation 5 of the Civil Legal Aid (Financial Resources and Payment for Services) Regulations 2013, as amended by the Criminal and Civil Legal Aid (Amendment) Regulations 2023, the means of the foster parents and/or APAP are exempt from the determination of financial eligibility.
10. Similarly, where a young person² who lacks mental capacity (within the meaning given in section 2 of the Mental Capacity Act 2005) continues to reside with their former foster parent in a 'staying put' arrangement³, and cannot make an appeal to the FTT(SEND) or Education Tribunal for Wales in their own right such that their former foster parent has to make the appeal, the former foster parents' means will be exempt from the determination of financial eligibility. Furthermore, the legal aid certificate will be in the name of the foster parent or APAP, and so the means of the young person should not be taken into account.

² The definition of 'young person' covers anyone over compulsory school age under 25 (so between the ages of 16 and 25). The exemption applies where a young person cannot make the appeal themselves and if 18 or over, where they are in a staying put arrangement and their former foster parent must apply on their behalf.

³ Section 98 of the Children and Families Act 2014 introduces a staying put duty which is a duty on the local authority to support young people to continue to live with their former foster carers once they turn 18. Support for the staying put arrangement includes financial support to the carer.

2. How is financial eligibility determined?

2.1 General

1. The basis for making a financial determination is the same across all forms of civil legal services for which the provider is responsible. There are both income and capital limits for each form of civil legal services. These limits are set out in regulations 7 and 8 and are summarised in section 3 below.
2. Unless a case is exempt from financial determination, the provider has, as a first step, to determine the client's financial eligibility on information provided by the client. This should be done on the requisite form provided by the Legal Aid Agency.
3. The forms must be completed in full and sufficient information held on file to allow the determination to be audited as necessary. See the 2018 Standard Civil Contract Specification r.3.23).
4. Reasonable steps, for instance requesting sight of the latest monthly pay slip (if the client is weekly paid it is best practice to obtain the latest 4 weekly pay slips i.e. to cover the full calculation period), must be taken to verify the information provided by the client. It is good practice to emphasise to clients the importance of giving a full and fair picture when they are applying for funding. The client is required under regulation 13 to provide information necessary to make the financial determination. See 2018 Standard Civil Contract Specification r3.23 and the guidance within section 12 below, regarding evidential requirements.
5. Any determination that an individual is financially eligible for legal services must comply with all relevant regulatory and contractual provisions. Providers must apply the Lord Chancellor's Guidance contained herein, in relation to determining financial eligibility on assessment and any determination that an individual qualifies for services which is in direct conflict with this guidance will usually be considered manifestly unreasonable for the purpose of assessing costs at the end of the case.

3. Does the client qualify financially?

3.1 General

1. Under regulation 7(4) for all forms of civil legal services the client's gross income must be £2657 per month or less; for clients with more than four child dependants (for whom they receive child benefit) a higher gross income limit applies (see paragraph 6 below). If the client's gross income exceeds this level then they are financially ineligible for civil legal aid and the application must be refused.
2. A client who is properly in receipt, directly or indirectly, of Income Support, Income-Based Jobseeker's Allowance, Income-Related Employment and Support Allowance, Guarantee Credit (under s.1(3)(a) of the State Pension Credit Act 2002) or Universal Credit automatically satisfies the gross income test for all forms of civil legal service. The benefit must be currently in payment (i.e. do not passport if claim is suspended) and the client must be legally entitled to the payment. If it is advised that the client is in receipt of a passporting benefit but there is a clear suspicion that the client is not in fact entitled to the benefit, e.g. the client has indicated that relevant facts such as a partner, employment, sources of income and capital etc. have not been advised to the benefit office, do not passport; carry out a full determination of means and include the state benefit received as income.
3. If the client is directly or indirectly in receipt of Asylum Support payments under s.4 or s.95 of the Immigration and Asylum Act 1999 (previously known as NASS support), they qualify automatically on gross income for the forms of civil legal services set out in regulation 6(1): i.e. Legal Help for matters described in paragraphs 24 to 30 (immigration and asylum) and 32(1) (victims of trafficking in human beings) of Part 1 of Schedule 1 to the Act, Help at Court and Legal Representation before the Immigration and Asylum Chamber of the First-tier Tribunal.⁴
4. Gross income for this purpose means income under regulation 21 (see section 5.1 paragraph 6 below) before any deductions are made apart from those sums disregarded under regulation 24 (set out in section 5.4 of this guidance) and any housing benefit paid under section 130 of the Social Security Contributions and Benefits Act 1992 or section 129 of the Social Security Contributions and Benefits (Northern Ireland) Act 1992. This gross income cap acts as a filter and a client whose gross income is below the relevant cap must then have their disposable income and disposable capital assessed in order to determine financial eligibility for civil legal services.

⁴ Transitional Arrangements

For providers undertaking financial determinations where transitional arrangements apply: clients directly or indirectly in receipt of Asylum Support payments under s.4 or s.95 of the Immigration and Asylum Act 1999 will also qualify automatically on gross income for Legal Representation before the Immigration and Asylum Chamber of the Upper Tribunal, in relation to an appeal or review from the Immigration and Asylum Chamber of the First-tier Tribunal.

5. The relevant gross income cap can be ascertained by reference to the table below.

No. of dependant children	Monthly gross income cap from 01.04.13
0–4	£2657
5	£2879
6	£3101
7	£3323
8	£3545
9+	Add £222 per month for each additional child

For the purpose of the gross income cap only, a child dependant is anyone for whom the client and/or their partner (if client and partner's resources are being aggregated) receives Child Benefit.

6. Both disposable income and disposable capital must also be within the eligibility limits in force at the time the application form is signed. Disposable income and capital refer to the income and capital after prescribed allowances and disregards have been applied. If either disposable income or capital are above the limits, the client will not be eligible for civil legal aid and the application must be refused.
7. A client who is properly in receipt, directly or indirectly, of Income Support, Income-Based Jobseeker's allowance, Income-Related Employment and Support Allowance, Guarantee Credit or Universal Credit automatically satisfies the disposable income test for all forms of civil legal services. A client who is in receipt, directly or indirectly, of Asylum Support payments under s.4 or s.95 of the Immigration and Asylum Act 1999 will automatically be financially eligible for the forms of civil legal services set out in Regulation 6(1) for asylum and immigration matters (as outlined in paragraph 3 above).
8. The relevant financial limits and passporting arrangements for controlled work and family mediation are set out in the table below:

Level of service	Income limit	Capital limit	Passporting Arrangements
Legal Help; Help at Court; Family Help (Lower); Help with Family Mediation; Family Mediation; Legal Representation	Gross income not to exceed £2,657 per month* Disposable income not to exceed £733 per month	Disposable capital not to exceed £3,000 [Legal Representation in respect of an immigration matter set out in Regulation 8(3)] Disposable capital not to exceed £8,000 [All other forms of civil legal services]	Passported through the gross income and disposable income test if in receipt of: <ul style="list-style-type: none"> • Income Support, • Income-Based Job Seeker's Allowance, • Income-Related Employment and Support Allowance, • Guarantee Credit or • Universal Credit Capital must be assessed in all cases.** **[For controlled work asylum and immigration matters only: for matters described in regulation 6(1) of the Financial Regulations: clients in receipt of s4 or s95 Asylum Support are passported through both the income and capital test].
*Additional gross income cap for those with more than four dependant children (see separate table at s.3.1 para.5).			

3.2 Contributions for Legal Aid

1. Controlled work and family mediation are non-contributory forms of civil legal services. Guidance on how to calculate contributions for Family Help (Higher) and Legal Representation other than the categories covered by this guidance is provided separately in the Lord Chancellor's guidance on determining financial eligibility for certificated work.

4. General Principles of a Financial Determination

4.1 Period of Calculation

1. The period of calculation when determining income is the calendar month up to and including the date of the application for civil legal services (see regulation 14).
For example, if the application is made on 8th December then the period of calculation will commence on 9th November. In practical terms when income/allowances do not vary month on month then the relative amounts can be taken by reference to the most recent payment, i.e. the most recent monthly wage; where weekly pay slips provided by the client show that a consistent amount is paid, the calculation can be based on the latest pay slip.
2. The calculation period may be varied to an equivalent period of a calendar month only in the circumstances set out in paragraphs 5.2.7 and 5.3.1 below.

4.2 Aggregation of Means

1. Regulation 16 contains a general provision that the resources of the client's partner must be taken into account and added to those of the client. Partner is defined as:
 - (i) an individual's spouse or civil partner, from whom the individual is not separated due to a breakdown in the relationship which is likely to be permanent;
 - (ii) a person with whom the individual lives as a couple; or
 - (iii) a person with whom the individual ordinarily lives as a couple, from whom they are not separated due to a breakdown in the relationship which is likely to be permanent;
2. This means that there must be a breakdown in the relationship that is likely to be permanent (i.e. at least one of the parties considers the relationship to be at an end) rather than mere physical separation if the partners' means are not to be aggregated. Therefore a couple who is physically separated owing to financial or practical reasons, e.g. job location or the fact that one of the parties is in prison, hospital, residential care etc must be aggregated.
3. In asylum cases, there may be occasions where the client is physically separated from their partner due to the partner still being abroad, but the relationship is still intact. In such cases the normal rules of aggregation still apply and the client and their partner will still be treated as a couple for aggregation purposes. However in such cases it may be necessary to

consider whether the assets and income of the partner, together with any of the client's assets that have been left behind, are currently truly "disposable" as far as the client is currently concerned. In such cases the provider should make reasonable enquiries of the client to determine to what extent that income and those assets are available. If it is decided in an individual case that the partner's income and assets are not available to the client and therefore excluded from the assessment then it would not be appropriate to make any dependant's allowance for the partner (see s.6 below).

4. Where it is advised that a couple are married according to English law but are not planning to live together until they have undergone their traditional cultural ceremony, you must aggregate their resources in the assessment.
5. Although in general a former couple who are permanently separated due to the breakdown of their relationship will usually live in separate properties, this may not always be the case. It is possible for former partners to live separate and apart in the same property. This would be the case if they regarded their relationship as at an end but remained living in the same property simply waiting for the property to be sold before going their separate ways.
6. In addition, for unmarried couples – although not conclusive – it would be usual for there to be some evidence of a pooling of financial resources and they must regard themselves as a couple. It would not be appropriate to aggregate the resources of say a brother and sister, or flatmates who are not living as a couple. Further evidence of living as a couple may include joint care of a child of the couple.

Contrary interest

7. However, there is an important exception to this rule and means are not aggregated where the partner has a contrary interest in the matter in respect of which the client is seeking legal aid.

Contrary interest in the most obvious sense will mean that the partner is the opponent or potential opponent in proceedings. However, this will not necessarily be the case – the client and their partner could in theory have a contrary interest in a claim made by a third party, such as in the case of a mortgagee seeking possession where undue influence by the partner may be a defence.

In disputes between divorcing or separating couples, whether as to children or property, one partner will by definition have a contrary interest to the other. However, if a client has left his or her spouse and has gone to live with a new partner as a couple in the same household, then the means of the new partner should be aggregated with those of the client.

5. Determining Gross Income

5.1 General

1. If the client is properly in receipt (directly or indirectly) of Income support, Income-Based Jobseekers' Allowance, Income-Related Employment and Support Allowance, Guarantee Credit (under s.1(3)(a) of the State Pension Credit Act 2002(a) or Universal Credit, they qualify automatically on income (by virtue of reg.6(2) for all forms of civil legal services. If the client is in receipt (directly or indirectly) of Asylum Support payments under s.4 or s.95 of the Immigration and Asylum Act 1999 they qualify automatically on income for the forms of civil legal services set out in regulation 6(1) for asylum and immigration matters: Legal Help, Help at Court and Legal Representation before the Immigration and Asylum Chamber of the First tier Tribunal.⁵ All of these passporting arrangements are set out in regulation 6.
2. A client is "directly in receipt" of passporting benefit, and therefore deemed eligible on income (however capital must be assessed), if he or she is the benefit claimant. A client is "indirectly in receipt" of passporting benefit if he or she is included in the benefit claim of someone else i.e. their partner (or in the case of a child included in their parent's/guardian's claim); the client is therefore deemed eligible on income if his or her partner is in receipt of a passporting benefit and the client is included in that benefit claim. Since December 2005 same-sex couples have been recognised by the Dept for Work and Pensions and paid for as a couple rather than as two single people; passporting arrangements will therefore apply to civil partners, married and cohabiting couples (including couples of the same sex).
3. Where the client is not included in their partner's benefit claim (e.g. if the client is in prison, his or her partner's benefit claim will not include a payment for the client) then the client is not passported for civil legal services. In such cases the client's means should be determined and the partner's benefit payment (e.g. Income Support, Income-Based Jobseekers' Allowance etc) included in the determination as a source of income for the couple.
4. Other tax credits and state benefits e.g. Working Tax Credit and Child Tax Credits are not passporting benefits. In such cases the client's means should be assessed and the benefit or tax credit amount received each week must be included in the determination as a source of income (unless exempted - see section 5.4).

⁵ Transitional Arrangements

For providers undertaking financial determinations where transitional arrangements apply: clients directly or indirectly in receipt of Asylum Support payments under s.4 or s.95 of the Immigration and Asylum Act 1999 will also qualify automatically on income for Legal Representation before the Immigration and Asylum Chamber of the Upper Tribunal, in relation to an appeal or review from the Immigration and Asylum Chamber of the First-tier Tribunal.

5. Clients in receipt of the passporting benefits in paragraph 1 will also satisfy the disposable income limit for the forms of civil legal services specified above, but capital will need to be assessed to determine whether they are eligible (except for clients passported by s4 or s95 Asylum Support).
6. Under regulation 21 “income” for the calculation period means:
 - (i) the gross amount the individual has earned, or will earn;
 - (ii) the gross amount of any entitlements that have accrued, or will accrue, to the individual; and
 - (iii) any other gross sums from any source which the individual has received, or is likely to receive,

in cash or in kind in respect of the calendar month up to and including the date of the application for funding. In determining gross income all income must be included whether from employment, state benefits or elsewhere, e.g. assistance from friends or relatives (unless exempted: see section 5.4).

7. Any payments made direct to third parties on behalf of the client will count as the client's gross income by virtue of regulation 16(5)(b) of the Regulations. This could be for example payments made by an ex-partner as maintenance direct to a third party on behalf of the client, e.g. ex-partner pays the mortgage on the former matrimonial home direct to the lender. When determining disposable income the relevant mortgage payment should be allowed against income as a housing cost in accordance with the rules for that particular allowance.
8. To calculate calendar monthly income, multiply by 52 and divide by 12 if payment is weekly and multiply by 13 and divide by 12 if payment is four weekly. Note: where a monthly amount is stated for state benefits and tax credits, this will in fact be a 4-weekly payment that will need to be adjusted to represent a calendar monthly figure. Universal Credit payments however are paid for a calendar month.

5.2 Erratic Income (including the self employed)

1. Where a client's income is erratic (because of bonuses, commission, nature of employment or payment etc.) they may be ineligible for funding one month, but eligible the next as the calculation is based on the calendar month prior to the application. Where a client has received an annual bonus in the period of calculation then this should be treated as capital.
2. As long as there is no question of the client having deprived themselves of income (see s.8 below) with a view to qualifying, then there would be nothing to stop them from delaying their application for funding until the next month. In these situations, the client should be made aware of the basis of the assessment and the effect of good/bad months. It will be for the client to decide if they wish to proceed immediately on a private fee paying basis if on the previous month's income they are ineligible.

3. It is important to remember that this situation differs from deprivation of income or capital (see s.8 below). This is not allowed and the resources which have been disposed of must still be taken into account in the assessment.
4. The income that should be taken into account should include any that is due or will become due for the period of calculation. If a client has become entitled to money in the previous month which he has not yet received (e.g. he has earned a commission), then that income too must be included in the assessment.
5. In relation to parental contributions to students, student grants (this will therefore include bursaries) and student loans these should be treated as income by taking the annual payment or contribution obtained by the student and dividing by 12.
6. In the case of a self-employed client, it is the level of drawings taken from the business for personal use which will count as the client's income. There are no special deductions for the self-employed. If no drawings have been taken in the last month, or the most recent month's drawings appear low, then consideration should be given as to whether the client is attempting to deliberately reduce his or her income for the purpose of qualifying for civil legal services. In such cases the normal monthly drawings should be established and included in the determination invoking the deprivation rule (see s.8). If the client states that they have not taken any drawings from the business for their personal use e.g. because it is a new business then enquiries should be made of the client to determine how they have met their day to day living costs during the relevant period. Any income or assistance that has been made available to the client from other sources, e.g. assistance from friends or relatives with bills, should be treated as income and included in the determination.
7. If the client reports that they are to start a new job within the month following the date of the application for controlled work or family mediation, and the gross amount that the client will earn means that the client will not be eligible for civil legal services (i.e. earnings will exceed the gross income limit, or after relevant deductions are made income exceeds the disposable income), it will be appropriate to base the determination on what the client is to receive in the next calendar month and therefore to refuse the application.

5.3 “No income” cases

1. Situations may arise, especially in the family/matrimonial context, where a client has not received or become entitled to any direct income at all in the preceding month. This may be the case where the client is living separate and apart from their spouse in the same home, with the client not being

employed but the spouse still meeting all outgoings. In some cases particularly where the change occurred during the past month it might not be appropriate to base the determination on the income received for the whole of the previous month. In such cases an estimate should be made of what the client is likely to receive in the next calendar month based on the income received since the change took place. In these circumstances the client can be assessed as having no income. If, however, the client is receiving money from the partner, a friend to pay bills or as maintenance, this must be shown as income.

5.4 Disregarded income

1. Certain state benefits and payments are disregarded when determining gross income or disposable income [regulation 24(1)]. The disregarded benefits are:
 - (a) The following payments under the Social Security Contributions and Benefits Act 1992 (or the Social Security Contributions and Benefits (Northern Ireland) Act 1992) namely:
 - (i) Disability living allowance;
 - (ii) Attendance allowance;
 - (iii) Constant attendance allowance paid as an increase to disability pension;
 - (iv) Any payment made out of the social fund; and
 - (v) Carer's Allowance.
 - (b) Community Care and Special Educational Needs direct payments i.e. any direct payments made under section 49(3) of the Children and Families Act 2014 (personal budgets and direct payments), sections 31 to 32 of the Care Act 2014 (direct payments), section 57(1) of the Health and Social Care Act 2001 (direct payments), section 17A of the Children Act 1989 (direct payments) or section 8(1) of the Carers and Direct Payments Act (Northern Ireland) 2002;
 - (c) So much of any back to work bonus received under s.26 of the Jobseekers Act 1995 as is by virtue of that section to be treated as payable by way of jobseeker's allowance;
 - (d) Severe Disablement Allowance paid under the Social Security Contributions and Benefits Act 1992 (or the Social Security Contributions and Benefits (Northern Ireland) Act 1992);
 - (e) Exceptionally Severe Disablement Allowance paid under the Personal Injuries (Civilians) (Amendment) Scheme 1983;
 - (f) Any pensions paid under the Naval, Military, Air Forces etc. (Disability & Death) Service Pensions Order 2006(c);
 - (g) To the extent that it exceeds the relevant dependants allowance made under reg.25(2)(b), any financial support paid under any agreement for the care of a foster child; and
 - (h) Any payment made out of the Independent Living Fund (2006) or out of the Welsh Independent Living Grant;

- (i) Any personal independence payment paid under the Welfare Reform Act 2012 or Part 5 of the 2015 (Northern Ireland) Order, and Armed Forces Independence Payment;
- (j) Payments on Account of Benefits and Budget Advances made under Part 2 or 3 of the Social Security (Payment on Account of Benefit) Regulations 2013 or Part 2 or 3 of the Social Security (Payments on Account of Benefit) Regulations (Northern Ireland) 2016;
- (k) Transfer Advances of Universal Credit paid under regulation 17 of the Universal Credit (Transitional Provisions) Regulations 2014 or regulation 17 of the Universal Credit (Transitional Provisions) Regulations (Northern Ireland) 2016;
- (l) Any payment made under the Windrush Compensation Scheme; and any Windrush connected payment;⁶
- (m) Any payment made under the Vaccine Damage Payments Act 1979;
- (n) Any payment from the trust established out of funds provided by the Secretary of State in respect of persons who suffered, or who are suffering, from variant Creutzfeldt-Jakob disease for the benefit of persons eligible for payments in accordance with its provisions; and
- (o) Any payment made from a Relevant Infected Blood Support Scheme or earlier support schemes, the Infected Blood Interim Compensation Payment Scheme, the Infected Blood Further Interim Compensation Payment Scheme, the Infected Blood Compensation Scheme or under arrangements made under section 56(1) of the Victims and Prisoners Act 2024⁷;
- (p) Any payment made to an individual under section 13 or 15 of the Energy Prices Act 2022⁸ and any payment under the Social Security (Additional Payment) Act 2022⁹;
- (q) Any Modern Slavery Victim Care Contract or equivalent payment¹⁰;

⁶ “Windrush connected payment” means a payment where: i) the individual has made a claim under the Windrush Compensation Scheme and ii) a request included in that claim has been referred by the Home Office to another person and iii) that other person makes a payment to the individual as a result of the referral.

⁷ Relevant Infected Blood Support Scheme means: England Infected Blood Support Scheme; Wales Infected Blood Support Scheme; Northern Ireland Infected Blood Support Scheme; or Scottish Infected Blood Support Scheme. Payments by or under the earlier support schemes are also to be disregarded, namely the Macfarlane Trust, the Macfarlane (Special Payments) Trust, the Macfarlane (Special Payments) (No.2) Trust, the Eileen Trust, MFET Limited, the Skipton Fund or the Caxton Foundation.

⁸ These provisions set out that power to provide support for meeting energy costs which includes financial assistance. This financial assistance will be disregarded.

⁹ This provision sets out the means tested additional payments of £326 and £324, the disability additional payment of £150. These payments will be disregarded.

¹⁰ “Modern Slavery Victim Care Contract or equivalent payment” means any payment of government-funded financial assistance made— (a) in England and Wales under the Modern Slavery Victim Care Contract in accordance with guidance issued by the Secretary of State under section 49 of the Modern Slavery Act 2015; (b) in Northern Ireland under section 18 of the Human Trafficking and Exploitation (Criminal Justice and Support for Victims) Act (Northern Ireland) 2015; (c) in Scotland under section 9 of the Human Trafficking and Exploitation

- (r) Any payment made under the Scotland and Northern Ireland Redress Schemes for historical child abuse¹¹; and
 - (s) Any payment of compensation for a miscarriage of justice made under section 133 of the Criminal Justice Act 1988.
2. Providers, as part of their delegated responsibility, may exercise discretion provided by regulation 24(3) to disregard a payment which meets all of the following conditions:
- (i) the payment was made to an individual who is a victim of the fire at Grenfell Tower;
 - (ii) the payment was made to that individual because the individual is a victim of the fire at Grenfell Tower; and
 - (iii) the payment was not made directly to the individual by an individual known personally to the individual.
3. Providers, as part of their delegated responsibility, may exercise discretion provided by regulation 24(3A) to disregard payments out of the following schemes:
- (a) the Criminal Injuries Compensation Schemes in Great Britain and Northern Ireland;¹¹
 - (b) the National Emergencies Trust;
 - (c) the We Love Manchester Emergency Fund;
 - (d) the London Emergencies Trust; and
 - (e) the Victims of Overseas Terrorism Compensation Scheme 2012
4. The payments prescribed in regulations 24(3) and 24(3A) may be disregarded in accordance with regulations 24(3B) and 24(3C).

Cross-reference: see paragraph 5.4.10 for guidance on regulations 24(3B) and 24(3C).

(Scotland) Act 2015 and regulation 3 of the Human Trafficking and Exploitation (Scotland) Act 2015 (Support for Victims) Regulations 2018.

¹¹ These are: i) payments of compensation made by the Historical Institutional Abuse Redress Board established under the Historical Institutional Abuse (Northern Ireland) Act 2019 to and in respect of an individual who suffered abuse as a child while resident in an institution in Northern Ireland at some time between 1922 and 1995 (both inclusive), and ii) payments for financial redress and related support made under the redress scheme established by the Redress for Survivors (Historical Child Abuse in Care) Scotland Act 2021 to and in respect of an individual who was abused as a child before 1st December 2004 while resident in certain care settings in Scotland.

¹¹ For Great Britain: Schemes established under the Criminal Injuries Compensation Act 1995 or any arrangements for compensation by the Secretary of State for criminal injuries in operation before the commencement of those schemes'. For Northern Ireland: the scheme established under the Criminal Injuries Compensation (Northern Ireland) Order 2002, or any earlier Northern Ireland criminal injuries compensation schemes in operation before the commencement of that scheme.

General discretionary disregard

5. Further to the specific discretionary disregards set out in regulations 24(3) and 24(3A), since November 2024, providers have also had a general discretionary power to disregard compensation, damages, ex gratia and insurance payments. Providers' decision to exercise discretion to disregard a payment must be applied in accordance with regulations 24(3D), 24(3E), 24(3F) and below in this guidance. Examples of periodic payments to which providers may apply their discretion to disregard from gross or disposable income (subject to the provisions in regulations 24(3D) and 24(3E)) include, but are not limited to:
 - (a) Compensation, damages or ex gratia payments awarded to sub-postmasters affected by the Horizon scandal;
 - (b) Compensation, damages or ex-gratia payments awarded to LGBT veterans of the UK armed forces;
 - (c) Compensation awarded to UK serving and former service personnel injured as a result of their service in His Majesty's Armed Forces by the Armed Forces Compensation Scheme.
6. For the purposes of determining those payments which fall to be considered under the discretionary disregards power in regulations 24(3D) and 24(3E), payment is defined under regulation 24(3F) as any interim or final compensation, damages, insurance or ex gratia payment made to an individual for a loss or harm suffered by an individual. An ex gratia payment is defined as a payment for which no legal liability exists.
7. Payments for loss or harm suffered by an individual falling within the relevant definition are likely to include the following:
 - (a) Court-awarded damages;
 - (b) Payments made through compensation schemes;
 - (c) Payments made by public bodies or private individuals;
 - (d) Payments made under a contract of insurance;
 - (e) Monies held in or paid through a personal injury trust.
8. However, a payment made by an individual known personally to the applicant (for example, a friend or family member) does not fall within the scope of the disregard, unless the individual is (or is alleged to be) wholly or partly responsible for the loss or harm suffered by the applicant or is acting in their capacity as the trustee or administrator of the individual's trust.
9. Paragraphs 5.4.5 to 5.4.8 do not apply to the specific discretionary payment disregards under 24(3) and 24(3A), as those payments are defined by virtue of being listed in the Regulations.

Applying the discretion

10. The three limbs of the discretion are common to both the specific discretionary disregards set out in regulations 24(3) and 24(3A), and the

general discretionary power to disregard compensation, damages, ex gratia and insurance payments under regulation 24(3F). In exercising the discretion, regulations 24(3B) and 24(3C) apply for the specific discretionary disregards. For the general discretionary power, regulations 24(3D) and 24(3E) apply. The regulations provide the following:

- (i) providers may disregard a payment which was for personal harm or was for a specified purpose;
- (ii) providers should not disregard payments for past or future loss of income;
- (iii) providers may nevertheless disregard payments falling outside of (i) and (ii) where the civil legal service that the applicant is applying for directly relates to the loss or harm suffered by an individual for which the payment has been made. This means that payments not made for personal harm or a specified purpose, as well as payments made for loss of income, can be disregarded in this circumstance.

11. Where it is clear that the payment is mixed – where the payment for personal harm or a specified purpose includes, in part, an amount for loss of income – then providers should not disregard the part of the payment that is for loss of income but may disregard the rest of the payment.
12. We recognise that it may not always be possible to ascertain which part of the payment is for loss of income (for example, there may not be a clear breakdown of the payment). In these circumstances, regulations 24(3B)(b)(ii) and 24(3D)(b)(ii) respectively allow providers to disregard the entirety of the payment.

Purpose of the payment

13. For the purposes of both the specific payment disregards listed in regulations 24(3) and 24(3A), as well as the general discretionary power to disregard under regulations 24(3D), 24(3E) and 24(3F), limbs (i) and (ii) of the discretion require providers to consider the purpose of the payment.
14. A payment is considered to have been made for personal harm where the reason for its award was a non-monetary loss or harm caused to an individual. This definition encompasses, for example, damages or similar payments for personal injury, mental distress, damage to reputation and physical inconvenience.
15. As all payments made in respect of a non-monetary loss or harm caused to an individual would constitute a payment for personal harm, it is only necessary to consider whether a payment has been made for a specified purpose where it relates to a monetary loss or harm caused to an individual; for example, where there is a loss of capital or damage to property.
16. For the purposes of the discretionary disregards, a payment should be considered to have been made for a specified purpose only where it was intended to meet an essential need of an individual. Payments made for an

essential need will not include payments made for any financial-only loss, such as loss of profits or the capital value of an asset.

17. To determine whether a need is essential, it may be useful to consider whether the payment is critical to prevent personal risk to an individual, to ensure their health and safety, or to secure their personal (non-financial) wellbeing and independence.
18. Circumstances where a payment is likely to be made for an essential need include, but are not limited to, where the payment is made for the following reasons:
 - (a) To facilitate the provision of care, such as assistance with eating and drinking, cooking food and washing;
 - (b) Provision and management of medical and therapeutic treatments;
 - (c) To enable necessary communication with others;
 - (d) To enable the recipient to work;
 - (e) To repair damage to a main residence which prevents the occupant achieving a reasonable standard of living (such as where repair is needed to a broken boiler which prevents the occupant from adequately heating the residence);
 - (f) To allow the recipient independence (for example, where the payment is to replace a car where the recipient has no access to public transport, or to fund travel by taxi or public transport where the individual would otherwise be unable to travel).
19. A payment should not be considered to meet an essential need where it was awarded for a purpose that is merely desirable to the recipient. For example, a payment to make repairs following flooding of a main residence is likely to be considered essential, as the occupant will otherwise have an unreasonable standard of living. However, a payment to make repairs following flooding of a holiday home is only desirable, as this will not affect an individual's standard of living.
20. For that reason, we expect that the following types of payments would not usually suggest an essential need:
 - (a) Payments to repair damage to second residences, holiday homes and other property that do not constitute a main residence (unless the individual in receipt of the payment is a landlord, and the payment has been made to enable essential repairs to be made in order to maintain the standard of living of tenants residing there);
 - (b) Payments to repair damage to a main residence which is purely cosmetic and does not affect the occupant's ability to achieve a reasonable standard of living there;
 - (c) Transport for non-essential purposes such as socialising or hobbies, unless not having that transport would compromise the recipient's wellbeing, deprive them of their independence or put them at personal risk;
 - (d) Repairing damage to personal property, unless it is necessary to meet one of the needs listed above.

The third limb of the discretion

21. For the purposes of both the specific payment disregards listed in regulation 24(3) and 24(3A), as well as payments falling within the general discretionary power to disregard under regulation 24(3F), providers may disregard the whole of a payment where the civil legal service that the individual is applying for directly relates to the loss or harm suffered by an individual for which the payment has been made, regardless of the purpose of the payment.
22. This is to ensure that individuals are not prevented or discouraged from holding to account all parties involved in the loss or harm they have suffered.
23. In determining whether this limb applies, providers may have regard to the following indicative factors:
 - (a) Whether the matter for which legal aid is being sought (“harm B”) is based on the same underlying loss or harm that the compensation was awarded for (“harm A”);
 - (b) Whether harm B is temporally closely linked to harm A. If the harms occurred at or around the same time, it may be more likely that they are directly related;
 - (c) Whether harm B is a direct consequence of harm A;
 - (d) Whether harm B was caused by the same actor(s) as harm A. If the same actor(s) caused both harms, they may be more likely to be directly related;
 - (e) How long ago the initial compensation for loss or harm was awarded. If the compensation was paid recently, it may be more likely that the initial harm or loss will be directly related to the matter for which legal aid is being sought.
24. For example, two matters are likely to be considered directly related where the applicant has received compensation for harm suffered during an incident and is seeking legal aid to pursue action for further harm caused by the slow response of emergency services to that incident.
25. It may also be appropriate to consider the matters directly related where, for example, the applicant has suffered an accident at work (harm A) which leaves them with a disability, for which they receive compensation from their employer. If they are subsequently dismissed and allege that that dismissal was unfair on the grounds of discrimination owing to their disability (harm B), it may be appropriate to treat the matters as directly related, meaning that any compensation received for harm A falling within the scope of the second limb (loss of income) could nevertheless be disregarded.

6. Determining disposable income – allowances against income (figures are monthly unless otherwise stated)

6.1 Dependants' allowances

1. In determining disposable income, the following deductions can be made in respect of the client's dependants (Regulation 25) from 7 April 2025:

£228.56 is allowed against income if the applicant has a partner (see partner definition in section 4.2). Note this allowance applies regardless of whether there is a contrary interest between the client and partner in respect of the claim provided their relationship hasn't permanently broken down (such as in a case where the couple have a contrary interest in respect of a third party mortgagee seeking possession of their property but remain together); but the deduction should not be made in disputes between divorcing or separating couples. If the client is living with a new partner with whom you have aggregated their means, the deduction should be given in respect of the new partner.

£367.87 is allowed for each dependent child (including a foster child) or dependent relative of the applicant who is living in the same household and is aged 15 or under (at the beginning of the period of calculation).

£367.87 is allowed for each such dependant aged 16 or over.

2. Any allowance for a dependant child/relative aged 15 or under, or aged 16 or over, will be reduced by the amount of any independent income or benefit the relative may receive. Where the dependant child's/relative's income exceeds the amount of the allowance no deduction will be made, but the excess income will not be included in the determination as the client's income. An allowance must not be made if the relative's capital is over £8,000.
3. It would be normal to assume (unless information is given to the contrary) that a child under sixteen would not have any income but children over that age who are in full-time education or training may for example be receiving a grant or student loan, or a wage from an apprenticeship
4. The Director will have regard to the judgment in the case of *R(WA) v Director of Legal Aid Casework and Lord Chancellor* [2023] when considering how to apply the dependants' allowance.

6.2 Tax and National Insurance

1. The following sums should be deducted from total income (under regulation 23) when calculating the disposable income for the calendar month:

- (a) Any income tax paid on that income. For the self employed, a notional income tax figure should be based on 1/12th of the client's income tax liability for the preceding year (i.e. of their last income tax bill). If the client either does not have the information (e.g. because they have not submitted any returns), or because no such

payments have been assessed yet, e.g. new business, then no allowance should be made.

- (b) Any National Insurance contributions paid on that income under Pt I of the Social Security (Contributions) Act 1992. For the self employed, a deduction of £15.17 per month can only be made for National Insurance contributions (the voluntary class 2 payment) only if the individual has confirmed they are paying Class 2 contributions from their net profit.

6.3 Maintenance paid by the client

1. In calculating disposable income an allowance can be made for maintenance payments to a former partner (including a spouse from whom the client has permanently separated), a child or relative, who is not in any such case a member of the household of the client (regulation 26). An allowance can be made whether the payments are being made under a court order, CSA ruling or voluntary agreement. Only payments actually made can be taken into account. This allowance should be the expenditure incurred during the month of calculation. In theory there are no set limits to the amount that can be allowed under this heading but evidence of payments should be sought where the amount claimed appears unreasonable. Maintenance payments could include simply paying an ex-partner's household bills or mortgage.

6.4 Housing Costs

1. In calculating disposable income an allowance can be made in respect of mortgage or rent payable for the period of calculation in respect of the client's main dwelling (regulation 28). The amount allowed must be net of housing benefit i.e. the amount payable as per the tenancy agreement minus the amount met by housing benefit.
2. For clients with no dependants living in their household i.e. where no dependants' allowances have been made (see s.6.2 above) the maximum monthly allowance in this respect will be £545. No excess over the amount can be allowed. Where any dependants allowance(s) have been made then the rent or mortgage repayments can be allowed in full.
3. The amount to be allowed in the determination is the monthly rent or mortgage payable. In practical terms it will not be easy to identify separately arrears of mortgage payments, as the client will generally declare these as a single revised monthly mortgage payment. If the client has already come to an arrangement to pay off arrears by increasing their monthly rent or mortgage payment, then, provided those increased payments are actually being paid by the client, that increased rent or mortgage payment can be treated as the monthly rent or mortgage payable in the determination. This is different from a situation whereby a client has commenced paying off arrears in order to reduce their disposable income with a view to qualifying

for funding. Such a situation would be regarded as intentional deprivation of income and only the normal monthly rent or mortgage payments should be allowed in the determination in such circumstances.

4. Mortgage repayments include the monthly premiums of any linked life insurance/endowment policies, PEPs, or other instruments which will be used to repay the capital sum borrowed.
5. Council Tax, water rates, insurance premiums and other associated housing costs are not allowable deductions in the determination. If there is a clearly identifiable amount relating to water rates included in the rent payable by the client then these should not be included as rent. However it is not necessary for providers to routinely seek clarification as to whether or not the rent declared by the client includes a sum for water rates.
6. Where a client indicates they are paying board and lodging then only the amount in respect of accommodation can be allowed. In those cases where informal arrangements exist, for example lodging with a close family member, and therefore the amount in respect of accommodation cannot be specified by the client then it should be assumed that 50% of the declared board and lodging element is for accommodation, the remainder is assumed to be for food and other incidentals which do not have a separate allowance under the regulations.
7. Where the client states expenditure on housing costs which is more than one third of their gross income then documentary evidence (e.g. copy of bank statement, mortgage statement, or rent book) to support the figures stated should be obtained.

6.5 Employment related expenses and child care expenses

1. Where the client or partner is assessed as receiving a wage or salary from employment, i.e. not the self employed, a deduction of £45 for work related expenses must be made in respect of each person so assessed. This is a set figure within regulation 27, and it is therefore unnecessary to obtain details of actual expenses, but also see childcare expenses below.
2. Where a client or their partner is assessed as receiving a wage or salary from employment or an income from self employment *or study-related income* (i.e. student loan, student grant or other income received from a person who is not their partner or relative for the purpose of supporting the individual's course of study), a deduction can be made in respect of actual monthly expenditure on child care incurred as a result of that person's absence from home by reason of his employment/self employment/course of study.
3. Unless there are exceptional circumstances e.g. disability of the child, it would only be reasonable to make such a deduction in respect of a child dependant aged 15 or under. It would also be unreasonable to make such

an allowance where one or other of a couple was available to look after that child.

4. Where the client states expenditure on child care which is more than £600 per month for someone working or studying full time (pro rata for part-time work or study), then documentary evidence (e.g. copy of bank statement, copy of agreement/contract with child care provider) to support the figures stated should be obtained. As long as evidence is obtained the full sum can be deducted.
5. Where it is accepted in accordance with the criteria above that the client's (and where applicable, partner's) circumstances are such that a deduction for child care costs is appropriate, the deduction shall be made once per determination (i.e. to avoid double-counting the costs).

6.6 Criminal legal aid contributions

1. Any assessed monthly contribution from income that is payable under a criminal legal aid income contribution order (ICO) under the Criminal Legal Aid (Contribution Orders) Regulations 2013 can be disregarded under regulation 29. If the Director has decided that the client must pay a contribution from income towards the costs of their representation in the Crown Court, this will usually be a monthly payment for a period of 6 months and if monthly contributions are paid promptly the last payment will be dropped so that only 5 months' instalments are required. However, further payments can be imposed under the Criminal Legal Aid (Contribution Orders) Regulations 2013 if upon reassessment of income it is found that the ICO should have been for a greater amount or the individual should have had an ICO but one was not imposed. These payments can be imposed following a reassessment of income, which can take place up until the point when the assessment of final defence costs is completed.
2. Where a deduction has been made for contributions payable under an ICO in making a financial determination, a further determination may be required when such payments have ceased. (See section 11 for guidance as to when further determinations are necessary).
3. If it appears that the client has made the final monthly payment under an ICO in the month leading up to the date of the application for civil legal services, so that no further contribution is due under the ICO, do not make an allowance for the income contribution within the financial determination; in that respect the financial determination will be based on the client's changed circumstances for the month following the date of the application.

7. Determining Disposable Capital

7.1 General

1. For all forms of civil legal services, client's properly in receipt (directly or indirectly) of Income Support, Income-Based Jobseekers' Allowance, Income-Related Employment and Support Allowance, Guarantee Credit or Universal Credit will require a determination of capital, they do **not** qualify automatically on capital. This is a change to the position under the Community Legal Service (Financial) Regulations 2000. However, if the client is directly or indirectly in receipt of Asylum Support payments under s.4 or s.95 of the Immigration and Asylum Act 1999, he or she will qualify automatically on capital for the forms of civil legal services for asylum and immigration matters set out in regulation 6(1): Legal Help, Help at Court and Legal Representation before the Immigration and Asylum Chamber of the First-tier Tribunal.¹²
2. "Capital" means the amount or value of every resource of a capital nature, including all savings and any other capital assets (other than the exceptions listed below). Capital derived from a bank loan or borrowing facilities that a client has accessed must be taken into account. There are special rules about assessing the value of the client's dwelling which are set out below in section 7.3.
3. The only items of capital which are not taken into account are the following:
 - (a) household furniture and effects (unless of exceptional value);
 - (b) clothes;
 - (c) tools and implements of trade;
 - (d) so much of any back to work bonus received under s.26 of the Jobseekers Act 1995 as is by virtue of that section to be treated as payable by way of Jobseekers' Allowance; (e) payments that are:
 - (i) Social fund payments under the Social Security Contributions and Benefits Act 1992 or the Social Security Contributions and Benefits (Northern Ireland) Act 1992 or
 - (ii) any arrears of payments made under section 17A of the Children Act 1989 (direct payments), section 49(3) of the Children and Families Act 2014 (personal budgets and direct payments) or the Community Care (Direct Payments) Act 1996 or sections 31 to 32 of the Care Act 2014 (direct payments) or under section 57 of the Health and Social Care Act 2001 (direct payments);

¹² **Transitional Arrangements.**

For providers undertaking financial determinations where transitional arrangements apply: clients directly or indirectly in receipt of Asylum Support payments under s.4 or s.95 of the Immigration and Asylum Act 1999 will also qualify automatically on capital for Legal Representation before the Immigration and Asylum Chamber of the Upper Tribunal, in relation to an appeal or review from the Immigration and Asylum Chamber of the First-tier Tribunal.

- (iii) Payments on Account of Benefits and Budget Advances made under Part 2 or 3 of the Social Security (Payment on Account of Benefit) Regulations 2013 or Part 2 or 3 of the Social Security (Payments on Account of Benefit) Regulations (Northern Ireland) 2016;
- (f) capital value of the client's business in the case of the self employed;
- (g) capital value of the client's interest in a trust fund (however, do include any capital sum that is paid out to or on behalf of the client, and assess as income any regular payments made to or on behalf of the client, unless those payments are payments to be disregarded under regulations 24 and 40);
- (h) any payment made out of the Independent Living Fund (2006) or out of the Welsh Independent Living Grant;
- (i) Any payment made under the Windrush Compensation Scheme; and any Windrush connected payment.¹³
- (j) Any payment made under the Vaccine Damage Payments Act 1979;
- (k) Any payment from the trust established out of funds provided by the Secretary of State in respect of persons who suffered, or who are suffering, from variant Creutzfeldt-Jakob disease for the benefit of persons eligible for payments in accordance with its provisions;
- (l) Any payment made from a Relevant Infected Blood Support Scheme or earlier support schemes, the Infected Blood Interim Compensation Payment Scheme, the Infected Blood Further Interim Compensation Payment Scheme, the Infected Blood Compensation Scheme or under arrangements made under section 56(1) of the Victims and Prisoners Act 2024;¹⁴
- (m) Any payment made under section 13 or 15 of the Energy Prices Act 2022¹⁵ and the Social Security (Additional Payment) Act 2022¹⁶;
- (n) Any payment made under the Scotland and Northern Ireland Redress Schemes for historical child abuse¹⁷;

¹³ "Windrush connected payment" means a payment where: i) the individual has made a claim under the Windrush Compensation Scheme and ii) a request included in that claim has been referred by the Home Office to another person and iii) that other person makes a payment to the individual as a result of the referral.

¹⁴ Relevant Infected Blood Support Scheme means: England Infected Blood Support Scheme; Wales Infected Blood Support Scheme; Northern Ireland Infected Blood Support Scheme; or Scottish Infected Blood Support Scheme. Payments by or under the earlier support schemes are also to be disregarded, namely the Macfarlane Trust, the Macfarlane (Special Payments) Trust, the Macfarlane (Special Payments) (No.2) Trust, the Eileen Trust, MFET Limited, the Skipton Fund or the Caxton Foundation.

¹⁵ These provisions set out that power to provide support for meeting energy costs which includes financial assistance. This financial assistance will be disregarded.

¹⁶ This provision sets out the means tested additional payments of £326 and £324, the disability additional payment of £150. These payments will be disregarded.

¹⁷ These are: i) payments of compensation made by the Historical Institutional Abuse Redress Board established under the Historical Institutional Abuse (Northern Ireland) Act 2019 to and in respect of an individual who suffered abuse as a child while resident in an institution in Northern Ireland at some time between 1922 and 1995 (both inclusive), and ii) payments for financial redress and related support made under the redress scheme established by the Redress for Survivors (Historical Child Abuse in Care) Scotland Act 2021 to and in respect of an individual who was abused as a child before 1st December 2004 while resident in certain care settings in Scotland.

- (o) Any payment of a Modern Slavery Victim Care Contract or equivalent payment¹⁸;
- (p) Any back payment of welfare benefits or child maintenance received up to 2 years (24 months) prior to the individual's application for a determination in respect of civil legal services; and
- (q) Any payment of compensation for a miscarriage of justice made under section 133 of the Criminal Justice Act 1988.

4. For the purposes of paragraph (p) above, 'welfare benefits' should be taken to mean any:

- (i) benefit;
- (ii) allowance;
- (iii) credit;
- (iv) pension; or
- (v) payment

made under a social security enactment. "Social security enactment" here has the same meaning as in paragraph 8 of Part 1 of Schedule 1 to the Act.

5. Child maintenance payments are defined in regulation 40(3) as regular payments an individual receives or is entitled to receive for the maintenance of a child who is a member of that individual's household. This will include, but is not limited to, payments received by:

- (i) parents;
- (ii) guardians; and
- (iii) persons named as the person with whom the child is to live in any child arrangements or residence order.

6. Examples of such child maintenance payments may include:

- (i) court-ordered or formal payments required to be paid in accordance with a maintenance calculation;
- (ii) any payment made under an informal maintenance agreement for the benefit of a child;
- (iii) Any court-ordered payment or informal maintenance agreement paid to the individual under an international agreement or

¹⁸ "Modern Slavery Victim Care Contract or equivalent payment" means any payment of government-funded financial assistance made— (a) in England and Wales under the Modern Slavery Victim Care Contract in accordance with guidance issued by the Secretary of State under section 49 of the Modern Slavery Act 2015; (b) in Northern Ireland under section 18 of the Human Trafficking and Exploitation (Criminal Justice and Support for Victims) Act (Northern Ireland) 2015; (c) in Scotland under section 9 of the Human Trafficking and Exploitation (Scotland) Act 2015 and regulation 3 of the Human Trafficking and Exploitation (Scotland) Act 2015 (Support for Victims) Regulations 2018;

arrangement (for example, if the individual paying the child maintenance payment is based outside of the United Kingdom).

7. In some circumstances, an individual may receive a refund of monies they have previously paid as child maintenance, for example where they have overpaid or are later found not to be the child's parent. In this situation, the refunded monies do not fall within the scope of the disregard and therefore will not be disregarded from the individual's disposable capital, as the payment is not intended for the maintenance of a child.
8. In addition, providers may exercise discretion provided by regulation 40(2) to disregard a payment which meets all of the following conditions:
 - (i) the payment was made to an individual who is a victim of the fire at Grenfell Tower;
 - (ii) the payment was made to that individual because the individual is a victim of the fire at Grenfell Tower; and
 - (iii) the payment was not made directly to the individual 'A' by an individual 'B' who is known personally to the individual 'A'.
9. Providers, as part of their delegated responsibility, may exercise discretion provided by regulation 40(2A) to disregard the following payments:
 - (a) payments from the Criminal Injuries Compensation Schemes in Great Britain and Northern Ireland¹⁹;
 - (b) payments from the National Emergencies Trust;
 - (c) payments from the We Love Manchester Emergency Fund;
 - (d) payments from the London Emergencies Trust;
 - (e) Any back payment of welfare benefits or child maintenance received over
2 years (24 months) prior to the individual's application for a determination in respect of civil legal services; and
 - (f) payments from the Victims of Overseas Terrorism Compensation Scheme 2012.
10. The payments prescribed in regulations 40(2) and 40(2A), may be disregarded in accordance with regulations 40(2B) and 40(2C).

¹⁹ For Great Britain: Schemes established under the Criminal Injuries Compensation Act 1995 or any arrangements for compensation by the Secretary of State for criminal injuries in operation before the commencement of those schemes'. For Northern Ireland: the scheme established under the Criminal Injuries Compensation (Northern Ireland) Order 2002, or any earlier Northern Ireland criminal injuries compensation schemes in operation before the commencement of that scheme.

Cross-reference: see paragraph 7.1.11 and 7.1.12 for guidance on disregarding any back payment of welfare benefits or child maintenance received over 2 years (24 months) previously

Cross-reference: see paragraph 7.1.21 for guidance on regulations 40(2B) and 40(2C).

Factors guiding the discretion to disregard back payments of welfare benefits and child maintenance payments

11. Providers have discretion to disregard backdated payments of welfare benefit and child maintenance received over 24 months prior to the application for legal aid. In exercising this discretion, providers must first apply regulations 40(2B) and 40(2C) to determine whether the payments can be disregarded. The below guidance therefore applies to any element of backdated welfare benefit and child maintenance payments that may be disregarded once regulations 40(2B) and 40(2C) have been applied.
12. In deciding whether to disregard welfare benefits and child maintenance payments received over 24 months prior to their application for legal aid, providers should consider whether it would be unreasonable to expect the individual to have spent the sum in the period since it was awarded, having regard to the following considerations:
 - i. **How long ago the payment was received.** In general, the longer ago the payment was received, the more reasonable it is to expect the payment to have been spent.
 - ii. **The period of time that the back payment was intended to cover.** In general, we expect that a back payment covering a period of less than 18 months should not be disregarded. This allows the individual a 6-month 'grace period' within which to spend the payment, in acknowledgement of the fact that it would be more difficult to spend a back payment 'like for like' as compared to a periodic payment.
 - iii. **The relationship between i) and ii).** For example, where a payment was received 3 years ago and covered a period of 6 years, it may be unreasonable to expect the individual to have spent it, as the period the payment was intended to cover will not have yet elapsed. However, where a payment was received 3 years ago but covered a period of 24 months, the period the payment was intended to cover will have elapsed, so it would be reasonable to expect the sum to have been spent and so the amount should usually not be disregarded.
 - iv. **To what extent the sum has been spent.** Where the sum remains fully intact after 24 months, this will usually indicate that the applicant is treating the sum as general savings, which should be taken into account in the means test. However, if a significant portion of the sum has been spent, this is less likely to indicate that the money is being treated as savings.
 - v. **Whether the amount has been retained for a specific reason related to the purpose of the benefit.** For example, where a back payment of Personal Independence Payment (PIP) has been saved for the purchase of accessibility equipment, it is likely to be appropriate to disregard the payment.

General discretionary disregard

13. Further to the specific discretionary disregards set out in regulations 40(2) and 40(2A), since November 2024, providers have also had a general discretionary power to disregard compensation, damages, ex gratia and insurance payments. Providers' decision to exercise discretion to disregard a payment must be applied in accordance with regulations 40(2D) to 40(2F) and below in this guidance. Examples of payments to which providers may apply their discretion to disregard the payment from disposable capital (subject to the provisions in regulations 40(2D) and (2E) include, but are not limited to:
 - (a) Compensation, damages or ex-gratia payments awarded to subpostmasters affected by the Horizon scandal;
 - (b) Compensation, damages or ex-gratia payments awarded to LGBT veterans of the UK armed forces;
 - (c) Compensation awarded to UK serving and former service personnel injured as a result of their service in His Majesty's Armed Forces by the Armed Forces Compensation Scheme.
14. When deciding whether to exercise the discretion to disregard a payment under the general discretionary power, providers must first assess whether the payment is of a type falling within the scope of the discretion.
15. For the purposes of the general discretionary power in regulations 40(2D) and 40(2E), payment is defined under regulation 40(2F)(b) as any interim or final compensation, damages, insurance or ex gratia payment made to an individual for a loss or harm suffered by an individual. An ex gratia payment is defined as a payment for which no legal liability exists.
16. Payments for loss or harm suffered by an individual falling within the relevant definition are likely to include the following:
 - (a) Court-awarded damages;
 - (b) Payments made through compensation schemes;
 - (c) Payments made by public bodies or private individuals;
 - (d) Payments made under a contract of insurance;
 - (e) Monies held in or paid through a personal injury trust.
17. However, a payment made by an individual known personally to the applicant (for example, a friend or family member) does not fall within the scope of the disregard, unless the individual is (or is alleged to be) wholly or partly responsible for the loss or harm suffered by the applicant or is acting in their capacity as the trustee or administrator of the applicant's trust.
18. There exists a separate discretionary power in regulation 42 to disregard interim payments made in court proceedings when calculating disposable capital. This does not extend to payments of a type falling within the definition of 'payment' in regulation 40(2F)(b), or for which a specific discretionary disregard already exists.

19. Therefore, when dealing with an interim payment for which no specific disregard exists, providers should consider whether the payment is of a type falling within the definition of 'payment' in regulation 40(2F)(b). If it is not (for example, it is a spousal maintenance payment), the appropriate discretion to consider applying would be that in regulation 42. If it does fall within the definition, the providers should instead consider disregarding under regulations 40(2D) and 40(2E).
20. Paragraphs 7.1.13 to 7.1.17 do not apply to the specific discretionary payment disregards under 40(2) and 40(2A), as those payments are defined by virtue of being listed in the Regulations.

Applying the discretion

21. The limbs of the discretion are common to both the specific discretionary disregards set out in regulations 40(2) and 40(2A), and the general discretionary power to disregard compensation, damages, ex-gratia and insurance payments under regulation 40(2F). In exercising the discretion, regulations 40(2B) and 40(2C) apply for the specific discretionary disregards, and regulations 40(2D) and 40(2E) apply for the general discretionary power. The regulations provide the following:
 - (i) providers may disregard a payment which was for personal harm or was for a specified purpose;
 - (ii) providers should not disregard payments for past or future loss of income;
 - (iii) providers may nevertheless disregard payments outside of (i) and (ii) where the civil legal service that the applicant is applying for directly relates to the loss or harm suffered by an individual for which the payment has been made. This means that payments not made for personal harm or a specified purpose, as well as payments made for loss of income, can be disregarded in this circumstance.
22. Where it is clear that the payment is mixed – where the payment includes, in part, an amount for a loss of income – then providers should not disregard the part of the payment that is for loss of income but may disregard the rest of the payment.
23. We recognise that it may not always be possible to ascertain which part of the payment is for loss of income (for example, there may not be a clear breakdown of the payment). In these circumstances, regulations 40(2B)(b)(ii) and 40(2D)(b)(ii) respectively allow providers to disregard the entirety of the payment.

Purpose of the payment

24. For the purposes of both the specific payment disregards listed in regulation 40(2) and 40(2A), as well as the general discretionary power to disregard under regulations 40(2D) and 40(2E), limbs (i) and (ii) of the discretion require providers to consider the purpose of the payment.
25. A payment is considered to have been made for personal harm where the reason for its award was a non-monetary loss or harm caused to an

individual. This definition encompasses, for example, damages or similar payments for personal injury, mental distress, damage to reputation and physical inconvenience.

26. As all payments made in respect of a non-monetary loss or harm caused to an individual would constitute a payment for personal harm, it is only necessary to consider whether a payment has been made for a specified purpose where it relates to a monetary loss or harm; for example, where there is a loss of capital or damage to property.
27. For the purposes of the discretionary disregards, a payment should be considered to have been made for a specified purpose only where it was intended to meet an essential need of an individual. Payments made for an essential need will not include payments made for any financial-only loss, such as loss of profits or the capital value of an asset.
28. To determine whether a need is essential, it may be useful to consider whether the payment is critical to prevent personal risk to an individual, to ensure their health and safety, or to secure their personal (non-financial) wellbeing and independence.
29. Circumstances where a payment is likely to be made for an need include, but are not limited to, where the payment is made for the following reasons:
 - (a) To facilitate the provision of care, such as assistance with eating and drinking, cooking food and washing;
 - (b) Management and provision of medical and therapeutic treatments;
 - (c) To enable necessary communication with others;
 - (d) To enable the recipient to work;
 - (e) To repair damage to a main residence which prevents the occupant achieving a reasonable standard of living (such as where repair is needed to a broken boiler which prevents the occupant from adequately heating the residence);
 - (f) To allow the recipient independence (for example, where the payment is to replace a car where the recipient has no access to public transport, or to fund travel by taxi or public transport where the individual would otherwise be unable to travel).
30. A payment should not be considered to meet an essential need where it was awarded for a purpose that is merely desirable to the recipient. For example, a payment to make repairs following flooding of a main residence is likely to be considered essential, as the occupant will otherwise have an unreasonable standard of living. However, a payment to make repairs following flooding of a holiday home is only desirable, as this will not reduce the individual to an unreasonable standard of living.
31. For that reason, we expect that the following types of payments would not usually suggest an essential need:
 - (a) Payments to repair damage to second residences, holiday homes and other property that do not constitute a main residence (unless the individual in receipt of the payment is a landlord, and the payment has been made to

- enable essential repairs to be made in order to maintain the standard of living of tenants residing there);
- (b) Payments to repair damage to a main residence which is purely cosmetic and does not affect the occupant's ability to achieve a reasonable standard of living there;
- (c) Transport for non-essential purposes such as socialising or hobbies, unless not having that transport would compromise the recipient's wellbeing, deprive them of their independence or put them at personal risk;
- (d) Repairing damage to personal property, unless it is necessary to meet one of the needs listed in above.

The third limb of the discretion

- 32. For the purposes of both the specific payment disregards listed in regulation 40(2) and 40(2A), as well as payments falling within the general discretionary power to disregard under regulation 40(2F), providers may disregard the whole of a payment where the civil legal service that the individual is applying for directly relates to the loss or harm suffered by an individual for which the payment has been made, regardless of the purpose of the payment
- 33. This is to ensure that individuals are not prevented or discouraged from holding to account all parties involved in the loss or harm they have suffered.
- 34. In determining whether this limb applies, providers may have regard to the following indicative factors:
 - (a) Whether the matter for which legal aid is being sought ("harm B") is based on the same underlying loss or harm that the compensation was awarded for ("harm A");
 - (b) Whether harm B is temporally closely linked to harm A. If the harms occurred at or around the same time, it may be more likely that they are directly related;
 - (c) Whether harm B is a direct consequence of harm A;
 - (d) Whether harm B was caused by the same actor(s) as harm A. If the same actor(s) caused both harms, they may be more likely to be directly related;
 - (e) How long ago the initial compensation for loss or harm was awarded. If the compensation was paid recently, it may be more likely that the initial harm or loss will be directly related to the matter for which legal aid is being sought.
- 35. For example, two matters are likely to be considered directly related where the individual has received compensation for harm suffered during an incident, and is seeking legal aid to pursue action for further harm caused by the slow response of emergency services to that incident.
- 36. It may also be appropriate to consider the matters directly related where, for example, the individual has suffered an accident at work (harm A) which leaves them with a disability, for which they receive compensation from their employer. If they are subsequently dismissed and allege that that dismissal

was unfair on the grounds of discrimination owing to their disability (harm B), it may be appropriate to treat the matters as directly related, meaning that any compensation received for harm A falling within the scope of the second limb (loss of income) could nevertheless be disregarded.

Non-monetary capital

37. Regulation 31 applies to all assets which do not consist of money.
38. Regulation 31(a) provides that the value of such resources shall be taken to be the amount which the resource would realise if sold.
39. Alternatively, there is a discretion under regulation 31(b) to assess the value of the non-monetary capital asset in such other manner as appears to the Director to be equitable.
40. Regulations 32-37 provide further, specific rules around the calculation of particular types of capital assets, for example regulation 37 provides for the assessment of interests in land (i.e. property) - **see section 7.3 Value of Property**.

Regulation 31(b) – The Director’s discretion to value assets other than at sale value

41. Whether this discretion is to be exercised should be determined on a case by case basis. Applying *R(GR) v DLAC*, it should be exercised in those cases where you consider that valuing the asset under Regulation 31(a) or the bespoke rules in Regulations 33-37 would cause a breach of the individual’s Convention rights and/or right of access to justice. A note of the full reasons for the decision, with any supporting evidence, should be retained on file for audit purposes.
42. Cars or other vehicles in regular use are generally treated as nil value for assessment purposes under regulation 31(b), unless they are of exceptional value (e.g. classic cars, luxury vehicles) in which case the vehicle must be valued under regulation 31(a) as the amount for which that resource would realise if sold.

7.2 The client’s share of joint assets when the partner is the opponent or contrary interest exists

1. Regulation 35 provides that the interest of an individual in assets owned jointly or in common with any other person may be treated as (a) owned in equal shares or (b) in such other proportions as appear to the Director to be equitable. There will often be assets which are jointly owned by the opposing parties or to which both parties have access. Where assets are held in joint names the provider, must assume that the asset is owned in equal shares, unless documented evidence of the asset being owned in unequal shares (e.g. 70:30 division etc) exists and is provided by the client.

2. In the case of a joint bank account, if the client has full access to the money, then the whole amount must be included in the client's assets. If the client establishes that there is an agreement or understanding about the balance being split equally between the opposing parties, then it would be equitable to include half of the balance in the calculation. (See also section 7.4 Subject matter of the dispute below).

7.3 Value of property

1. Provided it is not the subject matter of the dispute (see s.7.4 below for details), a client's main or only dwelling in which he resides must be taken into account as capital subject to the following rules (regulations 37 and 39):
 - (a) The dwelling should be valued at the amount for which it could be sold on the open market;
 - (b) The amount of any mortgage or loan secured by a charge registered on the property must be deducted (this is known as the **mortgage disregard**); and
 - (c) The first £100,000 of the value of the client's interest after making the above mortgage deduction must be disregarded (this is known as the **equity disregard**).
2. Where the individual is or has been the victim of domestic abuse and has temporarily left their main residence because of this, the equity for any interest the individual has in the main dwelling should be disregarded and should apply as if they were still residing in the property (see section 7.5 for further guidance).

Example 1:

The applicant has a home worth £150,000 and the mortgage is £75,000:

Value of home:	£150,000
Deduct mortgage:	-£75,000
Deduct equity disregard:	-£100,000
Amount to be taken into account in determining financial eligibility:	£nil

In this example the client is therefore eligible in this example (provided other capital when added to this figure does not exceed the £8,000 upper limit).

Example 2:

The applicant has a home worth £315,000 and the mortgage is £200,000:

Value of home:	£315,000
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Deduct mortgage:	-£200,000
Deduct equity disregard:	-£100,000
Amount to be taken into account in determining financial eligibility:	£15,000

In this example the client is ineligible.

- Where the applicant has more than one property the value of all other properties should be taken into account after deducting their respective mortgages and loans secured by charges on the properties. The equity disregard of £100,000 only applies to the main dwelling property; there is no equity disregard for other properties.

Example 3:

The applicant has a main dwelling worth £150,000 and a second dwelling worth £100,000. Each has a mortgage of £80,000.

Value of main dwelling:	£150,000
Deduct mortgage:	-£80,000
Deduct equity disregard:	-£100,000
Amount to be taken into account in assessing financial eligibility:	£nil

Value of second dwelling:	£100,000
Deduct mortgage:	-£80,000
Amount to be taken into account in assessing financial eligibility:	£20,000

In this example the client is ineligible owing to the amount of equity in the second dwelling.

7.4 Subject matter of the dispute

- Under regulation 38, the value of the subject matter of any claim in respect of which an individual is seeking funding, is required to be disregarded from that individual's capital; however the amount disregarded under the subject matter of dispute ("SMOD") rule must not exceed £100,000 for all forms of civil legal services. Where the client's interests in assets that are SMOD exceeds £100,000, the excess will be included within the determination.
- For disputed assets that are jointly owned the guidance set out in section

7.2 applies.

3. The SMOD disregard applies to the **client's interest** in assets that are in dispute, which is determined in the following way:

SMOD ASSET	CAPITAL DETERMINATIONS
Held in client's sole name	Include asset on the basis of client's interest being 100%.
Held in joint names with opponent	Include asset on the basis of client holding an equal part-share in the asset. Client's interest assumed to be 50%. (Note: Do an appropriate adjustment if a third party also holds a share in the asset).
Held in opponent's sole name	Do not include the asset in the client's financial determination.

The financial determination is based on how the asset is currently held or registered, not on what each party is hoping to achieve if they are successful at the end of the case. So, for example, in a family dispute where the former matrimonial home is SMOD, if the client is seeking 50% of the property but the property is currently registered in the opponent's sole name, treat the client's interest in the asset as nil and do not include the asset in the determination of the client's financial eligibility for legal aid.

4. The SMOD disregard only applies to capital assets. Income cannot be regarded as SMOD since the issue here is simply whether the client is currently receiving the income or not. If income is being received then it should be included in the determination even if the dispute relates to the level of that income. For example if the client is challenging the level of maintenance in payment i.e. seeking an increased amount, the amount of any maintenance currently being received should be included in the determination.
5. Equity from property is determined under the regulations after applying mortgage and equity disregards as appropriate (See Section 7.3 above). In dealing with property assets which are in dispute, the following hierarchy of disregards will apply:

Where a client's main or only dwelling (held in sole or joint names with opponent) is the subject matter of dispute

- Step 1(a). Apply the **mortgage disregard** to the value of the property to establish the total amount of equity within the property; (b) Determine the client's share of this equity – if property is in joint names assume an equal share of the property (i.e. 50% or adjust if a third party also owns a share) unless evidence is provided of a different division of property. Multiply total equity assessed under Step 1(a) by the client's percentage share of the property.
- Step 2. Apply the **subject matter of dispute disregard** of £100,000 to the client's share of any equity within the property.
- Step 3. Apply the **equity disregard** of £100,000 to the remainder (if any) of the client's share of the equity within the main dwelling.

Therefore, the mortgage disregard will be applied **before** the subject matter of dispute disregard. The equity disregard is applied **after** the subject matter of dispute disregard to any remaining property equity.

Example 1:

The applicant has a home worth £370,000 and the mortgage is £150,000. The property is registered in joint names with his opponent.

Value of Home:	£370,000
Deduct mortgage:	-£150,000
Equity:	£220,000
Client's share of Equity (assume asset held in equal shares):	£110,000

Has the opponent made a claim against these assets – Yes/No? **If Yes:**

Apply Subject Matter of Dispute disregard:	-£100,000
Remaining Equity:	£10,000
Apply Equity disregard:	-£100,000
Capital to be included in determination:	£nil

The client is therefore eligible for funding in this example (provided other capital which is not in dispute when added to this figure does not exceed the £8,000 upper limit).

Example 2:

The applicant has a home worth £570,000 and the mortgage is £150,000. The property is registered in his sole name.

Value of Home:	£570,000
Deduct mortgage:	-£150,000
Equity:	£420,000
Client's share of Equity:	£420,000

Has the opponent made a claim against these assets – Yes/ No? **If Yes:**

Apply Subject Matter of Dispute disregard:	-£100,000
Remaining Equity:	£320,000
Apply Equity disregard:	-£100,000
Capital to be included in determination:	£220,000

The client is therefore ineligible for funding in this example.

Example 3:

The applicant has a home worth £500,000 and the mortgage is £100,000. The property is registered in joint names with her opponent. The client also has full access to a joint savings account, account balance £9,000

Value of Home:	£500,000
Deduct mortgage:	-£100,000
Equity:	£400,000
Client's share of Equity (assume asset held in equal shares):	£200,000
Client's savings (from joint account):	£9,000

Has the opponent made a claim against these assets – Yes/ No? **If Yes:**

Apply Subject Matter of Dispute disregard:	-£100,000
Remaining Equity and Savings:	£109,000
Apply Equity exemption to property equity only:	-£100,000
Capital to be included in determination:	£9,000

The client is therefore ineligible for funding in this example.

Example 4:

The applicant's main home is worth £300,000 and her other property is worth £90,000, both properties are registered in joint names with her opponent and both have mortgages of £80,000.

Value of Main home:	£300,000
Deduct mortgage:	-£80,000
Equity:	£220,000
Client's share of Equity (assume asset held in equal shares):	£110,000
Value of Other property:	£90,000
Deduct mortgage:	-£80,000
Equity:	£10,000
Client's share of Equity (assume asset held in equal shares):	£5,000

Has the opponent made a claim against these assets – Yes/ No? **If Yes:**

Apply Subject Matter of Dispute disregard to main home:	-£100,000
Remaining equity in main home	£10,000
Remaining equity in other property	£5,000
Apply Equity Disregard (main dwelling only)	-£100,000
Capital to be included in determination	£5,000

The client is therefore eligible for funding in this example (provided other capital which is not in dispute, when added to this figure does not exceed the £8,000 upper limit).

- Where the client's interest in the main dwelling property and in other capital assets is the subject matter of dispute, the subject matter of dispute exemption (i.e. £100,000 disregard) should be applied to the main dwelling property first; the remainder (if any) should then be applied to the other

assets which are in dispute (see example 4 above). The total amount disregarded as subject matter of dispute is not to exceed £100,000.

7. **Where the property in dispute is not the client's main dwelling:** Carry out Steps 1 (mortgage disregard) and 2 (subject matter of dispute disregard) above, but do not apply the main dwelling equity disregard (i.e. Step 3) to the client's share of property equity.
8. Sometimes it will be obvious that a particular asset is in dispute between the parties, but in the family/matrimonial context the point is more difficult to determine if parties seek funding at an early stage and there are a range of assets which may or may not be at issue. The general approach should be that an asset should not be treated as the subject matter of the dispute if the other party has made no specific claim against it.
9. If the funding is for services on issues about a child or children, then assets cannot be treated as subject matter of the dispute, even if the parties are litigating or otherwise in dispute over those assets (although the assets may be disregarded under any other appropriate heading).

7.5 Disregarded equity in the main residence for victims of domestic abuse who temporarily leave the residence (Regulation 39(3))

1. Where the individual is or has been the victim of domestic abuse and has temporarily left their main residence because of this, the equity disregard for any interest the individual has in the main dwelling should apply as if they were still residing in the property.
2. A number of requirements must be met in order for this disregard to be applied, which are set out in Regulation 39(3):
 - (a) The individual ("A") must have left their main residence and be residing in another dwelling temporarily (see guidance on this below);
 - (b) A must have resided in the main residence with another individual ("B");
 - (c) A and B must be "associated" (as defined under paragraph 12 of Part 1 of Schedule 1 to the Act) with each other;
 - (d) A must have left the main residence because:
 - (i) there has been or is a risk of domestic abuse between A and B;
 - (ii) A was, or is at risk of becoming, the victim of domestic abuse; and
 - (iii) B continues to reside in the main residence; and

(e) A must intend to return to reside in the main residence.

Temporarily left the main residence

3. In order to qualify for their interest in the equity of their main residence to be disregarded, the individual must have left the main residence on a temporary basis and intend to return to reside in the main residence. In this context, temporary is defined as for a limited period of time.
4. Providers should consider any client who is, is at risk of becoming, or has been, a victim of domestic abuse and has left their main residence as having done so for a limited period of time and with an intention to return, unless there is evidence to the contrary.
5. Contrary evidence (either documentary or in the form of admissions from the individual) that may suggest an individual ("A") has left the main residence permanently, or has no intention to return to the main residence, may include:
 - (a) A has taken up a new tenancy and declared this as the main dwelling to another government agency (unless they have been required to provide their temporary address to a government agency to, for example, receive benefit payments);
 - (b) A has taken up a new tenancy without plans to seek an occupation order or any other order asserting their property rights;
 - (c) A has been unsuccessful in their application for an occupation order or any other order asserting their property rights;
 - (d) There is evidence that A intends to sell or let the main residence;
 - (e) Any other evidence that suggests A has permanently left the main residence.

Victims of domestic abuse

6. In order to qualify for the equity in their main residence to be disregarded, the individual must have been, or must be at risk of becoming, a victim of domestic abuse from a person with who they are associated. A person is associated with another if, as defined in paragraph 12 of Part 1 of Schedule 1 to the Act:
 - (a) they are or have been married to each other;
 - (b) they are or have been civil partners of each other;
 - (c) they are cohabitants or former cohabitants;
 - (d) they live or have lived in the same household, excluding if they did so as an employee, tenant, lodger or boarder;
 - (e) they are relatives (as defined by section 63 of the Family Law Act 1996);
 - (f) they have agreed to marry one another (whether or not that agreement has been terminated);

- (g) they have or have had an intimate personal relationship with each other which is or was of significant duration;
 - (h) they have entered into a civil partnership agreement (as defined by section 73 of the Civil Partnership Act 2004) (whether or not that agreement has been terminated)
 - (i) in relation to any child, they both are parents of that child or have parental responsibility for that child; or
 - (j) they are parties to the same family proceedings.
7. In cases where the individual is seeking legal aid for proceedings that are directly related to domestic abuse (such as where they are applying for a protection order), it should be assumed that the individual is a victim of domestic abuse for the purposes of regulation 39(3).
8. Where the individual claims to be a victim of domestic abuse but is seeking legal aid for proceedings that are not directly related to domestic abuse, providers may request that the individual presents evidence to aid the determination on whether they are a victim of domestic abuse. This evidence will generally be one of the forms of evidence set out in Schedule 1 to the Civil Legal Aid (Procedure) Regulations 2012. Examples of the evidence set out in these Regulations include, but are not limited to:
- (a) Evidence that the associated person has been arrested, cautioned or convicted for a relevant domestic abuse offence;
 - (b) A relevant Domestic Violence Protection Notice or Domestic Abuse Protection Notice
 - (c) A relevant protective injunction;
 - (d) A letter or report from an appropriate health professional; and
 - (e) A letter from a public authority.

7.6 Pensioner's disregard (Regulation 41)

1. The pensioner disregard applies where either the client or an individual whose resources are to be treated as the client's resources (e.g. a partner with whom their resources are to be aggregated) is aged 60 years or over at the date of calculation and their disposable income is less than £315 per month.
2. The following process is followed:
 - (a) Calculate the client's (and where applicable partner's) disposable income;
 - (b) If the disposable income figure is **above £315 per month**, the amount of disposable capital is assessed as normal in accordance with the regulations. The pensioner disregard does not apply;
 - (c) If the disposable income figure is **£315 per month or less** apply the pensioner disregard to any capital held, up to the maximum available for the particular income, in accordance with the following table:

Monthly disposable income - excluding net income derived from capital (£)	Amount of capital disregard
Passporting Benefit	£100,000
0 – 25	£100,000
26 – 50	£90,000
51 – 75	£80,000
76 – 100	£70,000
101 – 125	£60,000
126 – 150	£50,000
151 – 175	£40,000
176 – 200	£30,000
201 – 225	£20,000
226 – 315	£10,000
Over 315	nil

Example:

The client is aged 66. Total disposable income excluding interest from capital is £90.

Total disposable capital including property and other assets (after other allowances and disregards) is £73,000.

Deduct the pensioner's disregard in accordance with the above table i.e, £70,000.

Disposable capital is therefore £3,000.

The client will therefore be eligible for funding.

3. **Client or partner aged 60 or over on passporting benefit:** Where the client (or an individual whose resources are to be treated as the client's resources under the aggregation rules in regulation 16) is aged 60 years or over, and is properly in receipt (directly or indirectly) of Income Support, Income-Based Jobseekers' Allowance, Income-Related Employment and Support Allowance, Guarantee Credit or Universal Credit assume nil income and apply the maximum pensioner allowance of £100,000. The maximum pensioner disregard will therefore always apply to a person who is in receipt of Guarantee Credit due to the age criteria for receipt of that benefit.

4. **Please note:** if both the client and partner are aged 60 years or over, do **not** double the allowance – only one amount of disregard will apply in respect of that determination (as set out in the above table), e.g. if aggregated disposable income is £160 per month, one amount of £40,000 should be disregarded.

8. Intentional deprivation of resources

8.1 General

1. Occasionally an individual will deliberately transfer or dispose of income or assets to another person in order to make him- or herself eligible for civil legal services. This is not permitted. If it appears that the applicant has directly or indirectly deprived him- or herself of any resources or has converted any part of his resources into resources which are to be disregarded wholly or partly under the regulations, the resources which have been transferred or converted must still be taken into account in the determination. This will normally mean that the individual will not qualify for funding.
2. Note that this rule applies where it appears to the provider that the person concerned has transferred or deprived himself of assets with the intention of reducing the amount of his gross income, disposable income, or disposable capital, whether for the purpose of becoming eligible or otherwise (e.g. the reason may be to hide assets from his opponent). Obviously this rule does not apply if the person had lost assets or money without intending to do so (e.g. an investment has lost value).

9. Eligibility of children

9.1 Aggregation of means

1. When assessing the means of a child, the resources of a parent, guardian or other person who is responsible for maintaining him or who usually contributes substantially to the child's maintenance must usually be taken into account, as well as any assets of the child. There is a discretion not to aggregate assets in this way if it appears inequitable to do so, having regard to all the circumstances including the age and resources of the child and any conflict of interest between the child and the adult(s).
2. The provider must obtain means information for the child, as well as for the parent(s), guardian(s) or any other person who is responsible for maintaining the child, or who usually contributes substantially to the child's maintenance. Alternatively, the provider should make a note for audit purposes explaining their decision as to why non-aggregation of means is considered to be appropriate in the circumstances of the particular case, in which case the assessment will be based on the child's resources alone. Circumstances in which non-aggregation of means may be appropriate are described below.
3. For example, in taking into account the age and resources of the child, it may be considered inequitable to aggregate the means of a child of 17 years that is living separately to and fully financially independent from his or her parents. In contrast, where a younger child is residing with and is financially dependent upon his or her parents, aggregation may be more appropriate.
4. The provider must also take into account whether a conflict of interest exists, having regard to the position of each of the parent(s) or others responsible for maintaining the child on the issues in the case.
5. Where a child has sufficient understanding to seek legal advice on a matter, there may be no conflict with their parents and so it may be reasonable to take the means of one or both of the parents into account. For example, where a child is seeking legal advice regarding their wish to live with one of the parents or with a third party, and the maintaining adult(s) have no objections, it is likely to be appropriate to aggregate means. However, in a situation where a parent is likely to seek to block such an order from being made, aggregating the means of the child with that parent should be considered inequitable.
6. Where a child is a 'looked after' child i.e. the responsibility of the local authority, it would usually be inequitable for his or her foster carer's/social worker's income and capital to be aggregated with that of the child.

9.2 The simplified approach to means testing, versus full assessment

1. Where it has been considered inequitable to aggregate the means of the child with that of their maintaining adult(s), the financial determination should first take the form of a simplified test, whereby providers should consider whether the child has any regular income (not including part-time earnings, holiday jobs or pocket money) or capital totalling £2,500 or more. If the child does not have any regular income and capital is less than £2,500, a financial determination should be made that the child is eligible for legal aid. If the child has either regular income or capital of £2,500 or more, the provider must undertake a full assessment of the child's means.

Assessment where a recipient turns 18 during the course of the matter

2. Where an individual turns 18 whilst the matter is ongoing, undertaking a reassessment (or first assessment, in the case of controlled legal representation) of their financial eligibility for legal aid should usually be considered. This is because when a person turns 18, their entitlement to benefits changes, and, if continuing in Higher Education, student finance will become available to them. It is also more likely that they will start working, as (in England) those under 18 are currently required to undertake some form of education or training. Whether to conduct this assessment falls within the general discretion afforded to the DLAC, delegated to the provider, as to whether to withdraw a determination about controlled work, set out in Regulation 26 of the Civil Legal Aid (Procedure) Regulations 2012. Whether this discretion is to be exercised should be determined on a case by case basis. A note of the full reasons for the decision, with any supporting evidence, should be retained on file for audit purposes.
3. In some circumstances, this assessment may not be deemed necessary. In considering whether to exercise the general discretion not to withdraw the existing determination, the provider may consider factors such as how long the matter is likely to continue, the likelihood that the individual will remain financially eligible, whether they lack capacity, and the stage of the proceedings.
4. The first factor that should be considered is how long the matter is likely to continue. If the matter is likely to run for less than three months, then undertaking a financial assessment is unlikely to be appropriate. However, similar to the position set out at section 11.1 of this guidance for reassessments, if there has been a dramatic increase in the client's means (using the parameters set out in that guidance), then an assessment should be carried out regardless of how long the matter has left to run. In other words, even if the matter is likely to continue for less than three months, a financial assessment should be conducted if there has been a dramatic increase in the client's means.

5. If the matter is likely to continue for three months or longer, then it is envisaged that a means assessment will normally be undertaken. However, in some circumstances the provider may consider that this is not appropriate. In considering whether to exercise their general discretion not to withdraw the existing determination, the provider may consider factors such as the likelihood that the individual will remain financially eligible and whether they lack capacity.
6. For instance, an applicant who is not permitted to obtain employment, has no recourse to public funds and is receiving no support from relatives is likely to remain eligible for legal aid, and so caseworkers may elect not to conduct an assessment. Similarly, where an individual lacks capacity to represent themselves and/or earn an income through employment in accordance with section 2 of the Mental Capacity Act 2005, an assessment of their financial means is likely to be unnecessary.

9.3 Cases where age is disputed

1. Where the legal aid applicant was assessed as a child, however during the course of the case they are found to have been over the age of 18 at the time the application was submitted, a full means test should be conducted. Providers should refer to section 10.1 of this guidance on mistakes and dishonesty, below.
2. In the event that the applicant has been found by the Home Office, relevant local authority and/or National Age Assessment Board (NAAB) to be over the age of 18, but this is challenged by the applicant and is yet to be conclusively determined by a court or tribunal, the applicant should be treated as a child for the purposes of legal aid until the court or tribunal has made a determination that the applicant is over the age of 18.

10. Errors and New Information

10.1 General

1. Sometimes a mistake will be made in determining an individual's financial eligibility or new information will come to light which suggests that an earlier determination was inaccurate. Where this happens the determination can and should be reviewed and a new determination carried out which may mean that the individual was never eligible for civil legal services. If it is shown that the client was ineligible at the time of the application, the provider should immediately cease to provide help under the current Controlled Work form; if the client's circumstances have changed so that he is now eligible then a new application for Controlled Work may be made. If any dishonesty or improper conduct in relation to disclosure of assets is discovered, the details should be reported to the Legal Aid Agency. In such cases the costs incurred prior to such a discovery will be assessed in accordance with the Director's externally published costs assessment guidance.

11. Changes in financial circumstances

11.1 General

1. Where on an accurate determination a client is found financially eligible for funding by the provider, either through a full means assessment or (in the case of an applicant under 18) a 'simplified' means assessment, a further determination of means may be required if the client's circumstances change. The client is under a duty to report any change of his financial circumstances of which he is or should reasonably be aware which has occurred since the original determination and which may affect the terms on which the client was determined to be eligible to receive civil legal services. Such improvements in means, which may include new employment, a change of benefits, or a new asset, lottery win etc., should be notified to the provider in relation to any existing application or fresh application for civil legal services.
2. However the provider may decide not to make a further assessment in relation to an existing application, if he or she considers such a further determination inappropriate, having regard in particular to the period during which funded services are likely to continue to be provided to the client. For controlled work where the determinations are delegated to the provider, a further determination is unlikely to be appropriate unless:
 - (a) the client's means have improved dramatically i.e. a new capital receipt e.g. the client receives a substantial inheritance or lottery win etc of £8000 or more, or new source of income in excess of the gross income limit; or
 - (b) the matter is likely to run for three months or more, after a significant change in circumstances. A significant change is an increase in capital in excess of £750 or an increase in income in excess of £60 per month that takes the client's income or capital above the relevant eligibility limit.

However, it will be appropriate to carry out a new determination reflecting the client's changed circumstances in respect of any fresh application for civil legal services.
3. For example, the client reports that he has received a capital sum of £10,000. This is considered a dramatic improvement in means, and a further determination should be undertaken immediately. Unless the client is aged 60 years or older and on a low income, in which case an additional disregard may apply (see s.7.6 above), it will only be necessary to review capital and determine that the client is no longer eligible on the basis of the £10,000 receipt. Any capital receipt of £8,000 or more should be considered a dramatic improvement in means.
4. An example of a dramatic improvement of income would be where a client reports that they have started a new job that provides a salary of £3000 per month i.e. an amount in excess of the gross income limit. A further determination of income should be undertaken immediately in these

circumstances, in which case the client will be no longer eligible on the basis of gross income.

5. Where the client reports a significant change of circumstances, (e.g. a client whose capital was previously assessed as £7,000 reports that they have received further capital of £1,500 or a client whose disposable income was £600 per month reports that they are receiving an additional income of £150 per month, i.e. a sum which takes the client above the eligibility limit), the provider will only need to carry out a further determination if the case is likely to last for three months or longer following the change; otherwise a further determination will not be necessary. If the case is likely to continue for longer than 3 months, the further determination should be carried out immediately and if the client is ineligible, the provider should cease work on the case.
6. For Licensed work i.e. Family Help (Higher) or Legal Representation (other than controlled work), there continues to be provision for the Director to reassess entitlement to Legal Representation at any point during the life of a certificate when a client's means change (see Lord Chancellor's guidance on determining financial eligibility for Certificated Work).
7. Where a client is initially ineligible there is nothing to prevent a further application and determination where a change in circumstances makes him eligible (subject to section 8.1 intentional deprivation of resources). You may only claim for work carried out following a new determination that the client is eligible.

12. Evidence of Means

12.1 General

1. Rule 3.23 of the 2024 Standard Civil Contract Specification provides that subject to the exceptions set out within r.3.24, satisfactory evidence in support of the client's information as to their means must be provided to you before you assess, and the evidence (or a copy) retained on the file.

12.2 Evidence of means

1. Satisfactory evidence as to means will need to be supplied and a copy kept on file. Examples of satisfactory evidence for income are set out at para.5 below. **This list is not exhaustive and other evidence may be accepted** provided it is reasonably sufficient to establish the client's and (if aggregated) their partner's income during the calculation period i.e. nature of income and amount(s) received. The calculation period is the calendar month ending on the day of the application and providers should attempt to obtain evidence relating to that period.
2. Where it is not practicable to obtain evidence relating directly to the calculation period, written evidence that does not refer directly to the calculation period itself may be accepted as confirmation of the client's statement of their income during that period where it seems reasonable to do so. For state benefits, tax credits and financial support from local authorities such as payments under Section 17 of the Children Act 1989, notification letters may be issued only at specified times or following a change in circumstances affecting payment of the benefit, tax credit or financial support. For example, where the client produces a letter from the Department of Work and Pensions confirming their award of benefit – this may well be dated some time before the start of the calculation period. In such cases, providers should try to ensure that the evidence the client provides is the most up to date in the client's possession – such as the last letter confirming an up rating of benefit, tax credits or financial support. If the notification letter is over six months old, further supporting evidence will be required to evidence continued payment (see table in para.5 below).
3. In the case of the self-employed, corroborative evidence may sometimes not relate directly to the calculation period. Accounts may not have been prepared for that period but earlier accounts can be used to back up the client's statement of drawings from the business for personal use, as opposed to business expenses, if no more up to date evidence is available.
4. Where the income consists of a benefit, tax credits or other local authority financial support, the evidence must show the type of benefit, tax credit or

financial support in payment and where relevant the amount. Clearly the amount will be irrelevant if the benefit is Income Support, Income-Based Jobseekers Allowance, Income-Related Employment and Support Allowance, Guarantee Credit (under s.1(3)(a) of the State Pension Credit Act 2002(a)) or Universal Credit [or s4 or s95 Asylum Support for asylum and immigration matters], but it is imperative that the type of payment is specified. Particular care should be taken where there are passporting and non-passporting versions of a benefit (e.g. Jobseekers' Allowance can be income-based or contributions-based); to passport the individual, it must be clear that the relevant type of benefit (i.e. the passporting element) is in payment. In these circumstances where there are two versions of the benefit, a bank statement by itself will not specify the type of payment and therefore will **not** be satisfactory evidence for passporting. In lieu of written evidence (including where the evidence provided is unclear as to the type of benefit or amount in payment) providers may telephone the relevant agency who makes the payment, e.g. Department of Work and Pensions, HM Revenue and Customs, Home Office / Migrant Help or the local authority as appropriate, whilst the client is in attendance to confirm details of type and amount of benefit, tax credit or financial support, and current entitlement. A note of that conversation including the relevant details, along with any unique reference number and name of person spoken to, will be acceptable evidence on audit.

5. Examples of acceptable (and unacceptable) evidence for income.

Source of income	Satisfactory evidence
Employed (P.A.Y.E.)	Most recent payslip(s).
Self Employed	Recent bank statements or working accounts/cash book showing drawings. Most recent tax assessment or set of accounts.
State Benefits (various) – Direct Payment of benefit to Client's bank / building society / post office card account	1) Recent bank / building society statement i.e. showing transactions during the calculation period –benefit type must be specified on the statement; 2) original benefit notification letter supported by a recent bank statement i.e. showing transactions during the calculation period, where the notification letter is dated more than 6 months prior to the date of the application; 3) most recent letter notifying a change in benefit amount (must be no more than 6 months old, unless supported by recent bank statement showing transactions during the calculation period); 4) if the client can only provide a bank statement which does not specify the type of benefit (in particular where there is a passporting or non-passporting version, or otherwise the name is unclear), the provider should refer to para.12.2.4 above concerning evidence in lieu of written confirmation for audit requirements.

Source of income	Satisfactory evidence
Income Support – IS	<p>See Direct Payments information above. Alternatively a letter from the Department Of Work and Pensions confirming the client was in receipt of IS at time of applying for Legal Help. Written evidence must be no more than 6 months old.</p> <p>[Order Books are now largely obsolete – however if a current order book is held, a copy of the front of the benefit book showing the type of benefit and the date of the last payment order (or if not clear, include copy of second page / inside cover confirming benefit in payment)].</p>
Income-Based Jobseekers Allowance (IBJSA)	<p>See Direct Payments information above. Alternatively a letter from the Jobcentre Plus / Department Of Work and Pensions confirming the client was in receipt of IBJSA at time of applying for Legal Help. Written evidence must be no more than 6 months old.</p>
Income-Related Employment and Support Allowance (IRESA)	<p>See Direct Payments information above. Alternatively a letter from the Jobcentre Plus / Department Of Work and Pensions confirming the client was in receipt of IRESA at time of applying for Legal Help. Written evidence must be no more than 6 months old.</p>
Guarantee Credit (under s.1(3)(a) of the State Pension Credit Act 2002(a))	<p>See Direct Payments information above. The Award Letter together with the Award Calculation Sheet (or the clerical versions of these forms) should be accepted as satisfactory evidence of claim (if no more than 6 months old). Otherwise any relevant correspondence from the paying agency in the client's possession would be acceptable such as a Statement of Entitlement that explains how the client's Pension Credit has been worked out. Written evidence must be no more than 6 months old.</p>
Universal Credit	<p>See Direct Payments information above. Award notification letter should be accepted (if no more than 6 months old), Alternatively a letter from the Jobcentre Plus confirming receipt. Written evidence must be no more than 6 months old.</p>

Source of income	Satisfactory evidence
Asylum Seekers in receipt of Asylum Support	<p>Confirmation from the Home Office or Migrant Help that the individual is in receipt of support. Written evidence must be no more than 6 months old. Asylum Support may also be evidenced by completing the LAA's Asylum Support enquiry form or otherwise a detailed telephone note (see para 12.2.4 above).</p> <p>[Asylum Support paid under s4 or s95 the Immigration and Asylum Act 1999 is only a passporting payment for the asylum and immigration matters covered by this guidance at Legal Help, Help at Court and Controlled Legal Representation].</p>
Section 17 support/ other local authority payments	<p>Confirmation from Local Authority that the individual is in receipt of support, with type of support and amounts paid out for accommodation and any weekly allowance specified. Written evidence must be no more than 6 months old.</p>
Working Tax Credit and Child Tax Credit	<p>A copy of the most recent Tax Credit Award Notice issued to the client should be accepted as satisfactory evidence of the claim. Otherwise any relevant correspondence from the paying agency (HM Revenue and Customs) in the client's possession would be acceptable. Written evidence must be no more than 6 months old. Recent bank statements i.e. showing transactions during the calculation period are also acceptable evidence. (NB Evidence must also be obtained of the client's other income, e.g. salary).</p>

Source of income	Satisfactory evidence
Unacceptable evidence as to means	<p>Copies of the ES40 (signing on card) or jobseekers agreements – these are not evidence of receipt of benefits –they merely show the client has at some time registered as available for and actively seeking work.</p> <p>The debit card of a Post Office card account.</p> <p>The Award Letter for Employment and Support Allowance does not provide satisfactory evidence of the client being in receipt of a passporting benefit simply by virtue of the standard paragraph on page 3/4 which states: ‘this payment of ESA is based on your National Insurance contribution record and any additional amounts the law says you need to live on. We call this contribution-based and income related ESA...’ This statement appears on all award notices irrespective of the type of ESA in payment.</p> <p>Bank statements are not sufficient evidence of salary/wages from employment as it does not show gross earnings and may include deductions that are not allowed under the legal aid rules.</p> <p>The Award Letter or the “short version” Statement of Entitlement will not be accepted by itself as evidence that the Guarantee State Pension Credit is in payment where the form does not specify the type of Pension Credit received.</p> <p>Reference to the individual being in receipt of income support (or other passporting benefit) in the text of a housing benefit or tax credit notification letter is not sufficient evidence that passporting benefit is in payment – evidence must be from the relevant paying agency e.g. Department of Work and Pensions letter.</p> <p>[Order books are largely obsolete, however if a book is held, the front cover only of an order book is unacceptable if it does not show the type of benefit or, where the client is not passported, the amount received].</p> <p>This list is not exhaustive.</p>

6. Evidence of expenditure is required in specific circumstances (based on risk) that are set out in the preceding guidance. Examples of acceptable evidence is given below:

Expenditure type	Satisfactory Evidence
Income Tax	For employees: most recent payslip(s). For the self employed: copy of latest tax calculation sheet (i.e. last income tax bill).
National Insurance	Employees: most recent payslip(s). [The standard deduction of N.I. Class 2 of £15.17 per month can be made for the self-employed if they are confirmed to be paying these contributions].
Housing costs (i.e. where housing costs are more than one-third of client's income)	Rent book. Tenancy Agreement. Copy of mortgage statement. Copy of bank statement (where it is clear what the payment relates to).
Child Care costs (i.e. that are more than £600 per month if working/studying full time or pro rata for part time hours)	Copy of bank statement (where it is clear what the payment relates to). Copy of agreement / contract with child care provider.
Maintenance (i.e. where amount declared appears to be unreasonable / cases of doubt)	Bank statements. Copy of maintenance order (where applicable).
Criminal legal aid Contribution	Copy of income contribution order.

7. For capital, the client's statement and signature on the application form will normally be sufficient evidence, but other documentary evidence of disposable capital must be obtained in cases of doubt (e.g. statements for current accounts, savings or other financial accounts; independent valuations for property or items of value, share certificates etc). In general terms, providers should obtain evidence of capital if they have reason to believe, whether through previous dealings with the client, the circumstances of the case, wealthy lifestyle indicators, or otherwise, that the client may have capital in excess of the limit or may have acted to deprive themselves of capital; particular care should also be taken on cases where a client declares capital just under the £3000 limit (for Legal Representation in respect of an immigration matter set out in regulation 8(3)) or £8000 limit (all other cases).

8. Generally the client's means should be assessed together with the accompanying evidence. Clients should be asked to bring the evidence with them at their first appointment.
9. The 2024 Standard Civil Contract Specification r.3.24 sets out the circumstances when you may assess the client's means without the accompanying evidence.
10. Exceptionally, the personal circumstances of the client (such as age, mental disability or homelessness) may make it impracticable for any evidence to be supplied. In such cases, eligibility can be assessed without evidence. However, the attendance note must give the reason why evidence could not be obtained and providers must be prepared to justify this on audit if necessary.
11. Whether or not it is impracticable to obtain evidence will depend on the circumstances of the case. Those who are homeless, or who are in detention will have particular difficulty in supplying evidence. For asylum seekers, there may be a difference between those who apply for Legal Help when they have just arrived in the country and cannot be expected to provide evidence, and those who apply when they have been in the country long enough to receive benefits/vouchers or to work, who can provide evidence. It will often be impracticable to obtain evidence of income from patients with mental health problems who are in hospital (for example, those detained under the Mental Health Act). Providers should however attempt to obtain oral or written confirmation of the position (e.g. type of benefit received) from the ward manager or social worker where practicable. It may on occasion prove impracticable to obtain evidence of a partner's income, for example where the partner refuses to provide the information despite repeated requests. In such circumstances the provider will rely on the best estimate that the client can give of their partner's means for the purposes of aggregation. The provider must record the justification for lack of evidence on the file.
12. There may be exceptional cases where a client never attends the provider's office during the course of a matter, for example the client is disabled and cannot access the office so the case is entirely conducted via home visits and correspondence. In such cases the provider may not be able to obtain a copy of the evidence of income for the file. It will be acceptable for the provider to confirm on the file that he or she has seen acceptable evidence of income and to record brief details, for example type and amount of benefit and applicable dates.
13. It is important to remember in this context that the evidence to be supplied must relate to the time of application, so that it is the client's circumstances at that time that are relevant in judging whether or not it was impracticable to obtain evidence.
14. Thus, if at the time of the application for Controlled Work the client has applied for state benefits, tax credits or Asylum Support and their

application has not yet been assessed, then it will be impracticable to produce evidence of receipt of such benefit in relation to the period of computation. The supplier should ask the client to produce any written acknowledgement of the application that they have received and clarify whether there is an alternative source of income from which their expenses are currently being met (see also para.16 below). Where practicable, the provider should later obtain confirmation as to whether the benefit was granted. If it was refused on means grounds, the supplier should reconsider whether or not the client was financially eligible. The provider should not passport a client on the basis of Income Support, Income-Based Jobseeker's Allowance, Income-Related Employment and Support Allowance, Guarantee Credit or Universal Credit (or s4 or s95 Asylum Support where applicable) without evidence of a live claim in payment.

15. As long as evidence is obtained of the main source of income, it will be unnecessary to carry on and obtain evidence of small additional amounts of income that are unlikely to affect eligibility. Where the client is in prison, it will be unnecessary to obtain documentary evidence of their prison income (although the amount stated by the client should be added in to the determination) as the amounts that can be earned are strictly limited. However evidence of wages from outside employment will be required for prisoners released on temporary license and those on 'working out' schemes.
16. Some clients will state that they have no access to any income or capital. It would be for the provider to decide whether such a statement was credible and whether or not it was therefore impracticable to obtain evidence of means. However, a note of the circumstances should be kept on the file. Clients without any income at all are likely to be those whose circumstances have recently changed. This might be where, for example, they have just separated from a partner and have applied for benefit or have just arrived in this country and applied for asylum. The provider should enquire how the client is meeting their day-to-day expenses. If a client states that a relative or friend is supporting them, a letter from the relative or friend should be obtained identifying the nature and extent of support (where this is monetary support, amounts must be specified).