

CLS Support Email bulletin (contracting) no. 41: A New Focus for Civil Legal Aid – summary of the eligibility changes

1 Introduction

- 1.1 The purpose of this Email bulletin is to brief agencies on the eligibility changes that are coming into operation in April 2005. It has been checked and agreed for accuracy by the LSC.
- 1.2 [The Department for Constitutional Affairs \(DCA\)](#) has announced the reforms of civil legal aid that will take place following last year's consultation, [A New Focus for Civil Legal Aid: encouraging early resolution; discouraging unnecessary litigation](#) published by the Legal Services Commission (LSC). A wide range of changes to financial eligibility, family and non-family funding rules will be introduced in April and July this year.
- 1.3 The DCA has modified its package of reforms significantly in the light of [ASA's response to the LSC consultation paper](#) and the concerns of the advice networks and many others.

2 Financial Eligibility

- 2.1 These changes will apply from 11th April 2005:
 - New uniform upper disposable income limit of £632 (Legal Help increased from £621 and Legal Representation reduced from £707);
 - New power to waive the upper limit for domestic violence victims;
 - No change to the gross income caps or contribution regime for Legal Representation;
 - Capital limit for Legal Help and Help at Court raised from £3,000 to £8,000;
 - Capital limit for Controlled Legal Representation in immigration cases to remain at £3,000 for the time being, with the intention to raise it to £8,000 following consultation on the most appropriate form of contribution regime for such cases;
 - All clients in receipt of passported benefits will be passported on both income and capital for all types of legal aid;
 - Pensioner capital disregard* to be applied to all types of legal aid;
 - Self-employed persons' childcare costs to be discounted from their disposable income to bring them into line with other employed persons;

* Pensioners on low incomes benefit from a higher capital disregard. This is calculated on a sliding scale according to the level of disposable income. This varies from £10,000 for a case near the top of the non-contributory band up to £100,000 for those with no income. The disregard applies to all forms of capital.

- SMOD - subject matter of dispute - rule to be retained but with a ceiling of £100,000 ie assets in dispute will be taken into account in the assessment only to the extent that the client's interest in the disputed assets exceeds £100,000; and
 - No change to the £100,000 home equity exemption.
- 2.2 For more detailed information on the eligibility changes see the latest edition of [Focus](#), the LSC's bulletin, to be published in April 2005.

3 Family and non-family funding rules

- 3.1 As well as the eligibility changes, proposals for family and non-family funding rules will come into force and we are waiting for more detailed information from the DCA. Almost all these reforms are due to come into operation in July 2005.

4 Further support and guidance

- 4.1 If you need further guidance on any of the issues covered in this Email bulletin, please contact the CLS Support consultancy service on **0870 7700 447 Monday - Friday 1pm - 4pm** or email cls.support@asauk.org.uk at any time.