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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations amend the Civil Legal Aid (Financial Resources and Payment for Services) Regulations 2013 (S.I. 2013/480) (“the 2013 Regulations”). The 2013 Regulations make provision about the rules the Director of Legal Aid Casework (the “Director”) must apply to determine whether an individual’s financial resources are such that the individual is eligible for civil legal services under Part 1 of the Legal Aid, Sentencing and Punishment of Offenders Act 2012 (c. 10). Chapters 3 and 4 of Part 2 of the 2013 Regulations set out the rules on calculating income and capital. In particular, regulation 24 sets out the payments that must be disregarded from the calculation of gross or disposable income, as well as the payments the Director has a discretion to disregard. Regulation 40 makes similar provision in relation to the calculation of disposable capital.

Regulation 2(3) of these Regulations amends regulation 24 and regulation 40 to ensure that in the assessment of an individual’s income and capital resources, payments made under infected blood support schemes funded by the UK Government, the Vaccine Damage Payments Act 1979 and the Government funded trust for persons suffering from variant Creutzfeldt-Jakob disease must be disregarded. The amendments made by regulation 2(6) then provide that payments under a second category of charitable and Government funded compensation schemes may be disregarded by the Director.

Regulation 37 of the 2013 Regulations provides that for the purposes of calculating an individual’s disposable capital, any interest in land must be taken to be the amount for which that interest could be sold after any secured debt over the land is deducted.

The amendments to regulation 37 made by regulation 2(4) of these Regulations remove the limit on the amount of mortgage or other secured charge which must be deducted when calculating an individual’s financial interest in land for the purposes of capital. This deduction was previously limited to a maximum of £100,000. Regulation 2(5) inserts into Regulation 38 of the 2013 Regulations a provision enabling the Director to determine an individual’s main dwelling for the purposes of regulation 38 and 39 of the 2013 Regulations. This provision was previously in regulation 37 but will no-longer have any application to regulation 37 following removal of the mortgage cap but will continue to apply to regulation 38 and 39 of the 2013 Regulations.

A full impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sector is foreseen.