

Title: <b>Legal Aid Eligibility and Universal Credit</b> IA No: MoJ011/2016 Lead department or agency: <b>Ministry of Justice (MoJ)</b> Other departments or agencies: <b>Legal Aid Agency (LAA)</b>	<b>Impact Assessment (IA)</b>				
	Date: 15 March 2017				
	Stage: Development/ Options				
	Source of intervention: Domestic				
	Type of measure: Secondary legislation				
Contact for enquiries:					

**Summary: Intervention and Options** **RPC Opinion:** Not applicable

**Cost of Preferred (or more likely) Option**

Total Net Present Value	Business Net Present Value	Net cost to business per year	In scope of One-In, Two-Out?	Measure qualifies as
£0.7m	£0.4m	£0.4m	N/A	N/A

**What is the problem under consideration? Why is government intervention necessary?**  
 The need to amend the legal aid financial eligibility arrangements arises from the progressive roll out of Universal Credit. Because of the differences between Universal Credit entitlements and those for other existing welfare benefits, continuing to passport all recipients of Universal Credit is likely to generate additional cost burdens for the legal aid budget of up to £14m per annum in steady state. In the current financial climate, this will not be affordable. We estimate that the preferred option could reduce this to an additional cost to the legal aid fund of around £0.4m per year in steady state. Government intervention is required to change the existing legal aid financial eligibility arrangements.

**What are the policy objectives and the intended effects?**  
 The objectives and intended effects of the proposals are:

- That limited public resources for legal aid should be targeted at those who need it most.
- Ensuring that there is no, or a minimum of, additional cost to the taxpayer
- Efficiency in information sharing across government
- Minimise the administrative burden on the Legal Aid Agency, legal aid applicants and providers.

**What policy options have been considered, including any alternatives to regulation?**  
 The following options have been considered:

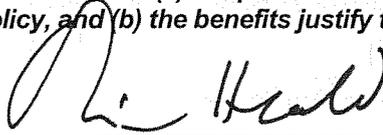
- Option 0 – Do nothing
- Option 1 – To limit passporting through the legal aid means tests to Universal Credit recipients with zero income from employment, while continuing to passport recipients of 'legacy' benefits (i.e those benefits which are either not being replaced by Universal Credit or have not yet been replaced but will be in the future).

Option 1 is the preferred option as it most closely delivers the policy objectives.

**Will the policy be reviewed?**  
 It will be reviewed. Date and form of review to be determined

Does implementation go beyond minimum EU requirements?	N/A				
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.	Micro N/A	< 20 N/A	Small N/A	Medium N/A	Large N/A
What is the CO <sub>2</sub> equivalent change in greenhouse gas emissions? (Million tonnes CO <sub>2</sub> equivalent)	Traded: N/A		Non-traded: N/A		

*I have read the Impact Assessment and I am satisfied that (a) it represents a fair and reasonable view of the expected costs, benefits and impact of the policy, and (b) the benefits justify the costs.*

Signed by the responsible Minister:  Date: 15/3/17

# Summary: Analysis & Evidence

# Policy Option 1

**Description:** To limit passporting through the legal aid means tests to Universal Credit recipients with zero income from employment, while continuing to passport recipients of 'legacy' passporting benefits for as long as they exist.

## FULL ECONOMIC ASSESSMENT

Price Base Year 2016-17	PV Base Year N/A	Time Period Years one year – steady state	Net Benefit (Present Value (PV)) (£m)		
			Low: -£0.5m	High: -£0.9m	Best Estimate: -£0.7m

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low		£0.4m	£0.7m
High		£1.5m	£1.8m
Best Estimate	£0.3m	£0.9m	£1.2m

### Description and scale of key monetised costs by 'main affected groups'

- It would cost the Legal Aid Agency (LAA) approximately £300,000 to update IT systems. The Department for Work and Pensions (DWP) have agreed in principle to reimburse these costs (subject to actual costs being supplied).
- Once DWP's rollout of Universal Credit is complete, there would be minimal net additional spend per year (around £400,000). This would be a cost to the legal aid fund, compared to the period before the introduction of UC, and would comprise the net impact of those whose eligibility changes as indicated in both the costs and benefits sections.
- In steady state, we estimate that around 650 people could be affected, with 550 persons previously eligible for contributory legal aid becoming eligible for non-contributory legal aid and around 50 people previously ineligible for legal aid could be eligible for non-contributory legal aid. We estimate the total cost to the legal aid fund as £900,000 per annum. Sensitivity analysis of our key assumption places this figure within a range of £0.4m to £1.5m.

### Other key non-monetised costs by 'main affected groups'

- There would be adjustment costs to legal aid providers for services where we delegate responsibility for determining financial eligibility to them. We cannot quantify these as we have no data on providers' costs.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low		£0.2m	£0.2m
High		£0.9m	£0.9m
Best Estimate	N/A	£0.5m	£0.5m

### Description and scale of key monetised benefits by 'main affected groups'

- In steady state, we estimate around 500 people could be affected, with around 250 people previously eligible for non-contributory legal aid who could be asked to make a contribution to the cost of their case and around 250 people previously eligible for legal aid could no longer be eligible. We estimate the total saving to the legal aid fund as £500,000. Sensitivity analysis of our key assumption places this figure within a range of £0.2m to £0.9m.

### Other key non-monetised benefits by 'main affected groups'

- We cannot accurately estimate the impact on the LAA's administration or the impact on legal aid service providers where we delegate responsibility for assessing financial eligibility to them. However we expect these may be minimal. We welcome comments on this from providers as part of the consultation.

<b>Key assumptions/sensitivities/risks</b>	<b>Discount rate</b>	N/A
<ul style="list-style-type: none"> <li>With no future case data, we assume that the case type and demographic mix of people in the criminal applications and civil grants data remains the same over time. We assume the average cost of each case type used in the model remains constant over time. Any differences are outside the scope of the transition to Universal Credit.</li> <li>In the absence of financial information for those who would become eligible under this policy, we assume that they have the same financial circumstances as those in the case data with the highest income.</li> <li>We match people in the case data to people in national survey data who are not totally identical. We have assumed these people are sufficiently similar and that any actual differences would not have a significant impact on the results.</li> <li>We assume that UC will be rolled out according to DWP's latest published timescale.</li> <li>We assume that current entitlements to UC remain unchanged.</li> </ul>		

## BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:			In scope of OITO?	Measure qualifies as
Costs: N/A	Benefits: N/A	Net: N/A	No	N/A

Signed by the responsible Minister:



Date: 15/3/17

# Evidence Base

## A. Background

1. Universal Credit was introduced in 2013 in some parts of the country, and is now available to single people in all Jobcentres in Great Britain. Universal Credit is continuing to expand to all claimant types nationally. It replaces six existing welfare payments: Working Tax Credit; Child Tax Credit; Housing Benefit; Income Support; Income Related Job Seekers Allowance; Income Related Employment and Support Allowances (referred to as "legacy UC benefits"). The Department for Work and Pensions (DWP) currently expect that the roll out will be complete by September 2018 and that the legacy UC benefits will have been phased out by March 2022.
2. Under the current legal aid system, receipt of certain benefits are used as an administrative shortcut for 'passporting' applicants through the financial means tests to receive non-contributory legal aid. These benefits are: Income Support, income-based Jobseeker's Allowance, income-related Employment and Support Allowance and State Pension Guarantee Credit (referred to as 'legacy passporting benefits') and from 2013, included Universal Credit.
3. All legal aid applicants in receipt of Universal Credit have been passported since the benefit was introduced. This was a short term measure, on the understanding that we would revisit this decision in due course. Departments have been working together to consider how they might continue to deliver their passported benefits to those in receipt of UC as the benefit continues to expand. To ensure these benefits continue to be targeted at those who need them most and that we maintain a transparent set of qualifying conditions that people can easily understand, many Departments across government have agreed to the introduction of earnings thresholds for the continued delivery of passported benefits alongside Universal Credit. We are consulting on this issue now and this document forms part of that process.
4. Subject to the outcome of the consultation, any changes to the legal aid financial eligibility regulations legal aid would be made by way of secondary legislation. We intend the new arrangements to be in place by Autumn 2017.

## B. Policy Rationale and Objectives

5. Our rationale for the proposal is to ensure that we target our limited legal aid funds available to those most in need. We also wish to ensure that those who do not receive Universal Credit but are on a similar income to those who do and are currently passported, are not put at a disadvantage.
6. Universal Credit replaces a wider scope of benefits than are currently passported. The Government does not think that continuing to passport recipients of Universal Credit will be financially sustainable in the long term because of the number of additional legal aid claimants who would be eligible for non-contributory legal aid.
7. In addition, continuing to passport on the basis of receipt of Universal Credit is likely to lead to a substantial disparity in terms of financial eligibility for legal aid between those in receipt of Universal Credit and those in low-paid employment who are subject to the full means test. Universal Credit has been designed to improve work incentives by making sure that recipients will always be better off in work. Universal Credit payments will be gradually reduced at the rate of 65p for every pound earned (63p from April 2017).
8. Universal Credit recipients may, in some circumstances, also be entitled to a work allowance (an amount that can be earned before Universal Credit payments are affected). Therefore, Universal

Credit recipients could be in receipt of a household income that exceeds the upper eligibility thresholds for legal aid that are applied to individuals not in receipt of Universal Credit, yet may automatically qualify for non-contributory legal aid. If we continue to passport recipients of Universal Credit, this group may have an advantage in terms of financial eligibility over those not in receipt of the benefit and so does not meet the policy objective of targeting legal aid at those most in need.

9. To address these issues and in developing our proposals for changing the legal aid financial eligibility systems we have focussed on the following policy objectives. These are to ensure:
- legal aid is targeted at those that need it most;
  - efficiency is maintained in terms of information sharing across government;
  - there is no, or a minimum of, additional cost to the taxpayer; and
  - minimising as far as possible the administrative burden on the Legal Aid Agency and on legal aid applicants and providers.

### **C. Affected Stakeholder Groups, Organisations and Sectors**

10. The proposals assessed in this Impact Assessment (IA) will directly affect the following groups:
- Legal aid service providers; for some type of legal aid, such as civil legal help, the authority to assess eligibility is delegated directly to the provider.
  - Individuals with a civil or criminal justice problem in scope of legal aid
  - The Legal Aid Agency (LAA)

### **D. Description of Options Considered**

11. To meet the above policy objectives, the following two options are considered in this IA:
- **Option 0/‘Do nothing’:** Continue with the current passporting arrangements.
  - **Option 1:** Passport Universal Credit recipients with zero income from employment and means test all others.

#### *Option 0*

12. Under this option all legal aid applicants in receipt of Universal Credit and those in receipt of other legacy passporting benefits for as long as they exist will be passported through the income test for legal aid (and the capital test for criminal legal aid where applicable). All other applicants who are not passported would remain subject to the full means assessment<sup>1</sup>.
13. Under most circumstances, the ‘do nothing’ option does not involve a cost and so is not explicitly assessed. However, as was stated above, since Universal Credit continues to expand, and includes more benefits than we currently passport, more people will become eligible for passporting if we do nothing. In the absence of government intervention, this will increase spend on legal aid.

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<sup>1</sup> Although note that some categories of law are also exempt from the means test. For example, care proceedings under the Children Act 1989 account for a large volume of civil representation work but are not subject to means testing where the applicant for legal aid is the child, parent or person with parental responsibility.

14. Using our modelling approach, we estimate that continuing to passport all individuals applying for legal aid in receipt of Universal Credit will cost an additional £14m per year in steady state once the rollout is complete, compared to what we would expect to spend if Universal Credit had not been made a passporting benefit. Note that due to DWP's roll out of UC and the billing of legal aid, it will take some time to reach steady state, but cost will be incurred progressively. Sensitivity analysis of our key modelling uncertainty suggests a range around this of £9m to £20m. This is against our stated policy objective of minimising additional costs to the taxpayer, and our preferred option would mitigate much of this expenditure.

### *Option 1*

15. This option would limit passporting through the legal aid means tests to Universal Credit recipients with zero income from employment. Individuals in receipt of legacy passporting benefits will continue to be passported through income tests for as long as these benefits exist. Note that State Pension Guarantee Credit is not being replaced by Universal Credit. Individuals not in receipt of one of these qualifying benefits and those in receipt of Universal Credit with earnings from employment would be subject to a full means assessment. Those on low income (but not in receipt of the benefits listed in paragraph 2 above) may be eligible for non-contributory legal aid or be asked to pay a contribution towards their legal costs.

16. Our best estimate of the net additional cost is around £400,000 per year. This comprises additional cost to the legal aid fund for those with increased eligibility of £900,000 (para 29), and a reduction in spend of £500,000 for those with reduced eligibility (para 37). Sensitivity analysis of our key modelling uncertainty places this within £200,000 to £600,000.

17. This option would reduce the potential cost to the taxpayer and ensure that the LAA continues to make the best use of information on an individual's financial circumstances that has already been collected by the government as applicants would not be required to provide the same information again. By limiting passporting to non-contributory legal aid to Universal Credit recipients that are not working, it would ensure legal aid is targeted at those that need it most although those on low incomes may still be eligible for non-contributory legal aid since the current means tests thresholds would remain the same.

18. Continuing to use an administrative shortcut to passporting applicants through part of the process would continue to allow applications to be processed as quickly as possible and would be straightforward for providers and applicants to understand. Legal Aid providers who have delegated authority to assess the financial means of applicants for civil legal help (i.e. legal aid for initial advice and assistance) will have to directly apply the proposal and rely on evidence provided directly by the applicant.

19. As this proposal meets all the objectives set out in paragraph 9, it is the preferred option.

20. We intend to put in place transitional arrangements that would allow any amendments to the passporting process to be integrated in a way that causes minimum disruption for legal aid recipients and those administering the scheme. Legal aid applicants who were in receipt of Universal Credit, irrespective of any earnings from employment, at the time of the original application for legal aid would not be reassessed simply because of a change to the passporting arrangements during the life of the case.

## *Other Alternatives Considered*

21. Two further options were also considered but do not form part of the consultation as they did not meet the basic objectives criteria: These were:
- To limit passporting through the legal aid means tests to Universal Credit recipients with earnings from employment of up to £500 per month (£6,000 per annum) (while continuing to passport recipients of legacy passporting benefits).
  - To assess income for all applicants, based on the current legal aid eligibility rules, with no passporting.
22. While introducing an earnings threshold of £500 per month for passporting would align more closely with the Universal Credit aims of encouraging people into work, this option would increase the financial pressure on the legal aid fund, since it is estimated to cost an additional £1-1.5m per annum in steady state. It therefore did not satisfy the policy objectives of no, or a minimum, additional cost to the taxpayer. It would also have disadvantaged those on similar incomes but not in receipt of Universal Credit and would therefore not target those who need legal aid the most. Additionally, the Government's preferred option appears the best in terms of the fit with various necessary IT systems.
23. Similarly the option of abolishing passporting and simply applying the current means test does not meet the policy objectives. While it would ensure fairness and focus legal aid on those that need it most, it would not allow for efficiency in terms of information sharing across government (means testing everyone would, in effect, be duplicating much of the work already done by DWP) and would increase administrative costs for processing legal aid applications.

## **E. Cost and Benefit Analysis**

24. This Impact Assessment (IA) identifies impacts on individuals, groups and businesses in England and Wales, with the aim of understanding what the overall impact to society might be from implementing the options considered. The costs and benefits of the policy proposal are compared to the baseline, which in this case is different to the 'do nothing' option (see para 13). Impact Assessments place a strong emphasis on valuing the costs and benefits in monetary terms (including estimating the value of goods and services that are not traded). However, there are important aspects that cannot sensibly be monetised which might include how the proposals impact differently on particular groups of society or changes in equity and fairness.
25. The estimates in this IA have been rounded: any additional costs below £5 million have been rounded to the nearest £100,000 and those above £5 million to the nearest £1million. The number of clients affected by the proposal has been rounded to the nearest 50. Consequently, totals may not agree due to rounding. Note that we have generally presented as a range, as uncertainty over the figures remains due to the modelling approach (see para 40) and our modelling assumptions.

### **Option 0: Baseline**

26. To determine the impact of an option, we must compare against a baseline. Under normal circumstances, this would be the Option 0/'do-nothing' option i.e. continuing to passport all legal aid applicants who are in receipt of Universal Credit or legacy benefits. However, Universal Credit was added to the list of passporting benefits in April 2013 as a temporary solution. We fully expected legal aid fund costs to increase and that an amendment would be required as Universal Credit was expanded. The do-nothing option will not result in a level baseline, as Universal Credit is expanded.

Therefore, the baseline for comparison for both options is the cost of the situation before Universal Credit became a passporting benefit in April 2013.

## **Option 1: Passport Universal Credit recipients with no income from employment; means test everyone else**

### **Costs of Option 1**

#### *Individuals with a civil or criminal justice problem in scope of legal aid*

27. In civil legal aid, using our modelling approach, we estimate that:

- There could be around 50 cases where people not previously eligible for legal aid for receiving legal advice and family mediation (to discuss a problem between ex-partner with an independent and impartial person) would become eligible for non-contributory legal aid through passporting.
- There could be less than 50 cases where people not previously eligible for legal aid for legal representation at hearings would become eligible for non-contributory legal aid through passporting.
- There could be around 550 cases where people previously eligible for contributory legal aid for legal representation at hearings would now be eligible for non-contributory legal aid through passporting.

28. In criminal legal aid, using our modelling approach, we estimate that:

- There could be less than 50 cases where people not previously eligible for legal aid in the magistrates' courts would become eligible for non-contributory legal aid through passporting.
- There could be less than 50 cases where people previously eligible for contributory legal aid in the Crown Court would now be eligible for non-contributory legal aid through passporting.
- There could be less than 50 cases where people not previously eligible for legal aid in the Crown Court will become eligible for non-contributory legal aid through passporting.

29. In summary, given the size of the legal aid population<sup>2</sup>, few claimants would be affected by the proposed change. Many of those Universal Credit recipients who we estimate would be passported to non-contributory legal aid would already be entitled to legal aid either on a non-contributory basis or with a contribution as they are currently on a passported benefit or, even if they are in receipt of a non-passported benefit, they qualify for legal aid after the application of the means test. However, some will be on zero income from employment and receiving a non-passported benefit, which is considered in the current means test. Also we model some additional applicants around the current thresholds who may be expected to apply successfully in the future.

30. We estimate that the total cost to the legal aid fund of these is £900,000, within a range of £400,000 to £1.5m. As mentioned in paragraph 16, this is offset by a reduction in legal aid spend of £500,000 for those who would either become ineligible for or asked to contribute towards legal aid.

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<sup>2</sup> [www.gov.uk/government/statistics/legal-aid-statistics-april-to-june-2016](http://www.gov.uk/government/statistics/legal-aid-statistics-april-to-june-2016). In the 12 months to June 2016, total means tested legal aid workload was 780,000 - 581,000 for criminal (bulletin, page 9), excluding police station workloads which are not means tested, and 199,000 for civil (bulletin, page 23), excluding Special Children's Act proceedings (table 6.2), which also are not means tested.

31. There would also be one-off costs of £300,000 to make the necessary adjustments to the LAA's IT systems. DWP have agreed in principle to reimburse these (subject to actual costs being confirmed). Ongoing costs to maintain the IT link between DWP and the LAA would not be expected to be any more than at present.
32. Once DWP's expansion of Universal Credit is complete, we estimate that this option would cost in total around £400,000 per year more in steady state compared to what we would expect to spend from the legal aid fund if Universal Credit had not been made a passporting benefit. Sensitivity analysis of our key modelling uncertainty places this within a range of £200,000 to £600,000.

*Legal aid service providers*

33. There could be adjustment costs for legal aid providers such as potential amendments to their case management systems to assist them when responsibility for determining financial eligibility for certain types of legal aid, such as civil legal help, has been delegated to them. We do not have the information to quantify this cost, and welcome comment from providers as part of the consultation.

**Benefits of Option 1**

*Individuals with a civil or criminal justice problem in scope of legal aid*

34. In civil legal aid, using our modelling approach, we estimate that:
- There could be around 150 cases where people previously eligible for non-contributory legal aid for receiving legal advice and family mediation (to discuss a problem between ex-partner with an independent and impartial person) through passporting would no longer be eligible.
  - There could be around 250 cases where people previously eligible for non-contributory legal aid for legal representation at hearings through passporting would now be subject to the full means test and asked to pay a contribution towards the cost of their case.
  - There could be around 100 cases where people previously eligible for non-contributory legal aid for legal representation at hearings through passporting will no longer be eligible.
35. In criminal legal aid, using our modelling approach, we estimate that:
- There could be less than 50 cases where people previously eligible for non-contributory legal aid in the magistrates' courts through passporting would no longer be eligible.
  - There could be less than 50 cases where people previously eligible for non-contributory legal aid in the Crown Court through passporting would now be subject to the full means test and asked to pay a contribution towards the cost of their case.
  - There could be less than 50 cases where people previously eligible for non-contributory legal aid in the Crown Court through passporting would no longer be eligible.
36. All these individuals are likely to be those previously in receipt of a legacy passporting benefit but with earnings from employment sufficiently high to require a payment towards their legal aid costs or to take them outside legal aid eligibility altogether. Under this option, when these individuals move from legacy benefits to Universal Credit they would not be passported, and earnings would be taken

into account when assessing disposable income. For those that do not satisfy the financial thresholds for the means test, legal aid may be granted by other mechanisms, for example, the hardship review for Crown Court claimants and waivers to the civil means test in certain circumstances such as cases where there is evidence of domestic violence. Annex [A] of the attached Equalities Statement gives more detail and examples of typical movers under the proposed option.

37. We estimate that the total saving to the legal aid fund of these is £500,000, within a range of £200,000 to £900,000. As mentioned in paragraph 16, this would be offset by an increase in legal aid spend of £900,000 for those who will become eligible for non-contributory or contributory legal aid.

#### *The Legal Aid Agency (LAA)*

38. We are unable to quantify the impact on LAA's administrative cost, since we only collect limited data on those claimants that are currently passported to non-contributory legal aid. However, given the small net change in those receiving legal aid, we expect any impact to be minimal.

#### *Legal aid service providers*

39. We are unable to quantify the impact on legal aid providers, where responsibility for determining financial eligibility has been delegated to them. For certain types of legal aid such as civil legal help which covers initial advice and assistance, providers are responsible for undertaken as assessment of the client's financial means. We do not have any information to quantify this impact, but given the small net change in those receiving legal aid, we expect any impact to be minimal. We welcome comments from providers as part of the consultation.

## **F. Assumptions, Risks and Uncertainties**

### **Key modelling assumptions**

40. Our model takes data on legal aid cases, with limited details about clients' financial means, and matches it to national survey data, with much more detailed financial and demographic information, and modelled information from DWP about legacy benefit and Universal Credit receipt. Clients are matched to a Benefit Unit<sup>3</sup> in the survey data with a similar financial and basic demographic profile.

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<sup>3</sup> Universal Credit is paid to 'units' rather than individuals. In practice this will usually resemble a household or family, but could be a single person living in a shared household.

41. We put these matched Benefit Units through the legal aid eligibility tests to get an approximation of cost under the current eligibility rules. We then put them through the eligibility tests under our policy option to get an approximation of what impact it might have on cost and eligibility.
42. Our modelling aims to provide the most accurate estimate of policy impacts possible. However, we have imperfect knowledge of both the current system and the world under Universal Credit, so we make simplifications and assumptions where necessary. Some of the high level assumptions include:
  - the case type and demographic mix of people in the criminal applications and civil grants volumes data remains the same over time;
  - the cost of each case type remains constant over time;
  - those who would become financially eligible following the policy change and who also have a justice problem have the same financial circumstances as those at the top income end of the case data (those currently eligible);
  - We match people in the case data to people in the national survey data who are not totally identical. We assume people are similar and that their differences will not have a significant impact on our estimates.
  - Universal Credit will be rolled out according to DWP's most recent published timescale.
  - Current UC entitlements remain unchanged.

## **Risks and Uncertainties**

43. There is always uncertainty in the modelling of policy costs. The modelling is more sensitive to some of the assumptions made than others.
44. The principal uncertainty arises from the limited financial information we hold for those in our case data who are passported to free legal aid. We match these clients with those in the general population who have similar demographics, to generate a more detailed financial profile of those who are currently passported. We recognise that the income profile of those in our model, especially those we model as coming into eligibility, may not be accurate. This is because of differences between the characteristics of the legal aid population (from our case data) and those of the general population (from the survey data). Any inaccuracy will make a difference to policy costs and benefits, especially where modelled incomes are close to eligibility thresholds.
45. We assume that our case mix and average case costs are the same as in our current case data. It does not include any future policy changes related to fees. If case costs are higher, or if we have a greater proportion of more expensive cases, then our cost estimates would be higher also. Although as this change could happen without the introduction of Universal Credit, we believe it is correct to exclude it from this analysis.

## **G. Wider Impacts**

46. The Equalities Statement sets out our assessment of who might be affected by the preferred option, under the Public Sector Equality Duty.
47. We have no evidence to suggest that families would be disproportionately adversely affected by the proposal. It may be that more families who are in receipt of Child Tax Credit become eligible for free legal aid through passporting, rather than undergoing a means test, but it would not, in most cases, affect their eligibility for legal aid.

## H. Monitoring and Evaluation

48. We have estimated the impact on costs and clients and will monitor this. We will monitor management information on the number of cases passported and passing or failing means tests. We will assess this by different case types, to investigate any emerging trends which may need action. We will also inspect information on appeals and complaints.
  
49. Although we do not expect any disproportionate impact on protected groups, we will assess this to ensure that is the case. We will monitor data where it is collected, although recognise that current collections are limited.

