

Support Notes on Commissioner's Advice Capital Resources (CCG cases)

1. Order of consideration

The relevant paragraph of the Secretary of State's Guidance is 2026.

2. The effect of capital resources on decision outcomes

Capital below the Direction 27 limit

The paragraph of the Secretary of State's Guidance relevant to this issue is 3450.

Example 1: Mrs G, 58, and her husband, 60, apply for a grant of £250 for a washing machine. Their need is high priority and the budget is able to meet it. They have savings in a deposit account worth £1150.

In this case the Direction 27 capital limit is £1000 because the applicant's partner is 60. Were it not for Direction 27, the Inspector would have awarded a grant of £250. However the couple's savings exceed the prescribed limit by £150. According to Direction 27, therefore, the award should be reduced by £150 to £100.

At her interview, Mrs G pointed out that their savings account requires 3 month notice for withdrawals and that they need a washing machine immediately. This does not affect the decision, however. The IS and JSA regulations on capital do not distinguish between savings that are readily accessible and those that are not. Inspectors do not have discretion to calculate capital on any other (more flexible) basis.

Example 2: Mr H, 50, applies for a grant of £120 for a fridge. He qualifies for a grant and his need for a fridge is urgent, but the Reviewing Officer refuses an award on priority grounds because on his application form Mr H admitted to having a current account balance of £350.

The Reviewing Officer's decision in this case is incorrect. The applicant's current account balance is a capital resource. It is not relevant to the issue of priority. Furthermore, since the amount of Mr H's savings is less than the Direction 27 limit (£500 in this case), the savings should not be regarded as resources from which the need may be met. To do so would subvert the intention of the direction.

3. Further note: Arrears of benefit and "notional capital"

Cases involving arrears of benefit or 'notional capital' can raise some complex legal issues. Inspectors are recommended to seek advice from the R&D team or the legal advisor on such cases.