



DWP Department for
Work and Pensions

Government response:

Consultation on the future of the Independent Living Fund

Presented to Parliament by the Secretary of State
for Work and Pensions by Command of Her Majesty
December 2012

Cm 8420

£6.25



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This publication is available for download at www.official-documents.gov.uk and from our website at www.dwp.gov.uk/future-of-ilf

ISBN: 9780101842020

Printed in the UK by The Stationery Office Limited
on behalf of the Controller of Her Majesty's Stationery Office

ID 2526796 12/12

Printed on paper containing 75% recycled fibre content minimum

Contents

Foreword by the Minister for Disabled People	5
The Consultation	7
Chapter 1 Executive summary	8
Chapter 2 Summary of responses to consultation questions	11
Chapter 3 Other comments made	22
Chapter 4 Government response	23

Foreword by the Minister for Disabled People

Very significant progress has been made over the last two decades in giving disabled people genuine choice and control over how they are supported to live independently and play a full role in society. The Independent Living Fund (ILF) has made an important contribution to this work, providing evidence that disabled people, including those with very high support needs, could secure better outcomes by managing their own care arrangements.

But, as set out in our consultation document on the future of the ILF, changes in the wider system of support for disabled people called into question the efficacy of funding all or part of the care and support of one group of disabled people through a separate funding stream. The Government set out the proposal that the ILF is closed in 2015, with funding devolved to local government in England and the devolved administrations in Scotland and Wales. The rationale for that proposal was that the needs of current users could be met in a more consistent and effective way within a single cohesive system, and that operating the ILF as a legacy operation would not be sustainable.

I was pleased to see such a strong response to the consultation from a wide range of individuals, organisations and local authorities across the United Kingdom. You told us that the support provided by the ILF had played a really important role in the lives of users and their families, and that there was real concern that the closure of the fund would undermine the ability of users to lead full and independent lives. But we also heard that the ILF has had its problems, and that the current arrangement is making it difficult for local authorities to ensure they are supporting all disabled people in a consistent way. We know that those using ILF funding have a wide range of needs, and that the balance between ILF and local authority support often depends on when users applied to the ILF and where they live. We heard that for many individuals and interested organisations, the level of support provided is the most important thing, not who provides that support.

We have reflected very carefully on all of the views submitted to the consultation. I understand the concerns of users, but I do not believe that the current situation is sustainable. It would not be justified to continue to support those disabled people who were ILF users when the fund was closed to new applications, in a different way from other disabled people with similar needs.

Our commitment to maintain current awards to 2015 remains. In April 2015 the ILF will close and from that point local authorities in England, in line with their statutory responsibilities, will have sole responsibility for meeting the eligible care and support needs of current ILF users. The devolved administrations in Scotland, Wales and Northern Ireland will determine how ILF users in each of those parts of the UK are supported within their distinct care and support systems.

6 Foreword by the Minister for Disabled People

Getting the transition process right will be critical. The Department for Work and Pensions (DWP) has been and will continue to work very closely with the representatives of local government and the devolved administrations on how we can support users through the transition. To guide individual local authorities the Government, ILF and social care sector in England will co-produce and publish a Code of Practice which will provide guidance on how ILF users can be supported through transition over to sole local authority care and support.

In early 2013 the ILF will publish a transition plan setting out how users will be supported over the next two years in preparation for the transfer. This will include how a review programme will ensure that the details of the care arrangements are captured and shared with their local authority, and how those users not currently receiving any local authority funding will be supported to engage with the mainstream care system. On-going engagement with users and organisations representing disabled people will be crucial; in early 2013 the ILF will commence an intensive programme of user and stakeholder engagement on the plans for transfer.

I know that users will face the future with a degree of anxiety, but I want to reassure them that Government as a whole is fully committed to making this process work for them, and to ensuring that they can continue to live the lives they want to between now and 2015 and into the future.

A handwritten signature in black ink, appearing to read 'Esther McVey', with a long, sweeping underline that extends to the right.

Esther McVey MP

Parliamentary Under Secretary of State and Minister for Disabled People

The Consultation

1. On 12 July 2012, the Government published *The future of the Independent Living Fund* a public consultation that set out the proposal that the ILF is closed in 2015 and that funding would be devolved to local government in England and to the devolved administrations in Scotland and Wales.
2. The consultation closed on 12 October 2012. We were pleased to receive around 2,000 responses from a broad and representative range of users, local authorities and other interested organisations and individuals.
3. During the consultation DWP, in conjunction with the ILF, ran 14 events across the UK for users of the ILF fund, their carers, personal assistants and representatives. In addition to these events we arranged five events for local authority representatives in locations across the UK and met a number of representatives of individual local authorities and representative bodies for detailed discussion of our proposals.

Structure of this document

4. This publication summarises the main points made by respondents and provides the Government's response to them.
5. Not all respondents chose to answer the specific questions asked; many people preferred to provide their views on the proposal in general. Where possible we have tried to include these responses in the appropriate sections. Responses that did not fall easily under the specific questions have been summarised under the section entitled "Other comments made".
6. Both *The future of the Independent Living Fund* consultation and this response are available online at: <http://www.dwp.gov.uk/consultations/2012/future-of-ilf.shtml>
7. If you would like to receive this response in a particular format, for example, large print, Braille, audio, or Easy Read, please contact:

ILF Consultation Team
Ground Floor Caxton House
Tothill Street
London
SW1H 9NA

Executive summary

1

Introduction

1. The ILF is a Non-Departmental Public Body (NDPB) of the Department for Work and Pensions. Operating as a discretionary trust it provides funding to allow disabled people to live independently and works alongside, but outside of, the mainstream care and support system. Almost all ILF users receive support from both systems, but under different eligibility and charging systems.
2. The ILF currently provides payments to 19,136 disabled people. These payments are to purchase care and support services, most often through the employment of carers or personal assistants. The caseload is made up of Group 1 users, who applied to the original ILF fund set up in 1988, and Group 2 users who applied for ILF funding when the fund was reconstituted in 1993. There are 3,008 Group 1 users and 16,128 Group 2 users. The key difference is that Group 2 users have care packages which include a minimum of £200 per week contributed by their local authority. While many Group 1 users receive some support from their local authority, this input was not part of their ILF eligibility criteria when they applied to the ILF, and this legacy arrangement has been maintained since 1993.
3. In 2010 the Government took the decision to close the ILF to new users. It had been clear for some time that developments in how care and support was delivered had meant that the objectives of the ILF could be met within the mainstream care and support system in a way that was more equitable, consistent and responsive to local needs and priorities. The Government committed to protecting the care packages of existing users until 2015, and to consulting on how they would be supported after that. The consultation was launched on 12 July, proposed that the ILF is closed in 2015 with funding devolved to local government in England and the devolved administrations in Scotland and Wales.

Responses to the consultation

4. Responses from individuals, particularly from current ILF users and their carers, have tended to strongly oppose the closure of the fund. Their core concern was that local authorities would not maintain their current care packages. A significant minority said they would be happy with local authorities taking control of the funding if it could be guaranteed that their care packages would remain the same. Users also raised a wide variety of other issues including the good customer service provided by the ILF, the level of flexibility they had in the use of their funding and the potential impact of the change on carers.
5. Most local authorities and their representative bodies expressed strong support for the proposal in principle. Many felt the current system was unfair and unnecessarily complex. There was also recognition of the changes to the mainstream care and support system that have put greater choice and control in the hands of users, and brought into question the efficacy of running the ILF alongside the mainstream care and support system. Local authority responses focused strongly on the need to transfer adequate funding to allow the transfer to run smoothly. There was a strong emphasis on the need to transfer funding based on the current pattern of expenditure, reflecting the variation in how ILF funding is used across the UK.
6. The responses from interested organisations covered a broad spectrum of views. Some large national organisations said that the ILF should at some point be integrated into the mainstream care and support system. However, there were concerns expressed about the timing of the transfer and the level of protection that would be given to users. Smaller and more regional or local organisations tended to be opposed to the proposed closure; their major objection was that users' care packages may be reduced.

Government response

7. We are pleased to have received input from such a wide range of interested organisations and individuals, and have carefully considered all of the responses. It is clear that the proposal to close the ILF is a source of anxiety to users, their families and carers. We understand this and appreciate the important role that ILF funding has played in supporting users, enabling them to have increased choice and control over how they live their lives.
8. The consultation highlighted the challenges and complexities in continuing to operate a separate source of funding for this group of disabled people. It is clear from the responses we have received that ILF funding has not always been used in a consistent way across the country. Local authorities have raised a range of concerns about the current situation, in particular where people with similar needs are treated differently because of the interaction with ILF eligibility criteria. This has put them in a very difficult position in terms of meeting their legal obligation to support all disabled people in a consistent and equitable way.
9. In considering the future of the ILF, the Government has reflected very carefully on the needs and concerns of current users, but has also had to consider the challenges of continuing to administer ILF funding through the current arrangements for a further period of time. Having carefully considered all the issues, we believe that the closure of the ILF in 2015, with funding devolved to local government in England and the devolved administrations in Scotland and Wales is the best way forward. Currently the ILF administers funding provided to it by the Northern Ireland Government. It will be for them to determine how current ILF users in Northern Ireland are supported beyond 2015.

10 Chapter 1 Executive summary

10. Many respondents to the consultation asked about, and had strong views on how funding should be devolved to, and be administered by, local authorities and the devolved administrations if the ILF was closed. Because of the geographical variation in take up of ILF funding across the UK, and between the different parts of the UK, we believe that there is a strong argument for distributing funding in line with current expenditure patterns and will be bringing forward proposals to distribute the funding on this basis.
11. Many users asked that, if funding is devolved to local government, it was ring-fenced to meet the needs of current ILF users. The government's position on how local authorities manage their finances is clear. The ring-fencing of funding prevents local authorities from meeting local needs in a flexible and responsive way. The needs of ILF users may change over time and local authorities are required to meet the care needs of all disabled people in a consistent way. We understand that when assessed ILF users may have current care packages reduced. Local authorities may choose to manage any changes to care packages in different ways, providing some transitional protection where required, but this needs to be considered on a case by case basis after a detailed assessment of user needs.
12. The Government recognises the need to ensure that the closure of the fund and transfer of users to sole local authority support is carefully managed to avoid unnecessary disruption to the lives of the users. The ILF will soon commence an intensive programme of engagement with key stakeholders and will publish a draft transition plan in early 2013. Over the course of 2014 Government, the ILF and the social care sector in England will co-produce a Code of Practice which will set out guidance on how local authorities can best support users through the transition. As we have made clear the ILF will continue to maintain current support for users until April 2015.

Summary of responses to consultation questions 2

Question 1

Do you agree with the Government's proposal that the care and support needs of current ILF users should be met within the mainstream care and support system, with funding devolved to local Government in England and the devolved administrations in Scotland and Wales? This would mean the closure of the ILF in 2015.

Individual responses

1. A significant majority of individual responses were opposed to the proposal. There was widespread concern amongst users about the potential impacts of the transfer on their current care and support arrangements. Users said they had mixed experiences of the local authority care and support system and felt that local authorities were not always able to provide the services they felt they needed.
2. ILF users tended to believe that local authority assessments of care needs were excessively budget driven and the ILF applied a more needs based approach. Users said they feared that the local authority may reduce the care package they currently receive or would not fund the type of activities that the ILF does.
3. A significant minority of users and carers said they would be happy for local authorities to take on responsibility for their care and support as long as their care packages remained unaltered. Those individuals identified two main advantages in support of this approach. Some respondents thought the system would be simpler as it would be easier to have one consolidated budget to manage. Some respondents also felt that there were efficiencies to be gained by transferring responsibility to local authorities as it would reduce the amount of duplication in the system.

“I feel it is irrelevant which pot the finance comes from, so long as care is not affected. Unfortunately I suspect that by local authorities holding the purse strings, eventually funding will be affected.”

Consultation response

4. Many individuals felt that the ILF had a positive impact upon their lives and that the funding they received from the ILF had allowed them to be involved with a range of activities and given them choice and control over their care. Many did not think that the local authority would give them the same level of flexibility. A number of users also expressed satisfaction with the service the ILF had offered them, particularly the consistency of the individual they were in contact with. However, not all individuals shared this positive view of the ILF. There was also a common desire to capture the knowledge built up by the ILF in this field.

“We have mainly struggled to find help for my son and since finding out about ILF, my son and I have benefited from these payments. I am able to gain additional support for my son, and the flexibility of where I find this support is invaluable.”

“My daughter has an individual budget from the LA which is much more flexible than her ILF funding. To have all her funding from one, much more flexible source would be beneficial to us.”

Consultation responses

5. The method of transferring funding as well as the amount transferred was raised by many users and carers. Many felt that ILF packages should be guaranteed in perpetuity or that funding should be ring-fenced only for the use of current ILF users. A smaller number believed that it would be fairer for funding to be ring-fenced for care for disabled people in general. Some respondents felt that the proposal was primarily motivated by a desire to achieve savings and were concerned that the amount of funding devolved would prove insufficient.

Local authorities

6. Local authorities have been broadly supportive of the Government’s proposal. This includes their representative bodies, the Local Government Association (LGA), the Association of Directors of Adult Social Services (ADASS), Association of Directors of Social Work (ADSW) and the National Association of Financial Assessment Officers (NAFAO).
7. Local authorities have expressed significant concern over the inequity that the current system creates because some people have access to ILF funding and others do not. This means that people with similar needs were receiving differing levels of support. Local authorities generally believed that if the funding was devolved to them the system would be fairer and more equitable.

“We currently have a two tier system which is not fair or equitable.”

Durham County Council

“Yes, this seems a much fairer and more consistent way of meeting care and support needs in the future to assist disabled people to lead independent lives.”

Wandsworth Council

8. Several local authorities expressed the belief that the ILF model is outdated given the development of Personal Budgets and Direct Payments. They explained that, whilst the ILF had done valuable work in bringing choice and control to disabled people, the reforms in social care provision meant that local authorities were now in a position to take on the funding.

“The progress made around personalisation of care since the ILF fund was set up means it no longer makes sense to have a separate social care funding stream administered by a board of trustees, with a different set of rules and remits from the mainstream care and support system.”

Lancashire County Council

“We agree that the development of personalisation and self-directed support by the different administrations in the UK now provides a real opportunity to integrate ILF with local authority adult social care support for independent living and greater choice and self-determination.”

City of Edinburgh Council

9. The method of funding devolution was a core issue for the local authorities. A large number of local authorities noted the very variable take up rates of the ILF which have resulted in some local authorities having many more users than other local authorities of a similar size. Therefore local authorities frequently articulated the need to devolve funding in accordance with current user patterns rather than on a per capita basis.

“Given the uneven distribution of the ILF budget, it will be important in the first instance to base the transfer of funds in each LA area upon the commitments to service users in that area.”

Local Government Association and the Association of Directors of Adult Social Services

10. Almost all local authorities expressed a desire for sufficient funding to be devolved to allow them to support current ILF users. There was no consensus on exactly what level of funding would be required.
11. A small number of local authorities argued for protection of users’ current packages and eligibility criteria, either for a transitional period or for the rest of the lives of the users. However, the majority thought this would be problematic logistically and legally.

“The local authority is already suffering from ‘legacy funding’ pressures, these are costly to administer and greatly inequitable, as the level of funding a person receives is determined by when they entered the system and not on their level of need.”

Sheffield City Council

14 Chapter 2 Summary of responses to consultation questions

12. However, there was recognition from many local authorities that any changes to support should be managed carefully. The LGA and ADASS said in their joint response that local authorities may wish to provide some transitional protection for users but that it should be up to the local authorities whether to do this and decide how it might be undertaken.

“The mitigation of such re-assessments will be determined locally, and LAs may decide whether they wish to exercise discretion in offering periods of protection, or a phased move towards the new personal budget calculated by the RAS. However, LAs will need to balance such arrangements with considerations of equity in resource allocation.”

Local Government Association and the Association of Directors of Adult Social Services

Organisations

13. There was no clear consensus among disability organisations as to whether the Government’s proposal had merit in principle. Larger national organisations did often recognise that there were issues with the current ILF model and there was an acceptance from a significant number of organisations that the ILF funding stream should be integrated into the mainstream system at some point. There was also sometimes recognition of the inequity of the current system. However, some of these organisations only felt the changes were acceptable if current users were protected. Others believed that the timing of this change was not right and that funding challenges in the social care system needed to be resolved before any change could be made. All organisations articulated their desire to minimise any impacts on current users of the fund with many saying that ILF users funding should be protected.

“In principle we are not against bringing ILF funding into the mainstream care and support system. However, we are strongly against the closure of the ILF until the mainstream care and support system is able to properly meet the needs of those who rely on this additional funding to lead their daily lives.”

MS Society

14. Smaller local and regional organisations usually believed that the potential impacts for current users of the ILF closing were too great for the proposal to be acceptable. Many of their concerns closely mirrored those expressed by users.

“It would be our strong preference for the ILF to remain in place, and be properly funded for both current recipients and new clients.”

Harrow Association of Disabled People

Question 2

What are the key challenges that ILF users would face in moving from joint ILF/Local Authority to sole Local Authority funding of their care and support needs? How can any impacts be mitigated?

Individual responses

1. The main potential impact that individuals identified was the transfer resulting in changes to care packages. A number of individuals believed that the changes would result in more limited flexibility in how they could use the funding allocated to them for care and support. Many felt that this could have a negative impact on their independence and social life. However, some users said that they believed they would have greater flexibility over their spending if money was administered through the local authority.

“Due to the ILF people can be more expressive of their personal needs which give them a better quality of life.”

Consultation response

2. Users and carers tended to say that this proposal would mean an increased administrative burden for them. Users said their experience of local authority support was that the administrative processes were more onerous and bureaucratic than those of the ILF. However, some users saw potential advantages of only having to deal with one organisation and thought that it would be simpler and more efficient.

“Whilst I can see the rationale behind closing the ILF scheme and integrating the existing funding streams, I am concerned that it will lead to more records being kept by the user.”

Consultation response

3. Some individuals were concerned that the changes may mean that their care provider would have to change or that there would be more limited choice over care providers.
4. A number of users raised the potential wider costs of this proposal as they felt that they may not be able to continue in employment if the proposal went ahead and that there may be some adverse impacts on their health leading to greater healthcare spending.
5. Some users and carers believed that the changes risked putting an increased strain on those who provide informal care and support for ILF users. They felt this may have a knock on effect on the economic productivity and health of carers.
6. A minority of users believed that if this proposal goes ahead that they would have to enter residential care as local authorities would not fund them to continue their current living arrangements.
7. Individuals who did not have contact with local authorities currently also expressed concern about what a transfer may mean for their care package; however, not all users in this position felt they could respond accurately to this question given their lack of experience of local authority support.
8. The most common action identified by users as potential mitigation was to maintain current awards for all users after any transfer.

Local authorities

9. The main impact identified by local authorities was the potential changes to individual packages. The local authorities said they would need to assess users' needs under the FACS criteria and using their Resource Allocation Systems. Most local authorities stated that individual care packages may fall for users as the ILF can fund packages using different eligibility criteria.
10. A significant number of local authorities stated that if reductions to care packages were to take place that they would work closely with users to carefully manage these changes and, where appropriate, look to bring in changes gradually.
11. Some local authorities thought they were well placed to offer a flexible service to users because the use of personal budgets and direct payments were well established within their local authority. Some also stated that users may have greater flexibility in the use of their funding in the local authority system. A smaller number thought that their current practices and guidelines would mean that ILF users would have less flexibility in the use of their funding.
12. A significant number of local authorities said that the proposal would result in a simpler administrative process for individuals as they would only have to undergo one assessment and only fill in one set of paperwork. The vast majority of users currently have to undergo two assessments and complete ILF as well as local authority paperwork.

“For the majority of service users who have a joint package it will streamline their funding into a single process, and provide a holistic view of their needs and the support they require.”

Barnsley Metropolitan Council

13. Many local authorities said that their charging policies would mean that users would have to pay a smaller amount towards their cost of care.
14. One of the most common potential mitigating actions raised by local authorities was a period of joint working between the local authorities, the ILF and DWP to ensure that local authorities were aware of users current care arrangements and to ensure that the changeover could be smoothly managed.

Organisations

15. Organisations were primarily concerned about any reductions or loss of flexibility in users packages and the potential impacts of this on the user and those who care for them.
16. Organisations commonly mentioned their desire to see ring-fenced support for ILF users, at least on a transitional basis, and the importance of devolving an adequate level of funding.

“Mencap firmly believes that the focus of the reforms should be about finding a system which works best for those that it was designed to support. This should not be a cost saving exercise.”

MENCAP

Question 3

What impact would the closure of the ILF have on Local Authorities and the provision of care and support services more widely? How could any impacts be mitigated?

Local authorities

1. Local authority comments were mostly focused on the assessments and administration that the change would entail. Many said that this change would require an administrative effort and an increased use of assessor resources. Local authorities' main concern was that the change was appropriately funded.
2. Many local authorities said that Group 1 users who did not have contact with the local authorities would place the greatest resource burden upon them because they did not currently undergo any local authority assessment and their details were not held by the local authorities.
3. It was stated that ILF agencies and personal assistants are often paid higher fees when services are purchased with ILF funding rather than with local authority funding. This can be the case even where the service being purchased is identical. Therefore, local authorities said service providers should be made aware of this potential implication of the change.

“Some support providers have been accustomed to charging different hourly rates to ILF and to the LA...We are aware that many providers will be charging the ILF more per hour and in some cases this will be in excess of 10 per cent more per hour.”

West Sussex County Council

4. Mitigations identified by local authorities tended to centre around securing the maximum funding transfer from Government. It was emphasised strongly in this section that funding needed to be distributed according to current expenditure patterns rather than per capita as the variable take up rates of ILF funding would mean widely differing levels of administrative burden for local authorities.

Individual responses

5. Users were generally sceptical about local authorities' capacity to manage change effectively and believe that closure of the ILF would place significant additional pressure on local authority resources.
6. Users also emphasised the need for the ILF and local authorities to work together and for local authorities to learn from the way the ILF administered their packages. Some suggested that local authorities should employ current ILF staff to help with the transition.

Organisations

7. Organisations sometimes said that local authorities may not be able to cope with the potential increase in workload that they feel this change would bring.
8. They were also concerned about the funding pressure that they believe local authorities are under and the potential implications of funding pressures on how devolved funding would be spent.

Question 4

What are the specific challenges in relation to Group 1 users? How can the Government ensure this group are able to access the full range of Local Authority care and support services for which they are eligible?

1. Group 1 users are those who applied to the original ILF fund between 1988 and 1992. These users have different eligibility criteria to those who joined the fund from 1993 onwards (known as Group 2 users). Group 2 users must have a minimum local authority contribution to their care package of £200 per week to be eligible for the ILF. Group 1 users do not need to have a local authority contribution to their care package. Of the 19,136 users of the fund 3,008 are Group 1 users. Upon transfer it is projected that there will be 2,412 Group 1 users.
2. Many Group 1 users do have a local authority contribution to their care package. Of the 3,008 Group 1 users, 1,812 are currently definitely receiving a local authority contribution to their care package. The remaining 1,296 either do not have a local authority contribution to their care package or have not informed the ILF of it.
3. We recognised that there may be some issues which related specifically to Group 1 users and this question was designed to identify those issues.

Individuals

4. It was felt that these individuals may find accessing local authority care and support for the first time challenging as they would not be used to the local authority processes and assessment procedure.
5. Responses pointed out that all Group 1 users have been receiving funding from the ILF for at least 20 years. Therefore they may find it particularly challenging to adapt to new circumstances as they will be very familiar with their current care package.
6. People were concerned that local authorities may not be aware of some Group 1 users which would make accessing care and support services more difficult.
7. Group 1 users who had no contact with their local authority currently were sometimes concerned about an increased level of scrutiny on their lives.
8. Clear communication to Group 1 users about available care and support services and joint working between the ILF, local authorities and users in the run up to changes were strongly supported.

Local authorities

9. Local authorities thought that Group 1 users who do not receive any local authority care funding would present additional resource and logistical challenges.

10. Local authorities recognised that Group 1 users were likely to have very varied levels of needs. Some of the lower needs Group 1 users would not be eligible for local authority funding. Local authorities who identified this sometimes said that they recognised the potential problems created by removing support packages that have been in place for a long time. If the removal of support was necessary for some individuals a few local authorities identified the need to remove support slowly and give the individual time to adjust to new circumstances.
11. Local authorities wanted there to be clear communication to Group 1 users that if they failed to engage with the local authority then they would not be able to receive any funding.
12. Local authorities thought it essential that they were made aware of Group 1 users before the transfer and that the necessary user agreement to transfer data to the local authorities was secured well in advance of the handover. In a number of cases the local authority seemed to reference accurate information about Group 1 user numbers in their area suggesting that some have already identified this group of users.

Organisations

13. Some organisations emphasised the need for early planning with local authorities for those who did not currently receive any local authority support.
14. The challenges in accessing local authority care and support for the first time, such as engaging with a different method of assessment, were highlighted. Organisations said that users needed to be supported to adapt to any changes.

Question 5

How can DWP, the ILF and Local Authorities best continue to work with ILF users between now and 2015? How can the ILF best work with individual local authorities if the decision to close the ILF is taken?

Individuals

1. There was a strong desire for regular communications with users about the future of the fund and potential transfer plans, even if there was nothing new to add, to provide reassurance to users and their families.

“Communicate what is happening! Service users feel this is out their hands. The opportunity to air our views about the changes here online is a step in the right direction but the quicker a decision is made as to our future the better.”

Consultation response

2. Individuals often felt that users would benefit from a joint local authority and ILF review prior to transfer. Local authorities would need to be made aware of the current care arrangements so that they could plan for a transfer.

“All three bodies have sufficient time before 2015 to plan the exit strategy and transition effectively to ensure a seamless move without any disruption or denigration of service. Effective consultation, communication and cooperation is essential. Users must feel confident that they will not be adversely affected.”

Consultation response

3. Many saw the run up to 2015 as an opportunity for the ILF to pass on their knowledge of the users and of the administration of care and support services. Some suggested that the ILF hold training seminars for local authorities.
4. Individuals in Scotland and Wales wanted more information from their respective Governments about how they planned to distribute the funding that will be devolved.

Local authorities

5. Local authorities thought that a period of working with the ILF on the details of the transfer was essential in the run up to closure of the ILF.

“For people in group 2 classification it would be of benefit to arrange joint reviews of the care packages. For those people in group 1, the ILF and DWP need to pro-actively seek ways of making sure that people have all of the information they need to be able to make contact with their Local Authority.”

Dorset County Council

6. A few local authorities said that a specific contact at the ILF would make the transition easier to manage.

Organisations

7. Organisations tended to focus strongly on the support and assistance that organisations of and for disabled people could play in ensuring any changes work effectively for users as well as the necessity of clear communication to and engagement with users of the ILF.

“ILF users (and their ‘circle of support’ if appropriate) must be encouraged to fully engage with Local Authorities in the process of support planning.”

Enham

Other comments made

3

1. During the consultation a wide variety of comments were made which did not easily fit into one of the main consultation questions.
2. A few users and organisations said that the fund should not have been closed in 2010 and that the fund should be reopened to users. Often a large budget increase was argued for alongside this suggestion.
3. A number of users, particularly those who attended consultation events, said that they thought the ILF should take administer all social care funding on a UK wide basis or that its current remit should be significantly expanded.
4. Organisations and users sometimes raised concerns that this proposal would impact on the UK's adherence to article 19 of the UN Convention on the Rights of Persons with Disabilities.

Government response

4

1. It is clear from the responses we have received through the consultation process, and in talking to users and their carers, that the support the ILF provides has played a really important role in users' lives. The ILF proved that disabled people, including those with complex care needs, could and should be able to exercise choice and control over the support they need to live independently. We know that the proposal to close the fund in 2015 has given rise to considerable concern for users and have reflected carefully on their contributions to the consultation.
2. While ILF users have been very clear about the potential impact of closure on their lives, the views expressed by a range of organisations support our analysis that the ILF model has increasingly become a two-tier system with an unnecessary level of complexity. Local authorities have highlighted the challenges they face in supporting disabled people in an equal and consistent way, where some users continue to receive support from the ILF under different eligibility criteria. The way ILF funding has been used has varied significantly over time, with the required LA contribution to care packages not always reflecting the intended balance between the two funding streams. The requirement for LAs to maintain a minimum contribution to care packages, even where needs have changed, has put LAs in a very difficult position when meeting the needs of users alongside those of other disabled people.
3. Those users who joined the ILF before 1993, and who may not currently be receiving any support from their LA are understandably very concerned about how their needs would be met if the ILF closed. That this group of disabled people, who vary significantly in terms of their needs, continue to receive all of their support from outside the statutory system is a historical anomaly. We do not believe it can be justified almost 20 years on from the closure of the original pre-1993 fund. It is an imperative that this group are integrated into the mainstream system where they can receive the full range of services and support they may be eligible for.

4. Having carefully considered all of the views expressed through the consultation process, and reflected carefully on the challenges in maintaining the ILF as a legacy fund, we believe that closure of the ILF in 2015, with funding devolved to local government in England and the devolved administrations in Scotland and Wales, is the best way forward.
5. We know that the primary concern of users and their families is that their care and support arrangements will be impacted by closure. Most users said that the ILF should continue to provide current support alongside that provided by the local authority for as long as they needed it. Where users agreed in principle that it made sense to integrate the funding streams, this was on the basis that their care packages would be protected into the future and funding would be ring-fenced to meet their needs.
6. We understand concerns about the potential impact on care packages. However, ILF users have a diverse range of needs and the funding balance between ILF funding and LA funding varies significantly. This would make it difficult to justify a guarantee that care packages could be protected into the future. We believe that individual local authorities are best placed to ensure these needs are met in a consistent way alongside the needs of the other disabled people. Government policy on ringfencing is clear. Local authorities need to be allowed to meet their statutory responsibilities in a flexible way; the ringfencing of funding prevents this and creates an unnecessary administrative burden. In their responses to the consultation, most local authorities said they would be strongly opposed to the imposition of a ringfence around this funding.
7. The variation in the way in which ILF funding has been used, and in the balance between ILF and LA funding means that it is not possible to assess how individual packages will be impacted after reassessment. We expect that some users are likely to see changes in their funding packages as eligibility is aligned using local authorities' criteria. Given the levels of need of Group 2 ILF users they would be very likely to qualify for local authority support upon transfer. Whilst some Group 1 users may find that their levels of need will mean they are not eligible for support, most are likely to be assessed as eligible for local authority care. From April 2015, the Government will introduce a national minimum eligibility threshold that will ensure consistency in access to services across local authorities in England. The eligibility criteria will set a national minimum threshold which local authorities will not be able to tighten but they will be free to set at a more generous level if they so chose. In their responses the LGA, ADASS and a significant number of local authorities said that they would expect some local authorities would seek to provide transitional protection to users to help them manage any changes to support arrangements. But, there was clear support from this group of respondents for local authorities to be allowed to consider this on a case by case basis following an assessment of user needs.
8. Although the ILF has applied national eligibility criteria consistently, there has been significant geographical variation in the take up of ILF funding. Local authorities and users told us that it was crucial that funding was allocated to local authorities and to the devolved administrations in a way that reflected the current expenditure patterns. We believe that there is a strong case for this approach as it will help ensure a smooth integration of users into the mainstream care and support system and prevent any local authority or country being disproportionately affected by the closure of this fund. The Government will bring forward proposals on this basis for the devolution of funding to local authorities in England and the devolved administrations in Scotland and Wales, in due course.

9. We know users have concerns over whether they would be able to exercise the same flexibility in how they use funding provided by the local authority. The ILF has been operating direct payments since its inception in 1988. While it is true that the ILF has given users significant flexibility over how they use their funding, the use of direct payments and personal budgets in England is ensuring that disabled people exercise choice and control over how they are supported in the mainstream care system. Models of self-directed support, including the use of personal budgets and/or direct payments, are also in place, or are being developed, in Scotland and Wales. The forthcoming Care and Support Bill will establish a legal right from 2015, in England, for all disabled people eligible for ongoing care and support to a Personal Budget. There will also be a right, except in a limited number of cases where individuals do not meet relevant criteria, to receive some or all of their funding through a Direct Payment. The experience of ILF users in managing their care will help to demonstrate their abilities to manage direct payments in the future. The ILF will be working closely with the Government's in Scotland and Wales to consider how user concerns on access to direct payments can be addressed in each of those countries.
10. The issue of potential impacts on carers was raised by some individuals and a few organisations. The Government recognises the vital contribution that carers make to the wellbeing and independence of those they care for. We also know that caring brings challenges. That is why, from 2015 in England, carers will have a legal right to support from local authorities where they meet a national minimum eligibility criteria. This is a major change from the current system where local authorities are not obliged to provide support even when they have identified a need. The new entitlement will help carers exercise greater choice and control over their own lives and help them to balance caring with work and leisure activities. This new entitlement will help to support parents and other informal carers of ILF users. As DWP and the ILF develop detailed transition plans we will continue to consider how the closure might impact carers and how negative impacts can be mitigated.
11. The original purpose of the ILF was to provide the additional funding disabled people needed to live at home when the alternative was residential care. The original motivation for the LA contribution to care packages of £200 per week was that figure was the approximate cost of residential care in 1993. The ILF payments were intended to be top up funding needed to employ carers and personal assistants to allow users to live at home. Given this background, it is understandable that users and their families have expressed concern that the closure of the fund will mean that users may be required to have their needs met in a residential setting rather than their own home. However, we do know that some ILF users are already living in supported living environments in the community, and that within the range of collective care settings available, disabled people can benefit significantly from these arrangements and live relatively independent lives. Nonetheless the costs of residential care for ILF users with high needs are often well in excess of the value of current care arrangements, and local authorities have stated that it will be in their and the users interest to maintain viable and sustainable care arrangements already in place after 2015.

Next Steps

12. Respondents stressed the need to make the transfer a smooth process which would minimise anxiety and disruption for users and reduce logistical challenges for local authorities. The ILF will soon commence an intensive programme of consultation with key stakeholders and will publish a transition plan in early 2013. This will centre on the role that a transfer review programme will play over the next two years. Every two years ILF care packages are reviewed, often with a local authority social worker in attendance. From Spring 2013 this programme of reviews will take the form of a transfer review process, and will be a key opportunity for users to discuss their current care needs with the representatives of both organisations, and receive advice on how they will transition to sole LA care in 2015. Eligibility for the period up to April 2015 will be on the basis of ILF criteria and charging regimes and the ILF will continue to fund assessed care needs up to then. The reviews will ensure that local authorities have a full picture of how ILF users' funding is currently being used and of the outcomes users are securing through their care packages.
13. We know that Group 1 users, particularly those who have no funding from their local authority at the moment, may find moving over to sole local authority care and support particularly challenging. This group will be required to meet with representatives of their local authority. The joint review will help these users establish a relationship with their local authority and ensure the local authority is fully aware of their needs. These discussions will be about how they can be supported after 2015 and will not impact their current care packages. It will also provide an opportunity for the individual to receive information about the mainstream care and support system including the range of universal services they may be eligible for. We know that local authorities will need to be informed in advance of the transfer of Group 1 users in their area as well as be provided with relevant data to plan for future care arrangements. We will be working with Group 1 users and local authorities closely to make sure that local authorities have all the information they require, and that users have been given full information about the nature of any data transfer and given their consent before any such transfer takes place.
14. To guide local authorities on how ILF users can be supported through the transition, over the course of the next two years the Government, ILF and the social care sector in England will co-produce and publish a Code of Practice. Users and their representatives will have an opportunity to feed into this work. The ILF will also work with the Scottish, Welsh and Northern Irish Governments as well as representatives of the care and support system in Scotland, Wales and Northern Ireland to develop and communicate guidance where applicable.



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For more information about this publication,
contact:

ILF Consultation Team
Ground Floor Caxton House
Tothill Street
London
SW1H 9NA

Email: ilf.consultation@dwp.gsi.gov.uk

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Department for Work and Pensions

December 2012

www.dwp.gov.uk

ISBN 978-0-10-184202-0

