



Department for
Communities and
Local Government

Funding Local Authorities to support former Independent Living Fund (ILF) recipients: The Former ILF Recipient Grant

Technical Consultation: Government Response



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Department for Communities and Local Government
Fry Building
2 Marsham Street
London
SW1P 4DF
Telephone: 030 3444 0000

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1. Introduction

- 1.1 On 10 February 2016, the Government commenced consultation¹ on the new 'Former Independent Living Fund (ILF) Recipient Grant'. The purpose of the grant is to enable local authorities to continue to support service users previously in receipt of the ILF. This document sets out how the Government intends to proceed.
- 1.2 The ILF was established in 1988 to enable disabled people to continue to live in the community rather than in residential care. It was managed by the ILF Trust, set up by the Department for Work and Pensions.
- 1.3 Following a decision by the Coalition Government, the ILF was closed on 30 June 2015, creating a single care system managed by local government. This followed the introduction of the Care Act 2014 which ensured that the key features of ILF support, namely personalisation, choice and control, are now part of mainstream adult social care system.
- 1.4 In announcing the decision to close the ILF, the Government stated that funding for 2015/16 in respect of former ILF users was to be distributed between councils in England and the devolved administrations in Scotland and Wales, in a way that reflected the ILF's forecast expenditure in each area at the point of closure.
- 1.5 At the time of the ILF's closure there were agreed support packages for English ILF users amounting to £186.2 million for 2015/16. The ILF Trust deducted 25 per cent of this total to cover payments during the first quarter of 2015-16. The remaining 75 per cent, £139.7 million, represented the maximum amount that local authorities would need to allow them to fully fund the remaining commitments to former ILF users for the remainder of the financial year.
- 1.6 The Government therefore issued a grant worth £139.7 million to local authorities in England, covering the remaining 9 months of 2015/16. To address future funding of local authorities, the Government published a consultation on the value and distribution methodology for the new 'Former ILF Recipient Grant'.
- 1.7 The consultation invited comments specifically on the proposed methodology for both the overall value of the grant and how the funding is to be allocated between local authorities.
- 1.8 In addition, the consultation sought views on the Government's draft equalities statement which set out provisional views on the equalities impacts on those with protected characteristics.

¹https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/499151/Former_ILF_Recipient_Grant_Consultation.pdf

2. Consultation Responses and Government Response

Overall summary

2.1 The consultation was undertaken between 10 February 2016 and 22 March 2016. There were 31 responses to the consultation. Responses from local authorities represented the largest group of respondents (22 responses). The questions on which the consultation sought views were as follows;

Q1. Do you have any comments on the proposal to use the ILF model to calculate the value of the Former ILF Recipient Grant?

Q2. Do you have any comments or suggestions about the proposal to continue to maintain the link between historic ILF client numbers and the distribution of the Former ILF recipient Grant?

Q3. Do you have any comments with our provisional equalities assessment?

2.2 The following is a breakdown of the profile of responses:

- Unitary Councils – 8
- District Councils – 7
- County Councils – 7
- Members of the public / Former ILF recipients or family members – 5
- Representative bodies – 3
- Other – 1

2.3 In addition, to ensure that the consultation engaged effectively with council health and social care officials, the Government discussed the contents of the consultation at the County Council Network Health & Social Care Forum. Initially established as the Care Bill Implementation Group, the Forum consists of senior adult social care officers from across England.

2.4 The majority of those who responded broadly welcomed the proposals. All responses were considered and the Government would like to thank everyone who took the time to respond.

What respondents said and the Government's response

Do you have any comments on the proposal to use the ILF model to calculate the value of the Former ILF Recipient Grant?

2.5 Of the responses received 55.1 per cent supported the proposal to calculate the value of the 'Former ILF Recipient Grant' using the now closed ILF Trust's financial model, whilst 22.6 per cent disagreed and 22.3 per cent did not signal a position. Of those that disagreed with the proposal, the most common concern was that the Government had not included in its valuation the introduction of the National Living Wage (NLW).

2.6 The Government considered this the introduction of the NLW against the New Burdens doctrine² which assesses whether local government should be funded for changes in their duties caused by central government policy. In line with the doctrine, as all sectors will be subject to ensuring that employees are paid the NLW, the Government does not agree that additional funding to compensate for its introduction should be included when calculating the value of this grant.

The Government's response

2.7 The Government has carefully considered the responses and given the majority support of the proposals, alongside the fact that the model is based on several years of accurate expenditure data, it will proceed in using the ILF Trust's model to calculate the value of the 'Former ILF Recipient Grant'.

Do you have any comments or suggestions about the proposal to continue to maintain the link between historic ILF client numbers and the distribution of the Former ILF recipient Grant?

2.8 Of the responses received 67.8 per cent supported the proposal to link historic ILF client numbers to the distribution of the 'Former ILF Recipient Grant', 6.5 per cent disagreed and 25.7 per cent did not signal a position.

2.9 One response suggested that funding should reflect claimant numbers if the ILF had not closed to new applicants in 2010. It claimed that by not doing so, the allocations were not reflective of need in individual areas. However, following the closure of the ILF, the Government has not made local authorities responsible for providing support to new claimants. Funding has been provided specifically to reflect the duty to look after existing ILF claimants transferred to local authorities.

2.10 In addition, one response argued that attrition rates would likely vary between Group 1³ and Group 2⁴ users and the distribution should reflect this. As the value of the grant in 15/16 was based on actual remaining commitments to ILF users, local variations in Group 1 and Group 2 uptake were taken into account when the distribution was set at the time of the ILF's closure.

The Government's response

2.11 The Government has carefully considered the responses and given the majority support of the proposals it will proceed to directly link local authority allocations with expenditure patterns at the time of the ILF's closure.

Do you have any comments with our provisional equalities assessment?

2.12 The Government also asked for views on a draft Equalities Statement. Of the responses received, 71.0 per cent were either content or made no comment, whilst 29.0 per cent believed that further consideration was necessary. Of those replies, a number believed that ring-fencing funding would better protect ILF users.

² <https://www.gov.uk/government/publications/new-burdens-doctrine-guidance-for-government-departments>

³ Group 1 were ILF users who started receiving funding before February 1993. There was no requirement for their local authority to contribute to their care package.

⁴ Group 2 were ILF users who started receiving funding from April 1993 onwards. They were required to have had at least £200 of services provided by their local authority each week in order to receive ILF funding.

2.13 The Government believes that local communities are better placed than central Government to make decisions about their own area. For this reason local councils should have the flexibility to decide how best to provide funding and support at a local level. By providing funding through an unringfenced grant, councils may indeed use the funding for services other than supporting former ILF recipients. However, as the Government intends to provide funding at a level where councils can fully fund existing care packages to former ILF users, the choice rests with local authorities as to whether to do so.

The Government's response

2.14 The Government has carefully considered the responses and given no new information was provided that would mean that the equalities statement should be revisited, the Government is content with the statement as drafted in the consultation.

Conclusion

2.15 After assessing the responses, the Government confirms that the 'Former ILF Recipient Grant' will be paid to local authorities as outlined in the consultation document.