

***Distribution Sub-Group (2017) Paper 3 – Transfer of Independent Living Fund into Revenue Support Grant 2018-19***

**This discussion paper has been written by officials of the Welsh Government. Ministers have not had an opportunity to comment on the contents. Exemplifications of changes are provided simply to inform discussion by DSG members. They are not Welsh Government proposals or statements of Government policy for or against changes.**

**Transfer of Independent Living Fund (ILF) in the Revenue Support Grant (RSG) from 2018-19**

**Summary**

1. This paper seeks DSG's views on the distribution of the Independent Living Fund, which it is proposed is transferred into the RSG from 2018-19.

**Views sought**

2. DSG is asked to comment on the proposal that the ILF is transferred into the RSG on the basis of actuals in 2018-19 but on the basis of formula from 2019-20 onwards.

**Background**

The ILF

3. The ILF was established in 1988 by the UK Government to make cash payments to severely disabled people in the UK to help with the additional cost of living independently in the community. Recipients were largely people aged 16-64 with a learning or physical disability. To be eligible recipients had to be in receipt of the high rate of care or mobility awards of disability-related benefits, such as Disability Living Allowance or Personal Independence Payments. Initial applicants, classed as "Group 1", did not have to also have care and support from their local authority, although later applicants, classed as "Group 2", did.

4. ILF was administered by the DWP and support differed from social service support in that it focussed more on people's independence needs, such as assistance in participating in work, learning or training, in their hobbies, or in maintaining relationships with friends and family. Support could be provided in a person's home, or in the community generally, at work, or in education. In Wales there were around 1,600 ILF recipients receiving on average just over £300 per week.

5. The UK Government closed the fund to new applicants in 2010 and closed it completely on 30 June 2015. Responsibility for supporting recipients in England passed immediately to local authorities with no transition arrangements. In Wales responsibility transferred to the Welsh Government.

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### The Welsh Independent Living Grant (WILG)

6. To maintain support in the short-term, Welsh Ministers established the WILG with local authorities. Under this the funding has been provided to authorities to enable them to make payments on the Welsh Government's behalf to recipients at the same level of the awards they had from the ILF at the point of its closure. This was to ensure a smooth transition from support being provided by the ILF. These arrangements were to continue until 31 March 2017 whilst options for support in the long-term was considered.

7. Funding under the WILG has been allocated on the basis of actuals, based on the number of recipients and the level of their payments in each authority. As a result, £26.8 million was issued to authorities for 2016-17 to pay 1,552 recipients. This number has since reduced to 1,507 by 31 December last year. The number of recipients in each authority varies greatly, with the minimum number being 21 and the maximum being 175.

### Future Support Arrangements

8. Following a public consultation, and consideration of options, Welsh Ministers have decided that future support should be provided as part of local authorities' social care provision. This is so that all disabled people in Wales are supported to live independently in the same manner. To introduce this, Ministers have decided on a two-year transition period whereby recipients will have a care assessment, with a particular focus on independent living, and migrate to social care provision as soon as their future care package is available.

9. The transition period would cover 2017-18 and 2018-19. This is to allow sufficient time for authorities to undertake all assessments and to put in place future support arrangements, which in some cases may need to be developed locally. Once a person's future support is available they will receive this, with ILF style payments ceasing. Until then they would continue to receive payments as now. The intention, however, is that by 31 March 2019 all recipients will receive their support through local authority social care. Hence the transition period will be a period of flux, as initially recipients receive payments but transfer over to local authority social care at the point that their future support is available.

### Future Funding Arrangements

10. To ensure support continues with the minimum of disruption Ministers have decided to continue the WILG for 2017-18, with the proposal that all funding is then provided to local authorities from 2018-19 through the RSG. This is so that authorities continue to receive funding in 2017-18 on the basis of actuals while payments are still being made to recipients.

11. However, the intention is then to transfer the relevant funding into the RSG from 2018-19 onwards as support begins to be provided through authorities' social care. In terms of distribution, if this was done on a formula basis for the first year, ie the last year of the transition period, this would not accurately reflect the actual funding requirement in each authority. This is on the basis that payments

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will still be being provided to some recipients whilst care assessments, to enable their transfer to social services, are being undertaken. This is particularly so as the number of recipients in each authority differs from the younger adults IBA formula that would be used, ie the major client group. Hence for this first year in the RSG, it is recommended that the funding is distributed on the basis of actuals to reflect actual costs. This would, due to the need to confirm this for the draft settlement, have to be done on the basis of the 2017-18 actuals as data for 2018-19 would not be available at that point.

12. However, by 2019-20 all recipients will be receiving their future support through social services. Hence at this point there is a stronger case for funding being distributed on the basis of formula. Funding could be fully distributed on the basis of formula, or could be phased towards this over a period.

13. Annex A shows the provisional allocations of WILG grant for 2017-18 per authority based on the number of the recipients and the level of their awards. If funding were then to be provided in the RSG on the basis of actuals for the 2018-19 it would be this distribution that would be used. For comparison, what Annex A then shows is the distribution of the full funding available in later years should the younger adults IBA formula be used instead. DSG will note that for some authorities, there is a substantial difference in distribution between the two methods.

14. Whatever distribution method is chosen for when the funding goes into the RSG, DSG is asked for an early indication of its views on this. This is due to the fact that both local authorities and recipients are keen to know as soon as possible the likely way funding will be provided in future; local authorities so as to plan for the financial consequences of this change in the support arrangements, and recipients to have an assurance that their local authority will have the funding they require to initially maintain their payments and to then provide their longer-term support.

**Conclusion**

15. Members are asked to:

- note the change in arrangements for supporting those who used to receive payments from the ILF;
- note the intention that the funding is transferred into the RSG from 2018-19 onwards;
- consider the method of distribution of this. For 2018-19 it is recommended it is on the basis of actuals;
- consider the basis of distribution for 2019-20 onwards. It is recommended this is done on the basis of formula.

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**Paying for Care, Partnership and  
Cooperation, Social Services and Integration  
Directorate, Welsh Government**

**Welsh Independent Living Grant Proposed Allocations for 2017-18 and Exemplification of Proposed Funding for Future Years if Younger Adults' IBA Formula Used**

<b>£000</b>				
<b>Local Authority</b>	<b>No. of Recipients</b>	<b>Proposed Allocation 2017-18</b>	<b>Modelled allocation on 2017-18 Younger Adults' PSS</b>	<b>Difference</b>
Isle of Anglesey	37	775	577	-198
Gwynedd	116	2,063	1,014	-1,049
Conwy	75	1,244	952	-292
Denbighshire	42	769	830	61
Flintshire	90	1,586	1,260	-326
Wrexham	95	1,901	1,175	-726
Powys	65	1,262	1,086	-175
Ceredigion	31	570	655	85
Pembrokeshire	72	1,342	1,002	-340
Carmarthenshire	175	3,135	1,576	-1,559
Swansea	75	1,222	2,164	942
Neath Port Talbot	64	1,273	1,324	51
Bridgend	64	1,203	1,249	46
Vale of Glamorgan	35	691	1,043	352
Rhondda Cynon Taf	143	2,492	2,143	-350
Merthyr Tydfil	34	564	557	-7
Caerphilly	59	1,010	1,627	617
Blaenau Gwent	27	408	653	245
Torfaen	53	891	812	-79
Monmouthshire	21	349	720	371
Newport	51	888	1,299	412
Cardiff	83	1,253	3,283	2,029
<b>Total</b>	<b>1,507</b>	<b>26,889</b>	<b>27,000</b>	<b>111</b>