

Distribution Sub-Group (2018) Paper 18 – WILG Distribution

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.

Welsh Independent Living Grant distribution

Summary

1. This paper looks at the future distribution of the Welsh Independent Living Grant (WILG) funding that transferred into the settlement in 2018-19.

Views sought

2. DSG members are asked to consider the potential distribution of the WILG funding beyond the 2018-19 settlement and to make a recommendation on a way forward.

Recent related papers

Distribution sub-group (2017) Paper 3: Welsh Independent Living Grant transfer

Background

3. The Independent Living Fund (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.
4. 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.
5. 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 were considered.
6. Following a public consultation, and consideration of options, Welsh Ministers decided that future support should be provided as part of local authorities' social care provision. To introduce this, Ministers 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.
7. The transition period covers 2017-18 and 2018-19 to allow sufficient time for authorities to undertake all assessments and to put in place future support arrangements, which in

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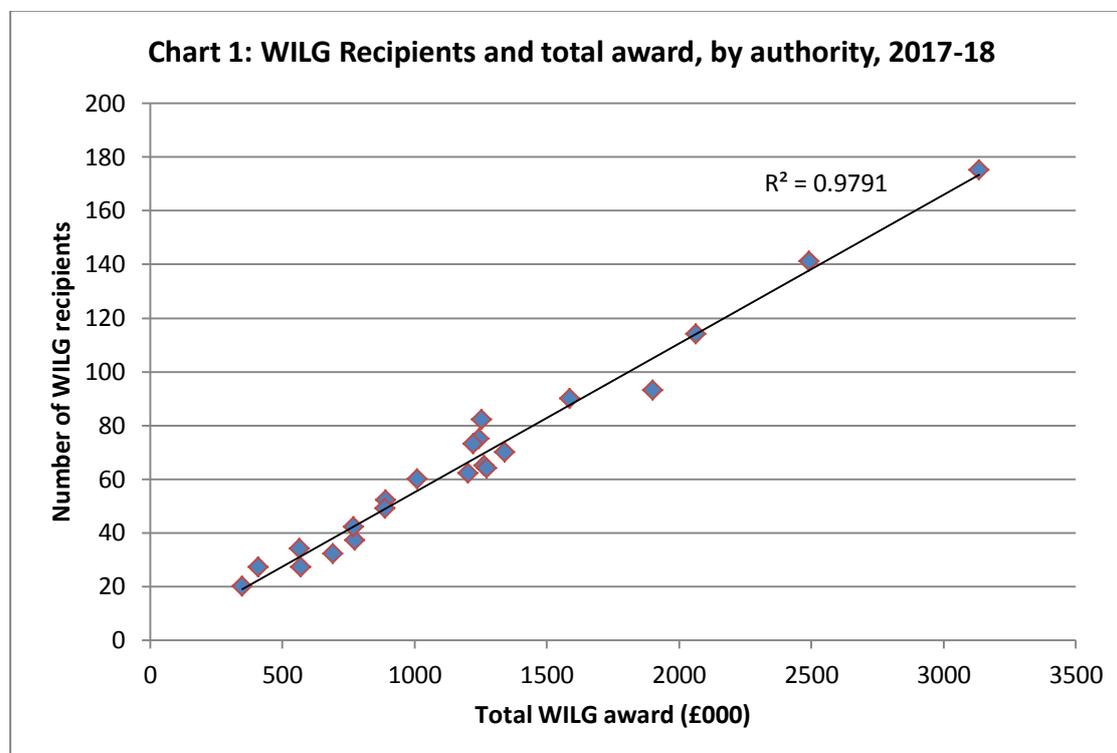
some cases may need to be developed locally. Once a person's future support is available they will receive this, with ILF style payments ceasing.

8. The WILG continued for 2017-18 and the funding transferred into the settlement for 2018-19 on the basis of actual payments made to authorities in 2017-18, as agreed by the DSG.
9. Authorities are currently reviewing people's care needs and transferring their support from WILG-style payment to their social services. This review stage will be complete by September 2018, with the new funding arrangements for all recipients transferring over by 31 March 2019.

Analysis

General observations

10. The first two columns of table 1 in the annex show the total WILG award in 2017-18 (used to distribute the £27m funding through the 2018-19 settlement) and the corresponding number of recipients at the beginning of that year respectively.
11. The final three columns show the number of recipients that were no longer eligible by the end of the year; the number still receiving WILG payments; and the number receiving all their support through the local authorities' social care system. It is not possible to split local authority expenditure between these two last groups.
12. Despite there being a difference of £125 in the average weekly payment per recipient between some authorities, chart 1, below, shows that there is a strong correlation between the number of recipients and overall expenditure (for 2017-18).



13. There is a large difference in the attrition rate by authority, ranging from 0% in three authorities, to 13% in Vale of Glamorgan and 17% in Cardiff.

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14. As of 31 March 2018, there are two authorities (Powys and Monmouthshire) that have completed the transition of all their recipients and four authorities (Swansea, Blaenau Gwent, Torfaen and Cardiff) that have not transitioned any recipients.

Distributional considerations

15. The distribution of the WILG funding in the 2018-19 settlement uses actual expenditure from 2017-18, so is 1 year out of date and, therefore, doesn't account for the transfer to new funding arrangements or attrition within 2017-18, let alone throughout 2018-19, at the end of which point, all recipients should have transferred to the new arrangements.
16. Beyond the 2019-20 settlement, this expenditure will be picked up through the RO data and, therefore, the group may like to consider the potential for a transition formula for 2019-20 and letting the mechanics of the settlement take care of the distribution from 2020-21 onwards.
17. If, for 2019-20, there were some kind of transitional settlement formula that distributed funding partly on pre-existing formula and partly on past WILG data, due to the differing rates at which authorities are transitioning recipients, the group may have to revert back to the 2017-18 expenditure data, so as not to disadvantage those authorities that have more fully transitioned recipients.
18. If using some kind of transitional formula, members may like to consider using a proportion of claimants still being paid WILG, compared to those who have transitioned to set the weightings between actuals and pre-existing formula.
19. As the ILF was paid largely to the 18-64 age group, if a pre-existing formula were to be used in any capacity, members might like to consider whether the younger adults' personal social services formula is the most appropriate, or whether a combination of formulae (or a sector distribution) is more appropriate.
20. Given the above considerations, an example of a potential distribution mechanism for the 2019-20 settlement is shown in table 2. This method looks at the ratio of the number of recipients still receiving payment as at 31 March 2018 (1,007) and the number of recipients that have transitioned as at 31 March 2018 (396) to give a formula split of 72% based on the total 2017-18 WILG award and 28% on the younger adults' PSS formula.
21. Under this scenario, Cardiff has the largest increase in Standard Spending Assessment (SSA) in the transitional year of £569k (45%) and Carmarthenshire has the largest decrease of £440k (14%).

Conclusion

22. DSG members are asked to consider the potential distribution of the WILG funding beyond the 2018-19 settlement and to make a recommendation on a way forward.

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Annex

Table 1: Welsh Independent Living Grant (WILG) – April 2017 to March 2018

| Unitary Authority | Total WILG Award 2017/18 (£000) | No. of Recipients at 01/04/17 | In-Year Attrition (No Longer Eligible) | No. Still Receiving Payments at 31/03/18 | No. Now Receiving All Their Care & Support from LA at 31/03/18 |
|----------------------------------|--|--|---|---|---|
| Isle of Anglesey | 775 | 37 | 1 | 33 | 3 |
| Gwynedd | 2,063 | 114 | 8 | 68 | 38 |
| Conwy | 1,244 | 75 | 0 | 63 | 12 |
| Denbighshire | 769 | 42 | 4 | 29 | 9 |
| Flintshire | 1,586 | 90 | 2 | 61 | 26 |
| Wrexham | 1,901 | 93 | 3 | 89 | 1 |
| Powys | 1,262 | 65 | 1 | 0 | 64 |
| Ceredigion | 570 | 27 | 2 | 19 | 6 |
| Pembrokeshire | 1,342 | 70 | 5 | 63 | 2 |
| Carmarthenshire | 3,135 | 175 | 13 | 141 | 21 |
| Swansea | 1,222 | 73 | 5 | 68 | 0 |
| Neath Port Talbot | 1,273 | 64 | 2 | 56 | 6 |
| Bridgend | 1,203 | 62 | 2 | 9 | 51 |
| Vale of Glamorgan | 691 | 32 | 4 | 5 | 23 |
| Rhondda Cynon Taf | 2,492 | 141 | 6 | 80 | 55 |
| Merthyr Tydfil | 564 | 34 | 0 | 32 | 2 |
| Caerphilly | 1,010 | 60 | 3 | 28 | 29 |
| Blaenau Gwent | 408 | 27 | 2 | 25 | 0 |
| Torfaen | 891 | 52 | 3 | 50 | 0 |
| Monmouthshire | 349 | 20 | 0 | 0 | 20 |
| Newport | 888 | 49 | 1 | 20 | 28 |
| Cardiff | 1,253 | 82 | 14 | 68 | 0 |
| Total Unitary Authorities | 26,889 | 1,484 | 81 | 1,007 | 396 |

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Table 2: Example WILG transitional distribution, 2019-20

| | <i>£'000</i> | | | |
|----------------------------------|----------------------------------|--|--------------------------|-----------------------|
| Unitary Authority | 2018-19 WILG distribution | Example 2019-20 WILG distribution (based on 2018-19 settlement) | Difference (£000) | Difference (%) |
| Isle of Anglesey | 778 | 722 | -55 | -7% |
| Gwynedd | 2,071 | 1,779 | -293 | -14% |
| Conwy | 1,249 | 1,165 | -84 | -7% |
| Denbighshire | 772 | 787 | 16 | 2% |
| Flintshire | 1,592 | 1,498 | -94 | -6% |
| Wrexham | 1,909 | 1,704 | -205 | -11% |
| Powys | 1,267 | 1,221 | -46 | -4% |
| Ceredigion | 573 | 597 | 25 | 4% |
| Pembrokeshire | 1,347 | 1,251 | -96 | -7% |
| Carmarthenshire | 3,148 | 2,707 | -440 | -14% |
| Swansea | 1,227 | 1,488 | 261 | 21% |
| Neath Port Talbot | 1,279 | 1,289 | 10 | 1% |
| Bridgend | 1,208 | 1,218 | 10 | 1% |
| Vale of Glamorgan | 693 | 791 | 97 | 14% |
| Rhondda Cynon Taf | 2,503 | 2,401 | -102 | -4% |
| Merthyr Tydfil | 567 | 563 | -4 | -1% |
| Caerphilly | 1,014 | 1,184 | 170 | 17% |
| Blaenau Gwent | 409 | 477 | 68 | 17% |
| Torfaen | 895 | 871 | -24 | -3% |
| Monmouthshire | 351 | 454 | 103 | 30% |
| Newport | 891 | 1,006 | 115 | 13% |
| Cardiff | 1,259 | 1,827 | 569 | 45% |
| Total Unitary Authorities | 27,000 | 27,000 | 0 | 0% |