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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 and the potential to phase onto an existing formula over 4 years.

Views sought

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

Recent related papers

- *Distribution sub-group (2017) Paper 3: Welsh Independent Living Grant transfer*
- *Distribution sub-group (2018) Paper 18: Welsh Independent Living Grant distribution*

Background

3. DSG (2018) paper 18 provided information on the background of the Welsh Independent Living Grant and its transfer into the local government settlement for 2018-19.
4. The distribution of the WILG funding for 2018-19 uses actual expenditure from 2017-18, so the data is currently one year out-of-date, and the Indicator Based Assessment (IBA) total doesn't take account of attrition.
5. Paper 18 looked at phasing this funding onto an existing formula over two years, by using the relative numbers of claimants still receiving WILG payments compared to those receiving all their care and support from the local authority to set the weightings of the formula.
6. Given that the WILG was an historic grant that local authorities had inherited, the group agreed to consider a longer period of phasing that looked at moving onto an existing formula over a four year period. They also wanted to consider using the attrition rate to set the IBA level going forwards.

Analysis

Attrition

7. During the lifetime of the WILG, an attrition rate of 4% was assumed each year, to allow for a reduction in recipients who were no longer eligible to receive payment.

Distribution Sub-Group (2018) Paper 21 – Phasing of WILG Distribution

8. The figures presented in paper 18 showed that, during 2017-18, the attrition rate was 5% (to the nearest whole number). If an attrition rate is used, it is recommended that this 5% is used, as it reflects the most up-to-date estimate of attrition.
9. As the £27 million was the amount of grant available in 2017-18 and we are looking at a distribution for 2019-20 onwards, members are asked to consider whether the £27 million should be reduced by 5% for each of the two years, to arrive at the 2019-20 IBA total, then by 5% for each of the remaining phased years, with the rest of the funding being subsumed into the main social care formulae.
10. Equally, members may like to consider fixing the IBA at £27 million for the duration of the phasing, to allow for any inflationary costs and to reduce complexity in the calculation.

Formula

11. Table 1, in the annex, provides an exemplification of a 4-year phasing approach, which would result in the WILG funding being distributed fully on the younger adults' IBA formula by 2022-23. This table assumes the approach to attrition outlined in paragraph 9.
12. Under this exemplification, Cardiff has the largest increase in Standard Spending Assessment (SSA) of 27% in the first year, rising to over 100% by the end of the phasing. Gwynedd has the largest decrease in SSA of 21% in the first year, dropping to a 62% decrease by the end of year four.

Additional considerations

13. If the group agrees to phase the WILG formula over four years, it is proposed that, from 2020-21, the younger adults' IBA is reduced, artificially, by the total of the WILG IBA to avoid any double counting that will arise from the WILG expenditure being captured in the Revenue Outturn (RO) data used to set the IBA totals from 2018-19 onwards.
14. Additionally, if the group agrees to the phasing, it is proposed that, for year four, no separate IBA is shown for WILG and that this is subsumed into the main social care formulae, using the underlying RO data.

Conclusion

15. Members are asked to make a recommendation on the distribution of the WILG funding beyond the 2018-19 settlement.
16. Members are also asked to make a recommendation on the use of an attrition rate to set the level of the IBA going forwards.
17. Finally, if members agree to a four-year phasing of this formula, they are asked to agree to the proposals set out in paragraphs 13 and 14.

Distribution Sub-Group (2018) Paper 21 – Phasing of WILG Distribution

Annex

Table 1: Exemplification of Phasing of the Welsh Independent Living Grant Distribution, 2018-19 to 2022-23¹

Unitary Authority	2018-19 ²	2019-20 ³	2020-21 ⁴	2021-22 ⁵	2022-23 ⁶	Difference in yr 1		Total difference	
						£000	%	£000	%
Isle of Anglesey	778	657	582	513	449	-121	-15%	-329	-42%
Gwynedd	2,071	1,634	1,328	1,049	794	-438	-21%	-1,278	-62%
Conwy	1,249	1,059	942	834	734	-190	-15%	-515	-41%
Denbighshire	772	709	686	663	640	-63	-8%	-131	-17%
Flintshire	1,592	1,361	1,221	1,091	972	-231	-15%	-621	-39%
Wrexham	1,909	1,557	1,323	1,107	910	-351	-18%	-998	-52%
Powys	1,267	1,107	1,016	932	854	-160	-13%	-412	-33%
Ceredigion	573	537	529	521	512	-36	-6%	-61	-11%
Pembrokeshire	1,347	1,138	1,008	887	777	-209	-16%	-570	-42%
Carmarthenshire	3,148	2,486	2,024	1,603	1,218	-662	-21%	-1,929	-61%
Swansea	1,227	1,317	1,451	1,569	1,670	91	7%	444	36%
Neath Port Talbot	1,279	1,162	1,111	1,063	1,017	-117	-9%	-262	-20%
Bridgend	1,208	1,098	1,051	1,005	962	-110	-9%	-246	-20%
Vale of Glamorgan	693	704	743	777	805	11	2%	112	16%
Rhondda Cynon Taf	2,503	2,177	1,990	1,817	1,656	-326	-13%	-847	-34%
Merthyr Tydfil	567	509	480	454	429	-58	-10%	-138	-24%
Caerphilly	1,014	1,052	1,130	1,197	1,255	38	4%	241	24%
Blaenau Gwent	409	424	455	481	504	15	4%	95	23%
Torfaen	895	788	730	676	626	-107	-12%	-269	-30%
Monmouthshire	351	400	459	511	557	49	14%	207	59%
Newport	891	897	940	976	1,007	6	1%	116	13%
Cardiff	1,259	1,594	1,950	2,266	2,545	336	27%	1,287	102%
Total Unitary Authorities	27,000	24,368	23,149	21,992	20,892	-2,632	-10%	-6,108	-23%

1. Exemplifications created using 2018-19 settlement data

2. 100% past expenditure (published formula)

3. 75% past expenditure, 25% younger adults' PSS IBA

4. 50% past expenditure, 50% younger adults' PSS IBA

5. 25% past expenditure, 75% younger adults' PSS IBA

6. 100% younger adults' PSS IBA. For illustrative purposes only; the proposal would be to remove the IBA and allow the RO data to redistribute the total