



**Independent  
Living Funds**

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To Directors of Social Services/ Work Northern Ireland

5 March 2008

Dear Director

The Trustees of the ILF have been planning a new approach to managing the increasing growth of applications for assistance from the Fund from across the UK.

I should explain that Trustees have a legal responsibility to ensure they do not overspend. They have therefore needed to make decisions as a necessary response to overriding budgetary pressures and this letter explains what will be happening.

It would be helpful if you could let me know if there are any organisations in Northern Ireland who should also receive this communication, and I shall arrange for it to be sent.

The Independent Living Fund has always had an annual fixed budget. Until this year the budget has been adequate to make awards to all qualifying applicants. However, we have experienced a sharp rise in the number of awards from new applications at over 27% from the level expected across the UK.

We will now have a fixed sum of money for each of the three years starting in April 2008 in Great Britain. The current rate of growth in new awards cannot be sustained, therefore the ILF Trustees have been examining how they can best make decisions on allocation of resources in the future.

The Department for Social Development has separately agreed to join with the new ILF funding arrangements being implemented for Great Britain so that the ILF will retain a UK wide approach to policy development and implementation.

I can now give you some further information relating to the key arrangements we are introducing in Great Britain from 1 April 2008 and in Northern Ireland from 1 July 2008.

From 1 July 2008 for Northern Ireland Trustees will give priority to users receiving payments and subject to this, a scheme of priorities for new applicants will be introduced. Existing users of the Fund will continue to receive their current level of awards provided all the eligibility conditions continue to be met.

As a summary position from 1 July 2008 all new applicants to the ILF must have funding agreed from the Health and Social Care Trust for Qualifying Support and Services to the value of at least £320 per week net of any user charges, Applicants who are not in work must have an expected combined Health and Social Care Trust and ILF package gross cost of at least £500 per week. The maximum amount that the ILF can contribute is £455 net of charges. The combined net cost of the package from the Health and Social Care Trust and ILF must not exceed £785 for the first 6 months

Further explanation is provided below. Full policy statements in the key areas will be available on the ILF website at the beginning of April but references to 1 April 2008 should be read as 1 July 2008 for Northern Ireland.

## **The approach to managing new applications from 1 July 2008**

### **Changes to the minimum contribution expected from a Health and Social Care Trust - The Threshold Sum**

#### **New Applications**

The Threshold Sum that Health and Social Care Trusts pay before ILF funding is available was set as a minimum of £200 per week when the 1993 Fund was introduced and has not been adjusted for inflation since. The Minister for Disabled People has accepted the advice of the Trustees that the Threshold Sum should increase from the current £10,400 per annum (equivalent to £200 per week) to £16,640 per annum (equivalent to £320 per week).

#### **Timing of the change**

Trustees intend to introduce this change to the Threshold Sum for all new applications received from 1 July 2008.

This change in the Threshold Sum will focus ILF support for those disabled people with the higher support costs to ensure that the option of independent living is available to them.

### **Increase Requests**

The new threshold sum of £320 per week will also be applied to requests for increases based on change in care need from current users received from 1 July 2008, unless the existing award is already based on a Health and Social Care Trust input at or over the new figure of £320 per week.

The level of ILF current awards to users will not be affected.

### **Change to the £ for £ policy**

The policy where the ILF managed increases in partnership with Health and Social Care Trusts known as £ for £ will no longer apply for both new applications and requests for increased awards based on changes in care need received from 1 July 2008.

### **New applications and requests for increases received before 1 July 2008**

All new valid applications or requests for increases received prior to 1 July 2008 will be decided in line with current policies on the level of Health and Social Care Trust contributions including the requirement for matched funding for £ for £.

### **Managing the level of new applications from 1 July 2008**

The government is setting out in more detail within the Trust Deed which applications should be given priority in order to allocate the funds that are available. As the budget allows, the Fund aims to give greater priority to applicants with relatively high independent living costs and low incomes.

#### **Priority groups**

The first priority group for new applicants will be those who are in work which is defined as employment or self employment of at least 16 hours a week. These applicants will have their personal and financial details entered onto ILF systems and progress to an assessment visit.

The second group will be those on Income Support, Income Based Job Seekers' Allowance or Pension Credit Guarantee Credit, plus those whose other income is at a similar level. A new test will be introduced to determine whether income is at a similar level to Income Support but this is simply for the purpose of prioritising applications.

For this second group a minimum package cost for new applications be operated above which all those in this second group will be considered. The limit is initially being set at £500 per week made up of the gross Health and Social Care Trust and expected ILF contributions.

Applicants will be asked to include a breakdown of the amount of funding they will receive from the Health and Social Care Trust as well as the funding they are seeking from the ILF, as part of their application.

The cost of the package will be measured on the gross cost of care rather than the net amount to be paid by ILF and the Health and Social Care Trust.

The applicants selected at this stage will be progressed to an assessment visit.

Applications from those on Income Support, (IS) Income Based Job (IBJSA) Seekers' Allowance or Pension Credit Guarantee Credit (PCGC), plus those whose other income is at a similar level whose care packages are expected to cost less than £500, including funding from ILF and Health and Social Care Trust, will normally be rejected.

Where the application proceeds to an ILFA assessment and it transpires that the package is different to the one outlined in the application form and does not actually cost £500 per week, the application would normally be rejected.

With this approach we hope to be able to offer some stability to the application process to assist with planning in Health and Social Care Trust. However if the level at which the minimum package cost has been set needs to be varied, Trustees will have to consider changing it and we may have to notify you at short notice of any changes.

There will always be the opportunity for applications to be considered as exceptions from the priority groups. A new internal panel of Directors of the Fund will initially consider these cases and there will still be a further opportunity for appeals to be made to the sub

committee of the Trustees known as the User Personal Cases Committee.

#### Making a valid application

A valid application will consist of the application form, the SSD1000, the financial information form and an indication of the expected level of ILF input. From 1 July 2008 unless we hold all of these completed correctly we will not be in a position to progress an application.

#### Reapplications

An applicant previously rejected because they did not receive IS/IB JSA/PCGC or IS similar income or because their care package gross costs did not meet at least the minimum package cost would be able to reapply to the Fund in subsequent months should their circumstances change. It may also be possible for a reapplication based on exactly the same facts as before to be successful in a future month if Trustees decided to set a revised lower level for the minimum package cost for new applications as part of their ongoing monitoring of the budget position.

However Health and Social Care Trusts will need to be aware that in general terms the 'three month' rule for established provision will continue to apply.

## **Section 2**

### **Other key policy changes**

#### Trust Funds

Trustees have recommended to DWP that the ILF should not normally accept an application for someone who has a Controller and monies lodged with the Court Funds Office, a structured settlement or is a beneficiary or potential beneficiary under a Trust Fund whether from personal injury, or any other source such as a Will Trust or a Family Trust of more than our capital limit (currently £18,500).

#### Backdating

A change to our policy on backdating will be introduced whereby we will only back date on request, provided there is a valid reason to backdate, and seek evidence of liabilities if the back dating is for more than four weeks before the date we receive a User Agreement form. It is not the policy of the ILF to reimburse the user for any period if it is known that

the user will then be forwarding the backdated sum to the Health and Social Care Trust to meet Health and Social Care Trust costs.

### **ILF Review**

Trustees could only consider some of the recommendations when the money position was clearer.

As the position has now been clarified the Trustees are seeking changes to our governance documents to allow a user who is a parent of a child in further education to have more than the usual capital limit and to change the capital limit for all users in line with the Great Britain capital limit for residential care.

Policies will also change to allow us to meet the costs arising out of the needs of our users for assistance with parenting and to allow for some additional support for users with financial management and for some areas of support for users where they employ their own assistants – to help them with health and safety costs, skills training, some recruitment costs and redundancy payments.

### **Further Contingency Planning**

Trustees' planning assumptions for the financial management strategy from April 2008 for Great Britain and UK from July 2008 are based on the average ILF award remaining at around £300. So if there was an increase in the average award above the current £300, then the ILF Trustees would have to give consideration to further reducing the number of new applications they could fund or introduce other measures to live within budget.

### **Preparations for the changes**

We are writing to all our current users in Northern Ireland and those who have applied already to explain the position. I have copied this letter to the named contact officer we have recorded so that they are aware. I will ensure contact officers receive a copy of the letters going out to current users and applicants as well as copies of the revised forms and literature.

There will be a time delay before all old versions of the SSD 1000 form, which outlines the Health and Social Care Trust contribution, are replaced. In the meantime for all new applications and increased offer requests received on or after 1 July 2008 all references to £200 as the Health and Social Care Trust contribution should be read as £320.

## **Future dialogue**

Trustees intend to monitor the impact of these measures, and to collect information from local authorities in Great Britain and Health and Social Care Trusts in Northern Ireland on the effects.

We still plan to have a dialogue with local authorities, Health and Social Care Trusts and other relevant organisations during 2008 on a number of issues relating to the future strategic and financial relationship with you and we will be sending a separate letter to you about this. You will be invited to give feedback on how the changes set out in this letter have affected Health and Social Care Trusts and individuals during that process.

## **Conclusion**

The Trustees of the ILF hope that you will work with us to develop policies and financial strategies that enhance the contribution that the ILF can make in, partnership with you, for the inclusion of disabled people in society.

Yours sincerely

A handwritten signature in blue ink that reads "Elaine Morton".

Elaine Morton  
Chief Executive  
Independent Living Funds