

Dear Director of Adult Social Services/Social Work

I wrote to all Directors of Adult Social Services and Directors of Social Work on 31 July 2007 on behalf of the Trustees of the ILF, to notify a potential need to plan a new approach to managing the increasing growth of applications for assistance from the Fund.

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.

At the present time the measures outlined apply to England, Scotland and Wales only.

This letter is being sent to other interested parties as listed at the end. It would be helpful if recipients of this letter would advise if they consider whether there are any other organisations who should receive this communication.

A summary of the measures outlined in the letter is provided as an attachment at the end.

Working within a tighter cash limit

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.

We will now have a fixed sum of money for each of the three years starting in April 2008. Although we do not yet know the exact figures 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.

Changes to the minimum contribution expected from a local authority - The Threshold Sum

New applications

The Threshold Sum that Local Authorities 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). This is a measure in response to overriding financial constraints.

Timing of the change

Trustees intend to introduce this change to the Threshold Sum for all new applications received from 1 April 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 April 2008, unless the existing award is already based on a LA 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 sought matched funding 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 April 2008.

Managing the level of new applications from 1 April 2008

As applications to the ILF have risen sharply we shall not be able to sustain the rate of new awards we have been making for this last year.

The Fund will, as the budget allows, aim to give greater priority to applicants with relatively high independent living costs and low incomes.

In order to make the basis on which the Trustees will allocate monies clearer, the government has agreed to set out in more detail which applications should be given priority.

The first priority will be applicants who are in work which will be defined as “in remunerative employment or self-employment of at least 16 hours a week”.

After this an explicit priority will be given to the poorest applicants who will be defined as those who are receiving Income Support, Income Based Job Seekers' Allowance and Pension Credit Guarantee Credit or those whose other income is at the equivalent level.

If there needs to be any further prioritisation it is proposed to give the Trustees discretion to consider other factors which are still being discussed.

Other Policy Changes from 1 April 2008

Trust Funds

The Trustees have proposed to government that the Fund would normally exclude people from applying who have received substantial compensation for personal injury.

Changes to when awards will be paid from

Awards based on new applications or requests for increases received from 1 April 2008 will usually only be paid from the date the ILF receives the acceptance of the offer from the user. We will consider payment from an earlier date only if there is evidence of an incurred liability.

New applications and requests for increases received before 1 April 2008

All new valid applications or requests for increases received prior to 1 April 2008 will be decided in line with current policies on the level of local authority contribution including the requirement for matched funding for £ for £.

Making a valid application

Trustees are also introducing changes to what constitutes a valid application. An application will only be valid if we have received the application form, the SSD 1000 outlining the LA input and the Financial Information form. Until we hold all 3 completed correctly we will not count an application as valid. This will be introduced as soon as we can make the necessary arrangements and we will notify you when this takes effect.

Further Contingency Planning

Trustees' planning assumptions for the financial management strategy from April 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.

I must also explain that if there is any significant increase in the current level of applications submitted from now until March 2008 there would be an additional financial pressure in 2008/09 which would have to be contained through the introduction of appropriate measures to control expenditure. I will let you know the details of any contingency plan in the next few months.

Preparations for the changes

We will of course be writing to all our current users and those who have applied already to explain the position in early January. 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 LA contribution, are replaced. In the meantime for all new applications and increased offer requests received on or after 1 April 2008 all references to £ 200 as the LA contribution should be read as £320.

Advancing the ILF Review

The Minister for Disabled People responded to the recent Review of the ILF in July by confirming that the current remit of the ILF would continue but the possibility of immediate significant expansion was not accepted.

When Trustees know the money they have, they will consider their financial capacity to respond to some of the recommendations. I will write to you again in the next few months on this issue.

Dialogue on the Future

These measures are intended to manage a reduced rate of new awards through 2008/09 and the effects of using these measures will be reviewed.

We hope very much that LAs will understand the context we are working in and will see these changes as proportionate and reasonable in the circumstances.

The ILF Trustees propose to consult with local authorities during 2008 on a number of issues relating to the future strategic and financial relationship with local authorities.

We consider that we can continue to work effectively with local authorities to provide a valued top up function in respect of the needs of the most severely disabled clients – and to develop new ways of joint working that secure increasingly high standards of independent living for this group of disabled people.

Yours sincerely



Elaine Morton
Chief Executive
On behalf of the Trustees of the ILF

CC : ADASS : ADSW : ADSS Cymru: DH : NCIL: CSIP

Summary

These measures are necessary for 2008/09 ; for the longer term we would propose to consult with Local Authorities on our ongoing strategic and financial relationship.

The Threshold Sum which Local Authorities contribute to access ILF funding will increase from £200 per week (set in 1993) to £320 from April 2008.

The new Threshold Sum applies to new applications and requests to meet new support needs for existing Users received from 1 April 2008.

For 2008-09 we will give priority to existing Users' current support needs. We will respond to increased costs without applying the new £320 Threshold Sum.

The complex "pound for pound" policy for higher cost support packages will be discontinued for assessments that use the new £320 per week Threshold Sum.

To speed up the application process from no later than April 2008 we will require completion of SSD 1000 (planned local authority input) and the Financial Information form together with the Application form in order to constitute a valid application.

The long-standing prioritisation for applicants in work (set in trust deeds since 1993) will continue - "in work" means at least 16 hours per week remunerative employment or self-employment.

The next priority will be those applicants on Income Support, Income Based Job Seekers' Allowance or Pension Credit Guarantee Credit, plus those whose other income is at an equivalent level.

We have proposed to Government that disabled people who have received substantial personal injury compensation would not be offered an ILF award.

New awards and award increases will be paid from a current date; we will be able to respond to backdating requests on production of invoices etc to confirm there is an actual past incurred liability for the disabled person.

We will monitor expenditure and take any further steps to ensure we remain within budget.