



**Independent
Living Funds**

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PO Box 7525, Nottingham NG2 4ZT

Tel: 0845 601 8815

Fax 1993 Fund: 0115 945 0946

Fax Extension Fund: 0115 9450946

Textphone: 0845 601 8816

Website: <http://www.ilf.org.uk>

To Directors of Adult Social Services in England
To Directors of Social Work in Scotland
To Directors of Social Services in Wales

5 March 2008

Dear Director

ILF - Changes from 1 April 2008

I wrote to you on 31 July 2007 and again on 14 December 2007 on behalf of the Trustees of the ILF about our need to manage the growth in applications to the Fund. Since that letter the funding levels for Great Britain have been confirmed as £ 343 million for 2008/09, £ 351 million for 2009/10 and £ 359 million for 2010/11.

I can now give you some further information relating to the key arrangements we are introducing in England, Scotland and Wales with effect from 1 April 2008.

From 1 April 2008 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 April 2008 all new applicants to the ILF must have funding agreed from the Local Authority for Qualifying Support and Services to the value of at least £320 per week net of any LA user charges, Applicants who are not in work must have an expected combined LA 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 LA and ILF must not exceed £785 for the first 6 months

Further explanation is provided below in section 1. Full policy statements in the key areas will be available on the ILF website at the beginning of April.

Section 1

The approach to managing new applications from 1 April 2008

As explained in my December 2007 letter 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 LA and expected ILF contributions.

Applicants will be asked to include a breakdown of the amount of funding they will receive from the Local Authority 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 LA.

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 LA, 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 local authorities. 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

As indicated previously 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 April 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 LAs 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

I am now able to provide further information on two areas notified to you in December.

Trust Funds

Trustees have recommended to DWP that the ILF should not normally accept an application for someone who has Court of Protection monies, 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 local authority to meet Local Authority 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 local authorities' 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.

Future dialogue

Trustees intend to monitor the impact of these measures, and to collect information from local authorities on the effects.

We still plan to have a dialogue with local authorities and other relevant organisations during 2008 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 local authorities 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". The signature is written in a cursive style.

Elaine Morton
Chief Executive
Independent Living Funds

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