

REPORT TO: Health Policy and Performance Board
DATE: 3 November 2015
REPORTING OFFICER: Strategic Director, People & Economy
PORTFOLIO: Health and Wellbeing
SUBJECT: Closure of the Independent Living Fund (ILF)
WARD(S): Borough-wide

1.0 PURPOSE OF REPORT

1.1 To present the Health Policy and Performance Board with an update regarding the closure of the Independent Living Fund and the progress of the project group established to undertake a reassessment of all ILF recipients prior to 30th June 2015.

2.0 RECOMMENDATION: That the Policy and Performance Board

1) Receive the ILF update report; and

2) note the contents of the report.

3.0 SUPPORTING INFORMATION

3.1 After an independent review in 2007 the Government acknowledged that the ILF system was inequitable for people and operated outside of care systems operated by the Local Authority.

3.2 The Government subsequently decided to close the ILF on 30th June 2015 with the ILF users transferring to the management of the local authority. Although the funding of ILF was to transfer to the local authority an attrition rate of 5% was to be applied to the overall costs that the local authority would receive.

3.3 In order to address the transfer SMT agreed on 10th February 2015 for a project team to be established to review the 51 ILF recipients and produce support plans to reflect any changes that may be made once the national eligibility criteria was applied. This option reduced the financial risks to the Council whilst reassuring ILF recipients that their needs will be met once ILF ceased its function.

3.4 Based on the information received from the Independent Living Fund, HBC will receive a grant of £570,740 to meet the needs of the recipients over the next 9 months (approximately 40 weeks). £285,370 will be received in August, £142,685 in October and the

remaining £142,685 in January.

3.5 A project team was established comprising of representation from care management, direct payments and fairer charging team. All of the reassessments were completed before the transfer date, and statistical information has been calculated (below) based on those reviews.

3.6 Information from the ILF Review

- There are 45 ILF clients who received a direct payment (DP) – 33 of which were already in receipt of one.
- Out of the 12 new DP clients - 9 are from Halton Supported Housing Network and will need to apply to Court of Protection in the longer term.
- Of the other 3 new DP clients only 1 required start-up costs which equate to £242.60 as a one off payment for Payroll + Insurance.
- However, there are a further 2 clients who already receive a DP who were using Self Employed PA's who will now need to employ them due to rules on employing PA's which will mean an additional £242.60 per client.
- There are also a further 3 clients already in receipt of a DP who received their ILF award post 30th June for a period of 6 weeks to enable the client to have adequate time to consult with his/her PA's to negotiate the new rates of pay and adhere to Employment Law legislation.

3.7

	WEEKLY COST OF PACKAGES	NUMBER OF WEEKS	TOTAL FOR 40 WEEKS
ILF Grant	£14,268.50	40	£570,740
Package cost after review	£12,354.48	40	£494,179.20
Income from increased service user contribution¹	£1,151.52	40	£46,060 ²

Based on these figures HBC have reduced the costs of the ILF care packages by £76,560.80 over 40 weeks.

This will be achieved through agreed changes to the support packages. The reductions to the packages have been primarily due to a reduction in leisure hours (to bring them in line with national

¹ HBC Service user contributions have increased as the ILF Recipient Contribution, which no longer exists, was historically taken into account as a Disability Related Expenditure. The HBC service user contribution taken from the cost of the packages is **the difference between the new and old HBC service user contributions** (i.e. contribution previously £9.00 per week; now £54.00 per week; **difference** is £45.00 per week). There are a number of client contributions yet to be confirmed, however estimations were largely accurate.

² At present there are two packages of support that may slightly alter and affect figures above.

eligibility criteria), and the removal of contingency hours. Some of the ILF users received increases to their care packages due to the DP rates for personal assistants.

- 3.8 In addition there are increased service user contributions of £46,060. However, the additional set up charges for direct payments of £3535.79 will be charged against the grant as a one off payment.

Future Funding

- 3.9 There are no indications from Government regarding the ongoing funding of these packages for 2016/17 and beyond or whether further attrition rates will be applied. Based on current calculations HBC will need to find an additional £642,432.96 pa in order to continue to support people at the current levels of care.

- 3.10 These cohorts of people are some of the most dependent within the Borough, diagnosed with long term conditions. Any deterioration in their condition and need will require additional funding which will now be drawn from the community care budget.

- 3.11 In the future any individual who may develop a long term condition will no longer have recourse to ILF for funding and will need to be funded long term from the community care budget. All savings against the grant need to be reinvested within the community care budget to ensure the funding of services.

4.0 POLICY IMPLICATIONS

- 4.1 There is no current ILF Policy.

5.0 OTHER/FINANCIAL IMPLICATIONS

- 5.1 Based on the calculations above there will not be a financial shortfall in funding of the ILF recipients for 2015/16.

Without continued government funding this will become a risk for 2016/17.

Without future funding any individual who develops a long term condition will need to have their needs met from the community care budget.

All current ILF users will require all future needs funded from the community care budget

There will be a funding gap in the community care budget if the savings made against the ILF grant are not ring-fenced.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 **Children & Young People in Halton**

None identified.

6.2 **Employment, Learning & Skills in Halton**

None identified

6.3 **A Healthy Halton**

The safeguarding of adults whose circumstances make them vulnerable to abuse is fundamental to their health and well-being. People are likely to be more vulnerable when they experience ill health.

6.4 **A Safer Halton**

None identified.

6.5 **Halton's Urban Renewal**

None identified

7.0 **RISK ANALYSIS**

7.1 There are no indications from Government regarding the future funding of ILF and whether further attrition rates will be applied, which may leave a funding gap past 2016/17.

8.0 **EQUALITY AND DIVERSITY ISSUES**

8.1 None identified.

9.0 **LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

9.1 None under the meaning of the Act.