

Closure of Independent Living Fund (ILF) and integration into mainstream care and support system

18th December

Closure of ILF and transfer of responsibility to local authorities

Brief outline of the policy

1. The ILF is a Non-Departmental Government Body (NDPB) attached to the Department for Work and Pensions. It is a discretionary trust that operates in parallel to, but outside of, the mainstream care and support system.
2. The ILF currently provides payments to 19,136 of disabled people. These payments can be used to purchase a set range of Qualifying Support and Services (QSS). The caseload is split between Group 1 users, who applied to the original ILF fund set up in 1988, and Group 2 users who applied for ILF funding after the new ILF fund was created in 1993. There are 3,008 Group 1 users and 16,128 Group 2 users. The key difference is that Group 2 users have care packages which include a minimum of £200 per week contributed by their local authority. While many Group 1 users receive some support from their local authority, this input is not part of their ILF eligibility criteria. Group 1 users are likely to have wider ranging levels of need from low to critical. Group 2 users are very likely to have substantial or critical needs.
3. In 2008 the funding for the ILF was changed from a demand-led to a cash-limited basis due to the increasing number of applications to the fund. At this time the eligibility criteria were also changed to focus support on the applicants with the greatest needs. Further changes to the eligibility criteria were required in 2010/11 due to budgetary decisions taken by the previous Government. However, ahead of, and in anticipation of the new rules, a very sharp increase in applications put the ILF budget under significant pressure, and in June 2010 the trustees had to take the decision to close the fund. It was announced in December 2010 that the ILF would be permanently closed to new applications, that user awards would be protected until 2015 and that the Government would consult on the future of the ILF. Therefore the ILF is not currently open to new applications.
4. The ILF will be closed in 2015 and funding will be devolved to local authorities in England and the devolved administrations in Scotland and Wales. This will allow the care and support needs of existing ILF users to be met within one cohesive social care system through personalised budgets and direct payments, ensuring that ILF users are engaged with their local authority and so are accessing the full range of services available, in line with local priorities. Current ILF users' care packages will be maintained until 31st March 2015.

5. Funding will be transferred to local authorities and devolved administrations. In the consultation many local authorities and some users told us that funding should be devolved based on current expenditure patterns. We have taken note of these responses and believe that there is a strong argument for funding being distributed amongst local authorities and the devolved administrations in a manner consistent with current expenditure patterns. This will help mitigate the potential impact of these reforms on ILF users and help local authorities manage the transition more effectively. The Government will bring forward proposals on this basis for the devolution of funding to local authorities in England and the devolved administrations in Scotland and Wales, in due course.
6. The funding devolved to local authorities in England will not be ring-fenced. Nor will local authorities face any statutory requirement to support current ILF users in a different way to others in their local authority if they do not wish to do so after the 31st March 2015. The LGA and ADASS in their joint response to this consultation said that local authorities may look to provide some sort of protection for current ILF users but that whether this was done and how it would be undertaken should be matters for the local authorities to decide. The Government concurs with this view. Local authorities must be given the responsibility to fund their core services in accordance with their statutory responsibilities and in line with local priorities. The Government is also aware that numerous ring-fenced grants impose an unacceptable administrative burden upon local authorities. Furthermore, not ring-fencing funding will also allow local authorities to meet needs in a flexible and responsive way that is equitable and consistent for all disabled people.
7. The devolved administrations in Scotland and Wales will have control over the distribution and controls they put on the funding that is devolved to them. Northern Ireland currently pays the ILF to deliver services. They will need to decide how to spend this funding once the ILF has closed. While users from these administrations are included in the figures presented in this impact assessment, the impacts of the change may be different to those experienced by users in England if the devolved administrations deviate from the plans set down for users in England.

Rationale for reform

8. Currently some of those in receipt of ILF monies have their care funded differently than those who do not have ILF funding who have similar needs. Therefore those with similar needs are funded differently by the social care system as a whole. The need to close the fund in 2010 meant that new people can not access the fund which further exacerbated this issue which was already present in the system. This reform will mean that all disabled people will be supported solely by local authorities in the mainstream system in a consistent way.

9. Across the ILF caseload and between different local authorities, there is considerable variation in the size and complexity of user awards and the balance between local authority and ILF contributions to care packages. In a small number of local authorities the ILF on average contributes more than 50% of funding to Group 2 users despite the funding intent being that this money provides a top up to local authority funding. Furthermore, there is considerable variation in geographical take up rates of ILF funding reflecting the varying levels of engagement with this funding stream from local authorities. These factors support our belief that it is unsustainable to continue to deliver a considerable amount of social care funding through a separate funding stream that operates in parallel to, but outside of, the mainstream care and support system and that it would be more appropriate to devolve funding to local authorities and the devolved administrations.
10. Local delivery of ILF services will support the Government's wider localism agenda. It will allow local authorities to meet the needs of all individuals in their area in a fair and consistent manner.
11. Devolving ILF funding to local authorities and devolved administrations may help to streamline assessment processes and case management. Users currently have to undergo an ILF and a local authority assessment. After March 2015 they will only need to have a local authority assessment.
12. There may also be an opportunity to bring some Group 1 users who do not currently use local authority services into contact with their local authority. This may help to ensure they are accessing the full range of service they are eligible for.
13. The ILF is an NDPB governed by a Trust Deed. We believe that delivering ILF funding through local authorities and the devolved administrations will ensure strong local democratic accountability for the use of this funding.

Policy Objective

14. This change will mean this funding will be used in fairer way in line with the principles of localism and within a delivery model that promotes local democratic accountability.

Consultation and Involvement

15. The Government closed a consultation on the future of the ILF on the 12th October 2012. We received around 2000 responses to the consultation. There were around 1800 responses from individuals, around 75 from Local Authorities and around 90 from other organisations. A summary of the views gathered is published in the Government response to the consultation which is available on the DWP website.

16. As part of the consultation we ran 14 events for users of the ILF and 5 events for local authorities to gather their views on the Government's proposal. Event attendees included 97 users, 89 personal assistants and 215 user representatives. We have also been engaging with local authorities who have significant numbers of ILF users on an ad hoc basis.
17. The ILF wrote to 500 Disabled People's Organisations and User Led Organisations that they have previously had contact with to inform them about the launch of the consultation. DWP published a facilitation guide to assist other organisations to run their own consultation events to help support people to contribute. Where possible the ILF has, when asked, provided support to these events both in administrative terms and by providing staff to answer attendees questions.
18. The responses that we received to the consultation have assisted us in producing this equality impact assessment document.

Impact of closing the ILF and devolving funding to local authorities and devolved administrations

Gender

19. The gender distribution of ILF users is broadly equal.

Table 1: Gender breakdown of ILF users

Number of ILF service users by Fund and Gender.	Gender			
	Fund	Female	Male	Total
Group 1		1,612	1,396	3,008
Group 2		7,788	8,340	16,128
Total		9,400	9,736	19,136
Percentage of overall total		49.1%	50.9%	100.0%

20. Some people raised the potential impacts of carers in the consultation. The reforms may have knock on impacts on carers if changes to packages under local authorities increase the need for informal care. The gender distribution of informal carers varies according to age. The following table sets out the gender distribution of informal carers in the UK using entitlement to Carer’s Allowance as a proxy measurement.

Table 2: Entitlement to Carer's Allowance¹

	Total Caseload (Thousands) ²	Gender of claimant	
		Female Caseload (Thousands)	Male Caseload (Thousands)
Total	1,038.80	692.70	346.10
Age of claimant			
Unknown age	0.02	0.01	0.01
Under 18	1.49	0.86	0.63
18-24	28.99	18.48	10.51
25-29	40.00	31.03	8.97
30-34	59.52	48.85	10.67
35-39	76.70	62.05	14.65
40-44	97.54	76.09	21.45
45-49	97.26	71.73	25.53
50-54	89.89	62.99	26.90
55-59	87.89	59.55	28.35
60-64	91.75	57.04	34.71
65 and over	367.73	204.02	163.71

21. Around two-thirds of those entitled to carer's allowance are women. There is variance in the gender balance of those entitled to carer's allowance according to the age of the carer. The gender gap is particularly marked between the ages of 30 and 44. The gender distribution becomes more even as the age of the carers increases. We have no data on the ages and genders of those who provide informal care to ILF users.

¹ Source: *DWP Information, Governance and Security, Work and Pensions Longitudinal Study.*

² Totals show the number of people who are entitled to receive CA, including those who receive no actual payment

Risk of negative impact

22. There are no grounds to suggest from the gender distribution of ILF users that this policy will cause adverse affects for ILF users based on their gender.
23. We cannot accurately model the knock on impacts of this policy on carers because we do not have data on the gender or ages of carers of ILF users, and any impacts are likely to be very varied according to individual circumstances and local authority policies. Therefore, we cannot accurately predict the likelihood of knock-on impacts on carers according to gender. There may be an adverse impact on some informal carers. Any impacts that do occur would be more likely to affect women than men.
24. The Government's belief is that any negative impacts are justified by the policy aim of meeting the needs of all users of the social care system within the mainstream system under one eligibility and charging regime in a fair manner and delivering this funding at a local level in a way which is accountable to local people through the electoral system.

Gender Reassignment

25. We do not collect any data on the gender reassignment of ILF users. However, we do not anticipate any effects on individuals because of gender reassignment because no individual will be treated differently within this policy based on gender reassignment. Therefore, there are no grounds to suggest that individuals will be adversely affected based on gender reassignment.

Disability

26. The definition of disability for the purposes of equality impact assessment is contained in the Equality Act 2010 and was previously that defined by the Disability Discrimination Act (DDA).
27. In general, ILF payments are not paid on the basis of a particular disability or medical condition but according to support needs. The following table shows the main medical condition of ILF recipients. Severe learning disabilities and cerebral palsy are the two most common conditions.

Table 2: ILF users split by main medical condition

Main Medical Condition	Number of ILF users	Percentage of users
ADHD	4	0.02%
Aids related disease	74	0.39%
Arthritis (osteo-rheumatoid-still's dis)	434	2.27%
Aspergers	33	0.17%
Autism	191	1.00%
Blood disease (inc leukaemia)	4	0.02%
Brain damage (inc head injury)	803	4.20%
Cancers-tumours	57	0.30%
Cardio-vascular(inc heart disease)	64	0.33%
Cerebral Palsy	2,950	15.42%
Cerebro-vascular (inc stroke)	517	2.70%
Dementia (inc Alzheimers)	56	0.29%
Diabetes	9	0.05%
Down's syndrome	1,091	5.70%
Epilepsy	377	1.97%
Friedreich's ataxia	143	0.75%
Huntington's Disease	55	0.29%
Hydrocephalus	57	0.30%
Learning disability	648	3.39%
Learning disability with autism	166	0.87%
Lung or respiratory disease (inc asthma)	32	0.17%
Lupus	5	0.03%
ME	14	0.07%
Mental illness	95	0.50%
Motor Neurone Disease	39	0.20%
Multiple Sclerosis	1,753	9.16%
Muscular Dystrophy or Atrophy	443	2.32%
Osteoporosis	45	0.24%
Other	1,328	6.94%
Paraplegic	19	0.10%
Parkinson's disease	55	0.29%
Physical malformation limbs-Thalidomide	26	0.14%
Polio damage	81	0.42%
Quadriplegic	34	0.18%

Main Medical Condition	Number of ILF users	Percentage of users
Severe learning disability	6,081	31.78%
Spina bifida	306	1.60%
Spinal injury	1,035	5.41%
Visual impairment	12	0.06%
Total	19,136	100.00%

Risk of negative impact

28. The proposal to close the ILF in 2015 and devolve funding to local authorities in England and the devolved administrations in Scotland and Wales will mean that all users have their needs assessed and met through the mainstream care and support system under one eligibility and charging regime. It will allow local authorities to use all the available funding to support every user of the social care system in a fair and consistent way. See paragraph six for information on ring-fencing. This reform is likely to allow local authorities to provide increased funding or provide a better service to some users of the social care system. We cannot systematically identify who will benefit from this reform given the variations in policies and approaches across local authorities and the very large number of users, approximately 1.575m in England, of the social care system. The devolved administrations are free to distribute and use the funding as they see fit. However, we anticipate they would also pass on funding to local authorities to help meet the care and support needs of current users.
29. Current ILF users may face reductions or alterations in their care package due to the reform. Currently the ILF funds some aspects of care that some local authorities do not and may provide different levels of flexibility in the use of funding compared to the ILF. The ILF may also provide a greater level of funding than the local authorities would do if the user were transferred to their care.
30. Under the reforms laid out in the Department of Health White Paper, entitled “Caring for our future: reforming care and support”, there would be a national minimum eligibility criteria introduced in England before this reform was enacted. Group 2 users require at least £200 of local authority funding per week to meet the ILF eligibility criteria. Therefore, it is reasonable to presume that all Group 2 users will be provided with support by local authorities from 2015 in line with their statutory duty to fund assessed care needs if their needs remain similar to their current needs. However, there may be some alterations or reductions to some users’ current packages. Some Group 1 users may have needs that would be defined as moderate or low under the FACS criteria as Group 1 users do not have to a minimum level of local authority funding or any local authority contact to qualify for ILF payments. It is unlikely that local authorities would provide any funding for those individuals. This would have a negative impact on those individuals. 1,812 of the 3,008 Group 1 users have some local authority contribution to their care package and are therefore likely to have needs that

would be assessed as eligible for support under the national minimum eligibility criteria. The remaining 1,196 Group 1 users are not known to have a local authority contribution. 759 of these users reside in England, 274 are in Scotland, 74 are in Wales and 89 are in Northern Ireland. Those users may have needs which would be assessed at any of the four levels of the Fair Access to Care Services (FACS) criteria. Therefore, some are likely to be eligible for local authority support and some will not. It is not possible to predict which FACS criteria classification those users would fall into when assessed by the local authority due to the wide variation in funding usage and uncertainty over how much of their funding is currently used to fund needs which the local authority would fund under their system.

31. It is not possible to provide information on the care packages that each individual will receive from local authorities in 2015. This is because there are differing circumstances in each individual case and local authority policies differ. Some needs may also change in the time before ILF closure and this will alter any packages that individuals receive in the future from local authorities.

Conclusion

32. There is a potential negative impact on users of the ILF fund although whether there is any actual impact and how great that impact will be is dependent on individual circumstances. There is a potential positive impact for some users of the social care system who are not ILF users as they may get an improved service or level of funding from their local authority due to the greater amount of funding available. The Government's belief is that any negative impacts are justified by the policy aims of providing greater equity and fairness in the social care system and delivering this funding at a local level in a way which is accountable to local people through the electoral system.

Ethnicity

33. Administrative data on the ethnic background of ILF recipients is held when a person chooses to disclose this information. As a result, there are a large number of people who have chosen not to disclose their ethnic background. The data held, for those who disclosed their ethnic minority, shows that the percentage of people who receive the ILF who are white is lower than might be expected given the ethnic background of the UK. However, the level of lack of disclosure makes this data incomplete. Therefore, although it is possible that people from a white background may be less affected by this proposal, we do not have sufficient evidence to confidently suggest that particular ethnic groups will be more likely to be adversely affected by this proposal.

Table 3: Proportion of ILF recipients by ethnicity

Ethnicity	ILF Recipients	All UK Adults
White	74%	91%
Mixed	1%	1%
Indian	1%	2%
Pakistani or Bangladeshi	2%	2%
Black or Black British	2%	2%
Other Ethnic Groups (inc. Chinese and Other Asian)	1%	2%
Undisclosed	19%	

Risk of negative impact

34. We do not have the evidence to suggest with an appropriate degree of certainty that this policy would be more likely to affect any particular ethnic group.

Age

35. As shown in the table below, the youngest recipients of the ILF would be in the 18-25 age group. The smallest groups of ILF users are at the youngest and oldest range of the scale.

Table 4: ILF recipients by age

Age (years)	Number of recipients	Percentage of recipients
18-25	1,748	9.1%
26-35	4,391	22.9%
36-45	4,190	21.9%
46-55	4,138	21.6%
56-65	3,003	15.7%
65+	1,666	8.7%
Total	19,136	100%

36. This user base is comparatively young when considered in the overall context of the adult care and support system.

Table 5: Users of the adult social care system in England by age³

Age (Years)	Number of Users (Thousands)
18-64	510 (32%)
65+	1,064 (68%)
Total	1,575 (100%)

37. There is little difference between the age groups in terms of the size of the package they receive from the ILF.

Table 5: Size of ILF package by age

Age (years)	Average package per week (£'s)
18-25	362.17
26-35	344.01
36-45	351.50
46-55	353.53
56-65	338.57
65+	323.08
Overall	346.69

Risk of negative impact

38. The greater concentration of ILF users between the ages of 26-65 suggest that this group may be more likely to be affected by the proposal than those aged 18-25 or over 65. Compared to the overall distribution of users in the social care system, the ILF has a much smaller proportion of users who are aged over 65. However, the Government believes that any adverse impacts can be justified by the need to make the distribution of funding within local authorities' social care services more fair and equitable which has the potential to benefit users of the adult social care system regardless of their age.

Sexual Orientation

39. No data is collected on the sexual orientation of ILF users. There are no grounds to suggest that this policy will be more likely to have an impact on individuals due to their sexual orientation.

³ Source: Community Care Statistics 2010-11: Social Care Activity Report, England.

Religion/Belief

40. No data is collected on the religion or belief of ILF users. There are no grounds to suggest that this policy will be more likely to have an impact on individuals due to their religion or belief.

Pregnancy and Maternity

41. No data is collected on pregnancy and maternity. There are no grounds to suggest that this policy will be more likely to have an impact on individuals based on pregnancy or maternity.

Marriage and Civil Partnerships

42. No data is collected on the civil partnership status of ILF users. There are no grounds to suggest that this policy will be more likely to have an impact on individuals based on their marriage or civil partnership status.

Monitoring and Evaluation

43. The material in this Equality Impact Assessment covers the equality groups currently covered by the equality legislation, i.e. age, disability, gender (transgender), ethnicity, religion, sexual orientation, pregnancy/maternity and civil partnerships. DWP is committed to monitoring the impacts of its policies and we will use evidence from a number of sources to monitor any changes in the expected impacts for the protected groups.

44. We will use administrative datasets to monitor trends in caseloads for the protected groups where this data is available.

45. We will take into account feedback from further engagement on the plans for the legacy review and any other relevant engagement that takes place.

Next Steps

46. We will review this equality impact assessment as the policy develops. Where appropriate we will update data and information to support the equality impact assessment process.