

Independent Living Fund applications and awards – changes to take effect on 17 June 2010

Equality Impact Assessment

1. Introduction

Independent Living Fund (2006) (ILF) is a national resource providing financial support to enable disabled people to live independently. It is managed by a Board of Trustees and is allocated Public Funds by grant from the Secretary of State for Work and Pensions.

ILF is a discretionary trust and the powers, duties and responsibilities of ILF trustees are contained within the:

1. ILF Trust Deed and
2. Conditions of Grant Agreement (COGA) made between the Trustees and the Secretary of State.

ILF works in partnership with Local Authorities and in order to be eligible for an ILF award a candidate must be receiving from their Local Authority a minimum level of services per week known as the Threshold Sum. Consequently ILF does not typically receive new applications from candidates, rather from Local Authorities who have the primary responsibility for meeting the needs of disabled people in their areas.

Therefore a change in the ability of ILF to accept applications does not impact directly on candidates, rather on Local Authorities which may or may not alleviate the position through their own decisions.

The funding for personal care allocated to the ILF augments funding for personal care provided by Local Authorities, and the default responsibility remains with Local Authorities. The impact of any change to available funding to the ILF automatically impacts on Local Authorities. The ability of the ILF Trustees to influence impact on different equality groups is strictly limited in that Government determines the precise split of budget between Local Authorities and the ILF, and Local Authorities decide how to spend between groups in the light of ILF decisions rather than vice versa.

2. Proposal for change

From 17 June 2010 no new offers of funding will be made. This decision will apply to any applications already received by ILF but where no offer of funding has yet been made.

For existing ILF users no increases to awards will be granted for additional care needs and no additional sums will be paid in respect of increased costs of care.

3. Aims and objectives

To enable ILF Trustees to ensure that expenditure in the financial year 2010/11 does not exceed allocated Public Funds as required by clause 8 of the ILF Trust Deed.

To ensure that ILF Trustees comply with their obligations under clause 3 and the Third Schedule of the ILF Trust Deed to give priority to existing users.

4. Trustees duties

ILF Trustees have a duty to take reasonable steps to ensure that expenditure does not exceed the amount of Public Funds provided by the Secretary of State for Work and Pensions by way of grant. They may incur personal liability if they fail to do so.

ILF Trustees must only make payments from the Fund in accordance with the powers and obligations conferred by the ILF Trust Deed. The Third Schedule to the Deed requires trustees, when exercising their powers to make payments, to give priority to existing beneficiaries of financial assistance from the Fund.

5. Information and/or data taken into account

The ILF budget for the financial year 2010/11 has been set at £359 million for the whole of the UK, made up of £348 million for Great Britain and £11 million for Northern Ireland.

On 12 March 2010 ILF Trustees notified Local Authorities that with effect from 1 May 2010 ILF would accept only new applications from candidates in paid work of at least 16 hours per week, that no applications from other candidates would be accepted, and that the Threshold Sum for new applications and for increased awards based on increased need would be increased from £320 to £340 per week.

In March and April 2010 ILF received over 2600 new applications, a figure that is unprecedented. It represents an increase of 435% on the level ILF would normally expect to receive and equates to 60% of the total number of applications that ILF would expect to receive in a full year.

ILF has started to make payments to 325 new candidates in April and May 2010. Taking into account offers that have already been made to new applicants the number of new candidates receiving payments from ILF is expected to rise from 325 to 600.

The funding allocation for ILF for 2010/11 will only enable ILF to provide funding for existing users and to those applicants to whom offers have already been made. The funding available is insufficient to pay increased awards for additional care needs or increased costs of care.

6. Equality Impact of the change

The decision to reject applicants and to make no new offers of funding, and to restrict increases, will necessarily have an adverse effect on people in all equality groups.

The impact on any one individual is likely to be mitigated to the extent that their local authority is able to address the need that the individual sought to have met by the ILF.

It is Local Authorities that decide who to direct towards the ILF for our funding. For the future it will be important for the ILF to consult with Local Authorities about the impact of these decisions to restrict funding in order to identify whether particular groups are being adversely affected. And whether there are aspects of the ILF contribution to joint packages that cannot realistically be delivered for specific groups instead by the Local Authority, with whom the responsibility for funding social care needs rests.

7. Mitigation

ILF will increase awards and make additional payments where these are necessary to enable candidates to meet essential employer costs such as employers national insurance contributions, statutory holiday pay, CRB checks and employers liability insurance.

On 13 May 2010 ILF formally requested the Department for Work and Pensions to consider granting additional public funds to ILF in the light of the number of new applications received in March and April 2010. No additional funds have been allocated to ILF.

ILF has already announced that in order to ensure that available resources are focussed where they are most needed, Trustees intend to consult with Local Authorities and disabled people's organisations as soon as possible on the options for accepting applications from candidates.

It remains ILF's intention to consult on the options for accepting new applications if and when financial resources allow.

More generally the Trustees of ILF will be considering carefully how ILF can best fulfil its responsibilities for supporting independent living across the UK in the light of likely available funding and taking into account the views of its users and stakeholders, and will be putting proposals to Ministers in due course. ILF consults routinely with its users and partner Local Authorities, and will continue to use these arrangements to monitor the impact of policy changes on equality groups.

ILF will continue to maintain a close relationship with all its users, including regular reviews, will continue to provide support for essential employer costs, will facilitate dialogue with the Local Authority where appropriate, will support users in converting to personal budgets, and will seek to strengthen non financial means of supporting the quality of people's lives.

8 Conclusion

ILF Trustees recognise that the changes that they have decided to introduce from 17 June 2010 will have an adverse effect on all potential candidates for ILF funding and on all existing ILF users.

However Trustees have an overriding legal responsibility to take reasonable steps to ensure that they do not spend more than the amount of public funds allocated. In addition they have a duty to allocate funds in accordance within the priorities specified within the ILF Trust deed.

Therefore Trustees have decided that there are only sufficient resources available to fulfil the first priority specified in the Trust deed, and even then only provided that there are no increases to awards in respect of additional care needs or to cover increased cost of care.

Independent Living Fund

March 2010