

Funding local authorities to support former Independent Living Fund recipients: the former ILF Recipient Grant

Technical consultation response: LGA and ADASS

February 2016

About the LGA and ADASS

1. The Local Government Association (LGA) is the national voice of local government. We work with councils to support, promote and improve local government.
2. We are a politically-led, cross party organisation which works on behalf of councils to ensure local government has a strong, credible voice with national government. We aim to influence and set the political agenda on the issues that matter to councils so they are able to deliver local solutions to national problems.
3. The Association of Directors of Adult Social Services (ADASS) is a registered charity which aims to further the interests of people in need of social care by promoting high standards of social care services and influencing the development of social care legislation and policy.
4. The membership is drawn from serving directors of adult social care employed by local authorities in England. Associate members are past directors and our wider membership includes deputy and assistant directors.
5. We are the recognised voice of leaders in social care. Our objectives include:
 - a. Furthering comprehensive, equitable, social policies and plans which reflect and shape the economic and social environment of the time
 - b. Further the interests of those who need social care services regardless of their background and status, and
 - c. Promoting high standards of social care services

Introductory comments

6. Adult social care is critical to the health and wellbeing of people with a complex range of often intense needs, their carers and families, and our communities more generally.

7. Councils take their adult social care responsibilities extremely seriously and have long championed reform of the system to ensure that it is sustainably funded and offers personalised, joined up, quality services that improve outcomes for individuals.
8. Delivering this type of care and support has become unquestionably more difficult in recent years as councils have had to contend with major reductions in central government funding. Although the recent Spending Review provided welcome recognition of the importance of adult social care, and the challenges facing the sector, the announcements do not resolve the scale of funding pressures that social care services are facing locally.
9. Therefore, while we understand the rationale for transferring former ILF clients over to local authority-coordinated care and support, the transfer must be seen in this wider context of budget pressures. We recognise the tremendous value placed upon the ILF scheme by former ILF clients and the sense of independence it generated. Councils will be doing all they can through their personal budgets framework to engender the same sense of choice and control. However, as the transfer cannot be divorced from the wider funding environment in which it is playing out, councils are also acutely aware of the potential impact of reducing support to former ILF clients and those individuals who would have previously qualified for ILF funding. We are absolutely clear that maintaining previous levels of funding for these individuals will be extremely challenging in many areas.
10. This response therefore addresses the consultation's three main questions but begins with wider commentary on the funding environment councils are operating in and the issue of 'new demand'. We urge the Government to consider these points in its final decision on the amount of funding to be transferred.

Context

The wider funding environment

11. Funding transferred to councils to support former ILF clients must be seen in the context of funding for local government (and adult social care) overall.
12. In the 2015 Spending Review and the 2016/17 Local Government Finance Settlement the Government set out its forecast of total available funding for core services, which it says will be broadly similar in cash terms in 2019/20 to what it is today. The Spending Review announcements of a council tax precept for social care and additional funding for social care through the Better Care Fund (BCF) are welcome recognition by the Government of the importance of care and support. These measures will go some way to addressing the funding gap facing social care.
13. However, there are still significant challenges ahead. In reality, even having the same amount of money to spend in four years' time would mean that any pressures on spending (such as inflation, increased demand, costs of policy

changes) will have to be funded by savings elsewhere. Such cost pressures will include:

- a. General inflation increases in demand for everyday services as the population grows.
- b. Ending of contracting out of National Insurance.
- c. National Living Wage.
- d. Deprivation of Liberty Safeguards.
- e. Business rates appeals.
- f. Introduction of the Apprenticeship Levy.

14. Savings required to deal with these pressures will inevitably impact on adult social care.

15. Furthermore, the 2015 Spending Review period will commence from unstable foundations. Over the course of the 2010 Spending Review period the LGA estimates that the service had to close a funding gap of £5 billion, half of which came from savings and service reductions from within care and support. This had, and continues to have, serious implications for the provider market, the quality, quantity and duration of commissioned care, and the ability of the sector to help mitigate demand pressures on the NHS.

New demand

16. The funding in scope is solely for existing former ILF clients, and with attrition and suspense this understandably decreases over the four year period. The funding therefore takes no account of new demand – ie people who would have previously qualified for ILF funding. Under the terms of the transfer councils will simply be expected to absorb this additional pressure from existing budgets.

17. As set out above these budgets are already under enormous strain and new demand from people who would have previously qualified for ILF funding will only exacerbate these pressures further. We believe the burden to be funded should cover everyone who would have been eligible for ILF had it continued and not just the current 'live' cases of former ILF clients. In short, the funding should grow in line with expected demographic growth. We are keen to understand why the Government is not basing its funding levels on this approach.

18. The transfer of funding must be seen in this wider context and discussions between local and central government on a sustainable funding settlement for adult social care must continue. Failure to do so will inevitably impact on the availability of care and support for some of our most vulnerable residents.

Value of funding for councils in support of their duties under the Care Act 2014 to former ILF recipients

19. The primary aim of this transfer must be to ensure that the care and support needs of former ILF clients continue to be met. In the absence of more concrete data on the remaining commitments to former ILF clients for 2016/17 we therefore support the proposal to use the ILF Trust's financial model to estimate the funding required to continue funding in full the care packages of former ILF clients until 2019/20. However, as above, we are concerned that the transfer is limited solely to former ILF clients, and not individuals who would have been eligible for ILF if the scheme was still running.
20. We accept that funding commitments for former ILF clients will decline year on year due to attrition and/or suspense. However, there is nothing in the model (as it is presented in this consultation) that suggests that the costs of increasing needs and/or worsening conditions is factored into the calculations. It would be helpful to receive clarification on this point.
21. Councils have a strong track record on efficiency and innovation within adult social care. This, combined with duties under the Care Act duty to promote wellbeing, personalisation and a diverse provider market offering quality services, provides a helpful opportunity to think about how best to support former ILF clients as funding for their support transfers over to local government.
22. To ensure this opportunity is maximised there must be maximum flexibility on how the funding is spent, to reflect the fact that councils are best placed to direct resources. Through this transfer, and other key policies (such as the council tax precept for social care and additional social care funding via the Better Care Fund), the Government has been clear that money intended for adult social care should get through to where it is needed. Councils will be well aware of this and will be using local arrangements to ensure that former ILF clients receive packages of care that are best able to maintain and improve outcomes.

Methodology for calculating local authority allocations

23. The LGA and ADASS do not typically comment on the distribution of funding among councils but are clear that resources intended to meet need should be based on evidence of that need. We would refer DCLG to individual council responses to this particular matter in the consultation.

Comments on the provisional equalities assessment

24. The provisional EA attached to this consultation states that: "there is no way of assessing whether local authorities will use the [transferred] funding to maintain care packages in full. However, the Government is committed to ensuring that funding is provided at a level where the choice to do so is made by the council".

25. It is difficult to reconcile this statement with what is said in the DWP equalities analysis on the closure of the ILF (March 2014): “It is almost certain that closure of the ILF will mean that the majority of the users will face changes to the way their support is delivered, including the real possibility of a reduction to the funding they currently receive”.
26. The Government seems to be saying that there is a “real possibility” that users may face a reduction in funding, whilst at the same time saying that there is sufficient funding overall to prevent that from happening. It is hard to see how these two statements are compatible.
27. Furthermore, the provisional EA attached to this consultation also states that: “there is a potential positive impact for some users of the social care system from this funding being made available. Those who are not former ILF users may get an improved service or level of funding from their local authority due to the greater amount of funding available”. We believe it is inappropriate to consider benefits to non-former ILF clients in an EA focussed on safeguarding the continued care and support for former ILF clients. And in any case this is a very optimistic assumption given the wider funding environment set out above.