



## **Independent Living Fund Transformation Case Study**

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**2016**

## INTRODUCTION

### Theme and Background

The Independent Living Fund (ILF) was a non-departmental public body within the Department of Work and Pensions with the power to make discretionary cash payments to assist severely disabled people to live independently. They also provided users with guidance on becoming an employee, if hiring private personal assistants. The recipients had control over how that money was spent, and could tailor their care according to their specific needs and preferences.

The ILF was closed on 30<sup>th</sup> June 2015 and its responsibilities devolved to local authorities and trusts.

It was a very successful closure programme which actually led to increased efficiency and productivity of staff and services.

The closure programme was about an effective *transfer of services* rather than eradication, and ensuring that all stakeholders were provided with all the relevant information.

Many functions of the ILF have been incorporated into the Care Legislation Act 2014, such as giving every disabled person the right to portability of support, national minimum standards for consistency of support, choice of control, person centred planning, the ability to have direct payment, and personal budget.

The discretionary cash system was replaced with a more efficient statutory system and maintained the right for all disabled people to live independently.

#### **James Sanderson, CEO, Independent Living Fund**

“Unlike a lot of NDPB closures, and Arm’s Length Bodies reforms, the ILF has been held up as being a really positive model. Everyone has said the ILF done great work, the service provided has been great. The closure isn’t about funding cuts because all the money is being transferred, it’s not about wasteful admin because we’re only spending 2% on administration, it’s not about any mismanagement of the money of the organisation because its functioning incredibly well, and we have 98% user satisfaction. This is purely a structural basis that actually government feels that localism and the support through the Care Bill is the way forward for social care, and that concept of having everything through one point of reference at a local level is what the system needs to get to.”

#### Key Facts:

- The ILF had 120 employees.
- Over 27 years provided support to over 46,000 disabled people.
- 90 self-employed regionally based ILF assessors.
- Worked in partnership with 200 authorities.
- Provided support to over 19,000 disabled people
- Operated at a cost of around £320 million from government funding.

The closure programme was announced in December 2012, with three main challenges:

- To prepare staff, users, local authorities, devolved governments and disabled people and their organisations for the transfer and closure.
- To maintain a level of service delivery to continue to provide sufficient support for users in the run up to closure.
- To maintain a level of service while staff headcount reduced by 30% and the administrative budget reduced from £10m in 2011 to £6m in 2013.

## AIMS OF CASE STUDY

- Demonstrate the achievements of the ILF and its management team in implementing the closure programme.
- Ensure the learning processes are documented in order to share best practise and learn from success transformational strategies.

## PROCESS

### Transfer Review Programme

The 'Transfer Review Programme' focused on sourcing further efficiencies, managing resources and engagement in order to prepare all stakeholders for the closure. The programme was scoped by engaging with ILF users, Government, local authorities and organisations that support disabled people. It replaced the triennial reviews that all users underwent to ensure that they were getting the best out of their package and using all of their resources.

#### Outline of Programme

- All users were given a Transfer Review Programme Transfer Guide to clearly articulate the process of closure in a step-by-step format.
- The closure programme would take roughly two years to complete, starting with a visit from an ILF caseworker and local authority representative to review the users existing care package, discuss their independent living outcome, provide an opportunity to liaise with their local authority on how they will work with the user to prepare for closure, to talk about what support your personal assistants or carers may need and to review financial expenditure to ensure the users' current package does not leave any unspent money.
- After this initial review, the user would be sent an offer of an ILF support plan based on the outcomes that were discussed during the review visit.
- The ILF then started preparing the users' information to send to the local authority who would be in charge of any form of disability allowance after closure.

#### Results

- Efficiency measures led to a 35% improvement in clearance time enabling the ILF to set and meet accuracy and quality targets of 98% with no detriment to user satisfaction (98.3%, March 2013).

### Staff Engagement

#### **Stephen Jack, OBE Chair, Independent Living Fund**

"Our primary focus was making sure we put our users in the best possible position they could be in and our strong secondary focus was to do right by the people in the organisation."

- The closure programme actually required a 33% increase in workload and an 8% increase in productivity, therefore staff commitment to the primary purpose was essential.
- This required strong leadership skills and clear objectives from the management team.
- The ILF's last staff engagement survey score was 92%, despite being a team of 125 being made redundant and facing an increasing workload.

#### Internal Discussions

- Throughout his leadership as Chief Executive from 2012, and as Chief Operating Officer prior to that, James Sanderson made a conscious effort to keep staff engaged and communicate openly. James wrote an internal blog at least three times a week to keep staff up-to-date on internal operations, share thinking and challenges and acknowledge good work.
- In their capacities as Chair and CEO, Stephen and James conducted formal staff meetings to discuss the rationale behind closure, including key factors such as localism, charity rights and the history of the ILF. They made a conscious effort to engage trustees and staff and breed transparency throughout the organisation.
- Although many members of staff were unhappy with the decision, they understood the rationale and felt included in the process.
- James created an 'Internal Delivery Model' document used internally for staff to clearly articulate the timeline of events for closure at each stage.

#### Development of Skills

- The closure programme offered an opportunity to develop transferable skills which encouraged staff engagement.
- A wealth of new information, systems, technology, operational structure and skills were required for successful transfer in order to capture all the information to make payments and provide intelligence for those taking over from the ILF.
- The staff were motivated by the clear direction, the freedom for innovative thinking as well as the opportunity to redesign, source efficiencies, and support users.

#### Further Employment Support

- Human Resources were provided some funding to relocate staff, however no traction was received from the DWP.
- The ILF encouraged internal secondments, volunteering and allowed leave to build relationships with local contacts. 16 members of staff gained employment through local contacts.
- Many employees found employment in Office of the Public Guardian based in Nottingham, HMRC in Nottingham

#### MICK (Making Intellectual Capital Known)

- This was part of the SPEED framework strategy document created by James Sanderson, CEO.
- It outlined key points regarding structure, planning, engagement, evaluating and delivering successful closure.
- MICK was part of the evaluation process. It was a 'wall project' whereby staff were invited to plot a timeline on a wall of the office building detailing the organisation's history from creation in 1997. This included, staff memories, personal milestones such as marriage and children, acknowledgement of staff successes, as well as academic research on independent living, concepts of choice and control and how to approach supporting people with disabilities.

#### User Engagement

- Throughout the review programme the ILF held 30 strategic meetings and training events, which discussed plans with 180 local authorities and a range of disabled people and their organisations. Over 500 individual delegates (representing over 90% of ILF) users were engaged within a three month period.
- After initial closure was announced, users were invited to be part of an advisory group.
- They received letters at regular intervals to update them on the progress of closure. One to inform users of the closure and when their transfer review visit will take place, a reminder prior to the visit to source relevant information e.g. for finances, a letter after the visit and finally another before final closure on 31<sup>st</sup> March 2015 to confirm the details of any final payments.
- High level of engagement in user consultation process. The ILF asked 20,000 users for feedback and received 2000 responses.
- User satisfaction throughout the closure process increased from 97%-98%.

#### Local Authority Engagement

- The ILF developed of a code of practice to support the transfer programme with Local Authorities and Association of Directors of Social work across UK.
- The ILF engaged with all 210 local authorities ready to transfer all relevant information.
- James and Stephen chaired meeting with the top 15 local authorities, which represented about 35% of users and hosted a roundtable discussion with directors of social services.
- They invited local authorities to attend meetings, attendance at first was 64% but this increased to 84%.
- The ILF hosted engagement events.
- The management team tracked all movements of the board through the transfer of operations.

#### Sponsorship Relationship

The sponsoring department for the ILF was the Department of Work and Pensions who took a 'light touch' approach to managing the closure.

Strategy:

- It was decided at the starting point, Gate 0, that closure would be managed by the ILF itself with a Programme Steering Committee.
- The Steering Committee was chaired by the Senior Accounting Officer for DWP, along with members of the ILF and met every 2-3 months to discuss the progress of closure.
- The ILF took the lead on transferring records of information and teams in DWP and the Steering Group met and were updated on any risky approaches. The groups would then create action points and agenda items accordingly.
- The department had representatives at every Board meeting, Audit Committee Meetings and on the Programme Steering Committee.
- Consistent and direct contact with James Sanderson, CEO, ILF and his senior team.

**Diana Hannachi, Departmental Sponsor for the Independent Living Fund:**

“The ILF did everything themselves and they did that very efficiently. They worked with others, with us as the policy team, but they also worked with other divisions within the department.”

**KEY LEARNING**

**Stephen Jack, CEO, Independent Living Fund**

“It’s all about planning, being really clear on what you’re trying to achieve and what your objectives are.”

Planning

- **Being clear on objectives.** The ILF were keen to highlight from the outset that closure would not be a quick process; their objective was to ensure that users, staff and local authorities were appropriately informed and prepared for transfer and redundancy. Their focus would be **user-centric** and **efficiency-led** and this was clear from the outset.
- **Clearly defined outline of process management, strategic and operational risk assessment.**
- **Contingency plans, constant reassessment and re-evaluation of plans.** Part of the SPEED framework is ‘flexagility’ and stresses the importance of being able to adapt to unexpected changes in the project plan. This was particularly the case when the ILF’s closure was postponed due to the decision to close being reviewed by the High Court. However the ILF have been praised for how they coped with being told on a short-time frame to return to ‘business as usual’ operating model, likewise the department worked rapidly to provide the court with as much documentary evidence as possible to enable the public consultation to be held up as fair. This period of uncertainty was also a leadership and management challenge as staff were unsure of whether they were going to lose their jobs, however both ALB and the department worked closely to update staff and users on the progress of the appeal and ease the tension.

Communication and transparency

- **Clear articulation of roles and responsibilities** across ALB and department prior to closure process.
- Consistent **communication** with the sponsoring department. The ILF’s use of a Programme Steering Committee was a great way to facilitate a binary dialogue.
- The ‘light touch’ approach was successful due to the small size of the organisation and strong communication links between the department and the organisation. In other closure cases, larger organisations might require more structure from the department; **approach is case dependent.**
- **The public consultation and consistent engagement** with staff, users, the department and local authorities was a good way to breed transparency, ensuring that staff and users were included in the rationale behind the closure and its progress throughout implementation. This also encouraged confidence and cooperation in the process.
- **Tracked data and review.** The use of tracked data, performance targets and reviewing each staff and users’ circumstances individually ensured a clearly defined process of project management, encouraged engagement, and enabled the ability to respond efficiently to the unexpected and acknowledge of good work.
- **Publication.** The ILF produced a number of useful formal documents for all stakeholders.
  1. **Efficiency by Design Publication Draft** – the case study of the closure programme outline.
  2. **Transfer Review Programme Guide (England)** – booklet sent to all users in March 2013 to explain the process of closure at each stage. Similar versions sent to devolved administrations.

3. **Internal Delivery Model** – model used by staff internally as a timeline of each stage up to closure.
4. **SPEED framework** – a strategy document for closure programmes.
5. **Living Newsletter** – newsletter sent to all users in May 2014 to provide up-to-date news of the transfer programme.
6. **Closure Programme Presentation** – a recent update of our closure programme as at end March 2015.
7. **Employer Support Booklet** – a booklet sent to users in March 2015 to provide
8. **Transfer Guide** – a booklet sent to users in March 2015 to prepare them for transfer.
9. **Twenty-Seven** – Self-evaluation report of 27 key reflections and learning pieces from the ILF’s 27 years in operation.

#### Cohesion and Continuity of Board

- **Strong leadership** is essential to undergo transformational processes. As Chair, Stephen Jack saw his primary role to create strong cohesion within the board, ensuring they all had the same priorities and informed all the relevant stakeholders.
- **Commitment** to the organisation and the aims of the transformation programme, which in the case of the ILF was driven by the commitment to their users. The board was comprised of long-standing members, some having been in post for up to 10 years and Stephen actually extended his tenure as Chair in order to see the process through.
- As Chair and CEO, both Stephen and James are keen to emphasise the strength of their working relationship and the importance of constantly **challenging, reassessing** as well as **supporting** each other and the board. They were in consistent contact with each other and made themselves fully available to staff.
- It is important to have a board that is **cohesive** and **well-equipped for change**. In the case of the ILF, the ALB had already responded to several changes over its course, for example between 2005 and 2007 it went from being on a prescribed budget, it is also adapted to changes in how to fund new recipients and changes in criteria for applicants.

#### WHAT WOULD BE DONE DIFFERENTLY IN THE FUTURE?

- More realistic estimations of time scales and resources. For example, the ILF team underestimated how long it may take to gain consent from users or chase stakeholders for various pieces of information. Moreover, they underestimated many assessors (self-employed social workers) the ILF would need. They initially hired 67, which then increased to 85 and eventually became 105. Although the programme still finish 3 months ahead of schedule, it was inefficient use of time and the correct number of staff should have been employed from the outset.
- The ILF staff would have liked more involvement, support and a closer relationship with senior officials within the department. They had to deal with quite a high ministerial turnover throughout the closure process and would have liked more recognition as closure as an area of expertise.
- The ILF also felt the department could have provided support to reinvest skills within government and the wider public sector.

#### **Baroness Campbell of Surbiton p.10 of ‘Twenty-Seven’**

“The ILF was one of our treasured liberators. We mourn its departure...because we fear the culture that drives our independent living may get lost in translation. This publication of twenty seven is therefore an essential read for any local authority as they receive the baton of responsibility to maintain our right to independent living which delivers our equal citizenship.”

#### LEGACY

- In order to share their knowledge and experiences of providing services to support independent living and lessons learnt from the closure process more generally, the ILF created a document called ‘**Twenty-Seven**’. This publication looked critically at what the ILF delivered and how this was achieved; its

processes, policies, approaches and attitudes in the workplace. It documented 27 key learning points, one for each year the ILF was in operation and each point was contributed by different voices in the ILF, for example users and various different levels of staff to capture all aspects of operational delivery. They engaged with a range of stakeholders in order to create this publication, for example the Advisory Group of disabled service users to get feedback on the areas. The success of 'Twenty-Seven' as a celebration of the ILF's achievements and a major contribution to the field of independent living support and knowledge sharing was even endorsed by the Minister in the House of Commons.

- DWP has made a commitment to look at the effects of the closure on users as part of the equal living policy analysis.
- The ILF set out a **SPEED framework**, which is a strategy guide for the closure process. It highlights key action points for strategic planning for closure such as how to approach preparing for governance, organisation, resources, deliverables, pathways, risks, stakeholders, support, effectiveness, outcomes, legacy, and maintaining pace and focus throughout implementation.

## OUTCOMES

- Increased user satisfaction, staff engagement and opportunities for skills development.
- Providing local and devolved authorities with all the relevant information to effectively transfer services and reassuring users that they would still be provided care through other local services.
- Developing bespoke publications for UK administration with an extensive programme of communication to support users through all stages of the transfer.
- Producing examples of best practise as well as lessons learnt for transformational closure and operational delivery of services to support independent living.