

**Minutes of the meeting of the Trustees of the Independent Living (Extension) Fund and the Independent Living (1993) Fund held on Wednesday, 13 June 2007,**

The meeting commenced at 10.40 am

Present: Stephen Jack (Chairman)  
Peter Cooke (Vice Chairman)  
Mike Boyall  
Sally Sparrow  
Marie Martin  
Margaret McGlade  
Elaine Morton (Chief Executive)

In attendance: Yogi Amin  
Sue Winterburn  
Anne McGuire (Minister for Disabled People) (to item 3)  
Norman Cockett (DWP)  
Sharon Foster-King (DWP)  
Gary Stephenson (Finance and Corporate Services Director)  
Pam Mellors (Chief Executive's Secretary)

The Chairman welcomed the Minister for Disabled People to the meeting.

## **1 Apologies**

Apologies were received from Nick Danagher due to work commitments.

### **1.1 Declaration of possible Conflicts of Interest or Loyalty**

Trustees were asked if they had identified any area on the agenda where there was an actual or potential perceived conflict of interest or loyalty.

All Trustees confirmed that no issues had been identified.

## 2 Finance

### 2.1 Expenditure Forecast and Contingency Measures

The Chairman provided background information for the Minister to explain events which had led to a financial shortfall for 07/08.

He said that the primary driver in rising expenditure had been an increase in first awards due to an increase in applications. This had been discussed with DWP in August 2006 and although there was some evidence of this changed trend, DWP had not accepted the position and agreed a trend of 196 awards per four weeks when setting the user expenditure budget in December 2006. The take on rate of new awards for GB applicants had remained at the 250 per four week period identified in August 2006.

He explained that the position had been discussed at the March, April and May 2007 Trustees' meetings and management had been asked to look at options on how the shortfall could be addressed.

[Information has been redacted from this section as it represents the formulation of policy. This is in accordance with exemptions under the Freedom of Information Act 2000].

The Chairman explained the potential impact of Group 3 candidates who could potentially receive a run on payment of up to 12 weeks after eligibility had ended. This cost had the potential to further increase the shortfall for 07/08 within a range of £0.8 to £3 million in the period from Oct 07 to March 08.

He said that Trustees were mindful of their responsibilities to operate the Fund within budget and did not want to be in the position of being overdrawn. As DWP had communicated that no further funding would be available proposals had been drawn up to manage the shortfall by suggesting changes to increase the Threshold sum, change the date from which offers would be taken up, use the bank interest to reduce the call on grant in aid, reduce administration costs by £ 0.8 million and use up £1.5 million of cash at year end.

The Chairman said it was important that everyone realised that the ILF did not hold cash reserves and the money held at the March year end was to meet the requirements of the first week of April in the new financial year prior to receiving the grant in aid for April. Therefore in

using up the cash flow at the year end an early payment of grant in aid for April 2008 was needed.

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The Chairman said that DWP was not willing to support these proposals because they adversely affected customers and Local Authorities at a point when local authorities were not able to adjust their budgets. He said that if Trustees were unable to move forward with these proposals guidance was needed on how Trustees were expected to address the shortfall.

He also explained that there was an impact on future years with a projected £19 million shortfall for 08/09 if the forecasting factors remained the same. He asked how DWP planned to address this and if they wanted the ILF to refocus on who should be supported. He also asked how ILF should interact with Social Services Departments and how the ILF was expected to move forward.

The Minister thanked Trustees for the opportunity to come to speak to them; she said she hoped that it would be a positive discussion and that it would help her and Trustees resolve this position, recognising that this was the first time a significant financial challenge had arisen.

The Minister said she recognised that disabled people were becoming more aware of the ILF and that Local Authorities were more aware of the ILF's potential as a source of funding. In addition the recommendations from the Review also needed to be considered with a possible rebalance of the relationship with SSDs.

The Minister said that the measures taken by the Trustees to find savings from bank interest, year end cash and administration cost reductions were positive responses. The immediate focus needed to be on resolving the short term financial problem including looking at finding some funds for this year. She said the trustees would not be left with insufficient funds to meet this year's commitments.

The Minister said that future projections would need to be looked at and that further discussions would need to take place between Trustees and DWP officials to manage the budget in the next financial year and beyond. Discussions would also need to take place regarding priorities

and Trustees were invited to make recommendations and to outline how they would engage with Local Authorities now to ensure the impact of changes to ILF policies were understood by Social Services Departments.

The Minister asked Trustees to work with officials to calculate the extra funding figure required as there would only be one opportunity for the Department to seek extra for this year.

The Minister said that a decision should be known by October to provide time to make other decisions if needed.

Trustees agreed to have the information by 1 October 2007.

Margaret McGlade said she welcomed what the Minister had said as Trustees had relatively few options available to manage a budget deficit. She said that the ILF was linked to the success of the government's independent living policy and she expressed concern that the financial need for the public sector as a whole should be recognised.

The Minister said that time was needed to engage in discussions with principal stakeholders to ensure that they understood what options needed to be considered to manage future demand against budget availability.

Sally Sparrow said that she felt very encouraged and supported by what the Minister had said.

The Chairman asked for a steer on the issue of priorities for the ILF to support

The Minister commented that Trustees would have to take this forward with the DWP team in discussions with ODI and make proposals to refocus on whom the ILF should assist.

The Minister said that she had appreciated Trustees' proposing difficult options on this issue and the opportunity to engage in discussions with them to reach a solution. She said that she hoped that the discussions today would foster good relationships with the department.

The Minister said that she would like to recognise the valuable work undertaken by the Trustees.

The Chairman thanked the Minister for her comments.

The Minister advised Trustees that the government decision was to incorporate the ILF website into DirectGov. Whilst respecting the independence of the Trustees it was appropriate to emphasise the customer facing nature of the ILF through a closer link with the main government website.

### **3 Minutes of the meeting held 9 May 2007**

The minutes of the last meeting held on 9 May 2007 were accepted by Trustees as a true record, and signed by the Chairman at the end of the meeting.

### **4 Matters Arising**

#### **4.1 Equality Statement**

The Chief Executive confirmed that the proposed wording was still being discussed with Nick Danagher.

#### **4.2 COGA**

Sharon Foster-King commented that she had e-mailed the Chief Executive to arrange a further meeting.

#### **4.3 Training**

The Chairman commented on the training to be delivered after the meeting today and after the September's Trustees' meeting.

He said that he would be looking at Trustees' further training needs with the Chief Executive and discussing how to take these forward.

#### **4.4 Legal Advice**

[Information which represents legal advice has been redacted from this section. This is in accordance with exemptions under the Freedom of Information Act 2000].

#### 4.5 CHC Cases

The Chief Executive said that discussions had taken place with DH on the modification to our policy on CHC. They confirmed they had no objections to the amendment and therefore the Fund had proceeded with the Trustees' decision on the relevant Board referral.

#### 4.6 Conference Calls

The Chairman said that a record of the conference calls on 17 and 22 May would be signed off today and a copy would be circulated to all Trustees.

#### **Outcome: Information**

### **5 Outstanding Action Points**

The Chief Executive said that progress was being made on the lease and requested the clearance date move to July 07.

In answer to a question the Chief Executive said the lease expired in 2018.

The Chief Executive said that items relating to Assessment of the Effectiveness of the Board and Strategic Risk Management Workshop had been added as Trustees had requested.

All other items are moving forward.

#### **Outcome: Information**

### **6 Chairman's Issues**

The Chairman updated Trustees on the LA averaging issue and the Accounts for 06/07. He said that discussions had taken place with NAO and DWP and both he and the Treasurer were not happy about the current position in that an approach adopted by the Fund 14 years ago on LA averaging was now being deemed as Ultra Vires. He said the matter was subject to close scrutiny and further discussions would take place at the Audit Committee on 19 June.

He outlined that a proposal would be presented to the Audit Committee on 19 June to expand the remit of the Salaries Committee to from a Human Resources Committee.

The Chairman said that the Audit and Salaries Committee would need a fourth member as the 2006 Deed required sub committees to have 3 and members present to be quorate and currently there were only 3 members on each committee.

He confirmed that the Audit Committee met four times a year with the Salaries committee usually meeting on the same day in London but there was flexibility on dates and or location.

He said he would come back to this item under AOB.

## **Outcome: Information**

### **7 Strategy**

#### **7.1 ILF Review Action Plan and Issues Log**

The Chief Executive presented the paper to Trustees.

In answer to a question Sharon Foster-King confirmed that a draft Ministerial response to the Review was not available. She explained that a meeting had been arranged for 21 June with other Government Departments to discuss the progress made on issues where there is cross working and how recommendations would be signed off.

The Chief Executive said that a response to DWP on first thoughts on the review was planned and she would forward the draft response for Trustees' comment.

She explained that she would like to indicate the ILFs views at this stage on which recommendations were being accepted, partially accepted and which recommendations were being opposed and guided Trustees through the log.

The Chairman invited DWP to comment on the ILF views but DWP said they would wish to speak to ODI before commenting.

Discussion took place on recommendation 57 and Sharon Foster-King (DWP) commented that she had received a response from the Office

for the Commissioner for Public Appointments who had advised that it was possible to specifically target to recruit disabled people as Trustees. It was agreed that “ personal knowledge of own disability” should be considered during the recruitment process.

The Chief Executive said that it was recommended that there should be an opposition to the second half of recommendation 66 which related to the presumption now of total integration. Trustees agreed this approach should be accepted at this stage but commented that debate was needed on the correct future strategic positioning of the Fund.

The Chief Executive updated Trustees on recommendation 23 in relation to the website. She said that in light of the government review to rationalise websites, she had received an e-mail to confirm that the business case to retain a separate ILF website had not been approved.

In answer to a question from the Chairman, Sharon Foster-King said that at this stage she was not aware what the changes entailed.

Trustees agreed they felt very strongly about retaining the ILF website and feared that users would be deterred if they had to access this through direct.gov.

In answer to a question Sharon Foster-King confirmed that there was no appeal process but there was a grievance process.

Trustees agreed to pursue raising a grievance.

**Outcome: Chief Executive to pursue a grievance with DWP on retaining a discrete ILF website**

## 7.2 Complaints and Review of Decisions Report

The Chief Executive presented the paper to Trustees. She explained that it outlined recommendations on improvements to the current complaints and decision review process. An option was provided to enable users to make personal appeals directly to the Board of Trustees which had a link to recommendation 53 of the Review report. She explained that consultation work has been undertaken with NCIL to establish their thoughts on the current process and the proposals.

If Trustees agreed the proposals consultation would be carried out with all interested stakeholders before a final paper was presented in October.

Trustees discussed the recommendations made and acknowledged the fact that this would be a great benefit to users and would improve perceptions of transparency and openness. However the impacts that the personal appeals process would have on time, resources and the practicalities of taking this forward were also considered.

Trustees commented on the possibility of using other agencies to carry out the process but the Chief Executive confirmed that under the Trust Deeds this cost would not be an acceptable expenditure and Trustees might be considered to be fettering their discretion.

The Chief Executive suggested possible alternatives as a trial of this process or changing the current paper process to give more information to users on the Funds' view of the issues. Trustees discussed this idea of users presenting a 'statement of facts'. This would give the opportunity for the user to present their case which would then be forwarded to Trustees panel for decision. Yogi Amin suggested that a possible model of the "statement of facts" idea was that operated by PCTs.

Trustees asked that the possibility of a user panel hearing a case in person should not be ruled out but there should not be a fixed location for such hearings.

Trustees agreed to carry out further research into possible changes in process.

**Outcome: Chief Executive to undertake further research on options to improve current processes relating to Trustees' decisions on personal cases**

## **8 Governance**

### **8.1 TOR of the User Personal Cases Committee**

The Chief Executive presented the paper to Trustees. She explained that changes had been incorporated in response to her e-mail of 19 May on managing potential conflicts of interest to meet Charity Commission comments. Clauses 16 and 17 to reflect

governance issues on decision making and clauses 30 and 31 for best practice had been added to this final version.

She said that she thought the group might need to meet more than once every two months, as this would hold up decisions more than currently.

**Outcome: Decision - Trustees reviewed and approved the Terms of Reference for the User Panel Sub Committee for the Chairman to sign.**

## 8.2 Annual Report 2006/07

The Chief Executive presented the paper to Trustees.

She explained that following a procurement exercise, the company used in 2006 had been re-awarded the contract to complete this piece of work.

The report would keep to a similar format as last year's document to maintain a consistent link with some changes to improve the overall document.

Last year's report was well received by users and stakeholders and had been nominated for an award for best annual report at the Annual Chartered Institute of Public Relations awards in July.

The outline of the report was discussed and Trustees agreed that editorial control would remain with the ILF.

In answer to a question the Chief Executive said that a statement regarding the Review would be made either in the message from the Chief Executive or the Chairman.

Trustees approved the proposed content of the report.

**Outcome: A draft of the Annual Review to be presented at the July Trustees' meeting.**

## 9 AOB

### 9.1 Financial Position

The Finance and Corporate Services Director updated Trustees on the latest forecast and funding position. He said that there had been a change in the 1993 Fund average weekly payment originally projected at 15p per week but now showing 20 p per week. This was the reason for the additional £ 0.8 million addition to the deficit.

The Finance Director said that he could have all relevant data updated to produce the final estimate by 19 June to forward to DWP.

It was agreed to produce an outline plan of the critical dates for the budget issues including how to go forward with discussions with ADSS for the July meeting.

**Outcome: Finance Director to send estimate of shortfall to DWP as soon as possible after 19 June**  
**Finance Director to send information on shortfall to Trustees**  
**Chief Executive to produce time based action plan on budget deficit for 07/08 and 08/09 for July Trustees' meeting**

## 9.2 Date of Next Meeting

The date of next meeting will be Wednesday 11 July 2007

There being no further business the meeting finished at 13:00 pm.