

## **Minutes of the meeting of the Trustees of the Independent Living Fund (2006) held on Wednesday, 9 July 2008.**

The meeting commenced at 10.30 am

Present: Stephen Jack (Chairman)  
Peter Cooke (Vice Chairman)  
Sally Sparrow  
Mike Boyall  
Nick Danagher  
Yogi Amin  
Margaret McGlade  
Elaine Morton (Chief Executive)

In attendance: Gary Stephenson (Finance and Corporate Services Director)  
James Sanderson (Business Development Director)  
John Fuller (Strategic Policy Director)  
John Denore (Operations Director) (from 10.1)  
Pam Mellors (Chief Executive's Secretary)  
Norman Cockett (DWP)  
Chris Booth (DWP)

### **1 Apologies**

Apologies were received from Sue Winterburn and Marie Martin who were unable to attend.

#### **1.1 Conflicts of Interest and or Loyalty on Agenda**

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 Governance**

### **2.1 Audit Committee Minutes**

The Chairman of the Audit Committee guided Trustees through the minutes. He said that there had been no issues to bring to the Trustees attention.

The Chairman of Trustees commented on the positive Internal Audit report in that the fund have an 'adequate' system of internal control to operate effectively (this is the highest level of assurance).

Trustees noted the minutes.

#### **Outcome: Information**

### **2.2 ILF 2006 Report and Accounts**

The Finance and Corporate Services Director presented the Accounts to Trustees. He explained the 2006 Fund Accounts are formally laid before the House of Commons. The Stationery Office will publish the Accounts. Copies will be forwarded to the ILF for distribution and the publication will also be on sale at TSO bookshops.

The Finance and Corporate Services Director gave an explanation on the deficit showing at year end and said that this was not uncommon for organisations funded by Grant in Aid. A draft letter of comfort had been provided and would be finalised at the DWP WWEG Finance meeting scheduled to take place after the Trustees meeting.

#### **Outcome: Action - DWP to provide letter of comfort on "going concern"**

The Finance and Corporate Services Director presented the Accounts to Trustees and said that there had been no changes to the format or figures since the approval of the Audit Committee in February 2008.

The Chairman of the Audit Committee recommended to the full board to formally adopt the accounts. He conveyed his thanks to everyone at the ILF and the auditors for all their hard work within tight timeframes.

Trustees formally adopted the accounts and agreed signatories as: the Chief Executive, Chairman, Vice Chairman and Treasurer. The Accounts were signed and passed to NAO.

The Chairman of Trustees said that he appreciated all the hard work that goes into the documents and would like to thank the Finance and Corporate Services Director, his team and the Audit Committee for a job well done.

**Outcome: Accounts approved**

**Outcome: Action – ILF to publish ILF Accounts**

### **3 Minutes of the Meeting held 11 June 2008**

The minutes of the meeting held on 11 June 2008, with a minor amendment to wording on page 6, were approved by the Trustees and signed by the Chairman at the end of the meeting.

**Outcome: Information**

### **4 Matters Arising**

#### **4.1 The Minister**

DWP said that unfortunately the Minister was not able to attend today's meeting due to work commitments however she is hoping to attend the meeting in September.

#### **4.2 Supporting People Update**

The Chief Executive said that further to the update in June this issue had been put on hold until further discussion with DWP and DH. A meeting would need to be arranged as soon as possible to take this matter forward.

Trustees discussed the changes to supporting people monies and the possible impacts to ILF users.

DWP confirmed that they would arrange a meeting with DH and CLG.

**Outcome: Further policy work to be carried out**

**Outcome: Action - DWP to arrange meeting**

### **4.3 Ratification of Documents sent by e-mail**

Report on Health & Safety Performance 1 Oct 07 – 31 Mar 08  
Internal Audit Assignment – Payment Assurance  
Report on Governance within the ILF  
Control Checks Review 2007/08  
Annual Report on delivery of IT Strategy  
Information Management Annual Review  
UPCC Minutes 12 May 2008  
UPCC Minutes 19 May 2008  
UPCC Minutes 2 June 2008  
UPCC Minutes 16 June 2008

Trustees confirmed they had no issues to raise and ratified reports.

**Outcome: Information**

### **4.4 Analysis of March 2008 Applications cf DLA Statistics**

The Finance and Corporate Services Director circulated an analysis of March applications.

He explained that analysis of caseload by DLA component based on statistics available on the DWP website compared with ILF applications for March 2008.

The Chairman said that this was very helpful data and would like a similar analysis of April-June 08 applications.

**Outcome: Information**

**Outcome: Action - Finance Director to provide Apr-Jun 08 analysis**

## **5 Chairman's Issues**

The Chairman brought Trustees attention to a letter he had received from the Minister of Health regarding being involved on a stakeholder panel in the reform of the care and support system.

He said that Nick Danagher had agreed to represent the ILF on behalf of the Trustees.

DWP said that they were keen for the ILF to have a voice and being involved on the stakeholder panel would give an opportunity to influence the development of the review directly.

The Chairman said that on his recommendation, the Minister has agreed to support extending the terms of office of Peter Cooke and Marie Martin. He felt that during this time of change it was important to keep a stable group of Trustees as this would benefit the Board and the organisation.

## **Outcome: Information**

### **6 Outstanding Action Points**

Trustees were updated on the outstanding action points.

Yogi Amin explained that the action point relating to Trustees Indemnity was still ongoing however it was hoped that this would be resolved in the next couple of weeks.

DWP said that a draft letter had been prepared and quoted wording in 'Managing Public Money' as a key section of the indemnity - 'The government has indicated that an individual board member who has acted honestly and in good faith will not have to meet out of his or her personal resources any personal civil liability which is incurred in the execution or the purported execution of his or her board functions, save where the board member has acted recklessly'.

Yogi Amin confirmed that he had spoken to ILF lawyers and this wording had been agreed, however they were now awaiting a final draft.

It was agreed to move the target date to September 08.

Issues relating to the Trust Deed were still being progressed however it was noted that Trust Deed and COGA change requests may also arise from decisions made today.

Yogi Amin said that discussion on the longer term Trust Deed issues seems to have fallen behind and that he was keen to set up a meeting with DWP to take this forward.

DWP commented that the strategy discussion was important and would tie in with the long term Trust Deed issues and would be helpful to start discussion at the strategy meeting in September.

The Chief Executive confirmed that all matters related to the lease have now been completed.

## **Outcome: Information**

### **7 Strategy**

#### **7.1 Update on Refocusing Programme**

The Strategic Policy Director presented the paper to Trustees, he outlined the progress made with the discussion document, the project board and the staffing structure.

He said that discussion was ongoing with DWP to engage the services of an expert in disability awareness and research methods.

Regional events were being planned: 1 in Scotland, 1 in Wales, 1 and Northern Ireland and 7 in England. These would bring together users, LA representatives and will be organised and facilitated by an external contractor.

The final version of the note from Nick Danagher and Peter Cooke on the Advisory Panel has been agreed. However, DWP have said that payment for loss of earnings for people on the panel will not be possible.

The plan is to approach 4 users from recent ILF events, plus 4 organisations of disabled people.

Nick Danagher said it may be beneficial for him to work in conjunction with the Strategic Policy Director in contacting disability organisations.

The Chairman said that good progress had been made since the last meeting.

## **Outcome: continue work on Refocus Programme**

## **Outcome: Action - Strategic Policy Director to progress appointments**

## 7.2 Developing the ILF – the next stage

Norman Cockett (DWP) presented the paper to Trustees. He commented on the reasons for the ILF Trust Deed being inflexible and said that this was due to historical reasons that no longer apply to the ILF and its involvement in current social care policy development.

He said that the DWP were keen to review the definition of QSS (Qualifying support and services). The gateway to the ILF was now clearer therefore we can be more relaxed about the use of monies and move away from over-prescription in the Trust Deed.

The Chairman commented that they needed to know the constraints.

Norman Cockett (DWP) said that the Minister's steer is to keep the caseload around 20,000 and focus on users with high support costs.

Margaret McGlade said that it would be helpful to examine potential structures other than a Trust Deed to find a simpler approach to achieving the strategic aims.

Norman Cockett (DWP) agreed that a different framework could be looked at and would welcome a wider discussion.

Yogi Amin pointed out the need to clarify what changes could legally be made to enable Trustees to be more responsive to requirements to change in the light of developing strategies.

The Chief Executive suggested it may be helpful if Trustees e-mail their thoughts/views to feed into the strategic discussion.

**Outcome: this is part of the Refocus Programme work**

**Outcome: Action - Strategic Policy Director to collate comments received**

**Outcome: Action - Confirm with DWP ILF Caseload steer (actual current load 21,500)**

## 8 Finance

### 8.1 Grant in Aid and Benefit Forecast July 08

The Finance and Corporate Services Director explained that the number of applications received April-June fluctuated week by week

but there was an overall monthly increase. In the last week of June there appeared to be a recovery of applications up to a reasonable level but this is too recent to establish a trend. Movement in numbers of users paid and average weekly amount per user were noted.

Caseload analysis showed numbers of cases with ILFAs and numbers of offers awaiting take-up continued to reduce in comparison with previous months. Trustees noted applications received March 2008 by regions and would like the same analysis for Apr-Jun 08 applications.

The Finance and Corporate Services Director commented on the two versions of Forecast Expenditure provided in Tables 7a and 7b.

Table 7a used original financial planning assumption that the measures introduced in April 2008 would reduce the rate of new awards to 40 per week from October 2008. This gave potential underspends of £10.3m (2008-09), £7.7m (2009-10) and £8.3m (2010-11). This is after the annual provision of £6.0 million for fluctuations and new policies (eg the desired change relating to parenting).

Table 7b assumed a higher growth of new awards and would commit the majority of the three year DEL funding. Monies would have to be moved forward from 2008-09 by agreeing year end flexibility with DWP.

Norman Cockett (DWP) commented that it was Minister's intention for user numbers to remain static, however he said he would be happy to have a debate on moving money between years.

Trustees noted the information for the following item.

## **Outcome: Information**

### **8.2 Evaluation of first 3 months of New Strategic Financial Management Regime**

The Business Development Director presented the paper to Trustees. He explained that it provided an analysis of the first three months of the new financial management regime and recommendations for a way forward.

The overall proposal is that although it was too early to make final decision at this stage based on the limited statistical information,

changes could be requested now so that if required could be activated in September (ie if current trends persist).

An overview was given on the current position, the main focus was to ensure expenditure remained within DEL funding and the steer was to establish clear priority groups. In response to this the Threshold Sum was increased and priority was given to people in work, on lowest incomes and with higher support costs. Two main mechanisms were developed, an "IS or IS Similar" test and £500 minimum package cost.

These measures were designed to achieve a reduction in applications to 60 per week realising 40 new awards. Figures show that there was a flood of applications in March, very low numbers April-May and the start of a recovery in June.

Feedback from the LAs were mixed. The Threshold Sum does not appear to have been an issue. The main area of concern related to the "IS similar test" and groups that have been excluded - in particular Youth Incapacity Benefit recipients, since that benefit is higher than IS.

The Business Development Director said that were two main areas for discussion:

- 1 How we increase the number of applications if needed.
- 2 Whether the profile of applicants is correct based on the Trustees intentions and Minister's steer.

A range of options were discussed. It was recommended that there should be no change to the Threshold sum and no change to the MPC at this stage. It was recommended to enter discussions with DWP regarding the "IS/IS similar" test to secure flexible wording in the Trust Deed to make changes if needed. The Business Development Director pointed out that 43 people had been turned down so far on the income test. This test is not received well by the LA's and it does limit certain groups as well as being an administrative burden to the ILF.

The Finance and Corporate Services Director provided statistical information on the financial implications of changing the test.

Discussion took place around the IS/IS similar test. IS+15% was considered however the feeling was that IS+25% would be better as it

aligns with Fairer charging guidelines. It was agreed that the Youth Incapacity issue should be addressed, however not by priority group.

Norman Cockett (DWP) said that he supported refining the selection criteria and would be happy to prioritise a deed change.

The Finance and Corporate Services Director responded to a question about controlling applications. He explained that the income test and the MPC can both be adjustable. It would not be desirable to backtrack from a decision to move to "IS + x%", but the MPC could be raised and this would still target the highest cost packages. However current data showed that there is not enough applications to require such controls.

The option of removing or increasing the Overall Limit was discussed. Margaret McGlade suggested that the overall limit be removed and rely on other controls. The option of increasing the Maximum Sum was also discussed. Trustees agreed they should consider making proposals for changes in these two figures.

The option of making payments in advance was discussed. Trustees agreed this was desirable in principle, as it would fit in with IB pilots and the general personalisation agenda. Norman Cockett (DWP) would support this request however further discussion was needed on the cash funding arrangements required. The Chief Executive and the Finance and Corporate Services Director will raise this issue at the DWP Finance meeting scheduled to take place later that day.

Trustees agreed options they would like to consider at September's meeting (with governance document changes as required):-

- Change Deed wording on the "IS Similar" test to allow selection of a level of income above IS; the level to be capable of variation.
- Consider income and MPC levels in light of latest data
- Consider requests to Minister for increasing Max Sum and for either removing or increasing the Overall Limit
- Consider moving to payment in advance

The Chief Executive commented on communication with the LAs. Trustees agreed that we should write to LAs to acknowledge impact to date and to invite formal feedback from all prior to review in September.

She also asked Trustees to confirm their position with regards to the Youth Incapacity Benefit cases. They agreed that there would be no automatic exception for these cases at the present time.

**Outcome: Decision on preferred options for future review**

**Outcome: Action - Chief Executive to progress preferred options**

**Outcome: Action - Chief Executive to issue letter to LAs/Trusts to encourage comments to inform September discussions**

### **8.3 1<sup>st</sup> Quarter Review of Admin Expenditure**

The Finance and Corporate Services Director presented the paper to Trustees, he explained that the estimate for 2008-09 had increased due to additional expenditure for the refocusing project and an increase in Trillium rent due to the payment of stamp duty for the lease.

Trustees agreed the increased budget which is still within the amount provided in the overall expenditure forecast.

**Outcome: Revised Admin expenditure estimate approved**

## **9 Policy**

### **9.1 Policy on Criminal Records Checks**

Trustees ratified the policy.

**Outcome: Decision to approve policy**

### **9.2 Maintaining LA Input**

This paper was withdrawn from the agenda to be presented at the September meeting.

## **10 Further Governance issues**

### **10.1 Report on the Effectiveness of the UPCC**

The Chairman of the UPCC presented the report to Trustees. He commented on the increased workload and process in place to deal with this now and going forward.

He said the issue on close relative cases would be discussed at the UPCC today.

Discussion took place around the level of decision making. Trustees noted that this would be reviewed in September.

Trustees noted the report.

### **Outcome: Information**

#### **10.2 Strategic Risk Summary**

The Finance and Corporate Services Director presented the final version of the Strategic risk summary.

This would be used by the ILF to classify the Corporate Risk Register.

Trustees approved the report.

### **Outcome: Decision to approve Strategic Risk Summary**

#### **10.3 Draft Annual Review**

The Business Development Director presented the report to Trustees.

He explained that this was a final draft of the document, however there were still a few minor corrections to make.

He asked for any thoughts/comments to be e-mailed outside the meeting.

He said that we were aiming for a high impact document as part of our more proactive PR Strategy.

Trustees approved the document.

### **Outcome: Decision to approve Annual Review**

## **11 AOB**

### **11.1 Chairman's Closing Remarks**

The Chairman said that it was with regret that he had received and accepted the Chief Executive's resignation.

He said that on behalf of the Trustees he would like to thank the Chief Executive for her commitment and hard work during her term and would like to wish her every success in the future.

The Chief Executive said that her achievements reflected the hard work of her team as much as her own efforts.

Recruitment for a replacement has begun with an advert being placed in the Sunday Times this weekend.

## **11.2 Date of Next Meeting**

The date of next meeting is Wednesday 10<sup>th</sup> September for the Strategy Meeting and Thursday September 11<sup>th</sup> for the Trustees meeting.

There being no further business the meeting ended at 13:45 hrs.