

Independent Living Fund Scotland
Annual Report and Accounts
Year ended 31 March 2021
Company Number SC500075

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Contents

<u>About us</u>	<u>4</u>
<u>Supporting Citizenship : A message from the Chair of the Board</u>	<u>5</u>
<u>Introducing the people behind ILF Scotland</u>	<u>8</u>
Performance Report	
<u>Principal activities and historical context</u>	<u>13</u>
<u>Overview</u>	<u>14</u>
<u>Analysis.....</u>	<u>25</u>
Accountability Report	
<u>Statement of Directors' & Accountable Officer Responsibilities</u>	<u>49</u>
<u>Annual Governance Statement</u>	<u>51</u>
<u>Directors' Report</u>	<u>59</u>
<u>Remuneration and Staff Report.....</u>	<u>63</u>
<u>Parliamentary Accountability Report</u>	<u>75</u>
Independent Auditor's Report to the members of ILF Scotland	76
Financial Statements	
<u>Statement of Comprehensive Net Expenditure for the year ended 31 March 2021.</u>	<u>82</u>
<u>Statement of Financial Position as at 31 March 2021</u>	<u>83</u>
<u>Statement of Cash Flows for the year ended 31 March 2021</u>	<u>84</u>
<u>Statement of Changes in Taxpayers' Equity for the year ended 31 March 2021.....</u>	<u>85</u>
<u>Notes to the Accounts for the year ended 31 March 2021</u>	<u>86</u>
<u>Appendix to the Accounts - Accounts Direction.....</u>	<u>104</u>

About us

The Independent Living Fund Scotland (ILF Scotland) is a Non-Departmental Public Body (NDPB) of the Scottish Government (SG). Our role is to provide a high quality service to, currently, over 5,000 disabled people in Scotland and Northern Ireland, supporting them to achieve positive independent living outcomes, and to have greater choice and control over their lives.

ILF Scotland commenced operations in July 2015. We work in partnership with 37 Health and Social Care Partnerships/Trusts across Scotland and Northern Ireland by jointly assessing and funding person centred care and support.

Operating from our central office in Livingston we employ 61 dedicated people including our social care professionals and non-executive directors. Our assessors visit our recipients in their own homes every two years to identify their needs often in conjunction with local authority or trust social services departments.

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Supporting Citizenship

A message from the Chair of the Board

The past year at ILF Scotland, like everywhere else, has been dominated by the global Covid-19 pandemic. The impact of this pandemic has, arguably, been felt most severely by disabled people, including recipients of our fund. This is something that we have been acutely aware of, and which has been central to ILF Scotland's pandemic response. Throughout the year we have focused primarily on doing everything in our power to understand the implications of the pandemic for disabled people generally, and our fund recipients more specifically, and to mitigate the negative impacts of the pandemic to the best of our ability.

Our recipient survey, conducted in late 2020 and early 2021, received well over 300 responses, and gave us a deep insight into the reality of life for disabled people during the pandemic. The vast majority of respondents reported a negative impact, with almost 20% of people telling us that the pandemic has had a major, life-changing, negative impact. Specific issues related to mental and physical health; increased isolation; loss of service provision; significant increase in family care; and carer exhaustion. As an organisation ILF Scotland has always focused on flexible and life-friendly working practices. This meant that as the pandemic developed, and restrictions and lockdowns were introduced, we were able to quickly and seamlessly shift to remote working practices. This new operating model allowed our energy and focus to be on supporting disabled people and their closest supporters through the significant challenges they were facing. With face to face engagement not possible, we introduced telephone based welfare checks, conducting over 4,000 such in-depth calls in the year, along with the significant follow up work generated by these calls. With the support of our Scottish Government and Northern Ireland Sponsor Teams, we introduced a range of Covid-19 policy flexibilities, again all designed to best support people through the crisis. As a result, 92% of our 2015 Fund recipients maintained or increased their ILF awards during the pandemic. Independent living outcomes have been enhanced by individuals' making decisions about how best to utilise this funding in the context of the pandemic.

We are confident that our 2015 Fund Covid-19 response was as effective as it could have been, given the challenges we all faced. As one respondent to our survey put it, "I am fortunate to have both the financial and emotional support for my complex health and mobility conditions, thanks significantly to your team at ILF Scotland".

I would also like to add my thanks to the team at ILF Scotland for their incredible efforts in these most difficult of circumstances. Our teams, including our Board, seamlessly shifted to home working like many other organisations across the globe. We all quickly learned to communicate online and get used to the world of video-conferencing.

Supporting Citizenship

A message from the Chair of the Board (cont.)

The welfare of our staff has been of paramount importance and has been a whole team effort. I want to thank everyone for their care and concern for each other, which has held the team together during times where isolation from one another can lead to stress and anxiety. Connection has remained a constant theme and means that as we begin to gently and safely move out of lockdown we can do so in a way that feels truly supportive.

Our Transition Fund, introduced in 2017/18, has continued to go from strength to strength, with demand growing significantly over the past year. This growth in demand has been partly as a direct consequence of the pandemic, which has, understandably, resulted in a reduction of the broader supports with transition normally available to young disabled school-leavers. We have experienced a resultant increase in applications to our Transition Fund, and we have introduced policy flexibilities to best meet the needs of our growing numbers of applicants and recipients. We also introduced a fast-track, simplified, application process for digital devices to support young people make and keep connections during the pandemic. We are grateful to our Scottish Government colleagues for providing us with additional in-year funding to allow us to meet the exceptional level of demand we have experienced this year, ensuring the fund remained continually open to applications.

Following extensive pre-pandemic engagement with disabled people, carers and others, we were proud to launch our new, co-produced strategy, *Hope and Ambition*, in December 2020. The experience of many disabled people during this crisis clearly necessitates fresh thinking about the provision of care, support and rights. Our new strategy, therefore, looks to the future during the uncertainty of the present. It outlines a model of social care and support, based on human rights, that puts disabled people at the heart of defining their own needs and how they can be met. As with fighting this virus, the only way we can make progress in social care support is through collaboration, and this strategy shows an ambitious and optimistic way forward, despite the challenging times we currently live in.

We were privileged also to look to the future with hope and ambition during our engagement with the Independent Review of Adult Social Care, chaired by Derek Feeley, and we warmly welcomed the recently published report of the Review. The recommendations clearly embrace the needs, rights and preferences of disabled people and their supporters and align with the values that ILF Scotland has at its heart.

Supporting Citizenship

A message from the Chair of the Board (cont.)

There have been a number of calls in recent years, and especially during the pandemic, for ILF to be re-opened to new applicants in Scotland. We are grateful to Mr Feeley for listening to these calls; for meeting with us a number of times during the review; and for taking the time to consider the ILF model and what it may have to offer within the wider context of a National Care Service. We are of course pleased to see the clear recommendation that ILF Scotland should indeed be re-opened to new applications, as an integral part of a National Care Service, with significant levels of fresh investment.

Throughout the year we have also been engaged in constructive dialogue with our colleagues in our Northern Ireland Sponsor Team and with wider stakeholders. Following widespread engagement, we established a working group, chaired jointly by ILF Scotland and the Northern Ireland Department of Health (DOH), to develop a formal proposal to re-open ILF in Northern Ireland, with significant fresh investment. We expect this proposal to be considered by the Northern Ireland Minister for Health in the very near future.

I will finish with a final thank you. Although I would not normally single out one member of staff for particular praise, I feel that on this occasion it is appropriate, if not imperative, to recognise the immense contribution over the course of the past year of Harvey Tilley, our Chief Operating Officer. With our Chief Executive Officer, Peter Scott, going through lengthy treatment following a cancer diagnosis, Harvey took up the reins just as the pandemic was putting a stop to the normal operations of ILF Scotland. He has shown incredible strength, resilience, creativity and leadership in the most challenging of circumstances, guiding the organisation and its staff with compassion, fortitude and courage. On behalf of the Board of Directors, I want to offer Harvey our sincerest gratitude. I am also delighted to say that Peter is now in recovery and, following a gradual return to work, is now back with us full time. All of us at ILF Scotland are delighted, and Peter, with Harvey's gracious support, has eased back in as if he had never been away. As always Peter lives and breathes the values of ILF Scotland and, with me, will lead our very capable Board and executive colleagues as we deliver on the next phase for ILF Scotland.

DocuSigned by:

Susan Douglas-Scott

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Susan Douglas-Scott CBE
Chair of the Board

Introducing the people behind ILF Scotland

The ILF Scotland Directors

Susan Douglas-Scott, Chair of the Board and member of the Remuneration Committee

Susan's career has spanned four decades, always with a focus on equalities, health, disability and social care. As a disabled woman she blends her professional and personal experience in all her roles. In the late 1980's she supported disabled people to leave institutional care using ILF to fund their own personalised care package. At this time she collaborated with other disabled people to embed disability equality into Scottish society.

Since 2018 Susan has been Chair of NHS Golden Jubilee and this year re-joined the third sector to become Chair of the Board of VoiceAbility, an advocacy organisation. She also continues to offer pastoral care in her role as a humanist celebrant and chaplain.

In all her roles Susan uses her skills as a committed people person, holding strong foundations in supporting those she serves to live their lives in their own way, to achieve the life they choose. She has a keen eye for organisational development and through that lens, guides organisations to deliver services that make a real difference to people.

Susan was honoured that her work over the years was recognised by being awarded a CBE in the Queen's 2019 New Year honours list for services towards improving Human Rights in relation to Disability and LGBT issues.

Elizabeth Humphreys Vice Chair and member of the Audit & Risk Committee

Elizabeth has 30 years' experience of working in the public and voluntary sectors, during which time she has championed the needs of disabled people and individuals with other protected characteristics through a wide variety of roles, securing improved services and support for both customers and staff.

At Board level, in addition to her role as Vice Chair of ILF Scotland, she is Chair of Drake Music Scotland, Scotland's leading music and disability organisation. She is also a non-executive director of the Scottish Ambulance Service and Public Health Scotland, and is a trustee of the Scottish Association for Mental Health.

The ILF Scotland Directors (cont.)

Alan Dickson, Chair of the Audit & Risk Committee

Alan is a qualified accountant (Fellow Chartered and Certified Accountant) who has operated at a senior level within the public sector for most of his career. Alan was Head of Finance at the Student Loans Company for ten years and has worked in a variety of senior finance roles within local and central government. Alan was also previously the Chair of Good Morning Glasgow (a charity that delivers telephone befriending to older people) and was a Trustee of the Prince and Princess of Wales Hospice.

Mark Adderley, Chair of the Remuneration Committee

Mark is an executive Coach and non-executive Director, with a passion for people, equality and social justice. He has a particular interest in mental health, wellbeing, and equality.

He has over 20 years' experience in change, transformation, HR and people, across sectors and geographies. He has previous Executive Director roles with Scottish Water, NHS, Heriot-Watt University and CEO at the National Trust for Scotland.

Mark is currently the Chair of Scottish Squash, an independent non-executive director of CHS Solutions Ltd (part of the NHS) and a director of the Management Advisory Board for Scottish Public Pensions Agency. Mark advises and coaches organisations and leaders in a non-executive, coach or consultancy role.

Mark is a Chartered Director and fellow of The Institute of Directors and a fellow of The Chartered Institute of Personnel and Development, and brings this experience of governance and passion for people to the board.

Elizabeth McAtear, member of the Remuneration Committee

Elizabeth worked mostly in the third sector with involvement in community development for over 30 years, the main achievement of which was the establishment of the Western Isles Citizens Advice Service in 1988. Thereafter she managed the local Citizens Advice Bureau for 25 years.

She further developed her voluntary work in the community through participation in public services, gaining knowledge and experience of service provision across Local Government, the Health Service, housing, and education from primary through to Higher and University level. She acquired a very broad range of skills and experience, including governance, strategic planning, financial control monitoring and the ability to challenge constructively at Board level, all of which she brings to her role on the Board of ILF Scotland.

In addition to caring for her disabled husband Elizabeth tutors Gaelic language on a part-time basis at Lews Castle College. She is also currently Treasurer of the Barra Access Panel which feeds into the national body from a remote island perspective and is a director of the Western Isles Development Trust.

The ILF Scotland Directors (cont.)

Anne-Marie Monaghan, member of the Remuneration Committee

Anne-Marie has 40 years of experience in social work and community projects coupled with substantial professional qualifications. She has worked in both the voluntary sector and in local authority community care.

Anne-Marie brings to the Board her significant experience of social work delivery and self-directed support with skills in learning disability, policy, community engagement and working in the context of health and social care integration. She has a positive track record of managing change and of developing partnership working.

For the last 10 years Anne-Marie has worked flexibly and in a freelance way. She has supported a range of organisations and her work in community brokerage has been nationally recognised as a model of excellent practice. She is currently the Social Care Advisor for disability benefits in the new Scottish Social Security System.

Anne-Marie is a non-executive director on Greater Glasgow and Clyde NHS Board and sits on the Glasgow Integration Joint Board. She is Vice Chair of the East Renfrewshire Integration Joint Board having recently, at the end of her term, passed the Chair on to the local Councillor.

Etienne d’Aboville, member of the Audit & Risk Committee

Etienne has been an active member of the Independent Living Movement since becoming closely involved in the campaign to legalise direct payments in the 1980’s. Following a spell working on co-production with the Living Options Partnership at the Kings Fund, he became Chief Executive of Glasgow Centre for Inclusive Living in 1996, developing a range of user-led support, training, housing and employment services.

Etienne has sat on numerous advisory and consultation bodies on independent living and Self-directed Support (SDS) including the Programme Board which helped establish ILF Scotland.

He is currently a member of the Scottish Government’s Disability and Carers Benefits Expert Advisory Group and is also a director of Community Renewal which works to transform communities by empowering and engaging individuals in community activity to improve their health, learning and employability. Etienne also sat on the Scottish Government’s Social Renewal Advisory Board which recently published its independent report *‘If Not Now, When?’* on how Scotland has the opportunity to ‘build back’ a more socially just society following the Covid-19 pandemic.

The Senior Management Team (SMT)

The SMT is responsible for the strategic management of ILF Scotland.

Peter Scott OBE, Chief Executive and Accountable Officer

Peter has over 25 years' experience working in the voluntary and third sector, specifically in the area of disability. He began his career as a Support Worker in 1993 with a charity called Fair Deal. For the next 17 years, Peter undertook a number of managerial roles with various charities before becoming the Executive Director for Enable in 2008. In 2010, Peter then became Enable's 6th CEO before moving to ILF Scotland in 2015.

James Maguire, Director of Finance

James is a Chartered Accountant and has over 30 years' experience operating at senior finance level. After over 20 years in the dairy sector, he moved to the public sector and his previous roles include finance director at the Scottish Police Services Authority and The Student Loans Company.

As Director of Finance, James is responsible for all aspects of financial management and control within ILF Scotland, including close liaison with both internal and external audit.

Harvey Tilley, Chief Operating Officer and Acting Chief Executive/Accountable Officer (during year ended 31 March 2021)

Although the first part of his career was in the British Army, Harvey has spent the best part of the last 20 years working in the voluntary and public sectors.

Specifically, this has been in the areas of homelessness, disability, care, grant giving and employability. Prior to taking up post as ILF Scotland's Chief Operating Officer, the majority of roles he has held during this time have been leading large scale operations across the UK.

As Chief Operating Officer for ILF Scotland, Harvey not only deputises for the CEO, but is responsible for all service delivery, IT, health and safety, information governance, facilities, human resources and organisational development.

Paul Hayllor, Director of Digital & Information Services

Paul is a chartered HR professional with over 25 years management experience across government, health, education, defence, consultancy and the charitable sector. Key national projects have included introducing a new mental health service for Scottish veterans and launching a money advice and rights service.

Recently Paul has been more involved in IT projects and has led on the development of a new web based service to allow disabled young people to apply for grants to support their independent living.

Paul is responsible for the corporate planning and performance reporting, as well as the compliance requirements for Data Protection and Cyber Security.

The Senior Management Team (cont.)

Nadeem Hanif, Head of Finance

Nadeem has around 20 years' experience in the financial and accountancy sector. After graduating in 2003, he began his career with HMRC, spending the next 9 years working in various finance and tax directorates. In 2012, he left HMRC to work for the Scottish Government as a Finance Manager before becoming ILF Scotland's Head of Finance.

As Head of Finance, Nadeem has overall management of all day to day financial operations. This includes responsibility for the management accounts, management information, risk management and ILF Scotland's procurement function.

Working closely with all other Heads of departments, ensuring appropriate and timely provision of management information and close management of organisational budgets.

Linda Scott, Director of Policy, Improvement & Engagement

Linda left her role in Health & Social Care Integration to join ILF Scotland in 2018. She began her career in Housing Benefits at Glasgow City Council and has since spent 35 years in the public sector, working in social policy, social housing, social housing regulation and social care.

She has held managerial positions in local and Scottish Government and her

expertise includes Policy, Strategy, Planning, Project Management, Operational Management, Service Improvement, Regulation Management and Governance, having held positions previously as a non-executive board member.

Linda is responsible for leading the Policy, Improvement and Engagement functions within ILF Scotland, responsible for published policy, driving continuous improvement, developing the Transition Fund and overseeing communications and engagement.

Robert White, Director of Self-directed Support

Robert has over 30 years of experience working in central and local government, beginning his career with the Civil Service in 1991, before working in various local authority social work roles for 16 years until joining ILF Scotland in 2015.

As Director of Self-directed Support for ILF Scotland, Robert is responsible for leading the organisation's frontline service delivery teams of Caseworkers and Assessors in Scotland and Northern Ireland. He is also strategic lead for 37 statutory social work partners.

Robert has a keen interest in promoting Advocacy as a trustee with Speak Out advocacy and the interaction between social welfare and social work as a member of the Poverty Alliance.

Performance Report

Principal activities and historical context

ILF Scotland was set up in 2015 and carries out the functions previously carried out by the Independent Living Fund (2006) within Scotland and Northern Ireland. Its aim is to deliver discretionary cash payments to disabled people, allowing them the choice and control to purchase personal support and live independent lives in their communities. The organisation became an NDPB of SG in June 2018 (having previously been an Other Significant Public Body) and receives funding in the form of Grant in Aid from SG. There is also an agreement between the SG and DOH for ILF Scotland to administer ILF payments to ILF recipients based in Northern Ireland.

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Performance Report

Overview

Introduction

The last 12 months has, without doubt, been the busiest and most challenging period since the inception of ILF Scotland, due to the impact of the global pandemic. We have worked hard to be supportive, and innovative, in our response to this pandemic, introducing many new measures and initiatives to help recipients, key stakeholders and staff get through the year with as little impact on well-being as possible in such challenging circumstances. However, as we look back over the last 12 months of dealing with the pandemic, as both an organisation and nation, it has clearly taken a heavy toll on us all. That said, the resilience, determination and solidarity shown by our recipients, and the professionalism, empathy, compassion and sheer hard work of all involved in ILF Scotland has been truly humbling to watch.

This section of our Annual Report and Accounts sets out an overview of the last year. Such was the impact on our recipients during the year by Covid-19 that much of this report addresses how we dealt with this and how we responded to the many challenges it presented. Performance is therefore measured against both how we dealt with the effects of Covid-19 and how we performed against our Strategic Plan.

Strategic Plan

Our key outcomes from our Strategic Plan are listed below:-

- **Strategic Outcome 1** - Facilitate the independent living needs of disabled people.
- **Strategic Outcome 2** - Be leaders in enabling independent living.
- **Strategic Outcome 3** - Operate a high-quality efficient service.

Further information on these outcomes are set out in pages 25 to 29 and the Key Performance Indicators (KPI's) against which we monitor performance are set out on pages 22 to 24.

Principal Risks and Uncertainties

This year our principal risks and uncertainties were mainly in connection the Covid-19 pandemic, the continued growth of the Transition Fund, the management of resources, managing the movement of personal and sensitive information and our core long standing risks in relation to funding and policy changes. We believe that we responded very well to all risk areas and this is explored further in the "Performance Analysis" section of this report.

Performance Report

Overview (cont.)

Impact of Covid-19 pandemic on our recipients

The experience of many disabled people during this crisis necessitates fresh thinking about the provision of care, support and rights for disabled people. During this year our model of social care and support, which strives to put disabled people at the heart of defining their own needs and how these needs will be met, has never been more important. This is why it has come as no surprise, to us at least, that the reopening of ILF to new applicants was one of the main recommendations in the recent Independent Review of Adult Social Care in Scotland, led by Derek Feeley. Alongside that, although Covid-19 has undeniably slowed down the momentum in Northern Ireland, we are hopefully on the cusp of taking the next steps in re-opening the fund there as well.

Disabled people have undoubtedly experienced very difficult times throughout the pandemic, which has exacerbated the already deep societal inequalities already in place. For those disabled people that receive our support and rely on personal assistance in these uncertain times, it has been very worrying indeed. Social distancing is not possible when personal care is needed, so disabled people and their supporters are in a very challenging space. As many individuals who receive funding from ILF Scotland are also employers, they have faced further problems as many of their personal assistants have had to take time to self-isolate and they have needed to source personal protective equipment (PPE) to carry on safely with their day to day jobs.

What has been reassuring to see and hear, is the feedback from disabled people on how we have supported them this year and how ILF Scotland funding can have a transformative impact on disabled people, their families, friends and communities even through a global pandemic.

This evidence has come via a myriad of routes from direct feedback, wellbeing calls and letters, through to independent research projects carried out by different organisations.

Performance Report

Overview (cont.)

Impact of Covid-19 pandemic on our recipients (cont.)

Organisations such as Inclusion Scotland, Glasgow Disability Alliance, the Centre for Inclusive Living Northern Ireland (CILNI) and Disability NI have carried out various pieces of research throughout the last year, where ILF Scotland and its positive impact has been clearly referenced.

Indeed, comprehensive research conducted by CILNI shows disabled people who have ILF are more resilient and for every £ invested in ILF, it provides £10.89 in social return on investment.

Operational update

From an operational perspective, we have stayed fully open throughout the financial year, supporting over 5,000 disabled people across Scotland and Northern Ireland to have choice, control and dignity. ILF Scotland successfully moved to full remote and agile working in late March and early April 2020 during Covid-19, which was a reflection of our flexible work culture and digital strategy. We have continued providing high quality services to recipients in Scotland and Northern Ireland throughout the pandemic with minimal disruption to provision. Our operational model has been completely redesigned in order to provide over 4,000 2015 Fund in-depth wellbeing recipient checks in 10 months, which would normally take approximately three years. This resulted in over 92% of recipients maintaining or increasing their pre-Covid-19 support (support was only reduced for the 8% by their specific instruction and never by ILF Scotland). We have dealt with over 11,000 contacts via phone, text and email compared with just over 10,000 the year before, an increase of around 10%.

It has also been a record year for the Transition Fund with 1,818 applications received, an increase of 39% from the year before. We also passed 4,000 applications received since opening in December 2017 and have approved over £7m of life-enhancing support to help disabled young people, between the ages of 16 and 25, with the transition after leaving school or children's services. The Transition Fund has continued to deliver life changing support to young disabled people through the whole year when most statutory support was reduced as a result of the pandemic.

Performance Report

Overview (cont.)

Planning for the future

In conjunction with the above, we have carried on consulting, co-producing and developing our plans for the future, ensuring disabled people are at the heart of our thinking. In Quarter 1 (Q1) we completed a public consultation to support the reopening of the fund to new applications in Northern Ireland. In Quarter 3 (Q3) we finished extensive co-production with all stakeholders carried out over the previous 12 months, to launch our person-led strategy. We have continually consulted, developed and implemented our Covid-19 response and recovery plan to play our part in the economic and societal recovery from the pandemic. This included a feedback survey from recipients and award managers that gained our highest recorded response rate in any consultation previously conducted. Finally, we also actively contributed to Government consultations, such as the Feeley Review, and produced responses to various policy areas, including Fair Work and Self Directed Support.

Other initiatives

As with other areas of work, Policy has centred around our response to Covid-19 and we have worked closely with colleagues in the Scottish and Northern Irish Governments to jointly agree flexible policy responses to Covid-19. Numerous policy updates to stakeholders have been issued as the situation has changed. We have ensured ILF Funded Personal Assistants (PAs) and recipients were included in the rollout of vaccination and testing for priority groups, whilst jointly taking forward, with our Sponsor Teams, the development of policy guidance in areas including: the continued payment of normal awards (sustainability payments); additional payments for replacement care; other Covid-19 related expenditure; and the £500 'Thank You' payment promised to Health & Social Care Workers by the First Minister in Scotland.

Alongside this, we have successfully completed the annual Scottish Living Wage uplift, whilst continuing to revise award policies to make them more accessible, compliant with the latest legislation, and targeted at enabling independent living. These have included employer support guidance and the long-term objective to reduce the available income charges for recipients in Scotland, which will provide additional income to disabled people at a time of most need. We are pleased that available income charges will reduce from £83 to £43 per week with effect from 1 June 2021.

During the year we have also published our approach to the Equalities Duty, including Gaelic Language Plan preparations and finalised our first Mainstreaming and Equalities Outcome Report. In addition, in 2020/21 we also managed to formally establish the young ambassadors group, comprised of some young people who have been successful in their applications to the Transition Fund.

Performance Report

Overview (cont.)

Communications and engagement

As communications and engagement have been so important this year, it is no surprise that these areas of work have been exceptionally busy. To keep recipients and other key stakeholders up to date, we have produced two external newsletters sending over 5,000 copies to provide key information through the pandemic. This has been augmented around 7,500 letters over and above normal day-to-day communications, to keep recipients and award managers updated on developments throughout the year, as well as three online mailings to recipients who want to receive communication updates digitally and other stakeholders, such as payroll agencies, care providers and social work professionals. We have also constantly updated our website and social media channels, provided weekly updates and a monthly internal newsletter to colleagues, and produced new and engaging content to explain what we do. Despite restrictions, 36 online engagement events with an audience of around 550 people attending have been completed. In addition, the Communications Team have undertaken four very successful campaigns, including the Northern Ireland consultation survey, ILF Scotland's 5th birthday campaign to celebrate disabled people achieving independent living outcomes, one to help young disabled individuals apply to the Transition Fund through the pandemic and the International Day of People with Disabilities in December 2020. This work has helped increase our reach and share knowledge with over 10,000 new website users and has resulted in significant increases in all social media engagement and website page views, which are up 76% over the year.

Finance

From a financial viewpoint, we have made independent living payments to recipients totalling approximately £52.7 million (2019/20 £50.7m). Colleagues in Finance have completely digitised all of our internal finance processes during the pandemic to operate more efficiently. We gained a clean external audit for the 5th year in a row and four internal audits were carried out, with satisfactory outcomes in all areas.

Colleagues

Keeping colleagues safe and well whilst delivering high quality support to disabled people has been of paramount importance throughout the year. Overall, the culture that has been created at ILF Scotland, coupled with how we have been staffed, structured and trained, has meant that we have been able to pivot the organisation quickly to respond to the crisis whilst protecting our staff and those we support at the same time. As we have moved through the different stages of the pandemic, one of the main challenges for ILF Scotland has been working with colleagues to mitigate against both the extraordinary workloads and the stresses of the pandemic.

Performance Report

Overview (cont.)

Colleagues (cont.)

We have invested significant effort around expanding our already market-leading health and wellbeing employee proposition and extended the use of flexible work policies, providing colleagues with the necessary tools to work effectively from home. Throughout the year we have carried out over 1,500 days (2019/20 620 days) of personal development to support the delivery of excellent outcomes for disabled people. In tandem with this, we have regularly communicated with colleagues on a weekly basis to make sure we leave no-one behind and everyone has been fully up to date with the situation as it occurs. To prevent burn-out we have introduced numerous supports, including Covid-19 weekends and initiatives like 'Ditch the Desk', whilst encouraging colleagues to take time to decompress away from the day-to-day challenges. We have provided additional support for those with caring responsibilities and constantly reinforced the message 'do what you can'.

By co-producing solutions with colleagues, listening to them through various feedback mechanisms, we have managed to maintain high levels of engagement, as evidenced through the staff survey and our comparatively low absence rates and high staff retention throughout the reporting period. ILF Scotland has also independently validated its position as a market leading employer of choice by winning the Best Small UK Employer Award from Working Families in May, a Top 10 Employer in the annual Working Families benchmark in September, a finalist in three categories (the Best for Mental Health/for Employee Engagement/for Best for Family Support) in the 2021 Working Mums Awards and Highly Commended in the 2021 Top Employer Flexibility Works Awards.

Due to the high tempo of operations we have constantly looked to be even more efficient, easier to access and better at what we do, resulting in the delivery of over 130 improvements to systems, processes and services saving over 7,600 hours of staff time a year. For example, after seeing the impact of the pandemic on young disabled people around digital exclusion and social isolation, we developed a fast track technology grant application process to enable quicker delivery of life enhancing IT to individuals. The efficiencies arising from the 7,600 (2019/20 – 4,446) hours saving above are further detailed on page 44 where it is noted that this equates to an efficiency saving of 5.7% (2019/20 – 3.3%) of our cost base.

In the background we have also actively contributed to two national infrastructure projects – the Payments Platform and Digital Identity Scotland, whilst keeping forward momentum in launching our new electronic records plan ready for 2021-22. Concurrently with this work, we have been working on the redesign of our risk and resilience framework to make us more robust, and we have finished the first major phase of our digital transformation work.

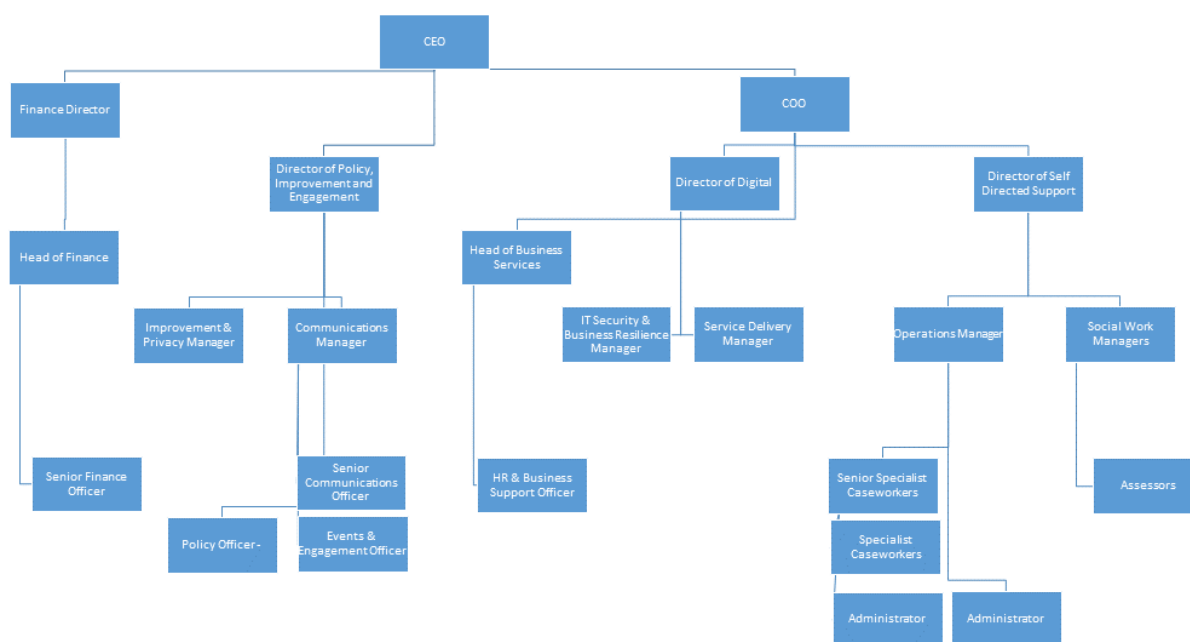
Performance Report

Overview (cont.)

Colleagues (cont.)

Organisational Structure

The structure of the organisation can be seen below. The chart sets out our core operational departments:-



Effect of the UK leaving the European Union (Brexit)

ILF Scotland has been largely unaffected by Brexit. We are a Scottish Government and Northern Ireland Government funded organisation serving our recipients in Scotland and Northern Ireland. We will continue to monitor any possible impact.

Performance Report

Overview (cont.)

Summary and Future Plans

As can be seen from the narrative set out above, it has been an extraordinary year for ILF Scotland dealing with the profound impact of Covid-19 on us all. Our focus throughout the year has been to rapidly think what the pandemic means for us, the people we support, how we integrate with the wider governmental response and what actions we take in both Scotland and Northern Ireland. We have worked hard to constantly adapt to the changing and dynamic environment throughout the year by listening to disabled people, colleagues and other stakeholders. As such, we believe we are well poised to move confidently into the next phase of recovery, though know the consequences of this global crisis will have a long overhang into the coming years.

In summary, we have had the busiest, most challenging yet rewarding reporting period by any benchmark since opening in July 2015. With the vaccination programme accelerating to over 65% (at the time of writing) of the adult population covered, we are now looking forward to a gradual return to a more physical environment with restrictions lifted. We continue to work towards re-commencing normal operations, implementing our new strategy and the growth agenda, extending the Transition Fund, re-opening the 2015 Fund to new applications in Northern Ireland (subject to Ministerial approval) and supporting the Scottish Government to deliver the recommendations in the Independent Social Care Review report. With strong foundations and an excellent staff team, we aim to build upon our learning through Covid-19, and will work towards enabling even more people to live independently.

Performance Indicators

For the year 2020-21 ILF Scotland measured its performance against key strategic objectives given in the 2020-2023 Corporate Strategy. They have been carefully chosen to reflect the outcomes that matter most to the organisation, our recipients, stakeholders and cover all the major areas of ILF Scotland's operations. We also developed various key objectives in response to the Covid-19 pandemic.

Our monitoring of KPI's is also closely linked to our risk register and further details of our approach to and monitoring of risks is comprehensively explained in our Annual Governance Statement on pages 51 to 58. We also reference our principal risks and uncertainties in the "Performance Analysis" section.

Our performance indicators are set out on the following pages and include some key indicators from our Strategic Plan and also our Covid-19 Recovery Plan which has been a key focus for us this year.

Performance Report

Overview (cont.)

Performance Indicators (cont.)

Task or organisational activity	Indicative KPIs	Current Status
1. Maintain Self-Directed Support (SDS) operational activity. 2. Introduce recovery checks and action. 3. Ensure staff safety and well being.	1. Awards continue to be made with 100% consistency, accuracy and reliability.	Complete
1. Have strategy approved by sponsor team and Board and prepared for publication. 2. Once approved, use strategic priorities aligned to the Covid-19 Recovery Plan to develop corporate plan to end 2020-21. Carry over objectives to move into formal business plan for 2021-23.	1. Board and Sponsor Teams agree direction of travel and priorities. 2. Published strategy is welcomed by our recipients and disability rights organisations.	Complete
1. Analysis of welfare checks and listening from stakeholders on how Covid-19 is affecting them. 2. Feedback and liaison with sponsor team on challenges faced and proposals for the development and extension of the 2015 Fund.	1. Report submitted. 2. Report contains recommendations for future developments and extension of 2015 Fund.	Complete
1. Liaison with sponsor team around increasing demand for the Transition Fund (TF) and re-instatement of the full allocation to support the current 50% increase in applications. 2. Staffing review and further support to the TF team.	1. Additional funding secured to support the increase in demand. 2. One extra staff member recruited to support the TF.	Complete
1. In partnership with Social Work Scotland (SWS) and Local Authorities (LA's)/Health and Social Care Partnerships (HSCP's), develop a safe approach to re-commencing recipient review visits.	1. By December 2020, ILF Scotland has developed a viable and safe method by which exceptional (emergency) review visits can take place. 2. By end March 2021, ILF Scotland has worked in partnership with SWS and local authority and HSCP colleagues to develop a sector agreed approach to social care review visits.	Complete

Performance Report

Overview (cont.)

Performance Indicators (cont.)

Task or organisational activity	Indicative KPIs	Current Status
1. Monthly all staff meetings to establish pressure points and operational issues which may compromise the existing quality and reliability of service. 2. Through these meetings and smaller team meetings, develop the operational model to take us to year end. 3. Initiate the digital transformation project and scope the new services and systems required to support current and new applicants to the ILFS.	1&2. By end September 2020, the operational model to take ILF Scotland to year end is approved and communicated to all staff. 3. By end October 2020, the discovery phase of the service delivery transformation model has informed the production of a tender to support the development of the new service delivery model (with the business case fully costed).	Almost complete
1. Consult, identify and assess any additional needs our staff and recipients may have ahead of winter. 2. Resource and support staff and recipients through winter, recognising that isolation and loneliness may also factor in to the more practical types of support.	1. Staff risk assessments completed by mid October 2020 and vulnerable staff identified and supported as required. 2. Recovery calls initiated early October 2020, prioritised for most vulnerable, and winter funding and support resources put in place.	Complete
1. Introduce a quick and easy way to provide a device and/or data plan to get fund recipients online (note: this needs to align with the SG Connecting Scotland strategy and not conflict). 2. Agree policy and funding position with sponsor team on rolling out the Technology Grant nationally.	1. The TF applications portal is developed to allow for a short format application to obtain a pre-determined digital package to get online by October 2020. 2. The eligibility framework and funding mechanisms are agreed with the national programme Connecting Scotland by December 2020.	Complete
1. Obtain email contacts for all award managers. 2. Identify a possible text messaging service for all 2015 Fund recipients. 3. Investigate Voice over Internet Protocol (VoIP) capability for the main office 0300 number.	1. Obtain current email addresses for all award managers. 2. ICT team investigate pricing and security options for a 3rd party text messaging service. 3. ICT Team investigate a VoIP replacement for the 0300 office number and recommend a solution by December 2020.	Complete

Performance Report

Overview (cont.)

Performance Indicators (cont.)

Task or organisational activity	Indicative KPIs	Current Status
1. Complete Covid-19 welfare checks and resulting actions. 2. Introduce recovery checks linked to financial well-being and winter preparations, including obtaining up to date email for award managers.	1. Welfare checks completed and actioned by end September 2020. 2. Recovery and winter safety checks instigated in October 2020 and completed by end December 2020 (with most vulnerable prioritised).	Almost complete
1. Complete workforce and succession planning paper. 2. Ensure all staff have had normal allocation leave/breaks prior to November. 3. Identify likely staff capacity requirements to year end, factoring in a potential 2nd wave lockdown and winter illness concurrent disruptor. 4. Recruit and re-deploy as necessary to ensure continuity and experience of staff.	1. A completed workforce plan identifies required staffing levels by end September 2020. 2. Most staff have taken their leave allocation to Q2 and reminded to take regular annual leave. 3. Additional staffing requirements identified and recruitment action completed by end September 2020.	Complete
1. Participate in the independent review of National Adult Social Care Reform. 2. Share our knowledge of enabling independent living and recent experience of Covid-19 response with relevant parties. 3. Advocate on behalf of disabled people and help inform other public bodies on the challenges faced by disabled people living in Scotland and Northern Ireland today.	1. ILF Scotland is a named member of national working groups on Adult Social Care Reform and the review of the National Care Strategy by end January 2021.	Complete
1. Identify process and technology solutions to improve our ways of working and reduce reliance on carbon generating actions such as travel costs, paper and stationary usage, power consumption. 2. Develop a quality and improvement plan linking efficiencies to carbon reduction and sustainability.	1. An efficiency and sustainability model linked to quality and continuous improvement is developed.	In Planning

Performance Report

Analysis

Key Operational Activities - Over the year, the following key activities have taken place:

Strategic Outcome 1 - Facilitate the independent living needs of disabled people:

- We continued to work closely with the SG and NI Sponsor Teams to jointly agree flexible policy responses to Covid-19. We are taking forward joint development of guidance in these areas:
 - Continued payment of normal awards (Sustainability Payments).
 - Additional payments for replacement care and other Covid-19 related expenditure.
 - £500 'Thank You' payment promised to health and social care workers by the First Minister in Scotland.
 - ILF Funded PAs and recipients inclusion in PPE access and the rollout of vaccination and testing for priority groups.
- In Q3 we published an Interim Policy which reduced the maximum Transition Fund grant available from £7,500 to £1,500. We received an additional funding allocation from the Scottish Government to allow us to continue on this basis until 31 March 2021. Following fruitful discussions in Q4 with our SG Sponsors, we have secured an increased budget for 2021-22 and this has allowed an increase to the maximum grant, which will be set at £4,000 for the coming year. Within this, the fund retains the discretion to exceed the maximum in exceptional cases where there is deemed to be potential for a life-transforming impact.
- In Q4 SG agreed that we could continue with our flexible policy implementation, including replacement support, until the end of Q1 2021-22. We wrote to all recipients to advise them of this. We paid out approximately £860k for replacement support in the last year (2019-20 Nil).
- We worked closely with the Sponsor Team, Vaccination contacts in the SG and NHS along with contacts in Health and Social Care Partnerships (HSCPs), Health and Social Care Trusts (HSCTs) and health board area vaccination centres to facilitate access to vaccines for ILF Scotland funded PAs. This is now progressing well.
- We continue to discuss arrangements for the roll out of the £500 'Thank You' payment promised to health and social care workers by the First Minister. We have developed procedures and the technical solution to achieve this but are waiting for agreement from SG to proceed.

Performance Report

Analysis (cont.)

Strategic Outcome 1 - Facilitate the independent living needs of disabled people:
(cont.)

- We have revised and published the 'Your Responsibilities Guide' and 'Employer Support Information Note'. The Sponsor Team have agreed that we change Employer Support from a policy to guidance, which means we will more easily be able to update this quickly in respect of any future legislative changes.
- Civil Servants in Northern Ireland are working on a detailed submission for the Minister of Health to reopen the 2015 Fund. We await further information.
- One of the recommendations from the Feeley Independent Review of Adult Social Care is that ILF is re-opened in Scotland. We are in discussions about this with our Sponsor Team.
- We continue to conduct Stakeholder Group meetings in Northern Ireland and Recipient Advisory Group meetings in Scotland virtually. We worked closely with group members over the last year to establish relevant Charter for Involvement Statements and in collaboration with them, we co-produced our first Action Plan in Q4 to confirm how we will implement these. These Groups also helped us develop a recipient feedback survey about the effect of Covid-19 on our recipients and their support services.
- We developed our first Equalities Outcomes Monitoring Report, a requirement for ILF Scotland, as a Public Body, from 2020. This reports on the progress we have made in 2020-21 and the equalities outcomes we aim to achieve in 2021-22.
- We developed our First Corporate Parenting Report, again, a requirement for us, as a public body, from 2020. This report on our role as a corporate parent, which for now relates to the Transition Fund, sets out how we intend to deliver on our corporate parenting responsibilities from 2021-24.

Performance Report

Analysis (cont.)

Strategic Outcome 2 - Be leaders in enabling independent living:

- Whilst our main focus has been on the wellbeing calls with recipients and carers, there are highly significant reforms in progress in both Scotland and Northern Ireland, which ILF is participating in to promote a focus on independent living outcomes.
- Our Covid-19 policy and practice has received positive feedback from stakeholders. ILF Scotland has been successful in delivering government policy intent of offering flexibility, choice and maintaining supports. Our flexibility included enabling a number of recipients to employ family members in a time of crisis.
- Work has continued throughout the year with ARC Scotland on a new national approach to developing a self-evaluation toolkit, with data model, that can be used to plan and measure the effectiveness of transitions (aimed directly at local authority education and social care departments).
- Contributed to various pieces of research and consultations, including the Feeley Review.
- Virtual engagement events in the form of online workshops and presentations with a variety of partner organisations continued to take place.
- In Scotland, we contributed to the production of SDS national standards, which have now been agreed by COSLA and ILF Scotland has been invited to join Social Work Scotland National Self-directed Support Steering Group. This will oversee the development of a co-produced national action plan for the further implementation of SDS.
- In Q4 the continuation of our Carer Respite grant (30 grants) has helped avoid admission to care where carers reported they simply could not continue.

Performance Report

Analysis (cont.)

Strategic Outcome 3 - Operate a high-quality efficient service:

- Wherever possible, we have attempted to continue our business as usual operation during this period, and have completed meetings, development activities, planning activities, reporting and audit to our normal standards.
- Awarded Best Small Employer at Working Families Awards in Q1, gained a Top 10 UK Employer in the Working Families Benchmark in Q2, were a finalist in three categories of excellence as an employer in the UK Working Mums Awards in Q3 and finally we were awarded a Highly Commended in the inaugural Flexibility Work Awards in Q4.
- Completed the first stage of an organisational workforce plan preparing for future growth.
- Gained Cyber Essentials Plus for the third year running and returned a "satisfactory" level of compliance with a much higher standard than required against the National Cyber Security Centre 10 Steps cyber security framework.
- Three main projects continued well over the year despite the time pressure challenges on all staff from the Covid-19 response. The new file plan for our records management is sitting with SG and once the changes are made we can begin the process of records migration into our new Electronic Records and Documents Management (ERDM), which is planned for Q1 of 2021-22. The digital transformation project completed the discovery phase and moved to development of the new service delivery model. During Q4, this has been reviewed by a team of industry experts, including technical architects from Microsoft, and during Q1 of 2021-22 we will see this progress to a fully costed business case for capital investment. Finally, we have progressed the redesign of our risk and resilience framework.
- Over the course of the year, we have tried, wherever possible, to continue our business as usual operation albeit remotely. As well as responding to the Covid-19 crisis, we completed and achieved sign off on our new strategic plan for the following three years. As a public body, this one action provided us with the strategic framework to focus our activities on both the Covid-19 response and also our future three year planning and we are pleased to report that alongside Covid-19, all of our public body duties, governance, operations and reporting have all progressed.

Performance Report

Analysis (cont.)

Strategic Outcome 3 - Operate a high-quality efficient service: (cont.)

- In terms of delivery of our services, we have nearly completed two cycles of in-depth wellbeing calls/reviews with every 2015 Fund recipient. The change from physical review to the calls has resulted in a fourfold increase from our normal contact cycle with individual recipients as instead of a two-yearly review, we have now contacted all recipients twice in a year. This has placed significant challenges on the normal service delivery model, but also an opportunity to learn how best to scale and deliver this service and has resulted in the much welcomed developments to the assessor portal.
- Video conference, network bandwidth, Skype, Zoom, emails and storage limits were all pushed to the limits during Covid-19 and resulted in much frustration and technology fatigue. The end of Q3 saw the move to a cloud based Microsoft Teams solution for SG and Q4 has seen ILF Scotland fully adopt the platform and begin to realise the benefits of it as a collaboration tool and secure video conferencing channel for external as well as internal people.
- Business planning for Covid-19 recovery and also for 2021-23 was completed this period. The new plan has 21 business objectives to achieve the corporate strategy.
- Sustainability, change management, improvements and efficiency management have been looked at during this period and two specific business plan objectives set around linking the quality of our performance to the National Performance Framework (NPF) and net carbon neutral planning by 2045.
- From initial review of the NPF, it is likely that ILF Scotland is well placed to demonstrate positive contributions to 9 of the 11 NPFs and this work will progress in the next financial year.
- Overall, as mentioned in the Feely Report (January 2021), ILF Scotland is a strong example of a public service delivering a high quality service in a highly pressurised and challenging time.

Performance Report

Analysis (cont.)

Main Effort - The main effort throughout this reporting period has been responding to Covid-19 whilst carrying on developing our strategic plans for the future. This of course became the main risk/uncertainty to affect the organisation and the following pages demonstrate how we responded.

Call Volumes - This year we have received 11,240 telephone and email enquiries compared with 10,254 in 2019-20. This approximate 10% increase is due to a rise in operational activity, Covid-19 and growth in Transition Fund related calls and a new call recording system that is easier for staff to complete. There are relatively few emails from 2015 Fund recipients, which is explained by the fact that most do not have or use emails, but where we do receive enquiries, these are mainly for respite, requesting forms or queries regarding their award. Most emails come from applications for the Transition Fund and at present, stage one requires an email request to validate the application. Thereafter, applicants are using email to submit quotes, receipts, support letters and to complete the end of grant process. The main areas of enquiry are as follows:

- Transition Fund – general enquiries and Identification document enquiries.
- Transition Fund – requests to extend funding and application support.
- 2015 Fund – finance changes.
- 2015 Fund – Local Authority calls for information including payment schedule, threshold sums, etc.
- 2015 Fund – completion of agreement forms and the new process.
- General (this includes confirmation of information not covered above, new fund enquiries and general information about the organisation and in recent weeks information regarding employer costs and funding during the Covid-19 situation).

Quality Journey – Work has continued on the creation of an integrated sustainability and improvements plan. The five inter-related components remain:

- Continuous Improvement
- Change Management
- Quality Management
- Sustainability
- Efficiency Management

The mechanism required for highlighting and approving major improvement work within the organisation will be in place in Summer 2021.

Performance Report

Analysis (cont.)

Complaints – Across both funds, we received 14 complaints in 2020-21 compared with 21 the previous year. We capture each learning point from this valuable feedback about our service and act to address any issues raised through revised procedures, staff training, etc. in the spirit of continuous organisational improvement.

Intern – Our Communications Intern completed his internship at the end of Q2. He wrote a blog for our website highlighting how positive a learning experience it was for him. He managed to secure a temporary position with another organisation.

Social Work Student - We received numerous requests to accept a social work student last year. Placements are reduced and universities are struggling to find placements for final year and masters students. We accepted a student from Dundee University on a largely virtual placement January to May 2021 and this has again been a resounding success. The fresh perspective and recent theory and practice brought into the organisation is a strong aid to keeping our practice reflective and fit for purpose. We intend to take another student in Q1 2021-22 given the unprecedented demand and lack of opportunities.

Future Work – The focus for the next period will be to look to the future and what this means for our strategy, policy development, our new business plan and our growth agenda based on the findings of the Independent Review of Adult Social Care, including work to reopen the fund to new applications in Northern Ireland and expansion of the Transition Fund. Work will continue in relation to wellbeing calls and the Covid-19 recovery plan, but we expect, even with the positive impact of the vaccination programme, our operations will remain the same in Q1 of the new year. After that we are planning for the resumption of physical reviews and a hybrid working solution where colleagues will continue to work flexibly, but with more time in the office. As we have not carried out any physical reviews for over 12 months, there will be a considerable backlog to work through coupled with navigating the long term impact of the pandemic on social care.

Performance Report

Analysis (cont.)

2015 Fund

2015 Fund Numbers – Over the year 2015 Fund recipient numbers have dropped to 2,572 (Scotland 2,160 & NI 412) from 2,690 (Scotland 2,254 & NI 436). This represents an overall decline in line with the trend of around 4.4% (4.2% Scotland & 5.5% NI).

2015 Fund Operational Performance – This year saw a reduction of 88% in review reports completed due to being unable to carry out physical visits. Instead, we have completed over 4,000 detailed individual calls that in effect were mini reviews; telephone contacts updated practical matters, such as ILF award changes and also provided a range of supports to recipients. As detailed above, the suspension of home visits, a core part of our role, led to an increase in communication with recipients and a lasting legacy will be increased choice and control for recipients. Some lessons from Covid-19 have already been identified e.g. we will now continue to offer video call reviews where appropriate and we are designing our own bespoke guidance as there is very little guidance on social care assessments undertaken by video from any sources.

Policy Revision – The area of policy change is one of the risks and uncertainties that have to be effectively managed due to the number of parties that have to be involved. We have completed the following in this reporting period:

- SG and COSLA issued guidance on sustainability payments to HSCPs on 14 December 2020. Updated guidance relevant to ILF Scotland recipients also produced. This will acknowledge different contractual arrangements.
- We continue to pay additional amounts for replacement care and other Covid-19 related expenditure where required.
- We have drafted a process to allow ILF Scotland to administer the £500 Thank You payment to our recipients employing PAs. It is with SG for consideration.
- We have agreed with SG colleagues to further reduce the cap on Available Income contributions from £83 to £43 from June 2021.
- We have carried out further work to investigate the reopening of the 2015 Fund in collaboration with Civil Servants and other stakeholders in Northern Ireland. Civil Servants are currently working on a submission to the Minister.
- We have completed a revised Policy 44 (Employment Support Guidance) and published.
- We are drafting a revised Policy 41 (Use of Funding) to provide recipients with more flexibility and to bring our policy more in line with SDS principles of choice and control. We have submitted this to the Sponsor Team in Q4 for approval.

Performance Report

Analysis (cont.)

Scottish Living Wage – We carried out all the work to implement the Scottish Living Wage for all our recipients in Scotland with directly employed and appointed self-employed PAs, effective from 1 April 2021.

Social Work Update – In this reporting period ILF Scotland provided analysis of communication with all 2015 Fund recipients to key stakeholders, including Social Work Scotland and both sponsoring governments. As previously mentioned, 92% of ILF awards were paid in full or increased compared with Health and Social Care Partnerships where 62% of jointly funded supports were functioning as normal and 38% of jointly funded supports were not in place or significantly reduced through the closure of day and respite services. Carer stress resulting in the breakdown of support at home was evidenced during communication with recipients resulting in the provision of direct carer support for the first time in ILF history. We have made 30 emergency respite payments to avoid admission to care.

Despite being the busiest year to date in our history, we have contributed significantly to adult social care reforms in Scotland and Northern Ireland. In Scotland we are embedded in the creation of new Self Directed Support Standards with Social Work Scotland, a new PA handbook in partnership with Self Directed Support Scotland and Social Care Charging with COSLA. In Northern Ireland we have helped advocate for consideration of delegated nursing tasks to PAs to enable greater choice and control. We retained the ability to visit people where there was a critical reason to do so and we have completed a small handful of in person reviews with more planned for Q1 2021-22. Increasing pressure to address a number of issues as we exit Covid-19 is clear, resulting in the necessity to conduct full reviews as soon as possible, because of significant changes made permanent during Covid-19.

As mentioned previously in the report, feedback from recipients over the past 12 months in relation to our support is that we have got it right. People wanted support, reassurance and information. We signposted 40% of recipients to further supports, most commonly Carers Centres and the Wellbeing Hub. We referred 5% of recipients for Income Maximisation. We increased the frequency of Social Work Scotland and ILF Scotland network meetings from four to eight during the past year, and this was valuable in enabling speedy communication about our approaches to various Covid-19 SDS Policy changes. Colleagues in LAs in both Scotland and Northern Ireland report that during the pandemic they have largely only been able to prioritise emergency visits and statutory work, such as protection investigations. This has meant, therefore, that the SDS policy flexibility that SG has promoted via two sets of guidance and a letter from the Cabinet Secretary, has been challenging for statutory authorities to fully implement.

Performance Report

Analysis (cont.)

Social Work Update (cont.)

This has meant that, in the best interests of recipients, we have temporarily been able to replace some LA funded care and support on a temporary basis to ensure people could remain at home safely. The consequence of this will be a two year long review cycle of negotiations with LAs around reinstating their maximum input for recipients and ILF Scotland returning to being the minor funder. Our records show that we usually maintain an overall 2/3 LA / 1/3 ILF average support package split, and this is our target for 2021-22. The current position, due to the impact of the pandemic, particularly on building based care services, is estimated to be approximately 50/50. The ILF percentage in Northern Ireland will be higher, because more LA support was building based services which have remained closed. These figures are fluid, as building based services restart the LA contribution will increase. It will be the end of Q2 2021-22 before we can report with confidence on the health of our balance of funding.

Feedback – Standard satisfaction surveys (2015 and Transition Fund) are temporarily suspended so as not to increase pressure on vulnerable families. Recipient feedback will be considered as part of the recovery planning process and a sensitive method for re-issuing surveys will be put in place in due course. We launched a survey in December to get feedback from recipients on how they have been affected by Covid-19. We received over 300 responses with very positive overall feedback on our services at this time with particular emphasis placed on the ongoing flexible policy application to allow for replacement support and the assessor wellbeing calls. However, the responses also confirmed how badly affected a lot of our recipients have been by the pandemic.

Performance Report

Analysis (cont.)

Transition Fund

Operational Performance – The challenge of delivering the Transition Fund in the context of Covid-19 has been very real and was one of our key risks and uncertainties which emerged. We detail below how we addressed this.

The closure of other services which previously worked with young disabled people in transition and the inability to meet face-to-face with young people and their supporters to provide the level of support that we have been able to give previously, considerably changed the environment in which the fund operates.

Despite these challenges, over the full year the Transition Fund has seen a record increase in applications. In 2019-20 the fund received 1,312 applications and in 2020-21 this increased by 39% with 1,818 applications received in an environment where direct engagement with prospective applicants was severely curtailed. This was despite the reduction in the maximum grant amount on 1 December 2020 to £1,500 from the original £7,500, due to very high demand, which resulted in a slow-down in applications received. Even with this reduction and slow down, we were only able to keep the fund open after additional funding was made available by SG. In total we processed over 3,000 applications including those submitted in year right through to the end of grant procedure and case closure.

There have been many challenges for the recipients of the fund in accessing the services and supports that they had chosen to assist them in meeting their identified outcomes. In many cases these have not been accessible at all during the Covid-19 period. Driving lessons, gymnasiums and other commonly requested supports have been largely unavailable throughout the whole reporting period and as a consequence, the fund has adapted to this situation by offering both additional time to complete outcomes by extending grant periods or by allowing some flexibility in how the funds are spent by allowing for alternative methods of meeting those outcomes, e.g. allowing the purchase of home exercise equipment when the gym that the young person had identified to assist them in meeting their goal was not available. We have worked closely with young people throughout this period to allow this type of flexibility where possible and keep the person progressing towards their chosen outcomes.

Fruitful discussions with our SG Sponsors have secured an increased budget for 2021-22 and this has allowed an increase to the maximum grant which will be set at £4,000 for the coming year. Within this, the fund retains the discretion to exceed the maximum in exceptional cases.

Performance Report

Analysis (cont.)

Transition Fund (cont.)

Social Work Update – The continued inability to carry out face-to-face visits has caused some difficulties during Covid-19 and continues to make supporting young people, families and non-family supporters to complete and submit applications challenging. Our high rate of applications received in the first half of the year dipped somewhat through Q4, most likely as a response to the reduction in the maximum grant from £7,500 to £1,500 at the end of Q3. On the plus side, this allowed staff to catch up with processing and to return to our 12 week service standard. It is recognised that the return to higher level of maximum grant for the new financial year will further stimulate application numbers. A new specialist caseworker was added to the team during Q3 and they are now fully operational, but in light of the above, a need for further staffing has been identified and a further specialist caseworker is currently being recruited. The non-availability of certain popular activities for periods, such as driving lessons and gym memberships, has meant that funds have been slower to be released than before, with caseworker staff working intensively with applicants to find the best way to meet their needs and also to manage their awards responsibly. Extensions to award periods and allowing the flexible use of funds within the originally stated outcomes has ensured that we have been able to continue to support disabled young people in their transition in spite of the prevailing conditions.

Feedback – The operational environment remains challenging for staff supporting young people to apply successfully to the fund in the current uncertain times. We continue to hear of other statutory and charitable services not meeting the needs of the young people that apply to the fund and the complete non-availability of services through the Covid-19 pandemic. There continues to be significant anxiety in both young people and their families, especially in terms of how this has potentially affected the long-term prospects of 2020's school leavers, and indeed those due to leave in 2021, who have had little or no time in school for the past 12 months. The Transition Fund has been successful to date in addressing some of the inequalities and barriers that exist for young disabled people trying to make their way in the world by addressing a gap in traditional services, which left with reduced support as they take their first steps towards adulthood. This gap appears only to have widened due to Covid-19, which has resulted in many young people missing out on supports to plan their future. The feedback that we have received, particularly in the midst of the Covid-19 pandemic, has highlighted this and has demonstrated how much many young disabled people and their families have come to rely on the fund in this vital step in their life. Our recent recipient survey has illustrated the depth of the impact that the fund has made on young disabled people's lives and their ability to move forward in making their future plans a reality.

Performance Report

Analysis (cont.)

Our People

Our people are our key resource and are one of the many risks that have to be effectively managed. We believe that the following paragraphs will demonstrate this.

2020-21 has without doubt been the most challenging and busiest year since our inception due to Covid-19 and increasing work pressures. We have tried to be innovative in our support, introducing many new measures and initiatives to help our staff get through the year. Indeed, not only has this been recognised by our colleagues via various feedback routes, our comparatively low absence rates and staff retention, but also externally as a market leading employer of choice winning the Best Small Employer Award in the UK from Working Families in May, a Top 10 Employer in the annual Working Families benchmark in September, a finalist in three categories (the Best for Mental Health/for Employee Engagement/for Best for Family Support) in the 2021 Working Mums Awards and Highly Commended in the 2021 Top Employer Flexibility Works Awards.

As always, we have tried to remain an optimistic, open and supportive employer. The Health and Wellbeing programme has remained front and centre of our decision making as we made our way through the year. Focus on our own individual Health & Wellbeing and that of our colleagues as a connected team has been of paramount importance. We have and will continue to meet virtually at our All Staff Meetings. Smaller groups also continue to meet regularly in our peer / team groups. 'Keeping in Touch' in this manner allows us to monitor changing behaviours and identify anyone who needs support. Our Trickle App has been used since its launch to gauge mood across the organisation and we have started to signpost to supportive wellbeing materials and websites through the App. The Trickle App is building momentum and is also used to carry out pulse surveys to motivate and praise staff.

There are continuing pressures on staff as a result of Covid-19, particularly due to a 3rd lockdown in the final quarter of 2020/21. Staff have found it challenging to remain upbeat. However, as we move into 2021/22 there is a distinctive change in mood and overall wellbeing with hope on the horizon. As a priority, we continue to promote our life friendly working and the health and wellbeing of all our people.

We have again joined forces with the skill and expertise from the 'Strong Minded Resilience' team, who have just completed their final Recharge Workshop, which was delivered three times during Q4. We intend to continue to work closely with Strongminded Resilience to refresh and reinforce previous resilience work. Staff feedback has been positive on those workshops. We have also appointed a Trauma Champion to take some of this work forward and they are currently being trained through the Scottish Government Wellbeing Network.

Performance Report

Analysis (cont.)

Our People (cont.)

Our student Social Worker from Dundee University ended her placement at the end of April 2021. Although working entirely remotely, the placement has been successful. We look forward to welcoming more students later in the year. During Q4, 15 staff members attended an AGE Inclusive Scotland workshop: 'Planning for the Future'. Feedback from this has been very positive as some staff start planning their futures away from paid work in the next 10 years or so. We do however move into 2021-22 with renewed optimism looking forward to supporting our workforce, which in turn leads to positive outcomes for our recipients.

Organisational Demography – Organisational Demography – By the end of Q4 the organisational make up remains at 61: staff (54 including SMT) and Directors (7): 74%:26% female: male, with 16.39% of staff self-identified as disabled, 4.92% Black, Asian and Minority Ethnic (BAME) and 1.64% Lesbian, Gay, Bisexual, Transgender (LGBT).

Employment status – We remain focussed and promote making ILF Scotland as progressive and positive a place to work. We continue a supportive and work/life friendly approach using our full suite of policies, ILF Scotland offers different contractual opportunities to all individuals employed in some capacity within the organisation. Currently all staff have employed status, which is providing stability and continuity for both the organisation and individuals at this time of uncertainty. During 2020-21 all staff have worked 100% flexibly and we will continue to ensure staff can have a work/life harmony which suits their individual circumstances. We recruited our first intern in February 2020, immediately before the start of the Covid-19 lockdown which was successful and productive in the project work completed. Detailed planning work is underway looking at our Workforce Plan considering new duties ILF Scotland may be formally requested to discharge in due course.

Recruitment – Due to increasing workloads across the organisation and in part due to the Covid-19, unintended consequences of changing policies and wellbeing calls, we have continued to build and strengthen our workforce. We advertised internally for an SDS Manager and this was successfully appointed from March 2021. We are currently recruiting to replace Assessors and an additional Specialist Caseworker. Those posts should be in place during Q1 2021-22.

Retention – Staff retention remains high with only one (2019/20 three) member of staff leaving in the financial year.

Performance Report

Analysis (cont.)

Our People (cont.)

Supporting Activity – To enable the organisation to successfully deliver the strategy and be an employer of choice, and as a small sample, the following activity has taken place:

- Monthly 'All Staff' Zoom meetings, including attendance by our chair Susan Douglas-Scott CBE at a few meetings.
- Regular Staff Development Days, largely focussing on Staff Wellbeing and our Recovery Plan through the pandemic.
- Weekly 'news' bulletins to Staff, Board Directors and Sponsor Team.
- Health and Wellbeing webinars attended.
- 'Supporting Each other in a Crisis' webinar attended by 25 staff and Board Directors.
- Resilience Leadership workshop for managers.
- 'Recharge workshops' delivered.
- Bereavement Policy review completed (Jack's Law) – distributed on 06 April 2020.
- Information Technology Infrastructure Library Level 4 IT Operations course successfully completed.
- Mentorship/Student/Buddying Programme work started.
- 5 x staff members attended the virtual 'Women into Leadership' conference.
- All Managers attended a facilitated 'virtual' Away Day in November 2020.

Health and Safety

There are no RIDDOR reportable incidents. The Health and Safety team continue to offer guidance and support with regard to Covid-19, following SG Guidance and NHS Inform. The team have started developing our recovery plan to ensure we keep the workforce and recipients as safe as possible coming out of this pandemic. Display Screen Equipment (DSE) self-assessments continue with staff being encouraged to re-evaluate their home work areas to ensure they are comfortable and safe.

Activities include:

- Continue to follow related Scottish and UK Government//NHS Inform/HSE advice– regularly communicating with staff on guidance and changes in a timely manner.
- 'Work from Home' remains the default position. All staff are set up to work from home and line management are keeping in regular contact. A recovery plan is currently being created as future guidance is received from the UK and Scottish Governments.

Performance Report

Analysis (cont.)

Our People (cont.)

Health and Safety (cont.)

- Weekly communications to Board, Staff and Sponsor team continue to be recorded to support post Covid-19 reflection.
- Track and Trace Diary continues to be active and working well – this monitors staff attendance in Denholm House: numbers in and out of Denholm House. This tool is also used to trace should there be a Covid-19 staff outbreak in the office team.
- DSE self-assessments are continuing to be encouraged in the long term as previous self-assessments may have been completed with short term 'work from home' timescales in mind.
- Annual leave – currently all staff are using appropriately to support wellbeing.
- Weekly informal 1-2-1's continue.
- Bi-weekly team meetings continue.
- All Staff have access (and have been utilising) to the National Wellbeing Hub and Helpline. This continues to be promoted by the Wellbeing Ambassador and by HR during the Staff Development Days.
- Trickle – Staff Engagement tool continues to be promoted to encourage and monitor pulse survey data collation, feedback to staff and positive encouragement.
- 'Ditch the Desk' introduced during January 2021. Staff are encouraged and empowered to get away from their desks for a ½ hour every day to complete a work related task e.g. walking meetings/ strategic thinking away from screens etc.
- Health and Safety Policies and Guidance regularly reviewed and updated.

Information Governance and IT

Overview - This has been a period of enormous change and activity to support the organisation's ability to function seamlessly throughout what has been the busiest year ILF Scotland has ever experienced. At the start of the year we overcame the challenges to ensure effective communications across the organisation and supporting data protection and security management as all staff became home workers. All staff transitioned successfully to agile home working and this in part reflects the flexible culture of the organisation and the wider digital strategy. In effect, ILF Scotland was able to seamlessly continue its normal operations, albeit with some bandwidth and connection issues with the significant pressures on the SG network.

Performance Report

Analysis (cont.)

Information Governance and IT (cont.)

Overview (cont.)

During the mid-part of the financial year things stabilised during this period and all staff had normalised to our remote operations, including use of Skype, Teams and Zoom meetings. All managers now have the ability to organise and run Zoom meetings and all staff can join in on smartphones and tablets. Staff have also responded well to health and safety home working practices and we have now ensured all staff are set up for what has been an extended period of working from home. SG have now launched phase one of their Microsoft Teams rollout.

This year we experienced our first “drive-by” attempt at a cyber-attack which is where randomised websites are selected to see if it is possible to breach their security and perimeter controls by mass action of simple attack types. We are pleased to report that the systems and firewalls worked well, and also that it does not appear the ILF Scotland was specifically targeted. Whilst the Cyber Essentials Plus standard confirmed our protection levels against these simple forms of attack, we sought higher levels of assurance and requested internal audit to assess us against a much higher standard called National Cyber Security Centre 10 Steps. The audit result saw us achieve a satisfactory but with a narrative that suggested a good overall rating here. This has helped identify areas for improvements and these have now been built into the work programme for the resilience project for 2021-22. Alongside cyber security, on a very positive note, we can also report that following a virtual data protection audit, we have received an overall “Good” rating for our information and data security practices.

The latter part of the year has been more settled and stable overall as some of the network and technology challenges of the last year have been largely overcome by the smooth adoption of Microsoft Teams as a collaboration and video conferencing tool. This period of relative stability has enabled us to focus on high quality data analysis and reporting so as to inform some of the key policy developments which we have now seen. Thus we have been able to plan for the introduction of the Scottish Living Wage, Care Grants, Available Income Reduction, Covid-19 related payments, vaccine notification letters and changes to the Transition Fund to allow for an increase in the maximum grant.

Alongside this data mining and analysis activity, we have also made some significant changes to how our systems operate and what services are needed. We have introduced a bulk emailing service for our recipients which can be broken down by group, country, or even postcode and send messages directly to individuals but via one portal. This is a step change in data security and time efficiency saving for the communications and data protection teams.

Performance Report

Analysis (cont.)

Information Governance and IT (cont.)

Overview (cont.)

We have also set up the capability to send bulk text messages to recipient mobile phones and again this will see an improvement to the speed and number of channels by which we can get information quickly to recipients about changes to policies and awards. Still on the communications front, we have introduced "Softphone" technologies to caseworker laptops so that there is no need for staff to be in the physical office to answer the main 0300 number - this can now be done wherever they have their laptop and access to the internet and has the potential for energy and office materials savings as well as being able to provide higher availability contact centre services during the working week.

Our three main projects continued well this period, and also over the full year despite the time pressure challenges on all staff from the Covid-19 response. The new file plan for our records management is sitting with SG and once the changes are made we can begin the process of records migration into our new ERDM system, which is planned for Q1 of 2021-22. The digital transformation project completed the discovery phase and moved to development of the new service delivery model. This has been reviewed by a team of industry experts, including technical architects from SG, and during Q1 of 2021-22 we will see this progress to a fully costed business case for capital investment.

Last and definitely not least, we moved into Phase 2 of the Resilience Project and this has focused on identifying the critical business activities and core processes likely to have the biggest negative impact on our ability to deliver the operation if a risk event were to materialise. This has also resulted in a rationalisation of our risk register and the development of a risk appetite and tolerance framework which can be used for risk planning as we progress through 2021-22. Despite Covid-19, this has been an exceptional year and, as a crisis-led business disruptor, we have responded quickly to the needs of our staff and our recipients and shown the benefits of our agile digital strategy and the effectiveness of our information security training and awareness programmes.

Performance Report

Analysis (cont.)

Records Management - The Senior Information Risk Officer and the Privacy and Improvement Manager successfully completed formal Records Management Training in February/March of 2021. The update of our progress with regard to our overall Records Management programme was submitted to the National Records of Scotland in January 2021. This has been successful in that the Keeper has accepted the delays incurred by the project and, as anticipated, they have issued no change to the overall scoring of our records management arrangements.

Data Protection – This is one of our key risk areas. Incidents have remained low considering the volumes of work being experienced by frontline teams. This year we logged 20 minor incidents (2019/20 – 14). All incidents have been assessed as a low risk to the data subjects and all have been containable and unreportable to the Information Commissioner's Officer. Our Data Protection Officer continues to tailor staff updates and internal newsletter articles to the type of incidents being reported and suggesting process changes for staff to adopt.

Infrastructure and security - The infrastructure continues to manage demand well and all staff remain working remotely. At the end of March 2021 we have seen the removal of Skype for Business, which has not caused any issues as all users have been successfully using MS Teams as their main communication tool over the last few months. Towards the end of the financial year we have seen an increase in the number of phishing emails over the last period. Staff are comfortable reporting these and sharing with colleagues for information. We did experience a targeted spear phishing campaign to several of our assessor colleagues this period which saw a request to process an end of year invoice from a housing association that we have regular dealings with. The association had been hacked and their email system compromised which is why our staff details were found and targeted. The staff members identified this very quickly and we were then able to alert all staff to this potential threat and it is good to report that staff were fully attuned to this classic form of end of year cyber-attack.

Digital transformation - Work has been completed this period and in total a cross organisational team of 14 people attended various workshops looking at who we provided services for, what we did for them and what tools, technologies and processes were used to deliver the required service. From this, a new technology enabled service delivery model has been developed and was being reviewed by industry experts, including security specialists, customer service (sales platforms) specialists and technical architects from Microsoft. 5 out of 6 stages have now been completed and once we review the proposed delivery model, the aim will be to complete Stage 6 which is the costing model. From here we will be able to produce the business case to submit to SG Health Finance via our sponsor team to request the capital funding to adopt the new model.

Performance Report

Analysis (cont.)

Forum - The ILF Scotland Forum has been regularly updated and used as a valuable source of information and signposting to all users during the Covid-19 crisis as well as creating a diary of a disabled person living life through these challenging times. It is an exciting and informative service with currently 150 (2019/20 - 90) or so registered users. As the new communications strategy develops we will review how best the Forum sits alongside the now many communication channels we have and develop the messages and information resources we wish to use it for.

National Programmes - The two programmes are proceeding at very different paces with the Payments Platform looking to go live in November 2021 with ILF Scotland as its first on-boarded organisation using its services. We are heavily involved in developing not only the customer service model that will be used, but also with the technical integration of a piece of software that will enable payment instruction from our core client database to be coded, encrypted and sent to the platform for payment. This is very exciting and puts ILF Scotland at the very heart of the single most important digital project Scotland has undertaken in recent years. With regard to the Digital Identity Project, this has used the lived experiences of some of our Transition Fund applicants to inform the design model for how a national identity verification system might operate in practice.

Efficiencies - We constantly carry out improvement and efficiency work and this has enabled the organisation to deliver more for the same funding. Over the year we have carried out improvements that have saved 7,600 (2019/20 – 4,446) hours of staff time. This works out at approximately 4 (2019/20 – 2.5) Full Time Equivalent staff which is around 7.4% (2019/20 – 4.7%) of our workforce. This equates to an approximate overall saving of 5.7% of our cost base (2019/20 – 3.3%) which compares favourably with the SG target of 3%.

A summary of highlighted changes are found below:

- Development of the Assessor portal.
- Automatic activation of Transition Fund accounts.
- Development of short “technology grants” capability for Transition Fund applicants.
- Introduction of cloud based authentication tool for our payments team (security and improved reliability enhancements).
- Sending recipient emails from the payments database (quality and security enhancement).
- Introduction of virtual meeting technologies.
- Introduction of Microsoft Teams as a collaboration platform.
- A cross checking function that flags any Transition Fund applications with matching information (potential duplicate/counter fraud detection function).

Performance Report

Analysis (cont.)

Governance and social responsibility

The company is committed to good employee relations and HR policies have been developed from best practice to ensure full compliance with employment and equalities legislation.

ILF Scotland seeks to actively manage sickness absences and has return to work meetings with staff to improve support on resumption of duties and discuss absence patterns and causes.

The company procurement policy ensures fair competition and value for money, with specific arrangements to encourage tenders from employers of disabled people in procurement exercises. ILF Scotland is committed to prompt payment of bills for goods and services received. Payments are normally made within the period specified in the contract. Where there is no contractual or other understanding, we endeavour to pay within 10 days of the receipt of the goods or services, or the presentation of a valid invoice or similar demand, whichever is later.

In 2021-21 ILF Scotland paid 97% of invoices within 10 days (2019-20 95%) of receipt. The number of creditor days outstanding at the end of 2020-21 was 18 days (2019-20 13 days).

Financial review

- **Awards Paid** – The payments made to recipients for the year 2020-21 was £52.7m (2019-20 £50.7m), of which £3.2m (2019-20 £1.7m), was for the Transition Fund.
- **Reserves** – We have healthy reserves at just over £2.6m at 31 March 2021 (£1.6m at 31 March 2020).
- **External Audit** – Our new auditors performed their first audit last year. They have also audited this year's Annual Report and have been appointed for a further year.
- **Internal Auditors** – We appointed new internal auditors last year and the new arrangements are working very well.
- **Process Review** - Work continues by our Finance department conducting a thorough review of all its key processes. As a result of this review, we will be able to ensure any best practice and any procedural efficiencies are implemented.

Performance Report

Analysis (cont.)

Financial review (cont.)

We report an increase in taxpayers' equity for the year amounting to £994,978 which has been transferred to general reserve as set out on page 85.

ILF Scotland is financed out of Grant in Aid from SG for the purpose of making regular grants to individuals. Grant in Aid of £57.2 million (2019-20 £53.4 million) was utilised in Scotland and Northern Ireland to meet the needs of users and related administration costs.

Assets are held only for the purpose of managing the company.

The company requests and receives Grant in Aid on a monthly basis to meet its immediate cash needs. Procurement policies are designed to secure goods and services for immediate consumption during the year with best value for money at current cost, and without setting up complex financial instruments. Company exposure to financial instrument risk is therefore low compared with non-public sector organisations. The policies on financial instruments are provided in the Notes to the Accounts, and appropriate disclosures are included.

Company law requires the directors to prepare accounts for each financial year. The directors have elected under the Companies Act to prepare the accounts in accordance with IFRSs as adopted by the EU and applicable law and to provide additional disclosures required by the Government Financial Reporting Manual 2020-21 where these go beyond the requirements of the Companies Act 2006.

The accounts are prepared on a 'going concern' basis. Grant in Aid is received on a cash basis to meet immediate need. Grants to individuals are paid in arrears and the Statement of Financial Position at 31 March 2021 shows a surplus net assets position of £2,627,018 as set out on page 83.

SG has provided a letter to the Chief Executive to confirm that Grant in Aid will be made available to cover the financial obligations of the company for the financial year 2021-22.

There were no events after the end of the financial year that have any material effect on these Reports and Accounts.

Performance Report

Analysis (cont.)

Environmental Matters and Climate Change

ILF Scotland takes environmental matters seriously and adopts environmentally focussed practices where possible.

As tenants within a shared office space with Education Scotland and Building Standards Scotland, The Scottish Government carry responsibility for the building, therefore ILF Scotland are only able to address internal factors such as resource usage, travel and awareness.

The main area of emissions for ILF Scotland is travel. As our assessors conduct the vast majority of our travel, visiting recipients in their own homes to conduct assessments, finding opportunities to reduce our carbon footprint is limited, as we have an obligation to visit recipient at least once every two years. Also, as some of our recipients are based within the Highlands & Islands of Scotland, this reduces our access to public transport when visiting these remote communities. However, when visiting recipients in these rural communities, we ensure we cluster visits together, therefore reducing the need for multiple travel.

We continue to extend our online capabilities which will lead to greater savings. Looking at the Transition Fund, we are seeing a significant increase in applications received online, therefore reducing the need to print off and send out paper applications.

We are also increasing communication via email, thus helping to further reduce paper usage.

Furthermore, we have appointed a green Information and Communication Technologies officer and have adopted a virtualised server environment and moved away from desktop PC's to lower power consuming laptops.

Finally, with the new strategic and business plan in place, we will use 2021-22 to identify and develop our post-Covid-19 build better plan. This will build on our change and improvements management work to date and look to building a more sustainable ILF Scotland which is leaner and greener and working towards the net carbon neutral by 2045.

Performance Report

Analysis (cont.)

Human Rights

ILF Scotland is committed to equality of opportunity and has policies and procedures in place to ensure this is achieved. It also fully recognises its legal responsibilities, particularly in respect of race relations, age, sex and disability discrimination and complies with all Scottish Government policies in relation to Human Rights and Equality.

ILF Scotland is subject to the Equality Act 2010 (General Duties) (Scotland) Regulations and must also publish statements on equal pay and information about Board members.

Anti-Corruption and Anti-Bribery matters

ILF Scotland is committed to the highest standards of ethical conduct and integrity and is committed to the prevention of bribery and corruption as we recognise the importance of maintaining our reputation and the confidence of our stakeholders.

We can report that no instances of corruption or bribery were recorded in 2020-21 (2019-20 nil).

Summary – This has been another strong year, delivering even further progress against our strategic plan with the strong growth in the Transition Fund and improvements to the 2015 Fund.

Authorised for issue by the Board of Directors.

Signed by the Chair of the Board on behalf of the directors and also signed by the Accountable Officer on 29 June 2021.

DocuSigned by:

Susan Douglas-Scott

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Susan Douglas-Scott, Chair of the Board

Peter Scott, Accountable Officer

Accountability Report

Consisting of: Corporate Governance Report; Remuneration and Staff Report; and Parliamentary Accountability Report

Corporate Governance Report

The Corporate Governance Report consists of three sections:

1. Statement of Directors' & Accountable Officer's Responsibilities;
2. Annual Governance Statement; and
3. Directors' Report

1. Statement of Directors' & Accountable Officer's Responsibilities

The directors and the Accountable Officer are responsible for preparing the Strategic Report (referred to as the "Performance Report" above), the Directors Report and the accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. The directors have elected under the Companies Act to prepare the accounts in accordance with IFRSs as adopted by the EU and applicable law and to provide additional disclosures required by the Government Financial Reporting Manual 2020-21 where these go beyond the requirements of the Companies Act 2006.

Under company law directors must not approve the accounts until they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these accounts the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether they have been prepared in accordance with IFRSs as adopted by the EU; and
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and detect fraud and other irregularities.

Accountability Report

Corporate Governance Report

Statement of Directors' & Accountable Officer's Responsibilities (cont.)

The directors have decided to prepare a Directors' Remuneration Report in order to comply with the requirements of the Government Financial Reporting Manual 2020-21 in accordance with Schedule 8 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 made under the Companies Act 2006, to the extent that they are relevant.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Disclosure of Information to the Auditors

As Accountable Officer, as far as I am aware, there is no relevant audit information of which ILF Scotland's auditor is unaware. I have taken all reasonable steps to make myself aware of any relevant audit information and to establish that ILF Scotland's auditor is aware of the information.

Statement by Accountable Officer

As Accountable Officer I am responsible for the regularity and propriety of the public finances for which I am answerable, for keeping proper records and for safeguarding ILF Scotland's assets, as set out in the Memorandum to Accountable Officers for Parts of the Scottish Administration issued by Scottish Ministers.

Accountable Officer Confirmation on the Annual Report and Accounts

As Accountable Officer I confirm that the annual report and accounts as a whole are fair, balanced and understandable and I take personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

Authorised for issue by the Board of Directors.

Signed by the Chair of the Board on behalf of the directors and also signed by the Accountable Officer on 29 June 2021.

DocuSigned by:
Susan Douglas-Scott
958AC939814C442
Susan Douglas-Scott, Chair of the Board

Peter Scott, Accountable Officer

Accountability Report

Corporate Governance Report

2. Annual Governance Statement

Scope of responsibility

The Board of Directors have responsibility for maintaining sound corporate governance systems that support the achievement of our policies, aims and objectives and safeguard the public funds and assets for which we are personally responsible. Our responsibilities for managing public money and the duties assigned to us have been exercised with due diligence and the appropriate professional care.

The role of ILF Scotland is to deliver discretionary cash payments directly to disabled people, allowing them the choice and control to purchase personal support and live independent lives in their communities.

Director Attendance

Name	Board Meetings		Audit & Risk Committee		Remuneration Committee	
	2020 - 21	2019 - 20	2020 - 21	2019 - 20	2020 - 21	2019 - 20
Susan Douglas- Scott	4/4	4/4	2/3*	N/A	1/2	2/2
Alan Dickson	4/4	4/4	3/3	5/5	N/A	N/A
Fiona O'Donnell	N/A	2/3	N/A	N/A	N/A	1/1
Elizabeth Humphreys	4/4	4/4	3/3	5/5	N/A	N/A
Elizabeth McAtear	4/4	4/4	N/A	N/A	2/2	2/2
Mark Adderley	4/4	4/4	N/A	4/4**	2/2	1/1**
Anne-Marie Monaghan	4/4	2/2	N/A	N/A	2/2	1/1
Etienne d'Aboville	4/4	2/2	3/3	1/1	N/A	N/A

* Attending as an observer.

** Transferred from Audit & Risk Committee to Remuneration Committee in January 2020.

Accountability Report

Corporate Governance Report

2. Annual Governance Statement (cont.)

Sound Corporate Governance

Our corporate governance systems continue to be drawn up from best practice recommendations and are being strengthened through internal scrutiny, legislative and process compliance and through collaborative working with both internal and external auditors.

These systems address individual and corporate accountabilities, the roles and effectiveness of our boards and our capacity to identify and effectively manage and report risk.

The company strategic aims and objectives have been developed by the directors along with our sponsor team at SG. Our Chief Executive attends quarterly meetings chaired by SG officials. These meetings discuss significant business and programme risks and review ongoing progress against plan.

The programme meetings chaired by SG officials are supported by regular operational meetings with the sponsor team, members of specialist teams and other SG colleagues to ensure clarity of purpose, sound communication and effective reporting.

The Board met four times in formal session this period. There were also various board development days and committee meetings. All meetings have a pre-agreed agenda, are minuted and produced clear actions and matters arising. Meetings are attended by directors and appropriate members of the SMT.

The directors have a responsibility for maintaining sound systems of control to address key financial and other risks, ensuring that the requirements of the ILF Scotland founding documents are met, that high standards of corporate governance are demonstrated, and for reviewing the effectiveness of the systems of internal control.

Accountability Report

Corporate Governance Report

2. Annual Governance Statement (cont.)

Capacity to handle risk

The Chief Executive acts as the Risk Champion for the company, whilst lead responsibility for ensuring that appropriate mechanisms are in place for identifying, monitoring and controlling risk, and advising SMT on the actions needed in order to comply with our corporate governance requirements rests with the Chief Operating Officer, who is supported by the Director of Digital and Information in the capacity of the ILF Scotland SIRO.

Our systems and processes are designed to manage risk to a reasonable and appropriate level rather than to eliminate all risk; therefore it can only provide reasonable and not absolute assurance of effectiveness.

Whilst every member of staff has a responsibility to ensure that exposure to risk is minimised, overall leadership of the risk management processes rests with members of the SMT. The SMT meets fortnightly, and were meeting weekly in the early months of the Covid-19 crisis.

Reviewing our strategic risks is a standing item at Board meetings, supported by the work of the Audit & Risk Committee, which provides a high-level resource to test the adequacy of assurance on our risk management framework and internal control environment. The Audit & Risk Committee is attended by representatives of internal audit and, when appropriate, external audit.

Managing risks

The Risk Management Framework sets out the organisation's attitude to risk and provides a consistent basis to capture, monitor and report risks and to progress strategies to mitigate these. In assigning lead risk owners at SMT level and in the management control processes, we identify clear lines of responsibility throughout the organisation.

Our overall risk appetite is risk averse. This does not mean that we avoid opportunities to improve. However, it does mean that we are rightly cautious when challenges may hinder or put at risk our core business and service provision to our users. Our risk management processes enable us to identify operational, business and financial risks, customer focus and delivery risks as well as identifying and assessing potential reputational risks and other contingent issues.

Accountability Report

Corporate Governance Report

2. Annual Governance Statement (cont.)

Principal risks

All bodies subject to the requirements of the Scottish Public Finance Manual (SPFM) must operate a risk management strategy in accordance with relevant guidance issued by the Scottish Ministers.

ILF Scotland maintains both strategic and operational risk registers which record internal and external risks and identify the mitigating actions required to reduce the threat of these risks occurring and their impact. The Risk Management Strategy and Operational Risk Register are regularly updated and reviewed as a standing item by senior staff and the Audit and Risk Committee. Each individual risk is allocated an owner who ensures that mitigating action is carried out.

This year our principal risks were mainly in connection with the risks associated with the Covid-19 pandemic, the continued growth of the Transition Fund, the management of resources, managing the movement of personal and sensitive information and our core long standing risks in relation to funding and policy changes.

The risk and control processes applied within ILF Scotland accord with guidance given in the SPFM and have been in place for the year ended 31 March 2021 and up to the date of the approval of the annual report and accounts.

A key part of our risk management process is the involvement of all staff in the discussion and identification of risks and their management. Together, we develop mitigating action, supported by management information and identify a specific manager to oversee progress.

The managers' role is to monitor, report on and manage these issues and risks.

Information Assurance

Within our programme we have a significant challenge and risk involved in transferring sensitive user and confidential corporate data to our partners and client departments. This has required close liaison with relevant partners to ensure that we meet our legal responsibilities under the Data Protection Act. Data and information security has been managed as a high priority item.

In terms of data and information security breaches there have been no reportable incidents.

Accountability Report

Corporate Governance Report

2. Annual Governance Statement (cont.)

Review of effectiveness

As directors, we have responsibility for reviewing the effectiveness of the system of corporate governance, including systems of internal control. Our review is informed by the work of the SMT who have responsibility for development and maintenance of the internal control framework, guided by advice from internal and external auditors.

We also have in place independent internal auditors and they have provided their opinion that ILF Scotland has adequate and effective risk management, control and governance processes in place based upon their programme of work during the year. They also report that proper arrangements are in place to promote and secure Value for Money. Last year we reported that we needed some improvements in the area of Compliance with Legislation. These matters have now been resolved.

Directors take assurance from these sources that effective systems of corporate governance are in place throughout the organisation.

The internal control systems SMT have put in place include:

- A comprehensive suite of control checks, which have been refined and adapted to meet our requirements in managing the programme (as reported to the Audit & Risk Committee);
- Regular reports to SMT, directors and SG on progress against the company targets and business aims and objectives;
- A risk management strategy and risk management framework which comply with best practice;
- The organisation's Strategic Risk Register which is reviewed by Directors at least quarterly, a standing item with Audit & Risk Committee and reviewed monthly by SMT both quarterly at the risk and controls board and monthly at SMT meetings;
- A project governance framework that seeks to manage the responsibilities, resources, reporting and programme milestones in order to deliver the planned outcomes on-time and to pre-agreed quality;
- The adoption of formal project management arrangements based on PRINCE 2 principles for all key programme and projects, includes the development and maintenance of programme and project risk registers, detailed objectives for each work stream, timeline milestone reports and clear reporting mechanisms.

Accountability Report

Corporate Governance Report

2. Annual Governance Statement (cont.)

Board effectiveness and structures that support decisions

The Board has set up its governance arrangements to ensure compliance with best practice and relevant legislation.

The Board has developed terms of reference for all boards and committees, including their purpose, membership, and the election of the lead Director as well as defining the management and reporting requirements for each internal function.

Our governance processes and mechanisms to manage our boards are consistently applied to capture discussions, actions, risks and progress. These provide a basis for consistent reporting and ease of read-across to inform recommendations, actions and outcomes, our boards include the SMT, the Audit & Risk Committee and the Remuneration Committee.

The SMT meets regularly and is responsible for ensuring that corporate risks are identified as early as possible, are properly managed, that cross-functional issues are considered, and that risk management receives a high profile in planning and delivery of our plans. The SMT along with some of our senior managers meets fortnightly to ensure that all attendees understand both the priorities of the week and any emerging issues.

Senior Committees

The **Audit & Risk Committee** met three times during the period and is responsible for ensuring, as far as possible, that appropriate systems are in place within the company for the assessment and management of risk and advising the Board on the effectiveness of the systems of governance and control, leading to signing off the Annual Governance Statement. The Audit & Risk Committee reviews Strategic Risks as a standing item, it routinely considers the effectiveness of payment security, fraud management and recovered and unspent monies, it reviews the internal audit plans to ensure sufficient rigor and detail and undertakes to provide a questioning and challenging role to obtain assurance.

The **Remuneration Committee** met twice during the year. It oversees and reports to the directors on the salaries, rewards and conditions of service in place at the company. It also makes sure that ILF Scotland conducts its employee relations fairly, efficiently and effectively.

Accountability Report

Corporate Governance Report

2. Annual Governance Statement (cont.)

Significant internal control issues

Internal controls and procedures have been further strengthened with a formal partnership with NHS Counter Fraud Services and the implementation of a continuous improvement plan following in depth internal review.

During the course of the year we have become aware of and have investigated two (2019-20 three) instances of alleged fraud in relation to fund recipients. It has not been possible to quantify amounts involved since the allegations require full investigation before they can be proven and potential amounts quantified. As these payments were recorded as costs when originally advanced they do not represent a further cost if deemed to be irrecoverable.

All cases have been reported to NHS Counter Fraud Services.

Over the course of the year there have been no significant control weaknesses reported, nor has any report been made externally, independently nor via the company Whistle-blower policy.

Our audit and internal management reporting remains vigilant to ensure early identification of issues within normal day-to-day business and no significant issues have emerged.

We have managed our risks and highlighted issues with foresight and taken decisions as required; we have forecast and reported our financial position in a timely accurate manner and maintained our budget within expected parameters.

We continue to develop and improve our internal control and governance systems and in conclusion we believe that they were fit for purpose during the reporting period.

Information and Data Security

ILF Scotland has in place a range of systems and measures which ensure that information held by the organisation, and held by third parties on behalf of the organisation, is secure. ILF Scotland monitors compliance concerning the release of data from the organisation. In addition, ILF Scotland has implemented Scottish Government guidance on data security and information risk through the creation of an information asset register, which includes assessment of risk and awareness training for staff.

Accountability Report

Corporate Governance Report

2. Annual Governance Statement (cont.)

Information and Data Security (cont.)

During 2020-21, we have been closely monitoring the requirements of the General Data Regulations (GDPR) and engaged with all staff regularly. Direct GDPR training has been rolled out to all staff, this is mandatory training and an annual refresher is provided with data protection updates. Physical data security is monitored by office checks, on a quarterly basis.

ILF Scotland continues to focus upon Cyber Security and Resilience which culminated in the award of Cyber Essentials PLUS accreditation during the reporting year.

There are no significant lapses in data security to report in 2020-21 (2019-20: none).

Authorised for issue by the Board of Directors.

Signed by the Chair of the Board on behalf of the Directors and also signed by the Accountable Officer on 29 June 2021.

DocuSigned by:
Susan Douglas-Scott
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Susan Douglas-Scott, Chair of the Board

Peter Scott, Accountable Officer

Accountability Report

Corporate Governance Report

3. Directors' Report

Company Number SC500075

The directors submit their annual report for the year ended 31 March 2021.

The directors have elected under the Companies Act to prepare the accounts in accordance with IFRSs as adopted by the EU and applicable law and to provide additional disclosures required by the Government Financial Reporting Manual 2020-21 where these go beyond the requirements of the Companies Act 2006.

Principal activities

The principal activities are described on page 13. The organisation became an NDPB in June 2018, having previously been an Other Significant Public Body.

Directors

Susan Douglas-Scott

Chair of the board

Alan Dickson

Non-executive director

Mark Adderley

Non-executive director

Elizabeth Humphreys

Non-executive director

Elizabeth McAtear

Non-executive director

Anne-Marie Monaghan

Non-executive director

Etienne d'Aboville

Non-executive director

For further information, please see the Annual Governance Statement on pages 51 to 58.

All non-executive directors are considered to be independent.

Accountability Report

Corporate Governance Report

3. Directors' Report (cont.)

Beneficial Interests

None of the directors had any beneficial interest in the ownership of the company throughout the period. The company is guaranteed by the Scottish Ministers.

Non-current assets

The only movement during the year was depreciation/amortisation of existing assets held at the beginning of the year.

Employees

It is ILF Scotland's aim to keep employees informed about its affairs and in particular those matters that affect them directly. The company regularly issues all-staff emails and is in the process of developing a staff Intranet site.

ILF Scotland is an Equal Opportunities Employer and actively encourages applications from disabled people.

Pension Scheme

The company previously contributed to a defined contribution stakeholder pension scheme as part of the remuneration package to staff.

The company joined the Civil Service Pension Scheme on 1 September 2019. Most members of staff have chosen to join the defined benefit offering known as **alpha**.

Corporate governance

The Board is charged with maintaining a sound system of internal control that supports the achievement of the ILF Scotland policies, aims and objectives and regularly reviewing the effectiveness of that system. The Board is also responsible for the Annual Governance Statement.

The Board's Annual Governance Statement is provided on pages 51 to 58.

The Board & Senior Management Team

The Board is responsible for ensuring that effective corporate governance arrangements are in place that set out how ILF Scotland is directed and controlled and how the assurance on risk management and internal control is provided.

Accountability Report

Corporate Governance Report

3. Directors' Report (cont.)

The Board & Senior Management Team (cont.)

The Board is required to demonstrate high standards of corporate governance at all times and to ensure that best practice is followed consistent with the UK Corporate Governance Code and appropriate adaptations of Corporate Governance in the Central Government Departments Code of Good Practice. The responsibilities of the Board are set out in the Governance Statement.

The composition of the Board of Directors and the Senior Management Team can be found on pages 8 – 12.

Non-Executive Directors

The non-executive directors are appointed by The Scottish Ministers for a fixed term appointment of two years which can be extended at the discretion of The Scottish Ministers.

Register Of Interests

Full details of ILF Scotland's Register of Interests can be found on our website at:

[ILF-Scotland-Governance-REGISTER-OF-DECLARED-INTERESTS-2021.pdf](#)

Remuneration Committee

Members of the committee are appointed by the Board. The Board determines the membership and terms of reference. The chair of the committee will report back to the Board after each meeting as required and the minutes of Committee meetings will be provided to directors for information. Remuneration Committee meetings will normally be attended by the Chief Executive and the Chief Operating Officer.

For further information, please see the Annual Governance Statement on pages 51 to 58 and the Remuneration and Staff Report on pages 63 to 74.

Audit & Risk Committee

Members of the committee are appointed by the Board. The Board determines the membership and terms of reference. The chair of the committee will report back to the Board after each meeting as required and the minutes of committee meetings will be provided to directors for information. Audit Committee meetings will normally be attended by the Chief Executive, the Finance Director and the Chief Operating Officer.

Accountability Report

Corporate Governance Report

3. Directors' Report (cont.)

Audit & Risk Committee (cont.)

Both external and internal audit have the right to independent access to the chair and members of the committee.

Further details regarding the Audit & Risk Committee can be found in the Annual Governance Statement on pages 51 to 58.

Statement of disclosure of information to external auditor

The directors who held office at the date of approval of the Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the external auditor is unaware; and each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the external auditor is aware of that information.

External Auditor

Details of all fees earned by the external auditor are provided in note 5 of the annual accounts.

Under the Companies Act 2006 (Scottish public sector companies to be audited by the Auditor General for Scotland) Order 2008, the auditor of the company has been appointed by the Auditor General for Scotland for 2021/22.

Authorised for issue by the Board of Directors.

James A Maguire
Company Secretary
29 June 2021

Accountability Report

Remuneration and Staff Report

Directors and SMT

Directors are appointed by Scottish Ministers for a period of two years which can be extended at the discretion of Scottish Ministers.

The directors are appointed from a variety of backgrounds on the basis of relevant experience gained and relevant skills required.

The Chief Executive together with the SMT are responsible for day to day operations and activities.

Personal performance objectives for the SMT are currently being developed.

The Remuneration Policy

This report for the year ended 31 March 2021 deals with the remuneration of the Chief Executive, SMT and directors of ILF Scotland.

ILF Scotland is managed by a Board of Directors appointed by Scottish Ministers. The directors receive remuneration as post-holders and are reimbursed for incidental expenses in line with the company travel and subsistence policy. There are no unpaid persons or volunteers upon whose services the company is dependent.

The Remuneration Committee

The Remuneration Committee is appointed by the Board of Directors and is established to independently review the salary of the Chief Executive. The Chief Executive informs the committee of any annual pay discussions to agree the salary levels for employees and SMT. The company complies with Scottish Government pay remit guidelines.

Members of the committee for the period of this report were:

Mark Adderley, chair of the Remuneration Committee

Susan Douglas-Scott, member of the Remuneration Committee

Elizabeth McAtear, member of the Remuneration Committee

Accountability Report

Remuneration and Staff Report (cont.)

The Remuneration Committee (cont.)

The terms of reference of the Remuneration Committee in relation to salary, rewards and conditions of service are:

- To ensure that the SMT and staff are fairly and responsibly rewarded for their joint and individual contributions to ILF Scotland management and overall performance.
- To agree the Chief Executive's remuneration in line with Public Sector Pay Policy, in discussion with The Scottish Ministers and ensure that it is managed under the terms and conditions agreed with the company.
- To review and where appropriate, approve the Chief Executive's proposals for the remuneration of the SMT.
- To review and where appropriate approve the SMT's remuneration proposals for all staff below SMT level. This will include approval of the annual pay remit and setting pay bands where appropriate.

Remuneration (including salary) and pension entitlements

The following sections provide details of the remuneration and pension interests of the directors and the most senior company management. The figures below form part of the Remuneration Report to be audited as referred to in the Auditor's Report.

Directors

For the year ended 31 March 2021 the total remuneration paid to directors were:

Name	2020-21	2019-20
	£'000	£'000
Susan Douglas-Scott (Chair)	5-10	5-10
Alan Dickson	0-5	0-5
Fiona O'Donnell	N/A	0-5
Elizabeth Humphreys (Vice Chair)	5-10	5-10
Elizabeth McAtear	0-5	0-5
Mark Adderley	0-5	0-5
Anne-Marie Monaghan	0-5	0-5*
Etienne d'Aboville	0-5	0-5*

* Full year equivalent 0-5

Directors' salary is non-pensionable.

Accountability Report

Remuneration and Staff Report (cont.)

The Chief Executive and SMT

The Chief Executive and the SMT are employed on ILF Scotland terms and conditions.

The directors have a policy regarding the senior management remuneration as follows:

- To create a fair and transparent pay structure offering salaries in line with the roles and demands on the personnel in those posts.
- To offer competitive salaries to enable the company to attract personnel of the required calibre to fill its senior management posts.
- To align decisions in accordance with the key features and parameters of the Scottish Government's pay policy so as to:
- To align reward with the business objectives to encourage high performance and improve the focus on the delivery of service;
- To ensure reward arrangements are affordable; and
- To create a level of salary progression which is subject to performance expectations (performance below the expectation would mean no progression and management action would be necessary for less than adequate performance).

The company is developing plans to have in place for the Chief Executive and the SMT, agreed objectives which are set by the chair of the Board of Directors and the Chief Executive respectively.

The Chief Executive's and SMT performance will be reviewed annually with the overall assessment informed by quarterly one-to-one meetings.

In the event of early severance, compensation would be payable in accordance with company terms and conditions.

Accountability Report

Remuneration and Staff Report (cont.)

Remuneration of Chief Executive and SMT

This table represents the part of the Remuneration Report to be audited as referred to in the Auditor's Report.

Salaries include gross salary, overtime and any other allowance to the extent that it is subject to UK taxation. This report is based on payments made within the year by ILF Scotland.

	Salary		Pension benefits (to nearest £000)		Total	Total
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
	£'000	£'000	£'000	£'000	£'000	£'000
Peter Scott Chief Executive Officer	80-85	75-80	31	21	110-115	95-100
Harvey Tilley Chief Operating Officer/Acting CEO	80-85	70-75	31	21	110-115	90-95
James Maguire Director of Finance	55-60	45-50	22	13	75-80	55-60
Nadeem Hanif Head of Finance	65-70	55-60	24	16	85-90	70-75
Linda Scott Director of Policy, Improvement & Engagement	65-70	55-60	25	15	90-95	70-75
Paul Hayllor Director of Digital & Information Services	65-70	60-65	27	17	95-100	75-80
Robert White Director of Self- directed Support	65-70	55-60	25	16	90-95	75-80

Accountability Report

Remuneration and Staff Report (cont.)

Pension Benefits – Audited

Both the company and employees contributed to a defined contribution stakeholder pension arrangement until 31 August 2019. The company joined the Civil Service Pension Scheme on 1 September 2019 and most members of staff have chosen to join the defined benefit offering (**alpha**).

	Accrued pension at pension age as at 31 March 2021	Real increase in pension and related lump sum at pension age	CETV at 31 March 2021	CETV at 31 March 2020	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
Peter Scott Chief Executive Officer	0-5	0-2.5	39	14	19
Harvey Tilley * Chief Operating Officer/Acting CEO	15-20	15-17.5	189	11	10
James Maguire * Finance Director	0-5	2.5-5	49	9	16
Nadeem Hanif * Head of Finance	5-10	2.5-5	57	10	8
Linda Scott * Director of Policy, Improvement & Engagement	0-5	0-2.5	41	10	16
Paul Hayllor Director of Digital & Information Services	0-5	0-2.5	33	11	16
Robert White Director of Self-directed Support	0-5	0-2.5	30	10	14

* These employees had transfers in from other personal pension schemes during the year and the above figures are reflective of this.

Accountability Report

Remuneration and Staff Report (cont.)

Pension Benefits – Audited (cont.)

The Civil Service Pension Scheme are still assessing the impact of the McCloud judgement in relation to changes to benefits in 2015. The benefits and related CETVs disclosed do not allow for any potential future adjustments that may arise from this judgement. Last year, the Government announced that public sector pension schemes would be required to provide indexation on the Guaranteed Minimum Pension element of the pension. The Civil Service Pension Scheme therefore updated the methodology used to calculate CETV values as at 31 March 2020. The impact of the change in methodology was included within the reported real increase in CETV in the previous year's figures.

Pension Schemes

Up until 31 August 2019, pension benefits were provided through a defined contribution stakeholder scheme.

The employer made a basic contribution of between 6% and 12% depending on the employee contribution. Employee contributions were salary-related and ranged between 2% and 5% of pensionable earnings.

The company joined the Civil Service Pension Scheme on 1 September 2019. Most staff members have chosen to join the scheme known as **alpha** which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age. This statutory pension arrangement is unfunded with the cost of benefits met by monies voted by Parliament each year.

Employee contributions are salary related and range between 4.6% and 7.35% of pensionable earnings. At the end of the scheme year the member's earned pension account is credited with 2.32% of their pensionable earnings in that scheme year. Employer contributions are salary-related and can be up to 30.3% of pensionable earnings.

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is the higher of 65 or State Pension Age for members of **alpha**.

A few staff members have chosen to participate in the **partnership** pensions account which is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer basic contribution).

Accountability Report

Remuneration and Staff Report (cont.)

Pension Schemes (cont.)

Employers also contribute a further 0.5% of pensionable salary in both schemes above to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

Further details about the Civil Service pension arrangements can be found at the website <http://www.civilservicepensionscheme.org.uk>

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent partner's benefits payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves the scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the scheme, not just as their service in a senior capacity to which the disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the civil service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost.

CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real Increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Compensation for loss of office - Audited

There were no ILF Scotland directors or staff that left on Voluntary Exit, Voluntary Redundancy or Compulsory Redundancy terms.

Accountability Report

Remuneration and Staff Report (cont.)

Pay multiples - Audited

	2020 - 21 Salary	2019 - 20 Salary
Band of highest paid employee's total remuneration	£80k-£85k	£75k-£80k
Median total remuneration	£30,502	£29,759
Ratio	2.70	2.61

The banded remuneration of the highest paid employee in the company in the financial period 2020-21 was £80-85k (2019-20 £75-80k). This was 2.70 times (2019-20 2.61 times) the median remuneration of the workforce, which was £30,502 (2019-20 £29,759).

Total remuneration includes salary and benefits only. It does not include employer pension contributions.

The table above represents the part of the Remuneration Report to be audited as referred to in the Auditor's Report.

In 2020-21 Nil (2019-20 Nil) employees received remuneration in excess of the Acting Chief Executive. Remuneration ranged from £18,805 to £81,645 (2019-20 £19,314 to £77,734).

Accountability Report

Remuneration and Staff Report (cont.)

Staff Report

Gender Analysis

The table below shows the gender analysis of ILFS employees at 31 March.

	2020 - 21		2019 - 20	
	Male	Female	Male	Female
Directors	3	4	3	4
Senior Management Team	6	1	6	1
Staff	7	40	8	38
Total	16	45	17	43

Absence Analysis

The table below shows the staff absence analysis of ILFS employees for the year.

	2020 - 21	2019 - 20
Absence rate	5.02%	3.23%

Short term absences remain at a low level at 2.01%. However we had several longer term absences (3.01%) than previously experienced. We continue to offer mental health awareness, personal resilience and suicide prevention workshops to all staff on an annual basis with mental health first aiders being trained and now in post to support our workforce. Our life friendly suite of policies also continues to support the workforce in a positive manner.

Staff Costs & Numbers - Audited

	Permanently Employed Staff	Board Members	Total 2020-21	Permanently Employed Staff	Board Members	Total 2019-20
Salaries	£1,966,107	£20,207	£1,986,314	£1,759,459	£19,918	£1,779,377
Social Security Costs	£201,417	£54	£201,471	£180,350	£0	£180,350
Other Pension Costs	£502,184	£0	£502,184	£357,047	£0	£357,047
Total	£2,669,708	£20,261	£2,689,969	£2,296,856	£19,918	£2,316,774

Accountability Report

Remuneration and Staff Report (cont.)

Staff Report (cont.)

Staff Costs & Numbers – Audited (cont.)

	2020 - 21	2019 - 20
	Directly Employed Staff	Directly Employed Staff
Directly employed: Permanent contract	54	53
Directly employed: Fixed Term contract	0	0
Temporary staff contract	0	0
Total	54	53

Note that the numbers above exclude non-executive directors.

Staff Policies

Our policy framework not only enables the delivery of our strategy but also supports the wishes, needs and aspirations of a modern workforce which is underpinned by a strong culture of trust, dignity and respect. This has not only helped ILF Scotland to be a beacon of independent living and innovative thinking for disabled people, but also an award-winning employer of choice. For us there is no such thing as a normal employee and the framework had to take into account values, equality, diversity, young and more mature employees, families, caring responsibilities and make-up of modern society. By doing this, we know we attract and retain the best team possible to achieve our inclusive organisational aspirations.

To support the way we aspire to work, we have co-produced with colleagues a comprehensive approach that supports our collective health and wellbeing alongside delivering our organisational strategy. This methodology is solidly based on organisational development, tailored to support the culture of inclusiveness, diversity, outcomes focus, trust, coaching and continuous improvement.

Accountability Report

Remuneration and Staff Report (cont.)

Staff Report (cont.)

Staff Policies (cont.)

We have put in place an award winning suite of life-friendly policies, procedures, benefits and systems that can be tailored to meet individual circumstances. This includes working flexibly, compressed hours, being sympathetic to individual/family emergencies or remote working and providing the right technology to do the job.

Our above established policies proved to be invaluable in the last quarter of the financial year when we, along with everyone in the country and indeed the world, were affected by the pandemic referred to as Covid-19. We quickly extended our remote working practices for all members of staff to keep both them and our recipients safe. I am pleased to report that there has been no reduction in the support and funding that we provide to our recipients, indeed it has allowed us to provide more tailored services during this challenging time.

Staff Turnover

Staff turnover was 1.85% during the year (2019-20 3.84%) and is considered satisfactory.

Staff Survey

The ILF Scotland staff survey 2020 had a 93% (2019/20 81%) response rate from staff. 100% of survey respondents rated ILF Scotland as a 'good employer' and the organisation scored above the public sector average for questions relating to whether the organisational leadership live the core values. 90% of ILF Scotland staff feel they are valued at work by their colleagues, their manager and the senior management team with 92% citing that the life-friendly working policies are what they themselves value most. 100% of ILF Scotland staff say that the flexibility offered enhances their life in general terms. The 'organisations purpose' was shown to be the main reason why staff enjoy working for ILF Scotland.

The Trade Union (Facility Time Publication Requirements) Regulations 2017

We, as an organisation, are happy to recognise trade unions and we make a point of engaging trade unions on important matters affecting staff. An example of this was when we changed the pension scheme offering to staff during the year. Relevant trade unions were actively consulted and involved.

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require public sector employers to publish information relating to facility time. At year end 31 March 2021, ILF Scotland did not have any trade union facility time (2019-20 Nil).

Accountability Report

Remuneration and Staff Report (cont.)

Staff Report (cont.)

The Trade Union (Facility Time Publication Requirements) Regulations 2017 (cont.)

Table 1	
Relevant union officials	
What was the total number of your employees who were relevant union officials during the relevant period?	
Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
0	0

Table 2	
Percentage of time spent on facility time	
How many of your employees who were relevant union officials employed during the relevant period spent a) 0%, b) 1%-50%, c) 51%-99% or d) 100% of their working hours on facility time?	
Percentage of time	Number of employees
0%	0
1-50%	0
51%-99%	0
100%	0

Table 3	
Percentage of pay bill spent on facility time	
Provide the figures requested in the first column of the table below to determine the percentage of your total pay bill spent on paying employees who were relevant union officials for facility time during the relevant period.	
First Column	Figures
Provide the total cost of facility time	0
Provide the total pay bill	0
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0%

Table 4	
Paid trade union activities	
As a percentage of total paid facility time hours, how many hours were spent by employees who were relevant union officials during the relevant period on paid trade union activities?	
Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	0

Mark Adderley, Remuneration Committee Chair

Peter Scott, Accountable Officer

Signed by the above on 29 June 2021

Accountability Report

Parliamentary Accountability Report

Losses and special payments

In accordance with the SPFM, we are required to disclose losses and special payments above £300,000. During 2020-21 there were no losses or special payments within this criteria (2019-20: £nil).

Gifts and Charitable Donations

There were no gifts or charitable donations made during the year 2020-21 (2019-20: nil).

Remote Contingent Liabilities

ILF Scotland are required to report any liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of contingent liability under IAS37. There are currently no remote contingent liabilities.

DocuSigned by:

Susan Douglas-Scott

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Susan Douglas-Scott, Chair of the Board

Peter Scott, Accountable Officer

Signed by the above on 29 June 2021

Independent Auditor's Report to the members of ILF Scotland, the Auditor General for Scotland and the Scottish Parliament

Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements in the annual report and accounts of Independent Living Fund Scotland for the year ended 31 March 2021 under The Companies Act 2006 (Scottish public sector companies to be audited by the Auditor General for Scotland) Order 2008. The financial statements comprise of the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2020/21 Government Financial Reporting Manual (the 2020/21 FReM).

In our opinion the accompanying financial statements:

- give a true and fair view in accordance with the directions made under the Public Finance and Accountability (Scotland) Act 2000 by the Scottish Ministers of the state of affairs of the company as at 31 March 2021 and of the surplus for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2020/21 FReM; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and directions made under the Public Finance and Accountability (Scotland) Act 2000 by the Scottish Ministers.

Basis for opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Auditor General for Scotland. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Auditor General on 17 June 2019. The period of total uninterrupted appointment is 2 years. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the company. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent Auditor's Report to the members of ILF Scotland, the Auditor General for Scotland and the Scottish Parliament (cont.)

Conclusions relating to going concern basis of accounting

We have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

Risks of material misstatement

We report in a separate Annual Audit Report, available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that we identified and our judgements thereon.

Responsibilities of the directors and Accountable Officer for the financial statements

As explained more fully in the Statement of the Directors' and Accountable Officer Responsibilities, the directors and Accountable Officer are responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the directors and Accountable Officer determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accountable Officer is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent Auditor's Report to the members of ILF Scotland, the Auditor General for Scotland and the Scottish Parliament (cont.)

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- considering the nature of the company's control environment and reviewing the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired with management, internal audit and those charged with governance about their own identification and assessment of the risks of irregularities;
- obtaining an understanding of the applicable legal and regulatory framework and how the company is complying with that framework;
- identifying which laws and regulations are significant in the context of the company;
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. This included the Companies Act 2006 and the National Health Service (Scotland) Act 1978; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the Data Protection Act 2018 and relevant employment legislation.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements. As a result of the performing the above, we identified the greatest potential for fraud was in relation to the requirement to operate within the expenditure resource limits set by the Scottish Government. We have considered the fraud risk to be focused on the year end accounting treatment of grants to individuals where a constructive obligation exists but payment is not made until after the year-end, as there is an element of management judgement in determining when the constructive obligation exists and the estimated value of the obligation.

Independent Auditor's Report to the members of ILF Scotland, the Auditor General for Scotland and the Scottish Parliament (cont.)

Extent to which the audit was considered capable of detecting irregularities, including fraud (cont.)

The risk is that the expenditure in relation to year-end liabilities may be subject to potential manipulation in an attempt to align with its tolerance target or achieve a breakeven position. In response to this risk, we evaluated the design and implementation of controls around monthly monitoring of financial performance and tested a sample of year end grant liabilities and invoices received around the year-end to assess whether they have been recorded in the correct period.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

The extent to which our procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the company's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

Independent Auditor's Report to the members of ILF Scotland, the Auditor General for Scotland and the Scottish Parliament (cont.)

Reporting on regularity of expenditure and income

Opinion on regularity

In our opinion in all material respects the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

Responsibilities for regularity

The directors and Accountable Officer are responsible for ensuring the regularity of expenditure and income. In addition to our responsibilities to detect material misstatements in the financial statements in respect of irregularities, we are responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Reporting on other requirements

Opinion prescribed by the Auditor General for Scotland on audited part of the Remuneration and Staff Report

We have audited the parts of the Remuneration and Staff Report described as audited. In our opinion, the audited part of the Remuneration and Staff Report has been properly prepared in accordance with the Companies Act 2006 and directions made under the Public Finance and Accountability (Scotland) Act 2000 by the Scottish Ministers.

Statutory other information

The directors and the Accountable Officer are responsible for the statutory other information in the annual report and accounts. The statutory other information comprises the Performance Report and the Accountability Report excluding the audited part of the Remuneration and Staff Report.

Our responsibility is to read all the statutory other information and, in doing so, consider whether the statutory other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this statutory other information, we are required to report that fact. We have nothing to report in this regard.

Our opinion on the financial statements does not cover the statutory other information and we do not express any form of assurance conclusion thereon except on the Performance Report and Governance Statement to the extent explicitly stated in the following opinions prescribed by the Auditor General for Scotland.

Independent Auditor's Report to the members of ILF Scotland, the Auditor General for Scotland and the Scottish Parliament (cont.)

Opinions prescribed by the Auditor General for Scotland on Performance Report and Governance Statement

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Companies Act 2006 and directions made under the Public Finance and Accountability (Scotland) Act 2000 by the Scottish Ministers; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Companies Act 2006 and directions made under the Public Finance and Accountability (Scotland) Act 2000 by the Scottish Ministers.

Matters on which we are required to report by exception

We are required by the Auditor General for Scotland to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration and Staff Report are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to our responsibilities for the annual report and accounts, our conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in our Annual Audit Report.

Use of our report

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Pat Kenny, CPFA (for and on behalf of Deloitte).....

110 Queen Street, Glasgow G1 3BX, UK

29 June 2021

FINANCIAL STATEMENTS

Statement of Comprehensive Net Expenditure for the year ended 31 March 2021

Expenditure	Notes	2020-21 £	2019-20 £
Grants to individuals	3	52,720,451	50,699,169
Staff costs	4	2,689,969	2,316,774
Other operating income and expenditure	5	799,026	1,038,883
Depreciation and amortisation	5	17,059	24,641
Total comprehensive net expenditure for the year		56,226,505	54,079,467

All expenditure relates to continuing operations.

The notes on pages 86 to 103 form part of these accounts.

Statement of Financial Position as at 31 March 2021

	Notes	31 March 2021 £	31 March 2020 £
Non-current assets			
Property, plant and equipment	6	-	-
Intangible assets	7	6,561	69,938
Total non-current assets		6,561	69,938
Current assets			
Trade and other receivables	9	58,502	51,526
Cash and cash equivalents	10	7,140,016	9,226,093
Total current assets		7,198,518	9,277,619
Total assets		7,205,079	9,347,557
Current liabilities			
Trade and other payables	11	(238,844)	(184,685)
Other liabilities – grant liabilities	11	(4,202,435)	(2,497,503)
Other liabilities – deferred income	11	(136,782)	(5,032,458)
Total current liabilities		(4,578,061)	(7,714,646)
Total assets less current liabilities		2,627,018	1,632,911
Non-current liabilities			
Deferred income – capital grants	12	-	(871)
Net assets		2,627,018	1,632,040
Taxpayers' equity			
General reserve		2,627,018	1,632,040
Total taxpayers' equity		2,627,018	1,632,040

For the year ending 31 March 2021 the company was exempt under s482 of the Companies Act 2006 (non-profit making companies subject to public sector audit) from the audit requirements of Part 16 of that Act. The company is, instead, subject to audit by an auditor chosen selected by the Auditor General for Scotland by virtue of the Companies Act 2006 (Scottish public sector companies to be audited by the Auditor General for Scotland) Order 2019, an order made under s483 of the Act.

The notes on pages 86 to 103 form part of these accounts. **These accounts were approved and authorised for issue by the Directors on 29 June 2021.**

DocuSigned by:

 953AC939842C442...
 Susan Douglas-Scott, Chair of the Board

Peter Scott, Accountable Officer

Statement of Cash Flows for the year ended 31 March 2021

	Notes	2020-21 £	2019-20 £
Cash flows from operating activities			
Net expenditure		(56,226,505)	(54,079,467)
Depreciation and amortisation	5	63,377	83,699
Amortisation of capital grant	12	(46,318)	(59,058)
(Increase)/Decrease in trade and other receivables	9	(6,975)	1,380,451
(Decrease)/Increase in trade and other payables and grant liabilities	11/12	(3,091,139)	3,502,893
Net cash outflow from operating activities		(59,307,560)	(49,171,482)
Cash flows from financing activities			
Grant Funding and sundry income		57,221,483	53,386,841
Net cash inflows from financing activities		57,221,483	53,386,841
Net (Decrease)/Increase in cash and cash equivalents in the period		(2,086,077)	4,215,359
Cash and cash equivalents at the beginning of the period		9,226,093	5,010,734
Cash and cash equivalents at the end of the period	10	7,140,016	9,226,093

The notes on pages 86 to 103 form part of these accounts.

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2021

	£	General Reserve £
Balance at 1 April 2020		1,632,040
Changes in Taxpayers' equity 2020-2021		
Grant in aid from departments	57,221,483	
Net expenditure	<u>(56,226,505)</u>	
		<u>994,978</u>
Balance at 31 March 2021		<u>2,627,018</u>
Balance at 1 April 2019		2,324,666
Changes in Taxpayers' equity 2019-2020		
Grant in aid from departments	53,386,841	
Net expenditure	<u>(54,079,467)</u>	
		<u>(692,626)</u>
Balance at 31 March 2019		<u>1,632,040</u>

General reserve – relates to the ongoing operation of regular payments to individuals and the associated administration costs, financed by Grant in Aid.

The notes on pages 86 to 103 form part of these accounts.

Notes to the Accounts for the year ended 31 March 2021

1 Nature and purpose of the Independent Living Fund Scotland

The Independent Living Fund Scotland commenced operations in July 2015. The company is limited by guarantee (company number SC500075). The guarantor is The Scottish Ministers. The company is an NDPB of the Scottish Government.

ILF Scotland carries out the functions previously carried out by the Independent Living Fund (2006) within Scotland and Northern Ireland. There is also an agreement between the Scottish Government and the DOH for ILF Scotland to administer ILF payments to ILF users based in Northern Ireland

It is financed by Grant in Aid from Scottish Government to provide assistance with the cost of qualifying support and services to disabled applicants and to meet the operating costs of the company. The Grant in Aid amount is approved annually and confirmed in a letter of delegation.

2 Statement of Accounting Policies

The directors have elected under the Companies Act to prepare the accounts in accordance with IFRSs as adopted by the EU and applicable law and to provide additional disclosures required by the Government Financial Reporting Manual 2020-21 where these go beyond the requirements of the Companies Act 2006.

The Accounts are prepared on a 'going concern' basis. Grant in Aid is received on a cash basis to meet immediate need. Scottish Government has provided a letter to the Chief Executive to confirm that Grant in Aid will be made available to cover the financial obligations of the company for the financial year 2021-22. The directors are not aware of any reason why the required Grant in Aid will not be made available in subsequent years.

With regard to Covid-19, the directors do not believe that this will impact on going concern. SG provided all required funding during 2020-21 and there is no reason to suggest that this will not be the case in future periods.

a) Accounting convention

These accounts have been prepared under the historical cost convention.

b) Property, plant and equipment

Property, plant and equipment consists of IT equipment. ILF Scotland believes that the useful economic life is a realistic reflection of the life of its equipment, and the depreciated historical cost method provides a realistic reflection of the consumption of those assets. The company therefore carries plant and equipment at cost less accumulated depreciation and any recognised impairment in value.

Notes to the Accounts for the year ended 31 March 2021

2 Statement of Accounting Policies (cont.)

c) Depreciation

Depreciation on property, plant and equipment is charged on a straight-line basis to write off the cost less residual values over the useful life of the asset: incepting at the purchase date, or when the asset is available for use, whichever is the later. IT hardware and equipment is depreciated over a three-year life span.

Residual values, remaining useful lives and depreciation methods are reviewed annually and adjusted if appropriate.

d) Intangible assets

Intangible assets consist of bespoke software developed for the company and software licences held only for the purpose of managing the company. All intangible assets are carried at historic cost less depreciation/amortisation.

Bespoke software assets are capitalised in these accounts in the year of implementation. Amortisation is on a straight line basis over the estimated useful life of three years.

Software licences are capitalised in these accounts in the year of acquisition. Amortisation is on a straight line basis over the estimated useful life of three years.

Amortisation periods and methods are reviewed annually and adjusted if appropriate.

e) Financial instruments

The company procurement policy is to enter into contracts and framework agreements for services and supplies at current agreed costs with annual price reviews, rather than create complex financial instruments.

Financial assets and financial liabilities are recognised in the Statement of Financial Position when ILF Scotland becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are recognised at fair value (the transaction price plus any directly attributable transaction costs, assessed for recoverability where relevant). Subsequent measurement is at amortised cost, although no adjustment for the time value of money is made where the settlement period is short so there would be no significant effect.

Financial assets comprise loans and receivables, which are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables comprise cash at bank, accrued bank interest and other receivables. Financial liabilities comprise grant liabilities, trade payables and accruals.

Notes to the Accounts for the year ended 31 March 2021

2 Statement of Accounting Policies (cont.)

f) Reserves policy

Grant in Aid is not drawn in full in advance but requested each calendar month to meet estimated cash outflow. The company does not hold strategic reserves as it is dependent on public funding.

g) Grant in Aid

Funding to cover grants to individuals and administrative expenditure is provided through Grant in Aid from the Scottish Government. Grant in Aid is received on the basis of the ILF Scotland estimated cash payments during the financial year. Grant in Aid received forms part of the Departmental Expenditure Limits for the respective Departments. Grant in Aid is treated as financing rather than income and is directly credited to reserves.

h) Grants to individuals

Grants to individuals are discretionary grants made within Scottish Government rules and regulations. 2015 Fund grants are paid four weekly in arrears on the basis of authorised awards. Transition Fund grants are paid once applications have been approved and processed. Amounts due but unpaid at the end of the financial year are accrued in these accounts.

Unused grants returned by individuals in the normal course of business are recognised on receipt and there is no accrual for potential future returns of unspent grants.

i) Formal recovery of grants to individuals

Although grants to individuals are discretionary payments, formal recovery will be sought where the provision of incorrect information has led to incorrect payment or where the grants have not been used for the intended purpose. The company will seek to recover all amounts where it is cost-effective to do so unless it will cause hardship to the individual. Recovery procedures appropriate to the value and circumstances of the case will be used, in accordance with the ILF Scotland guidelines and procedures.

In accounting for recoveries we have adhered to the Conceptual Framework for Financial Reporting which gives guidance that an asset should not be recognised in the statement of financial position when the expenditure has been incurred for which it is considered improbable that economic benefits will flow. Therefore, a receivable is only recognised in the accounts when it has been agreed with the individual and there is considered to be a definite prospect of recovery. Any grant recovery recognised will be disclosed as a reduction to expenditure in the year in which it is recognised.

Notes to the Accounts for the year ended 31 March 2021

2 Statement of Accounting Policies (cont.)

i) Formal recovery of grants to individuals (cont.)

Receivables will be assessed at the end of each accounting period and reduced to the estimated recoverable amount where there are circumstances that indicate full recovery is uncertain.

j) Operating leases

Operating leases are charged to the Statement of Comprehensive Net Expenditure on a straight line basis over the term of the lease. The main lease is for accommodation and managed facilities under a sub-lease with the Scottish Government. Charges are set in accordance with a head lease between the Department and the service provider. The company has no direct control of these charges.

k) Pension costs

Both the company and staff previously contributed to a defined contribution pension scheme. The company joined the Civil Service Pension Scheme on 1 September 2019 and most staff have chosen to join the defined benefit offering.

The Civil Service Pension Scheme is an unfunded multi-employer defined benefit scheme in which ILF Scotland is unable to identify its share of the underlying assets and liabilities. The scheme is accounted for as a defined contribution scheme under the multi-employer exemption permitted in IAS 19 Employee Benefits. A full actuarial valuation was carried as at 31 March 2016. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservicepensionscheme.org.uk)

Further pension details can be found in the remuneration report on pages 63 to 74.

l) Significant estimates and judgements

The preparation of financial statements requires management to make estimates and assumptions in certain circumstances that affect reported amounts, and for this organisation such estimates are principally in assessing amounts due to recipients.

a. Significant estimates There are no estimates which give rise to a significant risk in the year ended 31 March 2021 (2019-20 none).

b. Judgements

Recipient Accruals – we pay our 2015 Fund recipients four weeks in arrears, therefore we accrue based on the previous months payment information, this being a reliable measure. With regard to the Transition Fund we recognise a liability when applications are approved by management.

Notes to the Accounts for the year ended 31 March 2021

2 Statement of Accounting Policies (cont.)

m) Reporting segments

IFRS 8 requires entities to provide information relating to the components of the entity that management uses to make decisions about operating matters. A segmental financial analysis is not considered necessary for the company, as no separate components are used for operating decisions made by the Senior Management Team.

n) Provisions

Provisions are recognised when there is a present obligation (legal or constructive) as a result of an event that occurred in the past and where it is probable that the settlement of that obligation will result in an outflow of resources, but the timing or amount of the settlement is uncertain. The amount recognised as a provision is the best estimate of the consideration which will be required to settle the obligation.

o) Adoption of new and revised Standards

1. Standards, amendments and interpretations effective in the current year

In the current year, ILF Scotland has applied a number of amendments to IFRS Standards and Interpretations that are effective for an annual period that begins on or after 1 January 2020. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements:

- Amendments to References to the Conceptual Framework in IFRS Standards.
- **Amendment to IFRS 9:** Applying IFRS 9 with IFRS 4.
- **Amendment to IFRS 3:** Definition of a Business.
- **Amendments to IAS 1 and IAS 8:** Definition of Material.
- **Amendments to IAS 39, IFRS 4, IFRS 7 and IFRS 9:** Interest Rate Benchmark Reform (Phase 1).
- Annual Improvements to IFRS Standards 2015-2017 Cycle.

2. Standards, amendments and interpretations early adopted this year

There are no new standards, amendments or interpretations early adopted this year.

Notes to the Accounts for the year ended 31 March 2021

2 Statement of Accounting Policies (cont.)

o) Adoption of new and revised Standards (cont.)

3. Standards, amendments and interpretations issued but not adopted this year

At the date of authorisation of these financial statements, ILF Scotland has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

- **IFRS 16:** Leases. HM Treasury have agreed to defer implementation until 1 April 2022.
- **IFRS 17:** Insurance Contracts. Applicable for periods beginning on or after 1 January 2023.
- **Amendment to IAS 1:** Classification of Liabilities as Current or Non-Current. Applicable for periods beginning on or after 1 January 2023.
- **Amendment to IAS 1:** Disclosure of Accounting Policies. Applicable for periods beginning on or after 1 January 2023.
- **Amendment to IAS 8:** Definition of Accounting Estimates. Applicable for periods beginning on or after 1 January 2023.
- **Amendments to IAS 16:** Property, Plant and Equipment proceeds before intended use. Applicable for periods beginning on or after 1 January 2022.
- **Amendments to IAS 37:** Onerous Contracts, cost of fulfilling a contract. Applicable for periods beginning on or after 1 January 2022.
- **Amendments to IAS 39, IFRS 4, IFRS 7 and IFRS 9:** Interest Rate Benchmark Reform (Phase 2). Applicable for periods beginning on or after 1 January 2021.
- Annual Improvements to IFRS Standards 2018-2020 Cycle. Applicable for periods beginning on or after 1 January 2022.

ILF Scotland does not expect that the adoption of the Standards listed above will have a material impact on the financial statements in future periods, except as noted below.

Notes to the Accounts for the year ended 31 March 2021

2 Statement of Accounting Policies (cont.)

o) Adoption of new and revised Standards (cont.)

3. Standards, amendments and interpretations issued but not adopted this year (cont.)

IFRS 16 Leases supersedes IAS 17 Leases and is being applied by HM Treasury in the Government Financial Reporting Manual (FReM) from 1 April 2022. IFRS 16 introduces a single lessee accounting model that results in a more faithful representation of a lessee's assets and liabilities, and provides enhanced disclosures to improve transparency of reporting on capital employed.

Under IFRS 16, lessees are required to recognise assets and liabilities for leases with a term of more than 12 months, unless the underlying asset is of low value. While no standard definition of 'low value' has been mandated, ILF Scotland have elected to utilise the capitalisation threshold of £5,000 to determine the assets to be disclosed. ILF Scotland expects that its existing finance leases will continue to be classified as leases. All existing operating leases will fall within the scope of IFRS 16 under the 'grandfathering' rules mandated in the FReM for the initial transition to IFRS 16. In future years new contracts and contract renegotiations will be reviewed for consideration under IFRS 16 as implicitly identified right-of-use assets. Assets recognised under IFRS 16 will be held on the Statement of Financial Position as (i) right-of-use assets which represent ILF Scotland's right to use the underlying leased assets; and (ii) lease liabilities which represent the obligation to make lease payments.

The bringing of leased assets onto the Statement of Financial Position will require depreciation and interest to be charged on the right-of-use asset and lease liability, respectively. Cash repayments will also be recognised in the Statement of Cash Flows, as required by IAS 7.

ILF Scotland has assessed the likely impact to i) comprehensive net expenditure and ii) the Statement of Financial Position of applying IFRS 16. The figures below represent existing leases as at 31 March 2021.

The standard is expected to increase total expenditure by less than £1,000. Right-of-use assets totalling £87,000 will be brought onto the Statement of Financial Position, with an associated lease liability of £87,000.

Notes to the Accounts for the year ended 31 March 2021

3 Grants to individuals

	2020-21 £	2019-20 £
Payments made in year	53,107,287	54,136,155
Grant liabilities at start of year	(2,497,503)	(3,838,340)
Grant liabilities at end of year	4,202,435	2,497,503
Grant returns received in year	(2,091,768)	(2,096,149)
	52,720,451	50,699,169

Grants to individuals are paid four-weekly in arrears. Grant liabilities consist of the accrued amounts from awards made by the end of the financial year but not fully paid up to the end of the financial year.

Returns received comprised £2,091,768 (2019-20 £2,096,149) in respect of unused funds returned by individuals.

4 Staff costs

4a Staff numbers and related costs

	2020-21 £	2019-20 £
Wages and salaries	1,986,314	1,779,377
Social security costs	201,471	180,350
Other pension costs (see note 4b on next page)	502,184	357,047
Total staff costs	2,689,969	2,316,774

Notes to the Accounts for the year ended 31 March 2021

4a Staff numbers and related costs (cont.)

	2020-21	2019-20
	Number	Number
Average number of persons directly employed:		
Directors (part-time non-executives)	7	7
Staff	54	48
	61	55

4b Other pension costs

Employees could previously only opt to contribute to a defined contribution pension account, a stakeholder pension with an employer contribution. Employer contributions ranged from 6% to 12% of pensionable pay. The Employer matched employee contributions up to 5% of pensionable pay. Contributions paid in the year amounted to £Nil (2019-20 £87,322).

The company joined the Civil Service Pension Scheme on 1 September 2019 and most staff have chosen to join the defined benefit offering (**alpha**). Employee contributions are salary-related and range between 4.6% and 7.35% of pensionable earnings. Employer contributions are salary-related and can be up to 30.3% of pensionable earnings.

Contributions due to the current pension providers were nil at 31 March 2021 (31 March 2020 nil). Contributions prepaid were nil at 31 March 2021 (31 March 2020 nil). Contributions due to a previous pension provider were £Nil at 31 March 2021 (31 March 2020 £6,410).

The Civil Service Pension Scheme known as **alpha** is an unfunded multi-employer defined benefit scheme. ILF Scotland is unable to identify its share of the underlying assets and liabilities. You can find details in the in the resource accounts of the Cabinet Office: Civil Superannuation.

<http://www.civilservicepensionscheme.org.uk/about-us/resource-accounts/>

For 2020-21, employers' contributions of £495,919 were paid in respect of **alpha** (2019-20 £265,181). Expected contributions in 2021-22 are approximately £543,000.

Employees can opt to open a **partnership** pension account, a stakeholder pension with an employer contribution. Employers' contributions of £7,764 were paid in 2020-21 (2019-20 £4,402) to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age related and ranged between 8% to 14.75%. Expected contributions in 2021-22 are approximately £8,000.

Notes to the Accounts for the year ended 31 March 2021

	2020-21	2019-20
	£	£
5 Other operating income and expenditure:		
Assessor fees and expenses	-	60,614
IT and information security costs	262,991	306,279
Rent, utilities and other estate costs	121,958	68,302
Legal and professional costs	196,017	195,659
Services, training, recruitment, travel and subsistence	107,289	226,452
Auditors remuneration (for the auditing of the accounts)	20,100	24,000
Communication and engagement	79,919	101,447
Postage costs	7,860	26,750
Printing and stationary costs	2,892	4,630
Research costs	-	24,750
Total other expenditure	799,026	1,038,883
Depreciation and amortisation	£	£
Depreciation	-	1,130
Amortisation	63,377	82,569
Sub-total	63,377	83,699
Grant release	(46,318)	(59,058)
Net depreciation and amortisation	17,059	24,641

Notes to the Accounts for the year ended 31 March 2021

6 Property, plant and equipment

	Information Technology	Total
	£	£
Cost		
At 1 April 2020 and 31 March 2021	37,583	37,583
Depreciation		
At 1 April 2020 and 31 March 2021	37,583	37,583
Net Book Value		
At 31 March 2021	-	-
At 31 March 2020	-	-
Cost		
At 1 April 2019 and 31 March 2020	37,583	37,583
Depreciation		
At 1 April 2019	36,453	36,453
Charge for year	1,130	1,130
At 31 March 2020	37,583	37,583
Net Book Value		
At 31 March 2020	-	-
At 31 March 2019	1,130	1,130

Notes to the Accounts for the year ended 31 March 2021

7 Intangible assets

Cost or valuation

	Information Technology £	Total £
At 1 April 2020 and 31 March 2021	281,028	281,028

Amortisation

At 1 April 2020	211,090	211,090
Charge for year	63,377	63,377
At 31 March 2021	274,467	274,467

Net Book Value

At 31 March 2021	6,561	6,561
At 31 March 2020	69,938	69,938

Cost or valuation

	Information Technology £	Total £
At 1 April 2019 and 31 March 2020	281,028	281,028

Amortisation

At 1 April 2019	128,521	128,521
Charge for year	82,569	82,569
At 31 March 2020	211,090	211,090

Net Book Value

At 31 March 2020	69,938	69,938
At 31 March 2019	152,507	152,507

Notes to the Accounts for the year ended 31 March 2021

8 Financial instruments and associated risks

As all of the of the company's cash requirements are met through Grant in Aid, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to purchase non-financial items in line with the company's expected usage requirements, so the company is exposed to little credit, liquidity or market risk. The value of financial instruments are considered to be a proxy of their fair value.

Financial Assets

	31 March 2021 £	31 March 2020 £
Cash and cash equivalents	<u>7,140,016</u>	<u>9,226,093</u>

Cash and cash equivalents: represents money with The Royal Bank of Scotland held in current accounts to minimise the risk.

Notes to the Accounts for the year ended 31 March 2021

8 Financial instruments and associated risks (cont.)

Financial liabilities

	31 March 2021 £	31 March 2020 £
Grant liabilities	4,202,435	2,497,503
Trade payables and accruals	238,844	184,685
Deferred income	135,911	4,986,140
Capital grant liabilities	871	47,189
	<u>4,578,061</u>	<u>7,715,517</u>

Grant liabilities: Represents awards authorised but unpaid at the year end.

Trade payables and accruals: Represents amounts payable in the short term, to be met out of cash held at the year-end.

Deferred income: Represents amounts received from Scottish Government to meet grant payments due in the next financial year.

Capital grant liabilities: represents grant monies received in respect of intangible fixed assets.

9 Trade and other receivables

	31 March 2021 £	31 March 2020 £
Due within one year		
Prepayments	48,940	35,959
Other receivables	9,562	15,567
	<u>58,502</u>	<u>51,526</u>

Notes to the Accounts for the year ended 31 March 2021

10 Cash and cash equivalents	2020-21	2019-20
	£	£
Balance at 1 April	9,226,093	5,010,734
Net cash (outflow)/inflow	(2,086,077)	4,215,359
Balance at 31 March	7,140,016	9,226,093
	31 March	31 March
	2021	2020
	£	£
Benefit accounts	7,086,452	8,494,632
Administration account	53,564	731,461
	7,140,016	9,226,093

Cash and equivalents comprise bank balances which are held in current accounts in a UK commercial bank.

11 Current Liabilities

	31 March	31 March
	2021	2020
	£	£
Grant liabilities	4,202,435	2,497,503
Trade payables	39,101	36,892
Accruals	199,743	147,793
Deferred income – Scottish Government	135,911	4,986,140
Deferred income – Capital Grants	871	46,318
	4,578,061	7,714,646

The Deferred Income (Scottish Government) relates to grant timing differences.

Notes to the Accounts for the year ended 31 March 2021

12 Non-current Liabilities

Deferred Income - Capital Grants

	31 March 2021 £	31 March 2020 £
At 1 April	47,189	106,247
Less amortised in period	(46,318)	(59,058)
Total balance at 31 March	<u>871</u>	<u>47,189</u>
Less due within one year	(871)	(46,318)
Due after more than one year	<u><u>0</u></u>	<u><u>871</u></u>

13 Operating leases

There is a sub-lease for accommodation and facilities with the Scottish Government that expires on 30 January 2023.

The charges to the company are set in the head lease between the Scottish Government and its accommodation supplier.

Total future minimum lease payments under operating leases for each of the following periods were:

	31 March 2021 £	31 March 2020 £
Land and buildings (Denholm House)		
Within one year	85,000	85,000
Within two to five years	70,833	155,833
Total	<u><u>155,833</u></u>	<u><u>240,833</u></u>
Lease payments charged in year	<u><u>83,007</u></u>	<u><u>86,666</u></u>

Notes to the Accounts for the year ended 31 March 2021

14 Directors' remuneration, interests and indemnities

The directors receive remuneration from the company. The total remuneration paid to the directors was £20,207 (2019-20 £19,918) for the year and further information is provided in the Remuneration Report. Directors received reimbursement for travel and subsistence expenses amounting to £436 (2019-20 £10,084) for the year. No directors were a beneficiary of the company and received payments in accordance with the objects of ILF Scotland; a procedure is in place to manage actual or perceived conflicts of interest.

No other transactions were undertaken in which any director or person connected with any director had a material interest.

The Scottish Government provides that directors are not personally liable for any loss to ILF Scotland other than that arising from wilful and individual fraud, wrongdoing or omission on the part of a director who is found to be liable.

15 Related party transactions and controlling party

Related parties are the directors and SG. ILF Scotland received Grant in Aid from SG of £57.2m (2019-20 £53.4m). SG makes payments to ILF Scotland on a monthly basis.

The Company's ultimate controlling party is the Scottish Ministers.

During the year no directors were a beneficiary of ILF Scotland and received discretionary grants in accordance with the objects of the company.

No other related parties, including the directors and key management staff, have undertaken any transactions with the company during the period.

16 Capital commitments and contingent liabilities

There were no capital commitments or contingent liabilities at 31 March 2021.

Notes to the Accounts for the year ended 31 March 2021

17 Events after the reporting period

There are no events after the reporting period which would have an effect on the Annual Report and Accounts or which would require disclosure.

18 Date of Authorisation

IAS 10 requires the company to disclose the date on which the accounts are authorised for issue.

The authorised date for issue is 29 June 2021.

Appendix to the Accounts for the year ended 31 March 2021

Accounts Direction



Independent Living Fund Scotland

DIRECTION BY THE SCOTTISH MINISTERS

1. The Scottish Ministers, in accordance with section 19(4) of the Public Finance and Accountability (Scotland) Act 2000 hereby give the following direction.
2. The statement of accounts for the financial year ended 31 March 2020, and subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FReM) which is in force for the year for which the statement of accounts are prepared, and with the Companies Act 2006.
3. The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year.
4. This direction shall be reproduced as an appendix to the statement of accounts.

Jamie MacDougall

Signed by the authority of the Scottish Ministers

Dated 27 May 2020