**MINUTE**

**Independent Living Fund Scotland: Board meeting**

**Fleming A, Atlantic Quay, 5 Broomielaw, Glasgow**

**Monday 10th October 2016: 11:00am – 3:00pm**

**Present**

Susan Douglas-Scott Chair, Board of Directors

Bridget Sly Board Director

Alan Dickson Board Director

Fiona O’Donnell Board Director

Elizabeth Humphreys Board Director

Betty McAtear Board Director

Twimukye Mushaka Board Director

**In Attendance**

Peter Scott CEO

Harvey Tilley Chief Operating Officer

Nadeem Hanif Head of Finance

Jim Maguire (Item 4 only) ILF Financial Consultant

Nayar Hussain Secretariat

**Welcome, declarations of interest and apologies**

The Chair welcomed everyone to the ILF Scotland Board meeting, with a special welcome to the 3 new Board members and thanking all for their attendance.

There were no declarations of interest expressed from any attendees.

No apologies were noted.

**1. Minutes of Previous Meeting**

The minutes of the previous Board meeting [referenced BD.04.16/1] were approved with the following amendment:

**Item 11**: Reference to Risk Workshop on Page 8, to be amended to note that the Board would hold its own Risk Workshop once the new Board members had taken up their appointments as this would provide opportunity for all members to collectively participate in discussions and share their experiences of how risk has been managed and considered elsewhere and agree ILFs position and appetite on risk.

The action points within the previous Board minute were noted as completed.

**2. Matters Arising**

* Jointly Funded Packages with Local Authorities

Concerns were raised regarding the treatment of ILF Scotland funding. The Board shared concerns about the practice of, following assessment, individual care packages being reduced to or close to the threshold sum, often without reference to ILF Scotland. The Board’s Chief Executive, Peter Scott (PS), provided an update on discussions and planned negotiations with relevant parties. It was noted that a very positive joint statement has been agreed with COSLA, and that an attempt would be made to agree a similar position with the Scottish Local Government Partnership (comprising GCC, South Lanarkshire Council, Renfrewshire Council and Aberdeen City Council), either on an individual basis or collectively. The Board expressed its desire to protect the value of the fund for individual recipients and to prevent further effective resource transfer from ILF Scotland to Local Authorities.

* Sleepovers

GCC’ s position regarding sleepovers was noted. The meeting was informed that eight care providers were identified to pilot alternative overnight arrangements, and ILF Scotland had agreed to be a part of that work. The Board requested that the best interests of fund recipients were prioritised in this work with Glasgow.

* Wales

New Directors requested a copy of the Welsh ILF proposal paper.

**Action: HT to send Welsh ILF Awards Proposal/Options to all new Board Directors.**

**3. Interim Strategic Report**

PS presented a summary of the key points within the Interim Strategic Quarterly Report which included the following:

* SG’s commitment to pay the living wage: Considerable work has been undertaken to increasing ILF awards to meet this liability for those who directly employ their own PAs. ILF Scotland is in the process of implementing this policy in the next quarter and a holding statement will be issued later today. The cost was noted at £980k per annum and it was stated that the organisation could afford to pay this through the existing ILF Fund in both 2016/17 and in future years.
* In response to a concern about significant financial implications for statutory compliance and the living wage commitment did not apply, it was explained that as care was being provided through agencies, there was limited information available on the system to calculate liabilities. As such, these would be dealt with on a case by case basis subject to further negotiations with SG.
* The risk of this position was noted by the Board.
* Addressing a risk of unaffordability in relation to the existing ILF Scotland budget, PS stated that at the request of the Audit and Risk Committee a contingency fund had been requested to provide reassurance in the absence of fund allocations in the interim and in view of the difficulty in assessing costs due to lack of information on the system. HT stated that the Sponsor Team have confirmed that a contingency fund will not be made available.
* PS reported on the positive feedback in relation to the work of the Northern Ireland and Scotland Advisory Groups. Feedback received from groups not to implement the policy regarding National Insurance contribution costs was listened to as well as responded to and good intelligence was gathered regarding the operation of ILF Scotland policy. PS stated that he was very impressed with the work of these groups.
* PS updated the Board on the New Fund development working group. It was noted that the final meeting would take place on 11th November, when recommendations will then be prepared for Aileen Campbell, Minister for Public Health & Sport.
* The Available Income policy was described as the most problematic policy as it could push people into financial difficulty. The policy revision proposal was discussed and PS noted the ILF recommendation to the SG to cap this at £103 per week. It was explained to the sponsor team that reducing the figure any further would increase costs significantly. PS stated that SG required the organisation to submit a bolder proposal however given the liabilities being faced by the fund this is incredibly problematic.
* It was stated that ILF Scotland was now a living wage accredited employer.
* Margaret Wheatley, Head of Policy, ILF Scotland has rewritten Policy 13 – Discretionary Decisions and Reviews - following the outcome of a meeting with the **Scottish Public Services Ombudsman** (SPSO). Once approved the Board would no longer review decisions, and this function would be carried out by PS, who would no longer participate in discretionary decisions.
* Responding to a question on continuous improvements to existing IT systems, HT stated that considerable work was required to be done in relation to improvements, baseline information and systems being used. New Fund implications were being explored and it was estimated that it would cost anywhere from £100k and £300k to develop the New Fund IT system.
* In response to a question on equality matters, PS explained that equality duties, in general, applied to ILF Scotland and specific duties would fall under the responsibility of the SG.

It was noted that the typo contained within point 13 of the Interim Strategic Report should be corrected to reflect that 2 meetings were held during this quarter.

**Action: HT to correct typo contained within point 13 of the Interim Strategic Report to reflect that 2 meetings were held during this quarter.**

The Board **noted** the Interim Strategic Quarterly Report.

**5. Audit Committee Minutes 22/09/16**

 (Refer to Minutes of Audit & Risk Committee Paper bd.04.16/3)

*Jim Maguire (JM), ILF Scotland Financial Consultant, entered the Board meeting at this point.*

The Chair welcomed JM to the meeting and invited Alan Dickson (AD), Board Director, to provide

an update of the main matters discussed within the recent Audit Committee meeting as follows:

* AD advised that it was agreed by the Committee that NH would produce a profile of procurement card expenditure and a formal reassurance would be provided to the Audit & Risk Committee that card usage would be reviewed once appropriate frameworks were established. The Audit Committee acknowledged that ultimately use of cards it was a decision for the Chief Executive.
* It was noted that JM and NH would examine the VAT status of the organisation.
* The Risk Register was discussed and it was commented that this was in a good state given the relatively short length of time since the formation of the organisation.
* The management accounts were noted to be robust and AD commented that the balance sheet reflected good progress.
* The Chair stated that the Audit & Risk Committee minutes omitted to note that this was a draft version and going forward unapproved minutes should always be indicated accordingly.
* It was clarified that authorised Board member expenses would be presented to the Chair on a quarterly basis, for ratification.
* Regarding the Health & Safety Annual Report, it was agreed that statistics on near misses should also be included. HT stated that he would discuss with the Health & Safety Adviser how best to capture this information within the report.

**Action: Statistics relating to near misses to be included within Health & Safety annual report. HT to discuss with the Health & Safety Adviser regarding how best to capture this data.**

The Board **noted** the update on the recent Audit and Risk Committee.

**5. Management Accounts to September 2016.**

(Refer to paper)

The following points were noted:

Grant in Aid Award Payments

* £22.9 million was received to date from Northern Ireland and Scotland against a forecasted figure of £54.6 million. The aggregate figure for award payments made was £21.9 million, leaving a surplus of £1 million to date.
* The forecasted year-end award surplus is approximately £2.3m.
* Northern Ireland has reduced the amount of funds it claimed as a reconciliation of the over-estimated amount originally claimed.
* It was explained that recipients were paid 4 weeks in arrears and JM clarified that the accruals forecast figure included accruals of £1.9m paid in the month of September that related to August 2016.
* NH stated that there was a forecasted net payment figure of £52m at the end of the year. There was a 3% budget award figure of £1,656.000. NH stressed that ILF Scotland was not following the SG budget setting process.

Administration Costs

* The administration budget was noted as a contentious issue. The management accounts are based on a ‘budget’ of £1.59 million, which was the last budget submitted to the SG. As no budget has been agreed the forecast end of year position is £1.76m.
* NH stated that various costs relating to the New Fund were absorbed into the current admin budget and shown separately in this.
* Estimated pay review costs were discussed and PS informed that pension costs were in addition to the pay remit increase.

Agreeing Budgets and Next Steps

* PS provided an update on progress in relation to agreeing budgets with the SG. He informed that a meeting took place last week at St Andrews House with ILF Head of Independent Living Fund Policy and Sponsorship (Sponsor Team) ILF sponsor team. This meeting was an effort to reach an agreement on the budget figure.
* It was reported that Susie Braham (SB), who had decision-making authority, proposed a figure of 1.56 million for the current year, which was 3% of the forecasted award payments. PS commented that there was an internal expectation from the SG that ILF Scotland would not exceed 3% of costs. However, it was unclear what the SG’ s rationale was for that percentage as previous calculations had been based on 3% of the overall award fund.
* There was a lengthy discussion regarding whether the formal budget allocation should be accepted and next steps that should be considered.
* AD suggested that one option would be to accept the allocation and seek clarity from the SG regarding permission to utilise other funds in the event there is an over-spend. The concerns regarding this approach were outlined and it was also stated that there was no guarantee that agreement would be achieved with the SG. It was noted that this approach would enable the organisation to reach the end of the financial year, providing there was some sort of commitment that ILF Scotland would be supported by SG re the overspend.
* The formal letter of Grant in Aid Payment with Schedule 1, which related to conditions of using those additional resources, was also discussed.
* JM stated that the figure of 3% was an arbitrary figure which did not reflect the costs of running the organisation.
* PS stated that going forward, the budget figure should not be set on award spend forecast. NH agreed and added that this approach is unsustainable, as the award fund will decrease over the coming years.
* Recourse to the ministerial level was suggested as a possible next step. SDS informed that she had e-mailed Jamie MacDougall(JM), Deputy Director Care, Support and Rights within Scottish Government, regarding concerns and re confirmation of the need for a meeting with Aileen Campbell, Minister for Public Health & Sport.
* JM stated that there may be issues going forward as a going concern, which might prevent auditors from approving the financial accounts. He highlighted that the email from SB stated that SG ‘may’ allow ILF Scotland to use the unspent monies to cover any admin shortfall. However, directors agreed this provided no guarantee that SG would allow ILF Scotland to use reserves in this way. It was noted that there was the letter of comfort from SG which provided reassurances in such circumstances.
* Following views expressed from all members, NH emphasised the importance of ILF Scotland being part of the SG’s budgetary and spending review process. All members concurred and it was agreed that a formal response from the Board would be conveyed by in a letter issued by SDS to JM, rejecting the proposal.

The Board **noted** the management accounts.

**8. Remuneration Committee Minutes**

*NH and Nayar Hussain (Stand-In- Secretariat for ILF Scotland, left the meeting at this point.14.)* **Please refer to confidential minute.**

**9. Risk Register**

 ((Refer to paper)

*NH and Nayar Hussain re-joined the meeting at this point*

NH provided a summary of the key points within the Risk Register.

The Risk Workshop was discussed and BM stated that the Board had responsibility for risks.

It was noted that Risk 1F was updated. There was discussion regarding the approach to the SG in relation to a contingency fund to allow fund liabilities to be comfortably met. This request was made to SB of the Sponsor Team on 5th October, as instructed by the Audit and Risk Committee, however it was declined and not taken any further by SB. The implications for the fund were discussed and noted. Risk register to be updated to reflect the associated risks.

LH suggested that the nature of the risk should be noted- for example, whether it is a legal or reputational risk.

The Board **noted** the Risk Register.

**8. Draft Strategic Plan 2016-2020**

(Refer to paper)

The Board reviewed and **approved** the strategic plan.

Aspects of the report that required amendments were noted.

HT informed that the reporting framework would now be developed.

**9. MACC’s and PQQ’s**

 (Refer to paper)

It was agreed that documents referring to actual individuals would be anonymised in compliance with data protection legislation. The Board **noted** the paper.

**Action: Documents to be anonymised to observe confidentiality of individuals referred to therein.**

**9. AOB**

Board Schedule

* Additional Board development days suggested were around risk and also person centred leadership.
* It was decided the Audit and Risk Committee would be held on 15 December 2016 in the morning and the Risk Workshop would take place in the afternoon.
* The second Board workshop would take place on 12 June 2017 in the afternoon.
* The Remuneration Committee to be re-scheduled from the 4th November 2016 to a date in the New Year.
* HT stated that he would send some potential dates for the Disability Equality Training for new directors.

**Action: HT to send ILF Scotland’s new directors a list of potential meeting dates for the Disability Equality Training.**

**12. Close**

The Chair thanked everyone for their attendance and with no further business, the meeting was closed.

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| **Action Point** | **To be Actioned by** | **Timescale** | **Actioned?** |
| Pg. 3, Agenda Item 2HT to send Welsh ILF Awards Proposal/Options to all new Board Directors | Harvey Tilley | 2016 | **Complete** |
| Pg. 5, Agenda Item 3Typo contained within point 13 of the Interim Strategic Report to be corrected to reflect that 2 meetings were held during this quarter. | Harvey Tilley |  2016 | **Complete** |
| Pg. 6, Agenda Item 4Statistics relating to near misses to be included within Health & Safety annual report. COO to discuss with the Health & Safety Adviser regarding how best to capture this data.  | Harvey Tilley | 2016 | **Complete** |
| Pg. 9, Agenda Item 9Full set of papers (comprising query and response) relating to 2 MACC’s to be e-mailed to Board members. Documents to be anonymised to observe confidentiality of individuals referred to therein. | Harvey Tilley |  2016 |  |
| Pg. 10, Agenda Item 10COO to send ILF Scotland’s new directors a list of potential meeting dates for the Disability Equality Training. | Harvey Tilley | 2016 | **Complete**27th April 2017or 04th May 2017 |