

Independent Living Fund Scotland
Annual Report and Accounts
Year ended 31 March 2020
Company Number SC500075

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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 4,000 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 60 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

This year I feel it is important that I begin this message touching on the last quarter of this financial year. I want to express my concerns for all disabled people relying on personal assistance in these uncertain times. Social distancing is not possible when personal care is needed so disabled people and their supporters are in a difficult space. Also as employers, many disabled people are facing challenges as many of their personal assistants are having to take time to socially isolate. Many disabled people are at high risk should they contract Covid-19. All of these factors along with our duty as citizens to stay at home as much as possible, stay safe and protect our NHS means for many, these are frightening times.

ILF Scotland has been working remotely, offering support and recognising the additional costs to disabled people for absence cover and for Personal Protective Equipment (PPE).

Our team is as ever focused on providing an exemplary service to disabled people at this difficult time and I, and the Board of Directors, appreciate everyone's hard work, and share their concerns and worries at this unprecedented time. All of us at ILF Scotland stand ready to help in any way we can.

Let me now carry on with a broader message of this past year. Disabled people continue to tell us how they value the Independent Living Fund as a vital part of their support. They tell us how they value using their fund to be active citizens. This means different things to different people and all the personal stories I hear are life affirming.

As ILF Scotland approaches its fifth birthday, I continue to be immensely proud of the achievements and success of our organisation. I know this through our engagement with disabled people who are doing the ordinary things in life by using their share of the fund to enable independence. However, independence is easy to say, not always so easy to achieve.

ILF Scotland was created by the Scottish Government to safeguard the vital support that ILF has provided to severely disabled people since 1988. Arguably, this support has never been more important than it is today. Disabled people tell us that, in many ways, the barriers to independent living are increasing rather than being overcome.

I truly believe ILF provides life-enhancing opportunities for people to overcome these barriers. This is because, at least in part, use of ILF allows people to participate in, and contribute to, their communities and our society, in ways that would not otherwise be available to them. We are all enriched as a result.

Supporting Citizenship

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

As we outlined in this report, last year, you will know that the Fund was closed to new applicants by the Department for Work and Pensions (DWP) in 2010. This means that since then many disabled people are missing out on the life-transforming potential of the Fund. This is a frustration to our disabled partners and to me. To address this inequity, this year we began serious discussions with both the Scotland and Northern Ireland governments to look at how we can recreate a new, similar opportunity for disabled people. We really want to be able to support those people who have missed out on the difference ILF can make to their lives.

I am very grateful to the support we get from Government here in Scotland and in Northern Ireland, so thank you to colleagues in both administrations.

The Scottish Government continues to outline a strong commitment to supporting the development of ILF Scotland, in their 2020-21 Programme for Government. In partnership with Government colleagues and other stakeholders, we intend to “gather views and consider evidence for a potential new national scheme to provide extra financial support to people with the highest social care needs”. We have begun gathering views in partnership with our Northern Ireland Stakeholder Group following last year’s commitment from the Northern Ireland Department of Health (DOH) to garner views on the re-opening of ILF.

However, all of this has been delayed due to the emergency status Covid-19 has placed upon the country, on the world. Once we are beyond this and able to return to a place where can plan for development, we will. I believe with further development of our existing model, ILF Scotland is well placed to deliver such a scheme, building on our success and strong reputation amongst disabled people.

I would like to extend my appreciation to our Stakeholder Groups and for their wider, invaluable contribution to the success of our organisation.

On behalf of the Board, I again want to recognise the hard work and achievements of the ILF Scotland staff team, evidenced by the many awards their hard work has led us to gain this year. To place this in context, let me remind you that ILF Scotland is a small and lean organisation. I love working with them and they continually achieve beyond my expectations.


And of course, a big thank you to my Board colleagues, in recognition of their contribution to our organisation and their support to me throughout the year.

Supporting Citizenship

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

I would not normally use this space to mention individuals but again this is a financial year that has ended in an unprecedented space. Our Chief Executive, Peter Scott, was diagnosed with cancer at the end of 2019 and began chemotherapy in January. Peter has remained in constant touch, as his health allows, with colleagues and continues to offer his leadership and professionalism to us all. His treatment is going well and he has been in social isolation since it began. He is doing well and we wish him a full and robust recovery.

So to conclude where I began. We are now connected digitally even more, we are in uncharted waters but, as ever, everyone at ILF Scotland has risen to this challenge with open minds and willing hearts. For this I am forever grateful. My dearest wish is that all the people with any connection with ILF Scotland, disabled people, their families, our stakeholders, colleagues, those at government and beyond, is that you all stay safe and well and that when I write this message next year we will be in a very different world.

DocuSigned by:

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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

For the past ten years Susan has followed a portfolio career as a freelance consultant in equalities, health, disability and social care, as a popular humanist celebrant and as a non-executive director with NHS Scotland. She is currently also Chair of NHS Golden Jubilee.

Prior to this Susan enjoyed an 18 year career in public services and then non-Government organisations in the field of disability and health. In the late 1980's she supported disabled people to leave institutional care using ILF to fund their own personalised care package.

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

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.

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, previously member of the Audit & Risk Committee

Mark is a qualified Coach and Director, in both executive and non-executive roles with a passion for equality and social justice. He has over 20 years' experience in change, transformation, HR and people skills with 15 years as a HR and Business Services Director at Scottish Water, HR and OD Director NHS and Global HR Director Heriot-Watt 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 is also a Chartered Director and fellow of The Institute of Directors and The Chartered Institute of Personnel and Development and brings his 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, UHI. She is also currently Treasurer of the Barra Access Panel which feeds into the national body from a remote island perspective.

The ILF Scotland Directors (cont.)

Anne-Marie Monaghan, board member

Anne Marie has substantial professional qualifications and has over 36 years' experience in social work. She worked in the voluntary sector in youth and community development projects before working in local authority community care.

Anne-Marie brings to the Board her significant experience of social work delivery 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.

Anne-Marie is a non-executive director on Greater Glasgow Health Board and Clyde NHS Board and sits on the Glasgow Integration Joint Board and is Chair of the East Renfrewshire Integration Joint Board.

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

Etienne is currently Chief Executive of Glasgow Centre for Inclusive Living, a Disabled People's Organisation that has been providing a range of support, training, housing and employment services since 1996.

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.

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 20 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 Finance Director, 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 (with effect from 1 January 2020)

Although Harvey began his career in the British Army, he has spent the best part of the last 20 years working in the voluntary and public sector.

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 service delivery, IT, health and safety, information governance, facilities, human resources and organisational development. Harvey also acts in the capacity of company Senior Information Risk Owner (SIRO).

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 preparation of management accounts and management information.

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, Quality & 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.

At ILF Scotland, Linda is responsible for leading the Policy function within ILF Scotland, driving continuous improvement, developing the Transition Fund and overseeing communications and engagement.

Robert White, Director of Self-directed Support

Robert has over 25 years of experience working in central and local government and has a keen interest in the interaction between social welfare and social work.

Robert began his career in the DWP, undertaking various roles, from Benefits Officer to Social Fund Officer, before becoming a Social Worker, Mental Health Officer and Chair of a Practitioner forum in Ayrshire. Prior to starting with ILF Scotland in 2015, Robert managed a team of Social Workers in South Lanarkshire Council.

As Director of Self-directed Support for ILF Scotland, Robert is responsible for managing and coordinating the organisation's 25 Assessors who work across Scotland and Northern Ireland.

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

The purpose of this overview section is for readers to develop an understanding of ILF Scotland's performance in this financial year across both Scotland and Northern Ireland, looking at the challenges that ILF Scotland and our recipients have had to face and overcome during the year.

As we come to the end of another successful year for ILF Scotland, we are also all coming to terms with the global crisis caused by the Covid-19 that has impacted on everyone in the country and indeed the rest of the world. Specifically, we have had to rapidly think what this 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.

For those disabled people that receive our support and rely on personal assistance in these uncertain times, it has been very difficult indeed. Disabled people and their supporters are in a very challenging space. Also as many individuals who receive funding from ILF Scotland are also employers, they face further problems as many of their personal assistants are having to take time to socially isolate or need proper protection to carry on their day to day jobs. Coupled with this, those individuals who commission support through providers, are further tested due to the radical change in how that is delivered.

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 to respond to the crisis almost overnight; to protect our staff and those we support. At national level though, with the initial priority on the NHS and the economic challenges of employment and caring for families at home, there has been less initial attention given to the people who provide care – the Personal Assistants (PAs) and the ability of our recipients to find PPE or replacement PAs when theirs self-isolate.

The key challenge for ILF Scotland was to be flexible in our policy suite and to allow recipients to continue to pay their PAs, whilst trying to find additional support and we worked quickly with Scottish and Northern Irish Governments to make sure we could do this. Though this is still a very dynamic situation and we have more to do, colleagues in our Government Sponsor Teams have performed brilliantly and have enabled our already agile posture, to be even more responsive to the shifting landscape.

This final quarter of reporting has seen a transition to a new way of working, which is likely to be the new normal for the first part of 2020-21. The most significant change has been the suspension of physical review visits for 2015 Fund recipients and we have started conducting interim reviews and welfare checks by telephone, email and video calls. Feedback to date suggests this is working well.

Performance Report

Overview (cont.)

Technically, the organisation has moved almost seamlessly to remote/home working and the digital strategy to date has supported this well. 60% of the workforce were already home based workers with a further 15% regular agile workers operating from several different locations during the working week. The biggest operational challenge has been managing inbound post and telephone calls, but this has been addressed through a skeleton operational team on rotation and all staff equipped with mobile telephones to retrieve voicemail and contact recipients. Should the office close, business will continue as per our new normal with staff local to Livingston collecting the mail direct.

As we look back over the full year, ILF Scotland also achieved a significant milestone towards the end of the year with us reaching more than 4,000 people (2018-19 3,200) we are supporting, which is the first time we have exceeded this number. This growth is due to the increase in take up of the Transition Fund.

Internal communications and staff wellbeing have been uppermost in our minds this period, both addressing the new working practices and supporting staff through unsettling times. To date, this is working well with regular twice weekly communications, bi-weekly newsletters, social media and Yammer posts and the use of WhatsApp and Skype for Business video conferences.

Externally, we have also informed our recipients about our practices regarding Covid-19 and prior to the lockdown period they all received a personal letter. Since then, we have used our social media channels, our website and our forum to communicate and signpost information and resources for recipients and partner agencies and organisations. Of note, we recorded a video from our Chair who made a very personal statement during this difficult time and we now have this as our main website feature.

Over the year, ILF Scotland has continued to develop the organisational strategy as shown in the connected business plan report. The extensive engagement with approximately 500 individuals and numerous organisations in Scotland and Northern Ireland to date has been incredibly positive forming the basis of the new 2020-23 strategy planned for publication in 2020-21. What is very clear from this extensive engagement is the ever increasing challenges disabled people face with constant pressure on their ability to live independently.

Reopening the 2015 Fund to new applications is a key priority. Widening further the criteria for the Transition Fund, stopping charging for fund use and digitisation of service provision is all coming through strongly in the whole consultation. Towards the end of Q4, it also became very apparent that people were looking to ILF Scotland for advice and support regarding employment of personal assistants, care providers, furloughing and employing family members as replacement care. This has highlighted a future leadership and signposting role for ILF Scotland, as well as continuing to develop our policies and finances to respond to the needs of disabled people and their carers.

Performance Report

Overview (cont.)

The operational tempo overall has increased slightly if measured directly in terms of reviews. The number of 2015 Review reports completed in Q4 increased by 3% compared to last year and Transition Fund applications by 58%. What has become apparent and hugely pressing, is that the volume and complexity of work has increased significantly over this last year.

This in turn has placed tremendous strain on the infrastructure and the operational processes. Even with some efficiency gains made over the year, the historical nature of our systems, processes and communication capabilities coupled with the lack of recipient self-service and automation has meant that we are using legacy systems which now require to be updated.

This is being addressed. We have had extremely constructive conversations with the SG Sponsor Team and Health Finance Team to plan next steps for 2020 and beyond. This has resulted in a formal submission of an Outline Business Case for major capital investment in 2021 to undertake the required digital and process transformation, although this may be further delayed due to the current crisis.

On the 4th November at the Celebration event for the first year of the Transition Fund, the Cabinet Secretary for Health and Sport, Jeane Freeman MSP announced the extension of the age range from 16-21 to 16-25, which has potentially opened up access to the Fund for many more disabled people in transition. Since the change in policy around age range, we have received 80 new applications from young people in this group in this financial year. That said, it is becoming increasingly apparent that the Transition Fund is being forced to plug major gaps in local provision and as a result has become a transition service, rather than a more simple grant scheme. This has implications for resourcing and the way the scheme operates in the future. Q4 was also a significant turning point for the number of applications being received online and we believe this is due to a combination of the communication campaign, increased engagement activities and what we are calling “the big green button”, which is making it a lot easier to go straight to the online application form. The good news is that we have spent all of our allocated grant budget for this year and are likely to be requesting a drawdown of larger sums next year.

In Northern Ireland, extensive background work has been completed to prepare for the potential reopening for the 2015 Fund. Alongside this, a major piece of research has been completed which demonstrates the impact and social return on investment (SROI) of ILF Scotland funding which will go towards the business case for reopening. Now verified, it shows that for every pound of ILF Scotland funding invested in social care, it returns £10.89, which equates to £74.569 million of SROI in Northern Ireland this year alone. The report for this work has been finalised in Q4 and will have considerable relevance to Scotland in the future. In tandem with this, work has also been carried out to set up an advisory board to co-produce the new scheme and its first two meetings were held in January and March 2020.

Performance Report

Overview (cont.)

Over the year, the organisation has been proudly recognised as a Top 3 UK for Care Services in the Guardian Public Sector Awards 2019, we were a winner at the Working Mums Best Employer Awards, a Top 30 UK Employer for Working Families, have been a finalist in the Family Friendly Working Scotland 2020 Awards, were awarded a Healthy Living Bronze, achieved Carers Positive status and gained Cyber Essentials Plus for a second year. This external recognition is due to the hard work and professionalism of our staff, always going the extra mile to make a real, positive impact for disabled people in Scotland and Northern Ireland.

Finally, as this year concludes the full successful delivery of the strategy set in 2016, we look forward with optimism to building on the foundations created to enable even more people to live independently with control, choice and dignity through our new strategy.

Performance Indicators

For the year 2019-20 ILF Scotland measured its performance against key strategic objectives given in the 2016-2020 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.

Our monitoring of Key Performance Indicators (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 40 to 47.

2015 Fund performance indicators are set out on the following page

Performance Report

Overview (cont.)

Performance Indicators (cont.)

2015 Fund

Task or organisational activity	Indicative KPIs	Progress Update	Status
Comply with NDPB status Records Management Plan	Implementation of records plan and system complete with all staff using	Formal submission made to National Records Scotland (NRS) with full Records Management Plan and evidence set for the 14 different elements. Key staff members set up on the new Electronic Document and Records Management System. Formal review with NRS took place in Q4 and they are content with the actions and progress (and have asked if ILF Scotland could be used as a case study for good practice). A Project Group working on the implementation including all managers and staff participating in training sessions. Plan has been adjusted to take into account initial Covid-19 response and will be reviewed early in 2020/21 to map out next steps, dependant on the organisational situation in relation to the pandemic.	
Put in place a defined benefits pension scheme	100% of all staff choosing to transfer into the new scheme complete	Pension transfer successfully completed within target timeframe	
Implement new resilience framework	Tender documentation refined for procurement of advisor, staff trained and tests run	Tender awarded to new advisor and initial meeting kickstarted the project. Aim will be to review current documentation and work together to develop a governance and organisation framework during Q1 and Q2 next financial year	
Policy suite review	Reduce the Available Income contribution	Discussions have continued with colleagues from SG about implementing an incremental revision to Policy 4 (Available Income) to further reduce the personal contribution from recipients. A fully costed options paper is with Ministers for consideration. Due to SG budget uncertainties and constraints we have no guarantee of a further reduction to the Available Income contribution	
Carry out 1,400 recipient reviews	1,400 reviews completed in the year	Reports completed increased in Q4 to 341 compared to 331 in 2018-19 despite the impact of Covid-19. On 16th March all visits stopped and where possible switched to become telephone reviews/welfare checks. In total 1394 physical reviews were done and when coupled with welfare checks and telephone reviews this number exceeded 1,500	
95% of invoices paid within 10 days	Pay 95% of invoices within 10 days	95% of invoices paid within 10 days	
98% of recipient payments are accurate and on time	<2% target error rate	100% correct and on time for financial year 2019/20	

Performance Report

Overview (cont.)

Performance Indicators (cont.)

Transition Fund

Task or organisational activity	Indicative KPIs	Progress Update	Status
Increase our reach through the implementation of the communications strategy	To increase our presence by 20% including engagement and across all communications channels with potential applicants.	The Communications team continued with the final elements of the #TrySomethingNew campaign in which a new case study video (with accompanying story), an opinion piece with the Herald newspaper and paid social media campaign were launched and completed. The Communications team have also been busy with engagement, attending 22 events in the last quarter alone, reaching 330 people. Overall we have attended 130 events, reaching an audience of over 2,000 people compared with 116 events and 1,500 people in 18/19. All engagement through social media, physical engagement, media, television and other means is up 20% compared to last year.	
Transition Fund evaluation	Completed as per the project plan	Evaluation report completed and it will support further work in the policy area for changes to eligibility and use criteria. The fund appears to be delivering exactly what it set out to. The numbers of applications were 58% up from 2018-19 with the additional campaign and engagement work along with improvement to the online application process seeing a significant increase in the last quarter, which meant that the full funding budget was paid out to recipients. Overall those in receipt of a grant have found the process very straightforward and of great personal value	
Transition Fund stakeholder group	Young Ambassador Group established and contributing	A major event bringing recipients together happened in Q3 and was hugely successful. It was attended by MSP Jeane Freeman who announced an extension to the age range of the fund. A new TF stakeholder group has come together and are now planning the next steps. This was complemented by the launch of the Forum which has a dedicated private discussion space set up for the stakeholders	
Project work carried out to explore expanding Transition Fund to other groups listed in the initial co-production exercises	Exploratory work carried out in co-production dependant on budget approval to extend the scheme to other groups	Proposals submitted to the SG Sponsor team to increase the age criteria from 16 to 25 years have now been accepted and implemented. Further research is being conducted to feed into a joint SG options paper to go to the Minister on wider uses of the fund. This will not be considered until the latter part of 2020/21	
Increase the uptake in the Transition Fund	Increase fund applicants by 20% from 2018-19	Fund applicants increased by 58% compared with 2018-19	
Review Transition Fund processes and policies following the implementation of the end of grant and quality assurance processes	Reduce processing time and staff resource by 5%. Policies to be reviewed and published on website	Quality assurance process implemented are currently being reviewed. A number of continuous improvement projects have been implemented and this will be ongoing. Overall the process time is more than 5% less than the previous financial year. The end of grants process is operational and the return of receipts and reconciliation is positive overall. The end of grants process also includes stepped measures if individuals have not submitted their receipts and we have implemented a subsequent temporary hold to prevent re-applications. Where partial receipts have been returned, a further financial series of controls provide quality assurance around any gaps between required and submitted returns. Overall the time to process applications has dropped from 87 days to 76 ie a 13% improvement compared with 2018-19.	

Performance Report

Analysis

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

Strategic Outcome 1 - The Existing Fund has been maximised for effective value:

- Our key task of review visits and rebalancing of support plans to reflect the additionality of ILF Scotland funding progressed well in all Local Authorities and Trusts during 2019-20, despite significant Local Authority cost pressures to care packages. We have now addressed many of the historic imbalances we inherited from ILF UK.
- We undertook much preparatory work to investigate the reopening the 2015 Fund in Northern Ireland and prepared a series of key stakeholder engagement events.
- We researched and made submissions in consultation with our sponsor team for a potential top-up scheme in Scotland (2015 Fund) and the further extension of the Transition Fund (with the age extension approved November 2019).
- We continued to meet with our Stakeholder Groups in Scotland and Northern Ireland. The Scotland group changed their name to the ILFS Recipient Advisory Group and it has successfully recruited a number of new members in the latter part of 2019-20.
- In Q4, a progress meeting was completed with the National Records of Scotland team and they are happy with both our Records Management Plan and our approach to implementing a new Electronic Document and Records Management System and File Plan. Following on from this, ILF Scotland has agreed to being a case study in good practice.
- Our implementation of a whole organisational approach to risk management and business resilience was successful and the programme commenced in March 2020. The first phase will happen in Q1-Q2 of the next financial year and will see the development of a Governance and Organisation framework, with Q2-Q3 focusing on benchmarking and review of current operational practices.
- As a member of the new Business Continuity and Resilience Network, we are actively sharing resources and approaches to maintain business as usual operations across the public sector as best as possible. This membership also gave us early warning of the Covid-19 situation and enabled us to have our contingency arrangements prepared well in advance of the current arrangements.
- We achieved many efficiencies and improvements in our processes and systems including being able to implement Scottish Living Wage uplifts immediately from 1 April without the need to back-date.

Performance Report

Analysis (cont.)

Strategic Outcome 2 - A New ILF scheme is successfully introduced and established in Scotland:

- Over the year, the main focus of work has been increasing awareness and take up of the Transition Fund. As a result we have seen a significant increase in those applying to the fund and noticeably, the numbers using the online channel (largely helped by the addition of a prominent “big green button”) on the application page of the website. To build on this success, we recruited a specific Engagement and Events Officer to work alongside our communications and technical teams.
- It has also become clear that ILF Scotland has stepped into a national gap – that of providing a transitions service instead of delivering a funding resource to support pre-developed transition plans. Though there are pockets of good practice at local level, at the present time there is not one nationally consistent approach to enabling good transitions for young people.
- Aligned to this, work continues with the Association for Real Change (ARC) Scotland on a new national approach to developing a self-evaluation tool kit and data model which can be used to plan and measure the effectiveness of transitions (aimed directly at local authority education and social care departments). ILF Scotland has helped to develop the data model and ARC Scotland has presented a business case to Scottish Government to support the development of the tool. This is currently now in development and 14 local authorities have come forward to trial the tool once it becomes available.
- Phase 2 of the #TrySomethingNew media campaign has successfully continued.
- We attended 130 engagement events with approximately 2,000 individuals.
- We held a major Transition Fund Event on the 4th November 2019 in Glasgow, at which 120 people attended.
- We introduced new evaluation matrix to speed up the process of standard application requests.

Performance Report

Analysis (cont.)

Strategic Outcome 3 - The knowledge gained through our work across all of Scotland and Northern Ireland has been shared to develop best practice:

- An online forum was launched to the public in November 2019 with specialist interest areas and general discussion rooms. This has been particularly useful during the Covid-19 pandemic, where we have been able to capture and respond to people's experiences.
- We completed the set of organisational dashboards to support better operational and financial analysis.
- We delivered 11 co-production strategy events across Scotland and Northern Ireland (including internal forums) and ran a successful online consultation; capturing the views of over 500 people to inform the development of the new strategy.
- We had formal involvement and input into the Social Care Reform Programme. Our CEO is part of the Leadership Alliance and we are inputting to the Investment Workstream making recommendations for future social care investment.
- As a member of the Scottish Government Stakeholder group for the national Digital Identity Assurance project, we were approached to pilot an identity provider service in Q4.
- As a Cyber Catalyst organisation for Scottish Government, we are a key contributor to the development of the national cyber-resilience strategy and framework implementation.
- As part of the project team, and advisory board, we helped progress the new National Payments Platform through its "Alpha" phase to move to a procurement phase to develop the service (with the virtual launch of the procurement phase during Q4)
- We shared our knowledge of cloud based HR systems to the Scottish National Investment Bank.
- We are very proud that the organisation and our ways of working have been recognised through various national and UK wide accolades and awards.

Performance Report

Analysis (cont.)

Main Effort - The main effort during 2019-20 has been the development of our new strategy and policy suite, whilst maintaining the operational tempo of the 2015 Fund and the Transition Fund. This has seen a tremendous effort with running engagement activities, consultations, stakeholder review events, applications processing and implementing the end of grant process and responding to the Covid-19 situation. Alongside the re-accreditation for Cyber Essentials Plus, a full technical server upgrade and the continuous improvement work, the records management project and commencing the risk and resilience project, ILF Scotland has seen possibly its busiest year yet and has transitioned to the new way of working almost seamlessly.

Call Volumes – This year we have received 10,254 (6,866 telephone and 3,388 email enquiries) in 2019-20 compared with 9,903 (7,956 telephone and 1,947 email enquiries) in 2018-19. This 4% increase is due to a rise in operational activity and growth in Transition Fund related calls. On average, 96% of all calls are from Scottish recipients with 4% from Northern Ireland. 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;
- Reassessment visits;
- Requests for information from Assessors;
- Local Authority calls for information – payment schedule, threshold sums, etc;
- Completion of agreement forms and the new process;
- Scottish Living Wage;
- Available Income;
- Payments and payment increase requests;
- 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.

Performance Report

Analysis (cont.)

Quality Journey – Further progress has been made with internal communications, recipient feedback based policy development and meaningful meetings reporting. Q4 also saw a small re-configuring of the organisational structure with the formal appointment of an Improvements role which sits under the new Director of Policy, Quality and Engagement. The thinking is that we are moving more towards data driven change management and the Policy Team are foremost in capturing feedback from those that use our services, therefore best placed to identify the priorities for change. We will be adopting the Quality Improvement Model advocated in the Scottish Government’s “3-Step Improvement Framework for Scotland’s Public Services” to ensure a more systematic approach to improving quality and leading change across the organisation.

Complaints – Staff are becoming increasingly skilled at identifying areas of dissatisfaction, classifying and recording these as complaints and taking immediate action to try to resolve informally at the earliest stage possible. We capture each learning point from this valuable feedback about our service and act to address this through revised procedures, staff training, etc. in the spirit of continuous organisational improvement. Across both funds, we received 21 complaints this financial year compared with 13 received in 2018-19. We expected this increase as we implemented an enhanced feedback loop, which is helping us deliver even better support to recipients.

Intern – ILF Scotland has worked with Inclusion Scotland and Scottish Government to recruit and place our first intern who will review and make recommendations for improvements to our Transition Fund communications and application forms used by recipients.

Social Work Student - Our third very successful social work student placement, in partnership with Stirling University has cemented our reputation as an excellent placement and increased our credibility across the social work landscape.

Future Work – The main aim for the next reporting period will be to launch our new strategy and accompanying business plan when it is appropriate to do so. This includes the key areas of strategic planning, preparatory work for reopening the 2015 Fund in Northern Ireland, new approaches for Scotland, records management, business resilience and development of the digital transformation roadmap. Initially, however, our focus will be on maintaining high quality business as usual operations as we move through the Covid-19 crisis. When we are able to resume conduct of recipient reviews as movement restrictions ease, we will look to re-establish our normal cycle as quickly as possible, prioritising our reviews to help address those most affected by it.

Performance Report

Analysis (cont.)

2015 Fund

2015 Fund Numbers – Over the year 2015 Fund recipient numbers have dropped to 2,690 (Scotland 2,254 & NI 436) from 2,813 (Scotland 2,346 & NI 467). This represents an overall decline in line with the trend of around 4.4% (3.9% Scotland & 6.6% NI) per annum. This attrition is sadly mainly due to the deaths of recipients.

2015 Fund Operational Performance – This year saw an increase of 12% in reviews completed compared to last year. Combined with a 16% reduction in overall processing time, this has been our best operational performance to date despite the challenges faced internally and externally articulated elsewhere in this report.

Policy Revision - We have completed the following in this reporting period:

- Discussions with colleagues in the Scottish Government about implementing an incremental revision of Policy 4 (Available Income), to further reduce the personal contribution from recipients by reducing the current cap of £83 have continued. A fully costed, options paper is with the Minister for consideration. Due to SG budget uncertainties and constraints, we have no guarantee of a further reduction to the Available Income contribution.
- We have carried out further work to investigate the reopening of the 2015 Fund in collaboration with civil servants in Northern Ireland and have submitted proposals for a new top-up scheme in Scotland. These are being discussed internally within SG and with the Convention of Scottish Local Authorities (COSLA). Further development work will continue in 2020-21 subject to the fall-out of Covid-19.
- We have submitted a revised draft of Policy 44 (employment support guidance) to the SG Sponsor Team and await approval, although expect approval for this to be delayed due to Covid-19.
- Our submission to extend the Transition Fund age range to 25 to benefit more young people has been approved. We have submitted a revised draft policy to the SG Sponsor Team to extend the criteria further to potentially benefit additional transitions at key life stages for disabled people. Emerging potential priorities include support to move into and sustain independent living accommodation arrangements and to provide transitions support for disabled parents, who appear to be missing out on support. It is unlikely that there will be any consideration of further extension options until mid-year 2020-21.
- The preparatory work with the Scotland Stakeholder Group to develop an action plan to implement the Charter for Involvement Standards is complete. The Charter has also been discussed with the NI Stakeholder group. Consultation on this will be held online with a further meeting held later in 2020-21.

Performance Report

Analysis (cont.)

Scottish Living Wage (SLW) – We implemented the new SLW on the 1st April 2019 and completed all work for the 2020 uplift to £9.30 per hour before the year end, as agreed by Scottish Government. We do not have approval to implement an automatic update to the national minimum wage for Northern Ireland recipients, but can continue to match Direct Payment rates and increase on an individual, case by case basis.

Social Work Update – As reported above, whilst we saw Assessor reviews increase, on 16th March 2020 all visit and engagement activity was suspended and the review cycle continued by telephone. Assessors have since started to provide a Welfare Check for all recipients prioritising Group 1 recipients as they may not have active social work input.

At a strategic level, as part of the review of adult social care, a meeting in February 2020 of the SG Investment Workstream helped contribute to a national conversation about a new scheme for independent living, as part of a range of potential improvements to social care. Alongside this, ongoing engagement work has been carried out with Northern Ireland ILF Trust Leads to look at improvements in outcomes for recipients and any impacts of Self-directed Support as it rolls out. Maintaining these key relationships has helped foster a supportive stance from Social Work Departments in Northern Ireland towards the potential re-opening of the 2015 Fund.

In Q4, we also provided formal input and revision of Scotland's Social Care charging policy. COSLA have accepted several ILF Scotland recommendations to embed SDS principles. Specifically these feed into charging, for national consistency and greater involvement of disabled people in the process.

This year has seen ILF Scotland become an established social work partner of choice for many public and 3rd sector organisations which is evidenced by the number of invitations to present, contribute or formulate policy and practice in Scotland and Northern Ireland: we are maximising the opportunity that ILF Scotland brings to have difficult conversations that promote real change and in providing a leadership role in this area.

Feedback – The way that we request and receive feedback from 2015 Fund recipients remains hugely important to ILF Scotland. With work being undertaken through research into the Transition Fund and 2015 Fund Northern Ireland by external bodies, the decision was taken to implement an improvement project based around recipient feedback. This project has looked at all surveys and engaged with external organisations to transform the way that we interact with recipients. On average in 2019-20 feedback has remained high, at 95% satisfaction. Work is ongoing in this area and it remains an improvement priority for the coming year.

Performance Report

Analysis (cont.)

Transition Fund

Operational Performance – On a like for like basis, the number of applications received is up 58% from 831 in 2018-19 to 1,312 in 2019-20. It should be noted that final figures of applications received, processed and decisions made on funding will take between three to six months to finalise. The trend of declined and withdrawn applications has reduced from around 21% in 2018-19 to 16% in 2019-20. This is due to better information at the front end, more engagement, more online applications and triaging of all applications introduced this year. As a result of this, not only does this save a huge amount of time for staff, but more importantly prevents disappointment and wasted effort from potential applicants

Numbers of recipients in payment have grown from 520 by the end of 2018-19 to 1,350 in this reporting period, an increase in 160%. The average time to process an application is 73 days, which is better than 87 days in 2018-19 due to aforementioned reasons coupled with exceptional hard work from staff over and above the normal. However this masks the challenges faced by staff to process applications, since many applicants need major support to get their documentation to the evaluation stage.

This has implications for resourcing and the way the scheme operates. It is of note that the 2019-20 funding budget has been fully committed in this financial year, while we have in progress a considerable number of applications at various stages of authorisation, which will be paid in 2020-21. This may place significant pressure on the fund at existing budget levels in the coming year and we will discuss this with our Sponsor Team at SG should this turn out to be the case..

Practice has become further developed and we have put in place an authorisation matrix for commonly requested items and services, which allows the casework team to more easily process requests and has created additional processing capacity to manage the increase in applications that we have seen over the year.

Performance Report

Analysis (cont.)

Social Work Update – This year has seen a significant increase in Transition Fund applications and resultant awards. This is very much linked to two major developments in the team within the year; the creation of a dedicated casework team for the fund and the secondment of two assessors from the 2015 Fund. The further addition of the engagement officer post to the communications team in support of the engagement strategy has really started to pay dividends in take-up. This increase in the capacity for engagement work has seen us continue to target statutory and 3rd sector organisations who work with the young people that we seek to assist. In addition, we have specifically targeted schools in the most deprived areas, according to the Scottish Index of Multiple Deprivation. Assessors initially targeted the schools in the indicated areas in Edinburgh and Glasgow and had more recently begun to expand out into Lanarkshire and Lothians.

Real life examples of the fantastic outcomes young people can achieve have been presented at several national conferences, creating dialogue and demands that SDS integrated in transition is delivered in a way that meets real world outcomes. We helped create a National Framework for Transition, which can significantly improve transitions for all young disabled people in Scotland. The framework will be presented to SG and COSLA and recommended for adoption by all statutory stakeholders - the Transition Fund has begun to create a legacy beyond the individual benefit recipients have evidenced.

Our People

The final quarter of 2019-20 has been challenging, but also commendable as all the staff team have transitioned to remote and home working almost seamlessly during the Covid-19 situation. Our priority is always to put disabled people at the heart of what we do and the efforts of everyone to safeguard, check and ensure that our recipients have the resources and support they need to continue their lives has been the focus of our entire team.

A vast amount of work has been done at pace to ensure the policies, practices, finances and technologies are in place to support this effort and all staff have to be praised for how they have risen to these challenges.

Whilst we have a Business Continuity Plan (BCP), we have not needed to instigate it formally in response to Covid-19. This is because our normal agile approach to changing work arrangements was sufficiently flexible to enable us to adapt quickly to the required new restrictions. We have been able to build on and enhance our support for employees to enable them to work safely and effectively. One issue which has been helpfully highlighted through the new arrangements has been the need for improved group video communication channels which we will be addressing early in 2020-21.

Performance Report

Analysis (cont.)

Over the last year we saw the sad loss of a colleague and also had the retiral of a long standing staff member who have both been with ILF Scotland from the start. Due to the strength in depth and good succession planning, this has not impacted on operations but we will miss these brilliant colleagues very much.

In terms of activity, even discounting the addition of Covid-19 to contend with, we have had a very busy year.

Health and Wellbeing has been a central plank to our developmental work, gaining a Healthy Living bronze award in year. We have enhanced the support to staff driven by last year's staff survey, including but not limited to increased activity through our staff wellbeing group and a 4th Mental Health First Aider being trained. We have also engaged our Mental Health trainers at 'strongmindedresilience' to create an online eLearning tool 'Dealing with stress, trauma and loss' specifically targeted to deal with the potential impact of Covid-19. We are working to have this online by mid-April for all staff to access during what may be a harrowing time. Our work has been highlighted as best practice, being a finalist in the 2020 Family Friendly Working Awards in the Health and Wellbeing category.

Following a Work Impact Assessment last summer, we have now concluded the full structural review. This was well received with a full presentation during the Staff Development Day. This will be fully implemented by 1st April 2020 to support the delivery of the new strategy.

This last year also saw the full consultation and implementation of the Civil Service Pension Scheme which has been hugely welcomed by all staff.

Finally, we have continued to work closely with Family Friendly Working Scotland and Working Families with both organisations supporting our innovative Flexible Working policies. ILF Scotland achieved a number of accolades, being awarded the Top 30 UK organisations in the Working Families 2019 benchmarking, winning the best SME at the Working Mums 2019 Awards and achieving Carers Positive Accreditation.

In the coming year as part of our new strategy, we aim to develop our employee offering further especially around flexible working.

Performance Report

Analysis (cont.)

Employment status – We have continued to foster and build a life friendly approach using our full suite of policies. ILF Scotland continues to offer 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. We have also worked with Inclusion Scotland, being fortunate to employ an Internship supporting our Transition Fund. We are learning invaluable lessons through this opportunity to help make ILF Scotland even more accessible.

Recruitment – We have continued to strengthen the staff team with various internal promotions and appointments. This has been as a consequence of the growing Transition Fund and increased administrative burden placed on the organisation as we grow and plan to deliver even more services in both Scotland and Northern Ireland:

Retention – Has been strong, however as previously reported, we saw the sad loss of a colleague and also had the retirement of a long standing staff member who had both been with ILF Scotland from the start.

Health and Safety

There have been no reportable incidents under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 over the last year.

Performance Report

Analysis (cont.)

Information Governance and IT

Overview This has been an overall busy year for the digital and information services team. The critical achievement towards the end of the year has been the upgrade of our server network and this single step means ILF Scotland can continue to operate its core Customer Relationship Management system for the foreseeable future.

The server upgrade, whilst essential to maintain the service delivery operation, has highlighted that ILF Scotland has an infrastructure nearing the end of its useful life, legacy systems and processes and no customer facing digital services apart from the online application form for the Transition Fund.

Over the last six months we have been developing an Outline Business Case (OBC) for a whole organisation digital transformation which will ultimately align ILF Scotland with Scottish Government's Digital Strategy. This OBC was submitted to the Scottish Government Sponsor Team in Q4 with a plan to create a full commercial tender by October 2020. This would bid for significant capital funds to modernise internal processes to gain the advantages of digitisation, and externally to develop a wide range of accessible customer services offered in both digital and non-digital channels. If the Full Business Case successfully bids for these capital funds, the transformation work would begin in 2021-22.

Digital and Information Services also successfully tendered for a programme of work to provide a whole organisational approach to Risk and Resilience and the work formally started in Q4. The programme is being led internally by the new IT Security and Resilience Manager and is likely to take between 15-20 months to fully develop. As this report is written, ILF Scotland is like all public bodies, reviewing its business continuity arrangements and emergency responses during the Covid-19 pandemic and the programme will benefit from any lessons learned from our current practices and responses. The IT Security and Resilience Manager has also fully taken over the day to day security management of the organisation and is using a wide range of security tools and new relationships to safeguard our operation. Over the year, the number of incidents and breaches has been very low and we believe this is in the main due to extensive staff awareness and engagement with security and data protection matters.

Lastly in this section, we have now developed and are using on a daily basis our new dashboards and reporting services which provide real time management information. This includes the status and usage of our core operations, from financial values, numbers of applications, accounts in payment, operation processing times and regional analysis. This ability has greatly enhancing our capabilities for data driven decision making and is allowing much more accurate analysis and forecasting of our activities. We plan to fully roll this out over the coming year.

Performance Report

Analysis (cont.)

Records Management - This year has been transformative in terms of the management of ILF Scotland records. The organisation's first Records Management Plan was approved by the Keeper of the Records of Scotland in October 2019. The implementation of this plan has seen the creation of a Working Party charged with migrating the existing shared platform into an electronic records management system and smarter records control practices. The process to create a Memorandum of Understanding between ILF Scotland and The National Records of Scotland / Public Records Northern Ireland got underway in Q3. This will enable the safe transmission and permanent archive of key ILF Scotland records which are deemed within the public interest of both countries.

As an organisation, ILF Scotland has committed to a progress update review with the National Records of Scotland. This will offer a fixed timescale for records management improvements and will better enable us to undertake focussed staff and management training with respect to the Records Management function. The landscape for smarter, more efficient ways of working and interacting with the bodies which govern records in Scotland and Northern Ireland is much changed. The project to implement the new eRDM has seen programmes of internal and external staff training, staff consultations and positive interactions with the Scottish Government eRDM Programme Team. This has led to the organisation being seen a model of best practice in terms of staff involvement and ownership of records management.

Infrastructure and security - ILF Scotland has been successfully re-accredited for Cyber Essentials Plus and has continued to meet its commitments as a Cyber Catalyst organisation for the Scottish Government, including making a presentation on steps to cyber security at a national conference. The most complex work this period has been the development of the new server infrastructure (to Windows 2016) to replace the end of life Windows 2008 R2 servers. The build, configuration, hardening and finally testing have all been completed in this period seeing the migration of our current databases and applications onto these new servers. This will protect ILF Scotland from having end of life unsupported infrastructure and provide a secure environment for at least a further five years.

Digital transformation - Progress in this area has been slower than hoped since the proposed support to undertake a pilot cloud migration project with Scottish Government has not been available. During the year, the Director of Digital and Information Services successfully completed the National Digital Champions programme, which brought together some 50 leaders across the public and third sectors. The purpose was to understand and develop the thinking on what new opportunities and practices are possible for digitally enabled organisations to enhance the "customer experience".

Performance Report

Analysis (cont.)

Forum - The new ILF Forum has been launched this year. The core purpose from ILF Scotland's perspective, is that of increased engagement with the entire disabled community, so that we can identify areas of interest, trends and themes so as to inform policy development activities. From the user/recipient perspective, it is providing an independent, non-commercial secure platform for disabled people to have a voice, choice and control of their own agendas. They are able to set the debate that they are interested in without being targeted by third parties or commercially incentivised parties. It is truly their forum, their voice, their say and we hope to see a significant increase in the numbers of those using it next year.

National Programmes - Although not directly related to ILF Scotland at the moment, two members of the team are involved in the two critical national infrastructure programmes of Scottish Government. One is involved in the project delivery team for the new National Payments Platform and the other acts in a governance and advisory capacity for the Digital Identity Scotland programme. These programmes are linked and it is anticipated that over the next three years, these two projects will become mainstream offerings/services delivered by Scottish Government and will simplify and improve processing efficiencies across the entire public administration in Scotland.

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 2019-20 ILF Scotland paid 95% of invoices within 10 days (2018-19 95%) of receipt. The number of creditor days outstanding at the end of 2019-20 was 13 days (2018-19 23.4 days).

Financial review

- **Awards Paid** – The payments made to recipients for the year 2019-20 was £50.7m (2018-19 £50.6m), of which £1.7m (2018-19 £1.7m), was for the Transition Fund.
- **Reserves** – We have healthy reserves at just over £1.6m at 31 March 2020 (£2.3m at 31 March 2019).
- **External Audit** – We have engaged new external auditors and we thank our previous auditors for their four years of service.
- **Internal Auditors** – We have appointed new internal auditors who have completed all audits in line with the Audit Plan.
- **Process Review** - Work has begun by our Finance department conducting a thorough review of all its key processes, this is a major piece of work and will continue into the next financial year. 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 a decrease in taxpayers' equity for the year amounting to £692,626 which has been transferred to general reserve as set out on page 73.

ILF Scotland is financed out of Grant in Aid from SG for the purpose of making regular grants to individuals. Grant in Aid of £53.4 million (2018-19 £53.3 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 2019-20 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 2020 shows a surplus net assets position of £1,632,040 as set out on page 71.

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 2020-21.

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

Whilst ILF Scotland currently has no environmental targets set by Scottish Government, it 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 are in the process of extending 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.

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

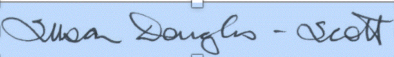
ILF Scotland is committed to the highest standards of ethical conduct and integrity and is committed to the prevention of bribery and corruption as we recognise the importance of maintaining our reputation and the confidence of our stakeholders.

We can report that no instances of corruption or bribery were recorded in 2019-20 (2018-19 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. ILF Scotland's Business Plan for 2020-21 articulates the detailed priorities for the coming year.

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 Acting Accountable Officer on 30 June 2020.

DocuSigned by:

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Susan Douglas-Scott, Chair of the Board

DocuSigned by:

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Harvey Tilley, Acting 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' and Accountable Officer 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 2019-20 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' and Accountable Officer 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 2019-20 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

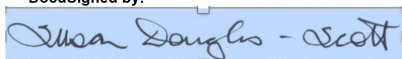
As Accountable Officer I am responsible for the regularity and propriety of the public finances for which I am answerable, for keeping proper records and for safeguarding ILF Scotland's assets, as set out in the Memorandum to Accountable Officers for Parts of the Scottish Administration issued by Scottish 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 Acting Accountable Officer on 30 June 2020.

DocuSigned by:


953AC939812C112
Susan Douglas-Scott, Chair of the Board

DocuSigned by:


22D88BB90788429...
Harvey Tilley, Acting 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	
	2019 - 20	2018 - 19	2019 - 20	2018 - 19	2019 - 20	2018 - 19
Susan Douglas- Scott	4/4	4/4	N/A	N/A	2/2	2/2
Alan Dickson	4/4	3/4	5/5	5/5	N/A	N/A
Fiona O'Donnell	2/3	3/4	N/A	N/A	1/1	2/2
Bridget Sly	N/A	0/1	N/A	1/1	N/A	N/A
Elizabeth Humphreys	4/4	4/4	5/5	5/5	N/A	N/A
Elizabeth McAtear	4/4	3/4	N/A	2/2	2/2	2/2
Twimukye Macline Mushaka	N/A	3/4	N/A	N/A	N/A	N/A
Mark Adderley	4/4	1/1	4/4*	1/1	1/1*	N/A
Anne-Marie Monaghan	2/2	N/A	N/A	N/A	1/1	N/A
Etienne d'Aboville	2/2	N/A	1/1	N/A	N/A	N/A

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

Directors who are not members of a committee can attend on occasion as an observer with permission of the Chair of that committee.

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 ILFS 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 previously met fortnightly, but have been meeting weekly during 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 growth of the Transition Fund which commenced making payments in April 2018, 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.

Towards the end of the financial year we had to deal with additional risks emerging from the outbreak of the world pandemic known as Covid-19.

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 2020 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 effective risk management, control and governance processes in place based upon their programme of work during the year. They did however report that, as a new NDPB, we need some improvements in the area of Compliance with Legislation which we have committed to resolve by 30 September 2020. They also report that proper arrangements are in place to promote and secure Value for Money.

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 weekly to ensure that all attendees understand both the priorities of the week and any emerging issues.

Senior Committees

The **Audit & Risk Committee** met five 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 three (2018-19 seven) 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.

Whilst as a relatively new organisation we continue to develop and improve our internal control and governance systems, 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.)

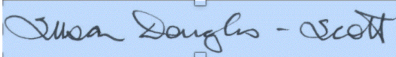
During 2019-20, we have been closely monitoring the requirements of the General Data Regulations (GDPR) and engaged with all staff regularly. Direct GDPR training has been rolled out to all staff, this is mandatory training and an annual refresher is provided with data protection updates. Physical data 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 2019-20 (2018-19: 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 Acting Accountable Officer on 30 June 2020.

DocuSigned by:

953AC939842C442...

Susan Douglas-Scott, Chair of the Board

DocuSigned by:

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Harvey Tilley, Acting 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 2020.

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 2019-20 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

Fiona O'Donnell

Non-executive director (resigned 23 January 2020)

Mark Adderley

Non-executive director

Elizabeth Humphreys

Non-executive director

Elizabeth McAtear

Non-executive director

Anne-Marie Monaghan

Non-executive director (appointed 1 September 2019)

Etienne d'Aboville

Non-executive director (appointed 1 September 2019)

For further information, please see the Governance Statement on pages 40 to 47.

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

Full details of the movement in non-current assets are given in Notes 6 and 7 to the Accounts.

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 40 to 47.

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:

<https://ilf.scot/wp-content/uploads/2018/10/ILF-Scotland-Governance-REGISTER-OF-DECLARED-INTERESTS-2018.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 40 to 47 and the Remuneration Report on pages 52 to 63.

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 40 to 47.

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 2020/21.

Authorised for issue by the Board of Directors.

DocuSigned by:
Jim Maguire
F9F16E71AB2A421...

James A Maguire
Company Secretary
30 June 2020

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 2020 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:

Fiona O'Donnell, chair of the Remuneration Committee until January 2020

Mark Adderley, chair of the Remuneration Committee from January 2020

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 2020 the total remuneration paid to directors were:

Name	2019-20	2018-19
	£'000	£'000
Susan Douglas-Scott (Chair)	5-10	0-5
Alan Dickson	0-5	0-5
Fiona O'Donnell	0-5	0-5
Bridget Sly	N/A	0-5
Elizabeth Humphreys (Vice Chair)	5-10	0-5
Elizabeth McAtear	0-5	0-5
Twimukye Macline Mushaka	N/A	0-5
Mark Adderley	0-5	0-5
Anne-Marie Monaghan	0-5*	N/A
Etienne d'Abroville	0-5*	N/A

* 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
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
	£'000	£'000	£'000	£'000	£'000	£'000
Peter Scott Chief Executive Officer	75-80	70-75	21	9	95-100	80-85
Harvey Tilley Chief Operating Officer/Acting CEO	70-75	65-70	21	11	90-95	75-80
James Maguire Director of Finance	45-50	30-35	13	4	55-60	35-40
Nadeem Hanif Head of Finance	55-60	50-55	16	5	70-75	55-60
Linda Scott Director of Policy, Quality & Engagement	55-60	30-35	15	4	70-75	35-40
Paul Hayllor Director of Digital & Information Services	60-65	55-60	17	7	75-80	60-65
Robert White Director of Self- directed Support	55-60	50-55	16	6	75-80	55-60

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 2020	Real increase in pension and related lump sum at pension age	CETV at 31 March 2020	CETV at 31 March 2019	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
Peter Scott Chief Executive Officer	0-5	0-2.5	14	0	10
Harvey Tilley Chief Operating Officer/Acting CEO	0-5	0-2.5	11	0	8
James Maguire Director of Finance	0-5	0-2.5	9	0	8
Nadeem Hanif Head of Finance	0-5	0-2.5	10	0	8
Linda Scott Director of Policy, Quality & Engagement	0-5	0-2.5	10	0	8
Paul Hayllor Director of Digital & Information Services	0-5	0-2.5	11	0	9
Robert White Director of Self-directed Support	0-5	0-2.5	10	0	8

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. During the year, the Government announced that public sector pension schemes will be required to provide indexation on the Guaranteed Minimum Pension element of the pension. The Civil Service Pension Scheme has updated the methodology used to calculate CETV values as at 31 March 2020. The impact of the change in methodology is included within the reported real increase in CETV for the year.

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

	2019 - 20 Salary	2018 - 19 Salary
Band of highest paid employee's total remuneration	£75k-£80k	£70k-£75k
Median total remuneration	£29,759	£28,462
Ratio	2.60	2.55

The banded remuneration of the highest paid employee in the company in the financial period 2019-20 was £75-80k (2018-19 £70-75k). This was 2.61 times (2018-19 2.51 times) the median remuneration of the workforce, which was £29,759 (2018-19 £28,462).

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 2019-20 Nil (2018-19 Nil) employees received remuneration in excess of the Chief Executive. Remuneration ranged from £19,314 to £77,734 (2018-19 £17,642 to £75,108).

Accountability Report

Remuneration and Staff Report (cont.)

Staff Report

Gender Analysis

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

	2019 - 20		2018 - 19	
	Male	Female	Male	Female
Directors	3	4	2	4
Senior Management Team	6	1	6	1
Staff	8	38	7	28
Total	17	43	15	33

Absence Analysis

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

	2019 - 20	2018 - 19
Absence rate	3.23%	1.78%

Short term absences remain at a low level with very few absences of two days or less. However we had several longer term absences 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 2019-20	Permanently Employed Staff	Board Members	Total 2018-19
	£000	£000	£000	£000	£000	£000
Salaries	£1,759,459	£19,918	£1,779,377	£1,403,735	£17,886	£1,421,621
Social Security Costs	£180,350	£0	£180,350	£131,819	£0	£131,819
Other Pension Costs	£357,047	£0	£357,047	£157,273	£0	£157,273
Total	£2,296,856	£19,918	£2,316,774	£1,692,827	£17,886	£1,710,713

Accountability Report

Remuneration and Staff Report (cont.)

Staff Report (cont.)

Staff Costs & Numbers – Audited (cont.)

	2019 - 20	2018 - 19
	Directly Employed Staff	Directly Employed Staff
Directly employed: Permanent contract	53	42
Directly employed: Fixed Term contract	0	0
Temporary staff contract	0	0
Total	53	42

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.

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 31st March 2020, ILF Scotland did not have any trade union facility time (2018-19 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

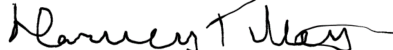
Table 3	
Percentage of pay bill spent on facility time	
Provide the figures requested in the first column of the table below to determine the percentage of your total pay bill spent on paying employees who were relevant union officials for facility time during the relevant period.	
First Column	Figures
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

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Harvey Tiley, Acting Accountable Officer

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Signed by the above on 30 June 2020

Accountability Report

Parliamentary Accountability Report

Losses and special payments

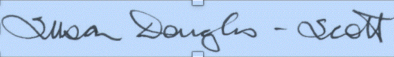
In accordance with the Financial Reporting Manual, we are required to disclose losses and special payments above £250,000. During 2019-20 there were no losses or special payments within this criteria (2018-19: £nil).

Gifts and Charitable Donations


There were no gifts or charitable donations made during the year 2019-20 (2018-19: 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.

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Susan Douglas-Scott, Chair of the Board

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Harvey Tilley, Acting Accountable Officer

Signed by the above on 30 June 2020

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 2020 under The Companies Act 2006 (Scottish public sector companies to be audited by the Auditor General for Scotland) Order 2008. The financial statements comprise 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 accounts, 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 2019-20 Government Financial Reporting Manual (the 2019-20 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 of the state of affairs of the company as at 31 March 2020 and of the deficit 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 2019-20 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 one year. 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 nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the company has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about its ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Risks of material misstatement

We have reported in a separate Annual Audit Report, which is available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that we identified and our conclusions 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 Directors and the Accountable Officer are 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.

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

Auditor's responsibilities for the audit of the financial statements (cont.)

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting 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. We therefore design and perform audit procedures which respond to the assessed risks of material misstatement due to fraud.

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.

Other information in the annual report and accounts

The directors and Accountable Officer are responsible for the other information in the annual report and accounts. The other information comprises the information other than the financial statements, the audited part of the Remuneration and Staff Report, and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on matters prescribed by the Auditor General for Scotland to the extent explicitly stated later in this report.

In connection with our audit of the financial statements, our responsibility is to read all the other information in the annual report and accounts and, in doing so, consider whether the 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report 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.

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

Responsibilities for regularity

The directors and Accountable Officer are responsible for ensuring the regularity of expenditure and income. 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.

Report on other requirements

Opinions on matters prescribed by the Auditor General for Scotland

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.

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.


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

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.

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

110 Queen Street

Glasgow

G1 3BX

United Kingdom

30 June 2020

FINANCIAL STATEMENTS

Statement of Comprehensive Net Expenditure for the year ended 31 March 2020

Expenditure	Notes	2019-20 £	2018-19 £
Grants to individuals	3	50,699,169	50,574,497
Staff costs	4	2,316,774	1,710,713
Other operating income and expenditure	5	1,038,883	776,772
Depreciation and amortisation	5	24,641	29,329
Total comprehensive net expenditure for the year		54,079,467	53,091,311

All expenditure relates to continuing operations.

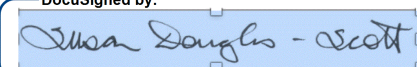
The notes on pages 74 to 91 form part of these accounts.


Statement of Financial Position as at 31 March 2020

	Notes	31 March 2020 £	31 March 2019 £
Non-current assets			
Property, plant and equipment	6	0	1,130
Intangible assets	7	69,938	152,507
Total non-current assets		69,938	153,637
Current assets			
Trade and other receivables	9	51,526	1,431,977
Cash and cash equivalents	10	9,226,093	5,010,734
Total current assets		9,277,619	6,442,711
Total assets		9,347,557	6,596,348
Current liabilities			
Trade and other payables	11	(184,685)	(183,578)
Other liabilities – grant liabilities	11	(2,497,503)	(3,838,340)
Other liabilities – deferred income	11	(5,032,458)	(202,575)
Total current liabilities		(7,714,646)	(4,224,493)
Total assets less current liabilities		1,632,911	2,371,855
Non-current liabilities			
Deferred income – capital grants	12	(871)	(47,189)
Net assets		1,632,040	2,324,666
Taxpayers' equity			
General reserve		1,632,040	2,324,666
Total taxpayers' equity		1,632,040	2,324,666

For the year ending 31 March 2020 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 74 to 91 form part of these accounts. **These accounts were approved and authorised for issue by the Directors on 30 June 2020.**

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Susan Douglas-Scott, Chair of the Board

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Harvey Tilley, Acting Accountable Officer

Statement of Cash Flows for the year ended 31 March 2020

	Notes	2019-20 £	2018-19 £
Cash flows from operating activities			
Net expenditure		(54,079,467)	(53,091,311)
Depreciation and amortisation	5	83,699	88,283
Amortisation of capital grant	12	(59,058)	(58,954)
Decrease/(Increase) in trade and other receivables	9	1,380,451	(1,345,286)
Increase in trade and other payables, grant liabilities and provisions	11/12	3,502,893	1,308,434
Net cash outflow from operating activities		(49,171,482)	(53,098,834)
Purchase of Fixed assets			
	7	-	(74,876)
Net cash outflow from investing activities			(74,876)
Cash outflows from financing activities			
Grant Funding and sundry income		53,386,841	53,309,007
Capital grant	12	-	24,301
Net cash flows from financing activities		53,386,841	53,333,308
Net Increase/(Decrease) in cash and cash equivalents in the period		4,215,359	159,598
Cash and cash equivalents at the beginning of the period		5,010,734	4,851,136
Cash and cash equivalents at the end of the period	10	9,226,093	5,010,734

The notes on pages 74 to 91 form part of these accounts.

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2020

	£	General Reserve £
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 2020		<u>1,632,040</u>
Balance at 1 April 2018		2,106,970
Changes in Taxpayers' equity 2018-2019		
Grant in aid from departments	53,193,483	
Net expenditure	<u>(53,091,311)</u>	
		102,172
Sundry Income		<u>115,524</u>
Balance at 31 March 2019		<u>2,324,666</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 74 to 91 form part of these accounts.

Notes to the Accounts for the year ended 31 March 2020

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 2019-20 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 2020-21. 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 has already committed to provide additional funding, if required, to cover Covid-19 related matters for the three months to June 2020 and this will be re-evaluated at that point. At the date of signing this Annual Report, the company has not been required to request any additional funding for Covid-19 related matters.

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 2020

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 2020

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 2020

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 52 to 63.

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 2020 (2018-19 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 2020

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 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 2019. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements:

- IFRIC 23: Uncertainty over Income Tax Treatment
- Amendment to IFRS 9: Prepayment Features with Negative Compensation
- Annual Improvements to IFRS Standards 2015-2017 Cycle
- Amendments to IAS 19: Plan Amendment, Curtailment or Settlement

2. Standards, amendments and interpretations early adopted this year

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

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

At the date of authorisation of these financial statements, ILF 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 2021
- **IFRS 17: Insurance Contracts** – applicable for periods beginning on or after 1 January 2021. Not yet endorsed for use in the EU.

Notes to the Accounts for the year ended 31 March 2020

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.)

- Amendments to References to the Conceptual Framework in IFRS Standards – applicable for period beginning on or after 1 January 2020
- **Amendments to IAS 1 and IAS 8** (Definition of Material) – applicable for periods beginning on or after 1 January 2020
- **Amendments to IFRS 9, IAS 29 and IFRS 7** (Interest Rate Benchmark Reform) – applicable for periods beginning on or after 1 January 2020
- **Amendment to IAS 1** (Classification of Liabilities as Current or Non-Current) – applicable for periods beginning on or after 1 January 2022. Not yet endorsed for use in the EU.

ILF 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.

IFRS 16 Leases supersedes IAS 17 Leases and is being applied by HM Treasury in the Government Financial Reporting Manual from 1 April 2021. 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 have elected to utilise the capitalisation threshold of £5,000 to determine the assets to be disclosed. 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 the ILF's right to use the underlying leased assets; and (ii) lease liabilities which represent the obligation to make lease payments.

Notes to the Accounts for the year ended 31 March 2020

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.)

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 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 2020.

The standard is expected to increase total expenditure by less than £1,000. Right-of-use assets totalling approximately £133,000 will be brought onto the Statement of Financial Position, with an associated lease liability of approximately £133,000.

Notes to the Accounts for the year ended 31 March 2020

3 Grants to individuals

	2019-20 £	2018-19 £
Payments made in year	54,136,155	50,391,759
Grant liabilities at start of year	(3,838,340)	(1,574,019)
Grant liabilities at end of year	2,497,503	3,838,340
Grant prepayments at start of year	-	43,276
Grant returns received in year	(2,096,149)	(2,124,859)
	<u>50,699,169</u>	<u>50,574,497</u>

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 £2,096,149 (2018-19 £2,124,859) in respect of unused funds returned by individuals.

4 Staff costs

4a Staff numbers and related costs

	2019-20 £	2018-19 £
Wages and salaries	1,779,377	1,421,621
Social security costs	180,350	131,819
Other pension costs (see note 4b below)	357,047	157,273
Total staff costs	<u>2,316,774</u>	<u>1,710,713</u>

Notes to the Accounts for the year ended 31 March 2020

4a Staff numbers and related costs (cont.)

	2019-20 Number	2018-19 Number
Average number of persons directly employed:		
Directors (part-time non-executives)	7	6
Staff	48	39
	55	45

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 £87,322 (2018-19 £157,273).

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 2020 (31 March 2019 nil). Contributions prepaid were nil at 31 March 2020 (31 March 2019 nil). Contributions due to a previous pension provider were £6,410 at 31 March 2020 (31 March 2019 nil).

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 2019-20, employers' contributions of £265,181 were paid in respect of **alpha** (2018-19 nil). Expected contributions in 2020-21 are approximately £514,000.

Employees can opt to open a **partnership** pension account, a stakeholder pension with an employer contribution. Employers' contributions of £4,402 were paid in 2019-20 (2018-19 nil) 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 2020-21 are approximately £8,000.

Notes to the Accounts for the year ended 31 March 2020

	2019-20	2018-19
	£	£
5 Other operating income and expenditure:		
Assessor fees and expenses	60,614	74,155
IT and information security costs	306,279	141,623
Rates, utilities and other estate costs	68,302	89,428
Legal and professional costs	195,659	109,752
Services, training, recruitment, travel and subsistence	226,452	204,210
Auditors remuneration (for the auditing of the accounts)	24,000	14,730
Communication and engagement	101,447	84,641
Postage costs	26,750	12,786
Printing and stationary costs	4,630	3,007
Research costs	24,750	42,440
Total other expenditure	1,038,883	776,772
Depreciation and amortisation	£	£
Depreciation	1,130	4,403
Amortisation	82,569	83,880
Sub-total	83,699	88,283
Amortisation of capital grant	(59,058)	(58,954)
Net depreciation and amortisation	24,641	29,329

Notes to the Accounts for the year ended 31 March 2020

6 Property, plant and equipment

	Information Technology	Total
	£	£
Cost		
At 1 April 2019	37,583	37,583
Additions in year	-	-
Balance at 31 March 2020	<u>37,583</u>	<u>37,583</u>
Depreciation		
At 1 April 2019	36,453	36,453
Charge for year	1,130	1,130
Balance at 31 March 2020	<u>37,583</u>	<u>37,583</u>
Net Book Value		
At 31 March 2020	<u>-</u>	<u>-</u>
At 31 March 2019	<u>1,130</u>	<u>1,130</u>
	Information Technology	Total
	£	£
Cost		
At 1 April 2018	37,583	37,583
Additions in year	-	-
Balance at 31 March 2019	<u>37,583</u>	<u>37,583</u>
Depreciation		
At 1 April 2018	32,050	32,050
Charge for year	4,403	4,403
Balance at 31 March 2019	<u>36,453</u>	<u>36,453</u>
Net Book Value		
At 31 March 2019	<u>1,130</u>	<u>1,130</u>
At 31 March 2018	<u>5,533</u>	<u>5,533</u>

Notes to the Accounts for the year ended 31 March 2020

7 Intangible assets

Cost or valuation

	Information Technology £	Total £
At 1 April 2019	281,028	281,028
Additions in year	-	-
Balance at 31 March 2020	281,028	281,028

Amortisation

At 1 April 2019	128,521	128,521
Charge for year	82,569	82,569
Balance 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

Cost or valuation

	Information Technology £	Total £
At 1 April 2018	206,152	206,152
Additions in year	74,876	74,876
Balance at 31 March 2019	281,028	281,028

Amortisation

At 1 April 2018	44,641	44,641
Charge for year	83,880	83,880
Balance at 31 March 2019	128,521	128,521

Net Book Value

At 31 March 2019	152,507	152,507
At 31 March 2018	161,511	161,511

Notes to the Accounts for the year ended 31 March 2020

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 2020 £	31 March 2019 £
Cash and cash equivalents	<u>9,226,093</u>	<u>5,010,734</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 2020

8 Financial instruments and associated risks (cont.)

Financial liabilities

	31 March 2020 £	31 March 2019 £
Grant liabilities	2,497,503	3,838,340
Trade payables and accruals	184,685	183,578
Deferred income	4,986,140	143,517
Capital grant liabilities	47,189	106,247
	<u>7,715,517</u>	<u>4,271,682</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 2020 £	31 March 2019 £
Due within one year		
Prepayments	35,959	49,697
Debtor – Scottish Government	-	1,370,080
Other receivables	15,567	12,200
	<u>51,526</u>	<u>1,431,977</u>

The Scottish Government debtor relates to Grant in Aid due at 31 March 2019.

Notes to the Accounts for the year ended 31 March 2020

10 Cash and cash equivalents	2019-20	2018-19
	£	£
Balance at 1 April 2019	5,010,734	4,851,136
Net cash inflow/(outflow)	4,215,359	159,598
Balance at 31 March 2020	9,226,093	5,010,734
	31 March	31 March
	2020	2019
	£	£
Benefit accounts	8,494,632	4,951,389
Administration account	731,461	59,345
	9,226,093	5,010,734

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

11 Current Liabilities

	31 March	31 March
	2020	2019
	£	£
Grant liabilities	2,497,503	3,838,340
Trade payables	36,892	61,769
Accruals	147,793	121,809
Deferred income – Scottish Government	4,986,140	143,517
Deferred income – Capital Grants	46,318	59,058
	7,714,646	4,224,493

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

Notes to the Accounts for the year ended 31 March 2020

12 Non-current Liabilities

Deferred Income - Capital Grants

	31 March 2020 £	31 March 2019 £
At 1 April 2019	106,247	140,900
Capital grant received	-	24,301
Less amortised in period	(59,058)	(58,954)
Total balance at 31 March 2020	<u>47,189</u>	<u>106,247</u>
Less due within one year	(46,318)	(59,058)
Due after more than one year	<u>871</u>	<u>47,189</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 2020 £	31 March 2019 £
Land and buildings (Denholm House)		
Less than one year	85,000	68,583
Between one and five years	155,833	-
Total	<u>240,833</u>	<u>68,583</u>
Lease payments charged in year	<u>86,666</u>	<u>58,566</u>

Notes to the Accounts for the year ended 31 March 2020

14 Directors' remuneration, interests and indemnities

The directors receive remuneration from the company. The total remuneration paid to the directors was £19,918 (2018-19 £17,886) for the year and further information is provided in the Remuneration Report. Directors received reimbursement for travel and subsistence expenses amounting to £10,084 (2018-19 £7,600) 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, all parts of the SG including its agencies, and the DOH. There is an agreement between SG and the DOH for ILF Scotland to administer ILF payments to ILF users based in Northern Ireland. ILF Scotland received Grant in Aid from SG of £53.4m (2018-19 £53.3m). 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 at 31 March 2020.

Notes to the Accounts for the year ended 31 March 2020

17 Events after the reporting period

Whilst this Annual Report and Accounts has covered the implications of Covid-19 on this financial year it should be noted that there will also be potential impact on ensuing periods. The directors do not expect this to impact on going concern which is further addressed on page 74.

With regard to the United Kingdom leaving the European Union, the impact of this is, as yet, unclear. We have been working with our sponsor team at SG around potential impacts on us as an organisation. This is acknowledged on our risk register and is closely monitored as part of our routine planning work.

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 30 June 2020.

Appendix to the Accounts for the year ended 31 March 2020

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