

## CAXTON TRUSTEE LIMITED

### Minutes of the meeting of the Board of Directors of Caxton Trustee Limited held on Monday 15 December 2014 at Alliance House, 12 Caxton Street, London, SW1H 0QS

**PRESENT:**

<b>Charles Lister</b>	(Deputy Chair)
<b>Richard Finlay</b>	(Chair – NWC)
<b>Margaret Kennedy</b>	
<b>Mary Leadbeater</b>	(Chair – Audit Committee)
<b>Alan Rook</b>	
<b>Vijay Sharma</b>	
<b>David Atterbury Thomas</b>	
<b>Howard Thomas</b>	

**IN ATTENDANCE:**

<b>Jan Barlow</b>	(Chief Executive)
<b>Joyce Materego</b>	(Director of Finance)
<b>June Omadoye</b>	(Office Manager/PA)
<b>Victoria Prouse</b>	(Director of Operations)

#### PART A

#### 181.14 Apologies for Absence

Apologies for absence were received from Ann Lloyd. Charles Lister chaired the meeting in her absence.

#### 182.14 Minutes of Previous Meeting

The minutes of the previous meeting held on 7 August 2014 were agreed as a correct record.

#### 183.14 Matters arising from the minutes other than those itemised separately on the agenda

- i) **Former minute item 158.14 (i) – Business Case** Copies of the 2013 business case were circulated at the meeting for reference.
- ii) **Former minute item 165.14 – Internal Audit** CL advised the board that the Scheme of Delegated Authority had not been revised, as AL's assessment had been that this was not an immediate priority because of uncertainty about the future.
- iii) **Former minute 161.14(11) – Auditor's Management Letter** JB confirmed that she had responded to the auditors.

#### 184.13 Chair's statement

In AL's absence, CL advised the board that AL and JB had met with officials from the Department of Health on 1 December 2014 for the annual review meeting. The possibility of a reduction in Caxton's funding for 2015/16 was flagged at the meeting. This was due to continued pressure on non-NHS DH budgets. Rowena Jecock from DH had offered to attend a Caxton board meeting; it was agreed that she should be invited to the February meeting. CL also referred to the Partnership Group meeting which had been held on 6 November 2014; this would be discussed further under item 190.14. CL acknowledged the enormous amount of additional work which Caxton staff were carrying as a result of the Skipton look-

back exercise and the significant numbers of new Caxton beneficiaries coming forward as a consequence.

#### **185.14 Chief Executive's Report**

The board received the Chief Executive's report. Copies of the update from Alistair Burt MP dated November 2014 were circulated; the key points from this were noted.

It was noted that there had been no update from the APPG regarding their part of the survey. This had been expected before Christmas, but it was noted that the current session of Parliament ended on 18 December 2014. JB advised that there was also no further news regarding the Penrose Inquiry, and the Inquiry website had not been updated since 29 September 2014. JB advised that Parliament would be dissolved on 30 March 2015 because of the General Election on 7 May 2015. There was therefore very little parliamentary time left for the current Government.

### **OPERATIONAL MANAGEMENT ISSUES**

#### **186.14 Winter fuel payments**

The board received the update on winter fuel payments from the Chief Executive.

Following the board's decision in October to reduce the winter fuel payment to £350, a range of responses had been received from beneficiaries. Some people were very grateful that they would be receiving a payment, others had complained about the reduction compared with previous years. JB advised that a detailed statement about the rationale for the reduction had been posted on the Caxton website.

It was noted that as at 5 December 2014, payments had been made to 717 people. As of the same date, a further 119 eligible beneficiaries had either yet to return their forms, or their paperwork had been received since 5 December. A payment would be made every week or so as the outstanding forms were received.

#### **187.14 Beneficiary numbers**

The board received an update regarding beneficiary numbers, which continued to increase. As at 11 December 2014, there was a total of 963 beneficiaries, an increase of 40% compared with 1 April 2014. Numbers would continue to be monitored closely.

#### **188.14 Regular Payments Scheme**

The board received a paper outlining progress with the regular payments scheme to date and a number of potential options for the way forward.

CL advised that following the exercise in November where all primary beneficiaries and widows were written to inviting them to apply if their income was below 60% median income – the official poverty line – fewer people had applied than had been expected. The initial financial modelling to assess the cost of running a scheme based on 60% median income had projected that approximately one third of beneficiaries would be eligible to receive a payment. This compared with 13% eligibility that had resulted from the work so far. The lower eligibility was thought to be due to the fact that the modelling had been based on early Part 2 Census data – the only data available on which to base it – which was

not up to date, and the fact that statements of income on these forms were not backed up by documentary evidence.

JB presented a number of potential options, and discussion focused around two of these. It was noted that for all of the options, there was a balance to be struck between the board's previously expressed desire to spend as much of the 2014/15 allocation as possible, versus establishing a scheme which did not over-commit the organisation and raise beneficiary expectations that it could not meet in future years. This was particularly an issue now that the Department of Health had indicated that Caxton's allocation might be reduced in 2015/16.

Option 1 in the paper was to retain the 60% median income benchmark, as it is an officially recognised benchmark of financial need. In addition to this, the board could also consider raising the level of regular payment and raising the winter fuel payment back to £500. This could potentially result in an underspend of approximately £500,000 in 2014/15.

Option 2a was to increase the income level for eligibility to 70% median income and write to all primary beneficiaries and widows who did not return a form in the first round asking them to do so if they believed they would be eligible. This would be likely to result in an increase in the number of people who would qualify for a payment, but it was not possible to say how many. This option could also potentially leave an underspend, although it would not be as large as if option 1 were chosen. It was also noted that given the potential funding situation for 2015/16, it was possible that if option 2a were implemented in March 2015, at the start of the new financial year in April 2015, the 70% median income level might be unaffordable, which would result in beneficiaries' expectations being disappointed.

ML expressed concern that raising the level to 70% might be seen as a knee-jerk reaction to spending the full allocation, and favoured taking a medium-term strategic approach which would build on decisions this year, including using the 60% benchmark. CL, however, reminded the board that it had always been the board's wish to have a higher benchmark than just the official poverty line.

There was considerable support for raising the income benchmark to 70% median income so that more beneficiaries on low incomes could receive financial support and as much of the financial allocation as possible could be used by the end of the financial year. The risk associated with raised expectations for future years was noted, and it was agreed that it should be made very clear to beneficiaries that no payment could be guaranteed in future years.

It was therefore agreed by a majority of board members to increase the income benchmark to 70% and send out a further mailing to primary beneficiaries and widows. No decision about levels of payment would be made until the February 2015 board meeting, which would be put back to the end of February to allow all the necessary work to be completed. Therefore those people who were eligible to receive a payment against the 60% median income benchmark would receive a payment at the same time as those eligible against the 70% median income benchmark in March 2015.

It was agreed that a draft budget for 2015/16 should be presented to the board at its February 2015 meeting, with options to reflect potential cuts in the allocation for next year.

**189.14****Responses to Clients**

- i) The Board received the minutes of the National Welfare Committee meeting held on 21 August 2014. It was noted that requests for assistance with debt were considered very carefully, and beneficiaries were always referred to the money management adviser first so that the Committee could consider the adviser's recommendations when making a decision on debt assistance.
- ii) The Board received the minutes of the National Welfare Committee meeting held on 29 September 2014. It was noted that the new grant application form could be downloaded from the website.
- iii) The Board received the minutes of the National Welfare Committee meeting held on 20 November 2014. It was noted that Office Guidelines were kept under constant review and items moved into Office Guidelines for decision wherever possible.
- iv) The Board received the consolidated grant schedule for the year to date.
- v) RF reported that at the last NWC meeting, the Committee had been pleased to note further improvements to turnaround times, and thanked the team for their hard work on achieving these additional improvements, particularly given all the extra work that was being handled because of the increase in beneficiary numbers. It was agreed that a regular report on turnaround times should be presented to the board, as part of an overall report on management information (grant turnaround times, consolidated grant schedules, beneficiary numbers). The board agreed that CL should join the NWC meeting on 18 December 2015 due to VS and MJ being unable to attend. They would, however, provide their comments on cases in advance.

**190.14****Partnership Group**

- i) The Board received the minutes of the Partnership Group meeting held on 5 August 2014.
- ii) The Board received the minutes of the Partnership Group meeting held on 6 November 2014 and noted the terms of reference and ground rules for the Group. CL advised the board that the composition of the Group had been expanded in the summer to be more reflective of the Caxton beneficiary community as a whole. There were therefore now 7 beneficiary members, who had been chosen after all beneficiaries had been written to inviting them to express an interest in joining the Group, and 3 campaign group members. JB encouraged all members of the Caxton board to attend at least one meeting of the Group.

At the meeting on 6 November 2014, one campaign group member had asked for the campaign groups to be advertised in the Caxton newsletter. The board felt this would be inappropriate and therefore did not agree to this.

**FINANCE****191.14****Management Accounts**

The Board received the analysis of the financial position as at 30 November 2014.

JB advised that the position was as expected at this point in the financial year, bearing in mind that two large areas of spend – winter fuel payments and the regular payments scheme – had not been incurred as at 30 November. It was noted that the level of spend on Office Guidelines had increased over the last 2 months, and the overall grants budget – Office Guidelines and NWC grants – would be monitored carefully. With regard to other

areas of the budget, at this stage there were not expected to be any significant over- or underspends at the year end.

**192.14 Standing Financial Instructions**

The Board received the revised SFIs. It was noted that these had been revised in discussion with ML and DAT. The main changes had been to the order of the document and to ensure authority levels reflected levels in, particularly, Office Guidelines. The revised SFIs were agreed for use with immediate effect, subject to some minor editorial changes.

**193.14 Internal Audit**

The Board received the final report on the implementation of the internal audit work. It was agreed to keep the board informed regarding whether or not the Skipton Fund deregistered for VAT.

**194.14 Risk Register**

The Board received the updated risk register. CL felt that it was a significantly improved document compared with the one that the organisation had had 18 months ago. The arrangements for IT security were clarified. It was agreed to bring a statement on data protection to the next meeting.

**195.14 Board membership**

- i) The Board noted the resignation of Miranda Winram with effect from 29 September 2014.
- ii) The Board noted the resignation of Mary Leadbeater with effect from 31 March 2015.

**196.14 Any other business**

There was no other business.

**197.14 Date of next meeting**

11 February 2015 – to be confirmed  
13 May 2015  
12 August 2015  
11 November 2015