

Notice of meeting and agenda

Governance, Risk and Best Value Committee

10am Thursday 6 March 2014

Main Council Chamber, City Chambers, High Street, Edinburgh

This is a public meeting and members of the public are welcome to attend

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1. Order of business

- 1.1 Including any notices of motion and any other items of business submitted as urgent for consideration at the meeting.

2. Declarations of Interest

- 2.1 Members should declare any financial and non-financial interests they have in the items of business for consideration, identifying the relevant agenda item and the nature of their interest.

3. Deputations

- 3.1 If any.

4. Minutes

- 4.1 Minute of the Governance, Risk and Best Value Committee of 30 January 2014 (circulated) – submitted for approval as a correct record.

5. Outstanding Actions

- 5.1 Outstanding Actions – February 2014 (circulated)

6. Business bulletin

- 6.1 If any.

7. Work Programme

- 7.1 Governance, Risk and Best Value Work Programme February 2014 (circulated)

8. Reports

- 8.1 Pride in our People – presentation by the Chief Communications Officer
- 8.2 SANDS Lothian Funding Support Update – report by the Director of Services for Communities (circulated)
- 8.3 Risk Management - Risk Appetite – report by the Director of Corporate Governance (circulated)
- 8.4 Looked After Children –Transformation Programme Update – report by the Director of Children and Families (circulated)

9. Motions

9.1 If any.

Carol Campbell

Head of Legal, Risk and Compliance

Committee Members

Councillors Balfour (Convener), Blacklock, Child, Gardner, Howat, Keil, Lunn, Main, Munro, Orr, Shields, Tymkewycz and Whyte.

Information about the Governance, Risk and Best Value Committee

The Governance, Risk and Best Value Committee consists of 13 Councillors appointed by the City of Edinburgh Council. The Governance, Risk and Best Value Committee usually meets every four weeks in the City Chambers, High Street in Edinburgh. There is a seated public gallery and the meeting is open to all members of the public.

Further information

If you have any questions about the agenda or meeting arrangements, please contact Gavin King or Carol Richardson, Committee Services, City of Edinburgh Council, Waverley Court, Business Centre 2.1, Edinburgh EH8 8BG, Tel 0131 529 4239/4105, e-mail gavin.king@edinburgh.gov.uk / carol.richardson@edinburgh.gov.uk

A copy of the agenda and papers for this meeting will be available for inspection prior to the meeting at the main reception office, City Chambers, High Street, Edinburgh.

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Governance, Risk and Best Value Committee

10.00 am, Thursday, 30 January 2014

Present

Councillors Balfour (Convener), Blacklock, Child, Howat, Keil, Lunn, Main, Munro, Orr, Tymkewycz, and Whyte.

1. Minute

Decision

To approve the minute of the Governance, Risk and Best Value Committee of 19 December 2013 as a correct record.

2. Outstanding Actions – January 2014

Details were provided of the outstanding actions arising from decisions taken by the Committee.

Decision

- 1) To agree to close actions 4, 6 and 19.
- 2) To ask the Director of Corporate Governance to circulate a new press release on the matter of property conservation, emphasising the scrutiny role of the Governance, Risk and Best Value Committee.

(Reference – Outstanding Actions January 2014, submitted.)

3. Governance, Risk and Best Value Work Programme January 2014

Approval was sought for the Governance, Risk and Best Value Work Programme for January 2014.

Decision

- 1) To approve the Work Programme for January 2014.
- 2) To ask the Director of Corporate Governance to report in May 2014 on the process of the dissemination and implementation of Committee decisions, and new methods to inform all councillors of committee decisions.

(Reference – Work Programme January 2014, submitted.)

4. Welfare Reform – Governance

An update was provided on actions taken following the internal audit in June 2013 of the Council's Welfare Reform activities, which had identified examples of good practice as well as areas for development. The report outlined revised governance and engagement structures, including the establishment of Welfare Reform Working and Core groups and a Partners Forum. Details were also given of the newly developed Risk Register, designed as part of the Council's overall risk management strategy.

Decision

- 1) To note that the Council's Welfare Reform activity was being managed as a multi-disciplinary operational project.
- 2) To note the revised governance structure, with three cross section working groups.
- 3) To note the roles and responsibilities of the Welfare Reform Team.
- 4) To note the content of the Welfare Reform Risk Register.
- 5) To note that further audit reviews would be carried out.
- 6) To note that updates were presented bi-monthly to Corporate Policy and Strategy Committee (with a separate mid-cycle briefing), with financial updates to the Finance and Resources Committee.
- 7) To note that a further update would be reported to the Governance, Risk and Best Value Committee in 12 months.

(Reference – report by the Director of Corporate Governance, submitted.)

5. Revenue Budget 2013/14 – Nine Month Position – referral from the Finance and Resources Committee

Details were given of the projected current year revenue monitoring position for the Council at the nine-month position.

Decision

To note the report.

(Reference – referral from the Finance and Resources Committee, submitted.)

6. Capital Monitoring 2013/14 – Nine Month Position– referral from the Finance and Resources Committee

Committee considered a report which set out the overall position of the Council's capital budget at the nine month stage based on analysis of data from periods seven and eight and detailed the projected outturn for the year.

Decision

To note the report.

(Reference – referral from the Finance and Resources Committee, submitted.)

7. Risk Management Policy and Framework – referral from the Corporate Policy and Strategy Committee

Details were given of the Risk Management Policy and Framework, developed to improve the effectiveness, alignment and ownership of risk management across the Council. Approved by the Corporate Policy and Strategy Committee of 3 December 2013, the report had been referred to Governance, Risk and Best Value Committee for scrutiny as part of its workplan.

Decision

To note the report.

(References – Corporate Policy and Strategy Committee 3 December 2013 (minute item 7), report from the Corporate Policy and Strategy Committee, submitted.)

8. New Boroughmuir High School – referral from the City of Edinburgh Council

Committee considered a report referred from The City of Edinburgh Council advising of progress made to deliver the new Boroughmuir High School at a site in Fountainbridge. The Council had approved a total budget of £35,030,597 for the project, and also agreed to refer the report and associated briefing note to the Governance, Risk and Best Value Committee for further scrutiny.

Decision

To note the report.

(References – City of Edinburgh Council 12 December 2013 (minute item 12), report from the City of Edinburgh Council, submitted.)

9. Governance of Major Projects: Water of Leith and Braid Burn Flood Prevention Scheme

Details were given of progress made against recommendations resultant of an assurance review undertaken by the Corporate Programme Office to determine lessons learnt from Phase 1 of the Water of Leith Flood Prevention Scheme and the state of readiness for Phase 2. The issues encountered on the Braid Burn Flood Prevention Scheme were also detailed.

Decision

- 1) To note the report.
- 2) To ask that the Director of Services for Communities report on this item in April 2014 addressing the following areas:
 - a) The proportion of the final costs of the Braid Burn Flood Prevention Scheme paid for by the Scottish Government, and the breakdown of exposure to risk for the Council and Scottish Government.

- b) The breakdown of the £10m increase in main contract costs (not including work on utilities) of the Braid Burn Flood prevention Scheme and the reasons for the increase.
- c) Details of the decision process, including any committee involvement surrounding the change in scope for the Braid Burn Flood Prevention Scheme and the associated costs of this change.
- d) The expected date for the settlement of compensation claims in regard to the Braid Burn Flood Prevention Scheme.
- e) The key 4 reasons for the increased costs and delay to the Water of Leith Flood Prevention Scheme.
- f) The lessons learnt from the Water of Leith Flood Prevention Scheme, including in regard to contracts and how these were being implemented to ensure they were not repeated in future projects.

(References – Transport and Environment Committee 14 January 2014 (minute item 6), referral from the Transport and Environment Committee, submitted.)

Item 5.1 Outstanding Actions

Governance, Risk and Best Value Committee

March 2014

No	Date		Action	Action Owner	Expected completion date	Actual completion date	Comments
1	06.11.12	Audit Scotland – Audit of Housing and Council Tax Benefit – Improvement Plan	That Internal Audit reviews the actions referred to in the improvement plan regarding the audit of housing and council tax benefit.	Director of Corporate Governance	Not specified		Will be added to 13/14 work program
2	24.01.13	Mortonhall Crematorium Investigation: Initial Findings – Covering Report	To request that the final results of the independent investigation were reported to the Governance, Risk and Best Value Committee	Chief Executive	Not specified		

No	Date		Action	Action Owner	Expected completion date	Actual completion date	Comments
3	20.06.2013	Review of internal financial controls anti-fraud anti-bribery and anti-corruption arrangements - progress update	To ask the Director of Corporate Governance to report to Committee in March 2014 on how the Compliance, Risk and Governance Programme had been implemented and highlighting any areas of concern.	Director of Corporate Governance	March 2014		Expected April 2014
4	25.09.2013	Looked After Children: Transformation Programme	To note that the next update would be provided in March 2014	Alistair Gaw	March 2014		On agenda March 2014
5	25.09.2013	Internal Audit Plan 2013/14	To request the Director of Corporate Governance to report back to the Committee in March 2014 with an analysis of the performance of Internal Audit.	Director of Corporate Governance	May 2014		Expected April 2014

No	Date		Action	Action Owner	Expected completion date	Actual completion date	Comments
6	25.09.2013	Compliance, Risk and Governance Programme: Review of Council Policy – Referral From Corporate Policy and Strategy	To request that the Director of Corporate Governance reports to the Governance, Risk and Best Value Committee in March 2014 with an update on progress with implementing the Council's policy register together with an analysis of feedback from the Pride in Our People events.	Director of Corporate Governance	March 2014		Expected April 2014
7	25.09.2013	Capital Monitoring 2012/13 – Outturn Slippage and Receipts – referral from the Finance and Budget Committee	To include revenue costs in reports outlining capital borrowing for projects.	Director of Corporate Governance			

No	Date		Action	Action Owner	Expected completion date	Actual completion date	Comments
8	10.10.2013	Internal Audit Co-Source Update	To provide an update report to Committee in May 2014, in particular including: i) Financial details; ii) Overview of objective skills learned by Internal Audit as a result of co-sourcing.	Director of Corporate Governance	May 2014		
9	10.10.2013	Internal Audit Co-Source Update	To report on the Council's powers in regard to appointing its external auditor and how it can ensure best value in that appointment.	Director of Corporate Governance	June 2014		
10	14.11.2013	Tram Project Update	To ask that the Director of Corporate Governance writes to the Scottish Government requesting an update on likely timescales for the tram project inquiry.	Director of Corporate Governance	April 2014		Sent late December 2013 and awaiting reply from the Scottish Government
11	14.11.2013	Summer School Maintenance	To request that the Chief Internal Auditor includes Summer School Maintenance in their work programme in 2013/14.	Chief Internal Auditor	April 2014		Work program will be brought to Committee in April 2014 for approval

No	Date		Action	Action Owner	Expected completion date	Actual completion date	Comments
12	14.11.2013	Corporate and Operational Governance	To request that the Director of Corporate Governance provides an update report in September 2014, in particular providing progress on procurement, risk and the development of a related training programme.	Director of Corporate Governance	September 2014		
13	14.11.2013	National Fraud Initiative	To note the information and that a further update would be brought to the Governance, Risk and Best Value Committee in April 2014.	Director of Corporate Governance	April 2014		
14	19.12.2013	Outstanding Actions – December 2013	To request further detail on the financial figures for the Summer School maintenance 2012/13 programme.	Director of Services for Communities			
15	19.12.2013	Corporate Governance: High Performing Workforce – Induction and Training	To request that a follow-up report by the Chief Internal Auditor be submitted to the Committee in June 2014.	Chief internal Auditor	June 2014		

No	Date		Action	Action Owner	Expected completion date	Actual completion date	Comments
16	19.12.2013	Internal Audit Quarterly Activity Report – to 30 November 2013	To request that the Director of Services for Communities reports to the appropriate committee as detailed in the confidential schedule, signed by the Convener, with reference to this minute.	Director of Services for Communities			
17	19.12.2013	Internal Audit Quarterly Activity Report – to 30 November 2013	<p>To request that the Director of Services for Communities reports to the Corporate Policy and Strategy Committee in February 2014 outlining the Council's position regarding contractors on a procurement framework:-</p> <ul style="list-style-type: none"> • whose standard of work fell below that stipulated by the framework; • who, having carried out substandard works, sought further work for the Council. 	Director of Services for Communities	February 2014		

No	Date		Action	Action Owner	Expected completion date	Actual completion date	Comments
18	30.01.14	Outstanding actions January 2014	To ask the Director of Corporate Governance to circulate a new press release on the matter of property conservation, emphasising the scrutiny role of the Governance, Risk and Best Value Committee.	Lesley McPherson, Chief Communications Officer	February 2014	31 January 2014	
19	30.01.14	Work Programme January 2014	To ask the Director of Corporate Governance to report in May 2014 on the process of the dissemination and implementation of Committee decisions (including B items) and new methods to inform all councillors of committee decisions.	Director of Corporate Governance	May 2014		
20	30.01.14	Welfare Reform Governance - Update	Further report expected in 12 Months	Director of Corporate Governance	January 2015		

No	Date		Action	Action Owner	Expected completion date	Actual completion date	Comments
21	30.01.14	Governance of Major Projects - Water of Leith and Braid Burn Flood Prevention Scheme -	<p>1) To ask that the Director of Services for Communities to report on this item in April 2014 addressing the following areas:</p> <p>a) The proportion of the final costs of the Braidburn Flood Prevention Scheme paid by the Scottish Government and the breakdown of exposure to risk for the Council and the Scottish Government.</p> <p>b) The breakdown of the £10m increase in main contract costs</p>	Director of Services for Communities	May 2014		

No	Date		Action	Action Owner	Expected completion date	Actual completion date	Comments
			<p>(not utilities) of the Braidburn Flood prevention Scheme and the reasons for the increase.</p> <p>c) Details of the decision process, including any committee involvement surrounding the change in scope for the Braidburn Scheme and the associated costs of this change.</p> <p>d) The expected date for the settlement of compensation claims in regard to the Braidburn Scheme.</p> <p>e) The key 4</p>				

No	Date		Action	Action Owner	Expected completion date	Actual completion date	Comments
			<p>reasons for the increased costs and delay to the Water of Leith Flood Prevention Scheme.</p> <p>f) The lessons learnt from the Water of Leith Scheme, including in regard to contracts and how these are being implemented to ensure they were not repeated in future projects.</p>				

Item 7.1 Work programme

Governance, Risk and Best Value

March 2014

N o	Title / description	Sub section	Purpose/Reason	Category or type	Lead officer	Stakeholders	Progress updates	Expected date
Section A – Regular Audit Items								
1	Internal Audit 12/13 – Overview of internal audit follow up arrangements		Paper outlines previous issues with follow up of internal audit recommendations, and an overview of the revised process within internal audit to follow up recommendations, including the role of CMT and the Committee	Internal Audit	Chief Internal Auditor	Council Wide	Every 3 cycles	April and August 2014
2	Internal Audit Quarterly Activity Report		Review of quarterly IA activity with focus on high and medium risk findings to allow committee to challenge and request to see further detail on findings or to question relevant officers about findings	Internal Audit	Chief Internal Auditor	Council Wide	Every 3 cycles	April and August 2014

N o	Title / description	Sub section	Purpose/Reason	Category or type	Lead officer	Stakeholders	Progress updates	Expected date
3	IA Annual Report for the Year		Review of annual IA activity with overall IA opinion on governance framework of the Council for consideration and challenge by Committee	Internal Audit	Chief Internal Auditor	Council Wide	Annually	September 2014
4	IA Audit Plan for the year		Presentation of Risk Based Internal Audit Plan for approval by Committee	Internal Audit	Chief Internal Auditor	Council Wide	Annually	September 2014
5	CMT Risk Register		Updated Council Risk register being presented for consideration and challenge	Risk Management	Lorna Stewart	CMT	April and September	April 2014
6	Review of CMT Risk Scrutiny		Bi-annual review of CMT's scrutiny of risk	Risk Management	Chief Executive	Council Wide	April and September	April 2014
7	Audit Scotland	Review of Internal Audit	Annual report on internal audit support provided to External Audit	External Audit	Chief Internal Auditor	Council Wide	Annually	TBC
8	Audit Scotland	Annual Audit Plan	Annual audit plan for approval	External Audit	Hugh Dunn	Council Wide	Annually	April 2014
9	Audit Scotland	Annual Audit Report	Annual audit report	External Audit	Hugh Dunn	Council Wide	Annually	December 2014

N o	Title / description	Sub section	Purpose/Reason	Category or type	Lead officer	Stakeholders	Progress updates	Expected date
10	Audit Scotland	Internal Controls Report	Annual report on Council wide control framework	External Audit	Hugh Dunn	Council Wide	Annually	June 2014
11	Audit Scotland	Review of Internal Controls	Progress report on the Council's action plan to address the internal controls highlighted by Audit Scotland for improvement.	Internal Audit	Chief Internal Auditor	Council Wide	n/a	April 2014
12	Audit Scotland	ISA 260	Annual ISA 260 Report	External Audit	Hugh Dunn	Council Wide	Annually	September 2014
Section B – Standing Performance/Project Items								
13	Tram Project Update	Quarterly Review	To monitor the effectiveness of the Project and its governance	Major Project	Colin Smith SRO Colin.smith@edinburghtrams.com	All	Every three months	April and June 2014
14	Governance of Major Projects	6 monthly updates	To ensure major projects undertaken by the Council were being adequately project managed	Major Project	Alan Coyle Major Projects Manager	All	Every 6 months	Bi-annually – May and August 2014
Section C – Scrutiny Items								
15	Water of Leith Flood Prevention	A review of the project	To review the management of the project and investigate	Scrutiny	John Bury Head of Planning		April 2014	April 2014

N o	Title / description	Sub section	Purpose/Reason	Category or type	Lead officer	Stakeholders	Progress updates	Expected date
	Project		lessons learned					
16	Welfare Reform	Review	To be confirmed	Scrutiny	Danny Gallacher, Head of Corporate and Transactional Services		January 2014	January 2015
17	Statutory Repairs	Review	To be confirmed	Scrutiny	Mark Turley, Director of Services for Communities and Cathy King, Head of Housing and Regeneration		June 2014	Final report in 2014

GRBV Upcoming Reports

Appendix 1

Number	Report Title	Type	Flexible/Not Flexible
3 April 2014 Committee			
1	Internal Audit – Overview of Follow up arrangements	Internal Audit	Flexible
2	Internal Audit Quarterly Report	Internal Audit	Flexible
3	Internal Audit – work programme	Internal Audit	Not Flexible
4	Risk Register	Internal Audit	Not Flexible
5	Review of CMT Risk Scrutiny	Scrutiny	Not Flexible
6	Tram Project Update	Major Project	Not Flexible
7	Audit Scotland – Annual Audit Plan	External Audit	Not Flexible
8	Water of Leith/Braidburn	Scrutiny	Not Flexible
22 May Committee			
1	Internal Audit Co-Source	Scrutiny	Flexible
2	Analysis of the performance of Internal Audit	Scrutiny	Flexible
3	Policy Register	Scrutiny	Flexible
4	Internal Controls Phase 2	Scrutiny	Flexible
5	Dissemination of Committee Decisions	Scrutiny	Flexible
6	Governance of Major Projects	Major Project	Flexible
19 June 2014 Committee			
1	Internal Controls – Annual Report	Internal Audit	Flexible
2	Tram Project Update	Major Project	Flexible
3	External Audit – Best Value	Scrutiny	Flexible
4	National Fraud Initiative – Update	Scrutiny	Flexible
14 August 2014 Committee			
1	Internal Audit – Overview of Follow up arrangements	Internal Audit	Flexible
2	Internal Audit Quarterly Report	Internal Audit	Flexible
3	Governance of Major Projects - Update	Major project	Flexible

Governance, Risk and Best Value Committee

10.00am, Thursday, 6 March 2014

SANDS Lothian Funding Support Update

Item number	8.2
Report number	
Wards	

Links

Coalition pledges	
Council outcomes	CO11
Single Outcome Agreement	SO2

Mark Turley

Director of Services for Communities

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Executive summary

SANDS Lothian Funding Support Update

Summary

Stillbirth and Neonatal Death Society (SANDS) Lothian are a voluntary organisation who offer support to bereaved parents who have experienced the death of a baby through miscarriage, stillbirth or soon after birth.

At the Governance, Risk and Best Value Committee on 7 March 2013 it was agreed that SANDS Lothian were to be:

- Awarded £10,000 of emergency funds; and
- A report was to be made after 6 months to the Committee to provide a financial update.

Recommendations

- 1 It is recommended that Committee note the content of this report.

Measures of success

SANDS Lothian along with other agencies will continue to work together to support parents and families affected pending the outcome of the Mortonhall Crematorium Investigation.

Financial impact

There are no financial implications arising from this report.

Equalities impact

The funding contributes to the delivery of the Equality Act 2010 general duties of fostering good relations.

Sustainability impact

No sustainability issues have been identified as a result of this report.

Consultation and engagement

Ongoing communication continues with SANDS and parents and families affected as required by the Mortonhall Crematorium Investigation.

Background reading / external references

- [Governance, Risk and Best Value Committee 24 January 2013 – Item 8.1 Mortonhall Crematorium Investigation: Initial Findings](#)
- [Governance, Risk and Best Value Committee 7 March 2013 – Item 8.1 Mortonhall Crematorium: SANDS Lothian Funding Support](#)

SANDS Lothian Funding Support Update

1. Background

- 1.1 SANDS Lothian are a voluntary organisation who offer support to bereaved parents who have experienced the death of a baby through miscarriage, stillbirth or soon after birth.
- 1.2 At the Governance, Risk and Best Value Committee on 7 March 2013 it was agreed that SANDS Lothian were to be:
 - awarded £10,000 of emergency funds; and
 - a report was to be made after 6 months to the Committee to provide a financial update.

2. Main report

- 2.1 The payment of funds was made in March 2013. It was agreed that this would cover the cost of rent for the years 2013 and 2014 for the premises occupied by SANDS Lothian staff at Craiglockhart, Edinburgh. SANDS Lothian have confirmed that they have committed £9,600 for two financial years rent and used the remaining £400 on postage on behalf of the Council for parents who chose to communicate via SANDS. It is envisaged that the remainder of the funds will also be spent on postage as they continue to communicate with parents throughout the investigation.
- 2.2 Discussions with SANDS Lothian have taken place and they have advised that they were required to take the decision to utilise the funds in this way as they suspended two large fund raising events scheduled for December 2012, which would have raised the funds required for rent. The reason for suspending the events was due to the additional pressures on staff both at a personal level and the requirement for them to be available to support parents at this crucial time.
- 2.3 SANDS Lothian have also had additional expenditure attributable to a security breach which happened earlier in the year and as such they had to expand their office space which meant they had a 50 percent increase in rental costs from £200 to £400 per month. They also had to fund structural changes to the office space to separate their meeting rooms to comply with data protection requirements.
- 2.4 SANDS Lothian have provided further information on the impact on their fundraising levels this financial year and the increased demand made on the service following the events leading to the Mortonhall Investigation. This information is attached at Appendix 1.

- 2.5 SANDS Lothian have provided a copy of their accounts for the last financial year and are happy to do the same at the end of this financial year. Those accounts are attached at Appendix 2.

3. Recommendations

- 3.1 It is recommended that Committee note the content of this report.

Mark Turley

Director of Services for Communities

Links

Coalition pledges

Council outcomes CO11 - Preventative and personalised support in place

Single Outcome Agreement SO2 – Edinburgh’s citizens experience improved health and wellbeing, with reduced inequalities in health

Appendices Appendix 1- Supporting Information Provided by SANDS Lothian
Appendix 2 – SANDS Lothian Accounts for last financial year

APPENDIX 1

Supporting Information Provided by SANDS Lothian

Reduced Opportunities for Fund Raising

Sands Lothian have advised that they would normally have had two main fund raising events in December 2012 the first being a can collection at Tesco which would normally raise around £2000 and the other would have been a disco with auction and raffle, in the past this has raised around £4000.

SANDS Lothian have further advised they were given £800 from an individual doner who had a fund raising event on their behalf

A further doner has provided £100 towards salary costs in 2014/15.

Case Load

Due to the increased case load for Sands Lothian staff they have since, late in 2012, increased working hours for their Manager from 16 to 30 hours per week and for a support member of staff from 10 to 20 hours per week.

Befrienders have also been required to support an increased number of parents and expenditure and expenses have therefore increased.

The table below is a summary of increased activity within Sands:

Activity	Advice & Information	Befriending Tel/Text/Email/Facebook
April 2011 – March 2012	56 cases(Average per month = 5)	338 cases (Monthly average = 28)
April 2012 – March 2013	214 cases (Average per month=18)	509 cases (Monthly average = 43)
April 2013 – 31 December 2013	132 cases (Average per month = 15)	946 cases (Monthly average = 105)

In addition to the above, regular meetings have been held with parents which had high attendance levels. Four public meetings have also been held with approximately 50 -70 attendees at these.

Extended Use of Premises and Increased Rent

- Following the theft of a laptop from the Sands office around the time of the investigation commencing staff were required to separate office and meeting space, this was also to protect individual's right to confidentiality.
- Costs incurred included building stud partition wall
- Painting and decorating
- New additional furniture for befriending room
- New Blinds

COMPANY REGISTRATION NUMBER: SC374997
CHARITY NUMBER SC024375

STILLBIRTH AND NEONATAL DEATH SOCIETY LOTHIAN
(A Charitable Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

STILLBIRTH AND NEONATAL DEATH SOCIETY LOTHIANS

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

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STILLBIRTH AND NEONATAL DEATH SOCIETY LOTHIANS

REFERENCE AND ADMINISTRATIVE INFORMATION

Directors

Terry Dickson
Anna Stamp
Iris Quar

Operations Manager

Dorothy Maitland

Business Advisor

Yuill Irvine

Counsellor

Ruth Wilson

Counsellor (West Lothian)

Jennifer Winton

West Lothian Co-ordinator

Nicola Welsh

Administrator /Cashier

Christine Mackay

Grant Application Assistant/Fundraiser

Helen Henderson

Management Committee

Anna Stamp
Iris Quar (Acting Chair)
Terry Dickson
Evelyn Faulkner
Jacqui Irvine
Dr Normala Mary
Gillian Bell
Ros Lowrie

Salaries Committee

David Henderson
Yuill Irvine

Premises

Craiglockhart Centre
Tournament Building
177 Colinton Road
Edinburgh
EH14 1BZ

SANDS Lothians Charity Shop

92 South Clerk Street
EH8 9PT
0131 668 1300

Solicitors

Lindsays
Caledonian Exchange
19A Canning Street
Edinburgh
EH3 8HE

Bankers

The Co-operative Bank plc
PO Box 101
1 Balloon Street
Manchester
M60 4EP

Independent Examiner

Neil C Andrew
Chartered Accountant
2 Murieston Road
Edinburgh
EH11 2JH

Bank of Scotland

51 South Clerk Street
Edinburgh
EH8 9PP

STILLBIRTH AND NEONATAL DEATH SOCIETY LoTHIANS

MANAGEMENT COMMITTEE'S AND DIRECTORS' REPORT

The Management Committee presents its report and financial statements for the year ended 31 March 2013.

SANDS Lothians is an abbreviation for Stillbirth and Neonatal Death Society Lothians.

REFERENCE AND ADMINISTRATIVE INFORMATION

Details of reference and administrative information are included on page 1.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The company which is a registered Scottish Charity is limited by guarantee and is governed by a Memorandum and Articles of Association. The company was incorporated on 17 March 2010. Before that date the activities of the company were carried out by SANDS Lothians, an unincorporated charitable body, which ceased activities and transferred all of its assets and liabilities to the company on 1 April 2010.

Recruitment & appointment, induction and training of the management committee

Only full members of the association shall be eligible to serve as honorary officers or members of the Management Committee and in the case of the Salaries Committee only full members who are not employees of the association shall be eligible to serve. Nomination for honorary officers or members of the Management Committee and Salaries Committee must be made by full members of the association in writing and must be in the hands of the secretary at least fourteen full days before the annual general meeting. A member may not nominate himself or herself. Should nominations exceed vacancies, election shall be by ballot. A person who has been nominated to serve on a committee will be asked along to a meeting where it will be explained what their commitment to the association will be and it will be discussed how they can honour this.

The directors are appointed as set out by the company's Articles and Memorandum of Association. A summary of the directors who served during the period is included within page 1 of this report.

Organisational structure and how decisions are made

Management of the affairs of the association shall be directed by the Management Committee which shall meet not less than four times a year and shall consist of not less than five members. The members of the Management Committee shall be elected at the AGM. The Salaries Committee whose number shall not exceed seven shall be elected at the AGM. The Salaries Committee shall appoint and fix the remuneration of all staff employed by the association. No employee who is a member of the association shall be available for election to the Salaries Committee. Unless otherwise specified in the constitution, all questions arising at any meeting shall be decided by a simple majority of the votes cast. In the case of an equality of votes, the person taking the chair at the meeting shall have a second or casting vote.

Risk management

The Management Committee is fully aware of the risks to which the Charity is exposed.

The major external risk is the continued lack of dependable core funding. To mitigate this risk the Management Committee continues to explore fundraising opportunities.

OBJECTIVES AND AIMS

Aims

SANDS Lothians is committed to assisting individuals and families affected by the death of a baby, giving them hope to face the future. We continually strive to promote awareness in society of the needs of bereaved individuals and families through the dissemination of information and through co-operation in education and training with the relevant health professionals.

STILLBIRTH AND NEONATAL DEATH SOCIETY LoTHIANS

MANAGEMENT COMMITTEE'S AND DIRECTORS' REPORT (continued)

Objectives

The society's objectives are:

- a. to provide relief to those who have suffered bereavement following a stillbirth or neonatal death, to their relatives and other carers;
- b. to advance knowledge of and expertise in dealing with the effects of stillbirth and neonatal death on parents, relatives and other carers by education, teaching and training in co-operation with the appropriate governing authorities of the professions of medicine and nursing and by any other charitable means; and
- c. to advance education generally concerning stillbirth and neonatal death by the dissemination of information to all interested parties.

Main objectives for the period

- To staff the office for 36 hours per week enabling us to be open and be available to parents for befriending and counselling throughout each week;
- To hold 11 meetings for each of the following groups: Befriending for bereaved parents and their family and friends and Next Pregnancy Support Group;
- To hold 10 meetings for mothers (who have suffered the loss of a baby and have gone on to have a successful pregnancy) and babies to allow them to share their experiences; and
- To participate in 6 tutorials with fourth year medical students from the University of Edinburgh.
- To offer a work placement to at least one Napier University student midwife.

Strategies to achieve the charity's objectives

- Ensure that we have sufficient funding to provide the service by applying to the relevant grant making trusts and by our own fundraising and our members fundraising;
- Ensure that all interested parties receive our information and continue to raise awareness of SANDS Lothians and the needs of bereaved parents and their families and those caring for them;
- Liaise with the relevant health professionals delivering education and care in the new Royal Infirmary and St John's Hospital, West Lothian.

Principal activities

The core services by SANDS Lothians are as follows:-

Befriending Service

To provide opportunities where families who experience the death of a baby at or around the time of birth can reduce their isolation by speaking to or meeting with other individuals or families who have had a similar experience thus enabling them to move on in their own time.

Information and Advice Service

To ensure our potential client group is aware of their rights and responsibilities and of the support services available to them.

Next Pregnancy Support Service

To provide support to parents in a subsequent pregnancy after the loss of a baby due to miscarriage, stillbirth or neonatal death.

Counselling Service

To provide an alternative to medical support. To provide a service to supplement our befriending service for those who require additional help to learn to live with the death of their baby which will enable them to move on in their own time.

Training and Education Service

To assist in the training of health professionals (hospital or community based) so that they are better able to provide support and guidance to bereaved parents and families.

STILLBIRTH AND NEONATAL DEATH SOCIETY LOTHIAN

MANAGEMENT COMMITTEE'S AND DIRECTORS' REPORT (continued)

Long Ago Bereaved Service

To provide support to parents who experienced the death of a baby over 10 years ago. To obtain birth, death or stillbirth certificates and as much information as possible about the burial of the baby if not known.

Memorial Service

To provide at least one special service per annum where parents can join together to remember their babies and to pay tribute to each and every baby who has died due to stillbirth or neonatal death.

STILLBIRTH AND NEONATAL DEATH SOCIETY LoTHIANS

MANAGEMENT COMMITTEE'S AND DIRECTORS' REPORT ACHIEVEMENTS AND PERFORMANCE

Review of 2012/2013 activities and future developments

The start of the financial year saw us half way through Forget Me Not Month which starts on Mothering Sunday with a sponsored walk and balloon release and also preparing for the Edinburgh Marathon to be run in May 2012. As always these two fundraising events bring in large amounts of sponsorship and also raised our profile. The events are also very therapeutic for bereaved parents and their families.

We also reached the final of the Daily Record 'Our Heroes Award' and on the 11th May 2012 at an awards ceremony we were voted first in the community category. Nicola, Jeni and I attended this event in Glasgow which was a wonderful evening and again wonderful publicity for our organisation.

Throughout the year we have increased our services and have introduced a lunchtime drop in group every Monday in the Edinburgh Office and one to one befriending six days each week. We also have our monthly befriending meeting at which we hope to improve numbers as they have fallen over the last year or two. Facebook and e mail has become a very popular method of support. We have eight new volunteer befrienders who have successfully completed the SANDS UK befriending training programme. This has enabled us to offer almost round the clock support.

Due to the hard work of our West Lothian Co-ordinator our services in West Lothian are second to none. We now have secured premises in Craigsfarm in Livingston where regular befriending, pregnancy support and counselling and mother and baby groups are now up and running. They have excellent relationships with St Johns and have been involved in lots of education programmes to Health Professionals. They have regular fundraising events too which helps us maintain these services. A great achievement.

The GP project is now complete and we are confident every GP in Edinburgh and the Lothians have been contacted re our services

We also traced several graves of babies who died some 40 to 50 years ago. This has brought great comfort to many.

The SANDS Lothians book has been very therapeutic for parents. The writer who transcribed the stories has now finished her work and the artist has completed a lot of her work too. We are confident the book will be published in October 2013. We want this to reach a large audience in the hope it will help many parents.

The Mortonhall Scandal hit the headlines in November 2012. This came from a conversation with the Operations Manager of SANDS Lothians and the new Manager at Mortonhall. The Operations Manger had asked the writer of the SANDS book to have a look at other crematoria in Edinburgh and find out how they can recover ashes from babies. When she reported back to the Operations Manager it was decided she would ask Mortonhall why they insist there are no ashes. The new Manager had actually changed procedures and now recovers ashes. Through further investigation it became apparent that parents had been lied to over the years and this has led to an independent investigation by Dame Elish Angiolini. A parliamentary commission is also being done by Lord Bonomy.

Due to all the press coverage the SANDS Lothians Office has been inundated with enquiries. It has stirred up a lot of grief again and the staff is dealing well with the pressure. Staff hours and staffing has been increased to meet the demand. There have been many meetings with the Scottish Government and Edinburgh Council.

The Scottish Government have given us £30,000 to help support the parents for the foreseeable future and Edinburgh Council have given us two years funding for rent and postage.

Due to individuals coming into our office when we are not here we have taken advice from the Police. We have incurred costs by increasing security but feel confident we are much more secure. We have also had Data Protection training and computers have been encrypted. Some new equipment has been purchased to enable easier access to e mails etc when working from home during the tennis tournament when we have to vacate the premises.

It has been a challenging year with many changes for the good to help bereaved parents and their families through one of the saddest events they will ever have to deal with.

STILLBIRTH AND NEONATAL DEATH SOCIETY LoTHIANS

MANAGEMENT COMMITTEE'S AND DIRECTORS' REPORT FINANCIAL REVIEW

Financial activities and results for the period

Incoming resources for the period amounted to £133,181. The Society's main sources of funding continue to be public voluntary donations and fundraising activities.

Total resources expended amounted to £127,639. Direct charitable costs of £89,788 were incurred providing support and counselling for individuals and families affected by the death of a baby. Fund raising expenditure and shop expenditure totalling £36,891 was incurred in the period.

Overall the Society had a surplus in the period of £5,542.

Investment powers and policy

The Society's constitution defines the Society's investment powers in section 3.16 as follows:

"to invest the funds of the Society not immediately required for the objects in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions as at the time may be imposed or required by law."

In practical terms any funds not immediately required for the objects have been placed in an appropriate interest bearing bank account.

Reserves policy

As indicated in the activities and future developments for the period, the Management Committee continue to actively promote the activities of the Society in an effort to attract core funding to allow the Committee to develop future plans.

Taxation

The Society is a charity and is recognised as such by H M Revenue and Customs for taxation purposes. As a result no liability to taxation is anticipated on any of its income.

Statement of Directors' responsibilities

The directors (who are also directors of SANDS Lothians for the purposes of company law) are responsible for preparing the Management Committee's and Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the net income and expenditure, of the charitable company for the year. In preparing the financial statements the trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The directors are responsible for keeping adequate accounting records, that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements, comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The applicable law also sets out the directors' responsibilities for the preparation and content of the Management Committee's and Directors' Report.

The directors are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**MANAGEMENT COMMITTEE'S AND DIRECTORS' REPORT
FINANCIAL REVIEW (continued)**

Small Company Provisions

The directors have prepared this report in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standards for Smaller Entities (effective April 2008).

Approved by the directors and Management Committee and signed on their behalf by.

Iris Quar
Director and Chair (Acting)

Date :

**INDEPENDENT EXAMINER'S REPORT TO THE MANAGEMENT COMMITTEE
OF STILLBIRTH AND NEONATAL DEATH SOCIETY LOTHIAN**

I report on the financial statements of SANDS Lothian for the year to 31 March 2013 which are set out on pages 11 to 16.

This report is made to the Management Committee, as a body, in accordance with the terms of my engagement. My work has been undertaken to enable me to report my opinion as set out below and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Management Committee, as a body, for my work or for this report.

Respective responsibilities of Management Committee and independent examiner

The responsibilities of the Management Committee for preparing the Management Committees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Management Committee's Responsibilities.

The Management Committee consider that the audit requirement of Regulation 10(1)(a) to (c) of the Charities Accounts (Scotland) Regulations 2006 (as amended) (the Regulations) does not apply.

It is my responsibility to examine the accounts as required under section 44(1)(c) of the Charities and Trustee Investment Act 2005 (the Act) and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeks explanations from the Management Committee concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the financial statements.

Independent examiner's statement

In the course of my examination, no matter has come to my attention:

(a) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with Section 44(1)(a) of the Act and Regulation 4 of the Regulations, and
- to prepare financial statements which accord with the accounting records and comply with Regulation 8 of the Regulations

have not been met; or

(b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Neil C Andrew
Chartered Accountant
2 Murieston Road
Edinburgh
EH11 2JH

Date :

STILLBIRTH AND NEONATAL DEATH SOCIETY LOTHIAN

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2013

	Notes	Unrestricted £	Restricted £	Total £	2012 £
Incoming resources					
Incoming resources from generated funds					
Voluntary Income :					
Donations	2	75,249		75,249	38,371
Grants	3	1,750	32,715	34,465	27,770
Membership subscriptions		2,303		2,303	2,239
Activities for generating funds :					
Fundraising activities		5,663		5,663	14,988
Sale of donated goods - shop		15,466		15,466	12,508
Investment income - bank interest		36		36	48
Incoming resources from charitable activities					
Counselling income		-		-	40
Total Incoming resources		100,466	32,715	133,181	95,964
Resources Expended					
Costs of generating funds					
Costs of generating voluntary income	6	28,836		28,836	23,345
Fundraising trading : costs of goods sold and other costs	7	8,055		8,055	8,184
Charitable activities	8	59,698	30,090	89,788	57,333
Governance Costs	9	960		960	960
Total Resources Expended		97,659	30,090	127,639	89,821
Net outgoing resources for the period		2,917	2,625	5,542	6,143
Funds at 01 April 2012		28,272	7,375	35,647	29,504
Funds at 31 March 2013		31,189	10,000	41,189	35,647

All activities are continuing

STILLBIRTH AND NEONATAL DEATH SOCIETY LOTHIANS

**BALANCE SHEET
AS AT 31 MARCH 2013**

	Notes	2012 £	£	2011 £	£
FIXED ASSETS	10		2,322		2,566
CURRENT ASSETS					
Debtors		64		7,505	
Prepayments		324		792	
Cash at bank and on hand		<u>214,967</u>		<u>30,382</u>	
		<u>215,355</u>		<u>38,679</u>	
CREDITORS : amounts falling due within one year					
Accruals		960		3,742	
Deferred income	3	171,092		-	
Tax and Social Security		<u>4,436</u>		<u>1,856</u>	
		<u>176,488</u>		<u>5,598</u>	
NET CURRENT ASSETS			<u>38,867</u>		<u>33,081</u>
NET ASSETS			<u>41,189</u>		<u>35,647</u>
FUNDS					
Unrestricted funds	12		31,189		28,272
Restricted funds	11		<u>10,000</u>		<u>7,375</u>
			<u>41,189</u>		<u>35,647</u>

Audit exemption statement

For the period ended 31 March 2013, the company was entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006.

No notice has been deposited with the company under section 476 of the Companies Act 2006 requiring an audit to be carried out.

The directors acknowledge their responsibility for:

- ensuring that the company keeps accounting records in accordance with sections 386 and 387 of the Companies Act 2006; and
- preparing statements which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its surplus for that financial period in accordance with the requirements of sections 394 and 395 of the Companies Act 2006.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Management Committee on

and signed on its behalf by:

Iris Quar, Director and Chair (Acting)

Company No. SC374997

The notes on pages 11 to 16 form part of these financial statements

STILLBIRTH AND NEONATAL DEATH SOCIETY LoTHIANS

NOTES to the FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

1. Accounting policies

Financial statements convention

The Society is recognised as a Scottish Charity (No: SC024375).

The financial statements are prepared under the historical cost convention and comply in every material respect with applicable accounting standards, the Companies Act 2006, the Charities Accounts (Scotland) Regulations 2006 (amended) and the Statement of Recommended Practice (2005) - Accounting and Reporting by Charities and the Financial Reporting Standard for Smaller Entities (effective April 2008).

Funds structure

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors. Details of the restricted funds can be found in note 11.

Unrestricted funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects.

Donations and grant income

Donations are recorded on an accruals basis. They are recognised when the Society has entitlement to the resources, it is certain that the resources will be received and the monetary value can be measured with sufficient reliability.

Fundraising income

Fundraising income is accounted for in the period to which it relates.

Resources expended

Resources expended are included on the accruals basis and are classified under headings that aggregate all costs related to the category. Liabilities are recognised as soon as there is a legal or constructive obligation committing the Society to the expenditure. The wages costs of the Society have been allocated between restricted and unrestricted expenditure on the basis of an estimate of the time spent by staff on relevant duties. All other expenses are allocated based upon the project to which they relate where such an allocation is possible.

Allocation of overhead and support costs

Overhead and support costs have been allocated between charitable activities. Overhead and support costs, including staff costs, relating to charitable activities have been apportioned on the basis of the time spent by staff on each activity.

Costs of generating voluntary income

Fundraising trading: costs of goods sold and other costs comprise direct overhead costs of the charity shop and direct fundraising expenses.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.

VAT

The Society is not registered for VAT and, accordingly, expenditure includes VAT where appropriate.

STILLBIRTH AND NEONATAL DEATH SOCIETY LOTHIANS

NOTES to the FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2013

Depreciation

Depreciation is provided on tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life by the straight line method as follows:

Computer equipment

Office equipment

- 33%

- 25%

Items below the value of £250 are not capitalised.

2. Donations Received

	2013 £	2012 £
Scottish Government	30,000	-
Other donations individually less than £5,000	<u>45,249</u>	<u>38,371</u>
	<u>75,249</u>	<u>38,371</u>

3. Grants Receivable

	2013 £	2012 £
Edinburgh Voluntary Organisations Trust (EVOT)	-	2,000
Cruden Foundation	750	-
Lloyds TSB Foundation for Scotland	5,715	6,020
Nancy Massey Trust	2,000	-
The Mickel Fund	-	1,000
Comic Relief via Scottish Community Foundation	25,000	14,750
Scottish Community Foundation	-	2,000
The Souter Charitable Trust	1,000	2,000
	<u>34,465</u>	<u>27,770</u>

4. Staff Costs

	2013 £	2012 £
Wages and salaries	68,673	47,579
Social security costs	<u>4,605</u>	<u>2,754</u>
	<u>64,068</u>	<u>50,333</u>

The average monthly number of employees during the year was 6.

Full members of the Management Committee received no remuneration during the period.
Expenditure of £Nil was re-imbursed to members of the Management Committee.

No employee received more than £60,000.

STILLBIRTH AND NEONATAL DEATH SOCIETY LOTHIAN

**NOTES to the FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2013**

5. Allocation of support costs and overheads

The breakdown of support costs and how these were allocated is shown in the table below :

Support Cost	Befriending & Counselling £	Teaching & Info £	Fund- raising £	Total £	2012 £
Rent	1,216	1,216	608	3,040	2,640
Depreciation	749	749	374	1,872	1,381
Insurance	174	174	87	434	478
Telephone	1,200	1,200	600	3,001	2,662
Postage	294	294	147	735	819
Stationery & Office Expenses	790	790	395	1,975	3,033
Repairs	510	510	255	1,275	-
Miscellaneous	895	895	447	2,237	2,307
Accountancy	136	136	68	340	180
Bank Charges	148	148	74	371	417
Website	715	715	358	1,788	3,119
Franking machine leasing	1,741	1,741	870	4,352	2,260
	8,568	8,568	4,284	21,421	19,297

6. Costs of generating funds

	2013 £	2012 £
Costs of generating voluntary income		
Staff Costs	14,519	9,963
Fundraising expenses	9,259	8,750
Travel	514	257
Subscriptions and advertising	<u>260</u>	<u>516</u>
	24,552	19,486
Support costs of fundraising activities (note 5)	<u>4,284</u>	<u>3,859</u>
	<u>28,836</u>	<u>23,345</u>

7. Costs of generating funds

	2013 £	2012 £
Fundraising trading : cost of goods sold and other costs		
Rent and expenses	7,371	7,661
Wages	<u>684</u>	<u>523</u>
	<u>8,055</u>	<u>8,184</u>

STILLBIRTH AND NEONATAL DEATH SOCIETY LOTHIAN

**NOTES to the FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2013**

8. Charitable activities

	Befriending & Counselling £	Teaching & Info £	Total £	2012 £
Staff Costs	29,038	29,038	58,075	39,849
Travel	1,029	1,029	2,058	1,028
Donations	1,768	1,768	3,536	-
Subscriptions and advertising	4,491	4,491	8,982	1,019
	<u>36,326</u>	<u>36,326</u>	<u>72,651</u>	<u>41,896</u>
Support Costs (Note 5)	8,568	8,568	17,136	15,437
	<u>44,894</u>	<u>44,894</u>	<u>89,788</u>	<u>57,333</u>

9. Governance Costs

	2013 £	2012 £
Independent Examination fee	<u>960</u>	<u>960</u>

10. Tangible fixed assets

	Office Equipment £	Computer Equipment £	Totals £
COST/VALUATION			
At 1 April 2012	678	10,707	11,385
Additions	<u>-</u>	<u>1,629</u>	<u>1,629</u>
At 31 March 2013	<u>678</u>	<u>12,336</u>	<u>13,014</u>
DEPRECIATION			
At 1 April 2012	678	8,141	8,819
Charge for year	<u>-</u>	<u>1,873</u>	<u>1,873</u>
At 31 March 2013	<u>678</u>	<u>10,014</u>	<u>10,692</u>
NET BOOK VALUE			
At 31 March 2013	<u>-</u>	<u>2,322</u>	<u>2,322</u>
At 1 April 2012	<u>-</u>	<u>2,566</u>	<u>2,566</u>

STILLBIRTH AND NEONATAL DEATH SOCIETY LOTHIANS

NOTES to the FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2013

11. Restricted funds

	Balance at 1 April 2012 £	Incoming Resources £	Outgoing Resources £	Balance at 31 March 2013 £
Lloyds TSB Foundation	0	5,715	(5,715)	0
The Scottish Community Foundation Comic Relief Fund	7,375	25,000	(32,375)	0
Nancie Massey Trust	0	2,000	(2,000)	0
Edinburgh Council	0	10,000	0	10,000
	<u>7,375</u>	<u>42,715</u>	<u>(40,090)</u>	<u>10,000</u>

The Lloyds TSB Foundation grant of £5,715 was to be used towards the Administrator's salary.
The Scottish Community Foundation Comic Relief Fund grant was to be used to support the salary costs of the Operation Manager and the Senior Befriender.

The Nancie Massey Trust grant was to be used towards the costs of the Outreach Programme.

The Edinburgh Council grant of £10,000 is to be used towards rent and postage costs for the 2 year commencing 01.04.13.

12. Unrestricted funds

	Balance at 1 April 2012 £	Incoming Resources £	Outgoing Resources £	Balance at 31 March 2013 £
General Fund	28,272	100,466	(97,549)	31,189

13. Analysis of net assets between funds

	Tangible Fixed Assets £	Net Current Assets £	Total £
Restricted	-	10,000	10,000
Unrestricted	2,322	28,867	31,189
	<u>2,322</u>	<u>38,867</u>	<u>41,189</u>

STILLBIRTH AND NEONATAL DEATH SOCIETY LOTHIAN

**NOTES to the FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2013**

14. Going Concern

The Society depends upon grants and fundraising in order for it to meet its day to day working commitments. The financial statements have been prepared on the going concern basis which assumes that adequate donations, grants and fundraising income will be received.

Governance, Risk and Best Value Committee

10.00am, Thursday 6 March, 2014

Risk Management – Risk Appetite

Item number	8.3
Report number	
Wards	

Links

Coalition pledges	
Council outcomes	CO25
Single Outcome Agreement	

Alastair Maclean

Director of Corporate Governance

Contact: Lorna Stewart, Chief Risk Officer

E-mail: lorna.stewart2@edinburgh.gov.uk | Tel: 0131 469 3144

Executive summary

Risk Management - Risk Appetite

Summary

In August 2013, the Director of Corporate Governance commenced a project, as part of the co-sourced audit and risk management arrangements with PwC, to re-design the Council's risk management arrangements, ensuring these are fit for purpose, fully integrated into Council business activities and that consideration of risk is integral to decision making going forward.

As the first phase of the design and build process, a risk management framework was approved by the Corporate Policy and Strategy Committee in January 2014. The next stage of this process is for the Corporate Management Team to determine its appetite to risk, in order to ensure that the Council can deliver its services in a cost effective and efficient manner. The risk appetite is intended to create an approach to risk management which is aligned to the Council's strategic vision and objectives, recognising that risks are constantly changing.

The Council's appetite for risk reflects the different types of risk that could impact on the Council's ability to meet its statutory requirements and strategic outcomes, including likely reputational impact and potential financial implications. The Risk Appetite Statement will be circulated on the Orb and made available to all staff to ensure they understand the Council's approach.

This report updates Committee on the new City of Edinburgh Council Risk Appetite Statement (the "Risk Appetite Statement") set out in appendix one.

Recommendations

1. To note the Risk Appetite Statement.

Measures of success

The Risk Appetite Statement is applied consistently throughout the Council leading to strengthened governance and accountability in relation to the Council's key risks.

Financial impact

None.

Equalities impact

None.

Sustainability impact

None.

Consultation and engagement

There has been consultation and engagement with the Corporate Management Team in relation to the Risk Appetite Statement.

Background reading / external references

[Operational Governance update report](#) Governance, Risk and Best Value Committee, 6 November 2012

Alastair Maclean

Director of Corporate Governance

Links

Coalition pledges

Council outcomes CO25 – the Council has efficient and effective services that deliver on objectives

Single Outcome Agreement

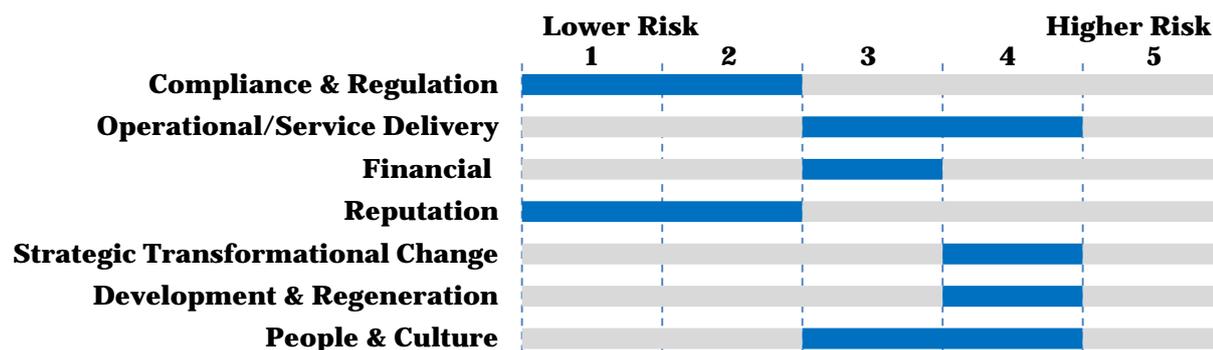
Appendices Appendix one – Risk Appetite Statement

City of Edinburgh Council

Risk Appetite Statement

Risk appetite is the level of risk we are prepared to tolerate or accept in the pursuit of our strategic objectives. Our aim is to consider all options to respond to risk appropriately and make informed decisions that are most likely to result in successful delivery whilst also providing an acceptable level of value for money.

The acceptance of risk is subject to ensuring that all potential benefits and risks are fully understood and that appropriate measures to mitigate risk are established before decisions are made. We recognise that the appetite for risk will vary according to the activity undertaken and hence different appetites and tolerances to risk apply. Specifically, our approach is to minimise exposure to compliance and reputational risk, whilst accepting and encouraging an increased degree of risk in other areas in pursuit of our strategic objectives as illustrated in the diagram and statements below.



Compliance & Regulation – The Council recognises the need to place high importance on compliance, regulation and public protection and has no appetite for breaches in statute, regulation, professional standards, ethics, bribery or fraud.

Operational/Service Delivery – The Council is one of the pre-eminent local authorities in Scotland and accepts a moderate to high level of risk arising from the nature of the Council's business operations and service delivery to deliver an appropriate level of service at value for money, whilst minimising any negative reputational impact.

Financial – The Council aims to maintain its long term financial viability and its overall financial strength whilst aiming to achieve its strategic and financial objectives subject to the following minimum criteria:

- The Council requires to set a balanced overall revenue budget by 11 March every year and Directors must then contain net expenditure within approved service totals;
- In accordance with Council's reserves strategy, a minimum General Fund unallocated reserves balance of £13m should be maintained at all times; and
- The Council's maximum level of variable interest rate exposure on its net debt is (currently) set at 75%.

Reputation – It is regarded as essential that the Council preserves a high reputation and hence it has set a low appetite for risk in the conduct of any of its activities that puts its reputation in jeopardy through any adverse publicity.

Strategic Transformational Change – The environment the Council works in is continually changing through both its internal operations and the services it provides. Change projects provide the Council with an opportunity to be the leading Council in Scotland and also to establish benefits for the longer term. The Council recognises that this may require increased levels of risk and is comfortable accepting the risk subject to always ensuring that risks are appropriately managed.

Development & Regeneration – The Council has a continuing obligation to invest in the development and regeneration of the City. To continue to be progressive and innovative in the work performed the Council is willing to accept a higher risk appetite whilst ensuring that benefits are assessed and risks are fully scrutinised and appropriately mitigated before developments are authorised.

People & Culture – The Council recognises that its staff are critical to achieving its objectives and therefore the support and development of staff is key to making the Council an inspiring and safe place to work. It has moderate to high appetite for decisions that involve staffing or culture to support transformational change and ensure the Council is continually improving.

Governance, Risk and Best Value Committee

Thursday 6th March 2014

Looked After Children: Transformation Programme Progress Report

Item number	8.4
Report number	
Wards	All

Links

Coalition pledges	P1
Council outcomes	CO1-CO6
Single Outcome Agreement	SO3

Gillian Tee

Director of Children and Families

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Executive summary

Looked After Children: Transformation Programme Progress Report

Summary

Expenditure on Looked After Children (LAC) has increased on average by £1.8m a year from 2007 to 2013 as a result of increases in the number of LAC and increased use of purchased foster carers.

Through use of the Early Years Change Fund and initiatives agreed through the Priority Based Planning process the service has developed a transformation programme to shift the balance of care towards more preventative services that reduce the need for children to come into care. This aims to secure better outcomes for children, avoid a continued increase in costs and deliver cashable savings from 2015/16.

This report provides an update on progress to the end of December 2013 against the targets as set out in the original report to Corporate Management Team dated 31st July 2013 and subsequently reported to Governance, Risk and Best Value Committee on 25th September 2013.

Recommendations

It is recommended that Governance, Risk and Best Value Committee:-

1. Note the progress made to date against targets.
2. Note the actions in progress to achieve the future targets to 2018.
3. Note that the next update will be provided in September 2014.

Measures of success

The programme has the following key measures of success (when compared to the position at March 2013). The position at December 2013 relative to targets is also given.

- The target is for annual growth in total LAC to be reduced by 33% from 2013/14 and at December 2013 this is ahead of target.
- There is no net growth in foster placements from 2013/14 to 2017/18 and performance at December is ahead of target.
- The number of foster placements with the City of Edinburgh Council's own carers' increases by 25 a year from 2013/14 to 2017/18, a total increase of 125 placements. Performance at December is behind target.

- The number of foster placements purchased from independent providers reduces by 25 a year from 2013/14 to 2017/18, a total reduction of 125 placements. Performance at December is behind target.
- The number of residential placements reduces by 27% by 2017/18. This is a reduction of 24 placements. Performance at December is behind target in terms of placement numbers but there has been a positive change in the mix of internal and purchased placements that has resulted in the service being ahead of target in terms of cost savings.
- The number of LAC placed with kinship carers increases to 24% of all LAC by 2017/18 and at December is ahead of target.
- The number of LAC placed for adoption increases by 5 in 2013/14 and by 10 a year from 2014/15. Performance at December is behind target.
- The number of secure placements reduces by 50% by 2015/16. This is a reduction of 6 placements and at December is ahead of target.
- The proportion of children Looked After at home increases to 29% of the total LAC population by 2017/18 and at December is behind target.

Where targets are not being achieved actions are being taken to address this and further details are included in the main report.

It should also be acknowledged that the aim is to achieve the optimum balance between different care types and in certain instances being behind target is mitigated by other areas being ahead of target. In addition, emergent issues are being identified, in particular the need to take into account secondary costs associated with the incidental provision of additional educational support and transport. Further details on each of the above areas are contained in the main report.

Financial impact

The Council identified additional funding of £1.789m a year in the Long Term Financial Plan from 2013/14 to 2017/18, a total increase in annual funding of £8.945m by 2017/18.

The transformation programme aims to remove the need for this additional funding and deliver annual cashable savings, against the 2012/13 budget, of £3.135m per annum by 2017/18.

Combined cashable savings and avoided future costs are estimated to be £12.08m for 2017/18.

The investment in the Early Years Change Fund is incorporated within these figures.

The net budget for 2013/14 is £70K and the current forecast is for an underspend of £441K. Further details are contained within the main report.

Equalities impact

It is anticipated that the overall programme will have a positive impact on outcomes for vulnerable children due to the focus on preventative, neighbourhood and family focused initiatives. An Equalities Impact Assessment will be published in accordance with agreed Council processes.

Sustainability impact

There are no direct sustainability implications arising from this report. A Sustainability and Environmental Impact Assessment will be published in accordance with agreed Council processes.

Consultation and engagement

Where the transformation initiatives require consultation with the trade unions, the public or the Scottish Government the relevant consultation and engagement will be undertaken.

Background reading / external references

[Early Years and Early Intervention Change Fund Report – Education, Children and Families Committee 21 June 2012](#)

[Early Years Change Fund Progress Report – Education, Children and Families Committee 21 May 2013](#)

[Looked After Children Transformation Programme - Governance, Risk and Best Value Committee 25 September 2013](#)

Looked After Children: Transformation Programme Progress Report

1. Background

- 1.1 The number of LAC increased from 1,228 in 2007 to 1,395 in 2012, an increase of 14% or an average of 33 children a year and this increased to 1,410 by March 2013. The cost of this increase is £1.8m each year, a total increase of £10.7m since 2007. The Council had been budgeting for continued annual increases of £1.8m a year from 2013/14 to 2017/18.
- 1.2 The growth in LAC has been primarily accommodated within fostering with an increase in placements from 386 in 2007 to 601 in 2013, an increase of 56%.
- 1.3 The majority of this growth has been with independent fostering providers with the average cost per placement being £46K pa.
- 1.4 This trend of increasing numbers of LAC and corresponding increase in purchased fostering is reflected at a national level.
- 1.5 The Scottish Government, in seeing this trend across Scotland, set up the Early Years Change Fund encouraging each authority to identify funding for a minimum of 3 years from 2012/13. This was to implement preventative initiatives designed to reduce the continued growth in LAC and shift investment from expensive intervention measures such as purchased fostering, residential care and secure care to early years, pre-school and early intervention support for families that reduce the need for accommodation and improve outcomes for children and young people.
- 1.6 In February 2012 the Council approved funding of £8.642m from 2012/13 to 2014/15 for the Early Years Change Fund. The Council's Long-Term Financial Plan has built in the continuation of £4.138m per year from 2015/16.
- 1.7 Through the Priority Based Planning process the service developed a transformation programme to change the balance of care for LAC to take effect from April 2013 and targets were set to March 2018. The targets reflect the objectives of the Early Years Change Fund to shift investment from expensive care arrangements to early intervention whilst improving the outcomes for LAC. This includes strengthening universal early years services and providing more support to families to support their children at home.

LAC can be placed in the following placement types. The marginal cost of each placement type is also shown which gives a context to the variance in rates. The transformation programme aims to shift the balance of care towards the lower cost placement types:

Placement type / Client populations	Marginal unit cost pa
Looked After at Home	Minimal. Mainly supported through staffing and some preventative services
Kinship care	£7K
Prospective adoption	£7K
In-house foster care	£26K
Purchased foster care	£46K
Young people's centres and close support	£100K - £150K
Residential schools	£100K - £230K
Secure care	£265K

2. Main report

Balance of Care targets

- 2.1 Appendix 1 sets out the client populations, the objective, and the target placement numbers as at 31st March for each year 2014 to 2018. The target, actual and variance as at 31st December 2013 is also shown. An indicator is shown to indicate if the performance to date is on or ahead of target (green), behind target (red) or whether performance is not displaying a trend and is therefore uncertain (amber).

Further information about each target will provide an understanding of the actions to date, any issues that have arisen and actions being taken to ensure future targets are achieved.

2.2 Looked After Children (all placements)

The target was to reduce the rate of annual growth by a third from an average of 33 placements to 20 a year. The performance is significantly ahead of target with a positive variance to target of 55 as at December, an actual reduction of 38 placements since March 2013.

Analysis of the placements starting and ceasing indicates that this is mainly a result of significantly more children ceasing to be Looked After compared to 2012/13. The number ceasing has increased by 18% this year. There has also been a 7% reduction in the number starting to be Looked After compared to 2012/13.

There are many possible reasons for the reduction in the number of children requiring becoming Looked After. The enhancements to Family Group Decision Making and Family Support services, put in place through the Early Years Change Fund, are likely to be factors as they allow for children to be supported with their families without the need for statutory measures. Increases to universal early years services may also be a factor in supporting families at an early stage and reducing the need for children to become Looked After.

Children and Families has been embedding the principles of Getting It Right For Every Child (GIRFEC) in its operations over a number of years and this may be having an impact on the number of children needing to be Looked After.

Work within Early Years, mainstream and special schools, additional support for learning and disability services has a focus to provide appropriate support at the right time and although the majority of these services sit outside the Early Years Change Fund their contribution is key to the LAC transformation targets being achieved. To date the costs of these services and incidental costs, such as educational support and transport, have not been clear in the balance of care equation. Over recent months however, it has become apparent that in some cases these costs may be substantial and that generally the more complex a child's needs the stronger the argument for making care and educational provision within Edinburgh.

It is too early to say if this rate of reduction will continue or be sustained at existing levels but as the early intervention initiatives put in place over the past 12 months become established we anticipate this may lead to further reductions in the number of children needing to be Looked After.

2.3 Foster Care

2.3.1 Overall placement numbers

Foster placements had increased at an average of 40 a year from March 2007 to March 2013. The target is for there to be no further growth in this population

and this is ahead of target with an overall reduction at December 2013 of 18 placements.

It should be noted that foster care is provided to Looked After Children but also to former Looked After Children i.e. children who were in a foster placement but are no longer legally classed as Looked After when they reach age 18. As part of through care planning for some of these young people a continuation of their foster placement, often whilst attending further education, is agreed.

Looked After Children have reduced by 25 and former Looked After Children have increased by 7 resulting in the net reduction of 18 placements.

The reduction in the LAC population is a result of a significant reduction in the number of foster placements starting which is a likely indication that early intervention initiatives to support children in kinship placements and at home with parents are being effective.

Further work is ongoing to investigate the potential impact on the balance of care targets of a continued increase in placements for young people aged 18 and over. At this stage we expect any increase to be offset by a corresponding reduction in Looked After foster placements to maintain the overall target of zero growth in overall foster placements.

2.3.2 CEC Foster Care

The target is to increase CEC foster placements by 25 a year, corresponding to an equivalent reduction in independent placements, and at December the target would be an increase of 19. The service is behind target by 33 placements as there has been a reduction of 14 placements.

The reduction of 14 is a consequence of the overall reduction of 16 foster placements, however, that still results in a shortfall against target as the aim is to increase the proportion with CEC carers.

Actions taken recently that are expected to improve this position are:

- 11 carers from independent agencies are in the process of transferring to become CEC carers.
- A carer capacity exercise was carried out in the summer where approximately 160 existing foster carers were interviewed to discuss their willingness to take additional placements and what support may be required to enable this to happen. This has resulted in 13 carers being prepared to offer up to 19 additional placements if adaptations to their property can be made to increase the number of bedrooms and bathrooms. This is now being progressed using Early Years Change Fund funding. A further 3 carers in Council housing expressed an interest

if they could be moved to a larger Council house and this is being progressed with Services for Communities.

- Discussions with the Communications Service are taking place on the best ways of targeting carers for the groups we most need to recruit for which are teenagers, siblings, disabilities and permanent placements.
- In November 2013 the new fostering website was launched which has vastly improved the information available to prospective foster carers.

<http://www.edinburghfostering.org.uk/>

The impact of these actions is expected to be seen over the next 6 months and we are confident this will bring the performance on target.

2.3.3 Independent Foster Care

The target is to reduce independent foster placements by 25 a year and at December the target would be a reduction of 19. The service is behind target by 15 placements as there has been a reduction of 4 placements.

The number referred has reduced by 37% this year which demonstrates that the actions to reduce placements are being put in place. However, until the internal capacity is increased the referrals cannot reduce to the required level to achieve the targets.

This position is expected to improve as the impact of the measures detailed in 2.3.2 above is delivered. The extra capacity should enable referrals to independent agencies to reduce further and improve the performance against this target.

The financial impact of the delay in progress on achieving the change in mix between CEC and independent carers is partially mitigated by the savings from the overall reduction in foster placements.

In addition, further analysis of secondary costs, such as educational support and transport, may assist in enabling the most efficient use of independent foster placements where this helps to keep children with more complex needs in Edinburgh where their educational needs can be met more cost effectively and thus reducing overall costs..

2.4 Residential Care

The target is to reduce residential placements by 4 a year and at December the target would be a reduction of 3. The service is behind target by 5 placements as there has been growth in the number of placements by 2.

However, within this position there has been a significant reduction in the number of purchased residential school placements with a net reduction of 6 this year.

The growth, therefore, has been in maximising usage of internal resources which can be delivered at minimal additional cost. Because of this change in mix of purchased and internal placements the service is ahead of its financial target despite the overall growth in placements.

Some of these children are suitable for family based placements and when appropriate kinship or foster placements are identified we expect to move children to these placements in the future.

We are confident that overall numbers will be brought on target over the coming year but in the meantime the savings currently being delivered and expected next year from purchased residential school placements will ensure the overall financial savings are achieved.

2.5 Kinship Care

The target is to increase kinship placements by 15 a year and at December the target would be an increase of 11. The service is ahead of target by 23 placements. This positive performance is believed to be the main reason for the reduction in foster placements and the associated financial benefits this brings.

Over the past year kinship support services have been put in place which supports approximately 100 placements a year. New kinship placements are at the same level as the previous year but the number ceasing has dropped significantly resulting in the overall increase. This is a strong indicator that the practical support now in place for kinship placements is leading to greater stability and fewer breakdowns.

Through the Early Years Change Fund the family group decision making service was doubled a year ago with the objective of identifying more kinship carers for LAC who could not remain with their parents. Along with the practical support now offered to kinship carers we believe this is the reason why there has been rapid growth in these placements.

2.6 Prospective adoptions

The target is to increase the number of prospective adoptions by 5 in 2013/14 and by 10 from 2014/15. This is to address the gap between the number of children where adoption is seen as being in the best interests of the child and the number currently being adopted.

At December the service is slightly behind the target of 4 additional prospective adoptions, however, the number starting the adoption process has increased by 2 from the same period last year and the number of successful adoptions is higher than at this stage in 2012/13.

In November 2013 a new permanence team was created through the Early Years Change Fund with the expectation they will deliver an additional 10-12 successful adoptions a year. This team will be operational by April 2014 and the service is confident this will deliver the targets for 2014/15 onwards.

The service will continue to pursue appropriate adoption placements this year using internal and third party providers and is confident the number adopted will be close to target by March 2014.

2.7 Secure Care

The target is to reduce secure placements by 3 in 2013/14 and at December the target would be a reduction of 2. The service is ahead of target by 3 placements at December and there have been two consecutive months when this has been the case. This is the lowest usage of secure care for a number of years and may reflect the impact of new services, such as MST and the Young People's Service, in working with children at risk of secure care.

The service had 5 secure vacancies at the end of December and 2 of these beds are being sold to other local authorities. The service will seek to sell remaining capacity when demand arises but the main target is to keep Edinburgh usage at 6-7 beds enabling the eventual closure of 1 of the 2 secure units in the future.

2.8 Looked After Children at Home

The target is to increase the proportion of Looked After children supported at home with their parents from 27% to 29% by 2017/18. This reflects a gradual increase over time and the benefits of this are that children remain with their parents and do not require higher cost services such as residential, foster and kinship placements.

At December the proportion had reduced to 24% due to a significant increase in the number ceasing to be Looked After at all. Therefore, the overall reduction in Looked After Children has largely been delivered through reductions in the number Looked After at Home.

The service continues to have the long-term aim of increasing the proportion of Looked After at Home within the LAC population but at this stage welcomes the reduction in the need for children to be Looked After.

As the benefits of Family Solutions, Family Group Decision Making and other early intervention measures increase the service expects the shift between those supported at home and those in accommodation to be delivered.

2.9 Financial Implications

The service has invested in initiatives to stop continued growth in foster care and change the balance of care from high cost provision to lower cost provision.

As this is the first year of the transformation programme investment is required and this is reflected in a budgeted net cost of £70K. The forecast for the year is an underspend of £441K.

Excluding the Early Years Change fund the main reasons for the variances are the shortfall in independent fostering savings which has been mitigated by the overall reduction in fostering placements and the larger than budgeted reduction in purchased residential school placements.

	Budget £K	Forecast £K	Variance £K
Investment			
Early Years Change Fund	4,058	3,703	(355)
Priority Based Planning initiatives	675	216	(459)
Total	4,733	3,919	(814)
Savings			
Transformation savings (cashable)	(2,874)	(2,501)	373
Transformation savings (avoided costs)	(1,789)	(1,789)	0
Total	(4,663)	(4,290)	373
Net Total	70	(371)	(441)

Appendix 2 provides a full breakdown of the investment and savings areas.

2.10 Summary

In the first 9 months of the transformation programme the service has achieved some significant improvements:

- The reduction in the rate of growth of LAC has been achieved and has actually been reversed with a reduction in overall numbers.

- Following average increases of 40 placements a year since 2007 there has been a reduction of 18 placements to date this year which is significantly ahead of target.
- There has been a net reduction of 6 purchased residential school placements and reductions in the costs of internal residential school provision delivering forecast savings of £1.372m, £384K ahead of target.
- Savings in crisis support have been reduced by £449K, £100k ahead of target.
- Usage of secure provision has dropped to its lowest level for many years and is ahead of target. If this can be maintained the aim of reducing the secure estate by one unit will be achievable.
- The kinship care target has been achieved and is significantly ahead of target.
- Adoptions are showing a small improvement on last year and through the creation of a new permanence team the long-term targets should be achieved.

The area where an improvement has not been achieved is in the shift between in-house and independent foster care. However, through the carer capacity exercise, the pending transfer of carers from the independent sector and ongoing work with the Communications Service we are confident that performance towards target will be improved in the coming months.

In addition, further analysis of secondary costs may assist in optimising the overall contribution of the transformation programme to achieving best value.

3. Recommendations

It is recommended that Governance, Risk and Best Value Committee:-

- 3.1. Note the progress made to date against targets.
- 3.2. Note the actions in progress to achieve the future targets to 2018.
- 3.3. Note that the next update will be provided in September 2014.

Gillian Tee

Director of Children and Families

Coalition pledges	P1. Increase support for vulnerable children, including help for families so that fewer go into care
Council outcomes	CO1. Our children have the best start in life, are able to make and sustain relationships and are ready to succeed CO2. Our children and young people are successful learners, confident individuals and responsible citizens making a positive contribution to their communities CO3. Our children and young people at risk, or with a disability, have improved life chances CO4. Our children and young people are physically and emotionally healthy CO5. Our children and young people are safe from harm or fear of harm, and do not harm others within their communities CO6. Our children and young people's outcomes are not undermined by poverty and inequality
Single Outcome Agreement	SO3. Edinburgh's children and young people enjoy their childhood and fulfil their potential
Appendices	Appendix 1 – Looked After Children – Balance of Care targets 2013/14 – 2017/18 Appendix 2 - Transformation Investment and Savings and 2013/14 forecast Appendix 3 – Status Report and Key Milestones

Looked After Children – Balance of Care targets 2013/14 - 2017/18

Client populations	Objective	Lead Officer(s)	Target at March:					Position as at:		Dec	2013
			2014	2015	2016	2017	2018	Target	Actual		
Looked After Children (covering all sub-sets below)	To reduce the rate of increase for this population to +20 or less for the full year.	Becky Cropper, Team Manager, Family Solutions	1,433	1,456	1,477	1,498	1,519	1,427	1,372	-55	
Foster Care	No growth in overall foster numbers. The net difference for the full year should be 0.	Scott Dunbar, Service Manager, Looked After Accommodated Children Services	608	608	608	608	608	608	583	-25	
CEC foster Care	To increase the number of placements with CEC Carers. The net difference for the full year should be +25 or more.	Scott Dunbar, Service Manager, Looked After Accommodated Children Services	368	393	418	443	468	362	323	-39	
Independent foster care	To reduce the number of placements with Independent Carers. The net difference for the full year should be -25 or more.	Scott Dunbar, Service Manager, Looked After Accommodated Children Services	240	215	190	165	140	246	260	+14	
Residential care	To reduce the number of placements. The net difference for the full year should be -4 or more.	Andy Jeffries, Service Manager for Practice Teams	80	76	72	68	64	81	86	+5	
Kinship care	To increase the percentage to 24% of the overall LAC population. The net difference for the full year should be +15 or more.	Gillian Christian, Team Manager, Family Group Decision Making	303	318	333	348	363	299	322	+23	
Prospective adoptions	To increase the number of placements. The net difference for the full year (to March 2014) should be around +5.	Neil Bruce, Team Manager, Permanence Team	44	49	49	49	49	43	41	-2	
Secure care	To reduce the number of placements from 12 to 6 by 2018.	Carole Murphy, Multisystemic Therapy Manager and Steve Harte, Youth Offending Manager	9	6	6	6	6	10	7	-3	
Looked After Children at Home	To increase the percentage to 29% of the overall LAC population. The net difference for the full year should be +10 or more.	Becky Cropper, Team Manager, Family Solutions	389	399	409	419	429	387	333	-54	

Financial Summary - Looked After Children Transformation Plan

2013/14 Forecast and 2014/15 - 2017/18 budgets

Transformation Investment

	2012/13			2013/14			2014/15	2015/16	2016/17	2017/18	Total
	Budget	Actual	Variance	Budget	Forecast Actual	Variance	Budget	Budget	Budget	Budget	Budget
Early Years Change Fund initiatives											
Provide Early Years Centre Services in each neighbourhood - Fort Early Years centre	39,989	39,989	0	127,562	127,562	0	127,562	127,562	127,562	127,562	677,799
Provide Early Years Centre Services in each neighbourhood - Pilrig / Craigentenny	0	0	0	247,836	247,836	0	63,781	63,781	63,781	63,781	502,960
Provide Early Years Centre Services in each neighbourhood - Royal Mile PS/Hope Cottage	0	0	0	154,145	154,145	0	154,145	154,145	154,145	154,145	770,725
Provide Early Years Centre Services in each neighbourhood - Oxcgangs PS	2,600	2,600	0	64,164	64,164	0	64,164	64,164	64,164	64,164	323,420
Provide Early Years Centre Services in each neighbourhood - Clermiston/Rannoch (Fox Covert)	0	0	0	200,000	200,000	0	0	152,580	152,580	152,580	657,740
Early Years Officer to support the development of PEEP	8,069	8,069	0	18,860	18,860	0	9,430	0	0	0	36,359
Pilot of 15hpw provision for 2 weeks across 5 nurseries	0	0	0	17,000	17,000	0	0	0	0	0	17,000
Family Group Decision Making - expand and reprioritise	73,754	73,754	0	176,500	176,500	0	176,500	176,500	176,500	176,500	956,254
Evidence based parenting support programmes	0	0	0	50,000	50,000	0	0	0	0	0	50,000
Parenting Support for parents of older children - expansion	44,681	44,681	0	110,000	110,000	0	120,000	120,000	120,000	120,000	634,681
Expand family support service to provide practical help for families	0	0	0	400,000	400,000	0	540,000	540,000	540,000	540,000	2,560,000
Consistent feedback to named person from Social Care Direct	21,771	21,771	0	71,150	71,150	0	71,150	71,150	71,150	71,150	377,521
Supervised Contact arrangements	0	0	0	69,900	69,900	0	139,800	139,800	139,800	139,800	629,100
Intensive Behaviour Support Service for families affected by disability	0	0	0	59,597	59,597	0	89,395	89,395	89,395	89,395	417,177
Playschemes for children with disabilities	0	0	0	50,000	50,000	0	356,000	356,000	356,000	356,000	1,474,000
Multi Systemic Therapy	15,484	15,484	0	550,000	550,000	0	650,000	650,000	650,000	650,000	3,165,484
Increased support to families with kinship care arrangements	73	73	0	115,444	115,444	0	173,166	173,187	173,187	173,187	808,244
Recruit more City of Edinburgh Council foster carers	146,561	146,561	0	463,000	463,000	0	553,000	553,000	553,000	553,000	2,821,561
Permanence Panel co-ordination	51,840	51,840	0	51,840	51,840	0	51,840	51,840	51,840	51,840	311,040
Programme Support	40,925	40,925	0	70,000	70,000	0	85,000	45,000	45,000	45,000	330,925
Prepare	0	0	0	23,000	23,000	0	30,000	30,000	30,000	30,000	143,000
Permanence Team	0	0	0	0	0	0	237,000	258,000	278,000	298,000	1,071,000
Foster Carer adaptations	0	0	0	496,000	496,000	0	0	0	0	0	496,000
Development Fund	0	0	0	116,666	116,666	0	391,644	42,666	0	0	550,976
Other expenditure items	0	0	0	355,590	0	(355,590)	54,423	279,230	301,896	281,896	1,273,035
Total Early Years Change Fund initiatives	445,747	445,747	0	4,058,253	3,702,663	(355,590)	4,138,000	4,138,000	4,138,000	4,138,000	21,056,000
Priority Based Planning initiatives											
Increased CEC foster placements	0	0	0	525,000	59,000	(466,000)	1,050,000	1,665,000	2,280,000	2,895,000	8,415,000
Domestic abuse programmes	0	0	0	0	0	0	160,000	160,000	160,000	160,000	640,000
Re-provision of SEBD support in mainstream schools	0	0	0	0	0	0	700,000	1,150,000	1,150,000	1,150,000	4,150,000
Increased kinship placements	0	0	0	75,000	100,000	25,000	150,000	225,000	300,000	375,000	1,125,000
Increased adoption placements	0	0	0	75,000	57,000	(18,000)	150,000	225,000	300,000	375,000	1,125,000
Total Priority Based Planning initiatives	0	0	0	675,000	216,000	(459,000)	2,210,000	3,425,000	4,190,000	4,955,000	15,455,000
Total Cost of Transformation investment	445,747	445,747	0	4,733,253	3,918,663	(814,590)	6,348,000	7,563,000	8,328,000	9,093,000	36,511,000

Transformation Savings and Avoided Costs**Transformation Savings (cashable)**

	2012/13			2013/14			2014/15	2015/16	2016/17	2017/18	Total
	Budget	Actual	Variance	Budget	Forecast Actual	Variance					
Reductions to Intensive Crisis Support	0	0	0	(349,000)	(449,000)	(100,000)	(400,000)	(400,000)	(400,000)	(400,000)	(1,949,000)
Purchased residential school placements	0	0	0	(438,000)	(578,000)	(140,000)	(876,000)	(1,314,000)	(1,514,000)	(1,714,000)	(5,856,000)
Sale of secure beds	0	0	0	(534,000)	(524,000)	10,000	(801,000)	(801,000)	(801,000)	(801,000)	(3,738,000)
Reductions in current method of SEBD service delivery	0	0	0	(550,000)	(794,000)	(244,000)	(550,000)	(1,780,000)	(2,646,000)	(2,800,000)	(8,326,000)
Purchased residential placements	0	0	0	(200,000)	(200,000)	0	(200,000)	(200,000)	(200,000)	(200,000)	(1,000,000)
Purchased fostering savings	0	0	0	(803,000)	44,000	847,000	(2,158,000)	(3,513,000)	(4,914,000)	(6,313,000)	(17,701,000)
Total Transformation savings (cashable)	0	0	0	(2,874,000)	(2,501,000)	373,000	(4,985,000)	(8,008,000)	(10,475,000)	(12,228,000)	(38,570,000)

Forecast Costs Avoided

	2012/13			2013/14			2014/15	2015/16	2016/17	2017/18	Total
	Budget	Actual	Variance	Budget	Forecast Actual	Variance					
Fostering - growth in placements	0	0	0	(1,789,000)	(1,789,000)	0	(3,578,000)	(5,367,000)	(7,156,000)	(8,945,000)	(26,835,000)
Total Forecast Costs avoided	0	0	0	(1,789,000)	(1,789,000)	0	(3,578,000)	(5,367,000)	(7,156,000)	(8,945,000)	(26,835,000)

Total savings and forecast costs avoided	0	0	0	(4,663,000)	(4,290,000)	373,000	(8,563,000)	(13,375,000)	(17,631,000)	(21,173,000)	(65,405,000)
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Looked After Children Net Position

	2012/13			2013/14			2014/15	2015/16	2016/17	2017/18	Total
	Budget	Actual	Variance	Budget	Forecast Actual	Variance					
Transformation Investment	445,747	445,747	0	4,733,253	3,918,663	(814,590)	6,348,000	7,563,000	8,328,000	9,093,000	36,511,000
Transformation Savings (cashable)	0	0	0	(2,874,000)	(2,501,000)	373,000	(4,985,000)	(8,008,000)	(10,475,000)	(12,228,000)	(38,570,000)
Cashable costs / (savings)	445,747	445,747	0	1,859,253	1,417,663	(441,590)	1,363,000	(445,000)	(2,147,000)	(3,135,000)	(2,059,000)
Forecast Costs Avoided	0	0	0	(1,789,000)	(1,789,000)	0	(3,578,000)	(5,367,000)	(7,156,000)	(8,945,000)	(26,835,000)
Net costs, (cashable savings) and (future costs avoided)	445,747	445,747	0	70,253	(371,337)	(441,590)	(2,215,000)	(5,812,000)	(9,303,000)	(12,080,000)	(28,894,000)

Looked After Children Transformation Programme Status Report

Sponsor	Gillian Tee	Programme / Project RAG Status	
Project / Programme Lead	Alistair Gaw	Current	Last Period
Portfolio	Transformation	Amber	July 2013
Reporting Period	February 2014	Programme Phase:	Implementation

Status Commentary against overall progress of workstream implementation		
Workstream	RAG	Reason for RAG Status
Fort Early Years Centre		New centre opened and fully operational from August 2013
Craigentenny Early Years Centre		New centre due to open in August 2013
Royal Mile Early Years Centre		New centre due to open in August 2013 and fully operational by April 2014
Oxgangs Early Years Centre		New centre opened April 2013
Fox Covert Early Years Centre		Consultation taking place in December 2013 and report to Committee in May 2014 outlining the proposals
Officer to support development of PEEP		Officer in place since October 2012
Pilot of 15hpw provision in for nursery children		Taking place during summer 2013
Family Group Decision Making – expansion		Service doubled and 4 additional staff appointed in November 2012 and working with clients
Evidence based parenting programmes		Taking place throughout 2013/14
Parenting Support development		Service doubled and 3 additional staff appointed in November 2012 and working with clients
Expand family support service to provide practical help for families		An organisational review has taken place to merge three existing services and to enhance the service. Recruitment has been taking place and the new service will be formally launched in August 2013.
Consistent feedback to named person from Social Care Direct		Additional resources have been in place since February 2013 to ensure this process is in place and operational
Supervised Contact arrangements		Additional staff to undertake work which will release social work staff to work with clients. Staff in post from October 2013
Intensive Behaviour Support Service for families		2 staff in post from October 2013

Status Commentary against overall progress of workstream implementation		
Workstream	RAG	Reason for RAG Status
affected by disability		
Playschemes for children with disabilities		Double the existing provision of 3 weeks holiday respite provision to 6 weeks from August 2014. A tender exercise has been completed and the successful contractor appointed.
Multi Systemic Therapy (MST)		The creation of 2 MST teams has been recruited to with all staff recruited between January and July 2013. The service is fully operational.
Increased support to families with kinship care arrangements		Dedicated support to kinship carers has been in place since October 2012 through a contract with Circle.
Recruit more City of Edinburgh Council foster carers		The additional staffing resources required to support the application process and provide support for 25 new placements during 2013/14 has been in place since September 2012. Additional marketing campaigns have been in place since June 2012.
Permanence Panel co-ordination		The appointment of a Permanence Panel co-ordinator took place in April 2012
Programme Support		A dedicated programme support officer has been in place since April 2012
Family Based Care carer database		A review of the carer database within Family Based Care is taking place to ensure real time information is available on vacancies
Innovation Fund		An innovation fund for the voluntary sector has been put in place and allocations made. Services will be delivered over the period January 2014 to June 2015..
Increased City of Edinburgh Council foster placements		An exercise to interview all existing foster carers took place in July and August 2013. The aim is identify the potential to increase placement capacity with existing foster carers and the actions required to make this happen. Thirteen carers expressed interest in offering up to nineteen additional placements and work is being progressed with these carers on the necessary adaptations. A further three carers expressed interest in taking more placements if they could be provided with a larger council house and this is being progressed with Service for Communities. Targeted marketing campaigns are being developed to attract carers for the harder to recruit clients such as teenagers, sibling groups, children with disabilities and permanent placements.
Domestic abuse programmes		This service has been operational since 2007 and the funding provided will enable it to continue operating at existing levels when Big Lottery Funding ceases in 2013/14.
Re-provision of SEBD support in mainstream and special schools		A proposal to increase capacity within mainstream schools and Gorgie Mills special school is currently out to consultation. The aim is for this to be in place from August

Status Commentary against overall progress of workstream implementation		
Workstream	RAG	Reason for RAG Status
		2014.
Increased kinship placements		Kinship assessment and support is in place. The service is currently reviewing processes to ensure Family Group Decision Making Services are utilised as appropriate to identify kinship networks and the potential to avoid new placements requiring foster or residential care and assess if any existing foster or residential placements have a kinship alternative that could be explored.
Increased adoption placements		The service is currently reviewing its mix of purchased and in-house adoptions to ensure we make the maximum use of available adoption capacity at the most efficient cost. A new permanence team will be created in April 2014 to address the target of 10-12 additional adoption placements a year.
Reductions to Intensive Crisis Support		This service has now been combined with the Youth Offending Service to form the Young People's Service. Work is ongoing to establish the client base the service will work with to complement the other services in place.
Purchased residential school placements		The service is managing the demand for new placements through seeking alternatives within its own provision and through the implementation of the new services. Existing placements continue to be reviewed to identify scope for alternative in-house provision that better meet the needs of the children.
Sale of secure beds		The service is managing the demand for new placements through seeking alternatives within its own provision and through the implementation of the new services. Existing placements continue to be reviewed to identify scope for alternative provision that better meet the needs of the children.
Reductions in current method of SEBD delivery		The service is managing the demand for new placements through seeking alternatives within its own provision and through the implementation of the new services. A proposal to close Wellington School is currently out to consultation.
Purchased residential placements		A residential service purchased from Barnardos was discontinued in July 2012 and alternative family and community based provision re-commissioned.
Purchased fostering savings		The impact of early intervention programmes will reduce the demand for new placements and figures to December 2013 demonstrate this is occurring. The recruitment of additional City of Edinburgh Council foster carers will enable new placements to be placed with our own carers and reduce the number requiring a purchased placement. The service has 6 monthly meetings with independent agencies

Status Commentary against overall progress of workstream implementation		
Workstream	RAG	Reason for RAG Status
		to review placements and through this process will continue to challenge the requirements and associated costs of support packages.

Progress to Plan – Milestone Reporting				
Key Milestones – next and future periods	Start Date	Due Date	RAG	Update
Fox Covert Early Years Centre – consultation complete	December 2013	May 2014		Consultation to take place in December 2013. Report to Committee in May 2014. Construction would begin in November 2014 if approved.
Launch new Family Solutions Service		31 st October 2013		Completed.
Referral criteria for all family support services to be reviewed, revised as appropriate and implemented	Ongoing	31 st March 2014		To ensure all family support services are working with the appropriate clients a review of referral routes needs to be carried out to ensure services are working with the correct levels of need. This work is ongoing.
Supervised Contact arrangements	Ongoing	30 th September 2013		New staff are appointed and in post by 1 st October 2013. Completed.
Intensive Behaviour Support Service for families affected by disability	Ongoing	30 th September 2013		New staff are appointed and in post by 1 st October 2013. Completed.
Playschemes for children with disabilities – tender exercise completed and contract awarded	Ongoing	30 th September		Tenders are evaluated and contract awarded for service to start in summer 2014. Completed.
Playschemes for children with disabilities – new service in place	Summer 2014	Summer 2014		Following award of the contract the enhanced service begins from the summer 2014 school holiday period.
Capacity reviews with existing Council foster carers takes place	July 2013	31 st August 2013		Interviews to identify scope to increase placement capacity
Assess options to increase Council foster carer capacity	1 st September 2013	30 th September 2013		Agreements are reached with foster carers for any actions to increase placement capacity. Completed.

Progress to Plan – Milestone Reporting				
Key Milestones – next and future periods	Start Date	Due Date	RAG	Update
Adaptations to foster carer properties are actioned	1 st January 2014	30h June 2014		Work is taking place with carers, Services for Communities and Legal Services to progress
Targeted foster carer marketing campaigns for hard to place clients are developed and timescales agreed	Ongoing	30 th March 2014		Continue to work with the Communications service to develop targeted foster care recruitment campaigns
Agree the format and process of the Innovation Fund with EVOC	Ongoing	31 st August 2013		Continue discussions on process for requesting and assessing bids and making agreements
Re-provision of SEBD support in mainstream schools –	Ongoing	31 st July 2014		Proposal out to consultation
Review in-house and purchased adoption provision and develop revised working arrangements	Ongoing	31 st March 2014		New permanence team to be in place from April 2014. Work ongoing with Procurement for agreements with third party providers.
Complete the review of Intensive Crisis Support services and implement new service model	Ongoing	31 st March 2014		New structure agreed and in place. Work to agree client base ongoing.
Performance Monitoring of workstreams to be implemented	1 st August 2013	31 st March 2014		Monitoring framework agreed by Balance of Care Group. Implementation in progress through consultation with managers and EVOC..
Performance Monitoring Implementation Officer to be appointed	1 st July 2013	30 th August 2013		Completed
Analysis of secondary costs associated with educational support and transport to be prepared	1 st February 2014	31 st July 2014		Work has started with CTU to identify all transport costs for LAC so that the total cost of care and education packages can be determined. This information will help in identifying the most efficient care package options in the future.