

**Company number SC129392**  
**Charity number SC017954**

**LOTHIAN CENTRE FOR INCLUSIVE LIVING**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 MARCH 2016**

**BROWN, SCOTT & MAIN**

**Chartered Accountants and Statutory Auditor**

# **LOTHIAN CENTRE FOR INCLUSIVE LIVING**

## **REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

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# **LOTHIAN CENTRE FOR INCLUSIVE LIVING**

## **DIRECTORS AND OFFICERS**

### **CONVENOR**

Jeff Adamson

### **OTHER DIRECTORS**

Liz Pearston  
Louise Doctor  
Robert MacPherson  
John Ballantine  
David Brown

### **CHIEF EXECUTIVE**

Florence Garabedian

### **TREASURER**

Liz Pearston

### **REGISTERED OFFICE**

Norton Park Centre  
57 Albion Road  
Edinburgh

### **AUDITORS**

Brown, Scott & Main  
91 West Savile Terrace  
Edinburgh

### **BANKERS**

Clydesdale Bank PLC  
Edinburgh  
  
The Co-operative Bank plc  
Manchester

### **COMPANY NUMBER**

SC129392

### **CHARITY NUMBER**

SC017954

# **LOTHIAN CENTRE FOR INCLUSIVE LIVING**

## **REPORT OF THE DIRECTORS**

The directors present the audited financial statements for the year ended 31 March 2016.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governing Document**

Lothian Centre for Inclusive Living (LCiL) is a charitable company, limited by guarantee without a share capital, which was incorporated on 17 January 1991. LCiL is recognised as a charity by HM Revenue and Customs and by the Office of the Scottish Charity Regulator. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up the liability of each member is restricted to £1.

### **Appointment of Directors**

The directors of the company are also charity trustees for the purposes of charity law. The LCiL Board can have a maximum of 12 directors and a minimum of 6. As a user-led disability organisation, at least 51% of the directors must be disabled people and the Convenor must always be a disabled person. In this way, the Board ensures that the needs of its service-users are appropriately reflected through the diversity of the directors.

Any member who wishes to be considered for appointment as a director by means of ordinary resolution at an Annual General Meeting (AGM) must first lodge a written notice with the organisation of their intention. The application must be signed by the two members who serve as proposers/nominators, and must also contain a statement as to whether or not the proposed member identifies as a disabled person. Alternatively, a member may be co-opted by the directors at any time, subject to ratification at the subsequent AGM.

The directors strive to bring appropriate knowledge and experience of and to LCiL's services, and further business and strategic skills to the LCiL Board through appointments of new directors. The skills and experience of the Board are kept under review by means of annual training needs analysis and mapping of existing knowledge. If a gap in any specific area develops, individuals with relevant skills and experience are invited to join the Board of Directors on a co-opted basis.

### **Recruitment, Induction and Training of Directors**

LCiL has a targeted recruitment process which, as mentioned above, actively recruits directors to match any identified skills gaps. The recruitment process for directors includes a written application from the nominee detailing their experience, skills and knowledge of the organisation's values and services. Declaration of Eligibility and Declaration of Interest forms must also be completed and submitted to existing Board members who will assess whether the details given indicate a good 'match' for the organisation and requirements of the Board. All new directors receive induction and training on LCiL's services and on their roles and responsibilities as board members. This induction process is consolidated by the Directors' handbook which comprises; Director's job description, staff job descriptions, financial information, policies and procedures, organisation chart and such other items as the history of LCiL, the independent living philosophy and the Social Model of Disability. The induction is planned jointly by the Chief Executive and Convenor.

Every two or three years LCiL holds an event involving both staff members and directors to collaborate on and plan the strategic direction of the organisation. Such events foster improved communication and allow directors the opportunity to get to know their key resource – the staff team. In addition to this members of the Board attend some of the staff meetings.

New directors have a 'settling in' period which involves their attendance at three consecutive Board meetings, during which time references and PVG Scheme membership will be sought. At the end of this period a review process is carried out by existing Board members to ascertain the suitability of the new director, and provide a forum for feedback from both parties.

# **LOTHIAN CENTRE FOR INCLUSIVE LIVING**

## **REPORT OF THE DIRECTORS (CONTINUED)**

### **Risk Management**

The major risks to which the charity is exposed, as identified by the trustees, have been reviewed and systems or procedures established to manage those risks.

The most significant risk faced by LCiL remains financial uncertainty. Although the Self Directed Support (SDS) (Scotland) Act 2013 mentions the need for support to be made available to SDS recipients, the increasing 'market approach' does not necessarily favour user led support organisations such as LCiL. The prospect of our services being tendered for, or the shift from a contract with local authorities to selling services to individuals, makes the future of our organisation quite unpredictable. Most importantly, the broad framework for Local Authorities' achievement presents a real risk that funding for new and innovative projects to support new approaches to service delivery will not be seen as a priority.

Putting LCiL's services out to tender, could result in different service specifications that could compromise the ethos and / or quality of our service delivery. To address this LCiL is trying to maintain good and transparent relationships with local authorities and it provides regular and reliable information about service delivery and service users feedback on services received.

### **Influencing Factors for Current Local Authority Financial Constraints**

The issue of adequate resourcing remains the central challenge on a number of levels:

- Despite an increase of activities and an increasing number of supported service users, local authorities are not increasing their funding. This is due to the very tight national and local budget constraints. We are certain that local authorities will continue to decrease their investment in the care sector. Along with radical changes, reduction or withdrawal of services is anticipated on a scale never seen before.
- The UK led welfare reform is hitting hard many disabled people, people with long term conditions and their families. The impact is now fully felt by voluntary sector organisations and by local authorities too. At a time when local authorities are experiencing an unprecedented need to develop, and invest in prevention programmes they at the same time are required to respond to increasing demand from people in crisis.
- The current policy driving the integration of health and social care brings major challenges as well as opportunities to local authorities. In the Lothians the combined health and social care budget, while increasing joint practice, presents challenges for all institutions including a major cultural shift to consider new ways of allocating resources. In the longer term it may enable some savings to take place and a more efficient use of these resources.
- The freeze on the council tax exacerbates pressures on Local Authority budgets, thus effectively reducing funds available. To address this some local authorities increase personal contributions required from individuals towards their own care/support packages while they reduce care packages more generally.
- Although local authorities do not have to follow a tendering process in the commissioning of services in the care sector, many choose to do so in order to drive down costs and reduce the number of agencies they work with. In what way can a support organisation evidence best value? Will best value be judged in terms of finance only or will it also include individual quality of life it enables people to have? The current procurement processes continue to raise some fundamental questions on how qualitative outcomes and social returns are part of the final selection of agencies.
- At an individual service user level, this translates to the criteria for accessing community care services becoming more restrictive. In addition, community care charging policies continue to act as a barrier to disabled people's employment and geographical mobility.

# **LOTHIAN CENTRE FOR INCLUSIVE LIVING**

## **REPORT OF THE DIRECTORS (CONTINUED)**

LCiL's Chief Executive, however, regularly produces risk analyses for the Board of Directors, highlighting such factors as;

- Project funding timescales, in particular the relevant exit strategies
- Any unexpected increases in overheads
- Any internal issue which may result in formal action against the organisation
- Any complaints or potential complaints from service-users and stakeholders
- Any significant external policy or legislative changes

It is important to recognise that LCiL operates in an ever changing and increasingly competitive external environment.

### **The Changing External Environment in which LCiL Operates**

Welfare Reform continues to affect a significant number of disabled people, people with long-term conditions and older people (i.e. the client group LCiL works with).

- The UK Independent Living Fund ceased to exist on 1<sup>st</sup> July 2015. The Scottish Government, however, in conjunction with Disabled People Organisations (DPOs) and other organisations, committed to setting up a new Scottish ILF (ILF-Scotland) which commenced on 1<sup>st</sup> July 2015. All current ILF recipients were successfully transferred into the new ILF-Scotland thereby ensuring continuity of their funding and support. The Scottish Government has committed to open ILF Scotland to new recipients and made £5 million per year available for this. This again should be progressed in conjunction with other organisations including DPOs.
- Disability Living Allowance is being replaced by the new benefit, the Personal Independence Payment (PIP) for all new claimants. The full impact of the changeover won't be felt until at least 2017. The overall budget for PIP has been cut by 20% and as a result around 800,000 current claimants are expected to lose benefit funding with average loss to claimants per household and individual claimant estimated to be around £26,000 per annum.
- Incapacity benefit no longer exists. All claimants have to go through a Work Capability Assessment and move onto Employment Support Allowance or Job Seekers Allowance.
  - Moving disabled people from Incapacity Benefit onto Job Seekers Allowance will result in savings of £4.87 billion, approximately half of the overall 20% cut to the welfare budget.
  - This represents a loss of £9,000 for each person moving onto JSA
- Housing benefit is severely restricted. Of the 105,000 households affected by the under occupation penalty, 83,000 (79%) report having an adult with a disability (as recognised within the Disability Discrimination Act) living in the household.
- Overall, 3.5m disabled people in Britain will have lost over £9.2 billion of critical support as a result of this welfare reform.
- The Independent Living in Scotland Project (ILiS) is about growing and strengthening the Independent Living Movement in Scotland. It also supports those disabled people, and their organisations, who contribute to the national Independent Living Programme alongside the Scottish Government, COSLA and NHS Scotland. ILiS is heavily involved in making the various stakeholders accountable to the Programme.

# LOTHIAN CENTRE FOR INCLUSIVE LIVING

## REPORT OF THE DIRECTORS (CONTINUED)

- The integration of health and social care presents disabled people with an opportunity to see better integrated services reducing the current silo approach between services. The main concern is how much influence disabled people, people with long term conditions, and service users can have on the agenda to ensure that it delivers for them and does not become a power/funding war between two very different kinds of organisations and cultures i.e. health and social care.
- The most important change, however, which is directly impacting on LCiL service users and on our organisation is the SDS (Scotland) Act 2013 which, since its enactment on 1<sup>st</sup> April 2014 imposes a duty on local authorities to systematically offer SDS to the majority of people eligible for care/support. SDS consists of 4 options:
  - Option 1 - a direct payment
  - Option 2 - The responsibility of the financial management of the individual budget remains with the local authority whether it directly manages it or it delegates the task to a third party
  - Option 3 – A direct service
  - Option 4 – A combination of the above
- The referendum on an independent Scotland has been a major event for the country and has demonstrated that Scottish people would like to engage directly and differently with decisions that shape their communities and society. The impact of the Smith Report which will shape future policy developments between Scotland and the rest of the UK is not clear in many areas, particularly welfare issues and future tax powers (areas directly impacting on disabled people lives).
- In addition to its potential wider impact on Scottish politics Brexit is now clouding much of the progress achieved by and for disabled people, nationally and at European level. Leaving the European Union (EU) raises many questions about the ability of the UK to remain faithful to the human rights agenda led by the EU and to policies protecting the rights of disabled people in particular.

The above changing context has an impact on LCiL and its service users. Some of the policy changes have positive effects in moving forward the Disability Equality and Independent Living agenda, whilst others such as the Welfare Reform have a direct negative impact on our service users.

Finally, at an operational and practical level, staff and visitors' exposure to risk is minimised by stringent application of Health and Safety and Lone Working good practices.

All of LCiL's policies are regularly reviewed to ensure that they are up to date, correctly implemented and monitored.

In these ways the Directors can ensure that systems are in place to mitigate LCiL's exposure to main risks.

### **Organisational Structure**

The directors of LCiL set the overall policy and strategic direction of the organisation. The directors hold regular 6 weekly board meetings which the Chief Executive attends in the capacity of Company Secretary, in which role she has no voting right.

Day to day responsibility for the provision of services and implementation of the organisation's business plan is delegated by the Board to the charity's Chief Executive.

Remuneration levels for senior management and all other employees of the charity are set in accordance with national annual Scottish Joint Council salary scales.

# **LOTHIAN CENTRE FOR INCLUSIVE LIVING**

## **REPORT OF THE DIRECTORS (CONTINUED)**

### **Partnership Working**

LCiL works in partnership with a range of organisations at both a national and local level, and within the disability communities. Through working collaboratively with other organisations, LCiL aims to ensure that a holistic range of services is available to disabled people, and that duplication of service provision does not occur.

### **1. Disability Organisations**

Within the disability community, LCiL works with organisations at both local and national levels. LCiL has a history of sharing its skills, knowledge and experience with Disability Support Organisations Scotland-wide and continues to work closely with them, particularly those involved in Independent Living. For example, LCiL works closely with its sister organisation, Glasgow Centre for Inclusive Living (GCIL), Inclusion Scotland, Glasgow Disability Alliance (GDA), Self Direct Support Scotland (SDSS) and some of its member organisations.

- LCiL's Chief Executive is Chair of SDSS.
- LCiL is a key organisation amongst the Scottish Independent Living Coalition (SILC). SILC provides opportunities to develop joint initiatives or responses to policies to promote disabled people's human rights and Independent Living as a whole. With SILC, LCiL took part in the preparation of 2 major policy documents, ie the COSLA Disability Delivery Plan and the Scottish Government Disability Delivery Plan. Both Plans will be implemented and scrutinised over the years to come.
- In 2015-16, under ILiS and Inclusion Scotland leadership, LCiL participated with other organisations in a systematic review of the social care role in our society and to consider what was necessary to secure its future for the benefit of people in Scotland and to formulate a Statement of Ambition which was launched by the Health Cabinet Secretary in July 2016.
- GCIL, which was supported by LCiL at its outset, remains a close partner. Regular meetings are held with GCIL and other like-minded organisations to exchange ideas and good practice. These meetings also serve as a forum to identify, monitor and evaluate the potential implications of legislative change and government policy.
- LCiL continues to offer advice and information to other emerging CIL's and Direct Payment support organisations or services.
- On a UK wide level, LCiL is a member of the Disability Rights UK

### **2. Other Organisations**

- Although the SDS Act and the SDS strategy should have initiated activities and developments with the City of Edinburgh Council, and East, West and Mid Lothian Councils, it appears that local authorities are struggling to cope with the scale of change and are scaling down their level of collaboration with organisations like LCiL. The LCiL Champions who had previously been invited to share their lived experience and views on a number of issues saw a decrease in such invitations. Nationally, however, LCiL took part in a number of projects:
  - LCiL's CEO, also Chair of SDSS, continued to co-chair and provide leadership to the Independent Living Fund Scotland Project Board overseeing the change from UK ILF to the Scottish wide organisation, including the smooth transfer of funds to its 3,000+ members' on 1<sup>st</sup> July 2015.
  - LCiL formalised its relationship with NHS Lothian through 2 specific partnerships, supporting people with Chronic Obstructive Pulmonary Diseases (COPD) and carers of people using the reduced Lanfine Unit in Edinburgh.
- The organisation continues to collaborate on a national and local level with groups which are service user specific. E.g. MS related organisations, Chest Heart & Stroke Scotland, Muscular Dystrophy Group.

# **LOTHIAN CENTRE FOR INCLUSIVE LIVING**

## **REPORT OF THE DIRECTORS (CONTINUED)**

- During the period LCiL was also a member of the Long Term Conditions Alliance in Scotland (now the ALLIANCE) whose key objective is to give a national voice to the estimated 2 million people in Scotland who live with long term conditions.
- LCiL continued its close working partnership with VOCAL (Voices of Carers Across Lothian) and developed a closer relationship with CoEL (Carers of East Lothian) which was cemented through a formal partnership funded by Scottish Government in October 2015.
- In addition, LCiL has worked collaboratively with the following organisations:  
EVOC, Thistle Foundation, In Control Scotland, The Edinburgh Development Group, Action Group, Penumbra, CCPS, LGBT, Support in Mind, Stafford Centre, Barony Contact Point, Children in Scotland, Kindred, Midlothian Voluntary Action, Changing Support, Changing Lives, Lothian Autistic Society, Self Directed Support Scotland, Action for Sick Children, Barnardos, Dunfermline Advocacy, Advocard, FAB, Signpost West Lothian, Disability West Lothian, Capability Scotland, ECAS, CAPS, Scottish Independent Advocacy Association, PASDA, Activities undertaken in conjunction with the foregoing organisations include LCiL providing presentations and delivering SDS workshops, consultation exercises, information exchange enabling reciprocal referrals and joint planning of a national conference.

Finally, LCiL has responded to:

- The consultation on aids and appliances and the daily living component of Personal Independence Payment (PIP) December 2015
- Response to CEC Health and Social Care Draft Contribution Based Charging Policy Consultation July 2015
- Scottish Government focus group on future powers for Social Security in Scotland (October, 2015).
- Joint response to Fairer Scotland with Inclusion Scotland following consultation event in September 2015.

## **OBJECTIVES, ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE**

### **Principal activity**

The principal activity of the company, as a registered charity, is to support disabled people to live independently.

### **Objects**

The charity's objects, as stated in its governing document, are to promote choice, status, independence and the opportunity to live a full and rewarding life as competent and valued members of the community for people with impairments, thus preventing segregation and reducing dependency.

### **Review of the year**

Independent Living remains at the heart of everything LCiL does and the four fundamental aims of the ongoing strategy are leading LCiL to an exciting future.

#### **1. LCiL is a well resourced organisation**

In 2015-16 LCiL continued to use its flexible, realistic and transparent service costings to sustain a balanced budget. LCiL aims to achieve full cost recovery funding from LAs and costs its services, hourly rates and unit costs accordingly when discussing future service level agreements.

# LOTHIAN CENTRE FOR INCLUSIVE LIVING

## REPORT OF THE DIRECTORS (CONTINUED)

LCiL continues to develop and deliver/facilitate tailored training courses for other voluntary and private sector organisations as a means of bolstering its earned income potential, including providing Disability Equality Training courses to the Scottish Parliament and Inclusion Scotland and running workshops with Capability Scotland.

The Financial Management Support Service which generates income by contracting with individuals, local authorities, statutory bodies, and service providers sees an increasing demand.

The renewed Scottish Government grant enables LCiL to run the SDS Development Programme for 3 further years, aiming at responding pro-actively and effectively to the changes, challenges and opportunities brought by the SDS Act and the local implementation of SDS strategies. This grant also provides funding for the Champions Programme.

LCiL continues to apply to trusts, foundations and take up any other funding opportunities on an ongoing basis. It is very clear, however, that raising funds, a time consuming operation, is becoming increasingly difficult and brings fewer rewards as a result of shrinking resources and increased competition.

### **2. LCiL is a modern and innovative organisation which provides**

- **individual services**
- **one-stop-shop**

Pioneering new projects and responding holistically to disabled people's expressed needs is a continuing goal for LCiL. The SDS Development Programme is increasing our capacity to do even more of this. The programme enabled:

- LCiL to develop a strategic response to local SDS developments in the Lothians and to ensure that our future support/information services meet the local demand effectively and creatively.
- LCiL to continue to review staff practice in relation to the individual outcome focused approach which is integral to SDS. To this end, near the end of the financial year, LCiL was able to offer to all staff Good Conversations training programme developed by the Thistle Foundation, the ALLIANCE and Government Joint Improvement Team (JIT).
- LCiL senior management team to make the most of U.Lab Massive Open Online Course (MOOC) that was shared across the world through local hubs including one in Norton Park Centre.
- LCiL to offer to all staff the opportunity to attend guided mindfulness sessions and learn how to use this tool in a both professional and personal capacity. This was in recognition that staff and volunteers should be supported with the very fast pace of change and many challenges they face on a daily basis.
- LCiL / GCiL in partnership to continue to develop and pilot a web-based SDS support service management system that would have met the changing needs of SDS support organisations and service users in Scotland. Due to the lack of progress by the developing provider, however, LCiL has now pulled out of the project and is in the process of developing a tailor made case management system that should be ready by the end of December 2016

In 2015-16 LCiL has continued to expand its financial management support service to service users who either do not have the capacity to manage the financial and administrative aspects of their DP/SDS package or who simply prefer to purchase this support to relieve them of the burden of such tasks. To facilitate this support, LCiL holds and operates individual "client bank accounts" on behalf of service users. In developing new models, LCiL remains committed to providing types of support, identified as needed by our service users, and at the lowest possible cost to them, whilst maintaining sustainable funding for the organisation.

# LOTHIAN CENTRE FOR INCLUSIVE LIVING

## REPORT OF THE DIRECTORS (CONTINUED)

LCiL updated the content of the website this year with over 100 factsheets and publications available to download free from the site, including a resource bank on Access to Work and a number of Grapevine resources for people to prepare for benefit claims and challenge decisions. Recognising the role of social media in supporting communication and information LCiL continues to post messages and information through facebook and twitter with an increasing number of followers. Ten thousand more visitors than last year, accessed LCiL's website with over one-hundred thousand page views. 37% of all users now access the website via their mobile devices (e.g. smartphone/tablet), which reflects the growing number of people engaging in new technology online.

Main statistics covering the period from April 2015 – March 2016

15,347 people visited LCiL's website

- Number of Visits – 31,086
- Page views – 111,446
- Pages looked at per visit – 3.59
- Average Visit Duration – 3.17
- % New Visits – 48%

As part of information provision and sharing events via online outlets the number of people we engaged with on social media, via Facebook and Twitter increased:

	Twitter	Facebook
April 2015	432	261
March 2016	573	340

Twitter followers increased to over 140 people thus becoming an increasingly popular method of online engagement with LCiL and our followers/supporters, particularly to promote Independent Living news stories, and promote our events and workshops to other online groups and organisations, for example Parent and Carer Peer Support Group.

### 3. LCiL develops, sets, and maintains standards of excellence

In 2015-16 LCiL continued to record a variety of data and information to measure the impact our support has on the lives of people. Feedback received provides vital information for future planning. Our biennial service satisfaction survey (November 2015) clearly demonstrated how service users appreciated the quality of services and recognised the difference they made into their life.

*"Just that I think it is a brilliant organisation. So many people simply shrug their shoulders to questions you ask – that doesn't help me – LCiL never do that."*

*"The support LCiL have given me has been most beneficial and made me more responsible for decisions I can make for myself with the help of my PA as well. I can't thank the organization enough. Thank you."*

- 99% of respondents indicated that it was important to them that LCiL remained a one-stop shop, providing all services as one organisation. 79% strongly agreed with this statement.
- 98% of respondents agreed that their needs had been met in a reasonable and appropriate timescale, with 79% strongly agreeing.
- "Even if I may not use LCiL for a year or more, it is important for me to know it can help me at any time." 99% of respondents agreed with this statement, with 70% strongly agreeing.
- 78% of respondents strongly agreed that the LCiL service(s) they used had fulfilled their expectations. 22% agreed.
- 79% of respondents strongly agreed that they had confidence in the competence and knowledge of LCiL staff. 19% agreed.

# LOTHIAN CENTRE FOR INCLUSIVE LIVING

## REPORT OF THE DIRECTORS (CONTINUED)

We continue to receive positive comments from service users that also enable us to measure the success of the organisation and, more importantly, ensure that services respond to the needs of our service users.

As part of the review of our core services by The City of Edinburgh Council 15 service users gathered one afternoon in November 2015 and powerfully explained to 3 Council Commissioners how and why they valued their organisation, including the user-led and peer support elements crucial to it. It is our understanding that this conversation profoundly impacted on CEC colleagues' understanding of the value of user-led organisations and peer support.

### **4. LCiL is an independent, strong value-based, pro-active organisation which leads the future on Independent Living and works in partnership with other organisations**

LCiL continues to be involved in significant national developments and is recognised in its field. As the leading organisation on Pension Auto-enrolment for PA employers, and in partnership with SDSS, LCiL Operations Co-ordinator was the speaker of an event and Webinar that provided vital information to local authorities, Scottish Government and other interested organisations.

LCiL's CEO:

- was one of four people sponsored by the Scottish Government to attend the Presencing Institute Presencing Foundation Programme – Collective Leadership for Profound Innovation and Change, in Berlin (Germany) in June 2015. She subsequently was actively involved in the Scottish Government led U.Lab initiative in Scotland.
- as Chair of Self Directed Support Scotland (SDSS) continued to co-chair the interim Board of the new emerging ILF-Scotland Board with a Scottish Government colleague, while managing the ILF Manager, until a more permanent Board was in place.
- also as Chair of SDSS actively participated in the SDS National Group (led by Scottish Government)
- became a member of the Lanfine Breaks from Caring Fund Panel.
- actively contributed to the Direct Payment & PA Working Group, and the COSLA Working Group on Commissioning for SDS.

Working closely with the Independent Living in Scotland (ILiS) project LCiL was able during this period to take part in important policy discussions on the integration of health and social care, care charges and further implementation of Independent Living. In addition to this ILiS and Inclusion Scotland proved to be a great source of information and reference to shape LCiL's own policy position or responses.

Locally LCiL has also been involved in important developments, such as:

- In Edinburgh: Core Group, LOOPs
- Within CEC's disability services: LCiL's Grapevine service worked with CEC colleagues on the transformation of the Gateway project (led by CEC) to a new structure as Firhill and Craighall Day Centres were closed to physically disabled people and many former services provided from these centres, such as Edinburgh Community Stroke Service were moved to Longstone Resource Centre (see more information in Grapevine section).
- In Midlothian: Vocal Midlothian, Joint Physical Disability Planning Group
- In East Lothian: the SDS Implementation Group, SDS Children's implementation group, SDS training planning group, SDS Option 2 process development.

Through their continuing hard work and commitment to the organisation LCiL's Champions are able to make a significant and valuable impact on the way local authorities (and other organisations) develop their policies, deliver staff training and development, and raise awareness via user involvement etc. By 'telling it like it is' the Champions engage in a professional manner with representatives of statutory and non-statutory organisations, on a voluntary basis for LCiL.

# LOTHIAN CENTRE FOR INCLUSIVE LIVING

## REPORT OF THE DIRECTORS (CONTINUED)

Fully integrated within the four aims above, LCiL continued to deliver its SDS Development Programme (second phase). The programme strives to ensure that the organisation is fit for purpose when local authorities are themselves rolling out SDS. It consists of a programme of capacity building activities in the following areas:

- Users involvement
- Services suitability and relevance to demand
- Policy influencing
- Fit for purpose systems and internal policies
- Resource capacity management
- Financial sustainability

The SDS Development Programme is managed in such a way that it is integrated into the running of all the organisation's activities and its benefits are then shared across the whole organisation.

### Review of the year by services

"LCiL works with disabled people to take control of their own lives, support their choice to take up their rights and enable their full participation in society"

To this end the aims of LCiL are:

- To provide a range of services to support independent living, developed and managed by and for disabled people
- To support the right of disabled people to live independently and take control of their own lives
- To provide the opportunity for disabled people to further their own personal and professional development
- To promote the social inclusion and individual choice of disabled people
- To challenge the attitudes, and the physical and social barriers that create disability

The Objectives of the organisation are:

- *To provide information, support and training to disabled people to enable them to set up their own independent living packages*

#### a. The Independent Living Service (ILS)

An information and support service for people considering setting up and managing their own independent living packages. The Independent Living Team offer one to one advice at whatever stage an individual has reached on their journey towards Independent Living. The support continues, as required, on an ongoing basis after the SDS options have been set up.

The type of Independent Living support LCiL provides covers a wide range of issues and assists disabled people to make informed choices about what Independent Living means for them. Some of the practical aspects of support include:

- identifying individual support needs
- looking at possible sources of funding for an individual care package
- writing job adverts, job descriptions, terms and conditions
- recruitment of Personal Assistants
- advising on managing staff, compliance with employment legislation
- liaising with local authority departments and other appropriate organisations
- adopting safe recruitment procedures
- assisting with set up and delivery of financial management support service
- identifying areas of wider need and referring to appropriate services within the organisation as appropriate, e.g. Grapevine, Living and Work Choices, Peer Support groups

## LOTHIAN CENTRE FOR INCLUSIVE LIVING

### REPORT OF THE DIRECTORS (CONTINUED)

In 2015-2016

- ILS supported a total of 551 people (64 more than last year)

	Supported Service Users	No of New Referrals
Mid	60	29
West	125	57
East	76	34
CEC	290	103
TOTAL	551	223 (51 less than last year)

- ILS worked with a number of organisations in different ways
  - Representation on Forward Mid, Joint Physical Disability Planning Group, ELC SDS Implementation Group, Vocal , and participation in the CEC Core Network Group,
  - Presentations: provided numerous presentations to groups such as Vocal carer groups in CEC and Midlothian, LOOPs volunteers, delivering talks to various social work teams. Through Scottish Government funding one Independent Living Officer has been working on an outreach basis one day per week with Carers of East Lothian to increase opportunities of joint working and to benefit from shared learning.

#### Peer Support

The Lothian wide Peer Support Group continues to meet on a regular basis in Edinburgh, providing a platform for disabled PA employers to discuss and share experiences of being PA employers in a safe environment. Whilst LCiL facilitates Peer Support groups, it is also a value which is inherent throughout the organisation.

In 2015-2016, participants of the Edinburgh Peer Support Group discussed and supported each other with the following topics:

- RBS card- payment methods
- Agencies/relief cover
- Training costs
- ILF reviews
- Impact of welfare reforms
- Employer's Liability Insurance
- Pension Auto-enrolment
- Appropriate use of contingency money within the DP
- Community Care Charges
- Staffing/employment issues- sharing both positive and challenging experiences
- Challenges with recruitment
- PA pay rates and impact of national living wage
- Introduction of self-directed support and impact of reassessments
- Restrictions on use of funds
- Access issues
- Thanks to Scottish Government funding LCiL has also been able to start new parents-carers and disabled peoples peer support groups (see section on SDS Development Project)

# LOTHIAN CENTRE FOR INCLUSIVE LIVING

## REPORT OF THE DIRECTORS (CONTINUED)

### b. Training and other projects

#### 1. Training service

Having secured funding from Scottish Government (Innovation Fund) and the Robertson Trust for three years (2015-18) the Training Service continues to provide a variety of courses relevant to Independent Living, enabling a positive learning experience, facilitating the development of new skills, widening opportunities for disabled people to increase self-confidence, peer support and to expand their existing knowledge of Independent Living.

- Pick & Mix workshops

- 9 PA employers, or carers managing care package on behalf of disabled people, participated in 5 x Employer responsibilities & managing staff workshops - each session had 1 trainer/facilitator and 1 Independent Living Officer present
- 11 PA employers, or carers managing care package on behalf of a disabled people participated in 3 Managing payroll/paperwork workshops - Each session had 1 x trainer/facilitator and Payroll Co-ordinator present

- Two Introductory Health & Food Safety Courses were delivered with 20 individuals participating. The course co delivered and co-designed with Greggs the Bakers was tailored specifically for disabled people with learning difficulties or mental health conditions, to gain the confidence and skills to choose healthy eating options and prepare food in a safe way.
- LCIl was also able to offer a further training session re: Food and Safety in the Workplace Course to a further 9 disabled individuals

Training is also available to potential and existing Personal Assistants to participate in Disability Equality Training and to explore the roles and responsibilities involved in PA work. All of the LCIl's training courses have been designed and developed in conjunction with disabled people and are also delivered by disabled people. During this year the service ran 4 PA courses with 27 people participating.

- 22 participants were funded by BIG (Big Lottery)
- 4 participants used their Individual Learning accounts (ILAs)
- 1 was funded by his/her employer
- The Training Service was commissioned Disability Equality Training to:
  - HcL, disabled people's transport provider within the Lothians - 5 sessions (total of 36 Participants)
  - Inclusion Scotland, national Disabled People Organisation - one full-day session (total of 12 participants)
  - The Green Party (MSPs) - half-day session (total of 5 participants)

# **LOTHIAN CENTRE FOR INCLUSIVE LIVING**

## **REPORT OF THE DIRECTORS (CONTINUED)**

### **2. Living and Work Choices Project**

The Living & Work Choices Project is funded by the Big Lottery and commenced in 2012. The project's objective is to give disabled people and people with a long term condition the opportunity to explore new or different ways of being more independent. Every training session is delivered by people with lived experience of having an impairment, and as a consequence the project recruited ten new trainers with impairments. All of the training sessions are tailored to match the needs of the participants, which makes the courses more accessible. After completion of the course the project offers one-one support and person centred planning to allow participants the opportunity to transform their individual learning and outcomes into action. In the past year the programme offered:

- 5 x 'Living & Work Choices' four-day courses – resulting in 68 participants completing the course
- 3 x 'Essential Employers Skills' three-day course including a young people's day – Twenty participants completing the course
- The project also offered twenty two free places on the training for PAs courses mentioned in the training section

### **3. SDS Development project**

#### **The Champions Programme**

Using funding from Scottish Government SDS Development programme (the project co-ordinator is the SDS programme co-ordinator), the project continued to support and develop the group of nine disabled people, people with long-term conditions and carers to work as Champions, promoting understanding of Independent Living and SDS, and raising the profile of LCiL and Disabled People's Organisations.

Each Champion has a Buddy who is a member of LCiL staff and who supports them to carry out their role.

During its third year of operation the programme continued to be an integral part of LCiL but its focus changed in response to changes in levels of engagement with local authorities.

Six of the Champions, along with three other LCiL service users, participated in a three-day facilitation skills course. This equipped them to start co-facilitating the capacity building workshops and peer support groups which are now the central part of the SDS development programme.

During this period Champions:

- Took part in 27 events, 16 of which involved two or more Champions. Of these, 11 were LCiL workshops for disabled people or parent carers where Champions either spoke about their lived experience of the topic or co-facilitated the session.
- Met together six times during the year to share learning and offer each other peer support

#### **Capacity building workshops and peer support groups**

##### **• Parents and Carers**

The parent and carer peer support group met 12 times during the year, and eight workshop sessions were held – four in Edinburgh, two in Midlothian and two in East Lothian. The peer support group asked for guest speakers from Housing Options Scotland, Partners in Advocacy and Contact a Family. The group also asked us to broker a meeting between them and two City of Edinburgh councillors, so that they could give direct feedback about the challenges they faced when trying to access support and respite from the council.

We worked with a total of 50 parents during the year.

# LOTHIAN CENTRE FOR INCLUSIVE LIVING

## REPORT OF THE DIRECTORS (CONTINUED)

### • Disabled people/people with long term conditions

In August 2015 we began to develop a series of capacity building workshops aimed at increasing individuals' knowledge, skills, confidence and resilience, so that they are better equipped to take up their rights and act as equal partners when they interact with the social care system to access SDS. We ran two consultation sessions for LCIIL staff to find out what issues the people they work with face, and two sessions with disabled people to ask what topics they thought were most important. From these consultation sessions we designed three workshops: Know Your Rights; Assertive Communication, and; Have You Tried God, or Snake Venom? (aimed at giving people strategies for dealing with inappropriate or 'helpful' comments about their impairment or condition).

During this period we ran 12 workshop sessions and went on to offer a monthly peer support group, which met seven times.

We worked with 33 disabled people/people with long-term conditions during the year.

Many of the people who come to workshops or peer support groups are referred from or to other parts of LCIIL, meaning that as an organisation we are able to give an even more person-centred response to people's needs.

### Collaborative assessment programme

The SDS programme co-ordinator was one member of a three-person team (along with Social Work Scotland and Animate Consulting) which developed and ran a six-day programme to give assessors and people with experience of assessment the opportunity to work together to co-produce guidance on how to make social care assessment more collaborative, as required by the SDS Act. Two Champions were involved as participants and assessors came from six local authorities.

### • *To provide a payroll service for disabled people who employ their own support staff*

LCiIL offers a comprehensive, computerised payroll service for personal assistant employers which also provides a link with the HMRC and operates as a helpline for disabled employers.

During the 2015-16 year, the demand for the service grew by 17%.

A total of 609 disabled employers made use of the payroll service

Regional Breakdown	No of Service Users
Edinburgh	323 – (95 new service users – 38 ceased service users)
Midlothian	92 – (29 new – 11 ceased)
East Lothian	72 – (17 new – 12 ceased)
West Lothian	118 – (30 new – 8 ceased)
Private/Other	4

The Financial Management Service (FMS), formerly referred to as enhanced payroll service, also saw an increase in demand. During 2015-16, a total of 126 payroll service user accessed this support.

Regional breakdown	No of service users:
Edinburgh	50 – (16 new – 7 ceased)
East Lothian	26 – (11 new – 4 ceased)
Midlothian	17 – (4 new – 0 ceased)
West Lothian	33 – (4 new – 2 ceased)

# LOTHIAN CENTRE FOR INCLUSIVE LIVING

## REPORT OF THE DIRECTORS (CONTINUED)

A further 28 (non payroll) service users also took up the FMS to engage with Agency support and or make other payments from their SDS budgets.

Regional breakdown	No of service users
Edinburgh	19
East Lothian	5
Midlothian	1
West Lothian	3

In addition to the increased take up of payroll and FMS services, the advent of Pension Auto Enrolment resulted in additional resources/investment being put in place not only to meet the increased take up but also to ensure LCIL had the infrastructure in place to support all its payroll service users with their legal obligations under the new pension legislation. Roll out of Pension Auto Enrolment commenced in June 2015 (5 service users) with further 29 service users staging between January and March 2016.

- *To provide an accurate, up to date and accessible disability information service*

### Grapevine Disability Information/Advice

In 2015-2016 the Grapevine Disability Information Service received 5511 enquiries for advice and information from 1198 individuals and organisations in Edinburgh, East Lothian and Midlothian. A further 234 people received information/advice via outreach presentations. Grapevine raised a total of £4938 in weekly income across 78 benefit claimants in Edinburgh i.e. successful awards.

In keeping with recent financial years, demand on the service for information and advice is at an all-time high, with in effect no additional resources. However, 2015-16 saw NHS Lothian fund the service for home visits, one day a week to work with the most isolated disabled people living with chronic respiratory conditions through its Community Respiratory Hub. The need was identified as a result of ongoing work with health practitioners which evidenced the value in having a confidential and independent source of information and advice, specialising in disability matters, which can support individuals to access their rights and entitlements.

The category of people receiving information/advice and support from Grapevine this year included:

Disabled People	750
Family/Carer	128
Voluntary Organisations	94
Local Authority workers	55
Health service	39
Other	52
Unknown	10
Internal	69

## LOTHIAN CENTRE FOR INCLUSIVE LIVING

### REPORT OF THE DIRECTORS (CONTINUED)

This represents 14% more disabled people contacting the service since last year, and a higher proportional of internal enquiries (i.e. other services at LCiL using the service for information and advice for service users they are supporting).

Money and benefit issues represent the two main topics of enquiry, with more people contacting the service about finances, and changes to their benefits, including the transfer from Disability Living Allowance (DLA) onto Personal Independent Payment (PIP). A lot of time and resources continue to be spent supporting people to complete complex benefit claim forms and provide guidance with all aspects of the claims process. Other advice areas such as access and legal issues saw an increase this year, possibly due to the wider context of ensuring disabled people's rights are upheld during a time of service cut backs and reduction of funding in certain areas e.g. social care. Grapevine enquiries – Breakdown by topic of enquiry:

Money	688
Grants & Trusts	92
Other Benefits	494
DLA/PIP/AA/SDP	674
IB/ESA/WCA/IS	148
Social Work	245
SDS	358
Transport	75
Equipment	136
Housing	98
Access	200
Education	349
Employment	287
Holidays Leisure	174
Legal rights/complaints	188
Personal Health	378
Vol Orgs	299
Grape News/Pubs	174
Other LCIL	454
Total	5511

## **LOTHIAN CENTRE FOR INCLUSIVE LIVING**

### **REPORT OF THE DIRECTORS (CONTINUED)**

Regional breakdown:

<b>CEC</b>	<b>ELC</b>	<b>MLC</b>	<b>WLC</b>	<b>Scotland</b>	<b>UK</b>	<b>Other</b>	<b>Unknown</b>
969	69	66	9	31	3	15	27

Edinburgh remains the dominant area in which the service operates with an increase in number of enquiries coming from both the City and East Lothian. Other areas of Scotland, including West Lothian have remained relatively static.

Over 434 enquiries have involved direct referrals or passing on information to colleagues within LCIL e.g. SDS Capacity Building Workshops, where there are some similarities in terms of ensuring people are aware of their rights and Independent Living Support for those with care and support needs.

During 2015-16 Grapevine responded to over 668 phone calls, 339 online requests for information, including email enquiries, provided 146 face to face interviews, spoke to 234 people via 31 outreach talks in local communities and replied to 14 letters. Over 1,500 copies of Grapevine's quarterly newsletter, 'Lothian Disability News' were distributed to individuals and organisations across Lothian.

#### **Partnership working:**

Grapevine, through the funding of a one-day Information Officer post via NHS Lothian was able to recruit a full time worker in partnership with the Independent Living Team in June 2015. This saw both teams work together to ensure that information, advice as well as Independent Living Support was delivered to those in need. The post-holder was responsible for delivering home visits to individuals referred via the COPD Hub one day a week with the remaining days spent in Independent Living Team. This is a key development given the work happening in the City with the integration of health and social care on a locality basis. The COPD Hub has won awards for its model of practice, bringing together health, social care and voluntary sector, of which Grapevine is the main third sector partner, to ensure people referred to the hub receive information, advice and support with a range of issues. What has become clear from this work is the need for a service like Grapevine to bridge the gap which often exists between health and social care and enable individuals referred onto the service to regain or maintain Independent Living in their homes through accessing the right welfare benefits, concessions and entitlements.

In the Summer of 2015 Grapevine in partnership with the City of Edinburgh Council's Gateway Project Officer, carried out an extensive evaluation, gathering feedback from those who had received support from the service. The Gateway service targets people with progressive neurological conditions, aged 16-65 years old and living in Edinburgh. The evaluation provided a basis for Grapevine to develop a business case to continue the partnership work with CEC Physical Disability Services, through a joint referral process and out-reach surgeries based at day centres in Edinburgh. In the Autumn through re-developments in City of Edinburgh Council and changes in criteria for those accessing day centre support, we set up a joint pilot with Care Navigators working with disabled people, the majority of whom have neurological conditions. This pilot, using the initial ideas behind the Gateway service, has been providing disabled people with ongoing support in the community, many of whom would have been offered a place in a day centre in the past.

## LOTHIAN CENTRE FOR INCLUSIVE LIVING

### REPORT OF THE DIRECTORS (CONTINUED)

In March 2016, day services for physically disabled people provided at Firhill and Craighall day centres were transferred to the Longstone Resource Centre. Edinburgh Community Stroke Service, rehabilitation support services, occupational therapy, speech therapy, physiotherapy, a technology hub, group support such as Lifestyle Management courses, are now provided from Longstone and Grapevine continues to provide outreach and referral process with the services based here. This will provide ongoing basis of continuation of the service pending future funding outcomes.

The work of Gateway Service continues to provide a model from which services and practitioners supporting people with progressive neurological conditions continue to refer onto LCiL and Grapevine support. Specialist services such as the MS Therapy Centre, Ann Rowling Centre, Parkinsons Nurses, etc., continue to refer service users onto Grapevine for support with benefits, financial worries and other entitlements/rights.

Grapevine continues to have close links with NHS Lothian's Pulmonary Rehab Groups delivering a number of talks to satellite groups across the City of Edinburgh to those affected by less severe forms of Chronic Obstructive Pulmonary Diseases (COPD).

Integration Fund, EVOC: 56 benefit checks (Attendance Allowance, Pension Credits and other entitlements) for people aged 65 and above living in City of Edinburgh were carried out in the period. This number exceeded the original target for the Change Fund (40). Grapevine also provided 5 outreach talks to around 40 individuals who identify as eligible for support from this fund.

Advice Agencies Forum: Grapevine is part of the DWP Advice Agencies Forum in Edinburgh and it has established links with the City of Edinburgh Council's Welfare Reform Partners Forum. The service responded to Edinburgh's Advice Services Strategy outlining the importance of advice services like Grapevine to support disabled people navigate health, social care and welfare systems.

Grapevine has strong links with / has delivered talks on a range of issues, including welfare reform to: Inclusion Scotland's Breaking Barriers to Benefits Edinburgh event, LCiL's Parent and Carer Peer Support Group, Headway, NHS Lothian's Impact Nurse Team, Diabetes Allied Health Professionals, Liberton Dams Community Group, Lifestyle Management Courses run by City of Edinburgh Council, Royal Edinburgh Patient's Council, Financial Inclusion Workshop with Stroke Association, Pilmeny Development Project, MS Therapy Centre, CEC Scottish Welfare Team.

#### **Policy: The service worked on a number of policies or policy initiatives**

Jointly hosted a consultation in partnership with Inclusion Scotland in September 2016 about Scotland's new social security, employment powers and Fairer Scotland.

Brought together disabled people to meet with Scottish Government Researchers conducting a focus group into Scotland's new social security system, October 2015.

Wrote to Dr Eilidh Whiteford MP, lead for SNP on social justice and welfare in Westminster about the UK Government's consultation on changing criteria for PIP aids and adaptations in December 2015. Expressing concerns about fairness/transparency, the changing criteria for benefit payments and highlighting potential problems this would cause for existing claimants, particularly during a time when Scotland will have its own powers to administer PIP in the future. This was also publicly raised by the Scottish Government and the Scottish Parliaments' Welfare Reform Committee about the consultation and general lack of engagement.

# **LOTHIAN CENTRE FOR INCLUSIVE LIVING**

## **REPORT OF THE DIRECTORS (CONTINUED)**

Provided a policy briefing for the Scottish Parliament's Welfare Reform Committee in May 2015 with evidence based on collective experience of barriers and issues faced by people claiming disability benefits. The service also supported a Grapevine service user, to give evidence in person during the 'Have Your Say' live broadcast in the Scottish Parliament.

Finally, Grapevine took a role in bringing together key health, social care and third sector colleagues in 'Meeting of Minds' in February 2016, to highlight good practice and collaborative working with a view to influencing the integration agenda/work in the City.

## **FINANCIAL REVIEW**

Against the background of no increased core funding, ongoing increased demand for services and rising overhead costs, the funding received from the Scottish Government to implement a programme of work to ensure that LCIL is fit for purpose in relation to SDS has temporarily alleviated LCIL's struggle to develop and deliver safe and effective services. LCIL's Board of Directors was delighted that SG funding was renewed for 3 years, 2015- 2018. LCIL's Directors, continue their sound financial control while the management team continues to operate stringent and transparent accounting practices in an increasingly competitive voluntary sector.

LCIL's withdrawal from the Lothian Pension Fund has enabled the organisation to make quite significant savings and should allow it to compete more favourably in the future market place. However the ongoing re-payment of the cessation fees (last payment of £37,500 in 2016-17) will continue to have a financial impact on the organisation for the duration of this period.

At 31 March 2016 the charity's reserves were £298,620 (2015 364,288) comprising an accumulated surplus on unrestricted funds of £242,227 (2015 £151,525) and an accumulated surplus on restricted funds of £56,393 (2015 £212,763). The financial statements have been prepared on the going concern basis. The directors consider that this is appropriate as the charity meets its day to day working capital requirements as they fall due and expects to be able to continue to do so. At the year end the charity's liability in respect of cessation fees to LPF was £37,500 which is due to be paid in one instalment of £37,500 within the next year.

### **Principal Funding Sources – 2015-16**

A further 1 year service level agreement (SLA) was awarded by City of Edinburgh Council at the same funding level since 2006. The City of Edinburgh Council remains the most significant funder for LCiL's core services (i.e. Independent Living, Payroll and the Grapevine – Disability Information Service). East and Midlothian Councils have awarded 1 year funding again (with no uplift since 2010) West Lothian also awarded further 1 year with a minimal uplift. During 2015-16 it was intimated that CEC, following a review of LCiL core services would put these services out to tender. These tenders took place in June 2016. During 2015-16 East Lothian and Midlothian reviewed our services and although an SLA for 2016-17 with East Lothian was signed in May 2016 we are still waiting for the actual document in Midlothian and West Lothian to be signed.

### **Restricted Funds**

- BIG – funds received from the BIG Lottery Fund, part of a five year project, Living and Work Choices, to support disabled young people and adults move forward towards independent living and the labour market.
- Change Fund grant awarded to support older people to increase take up of SDS within this client group was fully spent. A further year's funding granted under "Innovation Fund" was awarded which is shown as a separate restricted fund at note 10.
- SG Database – no further funds were received from Scottish Government to progress the development of the web-based management tool. Significant changes were required to the specification under development to ensure it was fit for purpose. However due to the lack of progress LCiL pulled out of the project in June 2016 and transferred unspent funding to GCIL.

## **LOTHIAN CENTRE FOR INCLUSIVE LIVING**

### **REPORT OF THE DIRECTORS (CONTINUED)**

- SDS Development Programme – this 3 year programme, originally scheduled to end in March was granted an extension until September 2015 within the existing Development Programme funding provided by the Scottish Government at which point the new 3 year grant (under Support in the Right Direction Fund) started. The under-spend of £25,000 on the Development programme is to be carried forward and utilised within the Support and Right Direction Fund. The programme continues to: support the work of LCIL's Champions; enable capacity building within LCiL to ensure the organisation can fully support the on-going roll out and development of SDS process and policy within LAs; support SUs to make informed choice re options within SDS, following the enactment of Self-Directed Support Act on 1<sup>st</sup> April 2014.
- SDS Children & Families Programme – As an additional and complementary element of the SDS Development Programme, Scottish Government funding was received to focus on SDS for Children, young people and Families and people with mental health issues accessing SDS. This complementary project was also extended to September 2015. Funds were fully spent at March 2016.
- Further Scottish Government funds were provided to retain the employment of LCIL's Training Officer, who, with a small restricted Grant from the Robertson Trust developed a range of "Pick'n Mix Training workshops for disabled people.
- Small grant received from NHS Lothian enabled home visits to be provided to isolated individuals with Chronic obstructive pulmonary disease during 2015-16. A further year's funding has been awarded to continue this work.

Applications continue to be prepared and targeted at other key funders and smaller trusts to supplement the core services and develop new services in response to an identified need. However as previously mentioned it is very clear that raising funds is becoming increasingly difficult and the time spent doing it brings fewer rewards as a result of shrinking resources and increased competition.

The Directors and senior management continue to prepare for the changes in service procurement and commissioning which may change the way in which LCiL negotiates its funding from the public sector. The changes, that include LAs moving to awarding Individual Budgets (i.e. allocating a definite budget to each individual that he/she can choose to receive directly as a direct payment or receive through arranged services allowing greater control and choice for individuals) means that LCiL must continue to look at ways of better evidencing best value practice and develop processes to measure and report on qualitative and quantitative outcomes.

#### **Reserves Policy**

The Directors attempt to follow the guidelines for reserves as stipulated in the City of Edinburgh Funding Agreement who are the organisation's largest core funder. This states that, whilst encouraging the accumulation of financial reserves, these should not exceed 3 months staff salaries. Clearly the on-going liability to LPF in relation to cessation costs means that LCIL is even more stringent in monitoring its spending, ensures full cost recovery basis is applied to all future funding applications, SLAs etc., and endeavours wherever possible to maximise earned income opportunities in an effort to rebuild its unrestricted reserves.

The fundamental aim of the organisation is to continue to provide the services which our changing membership requires to enable them to live independently in the community of their choice.

#### **PLANS FOR THE FUTURE**

With secured funding from the Scottish Government LCiL will continue to implement its SDS Development Programme for another 2 years. Core service activities outlined above will also continue to be delivered subject to sufficient funding. The organisation shall continue to look at methods of providing sustainable funding for all its services and progress the social enterprise methodology with a view to ultimately delivering services which members and service users themselves identify a need for, rather than those judged necessary/suitable by funders.

# LOTHIAN CENTRE FOR INCLUSIVE LIVING

## REPORT OF THE DIRECTORS (CONTINUED)

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 company and of the company's incoming resources and application of resources, including income and expenditure, for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the maintenance and integrity of financial information included on the company's website.

### DIRECTORS

The directors are the charity's trustees for the purpose of charity law. The directors of the company during the year were as follows:

Jeff Adamson	Convenor
Liz Pearston	Treasurer
Louise Doctor	
Colin Cameron	
Suselle Boffey	
Robert MacPherson	
John Ballantine	

Since the year end Colin Cameron resigned on 30 April 2016, Suselle Boffey died on 14 July 2016 and David Brown has been co-opted as a director.

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### TANGIBLE FIXED ASSETS

Additions to tangible fixed assets during the year ended 31 March 2016 are disclosed in note 6 to the financial statements. All are employed for direct charitable purposes.

### DIRECTORS' INSURANCE

Professional indemnity insurance held by the company, which includes cover for directors, was in force during the year ended 31 March 2016 and is in force now.

### BASIS OF PREPARATION

This report has been prepared in accordance with Statement of Recommended Practice: Accounting and Reporting by Charities (January 2015) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

### ON BEHALF OF THE BOARD:



E L PEARSTON, DIRECTOR

26 November 2016

## **LOTHIAN CENTRE FOR INCLUSIVE LIVING**

### **INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS (AS TRUSTEES) AND MEMBERS OF LOTHIAN CENTRE FOR INCLUSIVE LIVING**

We have audited the financial statements of Lothian Centre for Inclusive Living for the year ended 31 March 2016 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes on pages 26 to 35 inclusive. The financial reporting framework that has been applied in their preparation is applicable law, the Financial Reporting Standard for Smaller Entities (effective January 2015) and Statement of Recommended Practice 2015 "Accounting and Reporting by Charities" (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Charitable Entities).

This report is made solely to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's directors, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the members and the charity's directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity, its members as a body and its directors as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of trustees and auditors**

As explained more fully in the Statement of Directors' Responsibilities set on page 23, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Charitable Entities; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

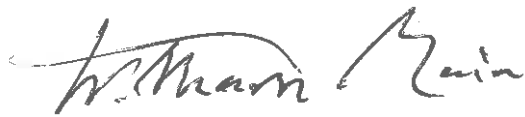
## LOTHIAN CENTRE FOR INCLUSIVE LIVING

### INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS (AS TRUSTEES) AND MEMBERS OF LOTHIAN CENTRE FOR INCLUSIVE LIVING (CONTINUED)

#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Report of the Directors and take advantage of the small companies' exemption from the requirement to prepare a strategic report.



William Main CA (Senior Statutory Auditor)  
for and on behalf of Brown, Scott & Main, Statutory Auditor  
91 West Savile Terrace  
Edinburgh

24th November 2016

Brown, Scott & Main is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

# LOTHIAN CENTRE FOR INCLUSIVE LIVING

## STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2016

	Notes	Unrestricted funds £	Restricted funds £	2016 Total £	2015 Total £
<b>Income from:</b>					
<b>Donations and legacies</b>					
Donations		<u>821</u>	<u>-</u>	<u>821</u>	<u>2,306</u>
<b>Income from investments</b>					
Bank interest		<u>393</u>	<u>-</u>	<u>393</u>	<u>281</u>
<b>Income from charitable activities</b>					
Grants	3	293,402	232,563	525,965	542,011
Service level agreements	3	89,881	7,795	97,676	93,675
Payroll and financial management fees		147,190	-	147,190	117,670
Consultancy fees and other income		<u>7,036</u>	<u>-</u>	<u>7,036</u>	<u>3,358</u>
		<u>537,509</u>	<u>240,358</u>	<u>777,867</u>	<u>756,714</u>
<b>Total income</b>		<u>538,723</u>	<u>240,358</u>	<u>779,081</u>	<u>759,301</u>
<b>Expenditure on:</b>					
Raising funds		1,941	-	1,941	11,667
Charitable activities		<u>445,974</u>	<u>396,834</u>	<u>842,808</u>	<u>666,453</u>
<b>Total expenditure</b>	5	<u>447,915</u>	<u>396,834</u>	<u>844,749</u>	<u>678,120</u>
<b>Net (expenditure)/ income</b>		90,808	(156,476)	(65,668)	81,181
<b>Transfers between funds</b>		(106)	106	-	-
<b>Net movement in funds</b>		90,702	(156,370)	(65,668)	81,181
<b>Reconciliation of funds:</b>					
Total funds brought forward	10	<u>151,525</u>	<u>212,763</u>	<u>364,288</u>	<u>283,107</u>
<b>Total funds carried forward</b>	10	<u>£242,227</u>	<u>£56,393</u>	<u>£298,620</u>	<u>£364,288</u>

The statement of financial activities incorporates the income and expenditure account.

The results for the year derive from continuing activities and there are no gains or losses other than those shown above.

# LOTHIAN CENTRE FOR INCLUSIVE LIVING

## BALANCE SHEET AS AT 31 MARCH 2016

Company number SC129392

	<u>Notes</u>	<u>2016</u> £	<u>2015</u> restated £
<b>Fixed assets</b>			
Tangible assets	6	<u>17,460</u>	<u>69,174</u>
<b>Current assets</b>			
Debtors	7	49,238	63,573
Cash at bank and in hand		<u>315,411</u>	<u>334,786</u>
		<u>364,649</u>	<u>398,359</u>
<b>Liabilities</b>			
Creditors falling due within one year	8	<u>83,489</u>	<u>65,745</u>
<b>Net current assets</b>		<u>281,160</u>	<u>332,614</u>
<b>Total assets less current liabilities</b>		298,620	401,788
Creditors falling due after one year	9	-	<u>37,500</u>
<b>Net assets</b>		<u><b>£298,620</b></u>	<u><b>£364,288</b></u>
<b>Funds of the charity:</b>			
Unrestricted income funds	10	242,227	151,525
Restricted income funds	10	<u>56,393</u>	<u>212,763</u>
		<u><b>£298,620</b></u>	<u><b>£364,288</b></u>

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements on pages 26 to 35 were approved by the Board of Directors on 24 Nov 2016 and signed on its behalf by:

  
E L PEARSTON  
DIRECTOR

  
DIRECTOR

The notes form part of these financial statements

# LOTHIAN CENTRE FOR INCLUSIVE LIVING

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

### 1. ACCOUNTING POLICIES

#### ACCOUNTING CONVENTION

The financial statements have been prepared under the historical cost convention and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities 2015, the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006.

#### INCOME

Income comprises grants, service level agreement income, project fees and donations which are recognised when all of the following criteria are met: the charity has entitlement to the funds; any performance conditions attached to the income have been met or are fully within the control of the charity; there is sufficient clarity that receipt of the income is considered probable; and the amount can be measured reliably. Income received in advance of all these criteria being met is deferred until the criteria for income recognition are met.

All income is derived from activities within the UK. Sources of significant grants and service level agreement income are shown at note 3. The value of services provided by volunteers has not been quantified or included in these accounts.

Interest on funds held on deposit is recognised when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest received or receivable from the charity's bank.

#### FUND ACCOUNTING

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Restricted funds are funds which the donor or funder has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity. Further information about specific restricted funds is provided at pages 21 and 22 of the report of the directors. The charity had nine restricted funds during the year: BIG, EVOC Change Fund, Scottish Government Children & Families, Scottish Government Database, Scottish Government Development, Scottish Government Right Direction, Scottish Government Innovation, Robertson Trust Training and NHS COPD.

Inter-fund transfers are made from the general unrestricted fund to restricted funds to cover any shortfall suffered on a specific restricted fund activity.

#### EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable settlement will be required and the amount of the obligation can be measured reliably. Expenditure includes VAT which cannot be recovered. Expenditure is classified under the following headings:

Raising funds comprise the costs associated with promoting the services provided by the charity to existing and prospective donors and funders.

Charitable activities comprise the costs incurred by the charity to deliver services to its service users. It includes directly allocated costs that are incurred in the delivery of the charity's services and support costs which include staff, premises, administration and finance costs incurred to enable the charity's operations and service delivery to continue. Support costs are allocated to the charity's activity areas using the basis considered most appropriate e.g. staff time, floor area or estimated usage. Further information about principal support costs and the bases on which support costs have been allocated is provided at note 5.

#### OPERATING LEASES

Rentals payable under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

# **LOTHIAN CENTRE FOR INCLUSIVE LIVING**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (Continued)**

### **1. ACCOUNTING POLICIES (Continued)**

#### **TANGIBLE FIXED ASSETS**

Tangible fixed assets costing £100 or more are capitalised at cost. Depreciation is charged so as to write off the cost less residual value of each asset over its estimated useful life. The rate of depreciation applied to office equipment, furniture and fittings is 25% per annum on a straight line basis.

#### **DEBTORS**

Debtors are recognised at the settlement amount less provision for debts considered irrecoverable.

#### **CASH AT BANK AND IN HAND**

Cash at bank and in hand includes cash and short term highly liquid bank accounts with a short maturity of three months or less.

#### **CREDITORS**

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

#### **PENSIONS**

With effect from 1 September 2012 the company ceased its membership of the Lothian Pension Fund, an independently administered multi-user defined benefit pension scheme operated on behalf of local authority and voluntary sector employees. In place of that scheme the company now makes contributions into a defined contribution group personal pension plan for employees. The assets of the scheme are held separately from those of the company in independently administered funds.

#### **TAXATION**

The company is registered as a Scottish charity and is exempt from corporation tax under Section 475 et seq of CTA 2010. The company is not registered for VAT and expenditure includes VAT where appropriate.

#### **GOING CONCERN**

The financial statements are prepared on the going concern basis. The directors consider this basis is appropriate as since the year end the charity has received or they expect it will receive sufficient income from donors and other funders to enable it to continue to provide services for the foreseeable future and to meet its day to day working capital and capital commitments as they fall due, including the final scheduled payment on the company's defined benefit pension scheme cessation liability (see note 13).

# LOTHIAN CENTRE FOR INCLUSIVE LIVING

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (Continued)

### 2. NET INCOMING RESOURCES FROM ORDINARY ACTIVITIES

	2016 £	2015 £
Net incoming resources from ordinary activities is stated after charging:		
Depreciation	8,809	4,583
Provision for diminution in value of asset under construction	60,150	-
Auditors' remuneration for audit services	5,500	4,800
Auditors' remuneration for non-audit services	<u>1,000</u>	<u>800</u>

### 3. GRANT AND SERVICE LEVEL AGREEMENT INCOME

	2016 Unrest- ricted £	2016 Rest- ricted £	2016 Total £	2015 Unrest- ricted £	2015 Rest- ricted £	2015 Total £
<b>Government grants</b>						
Scottish Government	-	130,153	130,153	-	127,849	127,849
City of Edinburgh Council	242,592	-	242,592	249,592	-	249,592
East Lothian Council	<u>42,200</u>	-	<u>42,200</u>	<u>42,200</u>	-	<u>42,200</u>
	<u>284,792</u>	<u>130,153</u>	<u>414,945</u>	<u>291,792</u>	<u>127,849</u>	<u>419,641</u>
<b>Other grants</b>						
BIG Lottery Fund	-	83,250	83,250	-	83,294	83,294
Office for Disability Issues	-	-	-	-	17,801	17,801
EVOC Change Fund	-	11,660	11,660	-	11,660	11,660
Robertson Trust	-	7,500	7,500	-	-	-
Nimar Charitable Trust	-	-	-	1,000	-	1,000
Employment Service	<u>8,610</u>	-	<u>8,610</u>	<u>8,615</u>	-	<u>8,615</u>
	<u>8,610</u>	<u>102,410</u>	<u>111,020</u>	<u>9,615</u>	<u>112,755</u>	<u>122,370</u>
<b>Total grants</b>	<u><b>£293,402</b></u>	<u><b>£232,563</b></u>	<u><b>£525,965</b></u>	<u><b>£301,407</b></u>	<u><b>£240,604</b></u>	<u><b>£542,011</b></u>
<b>Service level agreements</b>						
West Lothian Council	59,261	-	59,261	59,261	-	59,261
Midlothian Council	30,620	-	30,620	34,414	-	34,414
NHS COPD	-	7,795	7,795	-	-	-
	<u><b>£89,881</b></u>	<u><b>£7,795</b></u>	<u><b>£97,676</b></u>	<u><b>£93,675</b></u>	<u><b>£-</b></u>	<u><b>£93,675</b></u>

# LOTHIAN CENTRE FOR INCLUSIVE LIVING

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (Continued)

### 4. EMPLOYEES AND DIRECTORS

	2016	2015
Details of staff costs are as follows:	£	£
Gross salaries	474,574	442,776
Employer's national insurance	40,203	36,816
Defined contribution pension scheme cost	26,753	25,981
	<u>£541,530</u>	<u>£505,573</u>

No remuneration was paid to directors during the year (2015 nil).

No individual employee received emoluments of more than £60,000. The average number of employees during the year was as follows:

	Number	Number
Management	2	2
Staff for managed projects	19	18
Administration	<u>1</u>	<u>1</u>
	<u>22</u>	<u>21</u>

During the year the company paid training fees totalling £420 (2015 nil) to Jeff Adamson, director and travel expenses totalling £266 (2015 £245) on behalf of one (2015 two) director(s).

Employee and employer contributions totalling £3,379 (2015 £3,331) were payable to the defined contribution scheme at the year-end.

# LOTHIAN CENTRE FOR INCLUSIVE LIVING

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (Continued)

### 5. TOTAL EXPENDITURE

	RF	ILS	GV	TR	BIG	SGCF	SGRD	SGDV	CH	SGDA	NHS	GO	2016	2015
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
<b>Costs directly allocated to activities</b>														
Staff costs	1,941	260,353	54,246	15,950	50,620	14,418	46,112	16,719	8,320	-	6,665	-	475,344	442,016
Recruitment	-	6,687	74	-	-	-	61	-	-	-	83	-	6,905	7,011
Audit fee	-	-	-	-	-	-	-	-	-	-	-	-	6,500	5,600
Volunteer expenses	-	-	45	-	-	-	-	-	-	-	-	-	50	1,352
Management committee training	-	-	-	-	-	-	-	-	-	-	-	-	727	-
Service delivery costs	-	3,662	574	5,104	16,866	3,331	14,121	35,525	-	-	-	-	79,183	32,111
Provision for diminution in value of web based database	-	-	-	-	-	-	-	-	-	-	-	-	60,150	-
Payroll fees bad debts	-	345	-	-	-	-	-	-	-	-	-	-	345	332
	<u>1,941</u>	<u>271,052</u>	<u>54,939</u>	<u>21,054</u>	<u>67,486</u>	<u>17,749</u>	<u>60,294</u>	<u>52,244</u>	<u>8,320</u>	<u>60,150</u>	<u>6,748</u>	<u>7,227</u>	<u>629,204</u>	<u>488,422</u>
<b>Support costs allocated to activities [basis of allocation]</b>														
Staff costs [staff time]	-	47,311	10,758	-	-	5,580	13,524	7,686	3,140	-	709	-	88,708	86,818
Premises costs [floor area; per capita]	-	16,231	4,062	2,001	7,082	1,235	4,000	1,524	-	-	-	-	36,135	43,664
Consultant fees and temporary staff [time]	-	6,358	1,589	-	-	-	564	-	-	-	-	-	8,511	-
Office and administration [usage; per capita]	-	29,107	8,146	1,066	3,501	858	26,394	1,630	200	-	338	-	71,240	51,659
Bank charges [usage; per capita]	-	1,012	5	-	-	-	-	-	-	-	-	-	1,017	1,285
Contribution (from)/ to projects and core activities	-	(17,841)	(3,916)	-	-	1,767	13,002	6,988	-	-	-	-	-	-
Interest on LPF cessation liability [historic staff time]	-	922	203	-	-	-	-	-	-	-	-	-	1,125	1,689
Depreciation [usage; per capita]	-	7,223	1,586	-	-	-	-	-	-	-	-	-	8,809	4,583
	-	<u>90,323</u>	<u>22,433</u>	<u>3,067</u>	<u>10,583</u>	<u>9,440</u>	<u>57,484</u>	<u>17,828</u>	<u>3,340</u>	<u>-</u>	<u>1,047</u>	<u>-</u>	<u>215,545</u>	<u>189,698</u>
	<u>1,941</u>	<u>361,375</u>	<u>77,372</u>	<u>24,121</u>	<u>78,069</u>	<u>27,189</u>	<u>117,778</u>	<u>70,072</u>	<u>11,660</u>	<u>60,150</u>	<u>7,795</u>	<u>7,227</u>	<u>844,749</u>	<u>678,120</u>

Amounts classified above as staff costs includes employment costs of £541,530 (2015 £505,573) as disclosed at note 4 and also staff travel and training costs.

Abbreviations used in the table of total expenditure are as follows:

RF	Costs of raising funds	ILS	Independent Living Services	GV	Grapevine
TR	Training (Scottish Government Innovation & Robertson Trust)	BIG	BIG Lottery Fund	SGCF	Scottish Government Children & Families
SGRD	Scottish Government Right Direction	SGDV	Scottish Government Development	CH	EVOC Change
SGDA	Scottish Government Database	NHS	NHS COPD	GO	Governance

# LOTHIAN CENTRE FOR INCLUSIVE LIVING

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (Continued)

### 6. TANGIBLE FIXED ASSETS

	Fixtures, fittings and office equipment £	Asset in the course of construction £	Total £
<b>COST</b>			
At 1 April 2015	59,403	60,150	119,553
Additions	17,245	-	17,245
Disposals	(9,774)	-	(9,774)
At 31 March 2016	<u>66,874</u>	<u>60,150</u>	<u>127,024</u>
<b>DEPRECIATION</b>			
At 1 April 2015	50,379	-	50,379
Charge for year	8,809	-	8,809
Provision for diminution in value	-	60,150	60,150
Disposals	(9,774)	-	(9,774)
At 31 March 2016	<u>49,414</u>	<u>60,150</u>	<u>109,564</u>
<b>NET BOOK VALUE</b>			
At 31 March 2016	<u>£17,460</u>	<u>£ -</u>	<u>£17,460</u>
At 31 March 2015	<u>£9,024</u>	<u>£60,150</u>	<u>£69,174</u>

The asset in the course of construction was a web-based management tool designed to improve collation of statistical data on service delivery and also to provide service users with on-line access to their case records and to manage their individual budget. Since the year end this asset has been transferred to Glasgow Centre for Inclusive Living without being brought into use.

Tangible fixed assets comprise equipment, furniture and fittings and all are used for management and in support of direct charitable activities.

7. DEBTORS	2016	2015
Amounts falling due within one year:	£	£
Accrued income	29,814	47,363
Prepayments	10,729	10,603
Other debtors	8,695	5,607
	<u>£49,238</u>	<u>£63,573</u>

### 8. CREDITORS AND ACCRUED CHARGES

Amounts falling due within one year:		restated
Payroll taxes	11,009	9,822
Defined benefit pension scheme cessation liability (note 13)	37,500	37,500
Accruals and deferred income	34,980	18,423
	<u>£83,489</u>	<u>£65,745</u>

### 9. CREDITORS AND ACCRUED CHARGES

Amounts falling due after one year:		
Defined benefit pension scheme cessation liability (note 13)	-	37,500
	<u>£ -</u>	<u>£37,500</u>

# LOTHIAN CENTRE FOR INCLUSIVE LIVING

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (Continued)

### 10. MOVEMENT ON FUNDS

	At 01/04/15 £	Income £	Expenditure £	Net £	Transfers movement £	At £	31/03/16 £
<b>Restricted Funds:</b>							
BIG	11,764	83,250	(78,069)	5,181	-	-	16,945
EVOC Change Fund	-	11,660	(11,660)	-	-	-	-
Scottish Govt. C&F	27,189	-	(27,189)	(27,189)	-	-	-
Scottish Govt. Database	80,349	-	(60,150)	(60,150)	-	-	20,199
Scottish Govt. Development	93,461	-	(70,072)	(70,072)	(23,389)	(23,389)	-
Scottish Govt. Right Direction	-	113,638	(117,778)	(4,140)	23,389	23,389	19,249
Scottish Govt. Innovation	-	16,515	(16,621)	(106)	106	106	-
Robertson Trust Training	-	7,500	(7,500)	-	-	-	-
NHS COPD	-	7,795	(7,795)	-	-	-	-
<b>Total restricted</b>	<u>212,763</u>	<u>240,358</u>	<u>(396,834)</u>	<u>(156,476)</u>	<u>106</u>	<u>106</u>	<u>56,393</u>
<b>Unrestricted Funds:</b>							
Undesignated funds							
General fund	151,525	538,723	(447,915)	90,808	(106)	(106)	242,227
<b>Total undesignated</b>	<u>151,525</u>	<u>538,723</u>	<u>(447,915)</u>	<u>90,808</u>	<u>(106)</u>	<u>(106)</u>	<u>242,227</u>
<b>Total unrestricted</b>	<u>151,525</u>	<u>538,723</u>	<u>(447,915)</u>	<u>90,808</u>	<u>(106)</u>	<u>(106)</u>	<u>242,227</u>
<b>TOTAL FUNDS</b>	<u>£364,288</u>	<u>£779,081</u>	<u>£(844,749)</u>	<u>£(65,668)</u>	<u>£-</u>	<u>£-</u>	<u>£298,620</u>

An under-spend of £23,389 on the Scottish Government Development restricted fund has been transferred to the Scottish Government Right Direction restricted fund with the agreement of the funder.

Further information on the purpose of specific restricted funds is provided at pages 21 and 22 of the report of the directors.

### 11. FINANCIAL COMMITMENTS

Annual financial commitments under operating leases at the year end are set out below:

	2016 Land and Buildings £	2016 Equipment £	2015 Land and buildings £	2015 Equipment £
Expiring:				
Within one year	33,390	-	33,390	-
Within two to five years	-	4,790	-	4,790
	<u>33,390</u>	<u>4,790</u>	<u>33,390</u>	<u>4,790</u>

### 12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Assets and liabilities are analysed between the charity's funds as follows:

	Unrestricted funds £	Restricted funds £	2016 Total £	2015 Total £
Fixed assets	17,460	-	17,460	69,174
Net current assets	224,767	56,393	281,160	332,614
Creditors due after more than one year	-	-	-	(37,500)
	<u>£242,227</u>	<u>£56,393</u>	<u>£298,620</u>	<u>£364,288</u>

## **LOTHIAN CENTRE FOR INCLUSIVE LIVING**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (Continued)**

#### **13. DEFINED BENEFIT PENSION SCHEME BUY-OUT LIABILITY**

With effect from 1 September 2012 the charity ceased its membership of the Lothian Pension Fund, a multi-user defined benefit pension scheme, resulting in a cessation valuation liability of £400,000. This liability is payable by instalments and the final instalment is due to be paid by 31 March 2017. The remaining liability is recognised in the financial statements at notes 8 and 9 in accordance with the timing of the schedule of payments agreed with Lothian Pension Fund. Interest at 1% above bank base rate will be payable to Lothian Pension Fund during the payment period.

#### **14. CONTINGENT LIABILITY**

The company currently remains in dispute with H M Revenue & Customs as to the VAT treatment of payroll services it provides. If the outcome of these negotiations results in these services being standard rated for VAT purposes, the company will have a liability for VAT which it estimates will be in the region of £102,000 (2015 £79,000), excluding penalties and interest.

#### **15. LEGAL STATUS**

Lothian Centre for Inclusive Living is a company limited by guarantee without a share capital. In the event of the company being wound up the liability of each member is restricted to £1.

#### **16. CONTROLLING PARTY**

The company is limited by guarantee and is a charitable membership organisation. The directors do not consider the company to be controlled by any individual party.

#### **17. CUSTODIAN ASSETS**

During the year Lothian Centre for Inclusive Living continued to provide financial management services to individuals who require assistance managing their self-directed support budget. A separate client bank account is operated for each of these individuals. The charity's trustees are satisfied the provision of this service accords with the charity's objects. The charity's bank has confirmed that should the charity become insolvent it would not offset balances held in these client accounts against the charity's liabilities.

At 31 March 2016 these client account balances totalled £972,890 (2015 £436,971). Those client balances and the transactions on each client bank account during the year have not been included in these financial statements. The prior year figures for cash at bank and creditors falling due within one year have been revised to exclude these balances from the comparative figures. Income from financial management services provided during the year ended 31 March 2016 is included in these financial statements within income from charitable activities.