

**THE LEADERSHIP CENTRE FOR LOCAL GOVERNMENT**

**(A company limited by guarantee)**

**REPORT OF THE TRUSTEES and FINANCIAL STATEMENTS**

**for the year ended 31 March 2014**



**Company Registration Number 05467557**  
**Charity Number 1123234**

**REPORT AND FINANCIAL STATEMENTS 2014**

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## **LEGAL AND ADMINISTRATIVE DETAILS**

<u>Registered Name</u>	The Leadership Centre for Local Government
<u>Charity number:</u>	1123234
<u>Company number:</u>	05467557
<u>Registered office:</u>	Local Government House, Smith Square, London SW1P 3HZ
 Statutory Auditors:	 PKF Littlejohn LLP, 1 Westferry Circus, Canary Wharf, London E14 4HD
 Bankers:	 RBS/Natwest, Holborn Circus branch, no 1 Hatton Garden, London EC1P 1DU
 Solicitors:	 Bates Wells & Braithwaite London LLP 2-6 Cannon Street, London, EC4M 6YH

### Directors and Trustees

The Directors of the charitable company (the charity) are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees serving during the year were:

H Bailey-	Appointed 10 April 2013
Cllr C M Bakewell	
D Baxendale	Appointed 14 January 2014
K Ryley	
J Simons	Resigned 27 <sup>th</sup> June 2013
Lord P R C Smith (Chair)	
Cllr R C Stay	
N Rogers	Appointed 26 <sup>th</sup> June 2013; Resigned 24 <sup>th</sup> March 2014
J Sobieraj	Appointed 10 April 2013

<u>Secretary</u>	Nicky De Beer	(resigned 26 <sup>th</sup> June 2013)
	Michael Coughlin	(appointed 26 <sup>th</sup> June 2013)

# **The Leadership Centre for Local Government**

## **Year ended 31st March 2014**

### **REPORT OF THE TRUSTEES**

The Trustees present their report and financial statements of The Leadership Centre for Local Government ("the Leadership Centre") for the period from 1 April 2013 to 31 March 2014.

#### **Structure, Governance and Management**

##### **Governing document**

The Leadership Centre for Local Government is a company limited by guarantee governed by its Memorandum and Articles of Association dated of 13 June 2005, amended on 3 September 2007, 5 March 2008, 20 May 2009 and 12 February 2014 to improve its governance arrangements.

##### **Appointment of Trustees**

As set out in the Articles and Memorandum of Association, new Trustees are nominated and appointed by the existing Trustees. There is no formally constituted nomination committee and nomination matters are reported and taken at ordinary meetings. The Board of Trustees will invite suitable candidates as well as advertise to find suitable Trustees that can bring in a full range of expertise to the Board.

##### **Trustee induction and training**

New Trustees have a one to one meeting with the Chair and receive a full information pack comprising the Memorandum and Articles of Association, the Charities Commission guidelines for Trustees, agendas, papers and minutes of the last year's board meetings, a blank register of interests form and the list of dates for future meetings.

##### **Organisation**

The Board of Trustees is responsible for the strategic direction of the Leadership Centre and is concerned with ensuring sound stewardship of the organisation, including overseeing its financial and business performance and agreeing related policies. The Board met five times in the year. The role of the Chair is paid, as set up in the Memorandum and Articles of Association and approved by the Charities Commission. There is no formally constituted audit committee and audit matters are reported and taken at ordinary meetings of the Board.

The Chair worked closely with the Leadership Centre's Director and the Company Secretary and he has delegated authority from the Trustees to manage all the day to day running of the charity and delivery of its objectives in accordance with the agreed business plan and budget. They were delegated responsibility by the Trustees for the operational management of the Centre, including finance and employment matters.

##### **Related parties**

Trustees and senior officers verbally declare any potential conflict of interest at the beginning of each Board meeting. In addition a register of interests is completed by Trustees and senior officers every year. Details of any transactions with related parties are fully disclosed in the Annual Report and Accounts in compliance with the charities regulatory framework.

##### **Public benefit statement**

The Leadership Centre confirms that the Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charities Commission in exercising their powers or duties.

### **How our activities deliver public benefit**

The main objectives of the charity, as set out in the Memorandum and Articles, are described below. All of our activities focus on these objectives and are undertaken to further our charitable purposes for the public benefit:

1. The advancement of education for the public benefit, in particular (without prejudice to the generality) by promoting, improving and developing leadership amongst public servants and, in particular, local authority employees and councillors.
2. To promote for the public benefit the efficient public administration of government and public services by the provision of education and training in the organisation and practice of the administration of government and the development of leadership skills for public servants, in particular local authority employees and councillors.

### **Business review**

This is an account of the first full year of activity following the strategic review undertaken by Trustees. That review proposed that the Centre adopt a profile working across local public services, rather than purely with local government. The first manifestation of that change was a widening of the base of background of the Trustees, with new trustees bringing experience of work in Whitehall, the NHS and Police as well as local government.

The second manifestation was the successful establishment and delivery of the new Future Vision programme, a cross public service leadership programme. We were able to deliver this programme thanks to the financial support received from BT in particular, but also EC Harris. In subsequent years we will seek to widen the base of financial supporters so the programme is not dependent on any one supporter.

Beyond that we have also engaged with the Systems Leadership Steering Group, where the Centre has played the coordinating role for all the activities of the group. The programmes undertaken are listed below. We have also entered into a major partnership with Public Health England for the delivery of a major leadership programme for senior staff working in the public health arena.

The combined impact of these two developments has been a transformation in the scale of the activities undertaken by the Centre, as demonstrated in the transformation in the scale of income and expenditure of the Centre. In doing this expansion we have still maintained significant levels of reserves. Going into 2014/15 we have again secured sufficient funding to ensure that we continue at least the same level of activity throughout 2014/15.

However we remain conscious that the charity is dependent on attracting specific income (be it grants, contracts or financial support from the private sector) to cover its activities. The charity is not in receipt of general grant, nor has it the ability to undertake general charitable fundraising. We have therefore continued to keep core staffing to the minimum, whilst engaging with specialists to help in the delivery of specific programmes. We now have a well-developed network of individuals, who provide the bulk of the contracted people resource to deliver our programmes, whilst also having the central administrative capacity to support those programmes. This model gives us both quality control (through the contracting arrangements we expect our facilitators/enablers to partake of shared learning experiences) and the ability to expand/contract our commitments according to the resource available. Our reserves thus give us the buffer to negotiate our way through changes in priorities or availability of finance. (For instance we expect that there may be some lulls of activity in the

first half of 2015/16 were any change of government to see some significant changes of direction).

### **Future Vision**

Future Vision is a flagship national leadership development programme for senior figures from across the public sector who are operating in an increasingly interdependent world. Future Vision has been developed using our experience and success of delivering political and managerial leadership development programmes for local government combined with input from our private sector partners. The year-long inaugural Future Vision programme, started in 2013, with a clear and uncompromising objective of enabling system change through leadership development.

Future Vision is designed for senior figures from across the UK public services, such as:

- chief executives of local authorities, health bodies, or chief constables
- senior figures in national and devolved government
- elected politicians; council leaders and police and crime commissioners
- senior figures in the private, voluntary and third sectors.

The intensive programme is run over two residential blocks and a series of one day events, and offers participants: exposure to some of the best UK and international thinking on leadership; and the opportunity to explore together the major issues of the day as well as pertinent scenarios of the future; coupled with the space and expertise to work collectively on the real challenges facing our communities and the public sector as a whole.

The first cohort concluded in February 2014 with the participants rating the experience extremely highly. They rated the experience so highly in fact that they were keen to extend their work beyond the stated programme, which would be self-funded.

Quotes from participants include:

"You tap into knowledge that you wouldn't otherwise come across."

(After the initial 24-hour event) "I'm amazed we've got so much done in just 24 hours - and really excited about what we can do after a week, a month, or a year."

"It's really opened my eyes to the bigger picture, and the emerging world we're working in. I walked away from Harvard and MIT thinking 'I have seen the future!'"

"I've found that it's a great forum to unburden myself: I'm surrounded by leaders facing very similar sets of problems to me - but as none of them work in my sector, it's a very non-competitive atmosphere, where you can be completely frank in a way you can't always be with your own colleagues."

### **Alumni Vision**

The end of the structured part of our programmes is by no means the end of the engagement - the Leadership Centre maintains a network of over 200 alumni in senior positions across public, private and charitable sectors, organising and facilitating events for them. Far more than mere social events, these are usually seminars and workshops with significant input from the alumni themselves.

Alumni Vision launched in November 2013 with an event bringing together senior leaders to discuss 'where next for public services'. Attendee participation was encouraged through workshops to enable a further iteration of the papers, informing the debate on the future of public services in advance of the 2015 General Election.

### **Local Vision**

The Leadership Centre lent its programme name, value and expertise to a collaboration of a number of national partners (Association of Directors of Public Health, Department of Health,

Coventry City Council, Leadership Centre, Local Government Association, NHS Central Southern Commissioning Support Unit, NHS England, NHS Improving Quality, NHS Leadership Academy, Public Health England, Social Care Institute for Excellence, The National Skills Academy for Social Care, Think Local Act Personal, Virtual Staff College) to launch a national programme of leadership development based on a theory of Systems Leadership.

Systems Leadership goes beyond collaborative leadership because it requires more than hierarchical authority whilst working with peers and partners – its power rests in behaviours, trust and relationships. Systems Leadership allows those involved to experiment and to work with uncertainty, supporting partial, emergent and clumsy solutions that transcend individual organisational interests for the collective impact and benefit for all.

With applications sought through the new fulcrum of local governance, the Health and Wellbeing Board, the collaborative supported 25 localities throughout 2013/14 to address complex and complicated issues not easily solvable by one organisation or person, through leadership development in place.

From FGM in Hackney to social isolation in West Cheshire, their aim is to create new ways of leading across organisations to support more responsive, integrated public services, which achieve measurable improvements in outcomes for residents. Health, Local Government officers and politicians, citizens and services users have all been intimately involved.

Quotes from Local Vision participants include:

"We too often think of the solution and plan the detail without understanding what is already there and what communities need and want."

"People are really engaging with the different way of doing things. Systems leadership has already been identified as an approach the locality would like to take towards crime and health."

"(We have) improved joint working, understanding others' roles, and user involvement has improved."

### **Integration Pioneers**

Building on our success with the Local Vision initiative, the Leadership Centre is bringing its experience in leadership development to bear on the national Health and Social Care Integration Pioneer programme. Using a similar method to the Local Vision programme but with a more tailored approach, support has been offered to the Integration Pioneer sites from December 2013.

### **Skills for Systems Leadership**

Skills for Systems Leadership delivered by Leadership Centre in partnership with Public Health England and in association with the Association of Directors of Public Health intentionally complement these whole systems learning opportunities by providing a focus on developing the skills, behaviours and frameworks to support systems leadership specifically for Directors of Public Health and wider public health teams.

During late 2013 the programme was developed with pilots areas started in March 2014. Skills for Systems Leadership will be delivered regionally allowing us to co-design the programme with Directors of Public Health, support the development of regional working amongst Directors of Public Health and the further development of the regional presence of the Association of Directors of Public Health. The delivery team will include Enablers from Local Vision who already have an understanding of the local context allowing the application of learning from the programme in real time.

### **Leadership for Change**

The Leadership Centre, with other national leadership organisations, designed a pan-public sector leadership development programme for senior or aspiring leaders across the public

sector. The framework is based on research of the behaviours needed to succeed when working across sectors.

**Other events and interventions**

Throughout 2013/14 the Leadership Centre has, where possible, sought to support national partners through designing and delivering events creating time and space to explore thoughts confidentially and interventions to promote new ways of working. These have usually taken the shape of 24hr events.

**Key Challenges in 2013/14**

In responding to the new challenges the Leadership Centre faced five particular issues and on each has made significant progress. Those issues are as follows:

1. New governance arrangements for the Leadership Centre to reflect its new role

There have been significant changes to the membership of the board. That we have been able to attract trustees with stature and experience is important for the Leadership Centre, enabling it to draw on the collective wisdom and experience of the board. But the board itself is also a visible statement of the new brief for the Leadership Centre.

2. A credible new leadership development programme

The first Future Vision cohort was a success. Looking at the cohort who enrolled we clearly have engaged leaders who are and will continue to make significant impact on public services. They would also be recognised by others as leaders with significance. Secondly it is clear that the cohort has valued the experience. This can be demonstrated by the fact that they are determined to add at least one further block onto the programme post the official conclusion (with that block to be self-financed by the participants).

3. A credible new leadership practice programme

We can see clear evidence of progress with the Local Vision/Systems Leadership projects. This is important for two reasons. First it shows that collaboration on the ground can deliver difference (and it shows the leadership roles required to make the difference). Secondly the collaboration at ground level is paralleled by collaboration nationally.

4. An ability to raise the funds required to do the above

The Leadership Centre has some reserves, but to finance activity on the scale now being undertaken we have to secure the commitment of others to work in collaboration with us. The model we have adopted is one of seeking co-produced solutions in collaboration with others, so those approaches and solutions are co-owned.

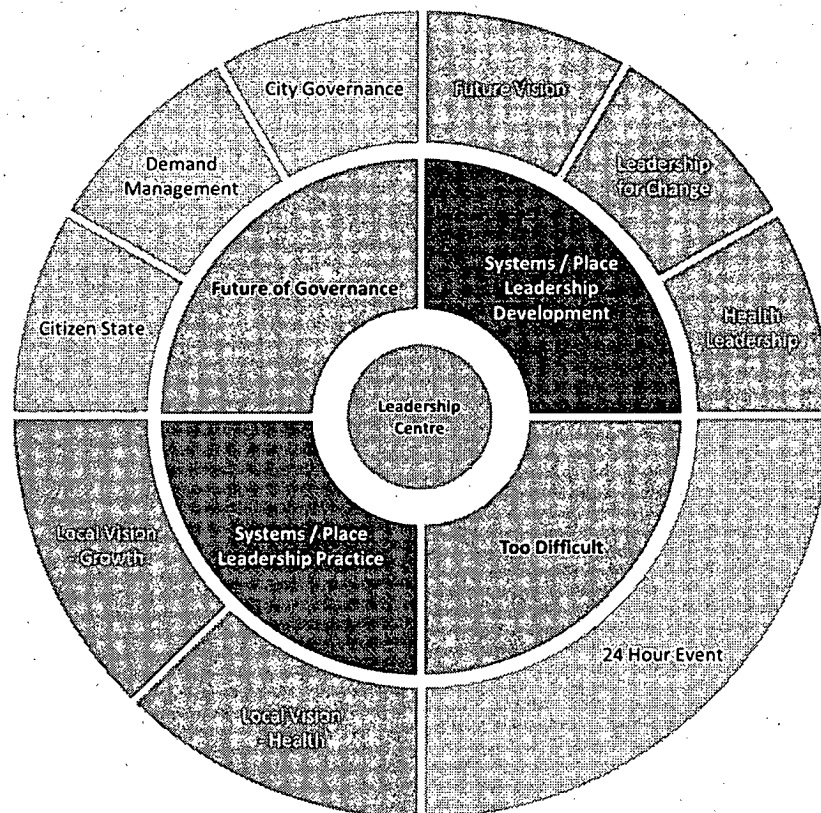
5. A credible delivery capacity

From the outset the Leadership Centre adopted a particular approach to staffing. We did not seek to establish a large in house permanent staff. We believed that such an approach would be both inflexible and costly. Neither did we opt for a pure commissioning model (with its reliance often on large suppliers). Instead we aimed to create a pool of individuals, with whom we would work on a regular basis, but always offering local places choice so places had a stake in the decision. By using the pool we were also able to get some quality control, but also capture shared learning (otherwise the communal learning would be lost). A challenge going forward is that the extension of activities proposed for 2014/15 will require us to expand the pool. That of itself is good, because of the need to refresh the pool. However the experience of the Systems Leadership projects to date is that there is a limited pool from which to draw.



### **Future Developments**

During 2014/15 the Leadership Centre will continue to take an innovative approach to building leadership capacity across the public sector.



This diagram describes the major challenges we seek to address and the approach we propose to adopt for 2014/15 to meet those challenges.

### **Systems/Place Leadership**

The Leadership Centre has been a major player in helping move thinking from purely service specific to one thinking more generally, looking at the interaction of different players. In local government this is often described as Leadership of Place, whilst it's more generic name is systems leadership.

Our approach to this has been two fold. First we have mounted specific leadership development programmes (such as Future Vision). But secondly we have always aimed to work with people in specific places, on the specific problems that need to be addressed in that place. Today the Local Vision/Systems Leadership projects have this cross organisation approach embedded in the whole operation.

### **Future of Governance/Too Difficult Box**

Each generation faces leadership challenges, though those challenges will vary over time. This is explored through the perspective of the future of governance and the too difficult box. The future of governance has been where much of our work with elected politicians has focused. Whilst the too difficult box has been where we have tried to create the space for discussion about those governance issues which are difficult to broach.

The Leadership Centre's work in 2014/15 will focus on the two axis described above, with each of the proposed activities addressing the challenges.

### **10 year anniversary**

The 2014/15 year will be a special year for the Leadership Centre, as it is our 10<sup>th</sup> anniversary. Plans to mark the occasion include a publication launch and seminar series in the autumn.

### **Principal risks and uncertainties**

The Leadership Centre has reviewed its arrangements for risk management with clear responsibilities assigned to named senior officers for the management of the principal risks.

The Trustees consider these risks are being effectively mitigated.

### **Financial review**

The Leadership Centre was established to help local government in England improve its political and managerial leadership. Its principal source of funding at the time was the Department of Communities and Local Government (CLG) - as part of the Capacity Building Fund. The Centre was originally set up as a limited company and became a registered charity on 1st April 2008.

During 2013-14 the Leadership Centre utilised some of its reserves to support its charitable activities and received RSG topslice to fund its core corporate costs.

The Leadership Centre is no longer reliant on direct general subsidy. Instead each initiative needs to secure specific funding. We have managed to attract some private sector support, as well as significant specific funding from public sources.

### **Environment**

The LGA has agreed an environmental policy which the Leadership Centre, as a tenant, has agreed to. This includes the commitment to:

- reduce carbon emissions by 16 per cent by 2014-15 in line with the intended UK carbon budget
- continually reduce waste and increase our recycling rate
- reduce paper use
- ensure that procurement of goods and services adheres to our green purchasing and procurement policy
- champion and mainstream consideration of environmental sustainability throughout our outward facing work programmes and services
- comply with all applicable legislation, regulation and with other relevant requirements relating to our environmental impacts.

## **The Leadership Centre for Local Government**

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees (who are also directors of the Leadership Centre for Local Government for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law they have are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the excess of income over expenditure for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue its activities.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### **Provision of information to Auditors**

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all reasonable steps to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This confirmation is given and should be interpreted in accordance with the provisions of section 414 of the Companies Act 2006.

**The Leadership Centre for Local Government**  
**Statement of Trustees' Responsibilities**

The auditor, PKF Littlejohn, will be proposed for reappointment in accordance with section 485 of the Companies Act.

Approved by the Board of Trustees on 10 September 2014 and signed on their behalf by

A handwritten signature in black ink, appearing to read 'Peter Smith', written in a cursive style.

**Peter Smith**

**10 September 2014**

# **The Leadership Centre for Local Government Independent Auditors' Report**

## **INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF THE LEADERSHIP CENTRE FOR LOCAL GOVERNMENT**

We have audited the financial statements of The Leadership Centre for Local Government ('The Leadership Centre') for the year ended 31 March 2014 which comprise the Statement of Financial Activities, Balance Sheet and related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and its members 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 Trustees' Responsibilities set out on pages 11 and 12, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

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 Trustees to identify material inconsistencies with the audited financial statements and to identify 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 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the Companies Act 2006.

## **The Leadership Centre for Local Government Independent Auditors' Report**

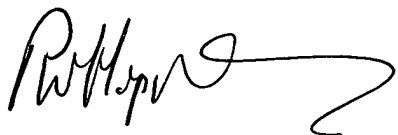
### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **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 requires us to report to you if, in our opinion:

- the charitable company has not kept 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime take advantage of the small companies' exemption in preparing the Trustees' Annual Report.



Paul Hopper  
Senior Statutory Auditor  
For and on behalf of PKF Littlejohn LLP

Date: 10/9/2014

PKF Littlejohn LLP  
Statutory auditors  
1 Westferry Circus  
Canary Wharf  
London  
E14 4HD

# The Leadership Centre for Local Government

## STATEMENT OF FINANCIAL ACTIVITIES

(incorporating an INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 March 2014

	Notes	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Unrestricted funds 2013 £
<b>Incoming resources</b>					
<b>Incoming resources from generated funds</b>					
Voluntary Income	2	14,125	947,733	<b>961,858</b>	24,756
Services recharged	2	116,059	-	<b>116,059</b>	300
Investment income	3	5,409	-	<b>5,409</b>	10,107
<b>Incoming resources from charitable activities</b>					
Sponsorship and conferences	2	65,000	-	<b>65,000</b>	15,000
<b>Total incoming resources</b>		<b>200,593</b>	<b>947,733</b>	<b>1,148,326</b>	<b>50,163</b>
<b>Resources expended</b>					
Charitable activities	7	152,727	947,733	<b>1,100,460</b>	235,500
Governance costs	9	2,450	-	<b>2,450</b>	2,000
<b>Total resources expended</b>		<b>155,177</b>	<b>947,733</b>	<b>1,102,910</b>	<b>237,500</b>
<b>Net incoming/(outgoing) resources</b>	4	45,416	-	45,416	<b>(187,337)</b>
Total funds brought forward		979,199	-	979,199	1,166,536
<b>Total funds carried forward</b>	14	<b>1,024,615</b>	<b>-</b>	<b>1,024,615</b>	<b>979,199</b>

There are no recognised gains or losses other than those disclosed above.  
All of the above results derive from continuing activities

The notes on pages 17 to 21 form part of these financial statements.

# The Leadership Centre for Local Government

Company Registration number 05467557

## BALANCE SHEET

As at 31 March 2014

	Notes	2014 £	2013 £
<b>Current assets</b>			
Debtors	00	1,033,172	24,215
Short term Investments	3	1,510,000	1,000,000
Cash at bank and in hand		178,442	40,592
		<b>2,721,614</b>	<b>1,064,807</b>
<b>Creditors: amounts falling due within one year</b>			
Creditors falling due within one year	11	1,696,999	85,608
		1,696,999	85,608
<b>Net current assets</b>		<b>1,024,615</b>	<b>979,199</b>
<b>Total assets less current liabilities</b>		<b>1,024,615</b>	<b>979,199</b>
<b>Funds</b>			
Unrestricted - General Fund	14	1,024,615	979,199
		<b>1,024,615</b>	<b>979,199</b>

These financial statements are prepared in accordance with the special provisions of Part 15 Chapter 4 of the Companies Act 2006 relating to small entities and with the Financial Reporting Standard for Smaller Entities.

These financial statements were approved by the Trustees on **10 September 2014** and are signed and authorised for issue on their behalf by:



**Peter Smith**  
Trustee

The notes on pages **17 to 21** form part of these financial statements.



# **The Leadership Centre for Local Government**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1. ACCOUNTING POLICIES**

#### **BASIS OF ACCOUNTING**

The accounts are prepared under the historical cost convention and in accordance with the Financial Reporting Standards for Smaller Entities (effective January 2007). They have been prepared in accordance with the Companies Act 2006 and the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 2005).

#### **GOING CONCERN**

The Trustees (who are also the directors of The Leadership Centre for Local Government ('the Centre') for purposes of company law) have prepared the accounts on a going concern basis. As described in the Report of the Trustees, during 2013-14 the Centre worked closely with the LGA and the various publicly funded specified bodies under the LGA's control. Funding has been agreed beyond 31 March 2014 and the directors are of the belief that the company will continue as a going concern.

#### **INCOME POLICY**

Voluntary income including donations and grants are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Investment income is recognised on a receivable basis.

#### **RESTRICTED INCOME**

Where donors specifically state which project their donations are to be used for, this is treated as restricted income. Where donations are made that can be used at the discretion of the Centre, then this is treated as unrestricted income.

#### **RESOURCES EXPENDED**

Expenditure is recognised on an accruals basis. This occurs when a legal or constructive obligation commits the Centre to the expenditure.

Irrecoverable VAT is charged against the category of resources expended from which it is incurred.

Any costs of generating funds comprise the costs associated with attracting voluntary income.

Charitable expenditure comprises those costs incurred by the Centre in the delivery of its activities and services for its beneficiaries. It includes both the costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Any grants payable are accounted for on award to the recipient.

Governance costs include those costs associated with the general running of the charity and include the operations of the Board and addressing constitutional, audit and other statutory requirements.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis.

# **The Leadership Centre for Local Government**

## **Notes to the Financial Statements**

### **ALLOCATION OF SUPPORT COSTS**

The costs of functions which are not direct, which support more than one of the Centre's activities, have been allocated to those activities on a consistent basis related to time spent in furtherance of the Centre's objects.

### **CASH FLOW STATEMENT**

The Centre qualifies as a small company under the terms of Section 398 of the Companies Act 2006. As a consequence it is exempt from the requirement to publish a cash flow statement.

### **CORPORATION TAX**

The Centre is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

### **FUNDS**

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity. Designated funds are unrestricted funds earmarked by the Trustees for particular purposes. Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

## **2. VOLUNTARY INCOME**

	<b>2014</b>	<b>2013</b>
	<b>(£)</b>	<b>(£)</b>
<b><i>Incoming resources from generated funds</i></b>		
Voluntary Income and Grants	961,858	24,756
Services recharged	116,059	300
<b><i>Incoming resources from charitable activities</i></b>		
Sponsorship	<u>65,000</u>	<u>15,000</u>
	<b><u>1,142,917</u></b>	<b><u>40,056</u></b>

Voluntary income and grants relates to RSG and funding from other public sector bodies. It is allocated to the main activities of the charity. Services recharged include events and conferences, publications and consultancy.

## **3. INVESTMENT INCOME**

All of the investment income arises from interest bearing deposits. The Centre participates in arrangements in which surplus cash balances are deposited with borrowers on the LGA's approved list. The Centre's investments are pooled with those of other entities that have adopted the LGA Group Investment Strategy. Investments are typically for periods of up to six months and as such the loan amount is a reasonable assessment of fair value. Lending of up to £3 million of the total funds held for up to one year is permitted. The counterparty list is currently restricted to major UK financial institutions, the larger UK building societies, and AAA-rated money market funds. The LGA Group Investment Strategy strictly applies credit limits for all of the above financial institutions to ensure that deposits are spread across a number of its approved counterparties. No credit limits were exceeded during the year and the Centre does not expect any losses on short term investments.

# The Leadership Centre for Local Government

## Notes to the Financial Statements

### 4. NET INCOMING RESOURCES

Net incoming resources are stated after charging:

	2014 (£)	2013 (£)
Trustees Emoluments (see note 5)	16,818	16,669
Directors Emoluments	-	-
Audit fees	2,000	2,000

### 5. EMOLUMENTS

During 2013-14 total remuneration of £16,818 (2012-13; £16,669) was paid to the Chair for work done in this capacity in accordance with a written agreement approved by the Trustees under clause 5.9 of the Memorandum of Association. Reimbursement of expenses to Trustees for travel costs totalled £923 (2012-13; £338).

### 6. EMPLOYEES

	2014 (£)	2013 (£)
<i>Agency and secondments</i>		
Agency staff fees	14,016	-
Secondments	83,796	9,412
<b>Total staffing costs</b>	<b>97,812</b>	<b>9,412</b>

### 7. COSTS OF CHARITABLE ACTIVITIES

	2014 Activities undertaken Directly (£)	2014 Support Costs (£)	2013 Activities undertaken directly (£)	2013 Support costs (£)
<b>Delivery Areas</b>				
Vision Programmes	878,496	120,666	60,760	10,248
Civic Pride	10,403	1,429	96,737	16,316
Knowledge management	-	-	13,785	2,325
Total Place Pilot	-	-	9,964	1,681
Work in specific places	-	-	20,266	3,418
Where Next	12,471	1,712	-	-
Public Health Leadership	66,191	9,092	-	-
<b>Total</b>	<b>967,561</b>	<b>132,899</b>	<b>201,512</b>	<b>33,988</b>

### 8. BREAKDOWN OF SUPPORT COSTS BY CHARITABLE ACTIVITY

	2014 (£)	2013 (£)
Finance support	-	965
Direction	19,751	16,999
General Office Costs	28,542	6,320
IT	810	292
Staff Costs	83,796	9,412
	<b>132,899</b>	<b>33,988</b>

Support costs are allocated based on dedicated general ledger codes. Where apportionments and judgement have to be applied, this is done based on staff time spent on different activities.

**The Leadership Centre for Local Government**  
**Notes to the Financial Statements**

**9. GOVERNANCE COSTS**

	<b>2014</b>	<b>2013</b>
	<b>(£)</b>	<b>(£)</b>
Meeting costs	450	-
Statutory Audit fees	2,000	2,000
	<u><b>2,450</b></u>	<u><b>2,000</b></u>

**10. DEBTORS**

	<b>2014</b>	<b>2013</b>
	<b>(£)</b>	<b>(£)</b>
Trade debtors	989,927	16,569
VAT recoverable	31,225	7,646
Accrued Income	12,020	-
	<u><b>1,033,172</b></u>	<u><b>24,215</b></u>

**11. CREDITORS**

	<b>2014</b>	<b>2013</b>
	<b>(£)</b>	<b>(£)</b>
Trade creditors	95,707	13,608
Accruals & deferred income (see note 12)	1,601,292	72,000
	<u><b>1,696,999</b></u>	<u><b>85,608</b></u>

**12. DEFERRED INCOME**

	<b>2014</b>	<b>2013</b>
	<b>(£)</b>	<b>(£)</b>
Vision Programmes – restricted	710,575	45,000
Public Health Leadership – restricted	763,578	-
Unrestricted	40,000	25,000
	<u><b>1,514,153</b></u>	<u><b>70,000</b></u>

**13. MEMBERS' LIABILITY**

The company is a registered charity and is limited by guarantee with no share capital. The liability of each member in the event of winding up is limited to £1.

**The Leadership Centre for Local Government**  
**Notes to the Financial Statements**

**14. FUNDS ANALYSIS OF NET ASSETS BETWEEN FUNDS at 31<sup>st</sup> March 2014**

	<b>Current Assets (£)</b>	<b>Current Liabilities (£)</b>	<b>Funds Total (£)</b>
<b>UNRESTRICTED</b>	1,247,461	(222,846)	<b>1,024,615</b>
<b>RESTRICTED</b>	1,474,153	(1,474,153)	-
	<b><u>2,721,614</u></b>	<b><u>(1,696,999)</u></b>	<b><u>1,024,615</u></b>

**15. POST BALANCE SHEET EVENTS**

The Directors and Trustees are not aware of any material post balance sheet events other than those already stated.