

The Leadership Centre for Local Government

Report of the Trustees

THE LEADERSHIP CENTRE FOR LOCAL GOVERNMENT

(A company limited by guarantee)

REPORT OF THE TRUSTEES and FINANCIAL STATEMENTS

for the year ended 31 March 2015

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COMPANIES HOUSE

Company Registration Number 05467557
Charity Number 1123234

REPORT AND FINANCIAL STATEMENTS 2015

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LEGAL AND ADMINISTRATIVE DETAILS

Registered Name The Leadership Centre for Local Government
Charity number: 1123234
Company number: 05467557
Registered office: Local Government House, Smith Square, London SW1P 3HZ

Statutory Auditors: PKF Littlejohn LLP, 1 Westferry Circus, Canary Wharf, London E14 4HD

Bankers: Barclays, UK Banking,
 1 Churchill Place, London, E14 5HP

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 and up to the date of approval of the financial statements were:

H Bailey
Baroness C M Bakewell
D Baxendale
Lord B Kerslake
K Ryley
Lord P R C Smith (Chair)
Cllr R C Stay
J Sobieraj

<u>Secretary</u>	John Jarvis Michael Coughlin	(appointed 10 th September 2014) (resigned 10 th September 2014)
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The Leadership Centre for Local Government

Year ended 31st March 2015

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 2014 to 31 March 2015.

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 works 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. The Director and Company Secretary 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 second 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 seen the continuation of the 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. In 2014/15 we secured funding to sustain the level of activity undertaken. Despite continuing financial pressures we also anticipate a similar level of activity for 2015/16.

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 in 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.

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; the opportunity to explore together the major issues of the day as well as pertinent scenarios of the future; and 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.

Each cohort has committed to sustaining the programme. The first cohort held a two day event in Bath undertaking a peer review of some of the challenges facing the council. The second cohort started in February 2014 concluding in February 2015. Cohort three commenced in February 2015.

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.

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, 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 50 localities throughout 2014/15 to address complex and complicated issues not easily solvable by one organisation or person, through leadership development in place.

In summer 2014 we published "The Revolution will be Improvised" a report based on the work undertaken.

Integration Pioneers / Vanguard

Building on our success with the Local Vision initiative, the Leadership Centre brought 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 and continued throughout 2014/15. The Leadership Centre offer was regarded by the Pioneers as the most useful of all the national offers of support. We have now started to develop a similar offer of support for the Vanguards.

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.

The programme was piloted in 2013/14 with full roll out in 2014/15. Skills for Systems Leadership was 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 included 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 2014/15 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.

The Centre was also commissioned to deliver a number of specific long and short term interventions in places to build senior team capacity to work in a systemic way.

10 year anniversary

2014 was marked by the publication of the All Systems Go! at an event at the House of Lords. We also held a seminar series.

Key Challenges in 2014/15

In responding to the new challenges the Leadership Centre faced five particular issues during 2014/15. On each significant progress has been made. Those issues are as follows:

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

New governance arrangements have proven to be successful. 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. Sir Bob Kerslake has also joined the board in 2015-16 following his retirement from the civil service.

2. A credible new leadership development programme

The Future Vision programme has been 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. That success can be demonstrated by the continuing high calibre of participants willing to undertake the programme.

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

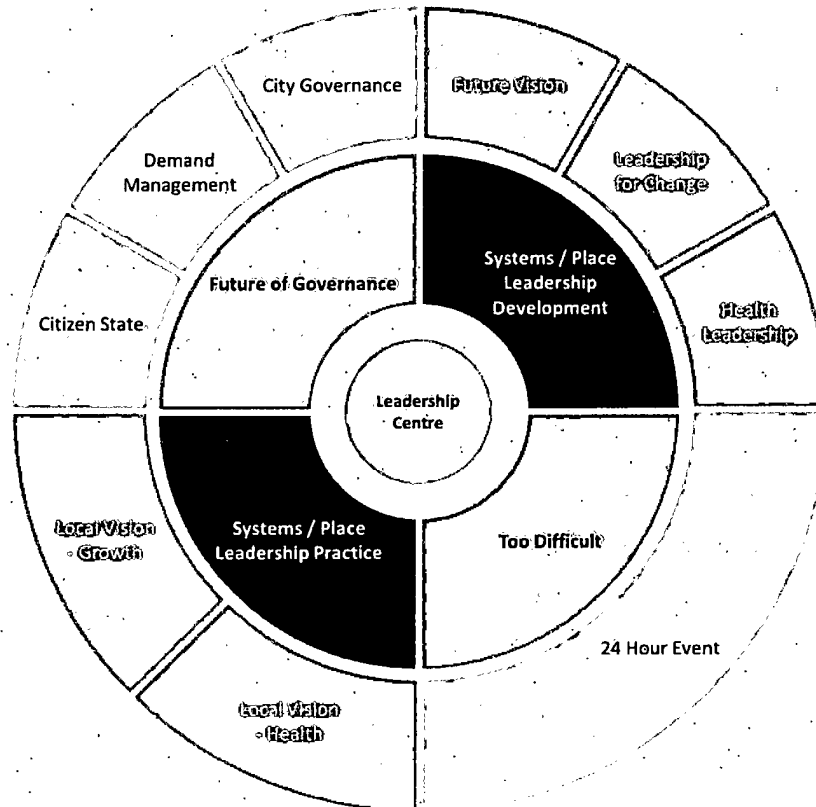
The Leadership Centre has some reserves, but to finance activity on the scale now being undertaken we have to secure the commitment of others to work in collaboration with us. The model we have adopted is one of seeking co-produced solutions in collaboration with others, so those approaches and solutions 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 key challenge for 2014/15 was to expand the pool of enablers. The experience of the Systems Leadership projects to date is that there is a limited pool from which to draw, but we have expanded the resource slightly.

Future Developments

During 2015/16 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 2015/16 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 2015/16 will focus on the two axis described above, with each of the proposed activities addressing the challenges.

Publications

In 2014/15 we published 'All Systems Go!', by Joe Simpson, a book describing systems leadership.

Throughout 2014/15 we worked on a working guide to the practices and theories used by our enablers helping people and places address systemic challenges. 'The Art of Change Making' will be launched in June 2015.

There will be a number of print and online resources developed throughout 2015/16 to share our learning and insight.

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 2014/15 the Leadership Centre utilised some of its reserves to support its charitable activities. The Leadership Centre has taken a very conservative approach to allocating funding in 2014/15, with regards to grants funding, as much activity crossed financial year ends. Once these projects are complete and where appropriate any remaining balance will be transferred to Leadership Centre reserves.

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

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

Auditors

A tendering process is in progress in relation to the appointment of the role of Statutory Auditor. A resolution for the appointment of the auditors of the Leadership Centre is to be proposed at a forthcoming Board Meeting.

Approved by the Board of Trustees on 10 June 2015 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 June 2015

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 2015 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 page 11, 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 2015 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

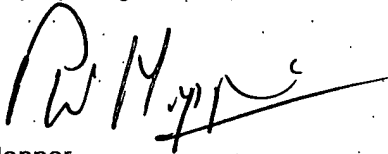
Opinion on other matter prescribed by the Companies Act 2006

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 June 2015

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 2015

	Notes	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Unrestricted funds 2014 £
Incoming resources					
Incoming resources from generated funds					
Voluntary Income	2	34,061	907,611	941,672	961,858
Services recharged	2	46,704	517,116	563,820	116,059
Investment income	3	12,762	-	12,762	5,409
Incoming resources from charitable activities					
Sponsorship and conferences	2	61,202	-	61,202	65,000
Total incoming resources		154,729	1,424,727	1,579,456	1,148,326
Resources expended					
Charitable activities	7	417,860	1,424,727	1,842,587	1,082,719
Governance costs	9	19,676	-	19,676	20,191
Total resources expended		437,536	1,424,727	1,862,263	1,102,910
Net (outgoing)/incoming resources	4	(282,807)	-	(282,807)	45,416
Total funds brought forward		1,024,615	-	1,024,615	979,199
Total funds carried forward	14	741,808	-	741,808	1,024,615

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 2015

	Notes	2015 £	2014 £
Current assets			
Debtors	10	385,513	1,033,172
Short term Investments	3	1,870,000	1,510,000
Cash at bank and in hand		499,427	178,442
		2,754,940	2,721,614
Creditors: amounts falling due within one year			
Creditors falling due within one year	11	2,013,132	1,696,999
		2,013,132	1,696,999
Net current assets		741,808	1,024,615
Total assets less current liabilities		741,808	1,024,615
Funds			
Unrestricted - General Fund	14	741,808	1,024,615
		741,808	1,024,615

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 June 2015** 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 2014-15 the Centre worked closely with the LGA and various publicly funded specified bodies. Funding has been agreed beyond 31 March 2015 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

	2015 (£)	2014 (£)
<i>Incoming resources from generated funds</i>		
Voluntary Income and Grants	941,672	961,858
Services recharged	563,820	116,059
<i>Incoming resources from charitable activities</i>		
Sponsorship	61,202	65,000
	<u>1,566,694</u>	<u>1,142,917</u>

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. The LGA Group Investment Strategy strictly applies credit limits for all of the 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:

	2015 (£)	2014 (£)
Audit fees	2,000	2,000

5. EMOLUMENTS

During 2014/15 total remuneration of £16,782 (2014-15; £16,818) 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 £550 (2013/14; £923).

6. EMPLOYEES

	2015 (£)	2014 (£)
<i>Staff, agency and secondments</i>		
Staff	96,382	-
Agency staff fees	95,622	14,016
Secondments	184,090	83,796
Total staffing costs	376,094	97,812

The average number of staff employed during the year was 1, with employee benefits excluding employer pension costs in the range of £80,000 to £90,000.

7. COSTS OF CHARITABLE ACTIVITIES

	2015 Activities undertaken Directly (£)	2015 Support Costs (£)	2014 Activities undertaken directly (£)	2014 Support costs (£)
Delivery Areas				
Future Vision	196,663	22,264	878,496	104,558
Civic Pride	-	-	10,403	1,238
Plymouth Leaders	19,098	2,162	-	-
Systems Leadership	719,534	81,459	-	-
Where Next	8,909	1,009	12,471	1,483
Local Vision	191,644	21,696		
Public Health Leadership	519,353	58,796	66,191	7,879
Total	1,655,201	187,386	967,561	115,158

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8. BREAKDOWN OF SUPPORT COSTS BY CHARITABLE ACTIVITY

	2015	2014
	(£)	(£)
Finance support	18,023	-
Direction	45,785	2,933
General Office Costs	77,079	27,619
IT	929	810
Staff Costs	45,570	83,796
	<u>187,386</u>	<u>115,158</u>

Support costs are based on staff time spent on different activities.

9. GOVERNANCE COSTS

	2015	2014
	(£)	(£)
Trustees Emoluments (see note 5)	16,782	16,818
Meeting costs	344	450
Chairman's expenses	550	923
Statutory Audit fees	2,000	2,000
	<u>19,676</u>	<u>20,191</u>

10. DEBTORS

	2015	2014
	(£)	(£)
Trade debtors	117,659	989,927
VAT recoverable	8,226	31,225
Accrued Income	259,628	12,020
	<u>385,513</u>	<u>1,033,172</u>

11. CREDITORS

	2015	2014
	(£)	(£)
Trade creditors	32,063	95,707
Accruals & deferred income (see note 12)	1,977,128	1,601,292
Other taxes and PAYE	3,941	-
	<u>2,013,132</u>	<u>1,696,999</u>

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12. DEFERRED INCOME

	2015 (£)	2014 (£)
Future Vision – restricted	-	710,575
Public Health Leadership – restricted	249,461	763,578
Systems Leadership - restricted	1,292,835	-
Unrestricted	91,840	40,000
	<u>1,634,136</u>	<u>1,514,153</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.

14. FUNDS ANALYSIS OF NET ASSETS BETWEEN FUNDS at 31st March 2015

	Current Assets (£)	Current Liabilities (£)	Funds Total (£)
UNRESTRICTED	1,212,644	470,836	741,808
RESTRICTED	1,542,296	1,542,296	-
	<u>2,754,490</u>	<u>2,013,132</u>	<u>741,808</u>

15. POST BALANCE SHEET EVENTS

The Directors and Trustees are not aware of any material post balance sheet events.

