



ANNUAL REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

TUESDAY



LD2 *L6CW2TAB* 15/08/2017 #65
COMPANIES HOUSE

Registered Office: 9 Holyrood Street, London SE1 2EL
Telephone: 020 7803 4300 Fax: 020 7803 4301

www.centreforcities.org

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CENTRE FOR CITIES
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CENTRE FOR CITIES
STATEMENT OF TRUSTEES' RESPONSIBILITIES
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REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31 DECEMBER 2016

The Board of Trustees are pleased to present their annual directors' report and SOFA for the year ending 31 December 2016. The report and financial statements comply with the requirements of the Charities Act 2011, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS102, effective from 1 January 2015.

CHAIR'S REPORT

Throughout a year of significant political and economic change, Centre for Cities has continued to grow its national and local reputation as a driving force in generating, influencing and informing public debate about city economies and their importance to the UK.

2016 has seen significant policy changes for which the Centre for Cities has long campaigned, including the Cities and Local Government Act becoming law, putting in place the legal framework for six new metro mayors to be elected across England on 4th May 2017. The Centre has argued for the creation of metro mayors since we started in 2005, and we continue to influence and shape national and local debates about what the mayors should focus on as well as how to create lasting, accountable new institutions.

The Centre has also sought to influence ongoing policy conversations about how cities perform and how they compare to the world. Our work finding that London contributes 30p in every pound of national economic taxes is regularly cited by politicians, journalists and academics, while our research on graduate mobility saw a renewed debate about the dominance of London when it comes to attracting young talent. We also published work comparing the Northern Powerhouse with the Rhine Ruhr and Randstadt and produced a groundbreaking report allowing UK cities to compare themselves to European counterparts on a range of measures and identify what they need to improve.

At the heart of the Centre's work is our commitment to high quality, accessible data that can be used to inform and transform policy and practice around city economies. Our rigorous reports and briefings sit alongside infographics, maps and an interactive data tool that can generate maps, statistics and insights for cities around the UK – and now Europe - in just a few clicks. Through our event series, which roams the UK, we offer opportunities for policymakers, practitioners and the public to debate the present and future of city economies, and to interrogate the data and recommendations we provide.

We are particularly proud of the work we do with and in cities to support them in making the most of their economic strengths and tackling the challenges they face, which has intensified since the referendum vote as cities strive to identify the opportunities and challenges that Brexit will bring. During 2017 the Centre will continue to work hard to provide cities with economic intelligence, insights and ideas, encouraging a conversation at national and local level about the importance of cities to the UK's future and how best to make the most of quite different city economies.

Nigel Hugill, Chair, Centre for Cities

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Objectives and activities

The purposes of the charity, as set out in the Memorandum of Association, are:

- To promote education for the public benefit in issues of economics and public policy in relation to cities and towns in the United Kingdom and elsewhere in the world;
- To promote for the public benefit research in the aforementioned fields; and
- To publish the useful results of such research.

The vision shaping our activities each year is of a UK economy that makes the most of different cities' potential to drive sustainable economic growth and jobs.

We work to understand how and why economic growth and change takes place in cities in the UK and internationally, and publicise these findings widely in order to help British cities improve their economic performance and for public benefit.

To fulfil its objectives, the Centre undertakes the following activities:

- 1) **Producing high quality research and policy:** The Centre publishes a range of briefings, blogs, papers and reports on the economic performance of UK cities. Our research is produced by an in-house team of experts, with input from external experts and partner cities. The research is of a high quality, drawing on a robust evidence base. It aims to inform debate, policy and practice and includes development of clear, evidence-based policy proposals about how to improve the economic performance of UK cities. These proposals are developed in consultation with Whitehall departments, political parties, local authorities and business organisations.

We also carry out research in association with UK cities, including the elected leaders and chief executives of city councils and bring together networks of local and national decision makers from both the public and the private sector to share knowledge. This enables us to directly influence policies and practices within specific cities, and to publicise lessons from this work which are relevant to other cities.

- 2) **External Affairs:** To ensure public benefit of the work we do, all the Centre's reports and papers are available to the public free of charge on the Centre's website and the Centre presents these findings to varied audiences through national, local and specialist broadcast and print media, social media and presentations at our own and others' events. Our events programme includes public events (free to attend) to discuss and debate city economies and include a programme of events at the major party conferences each year. We publish a regular newsletter and work in partnership with others, including journalists, universities and cities, to publicise the findings of our work.
- 3) **What Works Centre:** The What Works Centre for Local Economic Growth (WWG) was set up in October 2013 as part of the What Works Network to analyse which policies are most effective in supporting and increasing local economic growth. The three year programme, now extended to February 2017, is a partnership with the London School of Economics and Arup and is funded by the ESRC and government departments. The Centre works to provide solutions for local and national policymakers through:

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- a) Systematically reviewing the evidence base on policies for local economic growth using a robust methodology;
- b) Working with and convening events and workshops for local authorities, LEPs, central government and business to help them understand and make better use of evidence in designing and delivering policy.
- c) Improving the quality of the UK evidence base by helping to develop 'demonstration' projects, or local policy experiments.

Public Benefit

The Charity remains committed to the aim of providing public benefit in accordance with the Charities Act 2011.

The Trustees also confirm that, in carrying out its Principal Activities, the Centre provided public benefit during 2016.

The Centre produces high-quality research reports and policy analysis that are independent of government, individual clients or companies. These reports and briefing papers are made available widely and free of charge to individuals, organisations, practitioners and others active in urban economic development, and the Centre constantly invests in improving our outreach to ensure our work reaches more policymakers, practitioners and members of the public.

To complement our research work, we deliver papers which focus on practical ways in which UK cities can tackle longstanding challenges such as youth unemployment, drawing on UK and international case studies.

We have also invested in expanding our blog which draws on our evidence base to offer readers our analysis of what recent economic, political or financial changes mean for city economies. Topics range from providing information on mayors (our frequently asked questions has been one of our most popular briefings during 2016), to commentary on the implications of the Budget and Autumn Statement for city economies.

To make it easier for policymakers, practitioners and the public to review the economic performance of UK cities, we have invested in producing an interactive, easy-to-use data tool available on our website. This contains the latest data at city level and provides users with the ability to compare different UK cities on measures ranging from skills and business starts to broadband and housing. We have publicised this data tool through our own networks and through strategic partnerships, for example a city-focused website, City Metric, writes regular articles (freely available to all) that draw on our data tool and this has increased use of our data tool more than tenfold. We have also now produced a data tool that allows comparisons of UK and European cities, enabling identification of areas where UK cities need to improve the most compared to similar counterparts.

Together, the reports, briefings, blogs and data tool provide a robust evidence base on the economic performance of UK cities and towns for public access, thereby equipping the public with knowledge and information on issues affecting cities and towns.

We also continued our work on city economies and governance structures, contributing and leading the debates around devolution, mayors, combined authorities and partnership

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working. We have provided advice to city regions negotiating devolution deals and have published blogs to publicise lessons learned.

Review of achievements and performance for the year

In 2016, our aims, activities and achievements were:

- 1. *Policy-research Aim:* Inform public policy and election debates and improve the quality of cities policies for all parties, as well as inform the policies of cities through publishing high quality research and developing policy recommendations which are recognized as accessible, relevant, timely and rigorous.**

During 2016 we continued to publish research and policy work designed to inform public debate and election debates. Highlights included:

- **Our annual flagship publication, *Cities Outlook 2016***, which generated significant national and local debate about economic performance across the country. The report featured on BBC News, as well as securing widespread coverage across national print media, including articles in the in the FT, the Guardian, The Daily Telegraph, The Times, The Independent, The I newspaper, Prospect and the Huffington Post. It also featured on BBC News, BBC Radio 4 and BBC Radio 2, while regional print and broadcast coverage included around 300 regional news articles, and over 120 regional broadcast reports.
- **Supported the creation of a Fast Growth Cities group** including Cambridge, Milton Keynes, Norwich, Oxford and Swindon, creating a space for these successful city economies to debate how they might work together on shared challenges around housing and infrastructure. The group was supported by an analytical report and event in March 2016, and then the Chief Executive providing advice and helping to chair the group as it established itself.
- **Informed national debate about the Northern Powerhouse** through a report looking at international comparisons with the Randstad and Rhine-Ruhr. This showed that these areas perform better than the North but that stronger local transport networks, between city centres and surrounding areas, seem to be more important than fast inter-city train links. The report got wide coverage in the Financial Times, Guardian and Daily Telegraph and comment pieces in the Spectator, the Times Red Box and the Guardian, as well as strong regional coverage across outlets including the Newcastle Chronicle and Yorkshire post. It was also the basis for meetings with officials and politicians.
- **Analysed city-level tax data for the first time to consider how cities contributed to the national exchequer between 2004/05 and 2014/15.** A key finding was the London's dominance has actually increased over the decade, meaning we are more reliant on it and a few other high performing cities more than ever. The report was also published with a special online data tool. Initial stories were published in the FT, Guardian, Telegraph, Spectator and BBC News online and the statistics have continued to be used in media outlets such as the Evening Standard and the Guardian.
- **Published a groundbreaking new report comparing UK and European cities.** This looked at data in over 300 European cities from 17 countries to compare and

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contrast the UK's economic performance to the rest of the continent. It showed in particular that while the UK is matched on industrial structure with many Western European cities, its productivity levels were on par with Eastern Europe, with big implications for taking industrial and economic policy forward. The report was published alongside a major new data tool, with the full set for all 330 cities analysed. It received excellent press coverage in outlets including BBC News, The I Newspaper, The Times, Telegraph, Business Reporter, Yorkshire Post, Sheffield Star, Liverpool Echo, Sunderland Echo, The Scotsman, Newcastle Chronicle, Sunday Sun, The Press & Journal, CityMetric, Public Finance, Public Sector Executive, The Planner and Local Gov.

- **Reviewed where new graduates move for work**, finding that many new graduates, and particularly those getting a First or 2:1 at Oxbridge and Russell Group universities, go straight to London. The work also highlighted the importance of cities working closely with universities to recruit local students, as they are the most likely to stay. The report was covered by The Guardian, The FT, The Daily Telegraph, Prospect, Metro, BBC 5 Live, BBC NW Sunday Politics and BBC Scotland. We have complemented this with more detailed city level analysis of graduate destinations.
 - **Continued our high profile strand of work on mayors**. During 2016 we held six events in mayoral city regions debating what the future priorities of the metro mayors should be, as well as a session at the International Business Festival, party conference fringes and a high profile event with Benjamin Barber – who wrote the book 'What if Mayors Ruled the World.' We also published 'Ten Lessons' gleaned from interviews with former advisers to the two previous Mayors of London, and have developed a mayoral hub on our website that has proved very popular, particularly our 'frequently asked questions' briefing. We continue to influence and inform national and local debate about mayors as we head towards the 2017 elections.
 - **During 2016 we continued to promote our research findings through national, regional and specialist press and broadcasters**, as well as proactively releasing statements and putting forward spokespeople to respond to breaking news stories and announcements, resulting in around 12 pieces of national media coverage (print and broadcast) each month. We also have regular columns in the Municipal Journal and Local Government Chronicle, and are frequently asked to contribute to other publications including the Guardian and CityMetric. The blog has been expanded to allow our evidence to be used to comment on the latest events, helping educate the public about the implications for city economies, and each team member uses social media to engage in discussions about city economies throughout the year. Our blog gets an average of 5,500 views a month, and our twitter account has grown by over 3,000 followers in the past year.
- 2. Networks Aim: Strengthen and grow the Centre's role as a convener of challenging and constructive dialogue between UK cities, LEAs, government, business and academics. Sustain links with the 64 primary urban areas, taking a targeted approach to strengthening those relationships where this is most appropriate for our work.**
- **We have engaged with Ministers and MPs from across all major parties throughout the year** using the Centre's evidence base to inform their policy development. Examples include: the former Chancellor's Northern Powerhouse initiative drawing explicitly on some of our work; Greg Clark, now the Secretary of

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State for Communities and Local Government, who has continued to draw on our work to make decisions about Devolution Deals; and a number of media pieces by Labour MPs such as Jonathan Reynolds and Jon Ashworth which explicitly cited our work. We held a series of free-to-attend events at party conferences, including receptions at Labour and Conservative party conference and roundtables discussing cities and transport. Our work including our interactive data tool and our annual Cities Outlook factsheet is regularly quoted by politicians and used by their teams.

- **We continue to work in partnership with academic institutions and practitioner organisations to improve our research base and increase our impact and public benefit**, with partners during 2016 including the European Commission, ONS, Cambridge University, LSE and the Brookings Institution.
 - **Through our leading role in the What Works Centre for Local Economic Growth** we have built a strong network of local authority leaders and policymakers keen to build a stronger evidence base around urban policy interventions, publishing a number of reports, and convening 7 well attended events across the country through the year. Through 2016 we have completed the evidence reviews and also published a number of toolkits for cities to use to better inform their policymaking, as well as working alongside cities with devolution deals to set up effective evaluation frameworks.
 - **We continue to work closely with cities all across the country to support them in improving their economic performance.** We have worked closely with the Core Cities, Key Cities and Fast Growth Cities group, and provided support to a range of places attempting to strengthen city-region working, including cities such as Belfast and regional partnerships such as the London Stansted Cambridge Consortium. We have a system of ensuring regular contact with the cities on which the Centre's work focuses to ensure we understand their priorities, opportunities and challenges, and can share any lessons learned with the wider audience.
- 3. Communications Aim:** Continue to build the Centre's reputation as the UK's leading urban policy think tank and *the* knowledge exchange and first port of call for comment and analysis of UK cities and economic policy. Prioritise quality coverage and dissemination above media hits and be in a position to provide timely, relevant and informed comments and evidence based on the Centre's research throughout the year.
- **The Centre's public events programme ranged from research-related roundtables to major public launches and receptions.** Our City Horizons series saw Tristram Hunt MP, Benjamin Barber and Professor Philip McCann speaking about the long term future of cities. Our City Horizons series saw Tristram Hunt MP, Benjamin Barber and Professor Philip McCann speaking about the long term future of cities. Our ongoing Leaders Network Dinners brought together city leadership to discuss and compare notes on how they are reacting to changes to local government finance and accelerating devolution. In total, we held around 25 events across the country and welcomed well over 1,000 guests.
 - **We have made significant progress in delivering on our long term objective to position the Centre as the first port of call for those interested in the future of UK cities.** The interactive data tool continues to increase its impact with our data partnership with City Metric has resulted in over 100k more hits on Centre for Cities

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analysis, data and commentary, further increasing public benefit. Over 300,000 unique users accessed our website or interacted with our data tool during 2016

- **During 2016 we continued our podcast series bringing together experts on cities to debate issues of interest and relevance to city economies.** 2016 speakers have included Professor Tony Travers, Mike Emmerich, Dr Benjamin Barber, Professor Henry Overman, Heather Jameson, Simon Parker and many more, with topics ranging from 'what is the Northern Powerhouse?' to brownfield vs green belt. The podcasts receive an average of 500 listeners per episode, significantly larger than our average blogs. It has also allowed the Centre to strengthen relationships with key influencers.
- **Throughout the year we continued to promote our research findings through national, regional and specialist press and broadcasters,** as well as proactively releasing statements and putting forward spokespeople to respond to breaking news stories and announcements, resulting in around 12 pieces of national media coverage (print and broadcast) each month. We also have regular columns in the Municipal Journal, Estates Gazette and Local Government Chronicle, and are frequently asked to contribute to other publications including the Guardian and City Metric. The blog has been expanded to allow our evidence to be used to comment on the latest events, helping educate the public about the implications for city economies, and each team member uses social media to engage in discussions about city economies throughout the year. Our blog gets an average of 5,500 views a month, and our twitter account has grown by over 3,000 followers in the past year.

4. *Be an active partner in the What Works Centre to deliver public benefit through informing practitioners about 'what works' in local economic growth.*

- The WWC has had its funding extended for a further two years, and DfT and DWP have joined BEIS, DCLG, and the ESRC as funders. Since the WWC's inception, we have presented to 106 local authorities, 38 LEPs and 20 government departments.

Financial review

In 2016, our main activities were: 'Research', 'External Affairs' and the 'What Works Centre'. The income and expenditure linked to these activities was unrestricted. There were no restricted funds in this period.

The Statement of Financial Activities set out on page 20, shows a shortfall of (£34,795) (2015: £18,880). The deficit was primarily due to lower than expected revenues. This was because of funders withdrawing their support after the EU referendum. The total funds carried forward were £695,201 (2015: £729,995)

Income

We maintained our core support from the Gatsby Charitable Foundation. We also raised £264,000 (2015: £395,400) for work undertaken in 2016. Funding was generated through sponsorship agreements for research projects and events.

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Core Funding (Gatsby Foundation)	£800K (2015: £800K)
Research Sponsorship & Partner Cities	214K (2015: £315.9K)
External Affairs	50K (2015: £79.15K)
What Works Centre Grant	£226K (2015: £240.2K)

Resources expended

The Centre's expenditure was £1,333,453 (2015: £1,457,994). The decrease in expenditure was mainly due to the salary bill being lower than in 2015, as well as a drop in the number of projects carried out during the year.

The Balance Sheet (page 21) shows the unrestricted fund balance of fixed assets of £116,459 (2015: £151,700) with net unrestricted current assets totalling £578,742 (2015: £578,295).

Reserves Policy

The Trustees' reserves policy is being reviewed on an annual basis. The level of reserves is defined as unrestricted net current assets and should not fall below £425,000. This reflects the size of the organisation and the size and nature of the risks it faces. The £425,000 consists of:

- £300,000 for the protection of the continuity of the organisation's work in the context of uncertain future income streams. The sum represents three months' worth of salary costs and fixed office expenditure;
- £75,000 is our rent deposit, which would be forfeited should we need to leave these offices early and therefore is not accessible;
- £50,000 for capital items replacement and to cover unplanned emergencies and potential risks.

Additionally, the trustees requested that from 2016, the Centre puts aside £30,000 a year towards a building fund which will be utilised at the end of the current office lease in 2020.

They also accepted the management's proposal that, where reserves are above the required level, the Centre's management team should bring proposals to the Board if there is an opportunity to make a significant investment that will tangibly boost the public benefit of the Centre's work and for which funds are not readily available from an alternative source.

During 2016, the investments from reserves were:

- A new database, which enabled to improve our ability to manage existing relationships and generate new contacts and build new relationships;
- Enhancement of the functionality of our online interactive data tool in order to increase usage amongst our core stakeholders.

Reserves held at 31 December 2016 amounted to £578,742, which is £153,742 above the level of required reserves. This amount includes £25,000 towards the building fund.

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PLANS FOR THE FUTURE

What is the Centre for Cities? The only think tank dedicated to understanding and improving city economies, stimulating debate about cities and providing high quality evidence that helps policymakers make better national and local decisions.

What do we want to achieve? A UK economy that makes the most of different cities' potential to drive sustainable economic growth and jobs.

What is the Centre's ambition? By 2019, the Centre for Cities will be indisputably the leading place to go to understand and influence the economic performance of British cities, for UK and international audiences. We will have:

- Put urban economies at the heart of national and local conversations about economic growth;
- Changed national and local policy and practice to ensure that policies are appropriate for, and support growth in, distinctive local economies – with cities improving their performance against the national average by 2022;
- Become the first port of call for accessible and practical facts, insights, intelligence and ideas that are used to improve urban economic growth.

What does success look like?

- Having an impact on policy - building on our evidence base, having the best answers to the really difficult policy questions facing economists in government and cities across the country;
- Having an impact on practice - building on our evidence base and our understanding of policy, having the best ideas and radical visions for delivering more productive and prosperous cities all across the country;
- Having an impact on evidence - recognised as having the most accurate and relevant data and analysis on city economies in the UK (even if not all of this is generated by us).

What is the Centre's plan? Focus on impact and solving current and future problems policymakers face when trying to make cities successful – and making it easy to find our facts, insights and solutions. We need to:

- Focus on impact - the topics and issues that are or will be top of mind for policymakers and how we can make most difference to improving policies and practice, crafting them as part of a bigger story about how to make cities successful, with a strong and new evidence base and clear recommendations wherever possible. This will involve focusing on the objectives of each project and then deciding whether the focus is on small or large-scale research, policy briefings, events or a mix of all of these.
- Make our work more accessible and disseminate more.
- Form new partnerships with national and local policymakers, businesses and academics to ensure we're at the cutting edge of what makes cities successful and that we can influence policy and practice.
- Have a fundraising and operations strategy that enables us to be bold and innovative about the topics we address.
- Have a team that can take the Centre to the next level.

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Building on the Centre's past research

During 2015 and 2016 we planned that our research programme would focus on how different cities can drive jobs, growth and prosperity in the 21st century.

In 2015, we developed our work on city economies and leadership by delivering a set of substantial new data sets and associated reports covering: long term economic trends over the last century; detailed tax and expenditure data at local authority level to inform debates about fiscal devolution; and demographic patterns across urban Britain to understand how life in cities is changing. We also: continued to develop 'delivering change' work looking at issues such as city assets; enhanced our website, data tool and social media outreach to raise the profile of cities; and worked to strengthen our partnerships with cities.

In 2016, we took this work further, producing groundbreaking new datasets on the levels of tax generated by UK cities over the last ten years, and analysis comparing UK cities across a host of economic development measures to over 300 of their European counterparts. In addition we produced new research on how to maximize the potential of the Northern Powerhouse, and the first detailed study of why firms locate where they do across the country – critical research in the context of the Government's desire to implement a national industrial strategy. Metro mayors are set to be introduced and the Cities and Local Government Act got Royal Assent.

This year we plan to:

- **deepen our understanding of how city economies will thrive in the future;**
- **respond to the biggest policy issues facing cities today – industrial strategy, devolution and Brexit; and**
- **continue to encourage more effective use of data through innovating in how we provide it, working with government to improve the supply of data and raising demand at national and local level for better data to inform policy and practice.**

2017: Future city economies

Creating successful city economies for the 21st Century

The UK's emerging knowledge economy will be more powerful than the industrial model that powered the country's growth for much of the last two centuries and which we are now leaving behind.

In this knowledge economy, it's cities that are the great fonts of innovation and enterprise. They are where talent, customers, entrepreneurs, funders, and ideas mix and mingle. Many cities are leading the way: renewing infrastructure to better connect people and places, investing in education and skills, upgrading low-skill, low-wage service work, establishing new forms of strategic governance, and encouraging employers to introduce living wages tied to local costs of living.

But if cities enable and create prosperity, they don't distribute it equitably; many people and many places are left behind. In many cities the new urban job market is divided between high-skill, high-pay knowledge workers and low-skill, low-pay service workers. Although post-industrial success cities such as Manchester, Birmingham and Leeds are reinventing themselves as knowledge hotspots, many of the country's small and medium old industrial cities such as Blackburn, Burnley and Sunderland continue to struggle. Even rich cities such as Bristol and London have entrenched pockets of poverty. Needless to say, these trends are politically, economically and socially unsustainable.

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To realise the knowledge economy's potential we need to further empower our cities to enhance their capacity for innovation and enterprise, to strengthen their links to the global economy through trade, talent and investment flows, and to lead the country's long-run economic prosperity.

In 2017, the Centre for Cities will translate new evidence and ideas into tangible policies that enable our cities to build a knowledge economy that works for all. Specifically the programme will:

1. Focus on making the most of today's opportunities:

- **Making the most of metro mayors.** This work will work with the new mayors to set out what makes a good city mayor; the economic policy priorities the mayors should focus on; the additional powers and responsibilities the mayors should be asking government for; the measures of success; and, establish networks to connect mayors with their international counterparts so they can learn from mayoral experiences elsewhere.
- **How a place-based industrial strategy can improve productivity and job growth across the country.** This programme will explore what a 'place-based' industrial looks like and how it should be implemented; the different mix of policies that is needed for big cities, smaller thriving cities and towns, struggling cities, and single industry cities vulnerable to economic changes.
- **How agglomeration-based policies can both drive growth and reduce inequality.** In the context of debates about inclusive growth, this project will set out how policies that support agglomeration can also help to tackle inequalities and help more deprived places and people to improve their economic prospects

2. Explore how cities can be successful in the future by:

- **Examining how cities can help people respond to the changing nature of work.** The world of work is changing driven by automation, globalisation and policy – loss of well-paid manufacturing jobs, increase in self-employment, casualisation of jobs, emergence of the gig economy – and these changes are having profound and different effects on cities across the country. This work will explore how different cities are being affected by these changes, and the policies they can implement to help their residents and workers adapt and thrive in this rapidly changing context.
- **Reviewing how devolution can further empower cities to drive economic growth beyond 2017?** Considerable progress has been made on the devolution and economic growth agenda over the last 5 years and in May several city regions will be electing their first 'metro-mayors'. But beyond 2017 the agenda for devolution is less clear and the risk is that the hard won gains of the last five years will not be maximised or built upon. This programme will set out the additional powers and responsibilities that should be devolved to big cities to help them drive economic growth, the forms of devolution that would best support smaller cities, how the role of national government needs to change in a more devolved country, and how government and cities can work together to drive economic prosperity across the country.

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2. *Improve the data and evidence that cities use to develop, implement and evaluate economic policy:*

- Through our partnership with London School of Economics running the What Works Centre for Local Economic Growth we will work with cities and Mayoral Combined Authorities to improve the way cities design and evaluate economic policies. We will also work with the Office for National Statistics, Behavioural Insights Team, HM Treasury, the UK Statistics Authority and 'data-holders' to improve access to and use of data in cities across the UK.

In all of these efforts, we will continue to work in partnership with city leaders across the UK, their counterparts in a growing number of international cities, business leaders and institutions, and decision-makers in Whitehall and Westminster.

What Works Centre for Local Economic Growth

We will continue to work with the LSE and New Economy in this partnership, confirmed until the end of February 2017 and we hope beyond. The next two years of work will focus primarily on working with cities to improve the way in which they evaluate policies and improve decision-making.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity number 1119841
Company number 6215397
Registered office 9 Holyrood Street, London SE1 2EL

REGISTERED AUDITORS: HW Fisher & Company
 Acre House
 11-15 William Road
 London NW1 3ER

BANKERS: HSBC Bank PLC
 2nd Floor, 16 King Street
 Covent Garden
 London WC2E 8JF

DIRECTORS AND TRUSTEES

The directors of Centre for Cities are its trustees for the purpose of charity law. The trustees serving during the year were as follows:

Nigel Hugill (Chairman)*

Stephen Ashworth*

Susan Hitch*

Michael Parkinson

Alison Newton

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Joanna Averley

Tom Riordan

Greg Clark

Alexander Plant

Martin Reeves

Alan Wilson

Rosemary Feenan

Nicola Yates

**The Board asked for these individuals to stand for re-election and they were re-appointed.*

KEY MANAGEMENT PERSONNEL:

Alexandra Jones

Chief Executive

Andrew Carter

Deputy Chief Executive

Ben Harrison

Director of Communications and Development

Anna Bullegas

Head of Finance and Operations

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Centre for Cities is a company limited by guarantee governed by its Articles of Association, last amended on 11 April 2011. It is registered charity with the Charity Commission.

Appointment of trustees

The Board of Trustees, who are also Members and Directors of the Charitable Company, is self-appointing. A trustee's period of office is 3 years from the date of appointment or reappointment. A Trustee may be re-appointed by the trustees for a further period of 3 years.

New members of the Governing Body are elected on the basis of nominations from the Trustees and the executive officers based on the candidates' professional qualities, experience and personal competence.

The Trustees who served during the year are shown on the information page (14-15).

Trustee induction and training

All new trustees are provided with an induction pack giving full details of how the Charity is constituted and operates. Any further information they require is provided by an appropriate senior person within the Charity.

CENTRE FOR CITIES
STATEMENT OF TRUSTEES' RESPONSIBILITIES
YEAR ENDED 31 DECEMBER 2016

Organisation

The Board of Trustees consists of not less than three (3) members and is not subject to any maximum. The Board is responsible for the overall governance of the Charity. It meets three times a year to oversee the affairs of the Centre. The Board appoints a Chief Executive to manage day-to-day operations of the charity.

Related parties

Upon appointment each Trustee makes a full, written disclosure of interests, including relationships that may be of relevance to the Centre's work and posts held that could potentially result in a conflict of interest. This written disclosure will be kept on file and trustees are emailed annually to check that it is up to date. It can be updated at any time through the year.

In the course of meetings or activities, Trustees disclose any interests in a transaction or decision where there may be a conflict between the organisations' best interests and the Trustee's best interests, or a conflict between the best interests of two organisations with which the Trustee is involved.

In the current year no related party transactions were reported.

None of our trustees receive remuneration or other benefits from the charity.

Pay policy for senior staff

The pay of all staff, including senior staff, is reviewed annually. Current policy is to award all staff an increase in salary provided the Centre reaches a fundraising milestone set by the Finance and Audit Committee. The increase is based on a review of changes in cost of living during the course of the year and is agreed by the Finance and Audit Committee. All CFC salaries, including those of senior staff, are benchmarked against pay levels in similar organisations.

Risk management

The Trustees introduced a formal risk management process to assess business risks and implement risk management strategies in 2008. The established risk assessment system involves identifying the types of threats the Charity faces, prioritising them in terms of impact and recommending controls to mitigate them.

The on-going risks continue to be around securing sufficient funding and ensuring our work is of high quality and policy relevant. The funding risks are mitigated by engaging with a wide-range of potential sponsors and building long-term relationships with them. To ensure our work is of the highest standard and relevance we have a quality assurance and policy relevance process in place, with internal and external checks at key stages to peer review our work and ensure it continues to be objective, independent, robust and rigorous.

In 2016, we experienced an adverse impact from Brexit in the withdrawal of funding from sponsors facing considerable uncertainty. Overall securing the income was very challenging.

The Board is satisfied that, for all major risks, appropriate controls have been put in place and maintained to mitigate those risks adequately.

CENTRE FOR CITIES
STATEMENT OF TRUSTEES' RESPONSIBILITIES
YEAR ENDED 31 DECEMBER 2016

Trustees' responsibilities in relation to the financial statements

The Charity's trustees (who are also the directors of Centre for Cities for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the Charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the 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 (Statement of Recommended Practice);
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity 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 Charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

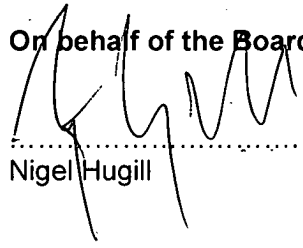
Disclosure of information to auditors

Each of the trustees has confirmed that there is no information of which they are aware, which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

Auditors

In accordance with section 485 of the Companies Act 2006, a resolution proposing that H W Fisher & Company be reappointed as auditors of the company will be put to the Annual General Meeting.

On behalf of the Board of Trustees


.....
Nigel Hugill


.....
Date

CENTRE FOR CITIES
INDEPENDENT AUDITORS' REPORT
YEAR ENDED 31 DECEMBER 2016

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CENTRE FOR CITIES

We have audited the accounts of Centre for Cities for the year ended 31 December 2016 set out on pages 20 to 31. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charitable 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 Trustees' Responsibilities Statement on page 17, the trustees, who are also the directors of the charitable company for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts 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.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts 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 accounts. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited accounts 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 accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 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; and
- have been prepared in accordance with the Companies Act 2006.

CENTRE FOR CITIES
INDEPENDENT AUDITORS' REPORT
YEAR ENDED 31 DECEMBER 2016

Opinion on other matter prescribed by the Companies Act 2006

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Trustees' Report."

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:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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.

Andrew Rich
(Senior Statutory Auditor)
for and on behalf of H W Fisher & Company
Chartered Accountants
Statutory Auditor
Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

Dated: 22/7/17

CENTRE FOR CITIES
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Unrestricted Fund 2016 £	Total 2016 £	Total 2015 £
Income from:				
Donations	3	800,000	800,000	800,000
Charitable activities:				
Research		213,915	213,915	315,902
External Affairs		54,690	54,690	79,146
What Works Centre		225,725	225,725	240,192
Income from Investments	4	4,328	4,328	3,874
Total		1,298,658	1,298,658	1,439,114
Expenditure on:				
Charitable activities:	5			
Research-Policy		601,522	601,522	726,316
External Affairs		506,049	506,049	491,486
What Works Centre		225,882	225,882	240,192
Total		1,333,453	1,333,453	1,457,994
Net income/(expenditure) and net movement in funds		(34,795)	(34,795)	(18,880)
Reconciliation of funds				
Total Funds brought forward		729,995	729,995	748,875
Total funds carried forward		695,201	695,201	729,995

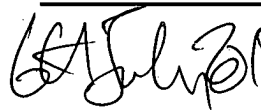
All operations are continuing and there are no recognised gains or losses for the year other than stated above.

The notes on pages 23 to 31 form part of these accounts

CENTRE FOR CITIES
BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2016

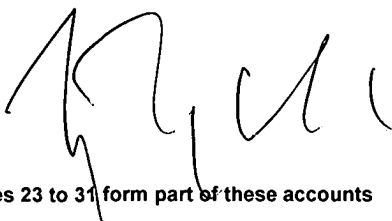
	Notes	Unrestricted Fund 2016 £	Total 2015 £
Fixed assets			
Tangible assets	11	116,459	151,700
Total fixed assets		<u>116,459</u>	<u>151,700</u>
Current assets			
Debtors	12	293,493	264,398
Cash at bank and in hand		1,176,026	499,724
Total current assets		<u>1,469,519</u>	<u>764,122</u>
Liabilities			
Creditors falling due within one year	13	(890,777)	(185,827)
		<u>(890,777)</u>	<u>(185,827)</u>
Net current assets		<u>578,742</u>	<u>578,295</u>
Total assets less current liabilities		<u>695,201</u>	<u>729,995</u>
Funds	15	<u>695,201</u>	<u>729,995</u>
Unrestricted funds:		<u>695,201</u>	<u>729,995</u>

Approved and authorised for issue by the Board of Trustees on their behalf by



and signed on

Trustee
Nigel Hugill



The notes at pages 23 to 31 form part of these accounts

CENTRE FOR CITIES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

Statement of cash flows	Note	Total funds £	Prior year funds £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	17	673,588	(96,860)
Cash flows from investing activities:			
Interest receivable		4,328	3,874
Purchase of tangible fixed assets		(1,614)	(157,406)
Net cash provided by (used in) operating activities		676,302	(250,392)
Change in cash and cash equivalents in the reporting period		676,302	250,392
Change in cash and cash equivalents at the beginning of the reporting period		499,724	750,116
Cash and cash equivalents at the end of the reporting period		1,176,026	499,724

The significant increase in cash and cash equivalent is the result of the early receipt of our grant for 2017.

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1 ACCOUNTING POLICIES

Accounting policies provide the basis on which the accounts are prepared and explain the accounting treatment of material transactions or items in the accounts.

(a) Basis of preparation of accounts

The financial statements have been prepared 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 applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical or transaction value unless otherwise stated in the relevant policy note(s).

(b) Recognition of income

Income under grants, donations or sponsorship is recognised in the financial statement on a receivable basis. Income under contracts is recognised in the financial statement to the extent that entitlement to the income has been earned during the year through completion of the contract.

(c) Interest receivable

Interest on funds held on deposit is included when receivable. The charity records it upon notification from the Bank.

(d) Funds

Funds which are expendable at the discretion of the Trustees in furtherance of the objectives or administration of the Charity are classified as unrestricted funds.

Restricted funds are funds which are subject to specific trusts and are expendable at the discretion of the trustees in furtherance of some particular aspect of the objects of the charity.

(e) Gift in kind

For accounting purposes, the recognition value of the gift in kind is the fair market value of the donated item. The fair market value is the price that would be agreed upon between a willing buyer and willing seller, with neither being required to act and both having reasonable knowledge of the facts.

(f) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2016

(g) Debtors

Trade and other debtors are recognised at the settlement amount due after any discount offered.

Prepayments are valued at the amount prepaid net of any trade discounts due.

(h) Expenditure and recoverable VAT

All expenditure has been recognised on the accruals basis.

Irrecoverable vat is charged as a cost against the activity for which the expenditure was incurred.

(i) Financial instruments

The Charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

(j) Creditors

Creditors and provisions 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. Creditors and provisions are normally recognised as their settlement amount after allowing any discounts due.

(k) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include HR, finance, payroll, governance and well as general office costs which support Centre for Cities' activities. The basis on which support costs have been allocated are set out in note 6.

(l) Operating leases

The charity classifies the lease of the photocopier as an operating lease. The photocopier remains with the lessor and is replaced every 5 years. The rental costs are charged on a straight line basis over the term of the lease.

(m) Tangible fixed assets

Tangible fixed assets are stated at cost including any incidental expenses of acquisition and unrecoverable VAT where appropriate. All assets costing more than £1000 are capitalised.

Depreciation is calculated to write off the cost of fixed assets on a straight-line basis over their estimated useful lives. Depreciation is charged from the month of acquisition. The principal estimated useful lives for this purpose are:

Computer equipment and software - 3 years
Fixtures and Fittings - 5 years

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2016

Leasehold Improvements - Over the life of the lease

To the extent that VAT is irrecoverable the cost is included and identified separately within the contract or functional area to which it relates and where appropriate VAT on Fixed Assets is capitalised.

(n) Pension Costs

The Charity has a money purchase scheme for qualifying employees. Pension costs charged to the statement of Financial Activities represent the contributions payable by the Charity in the period (see Note 8).

(o) Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. There were no critical accounting estimates during the period.

2 Company status

Centre for Cities is a company limited by guarantee and has no share capital.

Every member of the charity undertakes to contribute such amount as may be required (not exceeding £10) to the Charity's assets if it should be wound up while he or she is a member or within one year after he or she ceases to be a member, for payment of the Charity's debts and liabilities contracted before he or she ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves. Its registered office is 9 Holyrood Street, 2nd Floor, London, SE1 2EL.

No taxation is payable due to the charitable status of the organisation.

3 Donations

	Total 2016 £	Total 2015 £
Core Grant	800,000	800,000
	<u>800,000</u>	<u>800,000</u>

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2016

In 2016, Centre for Cities received a donation of £800k. The donation was an annual core grant from Gatsby Foundation, Lord Sainsbury's family charitable trust.

4 Investment Income

Centre for Cities investment income of £4,328 arises from money held in deposit accounts.

5 Analysis of expenditure on charitable activities

	Research- Policy £	External Affairs £	What Works Centre £	Total £
Staff Costs	352,396	202,116	188,641	743,152
Projects Direct Costs	14,721	182,109	3,560	200,390
Premises	84,718	36,472	22,399	143,589
Depreciation	23,783	10,239	2,834	36,856
Networking and City Visits	-	10,384	-	10,384
IT & Communication	10,808	4,653	2,857	18,318
Printing & Stationary	5,479	2,359	1,449	9,287
Legal and Insurance Costs	3,474	1,496	919	5,888
Other Office Expenses	43,728	20,105	1,648	65,481
Governance Costs (note 7)	2,773	1,194	1,083	5,050
Support Costs (note 8)	59,642	34,923	493	95,057
Total	601,522	506,049	225,882	1,333,453

Expenditure on charitable activities was £1,333,453 (2015: £1,487,994). All expenditures were unrestricted. Most of the costs in the above table (note 5) relate to staff, project direct costs and premises.

Staff costs consist of gross pay, employer NI and pension costs and are directly attributable to Centre for Cities' activities. Other staff costs are part of support costs.

Projects' direct expenditures are made up of costs that relate to events and research. Events costs include venue and equipment hire, catering, travel and accommodation costs. Costs related to research projects include data, polling and printing of reports. Premises costs include rent and rates, service charge, office security and insurance.

Networking and City Visits are travel costs incurred when visiting UK cities to perform our charitable duties, including presenting and discussing our work and undertaking additional research to understand the opportunities and challenges facing city economies.

Legal and Insurance Costs - legal costs under this heading were incurred during the acquisition of a new office premises.

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2016

6 Analysis of support and governance costs

Centre for Cities initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the three charitable activities (see note 5) in the year. The table below shows analysis of support and governance costs and basis of apportionment.

	General support	Governance function	Total	Basis of apportionment
Salaries	67,969	23,930	91,899	Allocated on time
Information Technology	1,374	-	1,374	Cost
Audit fees	-	5,050	5,050	Governance
Legal & other professional fees	1,784	-	1,784	Governance
Total	<u>71,127</u>	<u>28,980</u>	<u>100,107</u>	

7 Net income/(expenditure) for the year

This is stated after charging:	2016	2015
Operating leases - photocopier	1,053	1,264
Depreciation	116,459	16,004
<i>Auditor's remuneration:</i>		
Audit fees	<u>5,050</u>	<u>4,500</u>

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2016

8 Analysis of staff costs, trustee remuneration and expenses and the cost of key management personnel

	2016 £	2015 £
Wages and salaries	695,901	737,807
Social security costs	63,893	73,160
Pension costs	74,247	68,174
	834,042	879,141

	2016	2015
Employees earning between £60,001-£70,000	0	1
Employees earning between £70,001-£80,000	1	1
Employees earning between £80,000-£90,000	1	0

The charity trustees were not paid and did not receive from the charity any other benefits than reimbursement of their travel expenses during the year. In 2016, none of the trustees were paid for their travel expenses: £0 (2014: £109.90).

The total employee benefits received by the key management personnel listed on page 15 were £318,802 (2015: £261,050).

9 Staff Numbers

The average monthly head count was 19 staff (2015: 19 staff) and the average monthly number of the full-time equivalent employees during the year was as follows:

	2016	2015
Research	10.4	10.0
External Affairs	4.5	4.5
WWC	2.9	3.0
Governance	0.4	0.5
	18.2	18.0

10 Related party transactions

There were no related party transactions.

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2016

11 Tangible fixed assets

	Leasehold Improvements £	Fixtures and Fittings £	Computer Equipment £	Total £
Cost or book value				
At 1 January 2016	107,632	35,614	50,766	194,012
Additions	1,614	-	-	1,614
Disposals			(11,147)	(11,147)
At 31 December 2016	109,246	35,614	39,619	184,478
Accumulated depreciation				
At 1 January 2016	4,162	2,617	35,532	42,311
Disposals			(11,147)	(11,147)
Charge for year	21,860	7,106	7,889	36,855
At 31 December 2016	26,022	9,724	32,274	68,020
Net book value				
At 31 December 2016	83,224	25,890	7,345	116,459
At 31 December 2015	103,470	32,996	15,234	151,700

All of the tangible fixed assets are principally used for direct charitable purposes.

12 Debtors

	Total 2016 £	Total 2015 £
Due within one year:		
Trade Debtors	125,469	125,131
Prepayments	52,024	19,263
Other debtors	115,999	120,004
	293,493	264,398

The increase in 'Prepayments' is a result of the office rent being paid 3 months in advance.

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2016

13 Creditors: amounts falling due within one year

	Total 2016 £	Total 2015 £
Trade creditors	14,012	29,615
Taxation and social security	40,046	43,337
Accruals	29,546	62,487
Deferred income	807,173	50,000
Other creditors	-	389
	<u>890,777</u>	<u>185,827</u>

14 Deferred Income

Deferred income comprises of advance grant from the Gatsby Foundation received in 2016 for research programme in 2017 and sponsorship income.

Balance as at 1 January 2016	50,000
Amount released to income earned from charitable activities	(50,000)
Amount deferred in year	807,173
Balance as at 1 January 2017	<u>807,173</u>

15 Funds of the charity

The fund of £695,200.77 on 31 December 2016 was unrestricted.

16 Lease commitments

The charity has the following amounts due in respect of non-cancellable leases which expire in:

Land and buildings	2016	2015
Amounts due in:		
Two and five years	<u>482,042</u>	<u>576,355</u>

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2016

17 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2016	2015
Net income/(expenditure) for the reporting period (as per statement of financial activities)	(34,795)	(18,880)
Adjustments for:		
Depreciation charges	36,855	16,004
Interest receivable	(4,328)	(3,874)
(Increase)/decrease in debtors	(29,095)	2,617
(Increase)/decrease in creditors	704,950	(92,727)
Net cash provided by (used in) operating activities	<u>673,588</u>	<u>(96,860)</u>