

CENTRE FOR CITIES

England & Wales · Charity number 1119841

Details

Status	Registered
Legal form	Charitable company
Company number	06215397
Registered	2007-06-27
Register	View on the Charity Commission register

Contact

Address 2nd Floor
9 Holyrood Street
London
SE1 2EL

Phone 02078034300

Email info@centreforcities.org

Website <http://www.centreforcities.org>

Activities

Objects: 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 AND TO PROMOTE FOR THE PUBLIC BENEFIT RESEARCH IN THE AFOREMENTIONED FIELDS AND TO PUBLISH THE USEFUL RESULTS OF SUCH SEARCHES.

Activities: 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 and to promote for the public benefit research in the aforementioned fields and to publish the useful results of such research.

Classification

- **How:** Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** NATIONAL AND OVERSEAS
- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,923,328	£1,815,666	£1,066,983	19
2023-12-31	£1,878,873	£1,737,557	£959,321	20
2022-12-31	£1,751,747	£1,967,853	£818,005	23
2021-12-31	£1,728,753	£1,664,662	£1,034,111	19
2020-12-31	£1,594,438	£1,538,266	£970,020	18

Trustees

Name	Role	Appointed
NIGEL HUGILL	Chair	
Alan Paul Harding		2019-01-03
DEBORAH CADMAN		2023-06-14
JANE ELIZABETH ROBINSON		2023-06-13
John James Cummins		2019-01-03
Joseph Christopher Burns		2019-04-01
Marc Elliot Mogull		2024-04-30
Miranda Helen Sharp		2019-01-03

CENTRE FOR CITIES

England & Wales - Charity number 1119841

Accounts



**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

Registered Office: 9 Holyrood Street, London SE1 2EL

www.centreforcities.org

A Charitable Company Limited by Guarantee Registered in England and Wales
Company No. 06215397
Registered Charity No. 1119841

CENTRE FOR CITIES
CONTENTS
YEAR ENDED 31 DECEMBER 2024

	Pages
Trustees' Annual Report	3 - 12
Independent Auditor's Report	13 - 16
Statement of Financial Activities	17
Balance Sheet	18
Statement of Cash Flows	19
Notes to the Accounts	20 - 30

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2024

Foreword by Nigel Hugill, Chair of Centre for Cities

2024 was a year of notable political and policy activity, shaped by a pivotal general election and significant metro mayor contests. Amid this dynamic landscape, the Centre continued to fulfil its mission: to provide rigorous, evidence-based insight that informs better policy and decision-making in government and cities across the UK.

Over the course of the year, the Centre published 20 research reports and briefings, more than 100 blogs, launched 25 podcasts, and convened 53 public events. Each of these outputs played a role in shaping public discourse and strengthening the link between research and policy.

At the start of the year, we launched our flagship annual report on the UK's urban economies. This report laid bare the persistent challenge of weak economic productivity across cities since 2010—a reality that must underpin any serious conversation about the country's long-term economic growth strategy.

In the lead-up to the mayoral elections in May, the Centre explored public perceptions of metro mayors through targeted polling. The findings were widely disseminated via online events, press briefings, and media coverage, including a notable editorial in the *Financial Times*. This work helped place the role of metro mayors front and centre in the public and political debate.

As the country prepared for the General Election in July, our engagement deepened. We worked closely with policymakers across the political spectrum and supported national and regional media coverage through expert briefings. Our newly developed online tool—enabling comparisons of constituencies across England and Wales on key urban economic indicators—provided a valuable resource for journalists, campaigners and analysts alike.

In the second half of the year, our influence was clearly visible in the new government's national growth agenda. Our report *Climbing the summit: Big cities in the UK and the G7* highlighted the underperformance of UK cities compared to their international peers and directly informed the Government's Industrial Strategy Green Paper.

Our three-part housing research series, *Restarting housebuilding*, highlighted the gap between the new national housing targets and the scale of urban housebuilding. It sparked a welcome response from the government setting out how they would ensure cities play an important role in the housing agenda, underscoring the Centre's growing role in shaping the national conversation on housing and planning reform.

Throughout 2024, the Centre's work has been grounded in the economic realities facing cities. As we look ahead, we remain committed to equipping leaders—local and national—with the insights they need to make informed, effective decisions to achieve a more prosperous country.

Nigel Hugill

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2024

The Board of Trustees are pleased to present their Trustees' Annual Report and Accounts for the year ending 31 December 2024. The Trustees' Annual Report contains a Directors' Report as required by company law. The accounts comply with the requirements of 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 1 January 2019.

Our Objectives and Activities

Centre for Cities is an independent charity. We work closely with urban leaders, Whitehall and businesses to ensure our work is relevant, accessible and of practical use to local and national policymakers.

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 large 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 increase economic prosperity across the country.

We work to understand how and why economic growth and change take place in cities in the UK and disseminate these findings widely in order to help British cities improve their economic performance.

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

- 1) Producing high-quality research and policy:** We publish a range of original research reports and briefings, blogs and papers on the economic performance of UK cities and large towns – and how to improve opportunities for their residents.

Our research is produced by an in-house team of analysts, with input from external experts. The research is of high quality, drawing on a robust evidence base. It aims to inform public debate, policy and practice and includes the development of clear, evidence-based policy proposals. We do this independently but in consultation with Whitehall departments, political parties, local authorities and business organisations.

We carry out research in association with UK cities 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 inform policy and practice directly and to publicise lessons from this work, which are relevant to other cities.

- 2) Engaging with stakeholders:** To ensure the public benefits of the work we do, all our reports and papers are available to the public free of charge on our website and we disseminate 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) as well as 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.

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2024

a) 'demonstration' projects, or local policy experiments.

In 2024 we undertook work in the following areas:

- Cities Outlook 2024 – The annual flagship report on the UK's urban economies highlighted how a long-term decline in economic productivity has affected places everywhere since 2010, providing a backdrop for discussion of UK economic policies in that period. It was launched with an in-person event featuring high-profile speakers including former Business Secretary Greg Clark.
- General Election 2024 – The Centre engaged with key policy figures and politicians in Government and opposition in anticipation of the General Election. Throughout the election campaign, the Centre pursued activities to inform and influence discussion. It hosted online panel discussions and briefings; created a new online data tool to compare each England and Wales constituency on urban economic indicators; and briefed broadcast journalists at BBC Radio 4, Sky News and elsewhere as they reported locally on constituency races and prepared for key broadcast events and debates outside of London. Following the election, Centre for Cities published a shortlist of policy proposals for tackling urban economy challenges and hosted several online events to mark the first 100 days of the new Government.
- Devolution – Centre for Cities developed its policy thinking on devolution, built on the case for fiscal devolution and encouraged Government to consider the role these should play in its economic policy agenda, across several reports and in briefings with civil service in advance of the English Devolution White Paper. It produced modelling, published with an accompanying online interactive data tool, to support proposals for council tax reforms, and published a briefing arguing for a pragmatic English Devolution White Paper that uses economic geography as the basis for local government reorganisation.
- Mayoral elections – Centre for Cities (with Focaldata) polled public perceptions towards metro mayors and awareness of their policies in the run-up to the 2024 Mayoral Elections. The Centre hosted online events to disseminate the polling findings across England and briefed national and regional press – leading to references throughout local reporting on election races and in an editorial by the Financial Times on the success of England's metro mayors. An FAQs page on metro mayors on the Centre's website has been seen by over 12,000 web users.
- Economic productivity – A report, titled *Climbing the summit: Big cities in the UK and the G7*, demonstrated large UK cities' poor performance compared with G7 peers on several productivity performance indicators. This analysis provides a valuable evidence base for policy development in key areas including industrial strategy planning and public transport. The influence of this work is reflected throughout the Government's Industrial Strategy Green Paper which contained several references to the report.
- Housebuilding and planning – A three-part research report titled *Restarting housebuilding* provided insight into the geography of housebuilding in the period since

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2024

the 1947 Town and Country Planning Act, based on historic local-level housing stock and housebuilding data digitised for the first time by Centre for Cities. It demonstrated that cities were likely to under-perform against the housebuilding targets set by the Government and supported the case for bolder reforms of the planning system. The Centre's analysis and recommendations received widespread pick-up, to which the Ministry of Housing, Communities and Local Government responded with a blog post setting out steps the Government was taking to accelerate housebuilding. Publication of the reports was followed by a Parliamentary reception co-hosted with the Government's Growth Mission Champion Dan Tomlinson MP, attended by over 100 stakeholders including Parliamentarians.

- Green belt reform – A report titled *Ship shape? How the planning system is holding back Bristol's economy* showed that the restrictive green belt in the city and national planning policy together acted as a barrier to the growth in one of the UK's fastest-growing local economies. Planning policy commentary – in *The Sunday Times* and *Daily Telegraph* and elsewhere – has referred to the work as a case study.
- Local government funding – What Works Growth and Centre for Cities produced a joint report, *L.A. Evidential: Improving evidence use in local economic policymaking*, to demonstrate areas of reform needed to promote economic development, focusing on local authorities' powers and incentives. This was used as a basis for further engagement with Government as MHCLG (then the Department for Levelling Up, Housing and Communities) and its activity to streamline local government grants.
- Levelling up – A report titled *Donation nation* explored the effectiveness of the charity sector at addressing local needs and highlighted the role of mayors' funds in Greater Manchester and West Yorkshire in directing local charitable donations towards key causes in the area. The Centre provided two separate briefings on the research for the Mayors of the North East and West Yorkshire.
- Net zero – Centre for Cities co-hosted a roundtable with several of England's metro mayors to discuss net zero, before undertaking research into the role of policy at devolved level in achieving the UK's national net zero goals. It launched the research at an event in Leeds with Mayor of West Yorkshire Tracy Brabin as a keynote speaker.
- Visitor economy – The Centre undertook work to understand the opportunities for places to grow the local economy and improve local amenities through visitor spending. Following analysis of card spending data and a series of policy roundtables, the resulting report, *Spending time: The role of the visitor economy in UK cities*, identified the cities and large towns with substantial visitor offerings and made recommendations to places drawing up Local Growth Plans. The publication was accompanied with an online data tool showing place-to-place variation in the contribution of visitors to local spending in cities and towns in the UK.
- London – Several projects focused on the capital including a briefing on how its economy has been shaped by changes in population in the years affected by Covid and the Centre's widely-reported research report, *Return to the office: How London compares to other global cities and why this matters*. *Return to the office* compared

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2024

the rate of return to the office post-Covid in London and global competitor cities such as New York and Paris, adding to the evidence base in support of continued investment in the capital's growth.

- City visits – Centre for Cities held a programme of City Visits, visiting 12 cities and towns on its list of Primary Urban Areas to engage with local government leaders, urban policy experts and other stakeholders and exchange ideas and insights about the issues local areas face.
- What Works Centre for Local Economic Growth – What Works Growth continued running training throughout the country and producing resources for economic development professionals in local government. It produced four evidence briefings and four rapid evidence reviews on community finance, plural ownership policies, social infrastructure, and the impact of local economic growth interventions on minority ethnic and immigrant groups. It also published a self-assessment tool for local government on their use of evidence in local growth, and 4 'how to' resources for evaluation practitioners.

Public Benefit

The trustees of a charity must have regard to the Charity Commission's guidance when exercising any powers or duties to which the guidance is relevant.

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 2024.

The Centre produces high-quality research and policy analysis that are independent of government, individual clients or companies. The research is made available widely and free of charge to individuals, organisations, practitioners and others active in urban economic development. The Centre constantly invests in improving 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 productivity and unemployment, drawing on the UK and international case studies.

In 2024, we released over 120 briefings, blogs and research reports covering topics including cities' recovery from pandemic restrictions, efforts to increase public transport ridership and active travel, the potential for fiscal devolution to England's largest cities, and the role of big cities in driving prosperity in their regions.

Financial review

The year ended with a surplus of £107,662 (2023: £141,316). Funds carried forward were £1,066,983 (2023: £959,321).

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2024

During the year, our main activities were Research, External Affairs and the What Works Centre for Local Economic Growth. The income and expenditure linked to these activities were unrestricted.

Income

Total incoming resources were £1,923,328 (2023: £1,878,873). Our main source of income was a core grant from the Gatsby Charitable Foundation. In 2024, we received £1,300,000, which was approximately 68 per cent of all our revenues.

Other funding was generated through sponsorship agreements for research projects and events.

In 2024, the What Works Centre for Local Economic Growth project run in partnership with the London School of Economics generated £345,950 (2023: £488,532) for the Centre.

Resources expended

The Centre's expenditure was £1,815,666 (2023: £1,737,557). The increase in expenditure was mainly due to the higher than in the previous year staff and projects costs.

Reserves Policy

The Centre for Cities' reserves are defined as unrestricted net current assets, and they are set to the equivalent of at least six months of the operating costs.

The reserves are required to protect the continuity of the organisation against drops in income, to carry out research projects not funded by sponsorship, for capital items replacement and to cover unplanned emergencies and potential risks.

Free reserves held on 31 December 2024 were £1,058,392 (2023: £950,190), up by £108,202. The surplus on the free reserves will be expended in 2025 on new advocacy and research projects.

FUTURE PLANS

To continue to advance understanding of the economies of the UK's largest cities and towns and exert influence on public policy in 2025, Centre for Cities will produce excellent research and communicate it across its networks and to the public. In 2025, it will focus on those areas of national and local policy of more importance to the economic performance of cities:

- The flagship Cities Outlook 2025 report focuses on role of cutting-edge "new economy" industries in shaping productivity outcomes in cities and towns across the UK. As the Government devises an industrial strategy, a key part of its economic growth mission, Cities Outlook will take the opportunity to demonstrate the role of city-centers' economies in achieving higher average incomes.
- Centre for Cities will continue to bring attention to the economic performance of the UK's cities and large towns with regular media commentary on key economic milestones and the development of new Government policy and legislation. The

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2024

Planning and Infrastructure Bill, Industrial Strategy White Paper, Spending Review and English Devolution Bill will present opportunities to inform public discussion and shape public policy.

- Centre for Cities, working in partnership with What Works Growth, will progress its research into the impact of devolution and government grant-making, aiming to inform Government thinking in its approach to increasing growth in all parts of the country.
- Centre for Cities will undertake new research and policy analysis on the likely impact of new devolved spatial planning powers and the role these will have in increasing productivity and housing delivery particularly in large cities.
- Centre for Cities will build further on its post-Covid use of city-centres by focusing next on the return-to-office patterns in the UK's large cities outside of London as well as the impact of hybrid working on the function of town centres and high streets.
- Centre for Cities will pursue research into the role of city centres in supporting business innovation and growth in "cutting-edge" industry, drawing on comparisons with international peers, to contribute evidence in support of the Government's industrial strategy.

Centre for Cities will continue to promote and run in-person events and online events to provide audiences with commentary and insight on key policy areas, as well as hosting public panel discussions at party conferences. It will continue to run and promote its City Talks and City Minutes podcast series, with guests including former Science Minister George Freeman MP and Government Growth Champion Dan Tomlinson scheduled to join the City Talks series in 2025.

Engaging with senior figures from business, academia, policymaking, local and national government and Westminster to present research and ideas, inform the public debate and discuss policy and practice will continue to be an important part of Centre for Cities' strategy to influence policy outcomes in recent years.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity number 1119841
Company number 06215397
Registered office 9 Holyrood Street, London SE1 2EL
Website: www.centreforcities.org

REGISTERED AUDITORS: Chariot House Chartered Accountants
 44 Grand Parade
 Brighton and Hove
 Brighton
 BN2 9QA

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2024

BANKERS: HSBC Bank PLC
16 King Street
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 and up to the date of approval of the accounts were as follows:

William Nigel Hugill (Chairman)
Miranda Helen Sharp
Alan Paul Harding
John James Cummins
Joseph Christopher Burns
Deborah Cadman
Jane Elizabeth Robinson
Marc Elliot Mogul

KEY MANAGEMENT PERSONNEL:

Andrew Carter	Chief Executive
Paul Swinney	Director of Policy and Research
Sian Morgan	Director of External Affairs
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.

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 three years from the date of appointment or reappointment. A trustee may be re-appointed by the trustees for a further period of three 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.

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2024

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.

Organisation

The Board of Trustees consists of not less than three 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 the day-to-day operations of the charity.

Related parties

Upon appointment, each trustee makes 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 throughout 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 organisation's 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 receives remuneration or other benefits from the charity.

Pay policy for staff including key management personnel

The pay of all staff, including senior staff, is reviewed annually. The 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 the cost of living during the course of the year and is agreed by the Finance and Audit Committee. All the Centre's salaries, including those of senior staff, are benchmarked against pay levels in similar organisations.

Risk management

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 ongoing risks continue to be around securing sufficient funding to deliver the Centre's ambitions and ensuring our work is of high quality and policy relevance.

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

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2024

and external checks at key stages to peer review our work and ensure it continues to be objective, independent, robust and rigorous.

The Board is satisfied that, for all major risks, appropriate controls have been put in place which are regularly reviewed and adjusted accordingly.

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2024

Statement of trustees' responsibilities

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 accounts 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 Charity trustees to prepare accounts for each year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year. In preparing the accounts, 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 accounts;
- prepare accounts on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

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 accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

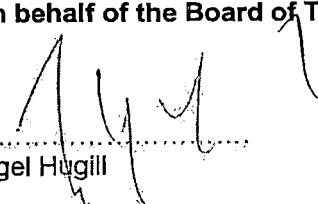
Disclosure of information to auditor

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 auditor is aware of such information.

Auditor

In accordance with section 485 of the Companies Act 2006, a resolution proposing that Chariot House Ltd be reappointed as auditor of the company will be put to the Annual General Meeting.

On behalf of the Board of Trustees


.....
Nigel Hugill

19 June 2025
.....
Date

CENTRE FOR CITIES
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2024

Opinion

We have audited the financial statements of Centre for Cities (the 'charitable company') for the year ended 31st December 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. 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).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st December 2024 and of its incoming resources and application of resources, including its result, 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 requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to ongoing concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the accounts is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

CENTRE FOR CITIES
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2024

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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 financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees, who are also the directors of the charitable company for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

CENTRE FOR CITIES
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2024

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the charitable company and the industry in which it operates, and considered the risk of acts by the charitable company that were contrary to applicable laws and regulations, including fraud.

We considered these risks in the light of various factors including the level of complexity, subjectivity, uncertainty, potential management bias, fraud, materiality and any other relevant factors. We considered the extent to which these would have a material impact on the financial statements and designed our audit work accordingly.

We identified that the following areas were of high risk:

- Completeness of income. We performed various audit tests to ensure that income was not materially understated in the financial statements.
- Management override of controls. We performed various audit tests to ensure there was no material management override of controls

We designed audit procedures to respond to the risks identified, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, UK tax legislation, Charities Act 2011 and Charities SORP 2019.

We did not find any instances of non-compliance or breach of the legislation framework applicable to the charitable company.

We also;

- Agreed the financial statement disclosures to underlying supporting documentation,
- Made enquiries with management and of legal counsel when considered necessary, performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud, and reviewing significant or unusual transactions to identify their underlying supporting rationale
- Discussed and reviewed the charity's business model and forward planning to assess going concern
- Carried out substantive testing on income and expenditure

CENTRE FOR CITIES
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2024

- Re-performed reconciliations of control accounts, and recalculated items such as depreciation
- Inspected the minutes of meetings of those charged with governance, and made direct enquiries of management and the board of trustees concerning the charity's policies

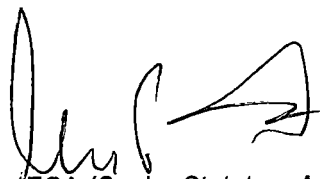
There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud.

As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of management bias by the directors that represented a risk of material misstatement due to fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for this report, or for the opinions we have formed.



Mark Partridge FCA (Senior Statutory Auditor)
for and on behalf of Chariot House Limited
Chartered Accountants and Statutory Auditor
44 Grand Parade
Brighton
BN2 9QA

Date:

25th June 2025

CENTRE FOR CITIES
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	2023 £
Income from:			
Donations and Grants	3	1,300,000	1,100,000
Charitable activities:			
Research		138,600	137,166
External Affairs		88,955	83,500
What Works Centre		345,950	488,532
Total from charitable activities		<u>573,505</u>	<u>709,198</u>
Income from investments	4	49,823	28,787
Other Income	5	-	40,888
Total income		<u>1,923,328</u>	<u>1,878,873</u>
Expenditure on:			
Charitable activities:			
	6		
Research-Policy		738,665	642,441
External Affairs		731,051	606,584
What Works Centre		345,950	488,532
Total		<u>1,815,666</u>	<u>1,737,557</u>
Net income and net movement in funds		107,662	141,316
Reconciliation of funds			
Total funds brought forward		959,321	818,005
Total funds carried forward		<u>1,066,983</u>	<u>959,321</u>

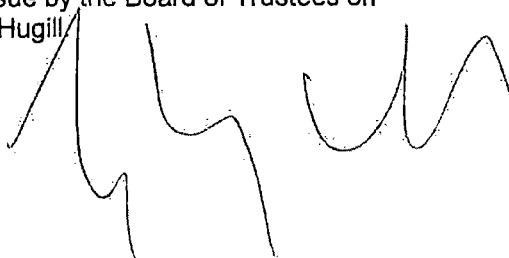
All funds in the current and comparative year were unrestricted.
All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

CENTRE FOR CITIES
BALANCE SHEET
AS AT 31 DECEMBER 2024

	Notes	2024 £	2023 £
Fixed assets			
Tangible assets	11	8,591	9,131
Total fixed assets		<u>8,591</u>	<u>9,131</u>
Current assets			
Debtors	12	222,549	289,251
Cash at bank and in hand		2,040,409	824,034
Total current assets		<u>2,262,958</u>	<u>1,113,285</u>
Liabilities			
	13	<u>1,204,566</u>	163,095
		1,204,566	<u>163,095</u>
Net current assets		<u>1,058,392</u>	<u>950,190</u>
Total assets less current liabilities		<u>1,066,983</u>	<u>959,321</u>
Unrestricted funds:	16	<u>1,066,983</u>	959,321
		<u>1,066,983</u>	<u>959,321</u>

Approved and authorised for issue by the Board of Trustees on 19 June 2025 and signed on their behalf by Nigel Hugill



CENTRE FOR CITIES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £	2023 £
Net cash provided by operating activities		<u>1,172,146</u>	<u>(883,534)</u>
Cash flows from investing activities:			
Interest receivable		49,823	28,787
Purchase of tangible fixed assets		(5,594)	(4,527)
		<u>44,229</u>	<u>24,260</u>
Change in cash and cash equivalents in the reporting period		<u>1,216,375</u>	<u>(859,274)</u>
Cash and cash equivalents at the beginning of the reporting period		824,034	1,683,308
Cash and cash equivalents at the end of the reporting period		<u>2,040,409</u>	<u>824,034</u>

RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024 £	2023 £
Net income for the reporting period	107,662	141,316
Adjustments for:		
Depreciation charges	6,134	8,690
Interest receivable	(49,823)	(28,787)
Decrease in debtors	66,702	98,779
Increase in creditors	1,041,471	(1,103,532)
Net cash provided by (absorbed by)/ operational activities	<u>1,172,146</u>	<u>(883,534)</u>

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2024

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 accounts have been prepared in accordance with the Charity's Memorandum & Articles, the Companies Act 2006 and "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 (FRS 102) (effective 1 January 2019)". The Charity is a Public Benefit Entity as defined by FRS 102.

Assets and liabilities are initially recognised at historical or transaction value unless otherwise stated in the relevant policy note(s).

The financial statements are prepared in pounds sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

(b) Going concern

The Charity has confirmed core funding of £1,100,000 per annum from the Gatsby Foundation for the period 2023 to 2025, and a supplementary grant of £200,000 in 2024. As set out in 'Reserves Policy' in the Trustees' Annual Report, the Charity holds reserves in the minimum required, which are available to support research and advocacy in coming years.

The Trustees have a reasonable expectation that the Charity has adequate resources to remain in operation for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the accounts.

(c) 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 ongoing 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

(d) Recognition of income

Donations are accounted for as received. In the event that a donation is subject to fulfilling performance conditions before the charity is entitled to the funds, the income is deferred until either those conditions are met in full, or their fulfilment is wholly within the control of the charity, and it is probable that those conditions will be fulfilled by the reporting period.

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2024

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

(e) Interest receivable

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

(f) 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.

(g) Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments and Section 12 'Other Financial Instruments Issues' of FRS102 to its financial instruments.

The Charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. These financial instruments are recognised at the amount payable or receivable when the instrument is first recognised and subsequently measured at their settlement value.

(h) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

(i) Cash and cash equivalents

Cash and equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

(j) Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

(k) Expenditure and recoverable VAT

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category.

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2024

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

(l) Allocation of support costs

Support costs are the costs of those functions that assist the work of the charity but are not directly charitable activities. Support costs include HR, finance, payroll, governance and general office costs which support Centre for Cities' activities. The basis on which support costs have been allocated is set out in note 7.

(m) Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

(n) 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 £500 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
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.

(o) 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 9).

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.

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2024

3 GRANTS

	2024	2023
	£	£
Core Grant	1,300,000	1,100,000

In 2024, Centre for Cities received a grant of £1,300,000. This was an annual core grant of £1,100,000, and a supplementary grant of £200,000 from Gatsby Foundation, Lord Sainsbury's family charitable trust.

4 INVESTMENT INCOME

Centre for Cities' investment income of £49,823 (2023: £28,787) arises from money held in deposit accounts.

5 INCOME – OTHER ACTIVITIES

None

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2024

6 ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

2024	Research- Policy £	External Affairs £	What Works Centre £	Total £
Staff Costs	450,221	433,155	280,290	1,163,666
Projects Direct Costs	53,070	130,842	3,334	187,246
Premises	74,117	55,999	34,588	164,704
Depreciation	2,760	2,086	1,288	6,134
IT & Communication	5,821	4,398	2,716	12,935
Printing & Stationery	909	687	424	2,020
Miscellaneous Office Costs	57,738	33,661	13,631	105,030
Legal, Professional and Insurance	6,765	4,680	2,890	14,335
Subtotal	651,401	665,508	339,161	1,656,070
Support Costs (note 7)	67,085	44,832	4,475	116,392
Governance Costs (note 7)	20,179	20,711	2,314	43,204
Subtotal	87,264	65,543	6,789	159,596
Total	738,665	731,051	345,950	1,815,666

Analysis of expenditure on charitable activities

2023	Research- Policy £	External Affairs £	What Works Centre £	Total £
Staff Costs	410,227	347,691	398,533	1,156,451
Projects Direct Costs	36,868	116,545	5,354	158,767
Premises	70,878	49,450	44,505	164,833
Depreciation	3,737	2,607	2,346	8,690
IT & Communication	8,153	5,688	5,119	18,960
Printing & Stationery	1,040	726	653	2,419
Miscellaneous Office Costs	37,293	25,372	19,892	82,557
Legal, Professional and Insurance	3,338	2,329	2,096	7,763
Subtotal	571,534	550,408	478,498	1,600,440
Support Costs (note 7)	57,458	38,339	7,167	102,964
Governance Costs (note 7)	13,449	17,837	2,867	34,153
Subtotal	70,907	56,176	10,034	137,117
Total	642,441	606,584	488,532	1,737,557

Expenditure on charitable activities was £1,815,666 (2023: £1,737,557). All expenditures were unrestricted. Most of the costs in the above table (note 6) relate to staff, project direct costs and premises costs.

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

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2024

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.

7 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 6) in the year. The table below shows an analysis of support and governance costs and the basis of apportionment.

2024	General Support	Governance Function	Total	Basis of Apportionment
	£	£	£	
Salaries	113,684	32,183	145,867	Time
Information Technology	2,707	-	2,707	Cost
Audit Fees	-	10,000	10,000	Governance
Legal & Other Professional Fees	-	1,022	1,022	Governance
Total	116,391	43,205	159,596	

2023	General Support	Governance Function	Total	Basis of Apportionment
	£	£	£	
Salaries	100,435	23,533	123,968	Time
Information Technology	2,529	-	2,529	Cost
Audit Fees	-	9,500	9,500	Governance
Legal & Other Professional Fees	-	1,120	1,120	Governance
Total	102,964	34,153	137,117	

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2024

8 NET INCOME/(EXPENDITURE) FOR THE YEAR

This is stated after charging:	2024	2023
		£
Operating leases - photocopier	352	0
Operating leases - property	104,792	104,792
Depreciation	6,134	8,690
<i>Auditor's remuneration:</i>		
Audit fees	10,000	9,500

9 ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL

	2024	2023
	£	£
Wages and salaries	1,085,275	1,069,748
Social security costs	112,992	106,656
Pension costs	111,265	104,016
	1,309,532	1,280,419

	2024	2023
Employees earning between £60,001 - £70,000	1	1
Employees earning between £70,001 - £80,000	1	1
Employees earning between £80,001 - £90,000	2	2
Employees earning between £90,001 - £100,000	-	1
Employees earning between £100,001 - £120,000	1	1
Employees earning above £120,001	1	-

Eight trustees were reimbursed £1,022 for their travel and subsistence expenses at the AGM in Newcastle in 2024 (2023: £254.10). They did not receive any benefits.

Pension contributions in respect of higher-paid employees totalled £60,464 (2023: £42,098).

The total employee benefits (gross salaries, employer's NI and employer's pension contributions) received by the key management personnel listed on page 10 were £465,732 (2023: £437,200).

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2024

10 STAFF NUMBERS

The average monthly headcount was 20 staff (2023: 21 staff) and the average monthly number of the full-time equivalent employees during the year was as follows:

	2024	2023
Research	8.5	8.5
External Affairs	6	6.0
WWC	4	5.0
Governance	0.5	0.5
	<u>19.0</u>	<u>20.0</u>

11 TANGIBLE FIXED ASSETS

	Leasehold Improvements	Computer Equipment	Fixtures and Fittings	Total
	£	£	£	£
Cost or book value				
At 1 January 2024	111,704	73,656	41,514	226,874
Additions	-	5,594	-	5,594
Disposals	-	(35,129)	-	(35,129)
At 31 December 2024	111,704	44,121	41,514	197,339
Accumulated depreciation				
At 1 January 2024	111,704	69,165	36,874	217,743
Charge for year	-	4,435	1,699	6,134
Disposals	-	(35,129)	-	(35,129)
At 31 December 2024	111,704	38,471	38,573	188,748
Net book value				
At 31 December 2024	-	5,650	2,941	8,591
At 31 December 2023	-	4,491	4,640	9,131

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

12 DEBTORS

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Total 2024 £	Total 2023 £
Due within one year:		
Trade Debtors	54,999	113,714
Prepayments	74,266	75,203
Other debtors	93,285	100,334
	222,549	289,251

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Total 2024 £	Total 2023 £
Trade creditors	2,727	6,284
Taxation and social security	52,869	67,180
Accruals	48,970	69,631
Deferred income	1,100,000	20,000
	1,204,566	163,095

14 OPERATING LEASE COMMITMENTS

On 31 December 2024, the charity had the following operating lease commitments:

The above commitments are for an operating lease on the 2nd floor, 9 Holyrood Street.

Land and buildings

	2024 £	2023 £
Not later than one year	104,792	104,792
Later than one year and not later than five years	84,416	189,208
Over five years	-	-
	189,208	294,000

Toshiba Photocopier

Payable within 1 year	705
Payable after 1 year	2,466

15 RELATED PARTY TRANSACTIONS

There were no related party transactions.

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2024

16 THE FUNDS OF THE CHARITY

The fund of £1,066,983 on 31 December 2024 was unrestricted.

17 ANALYSIS OF CHANGES IN DEBT

The charity had no debt during the year.

18 TAXATION

The Charity 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.

CENTRE FOR CITIES

England & Wales - Charity number 1119841

Accounts



**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

Registered Office: 9 Holyrood Street, London SE1 2EL

www.centreforcities.org

A Charitable Company Limited by Guarantee Registered in England and Wales
Company No. 06215397
Registered Charity No. 1119841

CENTRE FOR CITIES
CONTENTS
YEAR ENDED 31 DECEMBER 2023

	Pages
Trustees' Annual Report	3 - 12
Independent Auditor's Report	13 - 16
Statement of Financial Activities	17
Balance Sheet	18
Statement of Cash Flows	19
Notes to the Accounts	20 - 28

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2023

Foreword by Nigel Hugill, Chair of Centre for Cities

In 2023, the Centre published 15 research reports and briefings, more than 70 blogs, released 28 podcasts and organised 49 public events.

In January 2023, we launched our flagship annual report on urban Britain, Cities Outlook 2023. It provided an in-depth analysis of how the problem of economic inactivity across Britain's cities and large towns has increased since the covid 19 pandemic. It also set out the long-term consequences and implications this problem will have for the Government's levelling up agenda. The research was covered by many national and local media outlets and has influenced government policy on levelling-up.

Levelling up has always been a focus for the Centre and our programme during the year has addressed many of the core components of the levelling-up agenda. Including setting out a new approach to identifying and analysing innovation clusters, tracking the performance of Britain's high streets, and setting out the contribution that cities make to the country's net zero ambitions. We also undertook detailed work looking at the performance of the transport systems in Glasgow and Cardiff and how they could be improved.

We published two landmarks reports during the year which have been widely cited by the media, and have changed the nature of their respective policy debates.

One looked at London's sluggish productivity performance since the great recession which showed that more than 40% of the national productivity slowdown since 2008 was due to London's poor performance. And the second report highlighted the size of the UK's housing problem. Based on comparative European analysis it showed that the shortfall of homes not built in the UK since the second world war now stands at 4.3 million.

It's highly likely that there will be a general election in 2024. In preparation the Centre will continue to:

- emphasise the role that cities currently play and should be playing in the national economy, and how the gap between the two can be reduced.
- set out what the future of devolution should look like, both in terms of deepening devolution in places that already have some, and spreading devolution to places that need it.
- help city leaders to understand their economies and to develop evidence-based policies that will improve the economic performance of their places.

In doing this, the Centre will seek to inform the policy debate by providing sound, evidence-based analysis and advice, and working with an ever-growing network of local and national decision-makers.

Nigel Hugill

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2023

The Board of Trustees are pleased to present their Trustees' Annual Report and Accounts for the year ending 31 December 2023. The Trustees' Annual Report contains a Directors' Report as required by company law. The accounts comply with the requirements of 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 1 January 2019.

Our Objectives and Activities

Centre for Cities is an independent charity. We work closely with urban leaders, Whitehall and businesses to ensure our work is relevant, accessible and of practical use to local and national policymakers.

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 large 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 increase economic prosperity across the country.

We work to understand how and why economic growth and change take place in cities in the UK and disseminate these findings widely in order to help British cities improve their economic performance.

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

- 1) Producing high-quality research and policy:** We publish a range of original research reports and briefings, blogs and papers on the economic performance of UK cities and large towns – and how to improve opportunities for their residents.

Our research is produced by an in-house team of analysts, with input from external experts. The research is of high quality, drawing on a robust evidence base. It aims to inform public debate, policy and practice and includes the development of clear, evidence-based policy proposals. We do this independently but in consultation with Whitehall departments, political parties, local authorities and business organisations.

We carry out research in association with UK cities 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 inform policy and practice directly and to publicise lessons from this work, which are relevant to other cities.

- 2) Engaging with stakeholders:** To ensure the public benefits of the work we do, all our reports and papers are available to the public free of charge on our website and we disseminate 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) as well as 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.

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2023

- 3) **Promoting an evidence-based approach to policy-making:** We are a partner in the What Works Centre for Local Economic Growth (WWG), part of the What Works Network, with the London School of Economics. It is funded by the ESRC and government departments. WWG analyses which policies are most effective in supporting and increasing local economic growth. It works to provide solutions for local and national policymakers through:
- 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 businesses 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.

In 2023 we undertook work in the following areas:

- **Cities Outlook** – The flagship annual Cities Outlook report in 2023 looked at the scale of economic inactivity across places in the UK, highlighting spatial divides in 'hidden unemployment'. National, regional and trade media reported widely on the key findings, the launch webinar attracted over 600 attendees, hearing from the Government's Levelling Up minister and other high-profile commentators. A supporting podcast series, blog content and infographic reached a total of over 5,000 people, playing a key role in positioning Centre for Cities as a leading voice in economic policy.
- **Cost of living** – Centre for Cities continued to run its Cost of Living tracker for the first half of the year until inflation passed its peak, providing local leaders and officials and media with information about the impact of inflation in their area.
- **Unemployment** – Centre for Cities concluded its monitoring of the labour market's recovery following the shocks over the previous two years as employment rates stabilised at or above their pre-pandemic levels in August 2023.
- **High streets** – Centre for Cities undertook analysis of retail spending to assess whether an increase in online business during the pandemic had affected high street spending in urban areas across the UK. Further analysis across several briefings explored the relationship between cities and smaller places nearby, providing evidence of the close economic relationship between the two, challenging prevailing views.
- **Hybrid working** – A major project examined up-to-date figures on weekday travel into the City of London, making recommendations on planning for a hybrid working world and managing its long-term economic impact to the Mayor of London's office. The resulting report, *Office politics* supported ongoing engagement with the Mayor's office and secured national media coverage.
- **Productivity** – Two projects looked at ways to unlock productivity growth in specific city-regions. *All cylinders: The role of the Midlands Engine in the British economy* looked at the impact of underperformance in Midlands cities on the national economy and how to address it. *Capital losses: The role of London in the UK's productivity puzzle* explored how London's productivity could be improved having failed to fully recover since 2008.
- **Housebuilding and planning** – A report titled *The housebuilding crisis: The UK's 4 million missing homes*, one of Centre for Cities' most impactful yet, set new terms for

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2023

the debate over housebuilding and planning reform. Months after publication it continues to be quoted in national media and policy debates as a reliable estimate of the UK's supply shortfall and a valuable analysis of the housebuilding challenges.

- **Local government funding** – Centre for Cities made several proposals for streamlining local government funding, a commitment made in the Government's Levelling Up White Paper in 2022. It will continue building on this work in 2024 as Government's funding simplification plan is rolled out.
- **Centralisation** – Centre for Cities made significant contributions to two pieces of Resolution Foundation's Economy 2030 Inquiry, most prominently the reports *A Tale of Two Cities* and *In place of centralisation: A devolution deal for London, Greater Manchester, and the West Midlands*. The concluding *Ending stagnation* report by Resolution Foundation extracted key findings about the UK's mostly-urban economy and crucial policy recommendations from this work which has measurably increased focus on the role of big cities' underperformance in national economic shortfalls.
- **Innovation** – Centre for Cities, using evidence on the locations of innovative firms from Data City, presenting its analysis of the geography of innovation hotspots to Department for Science, Innovation and Technology and produced a final report that highlighted the importance of urban infrastructure to cutting edge business.
- **Urban transport** – Over several reports, Centre for Cities surveyed public transport in UK cities, focusing on three cities in Wales and Glasgow in Scotland. Resulting reports led to coverage at devolved national level – as well as in transport trade and specialist media – and contributed to high-level debates over national active travel, public transport ridership and net zero goals. Centre for Cities continued providing media commentary on key national and devolved transport issues, including bus franchising as the launch of the Bee Network in Manchester provided a crucial milestone.
- **City leadership** – In a series of six podcast episodes downloaded over 2,000 times in total, Centre for Cities spoke to leaders across the country and of all political sides about their approach to leading a city, the nature of leading a place, and the policy issues they have faced.
- **What Works Centre for Local Economic Growth** – The Centre has continued to deliver against its objectives. Highlights include the publication of four evidence briefings and five rapid evidence reviews on topics relevant to levelling up (public procurement, public sector relocation, public spaces, and fair employment), publication of guidance on using logic models, a blog series on core economic concepts (aimed at local policymakers who may not come from an economic background), providing advice and support to central government policymakers on evaluating key local growth policies, and hosting events and training (with officers from over 100 local government organisations attending training or events in this period).

Public Benefit

The trustees of a charity must have regard to the Charity Commission's guidance when exercising any powers or duties to which the guidance is relevant.

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 2023.

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2023

The Centre produces high-quality research and policy analysis that are independent of government, individual clients or companies. The research is made available widely and free of charge to individuals, organisations, practitioners and others active in urban economic development. The Centre constantly invests in improving 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 productivity and unemployment, drawing on the UK and international case studies.

In 2023, we released over 100 briefings, blogs and research reports covering topics including cities' recovery from pandemic restrictions, efforts to increase public transport ridership and active travel, the potential for fiscal devolution to England's largest cities, and the role of big cities in driving prosperity in their regions.

Financial review

The year ended with a surplus of £141,316 (2022: -£216,106). Funds carried forward were £959,321 (2022: £818,005).

During the year, our main activities were Research, External Affairs and the What Works Centre for Local Economic Growth. The income and expenditure linked to these activities were unrestricted.

Income

Total incoming resources were £1,878,873 (2022: £1,751,747). Our main source of income was a core grant from the Gatsby Charitable Foundation. In 2023, we received £1,100,000, which was approximately 59 per cent of all our revenues.

Other funding was generated through sponsorship agreements for research projects and events.

In 2023, the What Works Centre for Local Economic Growth project run in partnership with the London School of Economics generated £488,532 (2022: £462,730) for the Centre.

Resources expended

The Centre's expenditure was £1,737,557 (2022: £1,967,853). The decrease in expenditure was mainly due to the lower than in the previous year staff and projects costs.

Reserves Policy

The Centre for Cities' reserves are defined as unrestricted net current assets, and they are set to the equivalent of at least six months of the operating costs.

The reserves are required to protect the continuity of the organisation against drops in income, to carry out research projects not funded by sponsorship, for capital items replacement and to cover unplanned emergencies and potential risks.

Free reserves held on 31 December 2023 were £950,190 (2022: £804,710), up by £145,480. The surplus on the free reserves will be expended in 2024 on new advocacy and research projects.

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2023

FUTURE PLANS

To have the impact we desire, we need to continue to produce excellent research and communicate it effectively across our government and city networks, and to the public. In 2024, we will focus on those areas of national and local policy of most importance to the economic performance of cities:

- The flagship Cities Outlook 2024 report focuses on the shortfall in cumulative average disposable incomes across cities and large towns in the UK since 2010 and aims to set the agenda in an election year. It focuses on how places are faring and what progress has been made towards levelling up.
- Centre for Cities will continue to place the emphasis on highlighting the economic performance of the UK's cities and large towns with regular media commentary on key economic milestones including the Chancellor's Budget. The local, mayoral and general elections taking place in 2024 will present opportunities to inform national and local debates.
- Centre for Cities working in partnership with What Works Growth will progress its research into streamlining local government financing, resulting in recommendations that aim to inform Government thinking in its approach to grant schemes.
- With the support of a grant from Charities Aid Foundation, Centre for Cities will compare the geographies of charitable giving and local economic need. The resulting publication will be launched with an online event and will be the subject of policy roundtables taking place following the publication.
- Centre for Cities is undertaking a project comparing the contribution of big cities to economic growth in the UK and in other G7 countries. This will compare large urban areas' share of economic activity in different countries and identify how to make the UK's economic growth compete with the G7.
- Centre for Cities will continue to examine data on the return to the office and passenger traffic on public transport to offer recommendations on managing the economic impact of hybrid working.
- The 'Realising Regional Growth' events series continues, driving the discussion around regional growth opportunities with the next event planned for South Yorkshire.

To boost the impact of our research programme, we will run a busy schedule of public events including a four-part series of online panel events in partnership with LSE Cities, a programme of receptions and report launch events, online briefing events ahead of mayoral elections for audiences across the country and public panel discussions at party conferences.

Engaging with senior figures from business, academia, policymaking, local and national government and Westminster to present research and ideas, inform the public debate and discuss policy and practice will continue to be an important part of Centre for Cities' strategy to influence policy outcomes in recent years.

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2023

REFERENCE AND ADMINISTRATIVE DETAILS

Charity number 1119841
Company number 06215397
Registered office 9 Holyrood Street, London SE1 2EL
Website: www.centreforcities.org

REGISTERED AUDITORS: Chariot House Chartered Accountants
44 Grand Parade
Brighton and Hove
Brighton
BN2 9QA

BANKERS: HSBC Bank PLC
16 King Street
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 and up to the date of approval of the accounts were as follows:

William Nigel Hugill (Chairman)

Alexander Charles Plant (left on 30/06/2023)

Nicola Jane Yates (left on 29/02/2024)

Tom Messenger Riordan

Miranda Helen Sharp

Alan Paul Harding

John James Cummins

Joseph Christopher Burns

Deborah Cadman (appointed on 14th June 2023)

Jane Elizabeth Robinson (appointed on 13th June 2023)

Marc Elliot Mogul (appointed on 30th April 2024)

KEY MANAGEMENT PERSONNEL:

Andrew Carter	Chief Executive
Paul Swinney	Director of Policy and Research
Sian Morgan	Director of External Affairs
Anna Bullegas	Head of Finance and Operations

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2023

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.

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 three years from the date of appointment or reappointment. A trustee may be re-appointed by the trustees for a further period of three 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.

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.

Organisation

The Board of Trustees consists of not less than three 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 the day-to-day operations of the charity.

Related parties

Upon appointment, each trustee makes 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 throughout 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 organisation's 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 receives remuneration or other benefits from the charity.

Pay policy for staff including key management personnel

The pay of all staff, including senior staff, is reviewed annually. The 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 the cost of living during the course of the year and is agreed by the Finance and Audit Committee. All

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2023

the Centre's salaries, including those of senior staff, are benchmarked against pay levels in similar organisations.

Risk management

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 ongoing risks continue to be around securing sufficient funding to deliver the Centre's ambitions and ensuring our work is of high quality and policy relevance.

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.

The Board is satisfied that, for all major risks, appropriate controls have been put in place which are regularly reviewed and adjusted accordingly.

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2023

Statement of trustees' responsibilities

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 accounts 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 Charity trustees to prepare accounts for each year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year. In preparing the accounts, 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 accounts;
- prepare accounts on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

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 accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

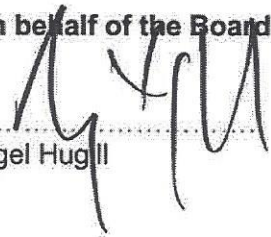
Disclosure of information to auditor

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 auditor is aware of such information.

Auditor

In accordance with section 485 of the Companies Act 2006, a resolution proposing that Chariot House Ltd be reappointed as auditor of the company will be put to the Annual General Meeting.

On behalf of the Board of Trustees


Nigel Huggill

27 JUNE 2024
Date

CENTRE FOR CITIES
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2023

Opinion

We have audited the financial statements of Centre for Cities (the 'charitable company') for the year ended 31st December 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. 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).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st December 2023 and of its incoming resources and application of resources, including its result, 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 requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to ongoing concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the accounts is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

CENTRE FOR CITIES
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2023

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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 financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees, who are also the directors of the charitable company for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the

CENTRE FOR CITIES
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2023

trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the charitable company and the industry in which it operates, and considered the risk of acts by the charitable company that were contrary to applicable laws and regulations, including fraud.

We considered these risks in the light of various factors including the level of complexity, subjectivity, uncertainty, potential management bias, fraud, materiality and any other relevant factors. We considered the extent to which these would have a material impact on the financial statements and designed our audit work accordingly.

We identified that the following areas were of high risk:

- Completeness of income. We performed various audit tests to ensure that income was not materially understated in the financial statements.
- Management override of controls. We performed various audit tests to ensure there was no material management override of controls

We designed audit procedures to respond to the risks identified, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, UK tax legislation, Charities Act 2011 and Charities SORP 2019.

We did not find any instances of non-compliance or breach of the legislation framework applicable to the charitable company.

We also;

- Agreed the financial statement disclosures to underlying supporting documentation,
- Made enquiries with management and of legal counsel when considered necessary, performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud, and reviewing significant or unusual transactions to identify their underlying supporting rationale

CENTRE FOR CITIES
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2023

- Discussed and reviewed the charity's business model and forward planning to assess going concern
- Carried out substantive testing on income and expenditure
- Re-performed reconciliations of control accounts, and recalculated items such as depreciation
- Inspected the minutes of meetings of those charged with governance, and made direct enquiries of management and the board of trustees concerning the charity's policies

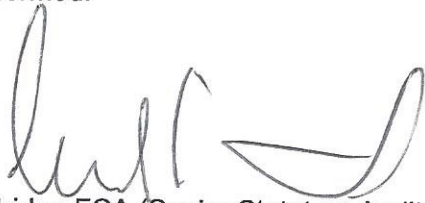
There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud.

As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of management bias by the directors that represented a risk of material misstatement due to fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for this report, or for the opinions we have formed.



Mark Partridge FCA (Senior Statutory Auditor)
for and on behalf of Chariot House Limited
Chartered Accountants and Statutory Auditor
44 Grand Parade
Brighton
BN2 9QA

Date: 5th July 2024

CENTRE FOR CITIES
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	2022 £
Income from:			
Donations and Grants	3	1,100,000	1,100,000
Charitable activities:			
Research		137,166	118,333
External Affairs		83,500	62,095
What Works Centre		488,532	462,730
Total from charitable activities		<u>709,198</u>	<u>643,158</u>
Income from investments	4	28,787	2,366
Other Income	5	40,888	6,223
Total income		<u>1,878,873</u>	<u>1,751,747</u>
Expenditure on:			
Charitable activities:			
Research-Policy	6	642,441	772,201
External Affairs		606,584	732,922
What Works Centre		488,532	462,730
Total		<u>1,737,557</u>	<u>1,967,853</u>
Net income and net movement in funds		141,316	(216,106)
Reconciliation of funds			
Total funds brought forward		818,005	1,034,111
Total funds carried forward		<u>959,321</u>	<u>818,005</u>

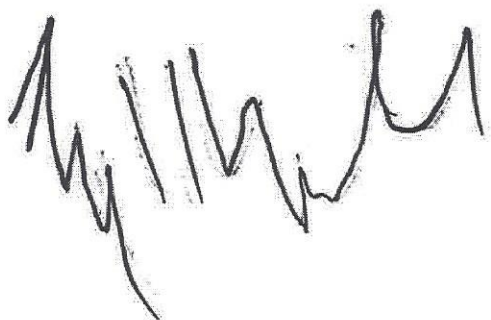
All funds in the current and comparative year were unrestricted.
All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

CENTRE FOR CITIES
BALANCE SHEET
AS AT 31 DECEMBER 2023

	Notes	2023 £	2022 £
Fixed assets			
Tangible assets	11	9,131	13,295
Total fixed assets		9,131	13,295
Current assets			
Debtors	12	289,251	388,030
Cash at bank and in hand		824,034	1,683,308
Total current assets		1,113,285	2,071,338
Liabilities	13	163,095	1,266,628
		163,095	1,266,628
Net current assets		950,190	804,710
Total assets less current liabilities		959,321	818,005
Unrestricted funds:	16	959,321	818,005
		959,321	818,005

Approved and authorised for issue by the Board of Trustees on 27 June 2024 and signed on their behalf by Nigel Hugill.



CENTRE FOR CITIES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023	2022 £
Net cash provided by operating activities		<u>(883,534)</u>	<u>684,528</u>
Cash flows from investing activities:			
Interest receivable		28,787	2,366
Purchase of tangible fixed assets		(4,527)	(4,035)
		<u>24,260</u>	<u>(1,669)</u>
Change in cash and cash equivalents in the reporting period		<u>(859,274)</u>	<u>682,859</u>
Cash and cash equivalents at the beginning of the reporting period		1,683,308	1,000,449
Cash and cash equivalents at the end of the reporting period		<u>824,034</u>	<u>1,683,308</u>

RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net income for the reporting period	141,316	(216,106)
Adjustments for:		
Depreciation charges	8,690	11,962
Interest receivable	(28,787)	(2,366)
Decrease in debtors	98,779	(244,580)
Decrease in creditors	(1,103,532)	1,135,618
Net cash provided by (absorbed by)/ operational activities	<u>(883,534)</u>	<u>684,528</u>

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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 accounts have been prepared in accordance with the Charity's Memorandum & Articles, the Companies Act 2006 and "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 (FRS 102) (effective 1 January 2019)". The Charity is a Public Benefit Entity as defined by FRS 102.

Assets and liabilities are initially recognised at historical or transaction value unless otherwise stated in the relevant policy note(s).

The financial statements are prepared in pounds sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

(b) Going concern

The Charity has confirmed core funding of £1,100,000 per annum from the Gatsby Foundation for the period 2023 to 2025. As set out in 'Reserves Policy' in the Trustees' Annual Report, the Charity holds reserves in the minimum required, which are available to support research and advocacy in coming years.

The Trustees have a reasonable expectation that the Charity has adequate resources to remain in operation for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the accounts.

(c) 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 ongoing 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

(d) Recognition of income

Donations are accounted for as received. In the event that a donation is subject to fulfilling performance conditions before the charity is entitled to the funds, the income is deferred until either those conditions are met in full, or their fulfilment is wholly within the control of the charity, and it is probable that those conditions will be fulfilled by the reporting period.

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(e) Interest receivable

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

(f) 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.

(g) Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments and Section 12 'Other Financial Instruments Issues' of FRS102 to its financial instruments.

The Charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. These financial instruments are recognised at the amount payable or receivable when the instrument is first recognised and subsequently measured at their settlement value.

(h) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

(i) Cash and cash equivalents

Cash and equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

(j) Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

(k) Expenditure and recoverable VAT

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category.

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

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(l) Allocation of support costs

Support costs are the costs of those functions that assist the work of the charity but are not directly charitable activities. Support costs include HR, finance, payroll, governance and general office costs which support Centre for Cities' activities. The basis on which support costs have been allocated is set out in note 7.

(m) Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

(n) 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 £500 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
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.

(o) 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 9).

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.

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023

3 Donations and Grants

	2023	2022
	£	£
Core Grant	1,100,000	1,100,000

In 2023, Centre for Cities received a donation of £1,100,000. 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 £28,787 (2022: £2,366) arises from money held in deposit accounts.

5 Income - Other Activities

Income received from consultancy.

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023

6 Analysis of expenditure on charitable activities

2023	Research- Policy	External Affairs	What Works Centre	Total
	£	£	£	£
Staff Costs	410,227	347,691	398,533	1,156,451
Projects Direct Costs	36,868	116,545	5,354	158,767
Premises	70,878	49,450	44,505	164,833
Depreciation	3,737	2,607	2,346	8,690
IT & Communication	8,153	5,688	5,119	18,960
Printing & Stationery	1,040	726	653	2,419
Miscellaneous Office Costs	37,293	25,372	19,892	82,557
Legal, Professional and Insurance	3,338	2,329	2,096	7,763
<i>Subtotal</i>	571,534	550,408	478,498	1,600,440
Support Costs (note 7)	57,458	38,339	7,167	102,964
Governance Costs (note 7)	13,449	17,837	2,867	34,153
<i>Subtotal</i>	70,907	56,176	10,034	137,117
Total	642,441	606,584	488,532	1,737,557

Analysis of expenditure on charitable activities

2022	Research- Policy	External Affairs	What Works Centre	Total
	£	£	£	£
Staff Costs	478,527	396,014	363,326	1,237,867
Projects Direct Costs	78,575	172,759	28,133	279,467
Premises	78,663	42,478	36,186	157,327
Depreciation	5,981	3,230	2,751	11,962
IT & Communication	7,819	4,222	3,597	15,638
Printing & Stationery	1,714	925	788	3,427
Miscellaneous Office Costs	48,893	57,114	15,464	121,471
Legal, Professional and Insurance	2,897	1,566	1,334	5,797
<i>Subtotal</i>	703,069	678,308	451,579	1,832,956
Support Costs (note 7)	54,855	36,424	8,621	99,900
Governance Costs (note 7)	14,277	18,190	2,530	34,997
<i>Subtotal</i>	69,132	54,614	11,151	134,897
Total	772,201	732,922	462,730	1,967,853

Expenditure on charitable activities was £1,737,557 (2022: £1,967,853). All expenditures were unrestricted. Most of the costs in the above table (note 6) relate to staff, project direct costs and premises costs.

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

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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.

7 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 6) in the year. The table below shows an analysis of support and governance costs and the basis of apportionment.

2023	General Support	Governance Function	Total	Basis of Apportionment
	£	£	£	
Salaries	100,435	23,533	123,968	Time
Information Technology	2,529	-	2,529	Cost
Audit Fees		9,500	9,500	Governance
Legal & Other Professional Fees	-	1,120	1,120	Governance
Total	102,964	34,153	137,117	

2022	General Support	Governance Function	Total	Basis of Apportionment
	£	£	£	
Salaries	97,594	23,997	121,591	Time
Information Technology	2,306	-	2,306	Cost
Audit Fees		11,000	11,000	Governance
Legal & Other Professional Fees	-	-	-	Governance
Total	99,900	34,997	134,897	

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023

8 Net income/(expenditure) for the year

This is stated after charging:	2023	2022
	£	£
Operating leases - photocopier	-	1,028
Operating leases - property	104,792	104,792
Depreciation	8,690	11,962
<i>Auditor's remuneration:</i>		
Audit fees	9,500	11,000

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

	2023	2022
	£	£
Wages and salaries	1,069,748	1,134,248
Social security costs	106,656	120,207
Pension costs	104,016	105,003
	1,280,419	1,359,458

	2023	2022
Employees earning between £60,001 - £70,000	1	1
Employees earning between £70,001 - £80,000	1	2
Employees earning between £80,001 - £90,000	2	1
Employees earning between £90,001 - £100,000	1	1
Employees earning between £100,001 - £120,000	1	1

The charity trustees were not paid and did not receive from the charity any benefits or reimbursement of their travel expenses during the year.

Pension contributions in respect of higher-paid employees totalled £42,098 (2022: £57,087). The total employee benefits (gross salaries, employer's NI and employer's pension contributions) received by the key management personnel listed on page 9 were £437,200 (2022: £387,623).

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023

10 Staff numbers

The average monthly headcount was 21 staff (2022: 23 staff) and the average monthly number of the full-time equivalent employees during the year was as follows:

	2023	2022
Research	8.5	10.5
External Affairs	6.0	6.0
WWC	5.0	5.0
Governance	0.5	0.5
	<u>20.0</u>	<u>22.0</u>

11 Tangible fixed assets

	Leasehold Improvements £	Fixtures and Fittings £	Computer Equipment £	Total £
Cost or book value				
At 1 January 2023	111,704	37,617	73,026	222,347
Additions	-	3,897	630	4,527
At 31 December 2023	<u>111,704</u>	<u>41,514</u>	<u>73,656</u>	<u>226,874</u>
Accumulated depreciation				
At 1 January 2023	111,704	36,257	61,092	209,053
Charge for year	-	617	8,073	8,690
At 31 December 2023	<u>111,704</u>	<u>36,874</u>	<u>69,165</u>	<u>217,743</u>
Net book value				
At 31 December 2023	<u>-</u>	<u>4,640</u>	<u>4,491</u>	<u>9,131</u>
At 31 December 2022	<u>-</u>	<u>1,360</u>	<u>11,935</u>	<u>13,295</u>

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

12 Debtors

	Total 2023 £	Total 2022 £
Due within one year:		
Trade Debtors	113,714	163,225
Prepayments	75,203	68,825
Other debtors	100,334	155,980
	<u>289,251</u>	<u>388,030</u>

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023

13 Creditors: amounts falling due within one year

	Total 2023	Total 2022
	£	£
Trade creditors	6,284	4,171
Taxation and social security	67,180	66,283
Accruals	69,631	91,174
Deferred income	20,000	1,105,000
	163,095	1,266,628

14 Operating lease commitments

On 31 December 2023, the charity had the following operating lease commitments:

	2023	2022
	£	£
Not later than one year	104,792	104,792
Later than one year and not later than five years	189,208	294,000
Over five years	-	-
	294,000	398,792

The above commitments are for an operating lease on the 2nd floor, 9 Holyrood Street.

15 Related party transactions

There were no related party transactions.

16 The funds of the charity

The fund of £959,321 on 31 December 2023 was unrestricted.

17 Analysis of changes in debt

The charity had no debt during the year.

18 Taxation

The Charity 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.

CENTRE FOR CITIES

England & Wales - Charity number 1119841

Accounts



**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Registered Office: 9 Holyrood Street, London SE1 2EL

www.centreforcities.org

A Charitable Company Limited by Guarantee Registered in England and Wales
Company No. 06215397
Registered Charity No. 1119841

CENTRE FOR CITIES
CONTENTS
YEAR ENDED 31 DECEMBER 2022

	Pages
Trustees' Annual Report	3 - 11
Independent Auditor's Report	12 - 15
Statement of Financial Activities	16
Balance Sheet	17
Statement of Cash Flows	18
Notes to the Accounts	19 - 26

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2022

Foreword by Nigel Hugill, Chair of Centre for Cities

Over the past year, Centre for Cities has produced rigorous, data-driven research outputs, informed policy and practice with evidence-based recommendations, and engaged with a wide range of stakeholders at the national and local level.

In 2022, the Centre published 20 research reports and briefings, more than 100 blogs, released 16 podcasts and organised 32 public events.

In January 2022, we launched our flagship annual report on the state of urban Britain, *Cities Outlook 2022*. It provided an in-depth review of the state of UK high streets to get a sense of the impact of the pandemic on Britain's town and city centres and to set out the long-term consequences and implications this will have for the Government's levelling up agenda. The research was covered by many national and local media outlets and has influenced government policy on levelling-up.

Levelling up has always been a focus for the Centre. In February, the *Levelling Up White Paper* was published by the Government and contained more than 25 direct references to our work. Following the release of the White Paper, Centre for Cities published a *Levelling Up tracker* which provides detail on every policy announcement intended to deliver on the agenda.

Throughout the year, we updated our publicly accessible data trackers covering footfall and spend in city centres, unemployment and job postings. We also developed a new data tool to track how the growing cost of living crisis was affecting cities and towns across the country.

Our trackers continue to be widely used by local and national policymakers as well the media. City leaders and government officials have told us that these have been extremely valuable in helping them understand what was happening in their places and to craft appropriate responses.

Looking ahead, as cities continue to recover from the impacts of COVID-19, as well as dealing with a cost-of-living crisis, and long-term productivity challenges, the Centre will:

- emphasise the role that cities currently play and should be playing in the national economy, and how the gap between the two can be reduced.
- set out what the future of devolution should look like, both in terms of spreading devolution to places that need it and deepening devolution in places that already have some.
- help city leaders to understand their economies and to develop evidence-based policies that will improve the economic performance of their places.

In doing this, the Centre will seek to inform the policy debate by providing sound, evidence-based advice and working with an ever-growing network of local and national decision-makers.

Nigel Hugill

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2022

The Board of Trustees are pleased to present their Trustees' Annual Report and Accounts for the year ending 31 December 2022. The Trustees' Annual Report contains a Directors' Report as required by company law. The accounts comply with the requirements of 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 1 January 2019.

Our Objectives and Activities

Centre for Cities is an independent charity. We work closely with urban leaders, Whitehall and businesses to ensure our work is relevant, accessible and of practical use to cities and policymakers.

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 large 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 increase economic prosperity across the country.

We work to understand how and why economic growth and change take place in cities in the UK and publicise these findings widely in order to help British cities improve their economic performance.

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

- 1) Producing high-quality research and policy:** We publish a range of original research reports and briefings, blogs and papers on the economic performance of UK cities and large towns – and how to improve opportunities for their residents.

Our research is produced by an in-house team of analysts, with input from external experts and cities. The research is of high quality, drawing on a robust evidence base. It aims to inform public debate, policy and practice and includes the development of clear, evidence-based policy proposals. We do this independently but in consultation with Whitehall departments, political parties, local authorities and business organisations.

We carry out research in association with UK cities 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 inform policy and practice directly and to publicise lessons from this work, which are relevant to other cities.

- 2) Engaging with stakeholders:** To ensure the public benefits of the work we do, all our reports and papers are available to the public free of charge on our website and we present 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 as well as events at the major party conferences each year.

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2022

We publish a regular newsletter and work in partnership with others, including journalists, universities and cities, to publicise the findings of our work.

- 3) Promoting an evidence-based approach to policy-making:** We are a partner in the What Works Centre for Local Economic Growth (WWG), part of the [What Works Network](#), with the London School of Economics. It is funded by the ESRC and government departments. WWG analyses which policies are most effective in supporting and increasing local economic growth. It works to provide solutions for local and national policymakers through:
- 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, LEAs, central government and businesses 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.

In 2022 we undertook work in the following areas:

- Cities Outlook – The flagship annual Cities Outlook report in 2022 shone a spotlight on the UK's high streets and their recovery following the impact of COVID-19 restrictions. National and regional media reported widely on the key findings and the launch of the publication was supported with an event and new podcast and blog content, raising Centre for Cities' profile and positioning it as one of the leading voices in the discussion around post-pandemic recovery strategies.
- Cost of living tracker – Centre for Cities' report, *Out of Pocket: The places at the sharp end of the cost-of-living crisis*, highlighted the worsening effect of the cost of living crisis on the North-South divide. Centre for Cities launched a regularly updated cost living tracker in 2022 to monitor the impact of inflation on cities and large towns in the UK, highlighting that the North of England continues to be considerably harder hit than the Southeast. The tracker is updated following every official statistical release to keep stakeholders and local and regional authorities and elected officials up to date with the impact of rising prices in their area.
- Unemployment tracker – Centre for Cities continued monitoring the labour market's recovery following the shocks over the previous two years caused by COVID-19.
- High streets recovery tracker – Centre for Cities concluded its two-year programme monitoring the recovery of UK high streets in the wake of lockdown measures and COVID-19. The project continues to inform the Centre's ongoing research into the impact of the pandemic on urban economies and the resources and characteristics that urban economies need in order to thrive.
- Levelling Up – Centre for Cities continues shaping high-level discussion around key issues driving urban economic growth, including the Levelling Up White Paper. Centre for Cities hosted a policy roundtable featuring several key speakers from business and academia to discuss the White Paper, followed by a podcast interview with Andy Haldane in the Centre's 'City Talks' series on the best means to deliver on its ambitions. The Centre later published an open letter during the Conservative leadership contests to succeed Prime Minister Boris Johnson which called on leadership candidates to set Levelling Up as a key priority of their premiership and appoint an experienced and committed Secretary of State to lead on the issue. It

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2022

continues to offer media commentary on the policy implications of Levelling Up and how best to define the platform's ambitions.

- Realising Regional Growth – Centre for Cities continued driving discussion around the opportunities for regional economies to grow, launching the 'Realising Regional Growth' series of live in-person events inviting key regional business representatives, academics and local and regional political leaders and authorities to discuss routes to regional growth and barriers in their way. The events staged in Birmingham and Cambridge highlight the role of adopting regional perspectives when delivering central Government's priorities.
- Transport in Northern Cities – Centre for Cities shared vital international comparisons of Northern English cities' performance on key measures of the strength of transport connections. An event staged to launch of the report featured key figures from Transport for Greater Manchester and the National Infrastructure Commission.
- Centralisation – A joint report with the Resolution Foundation, *Centralisation Nation*, highlighted the economic costs to the UK of an extremely centralised political economy. The report is part of an ongoing enquiry, Economy 2030, in which Centre for Cities' research plays an integral part.
- New economy – Centre for Cities highlighted the importance of promoting jobs in knowledge-intensive industries in cities throughout the UK in a new report, *At the Frontier: Geography of the New Economy*. Greater Manchester Mayor Andy Burnham and HSBC UK's Head of Corporate Banking Frances Howell joined Centre for Cities for the online launch of the report.
- Events, engagement and content – Research reports, briefings and blog posts covering a variety of topics – including Homeworking and the High Street, Investment Zones, Seaside Towns, Net Zero, Health Inequalities, and Skills and Innovation – have continued playing a key role in fulfilling the Centre's objectives. Centre for Cities continues to promote its events to a wide audience of policymakers, industry practitioners, academics and political leaders at local and national level, staging high-impact events at national party conferences and attracting significant policy influencers to engage with the Centre's digital content and research.

Public Benefit

The trustees of a charity must have regard to the Charity Commission's guidance when exercising any powers or duties to which the guidance is relevant.

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 2022.

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

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2022

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

In 2022, we released over 100 briefings, blogs and research reports covering topics including cities' use of technology to tackle the pandemic, the impact of lockdowns on labour markets and analysis of the furlough scheme, policy priorities for the new metro-mayors, and making transport work in Britain's big cities.

Financial review

The year ended with a deficit of £216,106 (2021: a surplus of £64,091). Funds carried forward were £818,005 (2021: £1,034,111).

During the year, our main activities were Research, External Affairs and the What Works Centre. The income and expenditure linked to these activities were unrestricted.

Income

Total incoming resources were 1,751,747 (2021: £1,728,753). Our main source of income was a core grant from the Gatsby Charitable Foundation. In 2022, we received £1,100,000, which was approximately 63 per cent of all our revenues.

Other funding was generated through sponsorship agreements for research projects and events.

In 2022, the What Works Centre for Local Economic Growth project in cooperation with the London School of Economics generated £462,730 (2021: £417,231) for the Centre.

Resources expended

The Centre's expenditure was £1,967,853 (2021: £1,664,662). The increase in expenditure was mainly due to the much higher than in the previous year staff and projects costs.

Reserves Policy

The Trustees' reserves policy is reviewed annually. The Centre for Cities' reserves are defined as unrestricted net current assets.

In 2022, the Trustees decided that the Centre should set a reserves policy which was equivalent to at least six months of the operating expenditure. The reserves are required to protect the continuity of the organisation against drops in income, to carry out research projects not funded by sponsorship, for capital items replacement and to cover unplanned emergencies and potential risks.

The surplus of the free reserves was expended on research projects such as 'Realising Regional Growth', 'Innovation', and on the website upgrade. Also, the Centre's employees were given a one-off payment to help them with the rising cost of living.

Free reserves held on 31 December 2022 were £804,710 (2021: £1,012,899), down by £208,183. The carried forward reserves are within six months of operating expenditure in 2023.

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2022

FUTURE PLANS

To have the impact we desire, we need to continue to produce excellent research and communicate it effectively across our government and city networks, and to the public. In 2023, we will focus on those areas of national and local policy of most importance to the economic performance of cities:

- The flagship Cities Outlook report in 2023 focuses on the issue of 'hidden unemployment' and will continue to be a significant peak in external engagement activity.
- Several projects will highlight causes of the economic underperformance of the UK's core cities, including a new project exploring the role of the Housebuilding Crisis in the UK's economic productivity shortfall, and a project highlighting the untapped potential of cities in the Midlands Engine.
- Centre for Cities' involvement in the Resolution Foundation's Economy 2030 enquiry will continue, highlighting the untapped economic growth potential in the UK's major urban economic centres.
- A new project focuses on agglomeration economies in London and the impact hybrid working may be having on agglomeration in cities in the wake of the pandemic.
- The 'Realising Regional Growth' events series continues, driving the discussion around regional growth opportunities with events planned for the North East and the West of England.
- Centre for Cities will continue to place the emphasis on the economic performance of the UK's cities and large towns with regular media commentary on key economic milestones including the Chancellor's Budget and major developments around devolution of powers to regions and cities in the UK.

To support our research programme, we will run a busy schedule of public events and roundtables, as well as our programme of receptions and panel debates at the party conferences.

Engaging with senior figures from business, academia, policymaking, local and national government and Westminster to present research and ideas, inform the public debate and discuss policy and practice will continue to be an important part of Centre for Cities' strategy to influence policy outcomes in recent years.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity number 1119841
Company number 06215397
Registered office 9 Holyrood Street, London SE1 2EL
Website: www.centreforcities.org

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

BANKERS: HSBC Bank PLC
 16 King Street
 London WC2E 8JF

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2022

DIRECTORS AND TRUSTEES

The directors of Centre for Cities are its trustees for the purpose of charity law.

The trustees serving during the year and up to the date of approval of the accounts were as follows:

Nigel Hugill (Chairman)

Alex Plant

Nicola Yates

Tom Riordan

Miranda Sharp

Alan Harding

John Cummins

Joe Burns

KEY MANAGEMENT PERSONNEL:

Andrew Carter

Paul Swinney

Sian Morgan

Anna Bullegas

Chief Executive

Director of Policy and Research

Director of External Affairs

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.

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 three years from the date of appointment or reappointment. A trustee may be re-appointed by the trustees for a further period of three 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.

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
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2022

Organisation

The Board of Trustees consists of not less than three 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 the day-to-day operations of the charity.

Related parties

Upon appointment, each trustee makes 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 throughout 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 organisation's 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 receives remuneration or other benefits from the charity.

Pay policy for staff including key management personnel

The pay of all staff, including senior staff, is reviewed annually. The 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 the cost of living during the course of the year and is agreed by the Finance and Audit Committee. All the Centre's salaries, including those of senior staff, are benchmarked against pay levels in similar organisations.

Risk management

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 ongoing risks continue to be around securing sufficient funding to deliver the Centre's ambitions and ensuring our work is of high quality and policy relevance.

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.

The Board is satisfied that, for all major risks, appropriate controls have been put in place which are regularly reviewed and adjusted accordingly.

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2022

Statement of trustees' responsibilities

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 accounts 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 Charity trustees to prepare accounts for each year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year. In preparing the accounts, 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 accounts;
- prepare accounts on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

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 accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

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 auditor is aware of such information.

Auditor

In accordance with section 485 of the Companies Act 2006, a resolution proposing that HW Fisher LLP be reappointed as auditor of the company will be put to the Annual General Meeting.

On behalf of the Board of Trustees



.....
Nigel Hugill

27 Jul 2023

.....
Date

CENTRE FOR CITIES
INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CENTRE FOR CITIES
YEAR ENDED 31 DECEMBER 2022

Opinion

We have audited the accounts of Centre for Cities (the 'charity') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 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 requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to ongoing concern

In auditing the accounts, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the accounts is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the accounts are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If

CENTRE FOR CITIES
INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CENTRE FOR CITIES
YEAR ENDED 31 DECEMBER 2022

we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' Annual Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Directors' Report included within the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Annual Report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the Trustees were not entitled to prepare the accounts in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Annual Report and from the requirement to prepare a Strategic Report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error. In preparing the accounts, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

CENTRE FOR CITIES
INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CENTRE FOR CITIES
YEAR ENDED 31 DECEMBER 2022

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

As part of our planning process:

- We enquired of management the systems and controls the charity has in place, the areas of the accounts that are most susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The charity did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the charity. We determined that the following were most relevant: the Charity SORP, FRS 102, Charities Act 2011, Companies Act 2006.
- We considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the charity, together with the discussions held with the charity at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the accounts disclosures and determining whether accounting policies have been appropriately applied.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Reviewing documentation such as the charity board minutes for discussions of irregularities including fraud.
- Obtaining bank confirmation of material bank balances.

CENTRE FOR CITIES
INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CENTRE FOR CITIES
YEAR ENDED 31 DECEMBER 2022

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the accounts even though we have properly planned and performed our audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with the trustees of the charity.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Rich

Andrew Rich (Senior Statutory Auditor)
for and on behalf of HW Fisher LLP

Chartered Accountants
Statutory Auditor
Acre House
11-15 William Road
London
United Kingdom
NW1 3ER

27 Jul 2023
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CENTRE FOR CITIES
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Income from:			
Donations	3	1,100,000	1,100,000
Charitable activities:			
Research		118,333	93,000
External Affairs		62,095	92,154
What Works Centre		462,730	417,231
Total from charitable activities		643,158	602,385
Income from investments	4	2,366	537
Other Income	5	6,223	25,831
Total income		1,751,747	1,728,753
Expenditure on:			
Charitable activities:			
Research-Policy	6	772,201	639,234
External Affairs		732,922	608,197
What Works Centre		462,730	417,231
Total		1,967,853	1,664,662
Net income and net movement in funds		(216,106)	64,091
Reconciliation of funds			
Total funds brought forward		1,034,111	970,020
Total funds carried forward		818,005	1,034,111

All funds in the current and comparative year were unrestricted.
All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

CENTRE FOR CITIES
BALANCE SHEET
AS AT 31 DECEMBER 2022

	Notes	2022 £	2021 £
Fixed assets			
Tangible assets	11	13,295	21,222
Total fixed assets		13,295	21,222
Current assets			
Debtors	12	388,030	143,450
Cash at bank and in hand		1,683,308	1,000,449
Total current assets		2,071,338	1,143,899
Liabilities	13	1,266,628	131,010
		1,266,628	131,010
Net current assets		804,710	1,012,889
Total assets less current liabilities		818,005	1,034,111
Unrestricted funds:	16	818,005	1,034,111
		818,005	1,034,111

27 Jul 2023

Approved and authorised for issue by the Board of Trustees on and signed on their behalf by Nigel Hugill.



CENTRE FOR CITIES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Net cash provided by operating activities		<u>684,528</u>	<u>67,405</u>
Cash flows from investing activities:			
Interest receivable		2,366	537
Purchase of tangible fixed assets		(4,035)	(16,000)
		<u>(1,669)</u>	<u>(15,463)</u>
Change in cash and cash equivalents in the reporting period		<u>682,859</u>	<u>51,942</u>
Cash and cash equivalents at the beginning of the reporting period		1,000,449	948,507
Cash and cash equivalents at the end of the reporting period		<u>1,683,308</u>	<u>1,000,449</u>

RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net income for the reporting period	(216,106)	64,091
Adjustments for:		
Depreciation charges	11,962	10,310
Interest receivable	(2,366)	(537)
Increase in debtors	(244,580)	(7,367)
Increase in creditors	1,135,618	908
Net cash provided by (absorbed by)/ operational activities	<u>684,528</u>	<u>67,405</u>

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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 accounts have been prepared in accordance with the Charity's Memorandum & Articles, the Companies Act 2006 and "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 (FRS 102) (effective 1 January 2019)". The Charity is a Public Benefit Entity as defined by FRS 102.

Assets and liabilities are initially recognised at historical or transaction value unless otherwise stated in the relevant policy note(s).

The financial statements are prepared in pounds sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

(b) Recognition of income

Income under grants, donations or sponsorships is recognised in the accounts 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.

(e) Debtors

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

(f) Expenditure and recoverable VAT

All expenditures have been recognised on an accruals basis. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

(g) Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments and Section 12 'Other Financial Instruments Issues' of FRS102 to its financial instruments.

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022

The Charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. These financial instruments are recognised at the amount payable or receivable when the instrument is first recognised and subsequently measured at their settlement value.

(h) Allocation of support costs

Support costs are the costs of those functions that assist the work of the charity but are not directly charitable activities. Support costs include HR, finance, payroll, governance and general office costs which support Centre for Cities' activities. The basis on which support costs have been allocated is set out in note 7.

(i) Operating leases

The charity classifies the lease of the photocopier as an operating lease. The ownership of 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.

(j) 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 £500 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
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.

(k) 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 9).

(l) Going concern

The Charity has confirmed core funding of £1,100,000 per annum from the Gatsby Foundation for the period 2023 to 2025. As set out in 'Reserves Policy' in the Trustees' Annual Report, the Charity holds reserves in the minimum required, which are available to support research and advocacy in coming years.

The Trustees have a reasonable expectation that the Charity has adequate resources to remain in operation for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the accounts.

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022

(m) 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 ongoing 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

	2022	2021
	£	£
Core Grant	1,100,000	1,100,000

In 2022, Centre for Cities received a donation of £1,100,000. 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 £2,366 (2021: £537) arises from money held in deposit accounts.

5 Income - Other Activities

Income received for seconded employee.

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022

6 Analysis of expenditure on charitable activities

2022	Research- Policy £	External Affairs £	What Works Centre £	Total £
Staff Costs	478,527	396,014	363,326	1,237,867
Projects Direct Costs	78,575	172,759	28,133	279,467
Premises	78,663	42,478	36,186	157,327
Depreciation	5,981	3,230	2,751	11,962
IT & Communication	7,819	4,222	3,597	15,638
Printing & Stationery	1,714	925	788	3,427
Miscellaneous Office Costs	48,893	57,114	15,464	121,471
Legal, Professional and Insurance	2,897	1,566	1,334	5,797
<i>Subtotal</i>	703,069	678,308	451,579	1,832,956
Support Costs (note 7)	54,855	36,424	8,621	99,900
Governance Costs (note 7)	14,277	18,190	2,530	34,997
<i>Subtotal</i>	69,132	54,614	11,151	134,897
Total	772,201	732,922	462,730	1,967,853

2021	Research- Policy £	External Affairs £	What Works Centre £	Total £
Staff Costs	375,597	354,654	344,972	1,075,223
Projects Direct Costs	66,923	115,833	2,609	185,365
Premises	63,357	42,697	31,678	137,732
Depreciation	4,742	3,197	2,371	10,310
IT & Communication	8,610	5,801	4,305	18,716
Printing & Stationery	2,765	1,863	1,382	6,010
Miscellaneous Office Costs	42,346	40,197	16,679	99,222
Legal, Professional and Insurance	4,519	3,045	2,259	9,823
<i>Subtotal</i>	568,859	567,287	406,255	1,542,401
Support Costs (note 7)	57,956	25,462	9,136	92,554
Governance Costs (note 7)	12,419	15,448	1,840	29,707
<i>Subtotal</i>	70,375	40,910	10,976	122,261
Total	639,234	608,197	417,231	1,664,662

Expenditure on charitable activities was £1,967,853 (2021: £1,664,662). All expenditures were unrestricted. Most of the costs in the above table (note 6) relate to staff, project direct costs and premises costs.

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

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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.

7 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 6) in the year. The table below shows an analysis of support and governance costs and the basis of apportionment.

2022	General Support	Governance Function	Total	Basis of Apportionment
	£	£	£	
Salaries	97,594	23,997	121,591	Time
Information Technology	2,306	-	2,306	Cost
Audit Fees		11,000	11,000	Governance
Legal & Other Professional Fees	-	-	-	Governance
Total	99,900	34,997	134,897	

2021	General Support	Governance Function	Total	Basis of Apportionment
	£	£	£	
Salaries	87,027	21,707	108,734	Time
Information Technology	2,027	-	2,027	Cost
Audit Fees	-	8,000	8,000	Governance
Legal & Other Professional Fees	3,500	-	3,500	Governance
Total	92,554	29,707	122,261	

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022

8 Net income/(expenditure) for the year

This is stated after charging:	2022	2021
	£	£
Operating leases - photocopier	1,028	1,272
Depreciation	11,962	10,310
<i>Auditor's remuneration:</i>		
Audit fees	11,000	8,000
	<u>11,000</u>	<u>8,000</u>

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

	2022	2021
	£	£
Wages and salaries	1,134,248	987,834
Social security costs	120,207	98,106
Pension costs	105,003	98,017
	<u>1,359,458</u>	<u>1,183,957</u>

Employees earning between £60,001 - £70,000	1	1
Employees earning between £70,001 - £80,000	2	-
Employees earning between £80,001 - £90,000	1	3
Employees earning between £90,001 - £100,000	1	-
Employees earning between £100,001 - £120,000	1	1

Pension contributions in respect of higher-paid employees totalled £57,087 (2021: £46,604).

The charity trustees were not paid and did not receive from the charity any benefits or reimbursement of their travel expenses during the year.

The total employee benefits received by the key management personnel listed on page 9 were £387,623 (2021: £318,385).

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022

10 Staff numbers

The average monthly headcount was 23 staff (2021: 19 staff) and the average monthly number of the full-time equivalent employees during the year was as follows:

	2022	2021
Research	10.5	9.0
External Affairs	6.0	6.0
WWC	5.0	4.0
Governance	0.5	0.5
	22.0	19.5

11 Tangible fixed assets

	Leasehold Improvements	Fixtures and Fittings	Computer Equipment	Total
	£	£	£	£
Cost or book value				
At 1 January 2022	111,704	36,612	69,997	218,313
Additions	-	1,005	3,030	4,035
At 31 December 2022	111,704	37,617	73,027	222,348
Accumulated depreciation				
At 1 January 2022	111,704	35,863	49,524	197,091
Charge for year	-	394	11,568	11,962
At 31 December 2022	111,704	36,257	61,092	209,053
Net book value				
At 31 December 2022	-	1,360	11,935	13,295
At 31 December 2021	-	749	20,473	21,222

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

12 Debtors

	Total	Total
	2022	2021
	£	£
Due within one year:		
Trade Debtors	163,225	6,867
Prepayments	68,825	43,425
Other debtors	155,980	93,158
	388,030	143,450

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022

13 Creditors: amounts falling due within one year

	Total 2022	Total 2021
	£	£
Trade creditors	4,171	15,353
Taxation and social security	66,283	51,915
Accruals	91,174	63,742
Deferred income	1,105,000	-
	1,266,628	131,010

14 Operating lease commitments

On 31 December 2022, the charity had the following operating lease commitments:

	2022	2021
	£	£
Not later than one year	104,792	104,792
Later than one year and not later than five years	294,000	398,792
Over five years	-	-
	398,792	503,584

The above commitments are for an operating lease on the 2nd floor, 9 Holyrood Street.

15 Related party transactions

There were no related party transactions.

16 The funds of the charity

The fund of £818,005 on 31 December 2022 was unrestricted.

17 Analysis of changes in debt

The charity had no debt during the year.

CENTRE FOR CITIES

England & Wales - Charity number 1119841

Accounts



**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

www.centreforcities.org

A charitable company limited by Guarantee registered in England and Wales
Company No. 06215397 - Registered Charity No. 1119841

CENTRE FOR CITIES
CONTENTS
YEAR ENDED 31 DECEMBER 2021

	Pages
Trustees' Annual Report	1 - 17
Independent Auditors' Report	18 - 21
Statement of Financial Activities	22
Balance Sheet	23
Statement of Cash Flows	24
Notes to the Accounts	25 - 33

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2021

The Board of Trustees are pleased to present their Trustees' Annual Report and Accounts for the year ending 31 December 2021. The Trustees' Annual Report contains a Directors' Report as required by company law. The report and accounts comply with the requirements of 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 1 January 2019.

CHAIR'S REPORT

In a year when the recovery from pandemic has continued to dominate every aspect of our lives, the Centre's reputation for rigorous, ground-breaking research and policy development which sheds new light on the economic performance of cities and large towns and how it can be improved, has gone from strength to strength.

In January 2021, we launched our flagship annual report on the state of urban Britain, Cities Outlook 2021. The focus was on how the government's levelling-up agenda had been impacted by the pandemic. It found that the levelling-up challenge had become four times more difficult and that there was a real risk that more prosperous places would be 'levelled-down'. The research was covered by many national and local media outlets and has influenced government policy on levelling-up.

During the year, we continued our focus on tracking and researching the pandemic's economic impact across the UK's largest cities and towns to help their leaders understand the likely effects and to plan their response.

Throughout the year, we updated our publicly accessible data trackers covering cases, local footfall and spend, unemployment and job postings. City leaders and government officials have told us that these have been extremely valuable in helping them understand what was happening in their places and to prepare plans for recovery.

Despite the pandemic throughout 2021, we have continued to work closely with city leaders and government throughout the year, with our experts providing analysis and support and advice on a range of issues

Levelling up has always been a key theme for the Centre, and one that is of even greater importance now given the impact of the pandemic. As the government published its Levelling-up White Paper earlier this year, we have consistently continued to focus on this important issue.

As always, the Centre will seek to inform the policy debate by providing sound, evidence-based advice and working with an ever-growing network of local and national decision-makers.

Nigel Hugill, Chair, Centre for Cities

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2021

Objectives and Activities

Centre for Cities is an independent charity. We work closely with urban leaders, Whitehall and businesses to ensure our work is relevant, accessible and of practical use to cities and policymakers.

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 large 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 increase economic prosperity across the country.

We work to understand how and why economic growth and change take place in cities in the UK and publicise these findings widely in order to help British cities improve their economic performance.

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

- 1) Producing high-quality research and policy:** We publish a range of original research reports and briefings, blogs and papers on the economic performance of UK cities and large towns – and how to improve opportunities for their residents.

Our research is produced by an in-house team of analysts, with input from external experts and cities. The research is of high quality, drawing on a robust evidence base. It aims to inform public debate, policy and practice and includes the development of clear, evidence-based policy proposals. We do this independently but in consultation with Whitehall departments, political parties, local authorities and business organisations.

We carry out research in association with UK cities 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 inform policy and practice directly and to publicise lessons from this work, which are relevant to other cities.

- 2) Engaging with stakeholders:** To ensure the public benefits of the work we do, all our reports and papers are available to the public free of charge on our website and we present 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 as well as 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) Promoting an evidence-based approach to policy-making:** We are a partner in the What Works Centre for Local Economic Growth (WWG), part of the [What Works Network](#), with the London School of Economics. It is funded by the ESRC and government departments. WWG analyses which policies are most effective in

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2021

supporting and increasing local economic growth. It works to provide solutions for local and national policymakers through:

- 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, LEAs, central government and businesses 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 trustees of a charity must have regard to the Charity Commission's guidance when exercising any powers or duties to which the guidance is relevant.

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 2021.

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. The Centre constantly invests in improving 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 productivity and unemployment, drawing on the UK and international case studies.

In 2021, we released over 100 briefings, blogs and research reports covering topics including cities' use of technology to tackle the pandemic, the impact of lockdowns on labour markets and analysis of the furlough scheme, policy priorities for the new metro-mayors, and making transport work in Britain's big cities.

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2021

Breakdown of 2021 activities

JANUARY

Research and analysis	Cities Outlook 2021 – Covid and levelling up Covered by the Times, FT, Guardian, Telegraph, the i newspaper, City AM, the Scotsman, Northern Echo, Yorkshire Post, Birmingham Mail and ITV News. Launch of City Monitor Our new data visualisations High Streets Recovery Tracker (updated monthly) Unemployment Tracker (updated monthly)
Events	Cities Outlook 2021 – launch event (800+ attendees) With: <ul style="list-style-type: none">• Jesse Norman MP, Financial Secretary to the Treasury• Andy Burnham, Mayor of Greater Manchester• Steve Rotheram, Mayor of Liverpool City Region• Judith Blake, Leader of Leeds City Council, chair of Core Cities UK• Abi Brown, Leader of Stoke-on-Trent Council• Sir Peter Soulsby, Mayor of Leicester• Rajesh Agrawal, Deputy Mayor of London for Business Cities Outlook 2021 – understanding cities' economic performance Introducing our new data visualisations
Podcasts	The Mayor of London With Prof Tony Travers
Media coverage	411 pieces of coverage
Media reach	125 million people
Blogs	8

FEBRUARY

Research and analysis	Core Cities – the impact of the first wave of Covid-19 In partnership with Core Cities Budget 2021 – recovering from Covid-19 Our 12-point plan for the Chancellor High Streets Recovery Tracker (updated monthly) Unemployment Tracker (updated monthly) – adding furlough data
Events	Devolution, data and levelling up sponsored by Policy@Manchester With Prof Arpana Verma, Tom Forth and Rebecca Riley Buses and the future of urban transport sponsored by Abellio With Sir Richard Leese (Manchester City Council), Jonathan Bray (UTG), Pascale Robinson (Better Buses GM), Clive Memmott (GM Chamber of Commerce) and Alan Pilbeam (Abellio) Health inequalities and productivity across the UK sponsored by Policy@Manchester With Dr Luke Munford and Matt Hennessy, GMCA
Podcasts	Designing and successful industrial strategy With Giles Wilkes How realistic is a 15-minute city?
Media coverage	368 pieces of coverage

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2021

Media reach **27 million people**
 Blogs **15**

MARCH

Research and analysis

Levelling up the UK's regional economies by Lord Sainsbury of Turville
 Covered in the Telegraph, BBC Today Programme, BBC News online
Fast Growth Cities – 2021 and beyond commissioned by the Fast Growth Cities
Building Back Better – how to recover from Covid-19 sponsored by HSBC UK
 Covered by the Times, Yorkshire Post and the i newspaper
West Yorkshire Metro Mayor – three policy priorities for 2021
 Covered by the Yorkshire Post
High Streets Recovery Tracker (updated monthly)
 Covered in the Telegraph
Unemployment Tracker (updated monthly)

Events

Levelling up the UK's regional economies – report launch
 With:

- Lord Sainsbury of Turville
- Andy Street, Mayor of the West Midlands
- Dan Jarvis, Mayor of the Sheffield City Region

Fast Growth Cities – report launch
What does the Covid-19 roadmap mean for cities and city regions? Sponsored by Policy@Manchester
Building Back Better – report launch sponsored by HSBC UK
 With

- Paul Scully MP, Minister for Labour Markets
- Ian Stuart, CEO, HSBC UK
- Sarah Howard, chair, British Chambers of Commerce
- Susan Hinchcliffe, leader of Bradford

Urban productivity, local government and levelling up with OECD

Podcasts

America's legacy cities
 With Jason Segedy and Kenan Fikri
How to build back better

Media coverage **303 pieces of coverage**
 Media reach **46 million people**
 Blogs **11**

APRIL

Research and analysis

Cambridgeshire and Peterborough Metro Mayor – three policy priorities for 2021
Liverpool City Region Metro Mayor – three policy priorities for 2021
West of England Metro Mayor – three policy priorities for 2021
West Midlands Metro Mayor – three policy priorities for 2021
Greater Manchester Metro Mayor – three policy priorities for 2021
Mayor of London – three policy priorities for 2021
Tees Valley Metro Mayor – three policy priorities for 2021
High Streets Recovery Tracker (updated monthly)

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2021

Events	Unemployment Tracker (updated monthly) Covered by BBC News, the Guardian and the Telegraph West Yorkshire mayoral hustings Greater Manchester mayoral hustings West of England mayoral hustings Other planned hustings events were cancelled when political campaigning was suspended due to the death of Prince Philip
Podcasts	Policies, politics and personalities in this year's mayoral elections With Prof Francesca Gains, Rob Parsons of the Yorkshire Post and Richard Brown of Centre for London
Media coverage	394 pieces of coverage
Media reach	75 million people
Blogs	11
MAY	
Research and analysis	High Streets Recovery Tracker (updated monthly)
Events	Unemployment Tracker (updated monthly) Devolution and governance structures in the UK – lessons from the evidence in partnership with the Industrial Strategy Council With: <ul style="list-style-type: none">• Kate Barker, Industrial Strategy Council• Andy Haldane, Bank of England• Greg Clark MP, former Secretary of State• Arianna Giovannini, De Montfort University
Podcasts	What do the 2021 metro mayor elections mean for England's cities?
Media coverage	436 pieces of coverage
Media reach	43 million people
Blogs	13
JUNE	
Research and analysis	Get on board – why mayors should franchise buses So you want to level up? An uneven recovery? How Covid-debt and Covid-savings will shape post-pandemic cities sponsored by Clarion Housing Group Covered by the Guardian, Telegraph, i newspaper, Yorkshire Post and Liverpool Echo
Events	Unemployment Tracker (updated monthly) High Streets Recovery Tracker (updated monthly) Covered by the Sunday Times and BBC outlets An uneven recovery? – report launch sponsored by Clarion Housing Group With: <ul style="list-style-type: none">• Peter Tutton, StepChange• Martin Reeves, Coventry City Council• Clare Miller, Clarion Housing Group Making transport work in cities and large towns sponsored by Midlands Connect With: <ul style="list-style-type: none">• David Astill, Nottingham City Transport• Verna Bayliss, Derby City Council

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2021

- Andrew Smith, Leicester City Council
- Bridget Rosewell, National Infrastructure Commission

Ready to recover? Levelling up and building back better

sponsored by PWC

With:

- Andy Burnham, Mayor of Greater Manchester
- Tracy Brabin, Mayor of West Yorkshire
- Abi Brown, leader of Stoke

Podcasts

The politics of levelling up

With Prof Will Jennings

The legacy of sporting events on urban economies

How to level up... skills

How Covid-debt and Covid-savings will shape post-pandemic cities

How to level up... high streets and city centres

Media coverage

773 pieces of coverage

Media reach

224 million people

Blogs

10

JULY

Research &

Analysis

Events

High Streets Recovery Tracker (updated monthly)

Unemployment Tracker (updated monthly)

The levelling up dilemma: Can the Government strike the right balance between politics and economics?

With:

- Gemma Tetlow, Chief Economist at Institute for Government
- Paul Swinney, Director of Policy and Research at Centre for Cities
- Duncan Weldon, Economics Correspondent at The Economist

Levelling up dilemma: productivity, employment and wellbeing

With:

- Philip McCann, Professor of Urban and Regional Economics, University of Sheffield Management School
- Victoria Sutherland, Head of Evidence, What Works Centre for Local Economic Growth
- Paul Swinney, Director of Policy and Research at Centre for Cities

Podcasts

How to level up... public services

Media coverage

76

Media reach

306,051,238

Blogs

12

AUGUST

Research and

analysis

Events

Podcasts

High Streets Recovery Tracker (updated monthly)

Unemployment Tracker (updated monthly)

Media coverage

263

Media reach

2,379,330,108

Blogs

11

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2021

SEPTEMBER

Research and analysis	<p>Southampton city centre - Strengthening the core In partnership with GO! Southampton What levelling up really means: changing the geography of knowledge High Streets Recovery Tracker (updated monthly) Unemployment Tracker (updated monthly)</p>
Events	<p>The levelling up dilemma: innovation here, there or everywhere? With: <ul style="list-style-type: none">• Diana Beech, Chief Executive Officer, London Higher• Tom Forth, Head of Data, ODI LeedsThe levelling up dilemma: who will deliver levelling up? With: <ul style="list-style-type: none">• Joanne Roney, CEO, Manchester City Council• Jill Rutter, Senior Research Fellow, UK in a Changing Europe• Mark Sandford, Senior Research Analyst, House of CommonsThe levelling up dilemma: What do voters want from levelling up? With: <ul style="list-style-type: none">• Kelly Beaver, Managing Director for Public Affairs, Ipsos MoriLabour Party Conference Reception: Welcome to Brighton sponsored by HSBC With: <ul style="list-style-type: none">• Baroness Blake of Leeds, Shadow spokesperson (Communities and Local Government)• Sir Sherard Cowper-Coles, Group Head of Public Affairs, HSBC• Cllr Phelim Mac Cafferty, Leader of Brighton and Hove City Council• Steve Reed, Shadow Secretary of State for Communities and Local GovernmentLabour Party Conference: In conversation with Andy Burnham With: <ul style="list-style-type: none">• Andy Burnham, the Mayor of Greater Manchester<hr/>Labour Party Conference Fringe: Cities leading the recovery With: <ul style="list-style-type: none">• Susan Hinchcliffe, Leader of Bradford Council• Nik Johnson, Mayor of Cambridgeshire and Peterborough• Dan Norris, Mayor of West of England<hr/>Labour Party Conference Fringe: Holding our breath? How to clean up our cities' air sponsored by Policy@Manchester With: <ul style="list-style-type: none">• Polly Billington, Chief Executive, UK100• Professor Sheena Cruickshank, Immunologist and Professor of Biomedical Sciences and Public Engagement, The University of Manchester• Ruth Jones, Shadow Minister for Natural Environment & Air Quality• Ian Ward, Leader, Birmingham City Council</p>
Podcasts	<p>Tracy Brabin - her vision for West Yorkshire How can we level up struggling UK towns?</p> <hr/>
Media coverage	<p>Exploring the cities versus towns debate 163</p>
Media reach	<p>1,214,427,878</p>

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2021

Blogs 14

OCTOBER

Research and analysis

Events

What urban leaders want from the Levelling Up White Paper

High Streets Recovery Tracker (updated monthly)

Unemployment Tracker (updated monthly)

Conservative Party Conference Reception: Welcome to Manchester sponsored by HSBC

With:

- Katy Balls, Deputy Political Editor, The Spectator
- Sir Richard Leese, Leader, Manchester City Council
- Neil O'Brien, Parliamentary Under Secretary of State, Department for Levelling up, Housing and Communities
- Ian Stuart, Chief Executive of HSBC UK

Conservative Party Conference Fringe: Holding our breath? How to clean up our cities' air sponsored by Policy@Manchester

With:

- Professor Sheena Cruickshank, Immunologist and Professor of Biomedical Sciences and Public Engagement, The University of Manchester
- Roger Evans, Political Advisor, UK100
- Wayne Fitzgerald, Leader, Peterborough City Council
- Rebecca Pow, Parliamentary Under Secretary of State at the Department for Environment, Food and Rural Affairs

In conversation with Andy Burnham

With:

- Andy Burnham, the Mayor of Greater Manchester

Conservative Party Conference: In conversation with Ben Houchen

With:

- Ben Houchen', the Mayor of Tees Valley

How can cities help meet the UK's net zero targets?

With:

- Philip Graham, Executive Director Good Growth
- Stephen Peacock, Executive Director of Growth and Regeneration, Bristol City Council
- Laura Shoaf, Chief Executive, West Midlands Combined Authority
- Valentine Quinio, Analyst, Centre for Cities

Podcasts

Andy Burnham on his vision for Greater Manchester

Ben Houchen on his vision for Tees Valley

What can German reunification teach the UK about levelling up?

Think Tank views – what should be in the Levelling Up White Paper?

Media coverage

160

Media reach

1,180,188,787

Blogs

11

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2021

NOVEMBER

Research and analysis

High Streets Recovery Tracker (updated monthly)
Unemployment Tracker (updated monthly)

Events

In Conversation with Professor Ed Glaeser

With:

- Ed Glaeser, Professor of Economics at Harvard University
- Andrew Carter, Chief Executive at Centre for Cities

How will working from home change our cities?

With:

- Jessica Bowles, Director of Strategic Partnerships and Impact, Bruntwood
- Dave Brittain, Business Development Director, Amazon Europe
- Bill Page, Head of Real Estate Markets Research, LGIM Real Assets
- Andrew Carter, Chief Executive at Centre for Cities

If people can work anywhere, will they want to stay living in cities?

With:

- Timothy Bannister, Director, Rightmove
- Dan Batterton, Senior Fund Manager, Build to Rent Fund, LGIM Real Assets
- Samantha Veal, Chief Executive, Blueprint
- Andrew Carter, Chief Executive at Centre for Cities

Will the pandemic change how people in cities spend their leisure time?

With:

- Sacha Lord, Night-Time Economy Adviser, Greater Manchester
- Denzier Ibrahim, Head of Retail and Futuring, LGIM Real Assets
- Trish Willetts, Director, Bid Coventry
- Andrew Carter, Chief Executive at Centre for Cities

Podcasts

City Minutes: How do transport networks in big cities measure up to their Western European peers?

Media coverage

522 (15-30th of November)

Media reach

264,535,955

Blogs

14

DECEMBER

Research and analysis

High Streets Recovery Tracker (updated monthly)
Unemployment Tracker (updated monthly)

Event:

0

Podcast:

0

Media Coverage: **49**

Media reach:

201,292,419

Blogs:

9

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2021

Financial review

The year ended with a surplus of £64,091 (2020: £56,172). Funds carried forward were £1,034,111 (2020: £970,020).

During the year, our main activities were Research, External Affairs and the What Works Centre. The income and expenditure linked to these activities was unrestricted.

Income

Total incoming resources were £1,728,753 (2020: £1,594,438). Our main source of income was a core grant from the Gatsby Charitable Foundation. In 2021, we received £1,100,000, which was approximately 64 per cent of all our revenues.

Other funding was generated through sponsorship agreements for research projects and events.

In 2021, the What Works Centre for Local Economic Growth project in cooperation with the London School of Economics generated £417,231 (2020: 328,604) for the Centre.

Resources expended

The Centre's expenditure was £1,664,662 (2020: £1,538,266). The increase in expenditure was mainly due to the higher staff cost and projects direct costs.

Reserves Policy

The Trustees' reserves policy is reviewed annually. The Centre for Cities' reserves are defined as unrestricted net current assets.

The trustees decided that the Centre should keep reserves for at least six months of the operating expenditure. Our current policy is that they should not fall below £870,000.

The reserves are required to protect the continuity of the organisation against drops in income, to carry out research projects not funded by sponsorship, for capital items replacement and to cover unplanned emergencies and potential risks. The reserves also include a rent deposit of £75,000, which would be forfeited should we need to leave our current office early and therefore the deposit is not accessible.

Total unrestricted net assets held at 31 December 2021 were £1,012,889 (2020: £954,488). Total reserves held at 31 December 2021 were £1,034,111 (2020: 970,020). Free reserves are calculated as net current assets less fixed assets and the rent deposit and stand at £937,439 at 31 December 2021.

The surplus on the free reserves will be expended in the forthcoming year on new advocacy and research projects, and upgrade and renewal of the Centre's website and digital media functions and capabilities.

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2021

PROGRAMME FOR 2022

To have the impact we desire, we need to continue to produce excellent research and communicate it effectively across our government and city networks, and to the public. In 2022, we are focusing on those areas of national and local policy of most importance to the economic performance of cities:

- Delivering levelling-up
- Growing the innovation economy
- Governance and leadership
- Improving public transport

Events

To support our research programme, we will run a busy schedule of public events and roundtables, as well as our programme of receptions and panel debates at the party conferences.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity number 1119841
Company number 06215397
Registered office 9 Holyrood Street, London SE1 2EL

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

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

Website: www.centreforcities.org

DIRECTORS AND TRUSTEES

The directors of Centre for Cities are its trustees for the purpose of charity law.

The trustees serving during the year and up to the date of approval of the accounts were as follows:

Nigel Hugill (Chairman)
Alex Plant
Martin Reeves
Nicola Yates

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2021

Tom Riordan
Miranda Sharp
Alan Harding
John Cummins
Joe Burns

KEY MANAGEMENT PERSONNEL:

Andrew Carter	Chief Executive
Paul Swinney	Director of Policy and Research
Anna Bullegas	Head of Finance and Operations
Tom Flude	Director of External Affairs (left on 2 September 2021)
Sian Morgan	Director of External Affairs (appointed to the post on 1 February 2022)

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.

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 three years from the date of appointment or reappointment. A trustee may be re-appointed by the trustees for a further period of three 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.

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.

Organisation

The Board of Trustees consists of not less than three 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 the day-to-day operations of the charity.

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2021

Related parties

Upon appointment, each trustee makes 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 throughout 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 organisation's 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 receives remuneration or other benefits from the charity.

Pay policy for staff including key management personnel

The pay of all staff, including senior staff, is reviewed annually. The 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 the cost of living during the course of the year and is agreed by the Finance and Audit Committee. All the Centre's salaries, including those of senior staff, are benchmarked against pay levels in similar organisations.

Risk management

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 ongoing risks continue to be around securing sufficient funding to deliver the Centre's ambitions and ensuring our work is of high quality and policy relevance.

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.

The Board is satisfied that, for all major risks, appropriate controls have been put in place which are regularly reviewed and adjusted accordingly.

Statement of trustees' responsibilities

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 accounts 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 Charity trustees to prepare accounts for each year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year. In preparing the accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2021

- 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 accounts;
- prepare accounts on the growing concern basis unless it is inappropriate to presume that the Charity will continue in operation.

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 accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

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 auditor is aware of such information.

Auditor

In accordance with section 485 of the Companies Act 2006, a resolution proposing that HW Fisher LLP be reappointed as auditor of the company will be put to the Annual General Meeting.

On behalf of the Board of Trustees


.....
Nigel Hugill

14 Jul 2022
.....
Date

CENTRE FOR CITIES
INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CENTRE FOR CITIES
YEAR ENDED 31 DECEMBER 2021

Opinion

We have audited the accounts of Centre for Cities (the 'charity') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 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 requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to ongoing concern

In auditing the accounts, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the accounts is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the accounts are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If

CENTRE FOR CITIES
INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CENTRE FOR CITIES
YEAR ENDED 31 DECEMBER 2021

we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' Annual Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Directors' Report included within the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Annual Report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the Trustees were not entitled to prepare the accounts in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Annual Report and from the requirement to prepare a Strategic Report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error. In preparing the accounts, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

CENTRE FOR CITIES
INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CENTRE FOR CITIES
YEAR ENDED 31 DECEMBER 2021

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

As part of our planning process:

- We enquired of management the systems and controls the charity has in place, the areas of the accounts that are most susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The charity did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the charity. We determined that the following were most relevant: the Charity SORP, FRS 102, Charities Act 2011, Companies Act 2006.
- We considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the charity, together with the discussions held with the charity at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the accounts disclosures and determining whether accounting policies have been appropriately applied.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Reviewing documentation such as the charity board minutes for discussions of irregularities including fraud.
- Obtaining bank confirmation of material bank balances.

CENTRE FOR CITIES
INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CENTRE FOR CITIES
YEAR ENDED 31 DECEMBER 2021

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the accounts even though we have properly planned and performed our audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with the trustees of the charity.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Rich

Andrew Rich (Senior Statutory Auditor)
for and on behalf of HW Fisher LLP

Chartered Accountants
Statutory Auditor
Acre House
11-15 William Road
London
United Kingdom
NW1 3ER

14 Jul 2022
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CENTRE FOR CITIES
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Income from:			
Donations	3	1,100,000	1,100,000
Charitable activities:			
Research		93,000	135,759
External Affairs		92,154	26,372
What Works Centre		417,231	328,604
Total from charitable activities		<u>602,385</u>	<u>490,735</u>
Income from investments	4	537	3,703
Other Income	5	<u>25,831</u>	<u>0</u>
Total income		<u>1,728,753</u>	<u>1,594,438</u>
Expenditure on:			
Charitable activities:			
Research-Policy	6	639,234	658,792
External Affairs		608,197	550,870
What Works Centre		417,231	328,604
Total		<u>1,664,662</u>	<u>1,538,266</u>
Net income and net movement in funds		64,091	56,172
Reconciliation of funds			
Total funds brought forward		970,020	913,848
Total funds carried forward		<u>1,034,111</u>	<u>970,020</u>

All funds in the current and comparative year were unrestricted.
All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

CENTRE FOR CITIES
BALANCE SHEET
AS AT 31 DECEMBER 2021

	Notes	2021 £	2020 £
Fixed assets			
Tangible assets	11	21,222	15,532
Total fixed assets		<u>21,222</u>	<u>15,532</u>
Current assets			
Debtors	12	143,450	136,083
Cash at bank and in hand		1,000,449	948,507
Total current assets		<u>1,143,899</u>	<u>1,084,590</u>
Liabilities			
Creditors falling due within one year	13	131,010	130,102
		<u>131,010</u>	<u>130,102</u>
Net current assets		<u>1,012,889</u>	<u>954,488</u>
Total assets less current liabilities		<u>1,034,111</u>	<u>970,020</u>
Funds	16	1,034,111	970,020
Unrestricted funds:		<u>1,034,111</u>	<u>970,020</u>

Approved and authorised for issue by the Board of Trustees on 14 Jul 2022 and
signed on their behalf by Trustee



Nigel Hugill

CENTRE FOR CITIES
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
Net cash provided by (absorbed by)/operating activities	17	<u>67,405</u>	<u>(735,383)</u>
Cash flows from investing activities:			
Interest receivable		537	3703
Purchase of tangible fixed assets		(16,000)	(10,143)
		<u>(15,463)</u>	<u>(6,440)</u>
		<u>51,942</u>	<u>(741,823)</u>
Change in cash and cash equivalents in the reporting period		<u>51,942</u>	<u>(741,823)</u>
Cash and cash equivalents at the beginning of the reporting period		948,507	1,690,330
Cash and cash equivalents at the end of the reporting period		<u>1,000,449</u>	<u>948,507</u>

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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 the Charity's Memorandum & Articles, the Companies Act 2006 and "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 (FRS 102) (effective 1 January 2019)". The Charity is a Public Benefit Entity as defined by FRS 102.

Assets and liabilities are initially recognised at historical or transaction value unless otherwise stated in the relevant policy note(s).

The financial statements are prepared in pounds sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

(b) Recognition of income

Income under grants, donations or sponsorships is recognised in the accounts 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.

(e) Debtors

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

(f) Expenditure and recoverable VAT

All expenditures have been recognised on an accruals basis.

(g) Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments and Section 12 'Other Financial Instruments Issues' of FRS102 to its financial instruments.

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

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

The Charity only has financial assets and liabilities of a kind that qualify as basic financial subsequently measured at their settlement value.

(h) Allocation of support costs

Support costs are the costs of those functions that assist the work of the charity but are not directly charitable activities. Support costs include HR, finance, payroll, governance and general office costs which support Centre for Cities' activities. The basis on which support costs have been allocated is set out in note 7.

(i) Operating leases

The charity classifies the lease of the photocopier as an operating lease. The ownership of 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.

(j) 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 £500 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
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.

(k) 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 9).

(l) Going concern

The Charity has confirmed core funding of £1,100,000 per annum from the Gatsby Foundation for the period 2020 to 2023. As set out in 'Reserves Policy' in the Trustees' Annual Report, the Charity holds reserves in excess of the minimum required, which are available to support research and advocacy in coming years.

The Trustees have a reasonable expectation that the Charity has adequate resources to remain in operation for the foreseeable future from the date of approval of these accounts. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the accounts.

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

(m) 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 ongoing 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

	2021	2020
	£	£
Core Grant	1,100,000	1,100,000
Donations	-	-
	<u>1,100,000</u>	<u>1,100,000</u>

In 2021, Centre for Cities received a donation of £1,100,000. 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 £537 (2020: £3,703) arises from money held in deposit accounts.

5 Income - Other Activities

Income received for seconded employee.

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

6 Analysis of expenditure on charitable activities

2021	Research- Policy £	External Affairs £	What Works Centre £	Total £
Staff Costs	375,597	354,654	344,972	1,075,223
Projects Direct Costs	66,923	115,833	2,609	185,365
Premises	63,357	42,697	31,678	137,732
Depreciation	4,742	3,197	2,371	10,310
IT & Communication	8,610	5,801	4,305	18,716
Printing & Stationery	2,765	1,863	1,382	6,010
Miscellaneous Office Costs	42,346	40,197	16,679	99,222
Legal, Professional and Insurance	4,519	3,045	2,259	9,823
<i>Subtotal</i>	568,859	567,287	406,255	1,542,401
Support Costs (note 7)	57,956	25,462	9,136	92,554
Governance Costs (note 7)	12,419	15,448	1,840	29,707
<i>Subtotal</i>	70,375	40,910	10,976	122,261
Total	639,234	608,197	417,231	1,664,662

2020	Research- Policy £	External Affairs £	What Works Centre £	Total £
Staff Costs	410,322	321,532	245,964	977,818
Projects Direct Costs	56,256	112,835	7,246	176,337
Premises	72,378	42,385	30,063	144,826
Depreciation	16,048	9,308	6,741	32,097
IT & Communication	9,253	5,367	3,887	18,507
Printing & Stationery	3,050	1,769	1,281	6,100
Miscellaneous Office Costs	28,531	21,068	12,302	61,901
Legal, Professional and Insurance	7,893	4,578	3,314	15,785
<i>Subtotal</i>	603,731	518,842	310,798	1,433,371
Support Costs (note 7)	39,395	22,849	16,546	78,790
Governance Costs (note 7)	15,666	9,179	1,260	26,105
<i>Subtotal</i>	55,061	32,028	17,806	104,895
Total	658,792	550,870	328,604	1,538,266

Expenditure on charitable activities was £1,664,662 (2020: £1,538,266). All expenditures were unrestricted. Most of the costs in the above table (note 6) 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.

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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.

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

7 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 6) in the year. The table below shows an analysis of support and governance costs and the basis of apportionment.

2021	General Support	Governance Function	Total	Basis of Apportionment
	£	£	£	
Salaries	87,027	21,707	108,734	Time
Information Technology	2,027	-	2,027	Cost
Audit Fees	-	8,000	8,000	Governance
Legal & Other Professional Fees	3,500	-	3,500	Governance
Total	92,554	29,707	122,261	

2020	General Support	Governance Function	Total	Basis of Apportionment
	£	£	£	
Salaries	77,121	20,105	97,226	Time
Information Technology	1,669	-	1,669	Cost
Audit Fees	-	6,000	6,000	Governance
Legal & Other Professional Fees	-	-	-	Governance
Total	78,790	26,105	104,895	

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

8 Net income/(expenditure) for the year

This is stated after charging:	2021	2020
	£	£
Operating leases - photocopier	1,272	1,272
Depreciation	10,310	32,097
<i>Auditor's remuneration:</i>		
Audit fees	8,000	6,000

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

	2021	2020
	£	£
Wages and salaries	987,834	900,786
Social security costs	98,106	84,814
Pension costs	98,017	89,444
	1,183,957	1,075,044

	2021	2020
Employees earning between £60,001 - £70,000	1	
Employees earning between £70,001 - £80,000		1
Employees earning between £80,001 - £90,000	3	
Employees earning between £90,001 - £100,000		1
Employees earning between £100,001 - £120,000	1	

Pension contributions in respect of higher-paid employees totalled £46,604 (2020: £20,898).

The charity trustees were not paid and did not receive from the charity any benefits or reimbursement of their travel expenses during the year.

The total employee benefits received by the key management personnel listed on page 15 were £318,385 (2020: £373,863).

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

10 Staff numbers

The average monthly headcount was 19 staff (2020: 19 staff) and the average monthly number of the full-time equivalent employees during the year was as follows:

	2021	2020
Research	9.0	8.5
External Affairs	6.0	5.0
WWC	4.0	4.0
Governance	0.5	0.5
	19.5	18.0

11 Tangible fixed assets

	Leasehold Improvements £	Fixtures and Fittings £	Computer Equipment £	Total £
Cost or book value				
At 1 January 2021	111,704	36,612	53,997	202,313
Additions	-	-	16,000	16,000
At 31 December 2021	111,704	36,612	69,997	218,313
Accumulated depreciation				
At 1 January 2021	111,704	35,663	39,414	186,781
Charge for year	-	200	10,110	10,310
At 31 December 2021	111,704	35,863	49,524	197,091
Net book value				
At 31 December 2021	-	749	20,473	21,222
At 31 December 2020	-	949	14,583	15,532

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

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

12 Debtors

	Total 2021	Total 2020
	£	£
Due within one year:		
Trade Debtors	6,867	-
Prepayments	43,425	9,883
Other debtors	93,158	126,200
	143,450	136,083

13 Creditors: amounts falling due within one year

	Total 2021	Total 2020
	£	£
Trade creditors	15,353	11,809
Taxation and social security	51,915	60,907
Accruals	63,742	37,386
Deferred income	-	20,000
	131,010	130,102

14 Operating lease commitments

On 31 December 2021, the charity had the following operating lease commitments:

Land and buildings

	2021	2020
	£	£
Not later than one year	104,792	104,792
Later than one year and not later than five years	398,792	419,168
Over five years	-	84,416
	503,584	608,376

The above commitments are for an operating lease on 2nd floor, 9 Holyrood Street.

15 Related party transactions

There were no related party transactions.

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

16 The funds of the charity

The fund of £1,034,111 on 31 December 2021 was unrestricted.

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

	2021	2020
	£	£
Net income for the reporting period	64,091	56,172
Adjustments for:		
Depreciation charges	10,310	32,097
Interest receivable	(537)	(3,703)
Decrease/(increase) in debtors	(7,367)	220,822
(Decrease)/increase in creditors	908	(1,040,771)
Net cash provided by (absorbed by)/ operational activities	<u>67,405</u>	<u>(735,383)</u>

18 Analysis of changes in debt

The charity had no debt during the year.

CENTRE FOR CITIES

England & Wales - Charity number 1119841

Accounts



**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

www.centreforcities.org

A charitable company limited by Guarantee registered in England and Wales
Company No. 6215397 - Registered Charity No. 1119841

CENTRE FOR CITIES
CONTENTS
YEAR ENDED 31 DECEMBER 2020

	Pages
Trustees' Annual Report	3 - 15
Independent Auditors' Report	16 - 19
Statement of Financial Activities	20
Balance Sheet	21
Statement of Cash Flows	22
Notes to the Accounts	23 - 31

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2020

The trustees are pleased to present their Trustees' Annual Report and accounts for the year ending 31 December 2020. The Trustees' Annual Report contains a Directors' Report as required by company law. The accounts comply with the requirements of 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 1 January 2019.

CHAIR'S REPORT

Before looking back at 2020, I want to pay tribute to Stephen Ashworth, our Board member who we sadly lost in April 2021. He had helped guide the Centre from its Board for 12 years. We could not have achieved what we have in that period without him. His efforts on the Centre's behalf were unstinting, and the whole team is devastated to have lost him so suddenly and far too soon. We will miss him terribly.

In a year when the pandemic has dominated every aspect of our lives, the Centre's reputation for rigorous, ground-breaking research and policy development that sheds new light on the economic performance of cities and how it can be improved has gone from strength to strength.

Before the pandemic, in January 2020, we launched our flagship annual report on the state of urban Britain, *Cities Outlook 2020*. The focus was on air pollution, with the report estimating that just one pollutant, PM2.5, is the cause of more than one in 19 deaths in the UK's largest cities and towns. The research was covered by many national and local media outlets, and has influenced government policy on developing incentives for cities to clean up their air.

As the pandemic took hold in March, we shifted our focus to tracking and researching its economic impact across the UK's largest cities and towns to help their leaders understand the likely effects and to plan their response.

Throughout the year, we launched publicly accessible data trackers covering cases, local footfall and spend, unemployment and job postings. City leaders and government officials have told us that these have been extremely valuable in helping them understand what was happening in their places and to prepare plans for recovery.

Even though pandemic has meant many of us have been working from home, we have continued to work closely with city leaders and government throughout the year, with our experts providing analysis and support and advice on a range of issues.

In addition to dealing with the health and economic challenges associated with the pandemic, the government has also been progressing its levelling-up agenda. Levelling up has always been a key theme for the Centre, and one that is of even greater importance now given the uneven impact of the pandemic. We will continue to focus on it in 2021.

The Centre will seek to inform the debate and its outcomes with sound, evidence-based advice and an ever-growing network of influence.

Nigel Hugill, Chair, Centre for Cities

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2020

Objectives and Activities

Centre for Cities is an independent charity. We work closely with urban leaders, Whitehall and business to ensure our work is relevant, accessible and of practical use to cities and policy makers.

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 purpose, the Centre undertakes the following activities:

- 1) Producing high-quality research and policy:** We publish a range of original research reports and briefings, blogs and papers on the economic performance of UK cities – and how to improve opportunities for their residents.

Our research is produced by an in-house team of analysts, with input from external experts and cities. The research is of a high quality, drawing on a robust evidence base. It aims to inform public debate, policy and practice and includes the development of clear, evidence-based policy proposals. We do this independently but in consultation with Whitehall departments, political parties, local authorities and business organisations.

We 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 inform policy and practice directly, and to publicise lessons from this work, which are relevant to other cities.

- 2) Engaging with stakeholders:** To ensure that the public benefits from the work we do, all our reports and papers are available to the public free of charge on our website and we present 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 includes 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) Promoting an evidence-based approach to policy-making:** We are a partner in the What Works Centre for Local Economic Growth (WWG), part of the What Works Network, with the London School of Economics. It is funded by the ESRC and government departments. WWG analyses which policies are most effective in

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2020

supporting and increasing local economic growth. It works to provide solutions for local and national policymakers through:

- 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 trustees of a charity must have a regard to the Charity Commission guidance when exercising any powers or duties to which the guidance is relevant.

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 2020.

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. The Centre constantly invests in improving 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 productivity and unemployment, drawing on UK and international case studies.

As the pandemic took hold in March 2021, we shifted our focus to tracking and researching its economic impact across the UK's largest cities and towns to help their leaders understand the likely effects and to plan their response. Throughout the year, we launched publicly accessible data trackers covering cases, local footfall and spend, and unemployment. City leaders have found these extremely valuable in order to plan for the re-opening and recovery.

In addition, we released over 80 briefings, blogs and research reports about Covid-19, covering topics including cities' use of technology to tackle the pandemic, Eat Out to Help Out, and the impact of lockdowns on labour markets and analysis of the furlough scheme.

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2020

Breakdown of 2020 activities

JANUARY

Research, event and podcast	Cities Outlook 2020 – How poor air quality blights cities Widespread coverage across national and regional press and broadcast
Event	Apprenticeships – policy, programme impact and evidence base (What Works Centre) With Prof Stefan Walter, University of Berne
Podcast	How to spread tech innovation With Mark Muro
Media coverage	932 pieces of coverage, including BBC Newsnight
Media reach	119 million people
Blogs published	9

FEBRUARY

Research	Why big cities are crucial to levelling up Measuring 'levelling up'
Event	Major economic shocks (What Works Centre) With Prof Andy Pike, University of Newcastle, and Prof David Bailey, Birmingham Business School
Podcasts	Does cluster policy work? Evaluating Tech City With Dr Max Nathan, UCL How government works – lessons from HS2 With Prof Tony Travers, LSE
Media coverage	218 pieces of coverage, including the Sunday Times
Media reach	43 million people
Blogs published	6

MARCH

Research and analysis	Getting moving – where can transport investment level up growth? Coverage included the FT, Politico, CityAM, Yorkshire Post and Birmingham Mail What to put in a 'levelling up' Budget Which cities are the UK's next economic growth centres? With Connected Places Catapult
Events	Sleepy Suburbs – the role of suburbs in solving the housing crisis How will coronavirus affect jobs in different parts of the country? Covered by the Economist, BBC, Telegraph and the Scotsman Coronavirus – what is the impact on schools across the country? Covered by the Telegraph and Liverpool Echo Coronavirus cases tracker (updated daily) Covered by BBC News, Telegraph, the Sun, the Mirror, Daily Express, Daily Mail, Guido Fawkes blog
Podcast	Coronavirus and global city resilience With Lina Liakou, Global Resilient Cities Network
Media coverage	218 pieces of coverage
Media reach	29 million people

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2020

Blogs published **8**

APRIL

Research and analysis	Household debt and problem debt in British cities Covered by the Telegraph and the Sun How easy is it for people stay at home during the coronavirus pandemic? Covered by MailOnline What does the COVID-19 crisis mean for the economies of British cities and large towns? Covered by the Guardian, FT, BBC, Observer, Sky News, the Sun, the Mirror and Evening Standard
Events	Sleepy Suburbs online briefing and Q&A How will coronavirus affect jobs and businesses in the UK?
Podcasts	The future of cities after coronavirus With Prof Richard Florida, University of Toronto Hipsters, geeks and the future of work Neil Lee, London School of Economics
Media coverage	355 pieces of coverage
Media reach	87 million people
Blogs published	13

MAY

Research and analysis	Where has seen the biggest increase in unemployment since lockdown began? Covered by FT, BBC, ITV News, the Sun, Independent, Liverpool Echo and Yorkshire Post
Events	Where next for devolution in England? With Prof Tony Travers, LSE, and Prof Francesca Gains, University of Manchester Exit strategy: can high streets survive? The future of urban transport With Jonathan Bray, Urban Transport Group, and Laura Shoaf, Transport for West Midlands Unemployment and the pandemic – an emerging picture
Podcasts	Coronavirus and UK unemployment With Tony Wilson, Institute for Employment Studies Face-to-face interaction and why cities still matter in the information age With Jonathan Reades, KCL, and Martin Crookston, planning consultant
Media coverage	479 pieces of coverage
Media reach	90 million people
Blogs published	9

JUNE

Research and analysis	Road to recovery Covered by the FT Where is the job retention scheme keeping jobs on life support? Covered by the Guardian, Telegraph, the Sun, the i newspaper and the Birmingham Mail
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CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2020

	High Streets Recovery tracker (updated monthly) Covered by MailOnline, Mirror and Yorkshire Post and BBC regional news
	Unemployment claims analysis (updated monthly) Covered by the FT, Telegraph, the Sun and Yorkshire Post
	Planning for the future Covered in an exclusive by the Times, also covered by ConHome, the MJ and the Telegraph
Events	Road to recovery – a framework for supporting UK cities and large towns With Vicky Pryce, Cebr
	Cities forum – workshop on the impact of the pandemic on high streets
	Return to the High Street?
	How is the recession affecting different parts of the country?
	Ending the housing crisis – online briefing and Q&A
	Valuing workers – how do cities need to change in the post-pandemic economy? With the University of Manchester
Podcasts	Gender, representation and devolution With Prof Francesca Gains, University of Manchester
Media coverage	217 pieces of coverage
Media reach	54 million people
Blogs published	11

JULY

Research and analysis	High Street Recovery Tracker (updated monthly) Covered by the FT, Times, Guardian, Sun, Telegraph, Daily Mail, ITV and BBC
	Unemployment claims analysis (updated monthly) Covered by the FT
	Where in the UK is it hardest to find a job? with Indeed Covered by the Telegraph, i newspaper and LBC
Events	Missing the bus? sponsored by Abellio With DfT Minister Baroness Vere, TfGM and GM Chamber of Commerce
	Buses roundtable with Andrew Gilligan, Downing Street transport adviser
	Covid19, net zero and fuel poverty with University of Manchester
	Geographical mobility and commuting with Understanding Society
	Cities forum – labour market and skills
Podcasts	How are cities across the world responding to the pandemic? New York, Salvador, Berlin
Media coverage	612 pieces of coverage
Media reach	183 million people
Blogs published	17

AUGUST

Research and analysis	Where are the highest shares of workers on the Job Retention Scheme? Covered by the Sunday Times
	High Streets recovery tracker (updated monthly)

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2020

	Covered by Sky News, FT, Guardian, Times, Independent, Telegraph, MailOnline, Yorkshire Post and WalesOnline
	Unemployment claims analysis (updated monthly)
	Covered by Times, Telegraph and Yorkshire Post
Podcasts	Internal migration and social mobility With Dr Dafni Papoutsaki, Institute of Employment Studies
Media coverage	668 pieces of coverage
Media reach	128 million people
Blogs published	9

SEPTEMBER

Research and analysis	Levelling up local government in England Covered by the MJ, Yorkshire Post and ConHome
	Re-writing the Green Book for levelling up sponsored by L&G Covered by the FT
	Where in the UK is it hardest to find a job? with Indeed (updated) Covered by the Telegraph and the Independent
	How does footfall in city centres react to local lockdowns? Covered by BBC News, the Telegraph and the New Statesman
	How are local centres in Greater Manchester recovering from lockdown? Covered by the New Statesman
	Unemployment claims analysis (updated monthly) Covered by the FT, Guardian and Telegraph
	High Streets recovery tracker (updated monthly) Covered by BBC News, ITV News, the Guardian, FT, MailOnline, Telegraph, Mirror and Sunday Times
Events	Cities forum – using data
Podcasts	Race, ethnicity and devolved policymaking With Debbie Weekes-Bernard, Deputy Mayor London
Media coverage	469 pieces of coverage
Media reach	155 million people
Blogs published	11

OCTOBER

Research and analysis	Reforming business rates – fixing a broken system Launched at an event with British Chambers of Commerce and the British Property Federation
	What do renewed restrictions mean for city labour markets with Indeed Covered by BBC News, Sky News, the Mirror, the Sun, MailOnline, the Independent, the Scotsman, the Herald and other regional titles
	Unemployment tracker (updated monthly)
	High Streets recovery tracker (updated monthly)
Events	Reforming business rates With Adam Marshall, BCC, and Melanie Leech, BPF
	City Horizons with Andy Haldane , Chief Economist at the Bank of England
	Next steps for cities with the National Infrastructure Commission With Andy Burnham, Sir John Armitt and others

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2020

Podcasts	The future of UK infrastructure With Sir John Armit Politicians on levelling up during the pandemic Party conference special
Media coverage	567 pieces of coverage
Media reach	90 million people
Blogs published	12

NOVEMBER

Research and analysis	How much do Britain's cities trade with the EU? Covered by BBC News and Estates Gazette High Streets Recovery Tracker (updated monthly) sponsored by Nationwide Unemployment Tracker (updated monthly)
Events	Re-writing the Green Book sponsored by L&G With Susan Hinchcliffe, Bradford, and Pete Gladwell, L&G
Podcasts	The history of cities – humans' greatest invention With author Ben Wilson How important is getting a trade deal to Britain's cities?
Media coverage	337 pieces of coverage
Media reach	44 million people
Blogs published	9

DECEMBER

Research and analysis	How have the pandemic and lockdown affected air quality in cities? Covered by the Time, Guardian, Telegraph, Mail, Independent, Yorkshire Post and ITV News High Streets Recovery Tracker (updated monthly) sponsored by Nationwide Unemployment Tracker (updated monthly)
Events	Devolution, mayors and the pandemic sponsored by Policy@Manchester With Prof Francesca Gains, Kevin Fitzpatrick (BBC) and Simon Jones (ex-SpAd) Will online shopping be the end of the high street? With Helen Dickinson (British Retail Consortium), Nationwide and Sunderland BID
Podcasts	The biggest challenges facing Newcastle With Pat Richie, Chief Executive of Newcastle City Council How has the pandemic affected air quality in cities? With Hubert Thieriot (Centre for Research on Energy and Clean Air)
Media coverage	557 pieces of coverage
Media reach	77 million people
Blogs published	6

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2020

Financial review

The year ended with a surplus of £56,172 (2019: £66,358). Funds carried forward were £970,020 (2019: £913,848).

During the year, our main activities were Research, External Affairs and the What Works Centre. The income and expenditure linked to these activities was unrestricted.

Income

Total incoming resources were £1,594,438 (2018: £1,452,421). Our main source of income was a core grant from the Gatsby Charitable Foundation. In 2020, we received £1,100,000, which was approximately 69 per cent of all our revenues.

Other funding was generated through sponsorship agreements for research projects and events.

In 2020, the What Works Centre for Local Economic Growth project in cooperation with the London School of Economics generated £328,604 (2019: 225,622) for the Centre.

Resources expended

The Centre's expenditure was £1,538,266 (2019: £1,386,063). The increase in expenditure was mainly due to the higher staff cost, and projects direct costs, which are the result of growth in activities.

Reserves Policy

The Trustees' reserves policy is reviewed annually. The Centre for Cities' reserves are defined as unrestricted net current assets.

The trustees decided that the Centre should keep reserves at least six months' of the operating expenditure. Our current policy is that they should not fall below £870,000.

The reserves are required to protect the continuity of the organisation against drops in income, to carry out research projects not funded by sponsorship, to replace capital items and to cover unplanned emergencies and potential risks. The reserves also cover the potential forfeit of a rent deposit of £75,000 should we need to leave our current office early.

Total unrestricted current assets held at 31 December 2020 were £954,488 (2019: £876,362). Total reserves held at 31 December 2020 were £970,020 (2019: 913,848)

The surplus on the free reserves will be expended in the forthcoming year on new advocacy and research projects, and upgrade and renewal of the Centre's website and digital media functions and capabilities.

PROGRAMME FOR 2021

The Trustees have assessed the impact of the Covid-19 pandemic on the Charity's ability to deliver its programme in 2021 and concluded that most of the programme will proceed.

To have the impact we desire, we need to continue to produce excellent research and communicate it effectively across our government and city networks, and to the public. In

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2020

2021, we are focusing on those areas of national and local policy of most importance to the economic performance of cities:

- Delivering levelling-up
- Growing the innovation economy
- Achieving net zero

Events

To support our research programme we will run a busy schedule of public events and roundtables, including our public lecture series City Horizons and our programme of receptions and panel debates at the party conferences.

REFERENCE AND ADMINISTRATIVE DETAILS

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

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

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

Website: www.centreforcities.org

DIRECTORS AND TRUSTEES

The directors of Centre for Cities are its trustees for the purpose of charity law.

The trustees serving during the year and up to the date of signature of the accounts were as follows:

Nigel Hugill (Chairman)
Stephen Ashworth deceased 28/04/2021
Alex Plant
Martin Reeves
Rosemary Feenan retired 17/11/2020
Nicola Yates
Tom Riordan
Miranda Sharp

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2020

Alan Harding
John Cummins
Joe Burns

KEY MANAGEMENT PERSONNEL:

Andrew Carter	Chief Executive
Paul Swinney	Director of Policy and Research
Tom Flude	Director of External Affairs
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.

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 three years from the date of appointment or reappointment. A trustee may be re-appointed by the trustees for a further period of three 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.

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.

Organisation

The Board of Trustees consists of not less than three 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 organisation's best interests and the

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2020

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 staff including key management personnel

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 the Centre's salaries, including those of senior staff, are benchmarked against pay levels in similar organisations.

Risk management

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 ongoing risks continue to be around securing sufficient funding to deliver the Centre's ambitions and ensuring our work is of high quality and policy relevance.

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.

The Board is satisfied that, for all major risks, appropriate controls have been put in place which are regularly reviewed and adjusted accordingly.

Impact of Covid-19

The Centre's staff have been working remotely since March 2020. They have access to documents which are stored on the server, access to emails and other software. From an operational point of view, our systems work relatively well.

Throughout the year, we established internal policies on social distancing and working from home. When the Government's guidance on the lockdown allows, we permit our staff to work in the office for business, mental or physical health reasons, or because home-working circumstances are not suitable.

We are gradually preparing to make a return to the office as the lockdown eases. Unless the circumstances change, we are planning to return in September 2021.

While working remotely, we have continued to publish high-profile research, which has received considerable media and government attention, to host public events, meet with stakeholders and negotiate partnerships, albeit online. Our core funding from the Gatsby Foundation confirmed until 2023, has not been affected by the pandemic. The Finance and Audit Committee agreed a revised fundraising target for 2020 and 2021 to reflect the challenges of fundraising in these circumstances. This revised target was based on an analysis of our existing fundraising pipeline and was used as the basis for a revised budget for the year.

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2020

Statement of trustees' responsibilities

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 accounts 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 accounts for each year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year. In preparing the accounts, 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 accounts;
- prepare accounts on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

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 accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

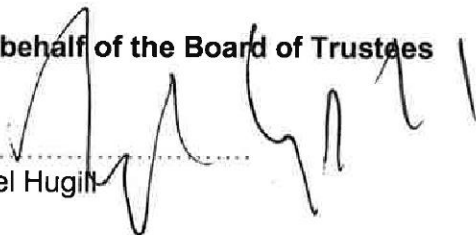
Each of the trustees has confirmed that there is no information of which they are aware, which is relevant to the audit, but of which the auditors are unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are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

Auditors

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

On behalf of the Board of Trustees

Nigel Hugill



19.07.2021
Date

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CENTRE FOR CITIES
YEAR ENDED 31 DECEMBER 2020

Opinion

We have audited the accounts of Centre for Cities (the 'charity') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, 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 requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the accounts, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the accounts is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the accounts are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CENTRE FOR CITIES
YEAR ENDED 31 DECEMBER 2020

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditors' report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the accounts themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' Annual Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Directors' Report included within the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Annual Report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the Trustees were not entitled to prepare the accounts in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Annual Report and from the requirement to prepare a Strategic Report.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error. In preparing the accounts, the Trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CENTRE FOR CITIES
YEAR ENDED 31 DECEMBER 2020

Auditors' responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

As part of our planning process:

- We enquired of management the systems and controls the charity has in place, the areas of the accounts that are most susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The charity did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the charity. We determined that the following were most relevant: the Charity SORP, FRS 102, Charities Act 2011, Companies Act 2006.
- We considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the charity, together with the discussions held with the charity at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the accounts disclosures and determining whether accounting policies have been appropriately applied.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Reviewing documentation such as the charity board minutes for discussions of irregularities including fraud.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditors' report.

Use of our report

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

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CENTRE FOR CITIES
YEAR ENDED 31 DECEMBER 2020**

charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

HW Fisher LLP

Andrew Rich

(Senior Statutory Auditor) for and on behalf of HW Fisher LLP
Chartered Accountants Statutory Auditor Acre House
11-15 William Road London
NW1 3ER
United Kingdom

27/1/21.....

CENTRE FOR CITIES
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Income from:			
Donations	3	1,100,000	862,500
Charitable activities:			
Research		135,759	286,761
External Affairs		26,372	71,903
What Works Centre		328,604	225,622
		<u>490,735</u>	<u>584,286</u>
Income from investments	4	3,703	5,635
Total income		<u>1,594,438</u>	<u>1,452,421</u>
Expenditure on:			
Charitable activities:			
Research-Policy	5	658,792	599,462
External Affairs		550,870	560,979
What Works Centre		328,604	225,622
Total		<u>1,538,266</u>	<u>1,386,063</u>
Net income and net movement in funds		56,172	66,358
Reconciliation of funds			
Total funds brought forward		913,848	847,490
Total funds carried forward		<u>970,020</u>	<u>913,848</u>

All income and expenditure derives from continuing activities.


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

CENTRE FOR CITIES
BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	10	15,532	37,486
Total fixed assets		<u>15,532</u>	<u>37,486</u>
Current assets			
Debtors	11	136,083	356,905
Cash at bank and in hand		948,507	1,690,330
Total current assets		<u>1,084,590</u>	<u>2,047,235</u>
Liabilities			
Creditors falling due within one year	12	130,102	1,170,873
		<u>130,102</u>	<u>1,170,873</u>
Net current assets		<u>954,488</u>	<u>876,362</u>
Total assets less current liabilities		<u>970,020</u>	<u>913,848</u>
Funds	16	970,020	913,848
Unrestricted funds:		<u>970,020</u>	<u>913,848</u>

Approved and authorised for issue by the Board of Trustees on

Trustee



9th July
2021

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 2020

Statement of cash flows	Note	2020 £	2019 £
Net cash (absorbed)/provided by operating activities	16	<u>(735,383)</u>	<u>282,126</u>
Cash flows from investing activities:			
Interest receivable		3703	5,635
Purchase of tangible fixed assets		<u>(10,143)</u>	<u>(12,059)</u>
		(6,440)	(6,424)
		<u>(741,823)</u>	<u>275,702</u>
 Change in cash and cash equivalents in the reporting period		<u>(741,823)</u>	<u>275,702</u>
 Cash and cash equivalents at the beginning of the reporting period		1,690,330	1,414,628
 Cash and cash equivalents at the end of the reporting period		<u>948,507</u>	<u>1,690,330</u>

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

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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 accounts have been prepared in accordance with the Charity's Memorandum & Articles, the Companies Act 2006 and "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 (FRS 102) (effective 1 January 2019)". The Charity is a Public Benefit Entity as defined by FRS 102.

Assets and liabilities are initially recognised at historical or transaction value unless otherwise stated in the relevant policy note(s).

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

(b) Recognition of income

Income under grants, donations or sponsorship is recognised in the accounts on a receivable basis. Income under contracts is recognised in the accounts 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.

(e) Debtors

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

(f) Expenditure and recoverable VAT

All expenditure has been recognised on the accruals basis. The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS102 to of its financial instruments.

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

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020

(g) Financial instruments

The Charity only has financial assets and liabilities of a kind that qualify as basic financial subsequently measured at their settlement value.

(h) 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.

(i) Operating leases

The charity classifies the lease of the photocopier as an operating lease. The ownership of 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.

(j) 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 £500 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
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.

(k) 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).

(l) Going concern

The Trustees have considered the effect of the Covid-19 outbreak. Although the pandemic has disrupted the Charity's work, the Charity has continued its activities, including fundraising. The Charity's confirmed core funding of £1,100,000 per annum from the Gatsby Foundation for the period 2020 to 2023 has not been affected by the pandemic and the Charity took steps to revise its budget to allow for a reduction in income and expenditure in 2020 since which time it has exceeded the minimum fundraising required to balance this budget.

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees have a reasonable expectation that the Charity has adequate resources to continue in operation for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the accounts.

(m) 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

	2020	2019
	£	£
Core Grant	1,100,000	800,000
Other donations	-	62,500
	<u>1,100,000</u>	<u>862,500</u>

In 2020, Centre for Cities received a donation of £1,100,000. 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 £3,703 (2019: £5,635) arises from money held in deposit accounts.

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020

5 Analysis of expenditure on charitable activities

2020	Research- Policy £	External Affairs £	What Works Centre £	Total £
Staff Costs	410,322	321,532	245,964	977,818
Projects Direct Costs	56,256	112,835	7,246	176,337
Premises	72,378	42,385	30,063	144,826
Depreciation	16,048	9,308	6,741	32,097
IT & Communication	9,253	5,367	3,887	18,507
Printing & Stationery	3,050	1,769	1,281	6,100
Miscellaneous Office Costs	28,531	21,068	12,302	61,901
Legal, Professional and Insurance	7,893	4,578	3,314	15,785
<i>Subtotal</i>	603,731	518,842	310,798	1,433,371
Support Costs (note 6)	39,395	22,849	16,546	78,790
Governance Costs (note 6)	15,666	9,179	1,260	26,105
<i>Subtotal</i>	55,061	32,028	17,806	104,895
Total	658,792	550,870	328,604	1,538,266

2019	Research- Policy £	External Affairs £	What Works Centre £	Total £
Staff Costs	384,085	263,151	155,174	802,410
Projects Direct Costs	12,408	168,199	1,308	181,915
Premises	74,275	44,565	29,710	148,550
Depreciation	18,403	11,042	7,360	36,805
IT & Communication	4,037	2,422	1,615	8,074
Printing & Stationery	2,652	1,592	1,062	5,306
Miscellaneous Office Costs	39,663	35,057	15,234	89,954
Legal, Professional and Insurance	4,240	2,545	1,696	8,481
<i>Subtotal</i>	539,763	528,573	213,159	1,281,495
Support Costs (note 6)	49,276	21,286	11,122	81,684
Governance Costs (note 6)	10,423	11,120	1,341	22,884
<i>Subtotal</i>	59,699	32,406	12,463	104,568
Total	599,462	560,979	225,622	1,386,063

Expenditure on charitable activities was £1,538,266 (2019: £1,386,063). All expenditures were unrestricted. Most of the costs in the above table (note 5) relate to staff, project direct costs and premises.

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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.

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

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.

2020	General Support	Governance Function	Total	Basis of Apportionment
	£	£	£	
Salaries	77,121	20,105	97,226	Time
Information Technology	1,669	-	1,669	Cost
Audit Fees	-	6,000	6,000	Governance
Legal & Other Professional Fees	-	-	-	Governance
Total	78,790	26,105	104,895	

2019	General Support	Governance Function	Total	Basis of Apportionment
	£	£	£	
Salaries	79,724	16,178	95,902	Time
Information Technology	1,960	-	1,960	Cost
Audit Fees	-	6,706	6,706	Governance
Legal & Other Professional Fees	-	-	-	Governance
Total	81,684	22,884	104,568	

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020

7 Net income for the year

This is stated after charging:	2020	2019
	£	£
Operating leases - photocopier	1,272	1,219
Depreciation	32,097	36,805
<i>Auditor's remuneration:</i>		
Audit fees	6,000	6,706

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

	2020	2019
	£	£
Wages and salaries	900,786	753,306
Social security costs	84,814	71,524
Pension costs	89,444	73,482
	1,075,044	898,312

	2020	2019
Employees earning between £70,001 - £80,000	1	1
Employees earning between £90,001 - £100,000	1	1

Pension contributions in respect of higher paid employees totalled £20,898 (2019: £20,174).

The charity trustees were not paid and did not receive from the charity any benefits or reimbursement of their travel expenses during the year.

The total employee benefits received by the key management personnel listed on page 13 were £373,863 (2019: £360,159).

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020

9 Staff numbers

The average monthly head count was 19 staff (2019: 17 staff) and the average monthly number of the full-time equivalent employees during the year was as follows:

	2020	2019
Research	8.5	7.5
External Affairs	5	5
WWC	4	3
Governance	0.5	0.5
	18	16

10 Tangible fixed assets

	Leasehold Improvements £	Fixtures and Fittings £	Computer Equipment £	Total £
Cost or book value				
At 1 January 2020	111,704	35,614	44,852	192,170
Additions	-	998	9,145	10,143
At 31 December 2020	111,704	36,612	53,997	202,313
Accumulated depreciation				
At 1 January 2020	93,225	30,127	31,332	154,684
Charge for year	18,479	5,536	8,082	32,097
At 31 December 2020	111,704	35,663	39,414	186,781
Net book value				
At 31 December 2020	-	949	14,583	15,532
At 31 December 2019	18,479	5,487	13,520	37,486

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

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020

11 Debtors

	Total 2020 £	Total 2019 £
Due within one year:		
Trade Debtors	-	190,287
Prepayments	9,883	42,498
Other debtors	126,200	124,120
	136,083	356,905

12 Creditors: amounts falling due within one year

	Total 2020 £	Total 2019 £
Trade creditors	11,809	13,511
Taxation and social security	60,907	42,907
Accruals	37,386	11,955
Deferred income	20,000	1,102,500
	130,102	1,170,873

13 Operating lease commitments

At 31 December 2020, the charity had the following operating lease commitments:

	2020 £	2019 £
Not later than one year	104,792	119,463
Later than one year and not later than five years	419,168	99,551
Over five years	84,416	-
	608,376	219,014

The above commitments are for an operating lease on 2nd floor, 9 Holyrood Street.

14 Deferred income

The deferred income brought forward has been released in full and the deferred amount represents the University of Manchester.

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Balance as at 1 January 2020	1,100,000
Amount released to income earned from charitable activities	(1,100,000)
Amount deferred in year	20,000
Balance as at 31 December 2020	20,000

15 Related party transactions

There were no related party transactions.

16 Reconciliation of net income to net cash flow from operating activities

	2020	2019
	£	£
Net income for the reporting period	56,172	66,358
Adjustments for:		
Depreciation charges	32,097	36,805
Interest receivable	(3,703)	(5,635)
Decrease/(increase) in debtors	220,822	(79,133)
(Decrease)/increase in creditors	(1,040,771)	263,731
Net cash (absorbed)/provided by operational activities	(735,383)	282,126

17 Analysis of changes in debt

The charity had no debt during the year.

