

THE LEADERSHIP CENTRE FOR LOCAL GOVERNMENT

England & Wales · Charity number 1123234

Details

Other names LOCAL GOVERNMENT LEADERSHIP CENTRE

Status Registered

Legal form Charitable company

Company number [05467557](#)

Registered 2008-03-18

Register [View on the Charity Commission register](#)

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Activities

Objects: OBJECTS3. THE OBJECTS OF THE CHARITY ARE:3.1 THE ADVANCEMENT OF EDUCATION FOR THE PUBLIC BENEFIT, IN PARTICULAR (WITHOUT PREJUDICE TO THE GENERALITY) BY PROMOTING, IMPROVING AND DEVELOPING LEADERSHIP AMONGST PUBLIC SERVANTS AND, IN PARTICULAR, LOCAL AUTHORITY EMPLOYEES AND COUNCILLORS.3.2 TO PROMOTE FOR THE PUBLIC BENEFIT THE EFFICIENT PUBLIC ADMINISTRATION OF GOVERNMENT AND PUBLIC SERVICES BY THE PROVISION OF EDUCATION AND TRAINING IN THE ORGANISATION AND PRACTICE OF THE ADMINISTRATION OF GOVERNMENT AND THE DEVELOPMENT OF LEADERSHIP SKILLS FOR PUBLIC SERVANTS, IN PARTICULAR LOCAL AUTHORITY EMPLOYEES AND COUNCILLORS.

Activities: advancement of education for the public benefit, by promoting, improving and developing leadership amongst public servants.promote for the public benefit the efficient public admin of govt & public services by the provision of education & training in the organisation & practice of the administration of govt

and the devt of leadership skills, in particular local authority employees & councillors.

Classification

- **How:** Makes Grants To Organisations, Provides Services, Sponsors Or Undertakes Research
- **What:** Education/training
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** NOT DEFINED. IN PRACTICE: NATIONALLY IN ENGLAND AND WALES.
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£1,906,491	£1,961,624	£-347,202	7
2024-03-31	£1,767,030	£1,899,153	£-292,069	7
2023-03-31	£1,776,907	£2,069,692	£-139,946	7
2022-03-31	£1,454,447	£1,427,282	£182,124	5
2021-03-31	£1,425,432	£1,448,739	£154,959	3

Trustees

Name	Role	Appointed
DAVID LLOYD	Chair	2016-12-07
COUNCILLOR KEITH HOUSE		2016-12-07
Helen Bailey		2014-01-21
Malini Nebhrajani		2024-07-17

THE LEADERSHIP CENTRE FOR LOCAL GOVERNMENT

England & Wales - Charity number 1123234

Accounts

THE LEADERSHIP CENTRE FOR LOCAL GOVERNMENT

(A company limited by guarantee)

REPORT OF THE TRUSTEES and FINANCIAL STATEMENTS

for the year ended 31 March 2025

Company Registration Number 05467557
Charity Number 1123234

**The Leadership Centre for Local Government
Year ended 31st March 2025**

REPORT AND FINANCIAL STATEMENTS 2025

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The Leadership Centre for Local Government

Year ended 31st March 2025

LEGAL AND ADMINISTRATIVE DETAILS

Registered Name: The Leadership Centre for Local Government

Charity number: 1123234

Company number: 05467557

Registered office: 18 Smith Square, London SW1P 3HZ

Statutory Auditors: Crowe U.K. LLP
55 Ludgate Hill, London, EC4M 7JW

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

Solicitors: Bates Wells London LLP
2-6 Cannon Street, London, EC4M 6YH

Directors and Trustees

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

The Trustees serving during the year and up to the date of approval of the financial statements were:

	Attendance – possible 4 Board Meetings
David Lloyd (Chair)	4
Helen Bailey	3
Cllr Keith House	3
Mel Nebhrajani (appointed July 2024)	3
Jan Sobieraj (resigned Feb 2025)	3
Tamara Finklestein (resigned July 2024)	0

Chief Executive

Mark Rogers

Secretary and Chief Operating Officer

John Jarvis

**The Leadership Centre for Local Government
Year ended 31st March 2025
Trustees' Annual Report**

WHAT WE DO

The Leadership Centre exists to support leaders to navigate complexity, foster collaboration, and create lasting positive change in their communities. Working across sectors and organisational boundaries, the Centre supports individuals and teams to shift from reactive, siloed approaches to systemic leadership—where relationships, place-based insight, and adaptive thinking drive better outcomes. Through bespoke programmes, immersive learning, and hands-on support, the Leadership Centre empowers leaders to engage with uncertainty, build trust, and unlock the collective potential of the people and places they serve.

CHAIR'S STATEMENT

This year has provided both challenge and promise for the Leadership Centre, as the landscape of public service leadership continues to evolve.

This period has seen the Centre continue to support leaders across the UK as they navigate profound challenges. Whether responding to evolving public expectations, resource constraints, or complex inter-organisational demands the need for thoughtful, place-based, and collaborative leadership has been thrown into even sharper relief. These moments of flux bring both complexity and possibility, and we are proud to have been a trusted partner to those navigating this terrain.

Our hallmark of place-based, relational, systems leadership, has proven both relevant and vital. Throughout the year, the Centre has worked alongside partners in local government, health, education, and civil society, enabling leaders to think and act differently in the face of entrenched issues. Our bespoke programmes, such as Future Vision, excitingly redesigned for 2025, and our continued emphasis on co-production and cross-sector collaboration, reflect a deep commitment to empowering leaders with the courage, insight, and adaptability required for these times.

Financially, the year was challenging. The loss reflects the tightening of commissioning budgets across the public sector and our choice to invest in strategic priorities. The Board remains vigilant and proactive in its stewardship, and we are confident that our long-term financial position remains sound. In parallel, we are taking steps to adapt our business model to ensure resilience while staying true to our charitable mission.

As we look ahead, we do so with both humility and ambition. The systems in which our public services operate remain complex, and ever shifting, but the work of the Leadership Centre in developing the leadership capacity needed to meet such complexity has never been more necessary.

I extend my thanks to our staff, enablers, trustees, funders, and all those with whom we have worked so closely this year.

Together, we continue to invest in the leadership that builds better futures, place by place, leader by leader.

David Lloyd, Chair

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REPORT OF THE TRUSTEES

The Trustees present their report and audited financial statements of The Leadership Centre for Local Government (“the Leadership Centre”) for the year from 1 April 2024 to 31 March 2025. The Trustees have adopted the provisions of the Statement of Recommended Practice “Accounting and Reporting by Charities” (“FRS 102 SORP”) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity’s governing document, the Charities Act 2011, the Companies Act 2006 and relevant Accounting Standards. The Trustees consider that the current level of the Centre’s unrestricted funds and, along with the continuing likelihood of securing funding for periods beyond April 2025, and with ongoing access to short term funding facilities from the LGA for at least a period of 12 months from the date of signing the accounts, the Centre has sufficient resources to continue as a going concern.

Structure, Governance and Management:

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

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

Appointment of Trustees

As set out in the Articles and Memorandum of Association, new Trustees are nominated and appointed by the existing Trustees. There is no formally constituted nomination committee and nomination matters are reported and taken at ordinary meetings. The Board of Trustees will advertise and invite suitable candidates, who can bring a full range of expertise to the Board, establishing their suitability through a formal selection process.

Trustee induction and training

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

Organisation

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

The Chair works closely with the Leadership Centre’s Chief Executive and Company Secretary who have delegated authority from the Trustees to manage the day to day running of the charity and delivery of its objectives in accordance with the agreed business plan and budget, including operational management of the Centre, finance and employment matters.

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Related parties

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

Objectives & Activities:

Objects:

The objects of the Leadership Centre for Local Government, as set out in the Memorandum and Articles, are:

The advancement of education for the public benefit, in particular (without prejudice to the generality) by promoting, improving and developing leadership amongst public servants and, in particular, local authority employees and councillors.

To promote for the public benefit the efficient public administration of government and public services by the provision of education and training in the organisation and practice of the administration of government and the development of leadership skills for public servants, in particular, local authority employees and councillors.

All the charities activities are informed, designed and delivered through the lens of these objects and are undertaken to further our charitable purposes for the public benefit.

In deciding the charities objectives and activities, the Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

Strategy:

The Leadership Centre's strategy brings together the key elements of Purpose, Values and Practice through three missions that supports the charities objectives; and ensures the Centre's distinctiveness and positive reputation. The missions are expressed as the three I's:

Innovate: to strengthen the Leadership Centre's research and development capability to ensure existing and new programmes meet needs and expectations.

Inspire: to deliver excellence in its core programmes and commissioned work, sharing generously its learning, thought leadership and extensive intellectual and human resources and networks; and growing the role, involvement and impact of all the Centre's alumni and allies.

Invest: to a) identify programmes and other learning and development opportunities that strengthen the pipeline of future leaders and ensure its diversity; and reach into organisations and places less commonly engaged in the Centre's work.

...and b) to secure a small number of medium term partners and one-off sponsors with a commitment to developing their own leadership capabilities and, in pursuit of this, investing in the Centre's missions.

The Leadership Centre is practical, politically astute and takes a 'do tank' approach to how it absorbs, generates and promotes ideas, collaborations, and services. This strategy requires the core team working with its community of Enablers, Alumni, Trustees, participants, partners, and allies, to craft value and generate impact in four key public service areas: Local Government, Combined Authorities, Health & wellbeing and the civil service.

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Significant Activities Undertaken:

The 2024 UK general election introduced a period of pronounced volatility and ambiguity across the public sector landscape. In the months leading up to and after the election, uncertainty around policy direction, departmental leadership, and fiscal commitments led to a discernible pause in strategic decision-making and funding clarity. This hiatus affected the initiation and momentum of some projects and programmes and created operational ambiguity for local authorities and their partners.

For the Leadership Centre, this environment underscored the importance of adaptive leadership and systems thinking. Our work supporting place-based innovation and collaborative action became ever more vital as public service leaders sought guidance in navigating complexity without clear national signals.

Developing Leadership and change capability:

Throughout the financial year the Leadership Centre created, designed and delivered a variety of projects and programmes aligned with its core priorities and in response to the needs of leaders and communities. Below are highlights in a year that the Leadership Centre featured in over 50 initiatives.

Programmes:

Future Vision: The Centre's flagship senior leadership development programme. Another cohort was successfully curated and delivered. In the latter half of the financial year, with the backdrop of significant local, national and international cultural, technological, political and economic shifts, the programme was re-imagined and re-designed for 2025.

Leading the Impossible: The Leadership Centre, in Collaboration with Impossible Ideas, crafted a brand new experimental and immersive programme designed to support leaders to drive radical change in stuck systems. A prototype initiative was delivered, feedback, learning and insight gathered and an updated version to be launched in 2025.

Boosting Middle Leaders: The Centre's ambition is to bring the best of what it offers to a wider audience, whilst creating ever more stimulating learning environments. During 2022-23, in collaboration with the Local Government Association, the Centre prototyped a new programme bringing together local government officers and councillors. During 2024-25 the Centre delivered the latest version to local government officers and councillors.

Health & Wellbeing:

The Leadership Centre has continued to work with a wide range of health leaders and organisations across the country to support the development of systemic leadership and place-shaping practice. Leadership and change support has included working with Integrated Care System boards, GP's voluntary and community sector leaders and patient advocates. For example,

Greater Manchester Population Health Programme: The Centre designed and delivered a programme that aims to improve the health and well-being of all residents in Greater Manchester. It focused on addressing the social, economic, and environmental factors that influence health, promoting healthy behaviours, and ensuring access to quality care and support. The program emphasized a community-centred approach, empowering individuals and communities to take control of their health.

Devon: Working with members of a nascent Primary Care Collaborative Board, including GPs, Clinical Directors, Primary Care Network (PCN) Managers and Pharmacists, the Leadership Centre designed a suite of interventions to support collaborative place-based working. Wrestling with the dilemmas of working at scale across a large geography whilst maintaining agility at a locality level, we supported leaders to develop cross-organisational, pan-professional relationships, developed whole systems leadership skills and focussed on

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practical application to take advantage of opportunities at Integrated Care System and in localities, and experiment with innovative approaches, especially across general practices and pharmacies coming together, to improve patient outcomes.

Local Governance:

The Leadership Centre designs and delivers bespoke support for top teams and wider organisational leadership to equip local leaders with the insight, capability, and confidence to lead through transition and to co-create resilient, responsive public services, regardless of the prevailing political climate.

For Councils the Centre has supported a broad range of council officer and political teams, from city boroughs to counties and from those struggling financially to those looking forward and stretching into the future

For Combined Authorities the Centre has worked - on occasion with the Local Government Association - to design and deliver a range of interventions. From bespoke support to specific mayoral combined authorities, to facilitating large pan geographic communities of practice, the ambition of the interventions is to both assist in the locality now, and inform future support for upcoming devolution places.

Place:

The Centre has supported councillors, officers, private, educational, voluntary and community sector staff and the community to develop place-based approaches to locality challenges - from tackling sedentary behaviour to catalysing economic growth. For example:

Let's Go Southall: the Leadership Centre co-designed a bespoke programme of interventions for public services and residents in Southall – supporting an investment in community leadership and change capacity. The resulting movement for change, which demonstrates collaborative leadership and learning, is shifting power, harnessing and releasing the energies and expertise of a diverse set of people to tackle inequalities and increase physical activity.

Innovation Places Leadership Academy (IPLA): an exciting initiative aimed at helping local leaders spark innovation in their regions. Drawing on the Centre's experience from programmes such as Total Place, the initiative equips locality teams with the skills needed to navigate complex environments and lead change at different systemic levels whilst focusing on understanding the unique strengths of each place and how to use them to drive economic growth and renewal.

Nurturing Networks:

The Centre's distinctive contribution to leadership is grounded in a relational approach that allows for deep exploration, sense-making and action. The Centre therefore proactively curates and maintains its networks and relationships which includes over 300 Alumni and a vast range of colleagues from local and national organisations, skilful leadership and change practitioners, and interested parties.

This exceptional network represents a powerful catalyst for change in public services and in civic society in the round. Activity in 2024-25 included:

- AI & Leadership event. Providing space to explore the challenges, opportunities and risks artificial intelligence presents for leaders.
- The Game. An immersive leadership challenge to explore leadership through a series of engaging scenarios, testing decision making, resilience and systems leadership.
- Launched the 'Place-based change' community of practice. A space for public service practitioners who want to develop their place leadership skills and act to move place-based working from the margins to the mainstream.
- Annual all-networks event. Framed around the theme of 'Shaping the future of place-based leadership' speakers and alumni explored 'what next?'

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Achievements & Performance:

The Centre's team is extremely grateful to all those that have placed their faith in them over the past twelve months – it's been a pleasure working with such enthusiastic and committed public servants.

Leadership Development Impact:

Below are quotes from some of those the Centre has worked with during the year demonstrating the difference the charity's work has made to its beneficiaries and wider benefits to society as a whole.

"I found the sessions really enlightening and useful – the different approaches and themes that we were able to look at – and you can't overstate the value of being in the room together."

"The workshops have been exceptional and exemplary. The sense of building shared purpose, valuing different experiences and perspectives and growing an eco-system of connected people, organisations and cultures has been outstanding!"

"The overwhelming outbreak of collaboration and morale that happened does quieten down after the Leadership Centre leaves so it's up to us to carry it on. The programme was good fun – it was nice to be surrounded by the rest of the people in the system. We have to face difficult conversations quite often and the programme helped with that. The opportunity learn off each other is just invaluable."

"I found it useful, particularly as a reflective space. It allowed me to step away from the day-to-day problem-solving and think about the bigger picture. I've taken away lots of tips and tricks which I can use in my daily practice. The facilitators were incredibly knowledgeable around the NHS, change management and the public sector generally. Their facilitation style was excellent, and I learned a lot just from observing them."

"There was something that sticks in my mind about how we've got a really complex system with really complicated problems, but that doesn't mean that the solution has to be something that's very complex and very complicated. And that's really given me a lot of a lot of power to go have a different type of conversation."

"I had a very, very positive experience on the programme. I think it's helped me make better use of my position at the table. It's given me more confidence to push back or ask important questions."

"The programme definitely helped me think about systems convening and prevention, particularly in terms of partnership working. It provided valuable insights into how we can take a more strategic approach to collaboration across sectors. And thinking in terms of how we take certain things forward from a strategic partnership perspective—honestly, it has been incredibly useful."

"A lot of my role is about considering where we want to go as a partnership. It's really about creating that collective, shared vision that people can rally behind. It's about integrating systems thinking and finding ways to connect different pieces. Some of the tools from the course are already proving valuable in this development. From my perspective, it's been incredibly useful, both for evolving my thinking and for its practical application."

"It was thought-provoking, and it gave you space to reflect. It didn't tell you exactly how to do everything—nor should it have—but it provided the opportunity to step back, reflect on what we were being told, and listen to colleagues from a multitude of different backgrounds. I think that was a really great element of the course. It allowed us to share and discuss ideas, which was really useful. Honestly, I just wanted more of it! My only criticism

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would be: 'Why did it have to end?!'"

"I think it's really important for leaders to learn from the way we've done this, about the diversity, the assembly of the individuals who benefited from this programme. They came in as individuals and they left as system leaders who recognised the different challenges and didn't feel alone in addressing them."

"You're talking about some things that can be quite difficult and uncomfortable to visit, so actually having a facilitator that creates that safe environment with such a large group of people, I think that's not to be underestimated."

"The creative and experiential methods of the course were a great way to approach the challenges of leadership in complex systems. The course created and enabled space for me to think deeply about how I lead and how I can test new ideas and methods. The programme made me reflect upon what is important, both personally and work. How to think about the future positively and how to achieve the change you aspire to."

"The engagement within the cohort was fantastic, and I found it very valuable to have such a diverse group, each bringing unique perspectives on leadership. It was a brilliant course, and I would certainly recommend it 100% to anyone".

"I feel like this is really important training. People like myself don't always have an opportunity to step in and think 'actually, I am part of the bigger picture'. I feel like there is something really powerful in being part of the movement and the training is helping me to navigate these difficult spaces. The training has been empowering and exciting and will help us to better collaborate within the VCSE. On the whole it's been incredibly enlightening and I know I will now be able to do good things because of it!"

Communications:

In 2023 and 2024 the Centre's communication strategy included an overhaul of website architecture, user journey and social content. During 2024-25 all digital platforms had increases in interactions and followership, resulting in more enquires.

- X: posts: 200 | Impressions: 33,740 | Followers: C.900
- LinkedIn: posts: 127 | Impressions: 56,425 | Followers: 67% increase
- Bluesky: posts: 61 | Engagements: 152 | 488 followers (this is organic growth from the ground up as this is a new channel for us this year.)
- Website: 39,000 visitors, visiting 73,000 times with 216,000 events (events are users taking an action on the site, such as clicking a button, playing a video or submitting a form)
- Mailchimp: Subscribers have increased by 10%

Financial Review:

The Covid-19 pandemic impacted the Leadership Centre's reserves over an extended period of time as it sought to maintain support for public service leaders and staff whilst regular ways of operating were restricted. Whilst steps were taken to maintain the viability of the Leadership Centre through reducing overheads, actively managing debtors and shifting ways of working, it was not possible to offset fully the impact on revenues and margin and, therefore, reserves. Consequently, the Centre continues to find new ways to grow itself out of a short-term position.

2022-23 represented a financial shock to the organisation, which became clear mid-way through 2023-24. With clarity of the situation, the Leadership Centre has managed to attract some private sector support, as well as significant specific funding from public sources, to reduce the in-year deficit compared to the previous year. 2024-25 represented a building year - creating the foundations and investing in capacity and processes for future growth and service

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development. The in-year deficit was halved compared to the previous year, which would have been fully closed had slippage not occurred in some client projects.

Results were a use of reserves of £347k (a £55k increase from the £292k deficit the previous year). Income for the year was £1,828k (an £81k increase from £1,747k the previous year). Support costs decreased by £132k and overall staff costs decreased by £2k. Expenditure for the year was £1,883k (£16k down from £1,899k the previous year). During the year the charity received a restricted grant of £79k which was fully spent in the year. As a result, the reserves figure at the year-end decreased to a deficit of £347k (down from a £292k deficit the previous year).

Principal risks and uncertainties

1. Financial Sustainability

The Centre's primary income stems from designing and delivering leadership development programmes, supplemented by grants, investments, and sponsorships. This reliance on programme income exposes the Centre to financial risks, especially if demand fluctuates or funding sources diminish. Economic uncertainties, such as inflation and rising operational costs, can further impact financial stability.

2. Operational Capacity and Delivery

Ensuring the Centre has adequate staffing and resources is crucial for delivering high-quality programmes. Challenges in recruitment, retention, or capacity constraints could affect service delivery and the Centre's reputation. Additionally, the need for continuous innovation to meet evolving client needs presents ongoing operational demands.

3. Governance and Compliance

As a registered charity and company limited by guarantee, the Centre must adhere to various legal and regulatory requirements. Non-compliance, whether in financial reporting, data protection, or other areas, poses risks of legal penalties and reputational damage. Maintaining robust governance structures and internal controls is essential to mitigate these risks.

4. Reputational Risk

The Centre's effectiveness and credibility are closely tied to its reputation among stakeholders. Any perceived shortcomings in programme quality, ethical standards, or stakeholder engagement can adversely affect its standing and ability to attract future partnerships or funding.

5. Cybersecurity and Data Protection

Handling sensitive information necessitates stringent cybersecurity measures. Risks include data breaches, cyber-attacks, and non-compliance with data protection regulations, all of which can lead to legal consequences and loss of stakeholder trust.

6. Strategic and Sectoral Changes

Shifts in public sector priorities, policy changes, or alterations in the leadership development landscape can impact the Centre's strategic direction. Staying adaptable and responsive to such changes is vital to remain relevant and effective.

7. Dependency on Key Personnel

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The Centre's success is often linked to the expertise and relationships of its key staff members. Loss of such personnel can disrupt operations and affect stakeholder relationships. Succession planning and knowledge transfer are important to mitigate this risk.

The Leadership Centre has reviewed its arrangements for risk management with clear responsibilities assigned to named senior officers for the management of the principal risks. The Trustees consider these risks are being effectively mitigated.

Reserves policy

The reserves policy requires the retention of adequate funds to support approximately three months of operating costs for the Leadership Centre. Taking account of current costs and operational circumstances, the retention required to cover at least three months of full staff costs and accommodation, including facilities and IT would be £160,000. The policy, which is reviewed regularly, is considered adequate at the present time. Whilst it is currently not met it will be looked at again, in the light of changing economic, funding circumstances and timing. As at 31st March 2025, the balance on unrestricted reserves was -£347k.

The breadth of current projects, coupled with the new strategy, project pipeline, and institutional supporters, provides a platform for the Leadership Centre to return to regular surplus, contributing to reserves over the next 3-5 years, bringing unrestricted reserves closer to the optimal amount.

Going Concern

The trustees have considered the financial position and future business prospects and consider that a going concern opinion is reasonable. The change in the charity's financial circumstances, largely due to an extended Covid-19 impact, are unprecedented for the Centre, but recoverable. In an immediate response to these matters the charity has taken action to reduce overheads, secure institutional supporters, and increase trade.

Looking forwards Trustees have considered:

Demand for the services: the services the Leadership Centre provides are in demand and highly regarded. The context in which public sector leaders are operating is only becoming more complex and challenging. Leaders say the support we provide them is invaluable.

Financial performance: Reviews of existing services provided and changes to new ones will improve individual projects financial performance and the overall organisations stability. This is a process which will continue.

Existing commitments: The Centre has a breadth and depth of committed project and clients throughout 2025-26 and into 2026-27 to provide a level of certainty now, and which also creates a platform for increased activity in future years.

Strategy and Pipeline: The Centre's strategy and business plan provides a basis on which new partnerships can be formed and existing ones extended. It will support the charity to offer new services into existing sectors and reach into new ones.

LGA support: The LGA has committed to provide the Leadership Centre with ongoing financial support for at least a period of 12 months from the date of signing the accounts.

In addition, the Trustees continue to investigate opportunities to enhance the long-term sustainability of the charity, including new areas of business and sponsorship.

As a result of all the above the Trustees consider the going concern basis to be appropriate.

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Plans for the future:

The Leadership Centre views itself as being part of a wider national ecosystem of leadership for public good, embracing a generous ethos in doing its work. This drives it to seek excellent value for the investments of money and time that clients and partners place into its services.

This approach positions the Leadership Centre as a thinking partner and critical friend to those institutions, places, and individuals that it works alongside – whilst staying objective, curious and empathetic, and striving for excellence.

Direction of travel:

The essence of the Centre's direction of travel is captured in its 'do-tank' approach, embodied in restless enquiry into how leaders can best understand and navigate complexity and, accordingly, achieve the greatest public good through their partnerships and in their places.

The decisions made, resources deployed, paths walked or made will continue to be framed by the Centre's strategic missions and informed by local and national priorities.

Innovate: examining cutting-edge leadership issues that matter most.

We believe that innovation happens when unlikely combinations of people come together in enquiry. We will act as a convenor and enabler, connecting a variety of disciplines through a rolling programme of initiatives that anticipate, investigate and develop the practical skills and approaches required for the changing demands of place leadership and the challenges faced.

Inspire: delivering relevance and excellence.

The Centre will generously share its learning, thought leadership and extensive intellectual and human resources and networks. We will grow the role, involvement and impact of all the Centre's alumni and allies, ensuring the availability of more entry and progression pathways, a wider range of learning sets and networks, and a programme of one-off refresher or new learning opportunities.

Invest: nurturing future leaders.

The Centre aims, with partners, to strengthen the pipeline of future leaders and ensure its diversity – reaching out to under-served sectors, organisations, people and places. We will create more opportunities for first and middle leaders to engage in systems thinking, system challenges and place-based leadership so that they are better equipped both in the here and now and for more senior roles they may seek in the future.

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Aims & Objectives:

2025 marks the 21st anniversary of Leadership Centre and the business plan for 2025-26 structures the Centre's aims and objects to build on that legacy, returning to surplus. Our focus is across three main areas:

Corporate:

- Governance (Trustees): recruit and refresh the board of trustees where appropriate.
- Data and Insight infrastructure: develop more granular insight and data reporting to inform decisions.
- Internal process enhancement: improve project & project financial management.
- Growth Engine: designed to generate new services, quicker with even higher customer satisfaction leading to increased advocacy and client acquisition.

Products and Services:

The Centre will update its existing and rapidly develop new products and services to four key markets, Local Government, Strategic/Combined Mayoral Authorities, Health and Wellbeing and Programmes. All our interventions will feature the characteristics of:

- Place-Based, Bespoke Interventions
- Systems Leadership Focus
- Integration of Theory and Practice
- Cross-Sector Collaboration
- Emphasis on Relational Skills
- Citizen-Centric Approach
- Innovative Program Design

Visibility and Credibility:

The Centre will invest further capacity in improving its visibility and credibility through:

- Engagement: including social media, Alumni, Open sessions, presence at events and conferences
- Communication: including a number of campaigns and publishing more thought leadership materials.
- Validation: including commissioning an Impact evaluation and obtaining relevant organisational certifications.

**The Leadership Centre for Local Government
Year ended 31st March 2025
Trustees' Annual Report**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Under Company law the Trustees are required to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

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

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

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

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

Provision of information to Auditors

In so far as the Trustees are aware:

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

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

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

**The Leadership Centre for Local Government
Year ended 31st March 2025
Trustees' Annual Report**

Auditors

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

Approved by the Board of Trustees on 23rd September 2025 and signed on their behalf by

**David Lloyd
Trustee**

**The Leadership Centre for Local Government
Year ended 31st March 2025
Independent Auditors Report**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE LEADERSHIP CENTRE FOR LOCAL GOVERNMENT**

Opinion

We have audited the financial statements of The Leadership Centre for Local Government (the 'charitable company') for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related 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, 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 financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of 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 financial statements section of our report. We are independent of the charitable group in accordance with the ethical requirements that are relevant to our audit of the financial statements 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 financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements 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 group and 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 contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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.

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 Leadership Centre for Local Government
Year ended 31st March 2025
Independent Auditors Report

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' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' 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 and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

Auditor's 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 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 financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

The Leadership Centre for Local Government

Year ended 31st March 2025

Independent Auditors Report

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 auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were taxation legislation, employment legislation, health and safety legislation and General Data Protection Legislation (GDPR).

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the trustees about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, specific procedures to test timing of recognition of income, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

The Leadership Centre for Local Government
Year ended 31st March 2025
Independent Auditors Report

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

Vincent Marke
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor

55 Ludgate Hill
London
EC4M 7JW

Date:

The Leadership Centre for Local Government
Year ended 31st March 2025

Company Registration Number 05467557

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an INCOME AND EXPENDITURE ACCOUNT)
For the year ended 31 March 2025

	Notes	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income from:					
Grants	1	-	78,837	78,837	80,000
Charitable Activities	1	1,827,394	-	1,827,394	1,664,428
Investment income	2	260	-	260	2,602
Total income		1,827,654	78,837	1,906,491	1,747,030
Expenditure on:					
Charitable activities	6	1,862,136	78,837	1,940,973	1,878,536
Other Costs	8	20,651	-	20,651	20,617
Total Expenditure		1,882,787	78,837	1,961,624	1,899,153
Net expenditure	4	(55,133)	-	(55,133)	(152,123)
Reconciliation of Funds:					
Total funds brought forward		(292,069)	-	(292,069)	(139,946)
Total funds carried forward	13	(347,202)	-	(347,202)	(292,069)

There are no recognised gains or losses other than those disclosed above.

All the above results derive from continuing activities.

All income and expenditure in the prior year was unrestricted.

The accompanying notes form part of these financial statements.

The Leadership Centre for Local Government
Year ended 31st March 2025

Company Registration Number 05467557

BALANCE SHEET

As at 31 March 2025

	Notes	2025 £	2024 £
Current assets			
Debtors	9	314,744	350,711
Short term Investments	2	-	-
Cash at bank and in hand		10,000	10,000
		<u>324,744</u>	<u>360,711</u>
Creditors: amounts falling due within one year			
Creditors falling due within one year	10	671,946	652,780
		<u>671,946</u>	<u>652,780</u>
Net current liabilities		(347,202)	(292,069)
Total assets less current liabilities		<u>(347,202)</u>	<u>(292,069)</u>
Funds			
Restricted Funds	13	-	-
Unrestricted Funds	13	(347,202)	(292,069)
		<u>(347,202)</u>	<u>(292,069)</u>

These financial statements were approved by the Trustees on 23rd September 2025 and are signed and authorised for issue on their behalf by:

David Lloyd
Trustee

The accompanying notes form part of these financial statements.

The Leadership Centre for Local Government
Year ended 31st March 2025

STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

	Note	2025 £	2024 £
Cash flow from operating activities	12	-	-
Net cash outflow from operating activities		<u>-</u>	<u>-</u>
Cash and cash equivalents as at 1 April		<u>10,000</u>	<u>10,000</u>
Cash and cash equivalents as at 31 March		<u>10,000</u>	<u>10,000</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		10,000	10,000
Short term deposits		-	-
Cash and cash equivalents as at 31 March		<u>10,000</u>	<u>10,000</u>

The accompanying notes form part of these financial statements.

**The Leadership Centre for Local Government
Year ended 31st March 2025
Notes to the Financial Statements**

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The Leadership Centre is a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, The Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2019.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

GOING CONCERN

The Trustees (who are also the directors of The Leadership Centre for Local Government ('the Centre') for purposes of company law) have prepared the accounts on a going concern basis. As described in the Report of the Trustees, during 2024/25 the Leadership Centre worked closely with the LGA and various public/private funded specified bodies. The Trustees have considered the likely impact of Covid-19 on the operational activities of the Leadership Centre and are of the view that there was an impact.

Looking forwards, Trustees have carefully considered; the demand and need for the charities services, the financial performance improvements available, existing commitments, operating environment, strategy and project pipeline. As a result of this deliberation, and the commitment of ongoing support from LGA, for a period of at least 12 months from the date of signing the accounts, the Trustees consider the plans, and likelihood of securing future funding adequate to ensure the Leadership Centre has sufficient resources to continue as a going concern.

FUNDS

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

INCOME POLICY

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income, after any performance conditions have been met, when the amount can be measured reliably and when it is probable that the income will be received.

Income from donations is recognised on receipt, unless there are conditions attached to the donation that require a level of performance before entitlement can be obtained. In this case income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the Leadership Centre and it is probable that they will be fulfilled.

Government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income comprising only bank interest on short term deposits is recognised on a receivable basis.

The Leadership Centre for Local Government
Year ended 31st March 2025
Notes to the Financial Statements

RESOURCES EXPENDED

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

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

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

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

Grants payable to third parties are included in expenditure on charitable activities. Where unconditional grants are made, these amounts are recognised when a constructive obligation is created, typically when the recipient is notified that a grant will be made to them. Where grants are conditional on performance, then the grant is only recognised once any unfulfilled conditions are outside of the control of the charity.

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

ALLOCATION OF SUPPORT COSTS

Support costs are those that assist the work of the Leadership Centre but do not directly represent charitable activities and include office costs, governance costs, and project management costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to those activities on a consistent pro rata to the level of direct costs incurred.

The analysis of these costs is included in notes 6 and 7.

TAX

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010. It therefore meets the definition of a charitable company for UK corporation tax purposes.

1. INCOME

	2025	2024
	£	£
<i>Income from donations and grants</i>		
Voluntary Income and Grants	75,737	80,000
<i>Income from charitable activities</i>		
Services recharged	<u>1,827,394</u>	<u>1,664,248</u>
	<u>1,903,131</u>	<u>1,744,428</u>

Voluntary income and grants mainly relate to funding from other public sector bodies. It is allocated to the main activities of the charity. Services recharged include events and conferences, publications and consultancy. £75,737 (2024: £10,000) of the above grant income was attributable to restricted funds and £1,827,654 (2024: £1,734,428) to unrestricted funds.

The Leadership Centre for Local Government
Year ended 31st March 2025
Notes to the Financial Statements

2. INVESTMENT INCOME

All investment income arises from interest bearing deposits. The Leadership Centre participates in arrangements in which surplus cash balances are deposited with borrowers on the LGA's approved list. The Leadership Centre's investments are pooled with those of other entities that have adopted the LGA Group Investment Strategy. Investments are typically for periods of up to six months and as such the loan amount is a reasonable assessment of fair value. The LGA Group Investment Strategy strictly applies credit limits for all of the financial institutions to ensure that deposits are spread across a number of its approved counterparties. No credit limits were exceeded during the year and the Leadership Centre does not expect any losses on short term investments. The difference between carrying value and fair value is immaterial.

3. AUDITOR'S REMUNERATION

The auditor's remuneration amounts to an audit fee of:

	2025	2024
	£	£
Audit fees	<u>3,500</u>	<u>3,500</u>

No non-audit fees were paid in the year to the auditor (2024: £nil).

4. EMOLUMENTS AND RELATED PARTY TRANSACTIONS

Total remuneration of £17,117 (2024: £17,117) was paid to the Chairs for work done in this capacity in accordance with a written agreement approved by the Trustees under clause 5.9 of the Memorandum of Association. Reimbursement of expenses to £338 (2024: £nil) Trustee for travel costs totalled £338 (2024: £nil).

There were no other related party transactions in the current or prior year.

5. EMPLOYEES

	2025	2024
	£	£
Staff, agency and secondments		
Staff	448,708	450,585
Agency Staff fees	-	-
	<u>448,708</u>	<u>450,585</u>

The aggregate employee benefits of key management personnel were £341,854 (2024: £369,439). The average number of senior staff employed directly during the year was four (2024: four) with employee benefits, excluding employer pension costs, in the following ranges:

Range £k	2025	2024
90-100	2	2
80-90	-	-
70-80	-	-
60-70	1	1

The average number of persons employed (including agency staff) was 6.7 (2024: 6.9 persons).

The Leadership Centre for Local Government
Year ended 31st March 2025
Notes to the Financial Statements

6. EXPENDITURE ON CHARITABLE ACTIVITIES

	2025 Activities undertaken Directly £	2025 Support Costs £	2025 Total Costs £	2024 Total Costs £
Delivery Areas				
Let's Go Southall	741,231	248,926	990,157	1,041,693
Future Vision	270,285	90,769	361,054	323,348
Leadership Centre Originated Projects	12,344	4,145	16,489	46,273
Local Government	274,693	92,250	366,943	233,924
Health	13,622	4,575	18,197	149,671
Community Wellbeing	17,526	5,886	23,412	4,541
Other	138,769	46,603	185,372	79,086
Total	1,468,471	493,153	1,961,624	1,878,536

£75,737 (2024: £10,000) of the above costs were attributable to restricted funds and £1,885,887 (2024: £1,868,536) to unrestricted funds.

7. BREAKDOWN OF SUPPORT COSTS

	2025 £	2024 £
Finance support	28,130	28,490
Direction	103,641	81,366
General Office Costs	183,387	46,091
IT	27,505	10,519
Staff Costs	150,490	458,288
	493,153	624,754

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

8. EXPENDITURE ON OTHER COSTS

	2025 £	2024 £
Trustees Emoluments (see note 4)	17,117	17,117
Trustee's expenses	338	-
Statutory Audit fees	3,500	3,500
	20,954	20,617

9. DEBTORS

	2025 £	2024 £
Trade debtors	107,938	259,497
Other Debtors	39,621	12,664
VAT	-	-
Accrued Income	167,185	78,550
	314,744	350,711

The Leadership Centre for Local Government
Year ended 31st March 2025
Notes to the Financial Statements

10. CREDITORS

	2025	2024
	£	£
Trade creditors	5,242	11,619
Accruals and deferred income	202,176	606,969
Other taxes and PAYE	1,977	18,705
VAT	9,642	85,283
Earned Leave Liability	-	13,970
Other creditors	452,909	32,432
	<u>671,946</u>	<u>652,780</u>

11. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2025	2024
	£	£
Net expenditure for year	(55,133)	(152,123)
Decrease/(increase) in debtors	35,967	290,165
(Decrease)/increase in creditors	19,166	(138,042)
Net cash flow from operating activities	<u>-</u>	<u>-</u>

12. MEMBERS' LIABILITY

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

13. FUNDS ANALYSIS OF NET ASSETS BETWEEN FUNDS as at 31st March 2025

The balance of Net assets and liabilities fall under unrestricted funds.

	Current Assets	Current Liabilities	Funds Total
	£	£	£
Unrestricted funds	324,744	(671,946)	(347,202)
	<u>324,744</u>	<u>(671,946)</u>	<u>(347,202)</u>
	As at 1 April 2024	Income	Expenditure
	£	£	£
Unrestricted funds	(292,069)	1,827,654	(1,882,787)
Restricted funds	-	78,837	(78,837)
Total	<u>(292,069)</u>	<u>1,906,491</u>	<u>(1,961,624)</u>
			<u>(347,202)</u>

The Leadership Centre for Local Government
Year ended 31st March 2025
Notes to the Financial Statements

14. POST BALANCE SHEET EVENTS

The directors are not aware of any post balance sheet events (2024: none).

THE LEADERSHIP CENTRE FOR LOCAL GOVERNMENT

England & Wales - Charity number 1123234

Accounts

THE LEADERSHIP CENTRE FOR LOCAL GOVERNMENT

(A company limited by guarantee)

REPORT OF THE TRUSTEES and FINANCIAL STATEMENTS

for the year ended 31 March 2024

Company Registration Number 05467557
Charity Number 1123234

**The Leadership Centre for Local Government
Year ended 31st March 2024**

REPORT AND FINANCIAL STATEMENTS 2024

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**The Leadership Centre for Local Government
Year ended 31st March 2024**

LEGAL AND ADMINISTRATIVE DETAILS

Registered Name: The Leadership Centre for Local Government

Charity number: 1123234

Company number: 05467557

Registered office: 18 Smith Square, London SW1P 3HZ

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

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

Solicitors: Bates Wells London LLP
2-6 Cannon Street, London, EC4M 6YH

Directors and Trustees

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

The Trustees serving during the year and up to the date of approval of the financial statements were:

	Attendance – possible 5 Board Meetings
Helen Bailey	5
Tamara Finklestein (resigned 17 th July 2024)	1
Cllr Keith House	3
David Lloyd (Chair)	5
Lord Gary Porter (resigned 1 st December 2023)	3
Jan Sobieraj	2
Mel Nebhrajani (appointed 17 th July 2024)	-

Chief Executive

Mark Rogers

Secretary and Chief Operating Officer

John Jarvis

**The Leadership Centre for Local Government
Year ended 31st March 2024
Trustees' Annual Report**

WHAT WE DO

The Leadership Centre supports and empowers leaders of services to the public to have the greatest collective positive impact with the communities they serve. We work with organisations and individuals across all sectors, with an emphasis on leadership of place. We seek to connect and collaborate to explore and address the most complex issues facing communities, staying relentlessly focused on the leadership required for improved social, economic and environmental outcomes.

CHAIR'S STATEMENT

It is with great pleasure that I present the Leadership Centre's Annual Report.

2023-24 was, to use a sporting metaphor, a game of two halves.

The organisation continued its adaptation to the post-pandemic world and, crucially, commenced implementation of a new three-year strategy and communications plan to reflect and, insofar as possible, anticipate the present and future leadership challenges for those seeking to enhance public good.

The strategy sets out our purpose – an unwavering commitment to support leaders in their endeavour to understand and respond to complexity, develop their political acumen and become culturally competent. Underpinning this, we have identified three key missions:

Innovate:

We are committed to creating a collaborative missions-based platform for experimentation and enquiry. We want to act as a convenor in this space because we believe breakthroughs can come from connecting disciplines which should be discussing social issues together, but are not.

Inspire:

We offer a range of cutting-edge projects, programmes and supportive, experienced consultancy. Our work is designed to help create significant, sustainable transformation in complex systems – ultimately creating lasting change which benefits society.

Invest:

We are interested in every system that is finding the leadership challenge difficult and we want what we have to be available to everyone. We are developing opportunities which support future generations of leaders and help organisations to reach the people they aspire to reach, by supporting them to invest in local communities in a way which builds relationships and activates populations.

With this clarity of purpose and direction, the Centre's team has been working hard on delivering programmes and projects with its clients, whilst also investing into the range of business development opportunities set out in the strategy.

At the same time as focusing on delivering the Centre's missions, the organisation has also had to address the challenges arising from a very tough market, especially in the public sector. If the pandemic changed the way the clients had to operate to stay safe and healthy, then its wider economic consequences have accentuated an already considerable challenge to maintaining, let alone growing revenues. Consequently, the Centre's strategy has been strengthened to place an even clearer focus on growth, with a commitment to returning to profit in the 2024-25 financial year and restoring its reserves over the medium term.

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Consequently, 2023-24 has been a process of continued delivery of bespoke, high quality and impactful development. At the same time, it continued researching and investing into new opportunities to strengthen and grow the reach and reputation of the Centre, supported in this work by drawing upon expert advisers in the commercial development of organisations like ours.

I hope that you enjoy reading about our ambitious agenda and would be delighted for you to join us on this journey of supporting leaders to be the very best they can be for the communities they serve.

David Lloyd, Chair

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

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REPORT OF THE TRUSTEES

The Trustees present their report and audited financial statements of The Leadership Centre for Local Government ("the Leadership Centre") for the year from 1 April 2023 to 31 March 2024. The Trustees have adopted the provisions of the Statement of Recommended Practice "Accounting and Reporting by Charities" ("FRS 102 SORP") in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011, the Companies Act 2006 and relevant Accounting Standards. The Trustees consider that the current level of the Centre's unrestricted funds and, along with the continuing likelihood of securing funding for periods beyond April 2024, and with ongoing financial support from the LGA for at least a period of 12 months from the date of signing the accounts, the Centre has sufficient resources to continue as a going concern.

Structure, Governance and Management:

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

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

Appointment of Trustees

As set out in the Articles and Memorandum of Association, new Trustees are nominated and appointed by the existing Trustees. There is no formally constituted nomination committee and nomination matters are reported and taken at ordinary meetings. The Board of Trustees will advertise and invite suitable candidates, who can bring a full range of expertise to the Board, establishing their suitability through a formal selection process.

Trustee induction and training

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

Organisation

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

The Chair works closely with the Leadership Centre's Chief Executive and Company Secretary who have delegated authority from the Trustees to manage the day to day running of the charity and delivery of its objectives in accordance with the agreed business plan and budget, including operational management of the Centre, finance and employment matters.

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Related parties

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

Objectives & Activities:

The objects of the Leadership Centre for Local Government, as set out in the Memorandum and Articles, are:

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

All the charities activities are informed, designed and delivered through the lens of these objects and are undertaken to further our charitable purposes for the public benefit.

In deciding the charities objectives and activities, the Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

Strategic Missions:

The Centre's 2022 – 25 strategy brings together the key elements of organisational purpose, values and practice that will continue to deepen and broaden the Leadership Centre's impact. Conceptualised as three missions, the approach will amplify the Centre's distinctiveness and positive reputation.

Innovate:

We are committed to creating a collaborative missions-based platform for experimentation and enquiry. We want to act as a convenor in this space because we believe breakthroughs can come from connecting disciplines which should be discussing social issues together but are not.

Inspire:

We offer a range of cutting-edge projects, programmes and supportive, experienced consultancy. Our work is designed to help create significant, sustainable transformation in complex systems – ultimately creating lasting change which benefits society.

Invest:

We are interested in every system that is finding the leadership challenge difficult and we want what we have to be available to everyone. We are developing opportunities which support future generations of leaders and helping organisations to reach the people they aspire to reach, by supporting them to invest in local communities in a way which builds relationships and activates populations.

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Significant Activities Undertaken:

1. Leadership Development Activities

Throughout the financial year the Leadership Centre created, designed and delivered a variety of projects and programmes aligned with its core priorities and in response to the needs of leaders and communities.

Leadership Centre Originated Programmes:

- Future Vision: Future Vision's purpose is to help senior leaders address the leadership challenges they are facing, helping to inspire and create a better future for citizens by enabling systems change through leadership development.
- Leading the Impossible: Launched as a prototype in early 2024 it is an experimental and immersive programme designed to support leaders to drive radical change in stuck systems.

Local Government:

- Councils: the Centre has supported a broad range of council teams, from city boroughs to counties and from those struggling financially to those looking forward and stretching into the future. {drafting note: Thurrock, Lambeth, Cambridge City, Nottinghamshire}
- Future Leadership: In line with the Centre's ambition to create and contribute to opportunities which support future generations of leaders the organisation has in collaboration with the Local Government Association, delivered a new programme for local government officers and councillors, and in partnership with the Connected Place Catapult started to deliver a programme of support of those with the responsibility of being effective stewards of their local innovation economy. {drafting note: Boosting Middle Leaders, ACE prog, IPLA}
- Combined Authorities: The Centre has worked - on occasion with the Local Government Association - with Combined Authorities to design and deliver a range of interventions – from bespoke to support to specific mayoral combined authorities, to facilitating large pan geographic communities of practice. The ambition of the interventions is to both assist in the locality now, and inform future support for upcoming devolution places. {draft note SYMCA, LGA MCA, etc}

Health:

The Leadership Centre has continued to work with a wide range of health leaders and organisations across the country to support the development of systemic leadership and place-shaping practice. With differing levels of investment, funding, health status and inequalities, infrastructure, as well as the less obvious but critical differences in relationships, leadership styles, culture, collaborative working, the Leadership Centre approach has therefore been flexible and adaptive in each place rather than applying a fixed and prescriptive process regardless of local history and context. Leadership and change support has included working with Integrated Care System boards, GP's voluntary and community sector leaders and patient advocates.

{drafting note: includes - Devon, GM pop health, LfSC}

Community Wellbeing:

From tackling homelessness to inspiring people to get active the Centre has supported councillors, local government officers, voluntary and community sector staff and the community with leadership development interventions focussed on directly improving health and wellbeing outcomes for residents.

- Let's Go Southall: Southall, in the London Borough of Ealing, is a vibrant, multicultural town, rich in diversity and home to migrant communities from across the world, including India, Pakistan, Sri Lanka, Bangladesh and Somalia. With an inactive population of at least 43% and the highest levels of preventable and chronic health conditions in the borough, the Southall community and Ealing Council wanted to change the system, redesigning it so it no longer produces the inequalities created by the status quo.

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To support the mission, the Leadership Centre co-designed a bespoke programme for Southall residents - investing in community leadership and change capacity. This has resulted in the development of a collaborative leadership and learning system from which a movement for change has been created. Power has shifted to the community, harnessing and releasing the energies and expertise of a diverse set of people and fostering spaces to challenge and change the existing system.

- Ealing CYP: working with a design team from across statutory and non-statutory bodies the Centre created a reflective space to encourage deepening of relationships and trust, to better understand the 'system' in Ealing and the human experience within it, test out different ways of working together with children and young people as 'prototypes'. Participants found that the spaces 'were great for connecting action and focus'.
- Homeless Link: The Leadership Centre worked with the Homeless Link Partnerships Team to raise awareness of the power of influence – at all levels and without positional authority – and to build the confidence of front-line staff in bringing new ideas into their organisations, and in shifting thinking, behaviour and action. "I can see through the complexity more clearly and, instead of becoming overwhelmed by it, can focus on what I have the power to change in a very practical way."
- Active partners Trust: The Centre has designed and delivered a series of interventions to build capacity to work in systems and across boundaries. The focus has been in pursuit of the outcomes identified in local projects including Walk Derbyshire and the Children and Young People's Healthy Weight Initiative

2. Network Activation

During the 2023-24 year the Centre invested in capacity to further develop its extensive network, which includes over 300 Alumni and a vast range of colleagues from local and national organisations, skilful leadership and change practitioners, and interested parties. There is inherent opportunity in this exceptional network which can be a powerful stimulus and catalyst for change in public services and in civic society in the round. Activity has involved:

- April 23: The power in community; a re-imagined future. An event for alumni exploring different facets of leadership, community, empowerment and equity.
- June: Crossing the Chasm: enabling courage and imagination in times of uncertainty. Professor Marshall Ganz joined us in London for his first ever week in the UK to put on this interactive workshop in collaboration with Birmingham Leadership Institute, NHS Horizons and the leading change network.
- July 23: Leadership Centre Summer Event: an opportunity for all the Centre's networks to come together – activities and interventions were framed by the Centre's Inspire, Invest, Innovate missions.
- Feb 24: AI Horizons: Exploring the impact of AI for leaders and communities

3. Corporate Development:

2023-24 represented the start of a process of changing, upgrading and refining our internal and external infrastructure and processes. Below are just some of the highlights:

- Cultural Competency: The Leadership Centre has committed itself to becoming culturally competent. That is, exemplifying "a set of congruent behaviours, attitudes, and policies that come together in a system, agency, or among professionals that enable effective work in cross cultural situations." As an organisation, we are at the early stages of this journey, which started with a 48 hr residential with experts. The insight generated is being woven into the fabric of the organisation, both how we are internally, and what we do externally.
- Internal infrastructure: The Centre has invested in the development and launch of a new CRM, innovation process and more sophisticated communications.
- Website: During 2023-24, the Centre's website architecture, user journey and content was overhauled with a soft relaunch in quarter 4. Initial indications are that it's have a positive impact of usability resulting in an uptick in enquiries.

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Achievements & Performance:

Leadership development impact:

"It was immediately obvious to me that the programme was developed with an excellent understanding of the environments that all of us wrestling with system change work within."

"A lot of the suggestions were very practical and immediately applicable – that's what I really loved about the training. I took a lot back from it."

"The programme has given me the taste for learning more; I would love to be able to immerse myself for longer in this type of thinking and learning, because I really do believe it's the only way we can make the difference that we want to make."

"The Leadership Centre's approach struck me as very participative, collaborative and inclusive."

"I think we underestimate the power of creating thinking time and capacity to bring together all of the knowledge and experience in our system to create the opportunity for collective decision-making."

"The beauty of this way of working is that I have learnt enormously from the work we have done together, so I will have the Leadership Centre's words of wisdom in my ear as I facilitate future sessions. The knowledge, expertise and challenge that they brought was so helpful."

"The sessions were excellent. Just enough input to understand the concepts, but with lots of practical applicability."

"The approach definitely produced different results – the feedback I received was really powerful. It seemed to leave an imprint on people in a way that perhaps the data on its own simply couldn't. People seemed enthusiastic to get onboard and immediately made commitments to support change in their own particular spheres of influence, which was fantastic."

"I've learnt that we've all got power to influence from wherever we are in the system – just by telling the story and advocating for what we're after. Sometimes public health can be a bit academic and yet you aren't taught about systems leadership. It is that which helps bridge the gap from the academia to making it real for the people you are trying to influence. It helps you nudge change in the right direction – and that's a vitally important first step in tackling some of the biggest societal issues we face."

"For me, the Leadership Centre was a great fit, because they didn't come with a fixed model, that they were set on shoehorning into the sessions. It was an iterative process of developing an approach together, tailoring it to the team and catching up regularly to build the feedback from the previous session into the next one."

"I would 110% recommend this type of development to any team wanting to work on their team dynamics whilst working on the issues that really matter in their work. The learning is multi-dimensional and tailoring it to your own operating context is a very powerful way of learning together. Having facilitators who can expertly guide you towards the technique or approach which will help you in a particular moment is fantastic. It is a brave step to release your grasp on where you think the sessions will take you, but it has certainly been a very rewarding journey for our team and for me as their director."

"Just wanted to say a big thank you for all your thought, creativity and organisation for cohort 1. Really impressive growth and feedback. It has served London well! Thank you."

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Communications:

All digital platforms had increases in interactions and followership, resulting in more enquires.

X: posts: 198 | Impressions: 63,500 | Followers: 18% increase

LinkedIn: posts: 79 | Impressions: 19,500 | Followers: 130% increase

Website: 49,000 visitors, visiting 68,000 times with 278,000 events (events are users taking an action on the site, such as clicking a button, playing a video or submitting a form)

Last year 1,500 were returning visitors, this year 9,600 were returning visitor, indicating positive shifts in user behaviour.

Financial Review:

From the beginning of the first lockdown, the Covid-19 pandemic impacted the Leadership Centre's reserves over an extended period of time as it sought to maintain support for public service leaders and staff whilst regular ways of operating were restricted. Whilst steps were taken to maintain the viability of the Leadership Centre through reducing overheads, actively managing debtors and shifting ways of working, it was not possible to offset fully the impact on revenues and margin and, therefore, reserves. Consequently, the Centre continues to find new ways to grow itself out of a short-term position.

2022-23 represented a financial shock to the organisation, which became clear mid-way through 2023-24. With clarity of the situation, the Leadership Centre has managed to attract some private sector support, as well as significant specific funding from public sources, to reduce the in-year deficit compared to the previous year, which would have been fully closed had slippage not occurred in some client projects. The Leadership Centre has further invested in core capacity, providing the foundations for growth and product development.

Results were a use of reserves of £292k (a £152k increase from the £140k deficit the previous year). Income for the year was £1,747k (a £29k fall from £1,776k the previous year). Support costs increased by £218k and overall staff costs increased by £229k. Expenditure for the year was £1,899k (£171k down from £2,070k the previous year). During the year the charity received a restricted grant of £10k which was fully spent in the year. As a result, the reserves figure at the year-end decreased to a deficit of £292k (down from a £140k deficit the previous year).

Principal risks and uncertainties

The Leadership Centre's operating environment and future activities are shaped by the complex interaction of many factors including:

- The future of public services and their role being radically uncertain - recession, inflation, extended pandemic impact, climate change, food and fuel security alongside challenges specifically felt locally such as, economies, inequality and inequity means there's a lot of important and urgent issues taking leadership time potentially inhibiting a learning environment.
- The needs of leaders and the need for leaders- needs are likely to grow extensively as leaders' resilience is tested again. Also, a higher-than-normal turnover of experienced leaders is not being matched by a widening of the pipeline of the upcoming.
- Competing ideas and philosophies about what the future of the country looks like, how we might get there and who needs to be involved makes authorising environments and purpose fuzzy, helping leaders navigate this will be a key challenge.
- With a general election on the horizon, and tough spending decisions for local and national public services, there is a situation where decision making and funding for development may be further squeezed.

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- Acquiring sustainable funding from sources that align with the Centre's mission and values remains a key challenge.

The Leadership Centre has reviewed its arrangements for risk management with clear responsibilities assigned to named senior officers for the management of the principal risks. The Trustees consider these risks are being effectively mitigated.

Reserves policy

The reserves policy requires the retention of adequate funds to support approximately six months of operating costs for the Leadership Centre. Taking account of current costs and operational circumstances, the retention required to cover at least three months of full staff costs and accommodation, including facilities and IT would be £175,000. The policy, which is reviewed regularly, is considered adequate at the present time. Whilst it is currently not met it will be looked at again, in the light of changing economic, funding circumstances and timing. As at 31st March 2024, the balance on unrestricted reserves was -£292k.

The breadth of current projects, coupled with the new strategy, project pipeline, and institutional supporters, provides a platform for the Leadership Centre to return to regular surplus, contributing to reserves over the next 3-5 years, bringing unrestricted reserves closer to the optimal amount.

Going Concern

The trustees have considered the financial position and future business prospects and consider that a going concern opinion is reasonable.

The change in the charity's financial circumstances, largely due to an extended Covid-19 impact, are unprecedented for the Centre, but recoverable. In an immediate response to these matters the charity has taken action to reduce overheads, secure institutional supporters, and increase trade.

Looking forwards Trustees have considered:

Demand for the services: the services the Leadership Centre provides are in demand and highly regarded. The context in which public sector leaders are operating is only becoming more complex and challenging. Leaders say the support we provide them is invaluable.

Financial performance: Reviews of existing services provided and changes to new ones will improve individual projects financial performance and the overall organisations stability. This is a process which will continue.

Existing commitments: The Centre has a breadth and depth of committed project and clients throughout 2024-25 and into 2025-26 to provide a level of certainty now, and which also creates a platform for increased activity in future years.

Strategy and Pipeline: The Centre's strategy and business plan provides a basis on which new partnerships can be formed and existing ones extended. It will support the charity to offer new services into existing sectors and reach into new ones.

LGA support: The LGA has committed to provide the Leadership Centre with ongoing financial support for at least a period of 12 months from the date of signing the accounts.

In addition, the Trustees continue to investigate opportunities to enhance the long-term sustainability of the charity, including new areas of business and sponsorship.

As a result of all the above the Trustees consider the going concern basis to be appropriate.

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Plans for the future:

The Leadership Centre views itself as being part of a wider national ecosystem of leadership for public good, embracing a generous ethos in doing its work. This drives it to seek excellent value for the investments of money and time that clients and partners place into its services.

This approach positions the Leadership Centre as a thinking partner and critical friend to those institutions, places, and individuals that it works alongside – whilst staying objective, curious and empathetic, and striving for excellence.

Direction of travel:

The essence of the Centre's direction of travel is captured in its 'do-tank' approach, embodied in restless enquiry into how leaders can best understand and navigate complexity and, accordingly, achieve the greatest public good through their partnerships and in their places.

The decisions made, resources deployed, paths walked or made will continue to be framed by the Centre's strategic missions.

Innovate: examining cutting-edge leadership issues that matter most.

We believe that innovation happens when unlikely combinations of people come together in enquiry, so we act as a convenor, connecting a variety of disciplines through a rolling programme of 'Enquiries' that anticipate and investigate the changing demands of leadership and the challenges being faced.

Inspire: delivering relevance and excellence.

The Centre will generously share its learning, thought leadership and extensive intellectual and human resources and networks. We will grow the role, involvement and impact of all the Centre's alumni and allies, ensuring the availability of more entry and progression pathways, a wider range of learning sets and networks, and a programme of one-off refresher or new learning opportunities.

Invest: nurturing future leaders.

The Centre aims, with partners, to strengthen the pipeline of future leaders and ensure its diversity – reaching out to under-served sectors, organisations, people and places. We will create more opportunities for first and middle leaders to engage in systems thinking, system challenges and place-based leadership so that they are better equipped both in the here and now and for more senior roles they may seek in the future.

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Aims & Objectives:

2024 marks the 20th anniversary of Leadership Centre and the business plan for 2024-25 structures the Centre's aims and objects to build on that legacy, across three main areas:

Corporate:

- Governance (Trustees): recruit and refresh the board of trustees.
- Data and Insight infrastructure: develop more granular insight and data reporting to inform decisions.
- Internal process enhancement: improve project & project financial management as well as fully adopting the Centre's innovation process.
- Our Growth Engine: designed to generate higher customer satisfaction leading to increased advocacy and client acquisition.

Products and Services:

The Centre will further tailor its existing and new products and services to particular sectors and leaders. All our interventions will feature the characteristics of:

- Agile
- Targeted
- Generate surplus
- Feature the qualities of Innovate, Inspire, Invest

Visibility and Credibility:

The Centre will invest further capacity in improving its visibility and credibility through:

- Engagement: including social media, Alumni, Open sessions, Presence at events and conferences
- Communication: including phase 2 development of the website, formulation and execution of a number of campaigns, and publishing more thought leadership materials.
- Validation: including commissioning an Impact evaluation and obtaining relevant organisational certifications

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Auditors

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

Approved by the Board of Trustees on 3rd October 2024 and signed on their behalf by

A handwritten signature in black ink, appearing to read 'David Lloyd', with a stylized flourish at the end.

**David Lloyd
Trustee**

The Leadership Centre for Local Government
Year ended 31st March 2024
Trustees' Annual Report

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Under Company law the Trustees are required to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

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

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

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

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

Provision of information to Auditors

In so far as the Trustees are aware:

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

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

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

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Independent Auditors Report**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE LEADERSHIP CENTRE FOR LOCAL GOVERNMENT**

Opinion

We have audited the financial statements of The Leadership Centre for Local Government (the 'charitable company') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (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 31 March 2024 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 financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements 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 financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements 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 other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Report of the Trustees. 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. 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 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 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.

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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 the audit:

- the information given in the trustees' report which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Report of the Trustees.

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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take the small companies' exemption 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 charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

Auditor's 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 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 financial statements.

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:

The Leadership Centre for Local Government
Year ended 31st March 2024
Independent Auditors Report

- We obtained an understanding of the charitable company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, sector research and application of cumulative audit knowledge and experience.
- We determined the principal laws and regulations relevant to the charitable company in this regard to be those arising from the Companies Act 2006, Financial Reporting Standard 102, the Charities SORP and relevant employee legislation.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the charitable company with those laws and regulations. These procedures included, but were not limited to enquiries of management, review of minutes and review of legal and regulatory correspondence.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that there was a potential for management bias in the timing of recognition of income from grants. We addressed this through review of all material grant agreements to ensure correct treatment under the Charities SORP, including consideration of the accounting period in which income should be recognised.
- We also identified potential for management bias in the judgements made around recoverability of debtors. We addressed this through examination of post year end cash received, review of correspondence with debtors and discussion of recoverability with management.
- We also identified potential for management bias in the allocation of support costs against charitable activity categories. We addressed this through reviewing the method used for reasonableness and re-performing the calculation to ensure it had been performed accurately in line with the stated method.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>
<http://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor-s-responsibilities-for>
[https://www.frc.org.uk/auditors/audit-assurance/standards-and-guidance/2010-ethical-standards-for-auditors-\(1\)](https://www.frc.org.uk/auditors/audit-assurance/standards-and-guidance/2010-ethical-standards-for-auditors-(1)). 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.

**The Leadership Centre for Local Government
Year ended 31st March 2024
Independent Auditors Report**



**Alastair Duke (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor**

15 Westferry Circus
Canary Wharf
London E14 4HD

Date: *17 December 2024*

The Leadership Centre for Local Government
Year ended 31st March 2024

Company Registration Number 05467557

BALANCE SHEET

As at 31 March 2024

	Notes	2024 £	2023 £
Current assets			
Debtors	9	350,711	640,876
Short term Investments	2	-	-
Cash at bank and in hand		10,000	10,000
		360,711	650,876
Creditors: amounts falling due within one year			
Creditors falling due within one year	10	652,780	790,822
		652,780	790,822
Net current liabilities		(292,069)	(139,946)
Total assets less current liabilities		<u>(292,069)</u>	<u>(139,946)</u>
Funds			
Restricted Funds	13	-	-
Unrestricted Funds	13	(292,069)	(139,946)
		<u>(292,069)</u>	<u>(139,946)</u>

These financial statements were approved by the Trustees on 3rd October 2024 and are signed and authorised for issue on their behalf by:



David Lloyd
Trustee

The accompanying notes form part of these financial statements.

**The Leadership Centre for Local Government
Year ended 31st March 2024**

Company Registration Number 05467557

**STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an INCOME AND EXPENDITURE ACCOUNT)
For the year ended 31 March 2024**

	Notes	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:					
Grants	1	70,000	10,000	80,000	80,825
Charitable Activities	1	1,664,428	-	1,664,428	1,696,082
Investment income	2	2,602	-	2,602	(785)
Total income		1,737,030	10,000	1,747,030	1,776,122
Expenditure on:					
Charitable activities	6	1,868,536	10,000	1,878,536	2,048,901
Other Costs	8	20,617	-	20,617	20,791
Total Expenditure		1,889,153	10,000	1,899,153	2,069,692
Net expenditure	4	(152,123)	-	(152,123)	(293,570)
Reconciliation of Funds:					
Total funds brought forward		(139,946)	-	(139,946)	153,624
Total funds carried forward	14	(292,069)	-	(292,069)	(139,946)

There are no recognised gains or losses other than those disclosed above.

All the above results derive from continuing activities.

All income and expenditure in the prior year was unrestricted.

The accompanying notes form part of these financial statements.

**The Leadership Centre for Local Government
Year ended 31st March 2024**

STATEMENT OF CASH FLOWS

For the year ended 31 March
2024

	Note	2024 £	2023 £
Cash flow from operating activities	12	-	(502,280)
Net cash outflow from operating activities		<u>-</u>	<u>(502,280)</u>
Cash and cash equivalents as at 1 April		<u>10,000</u>	<u>512,280</u>
Cash and cash equivalents as at 31 March		<u>10,000</u>	<u>10,000</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		10,000	10,000
Short term deposits		-	-
Cash and cash equivalents as at 31 March		<u>10,000</u>	<u>10,000</u>

The accompanying notes form part of these financial statements.

**The Leadership Centre for Local Government
Year ended 31st March 2024
Notes to the Financial Statements**

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The Leadership Centre is a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, The Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2019.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

GOING CONCERN

The Trustees (who are also the directors of The Leadership Centre for Local Government ('the Centre') for purposes of company law) have prepared the accounts on a going concern basis. As described in the Report of the Trustees, during 2023/24 the Leadership Centre worked closely with the LGA and various public/private funded specified bodies. The Trustees have considered the likely impact of Covid-19 on the operational activities of the Leadership Centre and are of the view that there was an impact.

Looking forwards, Trustees have carefully considered; the demand and need for the charities services, the financial performance improvements available, existing commitments, operating environment, strategy and project pipeline. As a result of this deliberation, and the commitment of ongoing support from LGA, for a period of at least 12 months from the date of signing the accounts, the Trustees consider the plans, and likelihood of securing future funding adequate to ensure the Leadership Centre has sufficient resources to continue as a going concern.

FUNDS

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

INCOME POLICY

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income, after any performance conditions have been met, when the amount can be measured reliably and when it is probable that the income will be received.

Income from donations is recognised on receipt, unless there are conditions attached to the donation that require a level of performance before entitlement can be obtained. In this case income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the Leadership Centre and it is probable that they will be fulfilled.

Government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income comprising only bank interest on short term deposits is recognised on a receivable basis.

The Leadership Centre for Local Government
Year ended 31st March 2024
Notes to the Financial Statements

RESOURCES EXPENDED

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

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

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

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

Grants payable to third parties are included in expenditure on charitable activities. Where unconditional grants are made, these amounts are recognised when a constructive obligation is created, typically when the recipient is notified that a grant will be made to them. Where grants are conditional on performance, then the grant is only recognised once any unfulfilled conditions are outside of the control of the charity.

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

ALLOCATION OF SUPPORT COSTS

Support costs are those that assist the work of the Leadership Centre but do not directly represent charitable activities and include office costs, governance costs, and project management costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to those activities on a consistent pro rata to the level of direct costs incurred.

The analysis of these costs is included in notes 6 and 7.

TAX

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010. It therefore meets the definition of a charitable company for UK corporation tax purposes.

1. INCOME

	2024	2023
	£	£
<i>Income from donations and grants</i>		
Voluntary Income and Grants	80,000	80,825
<i>Income from charitable activities</i>		
Services recharged	1,664,248	1,696,082
	<u>1,744,428</u>	<u>1,776,907</u>

Voluntary income and grants mainly relate to funding from other public sector bodies. It is allocated to the main activities of the charity. Services recharged include events and conferences, publications and consultancy. £10,000 (2023: £nil) of the above grant income was attributable to restricted funds and £1,734,428 (2023: £1,776,907) to unrestricted funds.

The Leadership Centre for Local Government
Year ended 31st March 2024
Notes to the Financial Statements

2. INVESTMENT INCOME

All investment income arises from interest bearing deposits. The Leadership Centre participates in arrangements in which surplus cash balances are deposited with borrowers on the LGA's approved list. The Leadership Centre's investments are pooled with those of other entities that have adopted the LGA Group Investment Strategy. Investments are typically for periods of up to six months and as such the loan amount is a reasonable assessment of fair value. The LGA Group Investment Strategy strictly applies credit limits for all of the financial institutions to ensure that deposits are spread across a number of its approved counterparties. No credit limits were exceeded during the year and the Leadership Centre does not expect any losses on short term investments. The difference between carrying value and fair value is immaterial.

3. AUDITOR'S REMUNERATION

The auditor's remuneration amounts to an audit fee of:

	2024	2023
	£	£
Audit fees	<u>3,500</u>	<u>3,500</u>

No non-audit fees were paid in the year to the auditor (2023: £nil).

4. EMOLUMENTS AND RELATED PARTY TRANSACTIONS

Total remuneration of £17,117 (2023: £17,168) was paid to the Chairs for work done in this capacity in accordance with a written agreement approved by the Trustees under clause 5.9 of the Memorandum of Association. Reimbursement of expenses to nil (2023: one) Trustee for travel costs totalled £nil (2023: £123).

There were no other related party transactions in the current or prior year.

5. EMPLOYEES

	2024	2023
	£	£
Staff, agency and secondments		
Staff	450,585	413,916
Agency Staff fees	-	28,428
	<u>450,585</u>	<u>442,344</u>

The aggregate employee benefits of key management personnel were £369,439 (2023: £303,847). The average number of senior staff employed directly during the year was four (2023: four) with employee benefits, excluding employer pension costs, in the following ranges:

Range £k	2024	2023
100-110	-	1
90-100	2	1
80-90	-	-
70-80	-	2
60-70	1	-

The Leadership Centre for Local Government
Year ended 31st March 2024
Notes to the Financial Statements

The average number of persons employed (including agency staff) was 6.9 (2023: 6.7 persons).

6. EXPENDITURE ON CHARITABLE ACTIVITIES

	2024 Activities undertaken Directly £	2024 Support Costs £	2024 Total Costs £	2023 Total Costs £
Delivery Areas				
Let's Go Southall	695,252	346,441	1,041,693	993,097
Future Vision	215,810	107,538	323,348	403,018
Leadership Centre Originated Projects	30,884	15,389	46,273	22,152
Local Government	156,127	77,797	233,924	128,806
Health	99,894	49,777	149,671	176,514
Community Wellbeing	3,031	1,510	4,541	233,722
Other	52,784	26,302	79,086	91,591
Total	1,253,782	624,754	1,878,536	2,048,901

£10,000 (2023: £nil) of the above costs were attributable to restricted funds and £1,868,536 (2023: £2,048,901) to unrestricted funds.

7. BREAKDOWN OF SUPPORT COSTS

	2024 £	2023 £
Finance support	28,490	27,400
Direction	81,366	88,814
General Office Costs	46,091	33,706
IT	10,519	27,376
Staff Costs	458,288	229,140
	624,754	406,436

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

8. EXPENDITURE ON OTHER COSTS

	2024 £	2023 £
Trustees Emoluments (see note 4)	17,117	17,168
Trustee's expenses	-	123
Statutory Audit fees	3,500	3,500
	20,617	20,791

9. DEBTORS

	2024 £	2023 £
Trade debtors	259,497	483,324
Other Debtors	12,664	6,723

The Leadership Centre for Local Government
Year ended 31st March 2024
Notes to the Financial Statements

VAT	-	150
Accrued Income	78,550	150,679
	<u>350,711</u>	<u>640,876</u>

10. CREDITORS

	2024	2023
	£	£
Trade creditors	11,619	33,463
Accruals and deferred income	366,961	606,969
Other taxes and PAYE	15,077	18,705
VAT	43,847	85,283
Earned Leave Liability	-	13,970
Other creditors	215,276	32,432
	<u>652,780</u>	<u>790,822</u>

11. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024	2023
	£	£
Net expenditure for year	(152,123)	(293,570)
Decrease/(increase) in debtors	290,165	(379,391)
(Decrease)/increase in creditors	(138,042)	170,681
Net cash flow from operating activities	<u>-</u>	<u>(502,280)</u>

12. MEMBERS' LIABILITY

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

13. FUNDS ANALYSIS OF NET ASSETS BETWEEN FUNDS as at 31st March 2024

The balance of Net assets and liabilities fall under unrestricted funds.

	Current Assets	Current Liabilities	Funds Total
	£	£	£
Unrestricted funds	360,711	(652,780)	(292,069)
Restricted funds	-	-	-
	<u>360,711</u>	<u>(652,780)</u>	<u>(292,069)</u>

As at 1 April 2023	Income	Expenditure	As at 31 March 2024
£	£	£	£

The Leadership Centre for Local Government
Year ended 31st March 2024
Notes to the Financial Statements

Unrestricted funds	(139,946)	1,737,030	(1,889,153)	(292,069)
Restricted funds	-	10,000	(10,000)	-
Total	(139,946)	1,747,030	(1,899,153)	(292,069)

14. POST BALANCE SHEET EVENTS

The directors are not aware of any post balance sheet events (2023: none).

THE LEADERSHIP CENTRE FOR LOCAL GOVERNMENT

England & Wales - Charity number 1123234

Accounts

THE LEADERSHIP CENTRE FOR LOCAL GOVERNMENT

(A company limited by guarantee)

REPORT OF THE TRUSTEES and FINANCIAL STATEMENTS

for the year ended 31 March 2023

Company Registration Number 05467557
Charity Number 1123234

REPORT AND FINANCIAL STATEMENTS 2023

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LEGAL AND ADMINISTRATIVE DETAILS

Registered Name The Leadership Centre for Local Government
Charity number: 1123234
Company number: 05467557
Registered office: 18 Smith Square, London SW1P 3HZ

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

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

Solicitors: Bates Wells London LLP
2-6 Cannon Street, London, EC4M 6YH

Directors and Trustees

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

The Trustees serving during the year and up to the date of approval of the financial statements were:

	Attendance – possible 4 Board Meetings
Helen Bailey	3
Tamara Finkelstein	1
Cllr Keith House	2
David Lloyd (Chair)	4
Lord Gary Porter	3
Kim Ryley (resigned 01/02/2023)	3
Jan Sobieraj	3

Chief Executive
Secretary and Chief Operating Officer

Mark Rogers
John Jarvis

What we do:

The Leadership Centre supports and empowers leaders of services to the public to have the greatest collective positive impact with the communities they serve. We work with organisations and individuals across all sectors, with an emphasis on leadership of place. We seek to connect and collaborate to explore and address the most complex issues facing communities, staying relentlessly focused on the leadership required for improved social, economic and environmental outcomes.

Chair's statement

It is with great pleasure that I present the Leadership Centre's Annual Report.

The document itself has been written to a new format which I believe brings greater coherence and clarity to the reporting, enabling the reader to understand better the story of the last twelve months.

And 2022-23 had been as important a year as any in the life and work of the Centre. Characterised principally by transition, the organisation has continued its adaptation to the post-lockdown world and, crucially, agreed a new three-year strategy and communications plan to reflect and, insofar as possible, anticipate the present and future leadership challenges for those seeking to enhance public good.

The new strategy sets out our purpose – an unwavering commitment to support leaders in their endeavour to understand and respond to complexity, develop their political nous and become culturally competent.

Underpinning this, we have identified three key missions:

Innovate:

We are committed to creating a collaborative missions-based platform for experimentation and enquiry. We want to act as a convenor in this space because we believe breakthroughs can come from connecting disciplines which should be discussing social issues together, but are not.

Inspire:

We offer a range of cutting-edge projects, programmes and supportive, experienced consultancy. Our work is designed to help create significant, sustainable transformation in complex systems – ultimately creating lasting change which benefits society.

Invest:

We are interested in every system that is finding the leadership challenge difficult and we want what we have to be available to everyone. We are developing opportunities which support future generations of leaders and helping organisations to reach the people they aspire to reach, by supporting them to invest in local communities in a way which builds relationships and activates populations.

With this renewed clarity of purpose and direction, the Centre's team has been working hard on delivering programmes and projects with its clients, whilst also investing into the range of business development opportunities set out in the strategy.

2022-23 has been a process of continued delivery of bespoke, high quality and impactful development and, at the same time, investing in new opportunities to strengthen and grow the reach and reputation of the Centre.

I hope that you enjoy reading about our ambitious agenda and would be delighted for you to join us on this journey of supporting leaders to be the very best they can be for the communities they serve.

David Lloyd, Chair
(Police and Crime Commissioner, Hertfordshire)

REPORT OF THE TRUSTEES

The Trustees present their report and audited financial statements of The Leadership Centre for Local Government ("the Leadership Centre") for the year from 1 April 2022 to 31 March 2023. The Trustees have adopted the provisions of the Statement of Recommended Practice "Accounting and Reporting by Charities" ("FRS 102 SORP") in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011, the Companies Act 2006 and relevant Accounting Standards. The Trustees consider that the current level of the Centre's unrestricted funds and, along with the continuing likelihood of securing funding for periods beyond April 2023, the Centre has sufficient resources to continue as a going concern.

Structure, Governance and Management

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

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

Appointment of Trustees

As set out in the Articles and Memorandum of Association, new Trustees are nominated and appointed by the existing Trustees. There is no formally constituted nomination committee and nomination matters are reported and taken at ordinary meetings. The Board of Trustees will advertise and invite suitable candidates, who can bring a full range of expertise to the Board, establishing their suitability through a formal selection process.

Trustee induction and training

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

Organisation

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

The Chair works closely with the Leadership Centre's Chief Executive and Company Secretary who have delegated authority from the Trustees to manage the day to day running of the charity and delivery of its objectives in accordance with the agreed business plan and budget, including operational management of the Centre, finance and employment matters.

Related parties

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

Objectives & Activities:

The objects of the Leadership Centre for Local Government, as set out in the Memorandum and Articles, are:

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

All the charities activities are informed, designed and delivered through the lens of these objects and are undertaken to further our charitable purposes for the public benefit.

In deciding the charities objectives and activities, the Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

Strategic Missions:

During 2022 the Leadership Centre engaged widely and deeply with its network of clients, participants, alumni, partners and collaborators in order to calibrate its strategic intent with leadership need.

Key issues identified for public service leaders include:

- The ambition to, and challenges therein of tackling growing inequalities, for example, health & wellbeing, energy and food security.
- Understanding and working in political environments and with politicians.
- Responding to the 'new austerity': challenges associated with cost-of-living, inflation, and economic slowdown.
- Addressing the climate emergency.
- Developing organisational and personal resilience strategies, managing transitions and churn, ensuring the readiness and availability of future leaders.
- The need for safe spaces to reflect and plan.
- Addressing a lack of system interconnectedness.
- Struggles to imagine and enact new futures.
- The importance of valuing difference as an asset.

The result is a 2022 – 25 strategy that brings together the key elements of organisational purpose, values and practice that will continue to deepen and broaden the Leadership Centre's impact. Conceptualised as three missions, the approach will amplify the Centre's distinctiveness and positive reputation.

Innovate:

We are committed to creating a collaborative missions-based platform for experimentation and enquiry. We want to act as a convenor in this space because we believe breakthroughs can come from connecting disciplines which should be discussing social issues together, but are not.

Inspire:

We offer a range of cutting-edge projects, programmes and supportive, experienced consultancy. Our work is designed to help create significant, sustainable transformation in complex systems – ultimately creating lasting change which benefits society.

Invest:

We are interested in every system that is finding the leadership challenge difficult and we want what we have to be available to everyone. We are developing opportunities which support future generations of leaders and helping organisations to reach the people they aspire to reach, by supporting them to invest in local communities in a way which builds relationships and activates populations.

Significant Activities Undertaken:

Innovate | Inspire | Invest: developing leadership and change capability

Throughout the financial year the Leadership Centre created and delivered a variety of projects and programmes aligned with its core priorities and ambitious outcomes.

Future Vision: Future Vision's purpose is to help senior leaders address the leadership challenges they are facing, helping to inspire and create a better future for citizens by enabling systems change through leadership development. This period marked the 10-year anniversary of the programme.

Boosting Middle Leaders: The Centre's ambition is to bring the best of what it offers to a wider audience, whilst creating ever more stimulating learning environments. During 2022-23, in collaboration with the Local Government Association, the Centre prototyped a new programme for local government officers and councillors.

Integrated Care Systems: During 22-23 the Leadership Centre worked with a wide range of health and local government public servants across the country to support the development of systemic leadership and place-shaping practice in the formation of Integrated Care Systems (ICS). The primary legislation necessary to enshrine ICSs in statute was not enacted until July 2022 and furthermore no national blueprint was issued – the intention being to foster local solutions reflecting the unique history and context of each place. With differing levels of investment, funding, health status and inequalities, infrastructure, as well as the less obvious but critical differences in relationships, leadership styles, culture, collaborative working, the Leadership Centre approach was therefore flexible and adaptive in each place rather than applying a fixed and prescriptive process regardless of local history and context.

Community wellbeing: From tackling homelessness to inspiring people to get active the Centre has supported councillors, local government officers, voluntary and community sector staff and the community with leadership development interventions focussed on directly improving health and wellbeing outcomes for residents.

- **Let's Go Southall:** Southall, in the London Borough of Ealing, is a vibrant, multicultural town, rich in diversity and home to migrant communities from across the world, including India, Pakistan, Sri Lanka, Bangladesh and Somalia. With an inactive population of at least 43% and the highest levels of preventable and chronic health conditions in the borough, the Southall community and Ealing Council wanted to change the system, redesigning it so it no longer produces the inequalities created by the status quo.

The Leadership Centre co-designed a bespoke programme for Southall residents - investing in community leadership and change capacity. This has resulted in the development of a collaborative leadership and learning system from which a movement for change has been created. Power has shifted to the community, harnessing and releasing the energies and expertise of a diverse set of people and fostering spaces to challenge and change the existing system.

- **Public health:** In 2022, the Leadership Centre worked with Richmond and Wandsworth Councils' Public Health Division on a developmental journey aimed to maximise their impact and effectiveness as a team operating within an ever-changing context and build up resilience following the significant COVID-19 pandemic effort. Using real challenges as learning vehicles (tackling health in relation to climate

change, the visibility of our work on dementia, leadership in an emergency response, listening to and working with communities, and tackling obesity), the team used techniques and approaches to help them look at these issues differently and develop their leadership role in relation to that.

"I would 110% recommend this type of development to any team wanting to work on their team dynamics whilst working on the issues that really matter in their work."

Shannon Katiyo, Director of Public Health, Richmond & Wandsworth Councils.

- **Homeless Link:** The Leadership Centre worked with the Homeless Link Partnerships Team to co-design a programme which would be jointly delivered by the Partnership Managers and the Leadership Centre. The aim was to raise awareness of the power of influence – at all levels and without positional authority – and to build the confidence of front-line staff in bringing new ideas into their organisations, and in shifting thinking, behaviour and action.

"I can see through the complexity more clearly and, instead of becoming overwhelmed by it, can focus on what I have the power to change in a very practical way." Catherine Storey, Partnership Manager for East Midlands and the East of England at Homeless Link

- **Commonwealth Games:** Whilst almost 700 sportspeople from across 72 nations and territories gathered for this global spectacle, behind the scenes the Leadership Centre had been working with the West Midlands Combined Authority (WMCA) and Sport England to help develop the systems and relationships which will ensure that the Games has a long-lasting legacy for people in the region.

"The work we have done gives us the best possible chance of ensuring that, through our Commonwealth Active Communities, we are together able to steer the system in a way which really does reduce inequalities in those participating in physical activity. People own what they design, so it's important what we develop is co-designed which means investing in relationships and making sure people can see where their perspectives feed in. It has developed far past just being a 'project' – this is about how we work as a system for the long-term." Simon Hall, Strategic Lead for Wellbeing and Prevention at WMCA

Developing local governance: The Centre has worked - on occasion with the Local Government Association - with Combined Authorities to design and deliver a range of interventions – from bespoke to support to specific mayoral combined authorities, to facilitating large pan geographic communities of practice. The ambition of the interventions is to both assist in the locality now, and inform future support for upcoming devolution places.

Enquiries: The Centre's alumni, partners and clients raise the challenge of creating the future whilst dealing with the onslaught of immediate pressures. They identify how there remain long standing complex issues and new ones emerging. It's clear therefore that using existing solutions in the face of persistent challenges isn't sufficient.

During 2022-23 the Centre began to develop its innovation platform and test it on two core questions:

- a) 'What does a cultural competent organisation look like and how do you develop it?', and
- b) 'what might we create that helps leaders move forward with the challenges that feel impossible?'

This has resulted in the prototype of a new innovation platform, a new programme and insight to inform all the Centre's work.

Relationship based infrastructure

Our distinctive contribution to leadership is grounded in a relational approach that allows for deep exploration, sense-making and action. The Centre therefore needs to proactively curate and maintain its relationships which have been enhanced through the following activity.

Network activation: During 2022-23 the Centre invested financial resource in capacity to further develop its extensive network, which includes over 300 Alumni and a vast range of colleagues from local and national organisations, skilful leadership and change practitioners, and interested parties. There is inherent opportunity in this exceptional network which can be a powerful stimulus and catalyst for change in public services and in civic society in the round. Activity has involved:

- A bespoke programme of alumni activity for public servants including, focusing on places and human systems, the role of politics and power, confronting the challenges of complexity, and working with communities.
- Network events – creating an opportunity to shape and co-own the new strategy, and planning for deepening and widening the engagement with Alumni in particular.
- Renewing/strengthening relationships with partners.

Promotion and communication of leadership development: The ambition for the Centre's external communications is to support its strategic missions and therefore charitable objects, by:

- Demonstrating the value of leadership and the importance of empowering leaders to have the greatest collective positive impact with the communities they serve.
- Highlight the expertise and experience of the Leadership Centre, in particular working with the most challenging, complex and uncertain issues.
- Show how the work of the Leadership Centre is bespoke and co-produced, taking into consideration the unique identity of each place.
- Convey the charitable, independent status of the Leadership Centre and its commitment to sharing learning, resources and thought leadership openly in the interests of public good.
- Promote the Leadership Centre in ways which attract and maintain a robust network of relationships which support ongoing work and future development.

Communication activities have included:

- Sharing case studies in video and blog form—an opportunity to showcase impact by hearing directly from the people the Centre works with and occasionally linking with national awareness days
- Sharing content to give visibility to events staff from the Centre are attending or speaking at – to reach new audiences and help promote thought leadership
- Using social media to link to individuals and organisations we are working with, increasing reach and highlight the breadth of the Centre's work
- Sharing feedback— including end of cohort photos, to encourage alumni to follow and remain connected to the work of the Centre.
- Sharing leadership thought pieces and occasions when the Centre is mentioned in publications and reports.

Achievements & Performance:

2022 was a significant year for the charity as it celebrated its 18th birthday and brought together the wider Leadership Centre 'family' in London for the first time since before the Covid-19 pandemic. Eighty of our passionate colleagues from across the public, private and voluntary and community sectors joined us for an interactive, exploratory workshop session followed by a reception at the House of Lords.

The Centre's team is extremely grateful to all those that have placed their faith in them over the past twelve months – it's been a pleasure working with such enthusiastic and committed public servants.

Below are quotes from some of those the Centre has worked with during 2022/23, and stats that indicate our growing online presence.

Leadership development impact:

"I've really enjoyed the programme over the last six or so months. Thank you for all the effort you've made in curating such powerful and thought provoking sessions. I'll certainly be promoting this in my organisation and suggesting who I think would benefit from taking part in future cohorts."

"it was by far and away the most powerful training/CPD that I have attended over the last 5 years"

"It resonated with the ways in which I've been trying to work for a few years now, rooting it in relevant theory and giving clear examples of techniques to try. Exciting and innovative. Thanks for putting this on. More of this sort of thing please!"

"One of the best Masterclasses I've attended. It was very practical, backed by theory. Presenter was very engaging and 'said it how it was' which was very refreshing. I almost want to do the masterclass again in case there were bits I missed it was that good! Thank you!"

"Fantastic facilitator, the content and delivery was superb and I came away very inspired."

"Really loved this session. Massive amount of information and tips packed in. Hugely engaging and inspiring"

"The Leadership Centre brought excellent provocation and new perspectives to help us as we work to reposition the County Council for the long term, building on our strengths and exploring next generation ways of leading for place. Leaders across our organisation appreciated how quickly the Leadership Centre understood our context, our history and what lies in our organisational DNA to position their input with appropriate challenge and support".

Communications:

All digital platforms had increases in interactions and followership, resulting in more enquires.

X (formally Twitter): Tweets: 1148 | Impressions: 90,560 | Profile visits: 18,854 | Followers: 40% increase

LinkedIn: Posts: 85 | Impressions: 20,600 | Followers: 268% increase

Website: Visitors: 59,000 – 16% increase

Financial Review

From the beginning of the first lockdown, the Covid-19 pandemic impacted the Leadership Centre's reserves over an extended period of time as it sought to maintain support for public service leaders and staff whilst regular ways of operating were restricted. Whilst steps were taken to maintain the viability of the Leadership Centre through reducing overheads, actively manage debtors and shifting ways of working, it was not possible to offset fully the impact on revenues and margin and, therefore, reserves. Consequently, the Centre continues to find new ways to grow itself out of this short term position.

Whilst during 2022-23 the Leadership Centre has managed to attract some private sector support, as well as significant specific funding from public sources, to meet its ambitious 2025 strategic missions, the Leadership Centre has further invested in core capacity, providing the foundations for growth and product development.

Results were a use of reserves of £294k (a decrease from the £1k deficit the previous year). Income for the year was £1,776k (an increase from £1,426k the previous year). Support costs increased by £36k and overall staff costs increased by £62k. Expenditure for the year was £2,070k (up from £1,427k the previous year). As a result, the reserves figure at the year-end decreased to -£140k (down from £154k the previous year).

The prior year figures have been restated to reflect income in advance which was incorrectly recognised as income. Further details are included in note 15.

Principal risks and uncertainties

The Leadership Centre's operating environment and future activities are shaped by the complex interaction of many factors including:

- The future of public services and their role being radically uncertain - recession, inflation, extended pandemic impact, climate change, food and fuel security alongside challenges specifically felt locally such as, economies, inequality and inequity means there's a lot of important and urgent issues taking leadership time potentially inhibiting a learning environment.
- The needs of leaders and the need for leaders - needs are likely to grow extensively as leaders' resilience is tested again. At the same time a higher-than-normal turnover of experienced leaders is not being matched by a widening of the pipeline of the upcoming.
- Competing ideas and philosophies about what the future of the country looks like, how we might get there and who needs to be involved makes authorising environments and purpose fuzzy, helping leaders navigate this will be a key challenge.
- With a general election on the horizon, and tough spending decisions for local and national public services, there is a situation where decision making and funding for development may be squeezed.
- Acquiring sustainable funding from sources that align with the Centre's mission and values remains a key challenge.

The Leadership Centre has reviewed its arrangements for risk management with clear responsibilities assigned to named senior officers for the management of the principal risks. The Trustees consider these risks are being effectively mitigated.

Reserves policy

The reserves policy requires the retention of adequate funds to support approximately six months of operating costs for the Leadership Centre and this should be in the order of £200,000. Taking account of current costs and operational circumstances, the retention required to cover at least three months of full staff costs and accommodation, including facilities and IT would be £100,000. The policy is reviewed regularly, is considered adequate at the present time, and will be looked at again, in the light of changing economic, funding circumstances and timing. At 31st March 2023 the balance on unrestricted reserves was - £139,946.

The breadth of current projects, coupled with the new strategy, project pipeline, and institutional supporters, provides a platform for the Leadership Centre to return to regular surplus, contributing to reserves over the next 3-5 years, bringing unrestricted reserves closer to the optimal amount.

Going Concern

The trustees have considered the financial position and future business prospects and consider that a going concern opinion is reasonable.

The change in the charities financial circumstances, largely due to an extended Covid-19 impact, are unprecedented for the Centre, but recoverable.

In an immediate response to these matters the charity has taken action to reduce overheads, secure institutional supporters, and increase trade.

Looking forwards Trustees have considered:

Demand for the services: the services the Leadership Centre provides are in demand and highly regarded. The context in which public sector leaders are operating is only becoming more complex and challenging. Leaders say the support we provide them is invaluable.

Financial performance: Reviews of existing services provided and changes to new ones will improve individual projects financial performance and the overall organisations stability. This is a process which will continue.

Existing commitments: The Centre has a breadth and depth of committed project and clients throughout 2023-24 and into 2024-25, which provides a level of certainty now and which also creates a platform for increased activity in future years.

Strategy and Pipeline: The Centre's newly formed strategy and business plan provides a basis on which new partnerships can be formed and existing ones extended. It will support the charity to offer new services into existing sectors and reach into new ones.

In addition the Trustees continue to investigate opportunities to enhance the long term sustainability of the charity, including new areas of business and sponsorship.

As a result of all the above the Trustees consider the going concern basis to be appropriate.

Plans for the future:

The Leadership Centre views itself as being part of a wider national ecosystem of leadership for public good, embracing a generous ethos in doing its work. This drives it to seek excellent value for the investments of money and time that clients and partners place into its services.

This approach positions the Leadership Centre as a thinking partner and critical friend to those institutions, places, and individuals that it works alongside – whilst staying objective, curious and empathetic, and striving for excellence.

Direction of travel:

The essence of the Centre's direction of travel is captured in its 'do-tank' approach, embodied in restless enquiry into how leaders can best understand and navigate complexity and, accordingly, achieve the greatest public good through their partnerships and in their places.

The decisions made, resources deployed, paths walked or made will continue to be framed by the Centre's strategic missions.

Innovate: examining cutting-edge leadership issues that matter most.

We believe that innovation happens when unlikely combinations of people come together in enquiry, so we act as a convenor, connecting a variety of disciplines through a rolling programme of 'Enquiries' that anticipate and investigate the changing demands of leadership and the challenges being faced.

Inspire: delivering relevance and excellence.

The Centre will generously share its learning, thought leadership and extensive intellectual and human resources and networks. We will grow the role, involvement and impact of all the Centre's alumni and allies, ensuring the availability of more entry and progression pathways, a wider range of learning sets and networks, and a programme of one-off refresher or new learning opportunities.

Invest: nurturing future leaders.

The Centre aims, with partners, to strengthen the pipeline of future leaders and ensure its diversity – reaching out to under-served sectors, organisations, people and places. We will create more opportunities for first and middle leaders to engage in systems thinking, system challenges and place-based leadership so that they are better equipped both in the here and now and for more senior roles they may seek in the future.

Aims & Objectives:

Running Enquiries & Experiments: ensuring existing and new programmes are meeting needs at the cutting edge of new issues and new learning

A) start at least two new areas of development where we can inject imagination, redefine risk and develop the architecture to support experimentation.

B) refine and deploy innovation platform across the Leadership Centre.

Focus on Future Leaders: create programmes and other learning and development opportunities that: i) strengthen the pipeline of future leaders and ensure its diversity; and ii) reach into under-represented places.

Securing Business Partners and Sponsors: securing a small number of medium-term partners and one-off sponsors with an interest in developing their own leadership capabilities and, in pursuit of this, investing in the Centre's missions.

Board Review: agreeing the future role and membership requirements in the light of the strategy.

Start Cultural Competency journey: "inclusion is not bringing people into what already exists: it is making a new space, a better space for everyone." Professor George J. Sefa Dei

The Centre will plan and execute a process to improve and develop its cultural competency, as an organisation and within its services. It will feature:

- Scope: what do we currently do that is good practice, and what do we need to stop, shift, or change?
- People: who do we bring into the organisation – staff, enablers, trustees, partners – how do we design their pathways in, and how do we support and develop everyone, regardless of how long they have been with us.
- Learning: we want to deepen our understanding of global majority leadership and bring that expertise and understanding into the organisation.

Networks: To grow the role and impact of all the Centre's alumni and allies the charity will shift its custom further from 'events' towards a 'community of practice' - bringing people from different layers of the system, a mix of professions, and people with different perspectives around common challenges.

Further enhance digital visibility: The Centre's focus in 2023-4 will feature:

- A re-organisation of the website content to improve accessibility and shape around the strategic mission structure
- Development of a new prospectus, style guide and internal design resources
- Agile support to enquiries under the Innovate strand
- Continued development of case studies, thought pieces and blogs

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Under Company law the Trustees are required to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

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

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

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

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

Provision of information to Auditors

In so far as the Trustees are aware:

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

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

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

Auditors

PKF Littlejohn LLP has signified its willingness to continue in office as auditor.

Approved by the Board of Trustees on 21st December 2023 and signed on their behalf by

A handwritten signature in black ink, appearing to read 'David Lloyd', with a horizontal line underneath.

David Lloyd

21st December 2023

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE
LEADERSHIP CENTRE FOR LOCAL GOVERNMENT**

Opinion

We have audited the financial statements of The Leadership Centre for Local Government (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (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 31 March 2023 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 financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements 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 financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements 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 other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Report of the Trustees. 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. 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 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 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 the audit:

- the information given in the trustees' report which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Report of the Trustees.

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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take the small companies' exemption 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 charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

Auditor's 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 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 financial statements.

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:

- We obtained an understanding of the charitable company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, sector research and application of cumulative audit knowledge and experience.

- We determined the principal laws and regulations relevant to the charitable company in this regard to be those arising from the Companies Act 2006, Financial Reporting Standard 102, the Charities SORP and relevant employee legislation.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the charitable company with those laws and regulations. These procedures included, but were not limited to enquiries of management, review of minutes and review of legal and regulatory correspondence.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that there was a potential for management bias in the timing of recognition of income from grants. We addressed this through review of all material grant agreements to ensure correct treatment under the Charities SORP, including consideration of the accounting period in which income should be recognised.
- We also identified potential for management bias in the judgements made around recoverability of debtors. We addressed this through examination of post year end cash received, review of correspondence with debtors and discussion of recoverability with management.
- We also identified potential for management bias in the allocation of support costs against charitable activity categories. We addressed this through reviewing the method used for reasonableness and re-performing the calculation to ensure it had been performed accurately in line with the stated method.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 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.



**Alastair Duke (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor**

15 Westferry Circus
Canary Wharf
London E14 4HD

Date: 28 December 2023

The Leadership Centre for Local Government
Year ended 31st March 2023

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an INCOME AND EXPENDITURE ACCOUNT)
For the year ended 31 March 2023

	Notes	Unrestricted funds 2023 £	Total funds 2023 £	As restated total funds 2022 £
Income from:				
Grants	1	80,825	80,825	10,000
Charitable Activities	1	1,696,082	1,696,082	1,415,811
Investment income	2	(785)	(785)	136
Total income		1,776,122	1,776,122	1,425,947
Expenditure on:				
Charitable activities	6	2,048,901	2,048,901	1,401,266
Other Costs	8	20,791	20,791	26,016
Total Expenditure		2,069,692	2,069,692	1,427,282
Net expenditure	4	(293,570)	(293,570)	(1,335)
Reconciliation of Funds:				
Total funds brought forward		<u>153,624</u>	<u>153,624</u>	<u>154,959</u>
Total funds carried forward	14	<u>(139,946)</u>	<u>(139,946)</u>	<u>153,624</u>

There are no recognised gains or losses other than those disclosed above.

All of the above results derive from continuing activities.

All income and expenditure in both years was unrestricted.

The notes on pages 22 to 27 form part of these financial statements.

**The Leadership Centre for Local Government
Year ended 31st March 2023**

Company Registration number 05467557

**BALANCE SHEET
As at 31 March 2023**

	Notes	2023 £	As restated 2022 £
Current assets			
Debtors	10	640,876	261,485
Short term Investments	2	-	502,280
Cash at bank and in hand		10,000	10,000
		<u>650,876</u>	<u>773,765</u>
Creditors: amounts falling due within one year			
Creditors falling due within one year	10	790,822	620,141
		<u>790,822</u>	<u>620,141</u>
Net current assets		(139,946)	153,624
Total assets less current Liabilities		<u>(139,946)</u>	<u>153,624</u>
Funds			
Restricted Funds	14	-	-
Unrestricted Funds	14	(139,946)	153,624
		<u>(139,946)</u>	<u>153,624</u>

These financial statements were approved by the Trustees on 21st December 2023 and are signed and authorised for issue on their behalf by:



**David Lloyd
Trustee**

The notes on pages 22 to 27 form part of these financial statements.

**The Leadership Centre for Local Government
Year ended 31st March 2023**

Company Registration number 05467557

STATEMENT OF CASH FLOWS

As at 31 March 2023

	Note	2023 £	2022 £
Cash flow from operating activities	12	(502,280)	336,193
Net cash flow provided by operating activities		<u>(502,280)</u>	<u>336,193</u>
Cash and cash equivalents at 1 April		512,280	176,087
Cash and cash equivalents at 31 March		<u>10,000</u>	<u>512,280</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		10,000	10,000
Short term deposits		-	502,280
Cash and cash equivalents at 31 March		<u>10,000</u>	<u>512,280</u>

The notes on pages 22 to 27 form part of these financial statements.

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The Leadership Centre is a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, The Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2019.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

GOING CONCERN

The Trustees (who are also the directors of The Leadership Centre for Local Government ('the Centre') for purposes of company law) have prepared the accounts on a going concern basis. As described in the Report of the Trustees, during 2022/23 the Leadership Centre worked closely with the LGA and various public/private funded specified bodies. The Trustees have considered the likely impact of Covid-19 on the operational activities of the Leadership Centre and are of the view that there was an impact. Looking forwards, Trustees have carefully considered; the demand and need for the charities services, the financial performance improvements available, existing commitments, operating environment, strategy and project pipeline. As a result of this deliberation, the Trustees consider the plans, and likelihood of securing future funding adequate to ensure the Leadership Centre has sufficient resources to continue as a going concern.

FUNDS

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

INCOME POLICY

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income, after any performance conditions have been met, when the amount can be measured reliably and when it is probable that the income will be received.

Income from donations is recognised on receipt, unless there are conditions attached to the donation that require a level of performance before entitlement can be obtained. In this case income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the Leadership Centre and it is probable that they will be fulfilled.

Government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income comprising only bank interest on short term deposits is recognised on a receivable basis.

RESOURCES EXPENDED

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

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

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

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

Grants payable to third parties are included in expenditure on charitable activities. Where unconditional grants are made, these amounts are recognised when a constructive obligation is created, typically when the recipient is notified that a grant will be made to them. Where grants are conditional on performance, then the grant is only recognised once any unfulfilled conditions are outside of the control of the charity.

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

ALLOCATION OF SUPPORT COSTS

Support costs are those that assist the work of the Leadership Centre but do not directly represent charitable activities and include office costs, governance costs, and project management costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to those activities on a consistent pro rata to the level of direct costs incurred.

The analysis of these costs is included in notes 7 and 8.

TAX

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010. It therefore meets the definition of a charitable company for UK corporation tax purposes.

1. INCOME

	2023	As restated
	£	2022
		£
<i>Income from donations and grants</i>		
Voluntary Income and Grants	80,825	10,000
<i>Income from charitable activities</i>		
Services recharged	<u>1,696,082</u>	<u>1,415,811</u>
	<u>1,776,907</u>	<u>1,425,811</u>

Voluntary income and grants mainly relate to funding from other public sector bodies. It is allocated to the main activities of the charity. Services recharged include events and conferences, publications and consultancy. £nil (2022 £nil) of the above income was attributable to restricted funds and £1,776,907 (2022 £1,425,811) to unrestricted funds.

2. INVESTMENT INCOME

All of the investment income arises from interest bearing deposits. The Leadership Centre participates in arrangements in which surplus cash balances are deposited with borrowers on the LGA's approved list. The Leadership Centre's investments are pooled with those of other entities that have adopted the LGA Group Investment Strategy. Investments are typically for periods of up to six months and as such the loan amount is a reasonable assessment of fair value. The LGA Group Investment Strategy strictly applies credit limits for all of the financial institutions to ensure that deposits are spread across a number of its approved counterparties. No credit limits were exceeded during the year and the Leadership Centre does not expect any losses on short term investments. The difference between carrying value and fair value is immaterial.

3. AUDITOR'S REMUNERATION

The auditor's remuneration amounts to an audit fee of

	2023	2022
	£	£
Audit fees	3,500	3,500

No non-audit fees were paid in the year to the auditor (2022 nil).

4. EMOLUMENTS AND RELATED PARTY TRANSACTIONS

Total remuneration of £17,168 (2021/22; £22,397) was paid to the Chairs for work done in this capacity in accordance with a written agreement approved by the Trustees under clause 5.9 of the Memorandum of Association. Reimbursement of expenses to one (2021/22; one) Trustees for travel costs totalled £123 (2021/22; £119).

There were no other related party transactions in the current or prior year.

5. EMPLOYEES

	2023	2022
	£	£
Staff, agency and secondments		
Staff	413,916	350,041
Agency staff fees	28,428	30,245
Total staffing costs	442,344	380,287

The aggregate employee benefits of key management personnel were £303,847 (2022: £273,242). The average number of senior staff employed directly during the year was 4 with employee benefits, excluding employer pension costs, in the ranges of £40k to £110k (2021 2 persons in the range £40,000 - £100,000).

Range £k	2023	2022
100-110	1	
90-100	1	1
80-90		1
40-80	2	1

The average number of persons employed (including agency staff) was 6.7 (2022 4.5 persons).

6. EXPENDITURE ON CHARITABLE ACTIVITIES

	2023 Activities undertaken Directly	2023 Support Costs	2023 Total Costs	2022 Total Costs
Delivery Areas	£	£	£	£
Future Vision	323,072	79,946	403,018	160,709
Centre Projects	271,649	67,220	338,869	257,521
Accident and Emergency	96,841	23,964	120,805	121,777
Specific Location Support for Leaders	64,903	16,060	80,963	183,261
Lets Go Southall	796,097	196,999	993,096	625,284
Sport England	2,175	538	2,713	4,502
Local Vision	-	-	-	16,996
Public Health Leadership	87,728	21,709	109,437	31,216
Total	1,642,465	406,436	2,048,901	1,401,266

£- (2022 £-) of the above costs were attributable to restricted funds and £2,069,692 (2022 £1,401,266) to unrestricted funds.

7. BREAKDOWN OF SUPPORT COSTS

	2023 £	2022 £
Finance support	27,400	10,300
Direction	88,814	66,398
General Office Costs	33,706	19,020
IT	27,376	45,288
Staff Costs	229,140	82,010
	406,436	223,016

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

8. EXPENDITURE ON OTHER COSTS

	2023 £	2022 £
Trustees Emoluments (see note 5)	17,168	22,397
Trustee's expenses	123	119
Statutory Audit fees	3,500	3,500
	20,791	26,016

9. DEBTORS

	2023 £	2022 £
Trade debtors	483,324	210,629
Other Debtors	6,723	12,406
VAT	150	-
Accrued Income	150,679	38,450
	640,876	261,485

10. CREDITORS

	2023 £	As restated 2022 £
Trade creditors	33,463	66,990
Accruals and deferred income	606,969	399,922
Other taxes and PAYE	18,705	15,104
VAT	85,283	119,956
Earned Leave Liability	13,970	18,169
Owed to related party	32,432	
	<u>790,822</u>	<u>620,141</u>

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

	2023 £	As restated 2022 £
Net expenditure for year	(293,570)	(1,335)
(Increase)/Decrease in debtors	(379,391)	218,375
Increase in creditors	170,681	119,153
Net cash flow from operating activities	<u>(502,280)</u>	<u>336,193</u>

12. MEMBERS' LIABILITY

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

13. FUNDS ANALYSIS OF NET ASSETS BETWEEN FUNDS at 31st March 2023

The balance of Net assets and liabilities fall under unrestricted funds.

	Current Assets £	Current Liabilities £	Funds Total £
UNRESTRICTED	<u>650,876</u>	<u>790,822</u>	<u>(139,946)</u>
	<u>650,876</u>	<u>790,822</u>	<u>(139,946)</u>

	As restated as at 1 April 2022 £	Income £	Expenditure £	As at 31 March 2023 £
Unrestricted Funds	<u>153,624</u>	<u>1,776,122</u>	<u>2,069,692</u>	<u>(139,946)</u>
Total	<u>153,624</u>	<u>1,776,122</u>	<u>2,069,692</u>	<u>(139,946)</u>

14. PRIOR YEAR ADJUSTMENT

The Prior Year numbers are adjusted for an omitted income in advance accrual.

The comparative figures have been restated to reflect an error of £28,500 of income recognised in the prior year that should have been deferred to future periods. The impact of the adjustment is:

Surplus for the year to 31 March 2022 as previously stated	£ 27,165
Adjustment to defer income to 2022/23	(28,500)
Deficit for the year to 31 March 2022 as restated	(1,335)
Creditors as previously stated at 31 March 2022	591,641
Adjustment to defer income to 2022/23	28,500
Creditors as restated at 31 March 2022	620,141

15. POST BALANCE SHEET EVENTS

The directors are not aware of any post balance sheet events.

THE LEADERSHIP CENTRE FOR LOCAL GOVERNMENT

England & Wales - Charity number 1123234

Accounts

THE LEADERSHIP CENTRE FOR LOCAL GOVERNMENT

(A company limited by guarantee)

REPORT OF THE TRUSTEES and FINANCIAL STATEMENTS

for the year ended 31 March 2022

Company Registration Number 05467557
Charity Number 1123234

REPORT AND FINANCIAL STATEMENTS 2022

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LEGAL AND ADMINISTRATIVE DETAILS

Registered Name The Leadership Centre for Local Government
Charity number: 1123234
Company number: 05467557
Registered office: 18 Smith Square, London SW1P 3HZ

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

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

Solicitors: Bates Wells London LLP
 2-6 Cannon Street, London, EC4M 6YH

Directors and Trustees

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

The Trustees serving during the year and up to the date of approval of the financial statements were:

	Attendance – possible 6 Board Meetings
H Bailey	4
K Ryley	6
Lord P R C Smith (Chair) deceased (Resigned 3 August 2021)	2
J Sobieraj	6
David Lloyd	6
Cllr Keith House	3
Tamara Finklestein	2
Lord Gary Porter	3

Chief Executive
Secretary and Chief Operating Officer

Joe Simpson
John Jarvis

REPORT OF THE TRUSTEES

The Trustees present their report and audited financial statements of The Leadership Centre for Local Government (“the Leadership Centre”) for the year from 1 April 2021 to 31 March 2022. The Trustees have adopted the provisions of the Statement of Recommended Practice “Accounting and Reporting by Charities” (“FRS 102 SORP”) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity’s governing document, the Charities Act 2011, the Companies Act 2006 and relevant Accounting Standards. However, the Trustees consider that the current level of the Centre’s unrestricted funds and with the continuing likelihood of securing funding for periods beyond April 2022, the Centre has sufficient resources to continue as a going concern.

Structure, Governance and Management

Governing document

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

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

Appointment of Trustees

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

Trustee induction and training

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

Organisation

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

The Chair works closely with the Leadership Centre’s Chief Executive and the Company Secretary and they have delegated authority from the Trustees to manage all the day to day running of the charity and delivery of its objectives in accordance with the agreed business plan and budget, including operational management of the Centre, finance and employment matters.

Peter Smith, our longstanding chair sadly died over the summer in 2021. Peter had a long and distinguished career in local government and has not only left a lasting legacy in the modern history of Wigan Borough, but also across The North West region and in public service nationally. As chair of the Leadership Centre Peter was thoughtful and sought contributions from all. Peter's commitment and passion will live long with the Leadership Centre board and staff.

Related parties

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

Public benefit statement

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

How our activities deliver public benefit

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

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

BUSINESS AND FINANCIAL REVIEW

Introduction

2021-22 has, in a number of regards, been a year of transition for the Leadership Centre.

Firstly, the latter half of the year saw the situation with Covid if not resolved, at least significantly ameliorated, creating opportunities for networking and programme delivery to seek out a "new normal", as well as enabling a resumption of in-person working, where required, for the core team and trustees.

Secondly, as different parts of the public sector 'normalise' at different rates and times, their ability to engage in collaborative place-based working and cohort programmes has varied. This transitional reality has required flexibility and agility from the Leadership Centre in terms of design and delivery timeframes.

Thirdly, there have been both planned and unplanned changes in the leadership of the Centre. Unexpectedly, in August 2021, the Chair of Trustees, Lord Peter Smith, sadly passed away whilst in office and was replaced, on an interim basis, by David Lloyd (Police and Crime Commissioner for Hertfordshire). During the third quarter of the year, the Trustees undertook a recruitment process to appoint a new chief executive following the decision by the Centre's Director, Joe Simpson, to retire with effect from 31 December 2021. Consequently, Mark Rogers, was in due course appointed and took up post in January 2022.

Finally, in response to the changing context for the Leadership Centre, the Trustees commissioned the new chief executive to lead a process of strategy review and renewal with the intention of approval in September 2022 to allow good time for the engagement of the Centre's community, networks and allies in the process.

Mission, Strategy, Operations & Finances

Mission

The Centre's mission has been consistent: enabling **Great Leaders, Great Places** by nurturing new ways of thinking, behaving and being to address old and new issues and, in doing so, to make lasting positive change for the benefit of citizens, communities and society as a whole.

The Centre works with leaders across all sectors, supporting their development so that they can create shifts in thinking, culture and practice to produce better outcomes.

Strategy

The strategy in 2021-22 shaped Leadership Centre activity across three timeframes:

- Immediate: of what is done now, what should stop or be amplified.
- Immediate to medium term: of what is done now, what needs to be reframed or iterated so that it resonates for the current context.
- Medium to long term: identify signals, testing and experimenting into the future.

The charity is dependent on attracting specific income (be it grants, contracts or financial support from the private sector) to cover its activities. The charity is not in receipt of general grant, nor has it the ability to undertake general charitable fundraising. We therefore continue to keep core staffing to the minimum, whilst engaging with specialists to help in the delivery of specific programmes. There has been no outsourced fund raising via professional fundraisers or other third parties. As a result, the charity is not registered with the fundraising regulator and received no fundraising complaints in the year.

The Leadership Centre has a well-developed network of specialists, who provide the bulk of the contracted people resource to design and deliver leadership development interventions, whilst also having the central capacity to support those programmes. This model gives us both quality control (through the contracting arrangements we expect our facilitators/enablers to partake in shared learning experiences) and the ability to expand/contract our commitments according to the resource available.

Priorities for the year included:

1. Support the wellbeing of the Leadership Centre's assets, our staff, networks, alumni, enablers, trustees and change makers as the innovation and strategy engine of the Leadership Centre.
2. In the context of place, recognise and respond to the interconnection between, mental & physical health, economy, climate, housing, transport and education to help create better and fairer outcomes.
3. Convene local and national coalitions of the willing around the emerging crucial 'post-Covid' leadership challenges to foster radical ideas & activity.
4. Design cutting edge online leadership development practice - enabling leadership development and place-based change online.
5. Help leaders and their organisations to shape the future whilst dealing with now.

Operations:

Operationally, 2021-22 featured a number of changes for the Leadership Centre, including moving office, a series of personnel changes, and investment in the Centre's communication capability.

After nearly 18 years, Joe Simpson, Centre Director retired. Joe handed over an organisation with a strong track record, that will, no-doubt, continue to re-invent itself and reframe the leadership agenda.

Sarah Lewis, in early 2022, left her role as Alumni Manager, having successfully nurtured the Leadership Centre's Alumni into a strong network.

Trustees on behalf of the whole organisation thank Joe and Sarah for their commitment, energy and positive impact on the work of the Centre.

Finance

Notwithstanding the effects of the pandemic the financial position of the Leadership Centre has improved over the last year. We initially budgeted for a near breakeven position, and results were a contribution to reserves of £27k (an improvement from the £23k deficit the previous year). Income for the year was £1,454k (from £1,425k the previous year). Support costs increased by £35k and overall staff costs increased by £17k. Expenditure for the year was £1,427k (down from £1,449k the previous year). As a result, the reserves figure at the year-end increased to £182k (up from £155k the previous year).

Achievements

Throughout the last financial year the Leadership Centre created and delivered a variety of projects and programmes aligned with its core priorities and ambitious outcomes.

Framed around the Centre's 2021-22 priorities of;

- Supporting the wellbeing of the Leadership Centre's assets, our staff, networks, alumni, enablers, trustees and change makers as the innovation and strategy engine of the Leadership Centre.
- In the context of place, recognise and respond to the interconnection between, mental & physical health, economy, climate, housing, transport and education to help create better and fairer outcomes.
- Convene local and national coalitions of the willing around the emerging crucial 'post-Covid' leadership challenges to foster radical ideas & activity.
- Design cutting edge online leadership development practice - enabling leadership development and place-based change online.
- Help leaders and their organisations to shape the future whilst dealing with now.

Delivering on these priorities the Leadership Centre achieved:

- Continued effective leadership development in a volatile environment. This includes creating; hybrid delivery platforms; spaces for senior public service leaders to recharge and reflect; capturing and sharing learning.
- Design and delivery of new initiatives including the Master Practitioner and London Leadership Programmes.
- Agreed the framing for the incoming strategy, Innovate, Inspire and Invest, as the lenses through which to further develop the Centres offers.
- The delivery of the first stages of an organic and inclusive communications and network mobilisation strategy.

Quotes from participants involved in place work of cohort based programmes:

"We have grown as individuals and the resilience we have developed has reaped dividends in our respective careers. Thank you, thank you, thank you!"

"Future Vision has been an important step in my personal development. I joined the programme as a Deputy Chief Executive and I am standing here today as a newly appointed Chief Executive. In part, that is due to the wisdom that I gained through the programme"

"I've been really inspired by the work I've done with the Leadership Centre. It's been transformational for me. I now have a much greater understanding of how complex and difficult system collaboration is, and an acceptance of that has really helped me with my mental wellbeing"

"I have made more connections that can lead to positive change today than in years – and am developing support and approaches that can lead to sustainable change and improvements."

Challenges faced in 2021-22

- The time and space for collaboration and thinking differently - The Leadership Centre has always sought collaborations in pursuit of tackling complex issues. With public service colleagues under increased capacity pressure, carving out the time to think about what they might do different and who they might do it with has largely been reduced.
- Delivery capacity - The delivery of the Leadership Centre's mission relies on its talented and motivated people. The 2021-22 challenge has been maintaining a balance between maximising impact, maintaining excellence, growing revenue, minimising expenditure and finding top talent to keep us at the cutting edge.
- The recent crises have highlighted the need for investment in people. However, with funds reduced and or diverted to front line delivery, finding resource to support development has been challenging for organisations and partnerships.

Key Leadership Development Activity – 2021-22

Cohort Programmes

The Centre's cohort based programmes are characterised by learning and application across a range disciplines and practices, including adaptive leadership, system thinking, politics and power, design and public narrative – all of which are intended to support leaders in understanding and navigating complexity to improve citizen outcomes.

In 2021 – 22, amongst other cohort based programmes, the Leadership Centre delivered:

Future Vision:

Whilst the Centre's flagship programme Future Vision has successfully been redesigned in early 2020 to allow involvement despite Covid-19, the Boston study trip was, because of various lockdowns and complications with international travel, impossible to deliver. However, in early 2022 participants of Cohorts 8 & 9 were able to make the Boston study trip.

A successful return to in-person delivery was planned and the recruitment of a full 10th cohort secured.

London Leadership Programme:

The London Leadership Programme brings together talented professionals from London's boroughs, the Greater London Authority and London Councils. It is designed for aspiring leaders who share a passion for leadership and want to contribute to the leadership of a thriving and unique city.

Delivered across a series of modules, these are complemented by real work in between sessions in smaller groups around a specific leadership challenge, each sponsored by a London Chief Executive.

The challenges participants worked on are:

1. Racial inequality
2. Health reforms
3. Adult social care
4. Poverty and deprivation
5. London's future funding strategy
6. Climate change

A case study is available [here](#) and video [here](#):

Master Practitioner Programme

During 2021 the Leadership Centre successfully tested a new initiative, the Master Practitioner programme, with the aim of helping the most experienced leaders in the public, private and third sector to make progress on a big and intractable challenge facing their organisation, place or system.

The benefits include:

- tangible, positive progress on a longstanding or apparently intractable challenge;
- learning for the organisation/system which can be applied to other, similar issues; and
- development and learning for participants in their current and future roles.

Places

The Leadership Centres place-based activity is characterised by connecting public services and communities through practical interventions using specific themes, populations and geographies as vehicles for relationship building, learning and change.

During the year the organisation has supported leaders in localities across the country, including in the West Midlands developing broad stewardship of the Commonwealth Games Legacy, and with colleagues in regional Active Partnerships to shift to a place-based way of working.

Support has extended to various Integrated Care Partnerships as they look to address aspects of health inequalities through developing new partnership arrangements.

Community development has featured heavily in a number of initiatives, including Let's Go Southall where the Centre has played a key role in developing members of the community, and supporting public services to connect with, listen to, and work alongside those they serve.

Networks

The Leadership Centre has an extensive network including over 300 Alumni and a vast range of local and national organisations. This is an exceptional network which can be a powerful stimulus and catalyst for change in the public sector and in civic society in the round. In 2021-22 the Centre's focus has been on:

- Enabler and Alumni events – creating an opportunity to shape and co-own the new strategy, and planning for deepening and widening the engagement with Alumni in particular.
- Renewing/strengthening relationships with partners.
- Strengthening the Centre's presence through a new comms strategy.

Looking Ahead – 2022-23 Priorities and Objectives:

As previously referenced, with a new (interim) chair and chief executive, the Centre has been taking the opportunity to review its strategy to ensure it continues to make its distinctive

contribution to addressing the present and future challenges of leadership. This work will be finalised in Autumn 2022, albeit the strategy will be dynamic.

Building on the **Great Leaders, Great Places** foundation ...

Purpose

The Centre exists to promote the value of leadership and to empower leaders to address complexity in order to have the greatest collective, positive impact on the communities they serve.

Principles

The Centre will co-design its activities to demonstrate the value of leadership intrinsically and in its application. It will do this through:

- Focusing on places and human systems
- Exploring the role of politics and how politics works
- Seeking to connect, convene and collaborate
- Addressing and confronting the challenges of complexity, diversity and symbiosis
- Learning by doing
- Sustaining a diverse, distinctive and respected community (enablers, alumni, trustees, core team, partners and allies)

Application

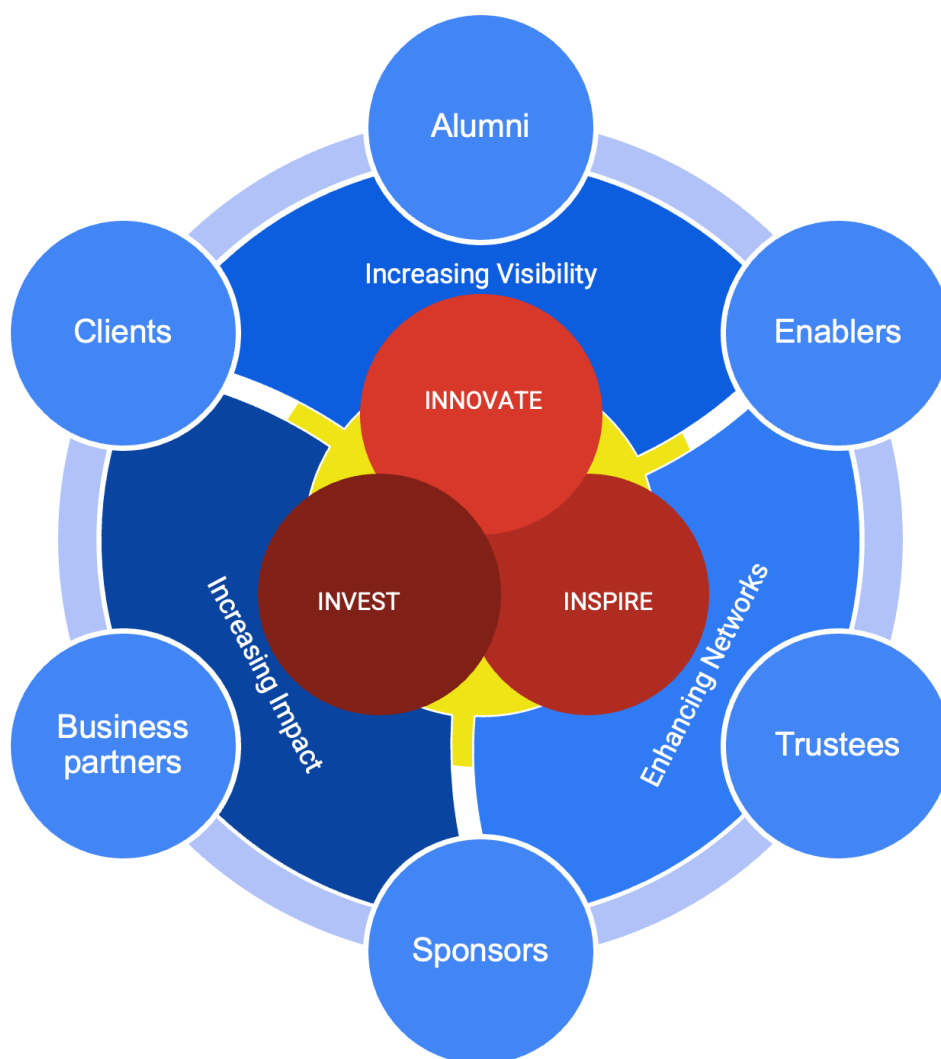
Our distinctive contribution to leadership is grounded in a relational approach that allows for deep exploration and sense-making of the ideas represented, for example, in systems thinking, adaptive leadership and human-centred design, working across all those sectors, organisations and individuals whose *raison d'être* is about enhancing public good.

Ambition - Great Leadership: Thriving Places

The essence of the Centre is captured in its 'do-tank' approach, **but** emphasising the importance of investing in future thinking, delivering innovation-led excellence in real-time and developing a philanthropic approach.

This is embodied in our missions – the three I's:

- **Innovate:** to position the Leadership Centre as an organisation that anticipates and understands the changing nature of leadership, people and places through enquiries and experiments
- **Inspire:** to showcase the Leadership Centre's through the excellence of its core offers and commissioned work, sharing generously its extensive intellectual and human resources and networks
- **Invest:** to attract new audiences to the Leadership Centre's work and promote the democratisation of leadership



Five Strategic Themes (priorities)

The Centre will orientate its human, financial and partnership resources to the benefit of the following five strategic themes.

- **Running Enquiries & Experiments:** strengthening research and development to ensure existing and new programmes are meeting needs at the cutting edge of new issues and new learning
- **Attracting Future Leaders:** identifying programmes and other learning and development opportunities that: i) strengthen the pipeline of future leaders and ensure its diversity; and ii) reach into under-represented places
- **Securing Business Partners and Sponsors:** securing a small number of medium-term partners and one-off sponsors with an interest in developing their own leadership capabilities and, in pursuit of this, investing in the Centre's missions
- **Maximising Networks:** growing the role and impact of all the Centre's alumni and allies
- **Board Review:** agreeing the future role and membership requirements in the light of the strategy

Challenges in 2022-23

The Leadership Centre's operating environment and future activities are informed by the complex interaction of many factors including:

- The future of public services and their role being radically uncertain - recession, inflation, extended pandemic impact, climate change, food and fuel security alongside challenges specifically felt locally such as, economies, inequality and inequity means there's a lot of important and urgent issues taking leadership time potentially inhibiting a learning environment.
- The needs of leaders and the need for leaders - needs are likely to grow extensively as their resilience is tested again. At the same time a higher than normal turnover of experienced leaders have and will leave their posts.
- Competing ideas and philosophies about what the future of the country looks like, how we might get there and who needs to be involved makes authorising environments and purpose fuzzy, helping leaders navigate this will be a key challenge.

Principal risks and uncertainties

The Leadership Centre has reviewed its arrangements for risk management with clear responsibilities assigned to named senior officers for the management of the principal risks. The Trustees consider these risks are being effectively mitigated.

Reserves

During 2021-22 the Leadership Centre contributed to its reserves in order to support its charitable activities including its ambitious strategic mission of investing further in cutting-edge leadership practice in 2022 and beyond, and providing a buffer against uncertainty in the operating environment.

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

The Covid-19 pandemic has impacted on the Leadership Centre's reserves. Steps have been taken to maintain the viability of the Leadership Centre and reduce the overheads. The Leadership Centre has more actively managed its debtors and adopted a cautious approach to spending.

The reserves policy requires the retention of adequate funds to support about a half year of operating of the Leadership Centre and this should be in the order of £200,000. Taking account of current costs and operational circumstances, the retention to cover at least three months of full staff costs and accommodation, including facilities and IT would be £100,000 (although this base has reduced). The policy is reviewed regularly, is considered adequate at the present time, and will be looked at again, in the light of changing economic, funding circumstances and timing. The Leadership Centre has utilised some government support and will continue to do so whilst available and is needed. At 31st March 2022 the balance of available unrestricted reserves was £182,124.

The breadth of projects, coupled with the new strategy, provides a platform for the organisation to contribute to reserves over the next period, bringing unrestricted reserves closer to the optimal amount.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Under Company law the Trustees are required to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

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

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

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

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

Provision of information to Auditors

In so far as the Trustees are aware:

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

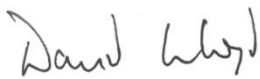
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

Auditors

A resolution for the appointment of the auditors of the Company is to be proposed at the Board Meeting.

Approved by the Board of Trustees on 29th September 2022 and signed on their behalf by



David Lloyd

29th September 2022

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE
LEADERSHIP CENTRE FOR LOCAL GOVERNMENT**

Opinion

We have audited the financial statements of The Leadership Centre for Local Government (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (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 31 March 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 financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements 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 financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements 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 other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Report of the Trustees. 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. 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 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 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 the audit:

- the information given in the trustees' report which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Report of the Trustees.

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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take the small companies' exemption 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 charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

Auditor's 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 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 financial statements.

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:

- We obtained an understanding of the charitable company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard

through discussions with management, sector research and application of cumulative audit knowledge and experience.

- We determined the principal laws and regulations relevant to the charitable company in this regard to be those arising from the Companies Act 2006, Financial Reporting Standard 102, the Charities SORP and relevant employee legislation.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the charitable company with those laws and regulations. These procedures included, but were not limited to enquiries of management, review of minutes and review of legal and regulatory correspondence.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that there was a potential for management bias in the timing of recognition of income from grants. We addressed this through review of all material grant agreements to ensure correct treatment under the Charities SORP, including consideration of the accounting period in which income should be recognised.
- We also identified potential for management bias in the judgements made around recoverability of debtors. We addressed this through examination of post year end cash received, review of correspondence with debtors and discussion of recoverability with management.
- We also identified potential for management bias in the allocation of support costs against charitable activity categories. We addressed this through reviewing the method used for reasonableness, and re-performing the calculation to ensure it had been performed accurately in line with the stated method.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 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.



**Alastair Duke (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor**

15 Westferry Circus
Canary Wharf
London E14 4HD

Date: 30 November 2022

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an INCOME AND EXPENDITURE ACCOUNT)
For the year ended 31 March 2022

	Notes	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:				
Grants	2	10,000	10,000	24,862
Charitable Activities	2	1,444,311	1,444,311	1,400,100
Investment income	3	136	136	470
Total income		1,454,447	1,454,447	1,425,432
Expenditure on:				
Charitable activities	7	1,401,266	1,401,266	1,428,069
Other Costs	9	26,016	26,016	20,670
Total Expenditure		1,427,282	1,427,282	1,448,739
Net income/(expenditure)	4	27,165	27,165	(23,307)
Reconciliation of Funds:				
Total funds brought forward		<u>154,959</u>	<u>154,959</u>	<u>178,266</u>
Total funds carried forward	14	<u>182,124</u>	<u>182,124</u>	<u>154,959</u>

There are no recognised gains or losses other than those disclosed above.

All of the above results derive from continuing activities.

All income and expenditure in both years was unrestricted.

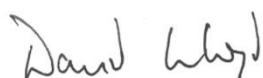
The notes on pages 21 to 25 form part of these financial statements.

Company Registration number 05467557

BALANCE SHEET
As at 31 March 2022

	Notes	2022 £	2021 £
Current assets			
Debtors	10	261,485	479,860
Short term Investments	3	502,280	166,087
Cash at bank and in hand		10,000	10,000
		<u>773,765</u>	<u>655,947</u>
Creditors: amounts falling due within one year			
Creditors falling due within one year	11	<u>591,641</u>	<u>500,988</u>
		591,641	500,988
Net current assets		182,124	154,959
Total assets less current Liabilities		<u><u>182,124</u></u>	<u><u>154,959</u></u>
Funds			
Restricted Funds	14	-	-
Unrestricted Funds	14	<u>182,124</u>	<u>154,959</u>
		<u><u>182,124</u></u>	<u><u>154,959</u></u>

These financial statements were approved by the Trustees on 29th September 2022 and are signed and authorised for issue on their behalf by:



David Lloyd
Trustee

The notes on pages 21 to 25 form part of these financial statements.

Company Registration number 05467557

STATEMENT OF CASH FLOWS

As at 31 March 2022

	Note	2022 £	2021 £
Cash flow from operating activities	12	336,193	104,515
Net cash flow provided by operating activities		<u>336,193</u>	<u>104,515</u>
Cash and cash equivalents at 1 April		176,087	71,572
Cash and cash equivalents at 31 March		<u>512,280</u>	<u>176,087</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		10,000	10,000
Short term deposits		502,280	166,087
Cash and cash equivalents at 31 March		<u>512,280</u>	<u>176,087</u>

The notes on pages 21 to 25 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The Leadership Centre is a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, The Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2019.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

GOING CONCERN

The Trustees (who are also the directors of The Leadership Centre for Local Government ('the Centre') for purposes of company law) have prepared the accounts on a going concern basis. As described in the Report of the Trustees, during 2021/22 the Centre worked closely with the LGA and various public/private funded specified bodies. The Trustees have considered the likely impact of Covid-19 on the operational activities of the Centre and are of the view that there is a material impact. However, the Trustees consider that given the current level of the Centre's unrestricted funds and, given the likelihood of secured and securing funding for periods beyond April 2022, the Centre has sufficient resources to continue as a going concern.

FUNDS

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

INCOME POLICY

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income, after any performance conditions have been met, when the amount can be measured reliably and when it is probable that the income will be received.

Income from donations is recognised on receipt, unless there are conditions attached to the donation that require a level of performance before entitlement can be obtained. In this case income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the Centre and it is probable that they will be fulfilled.

Government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income comprising only bank interest on short term deposits is recognised on a receivable basis.

RESOURCES EXPENDED

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

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

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

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

Grants payable to third parties are included in expenditure on charitable activities. Where unconditional grants are made, these amounts are recognised when a constructive obligation is created, typically when the recipient is notified that a grant will be made to them. Where grants are conditional on performance, then the grant is only recognised once any unfulfilled conditions are outside of the control of the charity.

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

ALLOCATION OF SUPPORT COSTS

Support costs are those that assist the work of the Centre but do not directly represent charitable activities and include office costs, governance costs, and project management costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to those activities on a consistent pro rata to the level of direct costs incurred.

The analysis of these costs is included in notes 7 and 8.

TAX

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010. It therefore meets the definition of a charitable company for UK corporation tax purposes.

2. INCOME

	2022 £	2021 £
<i>Income from donations and grants</i>		
Voluntary Income and Grants	10,000	24,862
<i>Income from charitable activities</i>		
Services recharged	<u>1,444,311</u>	<u>1,400,100</u>
	<u>1,454,311</u>	<u>1,424,962</u>

Voluntary income and grants mainly relate to funding from other public sector bodies. It is allocated to the main activities of the charity. Services recharged include events and conferences, publications and consultancy. £nil (2021 £nil) of the above income was attributable to restricted funds and £1,454,311 (2021 £1,424,962) to unrestricted funds.

3. INVESTMENT INCOME

All of the investment income arises from interest bearing deposits. The Centre participates in arrangements in which surplus cash balances are deposited with borrowers on the LGA's approved list. The Centre's investments are pooled with those of other entities that have adopted the LGA Group Investment Strategy. Investments are typically for periods of up to six months and as such the loan amount is a reasonable assessment of fair value. The LGA Group Investment Strategy strictly applies credit limits for all of the financial institutions to ensure that deposits are spread across a number of its approved counterparties. No credit limits were exceeded during the year and the Centre does not expect any losses on short term investments. The difference between carrying value and fair value is immaterial.

4. AUDITOR'S REMUNERATION

The auditor's remuneration amounts to an audit fee of

	2022	2021
	£	£
Audit fees	3,500	3,500

No non-audit fees were paid in the year to the auditor (2021 nil).

5. EMOLUMENTS AND RELATED PARTY TRANSACTIONS

During 2022 Peter Smith unfortunately died and was succeeded by David Lloyd as Chairperson. Total remuneration of £22,397 (2020/21; £17,160) was paid to the Chairs for work done in this capacity in accordance with a written agreement approved by the Trustees under clause 5.9 of the Memorandum of Association. Reimbursement of expenses to one (2020/21; one) Trustees for travel costs totalled £119 (2020/21; £10).

There were no other related party transactions in the current or prior year.

6. EMPLOYEES

	2022	2021
	£	£
Staff, agency and secondments		
Staff	350,041	327,063
Agency staff fees	30,245	36,184
Total staffing costs	380,287	363,247

The aggregate employee benefits of key management personnel were £273,242 (2021: £258,264). The average number of senior staff employed directly during the year was 3 with employee benefits, excluding employer pension costs, in the ranges of £40k to £100k (2020 3 persons in the range £40,000 - £100,000).

Range £k	2022	2021
90-100	1	1
80-90	1	1

The average number of persons employed (including agency staff) was 4.5 (2021 4.2 persons).

7. EXPENDITURE ON CHARITABLE ACTIVITIES

	2022 Activities undertaken Directly £	2022 Support Costs £	2022 Total Costs £	2021 Total Costs £
Future Vision	135,132	25,577	160,709	94,305
Centre Projects	216,536	40,985	257,521	296,273
Accident and Emergency	102,396	19,381	121,777	111,481
Specific Location Support for Leaders	154,094	29,167	183,261	13,767
Lets Go Southall	525,768	99,516	625,284	707,615
Nursing Talent	-	-	-	12,138
Sport England	3,785	717	4,502	133,705
Local Vision	14,291	2,705	16,996	-
Public Health Leadership	26,248	4,968	31,216	58,785
Total	1,178,250	223,016	1,401,266	1,428,069

£- (2021 £-) of the above costs were attributable to restricted funds and £1,401,266 (2021 £1,428,069) to unrestricted funds.

8. BREAKDOWN OF SUPPORT COSTS

	2022 £	2021 £
Finance support	10,300	10,300
Direction	66,398	34,405
General Office Costs	19,020	31,810
IT	45,288	29,504
Staff Costs	82,010	29,396
	223,016	135,415

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

9. EXPENDITURE ON OTHER COSTS

	2022 £	2021 £
Trustees Emoluments (see note 5)	22,397	17,160
Trustee's expenses	119	10
Statutory Audit fees	3,500	3,500
	26,016	20,670

10. DEBTORS

	2022 £	2021 £
Trade debtors	210,629	353,883
Other Debtors	12,406	1,968
VAT	-	39,574
Accrued Income	38,450	84,435
	261,485	479,860

11. CREDITORS

	2022	2021
	£	£
Trade creditors	66,990	10,000
Accruals	371,422	242,002
Other taxes and PAYE	15,104	9,999
VAT	119,956	230,284
Earned Leave Liability	18,169	8,703
	<u>591,641</u>	<u>500,988</u>

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

	2022	2021
	£	£
Net income/(expenditure) for year	27,165	(23,307)
Decrease in debtors	218,375	824
Increase in creditors	90,653	126,998
Net cash flow from operating activities	<u>336,193</u>	<u>104,515</u>

13. MEMBERS' LIABILITY

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

14. FUNDS ANALYSIS OF NET ASSETS BETWEEN FUNDS at 31st March 2022

The balance of Net assets and liabilities fall under unrestricted funds.

	Current Assets £	Current Liabilities £	Funds Total £
UNRESTRICTED	773,765	591,641	182,124
	<u>773,765</u>	<u>591,641</u>	<u>182,124</u>

	As at 1 April 2021 £	Income £	Expenditure £	As at 31 March 2022 £
Unrestricted Funds	154,959	1,454,447	1,427,282	182,124
Total	<u>154,959</u>	<u>1,454,447</u>	<u>1,427,282</u>	<u>182,124</u>

15. POST BALANCE SHEET EVENTS

The directors are not aware of any post balance sheet events.

THE LEADERSHIP CENTRE FOR LOCAL GOVERNMENT

England & Wales - Charity number 1123234

Accounts

THE LEADERSHIP CENTRE FOR LOCAL GOVERNMENT

(A company limited by guarantee)

REPORT OF THE TRUSTEES and FINANCIAL STATEMENTS

for the year ended 31 March 2021

Company Registration Number 05467557
Charity Number 1123234

REPORT AND FINANCIAL STATEMENTS 2021

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LEGAL AND ADMINISTRATIVE DETAILS

Registered Name The Leadership Centre for Local Government
Charity number: 1123234
Company number: 05467557
Registered office: 18 Smith Square, London SW1P 3HZ

Statutory Auditors: PKF Littlejohn LLP, 15 Westferry Circus, Canary Wharf, London E14 4HD

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

Solicitors: Bates Wells London LLP
2-6 Cannon Street, London, EC4M 6YH

Directors and Trustees

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

The Trustees serving during the year and up to the date of approval of the financial statements were:

	Attendance – possible 4 Board Meetings
H Bailey	4
K Ryley	4
Lord P R C Smith (Chair) deceased	4
J Sobieraj	4
David Lloyd	4
Cllr Keith House	3
Tamara Finklestein	2
Lord Gary Porter	4

Chief Executive
Secretary and Chief Operating Officer

Joe Simpson
John Jarvis

REPORT OF THE TRUSTEES

The Trustees present their report and audited financial statements of The Leadership Centre for Local Government (“the Leadership Centre”) for the year from 1 April 2020 to 31 March 2021. The Trustees have adopted the provisions of the Statement of Recommended Practice “Accounting and Reporting by Charities” (“FRS 102 SORP”) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity’s governing document, the Charities Act 2011 and relevant Accounting Standards. The Trustees have considered the likely impact of Covid-19 on the operational activities of the Centre and are of the view that there is a material impact. However, the Trustees consider that the current level of the Centre’s unrestricted funds and with the continuing likelihood of securing funding for periods beyond April 2021, the Centre has sufficient resources to continue as a going concern.

Structure, Governance and Management

Governing document

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

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

Appointment of Trustees

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

Trustee induction and training

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

Organisation

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

The Chair works closely with the Leadership Centre’s Chief Executive and the Company Secretary and they have delegated authority from the Trustees to manage all the day to day running of the charity and delivery of its objectives in accordance with the agreed business plan and budget, including operational management of the Centre, finance and employment matters.

Peter Smith, our longstanding chair sadly died over the summer. Peter had a long and distinguished career in local government and has not only left a lasting legacy in the modern history of Wigan Borough, but also across The North West region and in public service nationally. As chair of the Leadership Centre Peter was thoughtful and sought contributions from all. Peter's commitment and passion will live long with the Leadership Centre board and staff.

Related parties

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

Public benefit statement

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

How our activities deliver public benefit

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

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

BUSINESS AND FINANCIAL REVIEW

'Great Leaders, Great Places'

Our mission is to nurture leadership through new ways of thinking, behaving and being, to make lasting positive change for the benefit of citizens and society.

We develop public service leaders so that they can create shifts in cultures to produce a different set of results: transforming their organisations to meet the needs and ambitions of citizens where traditional approaches have not worked. We have always emphasised the importance of 'place'; operating across sectors, geographic, organisational and professional boundaries rather than within traditional service silos.

Over the past year we have worked with many different people, places and politicians, developing leadership capabilities and exploring new approaches to the big challenges facing our communities. From reducing physical inactivity to responding to Coronavirus, from domestic violence to confronting health inequalities, we've supported senior public service leaders to tackle the challenges we face, together.

The following report details our achievement in 2020-21 and highlights our plans for 2021-22.

The global Covid-19 pandemic has clearly impacted all governments, businesses and communities, and we are not immune to this. The effects of the pandemic will be a thread running throughout this report and our plans for 2021-22 are necessarily emerging.

Background:

Strategy

The Leadership Centre aims to identify new opportunities to a) support leaders adapting to new challenges during and after the pandemic and b) ensure it continues to be financially sustainable.

Throughout 2020 & into 2021 the Leadership Centre team reviewed and developed a strategy which responds to the impact of Covid-19 across public services and society. The strategy emerged from a series of conversations with alumni, clients, trustees, enablers and staff.

Three core challenges or enquiries surfaced as our focus:

Shaping the future whilst dealing with now: The challenge of dealing with the crisis now whilst simultaneously navigating and innovating in a way that supports the creation of a better future. Therefore, our challenge is - how might we support leaders to build the personal and systemic resilience to respond to complex situations like covid-19 and create a viable strategy when everything keeps changing?

The future of local place leadership: There are challenges and worries around the future of high streets, the environment, community physical and mental health, local economies, senior leaders retiring, to name a few. Therefore, how might we develop the future of place leadership - reinvigorating places, developing new leaders and facilitating new ways of participating, enabling community mobilisation, stretching the net of who's involved, working with statutory and non-statutory, voluntary & community orgs, entrepreneurs, citizens?

Working between and across spatial levels: the challenges of indecision, power and lack of action in the middle spaces where hierarchy and networks meet and legitimacy to act, policy and procedures are fuzzy. Therefore, how might we develop more collaborative, purposeful leadership between and across spatial levels - national / regional / local / hyperlocal, that harnesses the unique role each actor can play?

Operating philosophy:

The strategy shapes Leadership Centre activity across three timeframes:

- Immediate: of what is done now, what should stop or be amplified.
- Immediate to medium term: of what is done now, what needs to be reframed or iterated so that it resonates for the current context.
- Medium to long term: identify signals, testing and experimenting into the future.

The charity is dependent on attracting specific income (be it grants, contracts or financial support from the private sector) to cover its activities. The charity is not in receipt of general grant, nor has it the ability to undertake general charitable fundraising. We therefore continue to keep core staffing to the minimum, whilst engaging with specialists to help in the delivery of specific programmes.

The Leadership Centre has a well-developed network of specialists, who provide the bulk of the contracted people resource to design and deliver leadership development interventions, whilst also having the central capacity to support those programmes. This model gives us both quality control (through the contracting arrangements we expect our facilitators/enablers to partake in shared learning experiences) and the ability to expand/contract our commitments according to the resource available.

2020–21 Achievements

Throughout the last financial year the Leadership Centre created and delivered a variety of projects and programmes aligned with its core priorities and ambitious outcomes.

In response to the Covid-19 crisis, and as part of our charitable endeavours, the Leadership Centre:

- Pivoted delivery to online platforms, adapting to the challenges presented by Covid-19. The learning and impact of Covid-19 on leadership practice and online leadership development will be shared with the sector.
- Created support spaces for senior public service leaders to recharge and reflect.
- Initiated a series of learning spaces, to identify the crucial learning from Covid-19 and begin to navigate the challenges of recovery.
- Convened coalitions of the willing around emerging leadership challenges of importance to foster radical ideas & activity. Through a series of events across the year the Leadership Centre has convened groups around issues such as resilience, Covid-19, inequalities, community development, and the nature of leadership in a complex world.

Developing Agile Responsive Leadership

If nothing else, Covid-19 has taught us the need to be responsive and agile. It is crucial to expand the number of, and capabilities of, leaders able to diagnose and intervene in complex, constantly shifting situations. Our work with local and national organisations, government departments, arms-length bodies and charities, to support leaders to develop their systemic thinking, tools and behaviours, has given them the platform to operate in way that empowers change and leadership, responding to the unique context at a local level.

The impact of our support has been magnified through the Covid-19 crisis. Local teams are reporting being able to respond to the crisis in a more agile and collaborative way due to the relationship and learning infrastructure created through our work together.

The next section details activity within the Centre's core programmes as well as numerous bespoke commissioned projects. The summary highlights how the Leadership Centre has created and shared learning, increased our national influence, and assisted in securing better outcomes for citizens, through leadership development & whole system change interventions.

Key leadership development activities in 2020-21

Cohort Based Programmes:

Future Vision

Future Vision is the Leadership Centre's flagship national leadership development programme for senior figures from across public services who are operating in an increasingly interdependent world. We have evolved the programme to include a partnership with the Birmingham Leadership Institute at the University of Birmingham.

Future Vision has been developed using our experience and success of delivering political and managerial leadership development programmes for local government combined with input from our private sector partners. The year-long programme, totally re-designed for an online setting, has a clear and uncompromising objective of enabling system change through leadership development.

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

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

The participants of past cohorts rate the experience extremely highly, so much so that in fact that they have been keen to extend their work beyond the core programme, emphasising the creation of the positive, lasting relationships.

Short interviews with participants from the Future Vision programme can be found on the Leadership Centre website. <https://www.leadershipcentre.org.uk/ourwork/future-vision/>

London Leadership Programme

Commissioned by London Councils, the Leadership Centre is designing and delivering the 'London Leadership Programme' for senior officers from across the 32 London boroughs. Core to the programme is the recognition that the world has changed, and London needs leaders who can navigate this and transform public service organisations.

Face-to-face and online modules will be complemented by real work on specific leadership challenges, each sponsored by a London Local Authority Chief Executive.

Master Practitioner Programme

New for 2021. The initiative is a very practical leadership programme with the aim of helping the most experienced leaders in the public, private and third sector to make progress on a big and intractable challenge facing their organisation, place or system.

The benefits include: benefits include:

- tangible, positive progress on a longstanding or apparently intractable challenge
- learning for the organisation/system which can be applied to other, similar issues
- development and learning for participants in their current and future roles.

Networks:

Leadership Centre Alumni

The Leadership Centre Alumni includes over 300 of the most senior leaders across the public, voluntary and private sectors. This is an exceptional network which can be a powerful stimulus and catalyst for change in the public sector and in civic society in the round.

The Leadership Centres' ambition for the Alumni network is to create a space where they can:

- **Learn together:** creating spaces for alumni to continue their leadership development.
- **Think together:** developing innovative public policy based on the latest research, analysis and lived experience
- **Doing together:** tackling current and upcoming challenges both in open discussion and also in more confidential settings with Alumni peers.



During 2020-21 considerable effort has been deployed to develop the Alumni activity. This has included:

- Increasing the network's strategic importance. The Alumni team has been bolstered with the addition of two volunteer directors, and increasing its connection points into the Leadership Centre.
- Curation and convening of the Alumni Council. A group of 19 Alumni, from health, local government, central government, large charities, the fire service, police and

academia, to help to shape the Alumni work.

- A series of very well received lockdown leadership zoom sessions for Alumni on a range of themes.

All networks event: Leadership and Resilience

Periodically we offer the opportunity of coming together to all those we work with to explore issues and share experiences. One such event was the 'Leadership & Resilience' session. The discussion was broadly structured around three dimensions:

- Community resilience
- Personal resilience
- Organisational resilience

Prompted by contributions from three participants, two periods of group discussion provided a forum for what proved to be constructive and illuminating exchanges. Below is a visual capture of the conversations.



The Centre committed to taking forward the outcomes from the session and to building a programme of activities and events around these. They feature heavily in the Centres strategy.

Place-based leadership and change

The Leadership Centre supports leaders in places to delve deeper into multi-faceted, complex issues facing their communities. We foster ways to listen differently, build new relationships with residents and develop their leadership & innovation capability in order to operate in complexity and co-create better outcomes with communities.

The Leadership Centre's locality work often involves:

- Identifying the work we want to do together, and committing to each other and that journey.
- Gathering what we need for the journey – the leadership knowledge, skills and approaches through which we will make progress and sustain ourselves and each other.
- Building communities of action, movements for change – forming and deepening relationships, listening to each other, sharing insights and information, doing real work together.

To tackle complex issues effectively means asking people to learn, lead and think differently. We support local leaders to listen deeply to residents & communities, learn how to diagnose complex system dynamics collaboratively, build relationships with others to make the space for true learning, experimentation and meaningful action.

During 2020-21 the Leadership Centre has supported teams to develop place-based approaches to; physical inactivity, domestic violence, health inequalities, social isolation and homelessness to name a few. In each case we have provided a platform to develop leadership practice and open new possibilities which infect a whole set of growing relationships. Below are just a few expanded examples:

Violence reduction unit

Through designing community, place-based interventions and by working closely with professionals in both the criminal justice and sports systems, we have supported the VRU to mobilise and commission sport-based activities to ensure that young people who are at risk of being involved in violence are supported.

Health Equality Partnership Programme

The Leadership Centre has deployed all its knowledge and experience to design and deliver the first nationwide support programme for Integrated Care Systems, directly impacting outcomes for communities. Through a series of local and national workshops the Centre has supported Integrated Care Systems around the country to address aspects of health inequalities - these could relate to inequalities in access to healthcare, or poorer health outcomes amongst particular groups.

Let's Go Southall

Through a uniquely designed programme, the Leadership Centre has been developing members of the community, and supporting public services to connect with, listen to, and work alongside those they serve, surfacing lived experience as insight in order to create the change they want to see. By supporting conditions for a collaborative leadership & learning system, we have helped to shift power, harness & release the energies and expertise of a diverse set of people.

The work of shifting power has resulted in community leads creating park exercise sessions, online Bhangra courses, community workouts, bike repair and ride sessions to mobilise residents. Members of the Southall community have joined the council based core leadership team to support wider systems change at all levels, working together to strategically collaborate, prioritise, frame and resource workstreams.

2022 Commonwealth Games Legacy

We are supporting the West Midlands Common Wealth Games collaborative to develop their stewardship of the Commonwealth Games Legacy. Our support includes:

- Working with the West Midlands CWG Legacy steering group - developing their collaborative and distributive leadership practice.
- Working with localities to convene and facilitate local collaborative approaches approach to support the creation and delivery of their Commonwealth Active Communities.

Domestic Violence

The demand for domestic abuse services is high. It is recognised that the number of incidents is under-reported, services are predominantly under-resourced and fragmented and the situation exacerbated by Covid-19.

In one locality, together with local statutory and non-statutory leaders and those passionate about making a difference the Leadership Centre co-designed a programme of learning that supported them to develop a deeper understanding of an ideal system from the perspective of people at risk of or living with domestic abuse.

With a multi-organisational and multi-disciplinary team together we:

- Met and listened to different groups of people - professionals, families, victims and perpetrators.
- Identified and practiced ways to work together differently.
- Identified the case for change – what works well; what needs to change; what need's to be learnt.

As a result of the work, victim support and preventative services are changing. New strands of work to make the issue more visible are underway, and it has galvanised a movement locally to make positive change

Place based Health

In numerous localities the Leadership Centre has provided support for teams of leaders involved with Public Health, Integrated Care Systems and Primary Care Networks.

With Covid-19 as the crisis and latterly the backdrop, the work has been to help multi-organisational collaborations to build deep relationships with each other, and those they serve, to understand better what is going on, the challenges residents face, how life is for them.

This has made action & better outcomes possible.

Quotes from participants and place programmes:

“For anyone that’s thinking about investing in their own personal leadership capability, capacity, vision and effectiveness I would highly recommend this programme.”

Chief Executive of large national Charity

“If we stand still as an organisation, we actually atrophy and go backwards. The world is moving on, so the ability to understand innovation and future facing challenges of public service and the joined-up approach of place-based has enabled me to bring some of that people centred future facing approach into my own organisation”.

A Chief Constable

“I do think the Leadership Centre has already helped our [Covid-19] response. We are now putting System Leadership principles into practice on a scale never imagined. Unless we think and work as a system, we will not be able to support our people, communities and workforce. Sharing staff and resources is rapidly becoming the norm. Will definitely be some positives and learning through this”

Council Strategic Director

Challenges faced in 2020-21

Covid-19

Towards the end of the 2019-20 financial year the coronavirus crisis hit and in mid-March the Leadership Centre had to rapidly adapt its ways of working. All staff transitioned to remote working and redesigned leadership development support where possible, from face-to-face to online.

Public Service leaders have led through the most testing of times; changes in working patterns and other routines impacting the economy, workspaces and retail in town and city centres; the revealing and magnification by Covid-19 of the deep social, health and economic inequalities that exist across the country; and the deepening financial pressures on public services. The nationwide societal impact is likely to be lengthy and multifaceted in nature. The ongoing impact of Covid-19 heavily shapes the Leadership Centre's operating environment for 2020-21 onwards. Everything we do is likely to be through the lens of Covid-19, from supporting leaders to tackle inequalities to the difficulties of running large organisations in a hybrid way.

Increasing awareness

The Leadership Centre continues to grow its brand awareness through live events, social media, publications and its networks, set against a cacophony of competing demands for people's time & attention.

Delivery Capacity

From the outset the Leadership Centre adopted a specific approach to staffing. We did not seek to establish a large in-house permanent staff. We believed that such an approach would be both inflexible and costly. Neither did we opt for a pure commissioning model (with its reliance often on large suppliers). Instead we aimed to create a pool of individuals, with whom we would work on a regular basis, but always offering local places choice so places had a stake in the decision. By using the pool, we were also able to get some quality control, but also capture shared learning (otherwise the communal learning would be lost). A key challenge for 2020-21 was to expand the pool of enablers. We have had limited success in this area and a small number of individuals in the network continue to shoulder much of the responsibility.

Pushing the boundaries of place-based working

The Leadership Centre's interest is in developing leadership & learning, so sustainable progress is made which creates public value. Creating the conditions for experimental co-investment during times of crisis response is an ongoing challenge.

2021-22 Overall financial performance

Notwithstanding the effects of the pandemic the financial position of the Leadership Centre has been maintained over the last year. We initially budgeted for a near breakeven position, and results were a small deficit of £23k (an improvement from the £156k deficit the previous year). Income for the year increased to £1,425k (from £1,244k the previous year) but did not include any sponsorship or conference income this year. Close attention to costs led to support costs decreasing by £18k and overall staff costs decreasing by £47k resulting in a higher comparative expenditure of only £1,449k (up from £1,400k the previous year). As a result, the reserves figure at the year-end decreased to £155k (down from £178k the previous year).

2021-22 Operational Priorities and Objectives: Volatile, Uncertain, Complex, Ambiguous!

It is impossible for any organisation to plan with any certainty for the future as we live through a global pandemic.

The Leadership Centre's operating environment and future activities are informed by the complex interaction of many factors including:

- The future of public services being radically uncertain - recession, extended pandemic impact, the HM Treasury Spending Review, climate change alongside challenges specifically felt locally such as, economies, inequality and inequity.

- The needs of leaders and the need for leaders - needs are likely to grow extensively as their resilience, alongside community workers and volunteers is tested. At the same time experienced leaders will leave their posts after their gargantuan efforts.
- Competing ideas and philosophies about what recovery/reset/regeneration looks like, for who and who needs to be involved.

In response the Leadership Centre needs to be connected, innovative, flexible, resilient, and relevant. The Leadership Centre has started a process of identifying its unique contribution in the changing world. As a result, the Leadership Centre will nimbly adapt to provide support to leaders as well as investing in developing future offers.

As the strategy is enacted it will provide the platform for generative connections, collaborations, bespoke leadership development delivery, creation and sharing of learning both supporting leaders and creating positive impact for citizens.

The Leadership Centre's work is arguably even more important now than ever before.

Priorities in 2021-22

1. Support the wellbeing of the Leadership Centre's assets, our staff, networks, alumni, enablers, trustees and change makers as the innovation and strategy engine of the Leadership Centre.
2. In the context of place, recognise and respond to the interconnection between, mental & physical health, economy, climate, housing, transport and education to help create better and fairer outcomes.
3. Convene local and national coalitions of the willing around the emerging crucial 'post-Covid' leadership challenges to foster radical ideas & activity.
4. Design cutting edge online leadership development practice - enabling leadership development and place-based change online.
5. Help leaders and their organisations to shape the future whilst dealing with now.

Challenges in 2021-22

1. Ever greater collaboration - The Leadership Centre has always sought collaborations. With public funding getting ever tighter, and challenges more complex, collaborative and co-produced interventions and knowledge creation has never been more important. The challenge is identifying organisations that live their values in a way that resonates with ours, who are able to collaborate in this complex space.
2. Delivery capacity - The delivery of the Leadership Centre's mission relies on its talented and motivated people. The 2021-22 challenge will be maintaining a balance between maximising impact, maintaining excellence, growing revenue, minimising expenditure and finding top talent to keep us at the cutting edge.
3. Impact of Covid-19 - The crisis has highlighted the need for investment in people. Practical challenges of face-to-face vs online can be overcome. The challenges will likely be bandwidth and financial ones as public sector leaders time and finances are squeezed.

Principal risks and uncertainties

The Leadership Centre has reviewed its arrangements for risk management with clear responsibilities assigned to named senior officers for the management of the principal risks. The Trustees consider these risks are being effectively mitigated.

Reserves

During 2020-21 the Leadership Centre has continued to utilise its reserves to support its charitable activities and reduce the overall holding.

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

The Covid-19 pandemic has impacted on the Leadership Centre's reserves. Steps have been taken to maintain the viability of the Leadership Centre and reduce the overheads. The Leadership Centre has more actively managed its debtors and adopted a cautious approach to spending.

The reserve policy requires the retention of adequate funds to support about a half year of operating of the Leadership Centre and this should be in the order of £200,000. Taking account of current costs and operational circumstances, the retention to cover at least three months of full staff costs and accommodation, including facilities and IT would be £100,000 (although this base has reduced). The policy is reviewed regularly, is considered adequate at the present time, and will be looked at again, in the light of changing economic, funding circumstances and timing. The Leadership Centre has utilised some government support and will continue to do so whilst available and is needed. At 31st March 2021 the balance of available unrestricted reserves was £154,959.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Under Company law the Trustees are required to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

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

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

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

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

Provision of information to Auditors

In so far as the Trustees are aware:

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

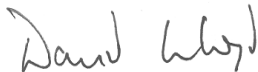
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

Auditors

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

Approved by the Board of Trustees on 29th September 2021 and signed on their behalf by



David Lloyd

29th September 2021

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE
LEADERSHIP CENTRE FOR LOCAL GOVERNMENT**

Opinion

We have audited the financial statements of The Leadership Centre for Local Government (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (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 31 March 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 financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements 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 financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements 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 other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Report of the Trustees. 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. 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 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 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 the audit:

- the information given in the trustees' report which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Report of the Trustees.

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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take the small companies' exemption 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 charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

Auditor's 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 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 financial statements.

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:

- We obtained an understanding of the charitable company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard

through discussions with management, sector research and application of cumulative audit knowledge and experience.

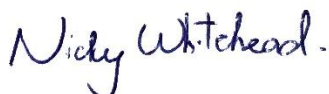
- We determined the principal laws and regulations relevant to the charitable company in this regard to be those arising from the Companies Act 2006, Financial Reporting Standard 102, the Charities SORP and relevant employee legislation.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the charitable company with those laws and regulations. These procedures included, but were not limited to enquiries of management, review of minutes and review of legal and regulatory correspondence.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that there was a potential for management bias in the timing of recognition of income from grants. We addressed this through review of all material grant agreements to ensure correct treatment under the Charities SORP, including consideration of the accounting period in which income should be recognised.
- We also identified potential for management bias in the judgements made around recoverability of debtors. We addressed this through examination of post year end cash received, review of correspondence with debtors and discussion of recoverability with management.
- We also identified potential for management bias in the allocation of support costs against charitable activity categories. We addressed this through reviewing the method used for reasonableness, and re-performing the calculation to ensure it had been performed accurately in line with the stated method.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 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.



**Nicky Whitehead (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor**

15 Westferry Circus
Canary Wharf
London E14 4HD

Date: 18 October 2021

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an INCOME AND EXPENDITURE ACCOUNT)
For the year ended 31 March 2021

	Notes	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:				
Grants	2	24,862	24,862	35,000
Charitable Activities	2	1,400,100	1,400,100	1,187,976
Investment income	3	470	470	525
Sponsorship and conferences	2	-	-	20,608
Total income		1,425,432	1,425,432	1,244,109
Expenditure on:				
Charitable activities	7	1,428,069	1,428,069	1,378,956
Other Costs	9	20,670	20,670	21,258
Total Expenditure		1,448,739	1,448,739	1,400,214
Net (expenditure)	4	(23,307)	(23,307)	(156,105)
Reconciliation of Funds:				
Total funds brought forward		<u>178,266</u>	<u>178,266</u>	<u>334,371</u>
Total funds carried forward	14	<u>154,959</u>	<u>154,959</u>	<u>178,266</u>

There are no recognised gains or losses other than those disclosed above.

All of the above results derive from continuing activities

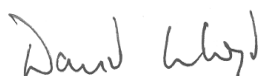
The notes on pages 23 to 27 form part of these financial statements.

Company Registration number 05467557

BALANCE SHEET
As at 31 March 2021

	Notes	2021 £	2020 £
Current assets			
Debtors	10	479,860	480,684
Short term Investments	3	166,087	61,572
Cash at bank and in hand		10,000	10,000
		655,947	552,256
Creditors: amounts falling due within one year			
Creditors falling due within one year	11	500,988	373,990
		500,988	373,990
Net current assets		154,959	178,266
Total assets less current Liabilities		154,959	178,266
Funds			
Restricted Funds	14	-	-
Unrestricted Funds	14	154,959	178,266
		154,959	178,266

These financial statements were approved by the Trustees on 29th September 2021 and are signed and authorised for issue on their behalf by:



David Lloyd
Trustee

The notes on pages 23 to 27 form part of these financial statements.

Company Registration number 05467557

STATEMENT OF CASH FLOWS

As at 31 March 2021

	Note	2021 £	2020 £
Cash flow from operating activities	12	104,515	(9,810)
Net cash flow (used in)/provided by operating activities		<u>104,515</u>	<u>(9,810)</u>
Cash and cash equivalents at 1 April		71,572	81,382
Cash and cash equivalents at 31 March		<u>176,087</u>	<u>71,572</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		10,000	10,000
Short term deposits		166,087	61,572
Cash and cash equivalents at 31 March		<u>176,087</u>	<u>71,572</u>

The notes on pages 23 to 27 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The Leadership Centre is a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, The Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2019.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

GOING CONCERN

The Trustees (who are also the directors of The Leadership Centre for Local Government ('the Centre') for purposes of company law) have prepared the accounts on a going concern basis. As described in the Report of the Trustees, during 2020/21 the Centre worked closely with the LGA and various public/private funded specified bodies. The Trustees have considered the likely impact of Covid-19 on the operational activities of the Centre and are of the view that there is a material impact. However, the Trustees consider that given the current level of the Centre's unrestricted funds and, given the likelihood of secured and securing funding for periods beyond April 2021, the Centre has sufficient resources to continue as a going concern.

FUNDS

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

INCOME POLICY

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income, after any performance conditions have been met, when the amount can be measured reliably and when it is probable that the income will be received.

Income from donations is recognised on receipt, unless there are conditions attached to the donation that require a level of performance before entitlement can be obtained. In this case income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the Centre and it is probable that they will be fulfilled.

Government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income comprising only bank interest on short term deposits is recognised on a receivable basis.

RESOURCES EXPENDED

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

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

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

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

Grants payable to third parties are included in expenditure on charitable activities. Where unconditional grants are made, these amounts are recognised when a constructive obligation is created, typically when the recipient is notified that a grant will be made to them. Where grants are conditional on performance, then the grant is only recognised once any unfulfilled conditions are outside of the control of the charity.

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

ALLOCATION OF SUPPORT COSTS

Support costs are those that assist the work of the Centre but do not directly represent charitable activities and include office costs, governance costs, and project management costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to those activities on a consistent pro rata to the level of direct costs incurred.

The analysis of these costs is included in notes 7 and 8.

TAX

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010. It therefore meets the definition of a charitable company for UK corporation tax purposes.

2. INCOME

	2021	2020
	£	£
<i>Income from donations and grants</i>		
Voluntary Income and Grants	24,862	35,000
Sponsorship and Conferences	-	20,608
<i>Income from charitable activities</i>		
Services recharged	<u>1,400,100</u>	<u>1,187,976</u>
	<u>1,424,962</u>	<u>1,243,584</u>

Voluntary income and grants mainly relate to funding from other public sector bodies. It is allocated to the main activities of the charity. Services recharged include events and conferences, publications and consultancy. £nil (2020 £nil) of the above income was attributable to restricted funds and £1,424,962 (2020 £1,243,584) to unrestricted funds.

3. INVESTMENT INCOME

All of the investment income arises from interest bearing deposits. The Centre participates in arrangements in which surplus cash balances are deposited with borrowers on the LGA's approved list. The Centre's investments are pooled with those of other entities that have adopted the LGA Group Investment Strategy. Investments are typically for periods of up to six months and as such the loan amount is a reasonable assessment of fair value. The LGA Group Investment Strategy strictly applies credit limits for all of the financial institutions to ensure that deposits are spread across a number of its approved counterparties. No credit limits were exceeded during the year and the Centre does not expect any losses on short term investments. The difference between carrying value and fair value is immaterial.

4. AUDITORS REMUNERATION

The auditor's remuneration amounts to an audit fee of

	2021	2020
	£	£
Audit fees	3,500	3,500

No non-audit fees were paid in the year to the auditor (2020 nil).

5. EMOLUMENTS

During 2020-21 total remuneration of £17,160 (2019/20; £16,689) was paid to the Chair for work done in this capacity in accordance with a written agreement approved by the Trustees under clause 5.9 of the Memorandum of Association. Reimbursement of expenses to one (2019/20; two) Trustees for travel costs totalled £10.00 (2019/20; £990.84).

6. EMPLOYEES

	2021	2020
	£	£
Staff, agency and secondments		
Staff	327,063	320,561
Agency staff fees	36,184	89,392
Total staffing costs	363,247	409,953

The aggregate employee benefits of key management personnel were £258,264 (2019: £248,352). The average number of senior staff employed directly during the year was 3 with employee benefits, excluding employer pension costs, in the ranges of £40k to £100k (2020 3 persons in the range £40,000 - £90,000).

Range £k	2021	2020
90-100	1	-
80-90	1	2
70-80	-	-
60-70	-	-
50-60	-	-
40-50	1	1

The average number of persons employed (including agency staff) was 4.2 (2020 5.3 persons).

7. EXPENDITURE ON CHARITABLE ACTIVITIES

	2021 Activities undertaken Directly	2021 Support Costs	2021 Total Costs	2020 Total Costs
Delivery Areas	£	£	£	£
Future Vision	85,363	8,942	94,305	249,660
Centre Projects	268,179	28,094	296,273	395,599
Accident and Emergency	100,910	10,571	111,481	181,331
Specific Location Support for Leaders	12,462	1,305	13,767	43,401
Lets Go Southall	640,515	67,100	707,615	101,562
Nursing Talent	10,987	1,151	12,138	20,623
Sport England	121,027	12,678	133,705	102,988
Public Health Leadership	53,211	5,574	58,785	283,792
Total	1,292,654	135,415	1,428,069	1,378,956

£0 (2020 £0) of the above costs were attributable to restricted funds and £1,428,069 (2020 £1,378,956) to unrestricted funds.

8. BREAKDOWN OF SUPPORT COSTS

	2021 £	2020 £
Finance support	10,300	10,300
Direction	34,405	35,962
General Office Costs	31,810	51,221
IT	29,504	25,972
Staff Costs	29,396	29,892
	135,415	153,347

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

9. EXPENDITURE ON OTHER COSTS

	2021 £	2020 £
Trustees Emoluments (see note 5)	17,160	16,689
Meeting costs	-	78
Trustee's expenses	10	991
Statutory Audit fees	3,500	3,500
	20,670	21,258

10. DEBTORS

	2021 £	2020 £
Trade debtors	353,883	379,438
Other Debtors	1,968	9,762
VAT	39,574	72,224
Accrued Income	84,435	19,260
	479,860	480,684

11. CREDITORS

	2021	2020
	£	£
Trade creditors	10,000	59,449
Accruals	242,002	141,171
Other taxes and PAYE	9,999	9,593
VAT	230,284	141,905
Earned Leave Liability	8,703	3,872
Provision for Bad and Doubtful Debt	-	18,000
	<u>500,988</u>	<u>373,990</u>

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

	2021	2020
	£	£
Net expenditure for year	(23,307)	(156,105)
Decrease / (Increase) in debtors	824	(55,489)
Increase / (Decrease) in creditors	126,998	201,784
Net cash flow from operating activities	<u>104,515</u>	<u>(9,810)</u>

13. MEMBERS' LIABILITY

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

14. FUNDS ANALYSIS OF NET ASSETS BETWEEN FUNDS at 31st March 2021

The balance of Net assets and liabilities fall under unrestricted funds.

	Current Assets	Current Liabilities	Funds Total
	£	£	£
UNRESTRICTED	655,947	500,988	154,959
	<u>655,947</u>	<u>500,988</u>	<u>154,959</u>

	As at 1 April 2020	Income	Expenditure	As at 31 March 2021
	£	£	£	£
Unrestricted Funds	178,266	1,425,432	1,448,739	154,959
Total	<u>178,266</u>	<u>1,425,432</u>	<u>1,448,739</u>	<u>154,959</u>

15. POST BALANCE SHEET EVENTS

The directors are not aware of any post balance sheet events.