

# LOCAL SOLUTIONS

England & Wales · Charity number 515060

## Details

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**Other names** MERSEYSIDE COUNCIL FOR VOLUNTARY SERVICE, M C V S

**Status** Registered

**Legal form** Charitable company

**Company number** 01792921

**Registered** 1984-05-17

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

## Contact

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**Address** 212H Boaler Street  
Liverpool  
L6 6AE

**Phone** 01517090990

**Email** [info@localsolutions.org.uk](mailto:info@localsolutions.org.uk)

**Website** [www.localsolutions.org.uk](http://www.localsolutions.org.uk)

## Activities

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**Objects:** 1.1 The Charity's objects ("the Objects") are 1.1.1 to promote any charitable purpose for the benefit of the community, and in particular the advancement of education, the furtherance of health, the relief of poverty, distress and sickness, charitable regeneration by the maintenance or improvement of the physical, social and economic infrastructure and the provision of facilities in the interests of education, social welfare, recreation or other leisure time occupation, with the object of improving conditions of life by empowering individuals and supporting communities in England and Wales; 1.1.2 to promote and organise co-operation in the achievement of the above purposes and to that end to bring together representatives of the statutory authorities, local councils and voluntary organisations engaged in the furtherance of the above purposes within England and Wales.

**Activities:** The provision of services in the following fields: Homecare, Shopmobility, Training, Welfare Rights, Supported Accommodation, Support for the disabled, Carers Support, Liverpool Watersports Centre, Mobex, Domestic Violence Service, Conference Facilities

## Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, Disability, The Prevention Or Relief Of Poverty, Accommodation/housing, Amateur Sport, Environment/conservation/heritage, Economic/community Development/employment, Recreation
- **Who:** Children/young People, Elderly/old People, People With Disabilities

## Geography

- **Area of benefit:** NORTH WEST OF ENGLAND, NORTH EAST WALES AND MERSEYSIDE IN PARTICULAR
- Throughout England And Wales

## Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£14,598,037	£14,397,665	£2,720,300	553
2024-03-31	£13,328,907	£13,145,156	£2,519,928	531
2023-03-31	£12,497,025	£12,837,729	£2,336,177	537
2022-03-31	£13,341,438	£12,720,370	£2,658,092	624
2021-03-31	£14,465,881	£14,365,833	£2,037,024	743

## Trustees

Name	Role	Appointed
<b>Helen Ruth Heap</b>	Chair	2019-06-11
Dr Bruce Weir Taylor		2019-06-11
Dr Crispin Pailing MBE		2015-11-12
Elliott Francis Morrison		2023-03-23
Ian Martin Hall		2025-02-27
Jillian Margaret Jones		2021-05-20
Justine Blomeley		2025-08-27
Salome Mare-Walsh		2025-08-05
Serena Margaret Kennedy		2021-07-20
Stephen Okoro		2025-04-02



**LOCAL SOLUTIONS**

England & Wales - Charity number 515060

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# Accounts

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Registered number: 01792921  
Charity number: 515060

# **LOCAL SOLUTIONS**

(COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025



## LOCAL SOLUTIONS

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For the year ended 31 March 2025

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## LOCAL SOLUTIONS

### LEGAL AND ADMINISTRATIVE DETAILS

For the year ended 31 March 2025

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Local Solutions is a Company Limited by Guarantee and a Registered Charity governed by its Memorandum and Articles of Association. The Directors of the Charity are its Trustees for the purposes of Charity Law and throughout this report are collectively referred to as the Trustees. The Company is limited by guarantee and permission has been obtained from the Registrar of Companies to dispense with the use of the word "Limited".

Company registration number: 01792921

Charity registration number: 515060

Registered office: Suite A, 1<sup>st</sup> Floor  
Building 2000  
Vortex Court  
Enterprise Way  
Wavertree  
Liverpool  
L13 1FB

Trustees:	Hazel J Snell	Chair
	Helen R Heap	Chair, Finance, Audit & Risk Committee
	Rev Dr Crispin Pailing	Chair, People & Culture Committee (to 16 May 2024)
	Melanie Harvey	Chair, People & Culture Committee (16 May 2024 to 10 February 2025) Resigned 27 February 2025
	Dr Bruce W Taylor	Chair, People & Culture Committee (from 10 February 2025)
	Jillian M Jones	
	Serena M Kennedy	
	Jonathan H Mounsey FCA	Resigned 24 September 2024
	Suzanne Mazzone	Resigned 4 November 2024
	Karl Clawley	
	Elliott Morrison	
	Ellie J Acton	Resigned 16 May 2024
	Ian Hall	Appointed 27 February 2025
	Stephen Okoro	Appointed 2 April 2025

Chief Executive: Robert Thomas Harrison

Secretary: Karen Paton

Bankers: National Westminster Bank Plc  
Commercial Banking,  
Union Street  
Chester  
CH1 1UA

## LOCAL SOLUTIONS

### LEGAL AND ADMINISTRATIVE DETAILS

For the year ended 31 March 2025

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Solicitors:

Brabners LLP  
Horton House  
Exchange Flags  
Liverpool  
L2 3YL

Aaron & Partners  
5-7 Grosvenor Court  
Foregate Street  
Chester  
CH1 1HG

Auditor:

DSG Audit  
Castle Chambers  
43 Castle Street  
Liverpool  
L2 9TL

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2025

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#### A message from our Chair and Chief Executive

This year, Local Solutions has continued to respond with purpose, compassion, and determination. Against a backdrop of sustained pressures on public services, rising costs of living, and increasing social need, we have deepened our commitment to supporting individuals and empowering communities across the Liverpool City Region and North Wales.

In 2024, we marked the beginning of our 50th anniversary year. This milestone offered not only a moment to reflect on our past but also a springboard for bold new actions. Throughout the year, we celebrated our legacy, grew our visibility, and expanded our efforts to innovate, influence, and empower.

Our financial position remains resilient, with a surplus of £200,372 on income of £14.6m, enabling strategic reinvestment. We designated £1.25m for workforce resilience, innovation, and, most significantly, the development of new community premises — a future investment ambition in sustainable infrastructure that reflects our mission.

We directly supported 37,723 people, delivering over 400,000 hours of care, engaging 14,000+ in our social impact activities at Liverpool Watersports Centre, and helping over 500 young people with housing, mentoring and life skills. Our Independent Domestic Violence Advocacy service reached over 1,400 individuals, while our Carers Centre delivered health and wellbeing sessions to more than 1,300 unpaid carers.

One of the standout developments has been the launch and growth of our Community Empowerment Fund. This new model enables us to grant grassroots changemakers the tools, funding and platform to lead locally-rooted solutions. From a radio station connecting people with dementia to trauma support groups and food-growing projects, over 50 grants have been awarded, enabling community ownership and pride.

The sale of our Scotland Road site in late 2023 allowed us to continue service delivery as tenants while progressing redevelopment plans with our partners. Planning permission has since been secured, and our focus is now on identifying a community facing HQ and improved accommodation that meet the needs of tomorrow. Subsequent to the year-end, the charity entered into an agreement to purchase a property to support future service delivery.

Throughout the year, we've worked relentlessly across our three big missions: to Transform Social Care, End Homelessness and Empower Communities. Whether through our Happy Place wellbeing hubs for isolated older people, mentoring programmes for young people at risk of exploitation, or the expansion of our domestic abuse support, our work has been rooted in dignity, belonging and opportunity.

Our impact would not be possible without the dedication of our staff and volunteers, the trust of our partners and commissioners, and the strength of our local communities.

To everyone who has supported, challenged, collaborated or contributed this year: thank you.

Hazel and Tom

Hazel Snell  
Chair

Date: 4<sup>th</sup> September 2025



Tom Harrison  
CEO

Date: 4<sup>th</sup> September 2025



Email: [info@localsolutions.org.uk](mailto:info@localsolutions.org.uk)  
Website: [www.localsolutions.org.uk](http://www.localsolutions.org.uk)

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2025

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The trustees present their annual report and financial statements for the year ended 31 March 2025.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

## OBJECTIVES

Local Solutions is a charity founded in 1974 that delivers services to people in England and Wales, primarily within the Liverpool City Region and North Wales with a focus on people who face disadvantage, exclusion, and vulnerability.

Our work is guided by our Vision of a society where people can live in safety and dignity and lead fulfilled lives. Our Mission is to empower people and support communities.

We will deliver our mission by truly understanding the needs and challenges facing individuals and communities and working together to design and deliver approaches that create sustained, positive impact.

The Board promotes the Charity's values: compassionate, reliable, pioneering, and knowledgeable, and ensures that these are reflected in all its work. The objects of the organisation are set out in the Memorandum and Articles of Association. The main areas of activity are to benefit the community through the promotion of charitable purposes in the fields of social welfare, education, and recreation.

The Charity Governance Code was published to help charities and their trustees develop high standards of governance. The code sets out seven principles and recommended practice, which Local Solutions addresses and complies with, as explained below.

## ORGANISATIONAL PURPOSE

Our purpose is to empower people and support communities through transformative services and approaches. Our work is in three principal areas:

### **Social Care**

Care and personal support services for people who are older, are affected by physical and mental health issues, have mobility problems, or disabilities. This includes commissioned services for domiciliary care, specialised care, extra care, and care commissioned privately by individuals and families.

### **Support and Accommodation**

Support and accommodation for young people and families who are homeless, vulnerable, marginalised, or at risk of exploitation. Specific services include provision of housing, support, mentoring, skills, advice, and independence.

### **Communities**

Services for people who are affected by exclusion focusing on access to community support, advice, recreation, and skills. Specific support services for those not in education, employment, or training, those affected by domestic abuse or bullying, people who have mobility issues and those who provide unpaid care for others.

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2025

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#### LEADERSHIP, BOARD EFFECTIVENESS, OPENESS AND ACCOUNTABILITY

Local Solutions is governed by its Board of Trustees, which is a body of volunteers with careers in a wide variety of fields. The Trustees who served on the Board throughout the year are listed on page 1.

The Charity's Leadership Team comprises the Chief Executive, Strategic Leads for Social Care and for Support & Accommodation, and Departmental Heads for key areas of the Charity.

The Chief Executive is appointed by the Trustees to manage the day-to-day operations of the Charity.

The remuneration of the Chief Executive and Leadership Team is set by the Trustees recognising:

- individual and team performance in the context of a challenging climate
- the importance of recruitment and retaining the 'right' people (both in terms of experience and attitude)
- the level of knowledge, skills and experience required, and the responsibilities and accountabilities associated with the position.

The Chief Executive selects an appropriate Leadership Team to manage the operations and activities of the Charity. This includes Strategic Leads for Social Care and Support & Accommodation, and Heads of Communities, Finance, People & Culture, Safety & Support, and Business Development & Impact.

A system of performance management, including objectives, key performance indicators, development plans, management reporting and appraisal is in place to monitor the effectiveness and management of individuals and teams.

A Trustee committee structure is established comprising: Finance, Audit & Risk and People & Culture; each Committee includes suitably skilled Trustees plus an appropriate member(s) of the Leadership Team. Other Task and Finish Groups are set up as considered appropriate.

The Trustees meet as a Board four times a year as a minimum. In addition, each Trustee may serve on one or more of the Committees and Task and Finish Groups. Each of the Committees has outlined a clearly defined work programme for the coming year.

The election of Trustees is determined by the membership of the Charity which includes all Trustees. Trustees may serve for a period of three, three-year terms and thereafter may serve a maximum of three additional one-year terms. An active Trustee Recruitment Programme is in place to fill gaps and to ensure that the Board has an appropriate range of relevant expertise and diversity. The induction process for any newly appointed Trustee is tailored to the requirements of the individual. The new Trustee receives copies of Charity Commission guidance, the minutes of the most recent Trustees' meetings, the current strategy document, and a copy of the most recent statutory accounts. Ongoing training is provided for all Trustees.

The Board welcomed two new Trustees during the year:

Ian Hall – 27 February 2025 – Ian is a retired Auditor; he has extensive organisational knowledge, having previously worked for Local Solutions for 20 years as Internal auditor and then as a special advisor.

Stephen Okoro – 2 April 2025 – Stephen is a Chartered Construction Professional, Skills Coach, Internal Quality Assurer and Programme Leader.

The Committee Chairs and the Chief Executive report into the Board of Trustees on key issues and actions. Trustees receive other bespoke reports as appropriate. The Charity has a comprehensive set of policies and procedures in place in relation to operations, finance, human resources, risk management and health and safety.

## **LOCAL SOLUTIONS**

### **REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT INCORPORATING STRATEGIC REPORT)**

For the year ended 31 March 2025

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Trustees declare any potential conflicts of interest at every Board meeting, and these are recorded. The Board acts in the best interests of the Charity and its beneficiaries and is not influenced by those who have special interests.

#### **INTEGRITY**

The Board of Trustees is committed to integrity, protecting the Charity's reputation, and promoting the core values through transparent and objective decision making. The Committee structure provides appropriate scrutiny, challenge, and independence. Trustees follow Best Practice as outlined in the Charity Governance Code, and the Board maintains registers of interests and disclosures of actual or potential conflicts.

#### **DECISION MAKING, RISK AND CONTROL**

##### **Decision Making**

Local Solutions operate a clear Scheme of Delegation identifying the operational matters for which the Leadership Team has delegated authority. The Board of Trustees ensure decision making is scrutinised, timely, and in line with the Charity's strategic aims. Committees for Finance, Audit and Risk, and People and Culture, provide assurance and frameworks around decision making, performance and risk.

##### **Risk Management**

Local Solutions takes a robust approach to managing risk and maintains a Corporate Risk Register to assess its activities and operational risks and to agree any necessary action for mitigation and control. Risk assessment and management is regularly considered at Board, Finance, Audit and Risk Committee and Leadership Team meetings.

The Corporate Risk Register considers governance and management, operational, quality, financial, people, and cyber security aspects of the activities of Local Solutions. It covers risks that the organisation may face and steps and control procedures in place to mitigate those risks, as well as providing an ongoing review of existing systems and procedures.

The Corporate Risk Register is supported by service-specific quality audit processes and tools which focus on the regulatory and delivery aspects of the Charity's main operations.

##### **Principal Risks and Challenges**

The principal risks and challenges which the organisation currently faces are:

- Failure to satisfy regulatory quality benchmarks.
- Failure to recruit and retain enough quality staff across all functions.
- Failure to recruit and retain Trustees with relevant skills.
- Serious Incidents and Safeguarding.
- Insufficient funding from Local Authorities and other public sector commissioners to cover cost of delivery of services.
- Threats to cyber security.
- Unexpected and rapid changes in Government policy resulting in unbudgeted additional costs.
- Failure to grow or secure new business.
- Serious breach of data protection regulations.

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2025

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The Board of Trustees has overall responsibility for the management of risk. The Finance, Audit and Risk Committee has delegated authority to review all aspects of risk management for Local Solutions and to provide oversight of the design, implementation, and effectiveness of risk management processes. A firm of chartered accountants has been appointed by the Charity to perform internal audit services, working to an agreed 3-year internal audit strategic plan linked to the Corporate Risk Register. To ensure independence, the internal audit contractor has free and full access to the organisation's officers, records, premises, and meetings, reports to the Chair of the Board of Trustees and functionally to the Finance, Audit and Risk Committee.

The Corporate Risk Register is a live document which is subject to ongoing change as circumstances require, and which involves the Leadership Team and Trustees in identifying, assessing, and monitoring risk. The Finance, Audit and Risk Committee reviews the Corporate Risk Register on a quarterly basis, and it is reviewed by the Board of Trustees twice a year.

Failure to meet regulatory quality benchmarks may mean that Local Solutions is ineligible to retender for contracts resulting in the potential for significant monetary loss and negative organisational impact. Investment continues to be made in improving quality monitoring and oversight, including implementation of the Homecare Quality Plan to ensure achievement of CQC standards, conduct of mock inspections for Ofsted regulated services, weekly reporting of data on quality, implementation of the MyConcern reporting app, and inclusion of the Registered Manager in the Extended Leadership Group

Recruitment and retention of staff, especially within the Homecare service, remains a significant risk. The Employment Rights Bill 2024/5 will further increase pressure on social care funding costs by ending zero-hours contracts which are still favoured by a large majority of Local Solutions care workers. A workforce development strategy is in development to help mitigate these risks with increased emphasis on an employee assistance programme and wellbeing support.

The risk of significant harm to service users or staff whilst accessing Local Solutions' services is mitigated by deployment of a dedicated organisational Safeguarding Lead and a named Trustee Lead. Both participate in Safeguarding Strategy Group meetings in which the Safeguarding Risk Register is reviewed, and any items of note are reported directly to the Board of Trustees.

Effective and consistent operation of I.T. systems is essential to the success of Local Solutions. Domiciliary care services depend on systems access for accurate logging of client calls, care management and invoicing. If access to the system were removed or unavailable this would present a significant risk to Local Solutions. Steps taken to mitigate this risk include daily backups of data on an internal server, availability of offline data for calls during short-term access issues, regular meetings with the system provider to review functionality, and assessment of other potential system providers for features, cost, and benefits. Steps (including staff training on phishing and malicious links, restrictions on who is authorised to install software on company devices, and use of antivirus software) all form part of the organisation's strategy to combat cyber security risks.

As cyber threats continue to evolve, the Charity has prioritised resilience, proactive defence, and best practices in security governance and management. Over the past few years, cyber threats to local charities have escalated due to their reliance on digital systems, limited cybersecurity budgets, and the sensitive data they handle. Ransomware and phishing attacks have surged, exploiting weak email security and outdated systems. To counteract these changes, we have invested and made significant improvements to the cyber security and IT infrastructure to better protect sensitive data, ensure regulatory compliance, and safeguard the digital infrastructure supporting our services. The move to cloud-based servers, use of Microsoft E5 Business Premium licencing, and the introduction of Mimecast spam protection and filtering along with Fortinet hardware firewalls installation has led to an improvement in secure score, a measure of the effectiveness of the Charity's security measures, from 25.8% in 2020 to 85.2% now.

## **LOCAL SOLUTIONS**

### **REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT INCORPORATING STRATEGIC REPORT)**

For the year ended 31 March 2025

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Changes to Employer National Insurance Contribution rates and thresholds announced by HM Government in the Autumn 2024 Budget, to be implemented in April 2025, were not expected. A combination of lower thresholds for employer National Insurance Contributions (NICs), particularly affecting Homecare operations where many staff work part-time, higher NIC rates, and the Charity's commitment to be a Real Living Wage employer, increased the cost to Local Solutions of delivering services in 2025/2026 by around £760,000. Single year Local Authority funding settlements for the next two years, and the absence of a mechanism to reflect the impact of high deprivation rates on council revenues, contribute further to uncertain funding environments and market instability as smaller domiciliary care providers fail or withdraw provision. The significant cost increases and continued uncertainty over future Homecare revenues required action to reduce the overall cost of running the organisation to mitigate unsustainable financial deficits in 2025/26 and beyond. All staff structures were reviewed and, after careful review, savings of £300,000 were realised to maximise sustainability whilst minimising the impact on confidence, quality, safety and service user experience.

#### **Serious Incidents and Safeguarding**

The Trustees recognise the requirement to report serious incidents to the Charity Commission. Local Solutions has developed and implemented robust Health and Safety, Financial, Disaster and Contingency Planning policies to assist the organisation in minimising the risk of serious incidents and has appropriate strategies in place in the event of an incident.

Local Solutions provides a wide range of services within the Liverpool City Region and North Wales, including domiciliary and residential social care, accommodation, domestic abuse, and other services for a cross-section of young people and older people. By the nature of the provision we deliver, we have frequent interaction with the police, local authorities, and other statutory and regulatory bodies, such as the Care Quality Commission, in the reporting of serious incidents, for which there are established protocols which must be followed.

Monthly Key Performance Indicators relating to Complaints and Safeguarding Allegations are reported to the Board of Trustees to keep them fully informed about serious incidents. There is a specific operational lead for safeguarding and a Safeguarding Strategy Group which includes a nominated Trustee. This Group provides scrutiny, review, and analysis on safeguarding matters. Our Safeguarding Policies and Procedures outline a clearly defined reporting process.

#### **DIVERSITY**

Our Vision is a society where all people can live with dignity, lead fulfilled lives, and realise their full potential. Local Solutions is committed to continuing to enhance Equality, Diversity, and Inclusion in everything we do.

#### **Statement of Commitment**

Local Solutions' Mission is to Empower People and Support Communities. Our teams, whether in offices or communities, are vital. They are compassionate, reliable, pioneering, and knowledgeable which helps them to understand the challenges and empower change.

We ensure that we always recruit, retain, and promote a diverse mix of people who are representative of the diversity in our local communities which gives us a great opportunity to have access to a broad range of ideas and allows us to deliver the wide mix of services.

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2025

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#### **Our Commitment as an Employer**

Local Solutions is committed to:

- Creating an environment in which individual differences and the contributions of our staff are recognised and valued.
- Ensuring that everyone operates in a working environment that promotes dignity and respect to all. No form of intimidation, bullying or harassment will be tolerated.
- Providing training, development, and progression opportunities to all staff.
- Understanding equality and inclusion in the workplace. That is good management practice and makes sound business sense.
- Regularly reviewing all our employment practices and procedures to ensure fairness and inclusion.
- Taking steps to ensure equity amongst our workforce, such as ensuring that our vacancies are advertised to a diverse range of potential candidates and, where relevant, to particular groups that have been identified as disadvantaged or under-represented in our organisation.
- Taking positive action to recruit disabled people and ensuring there are no unlawful barriers to accessing our employment opportunities, training, progression opportunities, benefits, and facilities.
- Ensuring that diversity in our workforce is regularly monitored to ensure equal opportunities throughout the organisation. Where appropriate, measures will be taken to identify and remove obstacles and to meet the special needs of disadvantaged or under-represented groups.

#### **Our Commitment as a Service Provider**

Local Solutions is committed to:

- Providing services to which all clients are entitled regardless of age, disability, gender reassignment, marriage and civil partnership, pregnancy or maternity, race, religion or belief, sex, or sexual orientation.
- Making sure our services are delivered equally and meet the diverse needs of our service users and clients.
- Taking steps to ensure equity amongst our clients and service users such as removing any unlawful obstacles to accessing our services or facilities. Where appropriate, measures will be taken to identify and remove unnecessary barriers and to meet the special needs of disadvantaged or under-represented groups.
- Having clear procedures that enable our clients, candidates for jobs and employees to raise a grievance or make a complaint if they feel they have been unfairly treated.

#### **Employment of Disabled Persons**

Local Solutions is committed to ensuring that disabled people are afforded equality of opportunity in respect of entering and continuing employment with us. In 2023 Local Solutions was re-awarded the Disability Confident Employer kitemark for a further 3 years. Local Solutions uses the Disability Confident Symbol, which is our pledge to:

- Interview all disabled applicants who meet the essential criteria for a job vacancy and consider them on their abilities.
- Ensure there is a mechanism in place to discuss with disabled employees at any time, but at least annually, what can be done to make sure they can develop and use their abilities.
- When employees become disabled, make every effort to make sure they remain in employment.
- Take action to ensure that all employees develop the appropriate level of knowledge necessary to make these commitments work; and
- Regularly review the above commitments to shape plans.

## **LOCAL SOLUTIONS**

### **REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT INCORPORATING STRATEGIC REPORT)**

For the year ended 31 March 2025

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#### **Employee Involvement**

Employees receive regular communications through a range of different media informing them of organisational news, service updates and forthcoming events. Additionally, staff receive regular updates from the Chief Executive. Local Solutions has an Employee Forum - a recognised employee group with clear terms of reference which allows all to participate through member representation. We have regular pulse surveys on a range of themes and an annual staff survey and planning process.

#### **STRATEGIC REPORT**

The description under the headings "Overview of the year" and "Financial review" meet the company law requirements for the trustees to present a strategic report.

#### **OVERVIEW OF THE YEAR**

##### **KEY HIGHLIGHTS**

In 2024/2025, Local Solutions delivered meaningful change at scale. We directly supported over 37,700 people, marking a year of growth, innovation, and practical responses to complex needs. Our work focused on connecting people with opportunity, care, housing and resilience across our three Big Missions.

Our reach was extensive: we delivered more than 400,000 hours of care, supported 1,494 victims of domestic abuse, provided temporary housing to over 500 young people, and enabled 1,702 unpaid carers to enjoy respite through MyTime. Over 14,000 individuals accessed activities at Liverpool Watersports Centre, and our Carers Centre facilitated over 1,300 people to participate in health and wellbeing sessions. These figures represent lives improved, safety restored and independence regained.

We launched and embedded our Community Empowerment Fund (CEF), distributing over £70,000 in small grants to more than 50 grassroots groups. From youth boxing to community food growing, and trauma-informed workshops to inclusive art projects, CEF empowered people with lived experience to lead the change they want to see.

Our work was also shaped by partnership. Through our roles as social sector partners with Liverpool University, LJMU and Liverpool Community College, we co-created pathways into employment, research and frontline services. We expanded our IDVA teams, supported multi-agency safeguarding work, and delivered rapid response care in Sefton's redesigned care contract.

The Scotland Road redevelopment advanced with planning permission secured, unlocking the next phase in our ambition to provide high quality accommodation options for young people experiencing homelessness. Meanwhile, funding partnerships for wellbeing hubs in Allerton and Garston will build on the success of our original 'Happy Place' in Netherley – tackling isolation through activity, connection, and wellbeing.

Our year was not without challenge. Recruitment in social care, challenges in accommodation availability, and the ongoing impact of policy shifts (including National Insurance and Real Living Wage costs) created operational pressure. However, we met these head on through agility, creativity, and shared leadership. Designated reserves created the conditions for maintaining positive ambitions, while continued investment in digital infrastructure and internal development built stronger systems.

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2025

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Above all, we amplified human stories. People like Joe, whose care journey started with us. Naheed, whose carer support experience reflects those of many across the region. And Lisa, who found stability in Supported Lodgings and now mentors others. Their stories featured in our 50th Anniversary films, celebrating five decades of community strength.

We are proud of our staff and volunteers, whose compassion and commitment are the heartbeat of our work. As we step into the next chapter, our focus remains on delivering services with dignity, designing around people not processes, and building places where everyone can thrive.

## REVIEW OF SERVICES

### Transform Social Care

This year, Local Solutions delivered over **400,000 hours of care** across the Liverpool City Region and North Wales, supporting **1,120 people** in their own homes. Our Homecare teams provided both help to live at home and specialist care services, designed to enhance wellbeing and independence. From personal care to companionship, our approach centred on dignity, consistency, and individual outcomes.

In response to the growing complexity of need, we continued to invest in upskilling our care teams and embedding digital tools. We expanded our use of real-time monitoring systems and explored the early development of the **Milo Care App** – a digital care companion platform with potential to integrate wearable health data, video support, and wellbeing insights.

Our **'Happy Place' wellbeing hubs** gained recognition and funds to expand into **Garston and Allerton**, offering community-led activities including chair yoga, creative arts, reminiscence sessions and advice drop-ins. These hubs, co-designed with service users, proved instrumental in reducing isolation and reconnecting people with local resources.

Our Extra Care service at **Cherry Tree House** continued to support older residents living with dementia and complex needs. This year, we introduced digital dementia engagement tables and further wellbeing activities – a reflection of our values-led, holistic approach.

We proudly maintained our commitment to the **Real Living Wage**, despite sector-wide funding challenges. Through campaigning, partnerships, and active involvement in national forums, we advocated for ethical commissioning and sustainable pay structures.

Our IDVA (Independent Domestic Violence Advisor) services reached **1,494 individuals**, with provision embedded into Multi-Agency Safeguarding Hubs and Early Help Teams in Liverpool. These services focused on rapid response, survivor-led safety planning, and specialist support for young people and those with protected characteristics.

### End Homelessness

Over the year, we supported more than **500 young people and families** through our housing and homelessness services. Our projects, such as **Homeground Hostel, Supported Lodgings, Webster Road move-on flats**, and **Flintshire Hub** each played a vital role in preventing and responding to homelessness among vulnerable people.

Across our services, staff delivered wraparound trauma-informed support, co-created with residents. Regular feedback loops and lived experience mentoring formed part of a refreshed model focused on emotional safety and progression.

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2025

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Our **Supported Lodgings** programme provided safe, family-style accommodation for **104 young people**. We launched a major refresh of the service this year, including a communications plan, an independent evaluation and a practitioner summit. Many of our hosts, such as Sam – herself a former resident – now offer not just space, but mentorship.

In **North Wales**, we expanded our temporary accommodation and family support work. Our Flintshire Hub provided early intervention to over 130 families, supporting tenancy readiness and preventing escalation into crisis.

Our accommodation strategy also progressed through partnership-led planning for a redeveloped Scotland Road site and scoping of new housing offers in Parliament Street and Boaler Street. These sites reflect our belief in housing as a foundation for wellbeing, not just a roof over one's head.

#### **Empower Communities**

Our **Carers Centre** supported more than **2,400 unpaid carers**, delivering **over 4,000 health and wellbeing sessions**. Services included benefits advice, health checks, advocacy and respite support. The Centre offered a warm, welcoming space for carers to connect, recharge and access support.

The **MyTime** programme delivered respite breaks to **1,702 carers** across Liverpool, Wigan, Milton Keynes and Coventry. Thanks to new partnerships, carers accessed hotels, cafes, football stadium tours and river cruises – creating memories, reducing isolation and improving wellbeing.

Our **Community Empowerment Fund (CEF)** made **over £70,000 in grants** to 50+ grassroots groups. Projects ranged from eco therapy, music production, women's trauma support and mental health advocacy. In addition to funding, we hosted storytelling and learning events, encouraging shared leadership and community pride.

Young people remained at the heart of our community work. Through **Bullybusters** and **AIMS**, we delivered **629 school-based workshops**, tackling bullying, exploitation and online harm. Our **Staying Safe programme**, delivered in partnership with Merseyside Police, supported **418 young people** at risk of criminal exploitation.

At **Liverpool Watersports Centre**, more than **14,000 people** participated in activities including kayaking, paddleboarding and team building challenges. The Centre provided inclusive outdoor experiences to schools, youth groups and people with disabilities, strengthening confidence, community and fun.

Our **Shopmobility** service at Liverpool ONE supported **1,334 individuals** with mobility impairments to access the city independently. Run with volunteer support, the service embodies our commitment to access, dignity and everyday inclusion.

We also deepened partnerships with academia and the voluntary sector, collaborating on projects with universities, care providers and advocacy campaigns. Throughout, our commitment to place-based, person-led design shaped delivery, learning and innovation.

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2025

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#### PUBLIC BENEFIT

The Trustees of Local Solutions confirm that they have given due consideration to the Charity Commission's published guidance on the operation of public benefit when reviewing the Charity's aims and objectives and in planning strategy and future activities. Our activities in 2024/2025 demonstrated, in all accepted definitions, that Local Solutions continues to provide charitable services across England and Wales that are of public benefit through the delivery of our transformative services and approaches.

#### PLANS FOR FUTURE PERIODS

As we move into 2025/2026, our focus will remain on deepening our impact through the continued delivery of our **Three Big Missions**:

- **Transform Social Care:** We will continue investing in workforce development, digital care models (including the Milo Care App), and expanding co-produced wellbeing hubs. We will also strengthen our voice in national care sector reform and ethical commissioning.
- **End Homelessness:** Our supported accommodation strategy will progress through redevelopment at Scotland Road and feasibility planning for Sunraye 2 and other new sites. We will implement findings from our Supported Lodgings evaluation to shape future models.
- **Empower Communities:** We aim to identify a suitable community location for our central services and several of our outward facing projects where we can maximise the social impact of our operations. We aim to scale the Community Empowerment Fund, expand MyTime into new areas of the Liverpool City Region, and strengthen our role in social prescribing and community-led commissioning.

Cross-cutting all this will be a strategic refresh, planned for Autumn 2025. This will ensure our work remains responsive to the social, economic and policy environment. We will focus on improving systems, developing leadership, and exploring asset ownership opportunities for long-term sustainability.

Our commitment to lived experience, values-led leadership and collaborative design will remain central. Through purposeful partnerships and grounded innovation, we will continue to shape places, systems and services where people can thrive.

Subsequent to the year-end, the charity entered into an agreement to purchase a property to support future service delivery. As the conditions did not exist at the balance sheet date, this is treated as a non-adjusting post balance sheet event.

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2025

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## FINANCIAL REVIEW

### Income and Expenditure

The overall surplus for the year was £200,372 (2024: surplus £183,751). Income for the year has increased to £14,598,037 (2024: £13,328,907). Expenditure has increased to £14,397,665 (2024: £13,145,156).

During 2024/25 we have not utilised any Designated Reserve allocation, recognising all costs within our general expenditure.

Staff costs remain the highest cost for the organisation. Wages and salaries for carers and core staff plus employer national insurance and pension contributions equates to 85% (2024: 85%) of total costs for the year ended 31st March 2025.

Local Solutions continue to be a Real Living Wage employer, which has resulted in a specific Real Living Wage linked increase in some Local Authority Rates.

Income from delivery of domiciliary care services, Local Solutions' largest source of revenue, was 9.1% higher than the previous year, from a growth in hours and income rates.

Support and accommodation services and communities' activities such as the Liverpool Watersports Centre, domestic abuse support, and Liverpool Carers Centre provision all continue to make a positive financial contribution to Local Solutions in addition to the social impact they delivered to service users and the wider community. Additional funding secured within our domestic abuse services in year and continuing MyTime delivery has also had a positive impact.

The Charity earned £94,886 in interest income during 2024-25, taking advantage of the higher interest rates available. These are reviewed and agreed by the Finance, Audit and Risk Committee monthly to ensure an appropriate balance between accessibility of funds and the opportunity to earn interest.

To comply with the Charity Governance Code, the financial implications associated with adherence to the Code are considered when setting the organisation's annual Budget and are expended as incurred.

### Balance Sheet

The Balance Sheet remains strong despite the impact of challenges during the year. Cash flow has been satisfactory with a closing cash position (including cash held on deposit) of £2,362,083 (2024: £2,331,595) at the end of the year. This represents 1.97 times average monthly expenditure. The working capital position has remained positive throughout the year with no cause to access the overdraft facility of £100,000. Net assets of the Charity have increased to £2,720,300 at the year-end (2024: £2,519,928).

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2025

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#### **Reserves Policy**

Charity reserves are that part of a charity's unrestricted funds that are available to spend at the discretion of the charity trustees. They are unrestricted and are intended to cover unanticipated reductions in income or to fund charitable activities.

The Reserves Policy seeks to ensure that Local Solutions can meet all its current cash flow needs and future obligations, while also enabling uninterrupted operation and provide time to adjust in the event of any change in financial circumstances.

A significant proportion of Local Solutions' costs are contract-linked expenditure and therefore directly recoverable under contracts for services. This means that, in the event of the loss of one or more of these contracts, most of the costs associated with them would be transferred to the succeeding contractor. Following the loss of such a contract, Local Solutions would be left to cover central support costs along with other direct administrative costs which are not contract-linked.

Unrestricted free reserves are defined as general unrestricted funds less tangible fixed assets. Tangible fixed assets cannot be realised quickly and are therefore deducted when calculating unrestricted free reserves.

The Trustees consider that it is appropriate for the Charity to hold unrestricted free reserves equivalent to a minimum of three months' central support costs plus other costs to which there is no directly linked contract. Based on the 2025/26 Budget, three months' central support and admin costs currently amount to £572,917. The current level of unrestricted free reserves is £1,199,532 providing 2 times of cover for the target level of central support costs.

The Trustees wish to continue to invest in the future and the development of the Charity. To achieve this, three designated funds have been maintained this year: Impact and Innovation, Accommodation Development Fund, and Workforce Resilience. Further information on designated funds is provided in note 12. Designated funds are intended to be spent in furtherance of specific aspects of the Charity's objectives and in line with our long-term ambitions for sustainability and impact. Designated funds are excluded from the calculation of unrestricted free reserves as they are not available for general expenditure.

The Trustees recognise the need to ensure the level of reserves is appropriate for the size of the organisation. As part of their regular assessment of the Charity's reserves requirements, the Board of Trustees has reviewed analyses of several scenarios in relation to reserves. It was agreed that no change to the Reserves Policy is required now, but that due to increased uncertainty and volatility, especially in domiciliary care markets, we will aspire to work towards maintaining unrestricted free reserves equivalent to six months' central support costs plus other costs to which there is no directly linked contract. This will be kept under annual review by the Finance, Audit and Risk Committee to ensure that reserves are adequate to meet the Charity's cash flow needs and that the Policy remains fit for purpose.

#### **Investment Policy**

The Memorandum and Articles of Association sets out the Charity's powers of investment. Currently, the Charity does not hold any long-term investments. Short-term surplus funds are placed in cash deposit investment schemes with the Charity's bankers. The Trustees are satisfied with the return achieved given prevailing interest rates.

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2025

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#### Funding

The Trustees remain satisfied that the Charity's assets attributable to each of its individual funds are available and adequate to fulfil its obligations in relation to those funds.

#### Going Concern

The Board of Trustees is required to consider the appropriateness of the going concern basis when preparing financial statements.

Financial and operational resilience has been challenged during the Charity's 50<sup>th</sup> year but nonetheless remains robust. We began the financial year with news that delivery rate rises in key Homecare contracts would only be matched to the basic rise in national living wage, ignoring real living wage commitments and failing to acknowledge the increased costs of management, compliance, building rents, utilities, insurance and general delivery.

Initial recommendations for the government's social care transformation agenda are now not expected until mid-2026, while the 2024 Autumn Budget placed additional burdens on providers through increases to employers NI and, most critically, changes to the thresholds for triggering NI for part time workers. These changes, alongside our commitment to RLW, left the Charity facing increased costs of around £760k in 2025/2026, while the outlook for Homecare fees is uncertain, making budgeting challenging. This created a position where we were forced to reduce the overall cost of running the organisation to mitigate unsustainable deficits in 2025/26 and beyond. A restructuring process was completed to bring costs down by around £300k to bridge the expected funding gap.

The Charity has a strong Balance Sheet with a cash position of £2,362,083 and Total Reserves of £2,688,970 at the end of the year. The working capital position has remained positive throughout the year with no need to access the overdraft facility of £100,000. Given the Charity has no anticipated borrowings, the risk of any breach of terms or conditions associated with the overdraft facility is assessed as low.

To consider the appropriateness of the going concern basis, we have prepared forecasts to March 2026 with the underlying assumptions reviewed in detail by the Finance, Audit and Risk Committee. Several scenarios were considered which stress tested the Charity's income. These included a reduction in Homecare hours delivered, lower capacity utilisation in accommodation services, and depressed activity levels at Liverpool Watersports Centre because of poor weather. We forecast that the worst-case scenarios would result in a budgeted surplus of £5K, compared with the base case assumption of £37K. Based on our forecasts for the coming year and beyond, and the level of reserves, the Trustees have a reasonable expectation that Local Solutions has adequate resources to continue operations for at least 12 months from the date of approval of these accounts. Trustees have reviewed the assumption that Local Solutions remains a going concern and have concluded this to be accurate and appropriate. Further information in this respect is given in the principal accounting policies.

#### Statement of Trustees' Responsibilities

The Trustees (who are also Directors of Local Solutions for the purposes of Company Law) are responsible for preparing the Strategic Report, the Annual Report, and the financial statements in accordance with applicable law and regulations. Company Law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 incoming resources and application of resources, including the income and expenditure, of the Charitable Company for that period.

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2025

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In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles of the Charities SORP.
- make judgements and accounting 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 to operate.

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 are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

In so far as each of the Trustees is aware:

- there is no relevant audit information of which the Charitable Company's auditor is unaware.
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

#### Trustee Indemnity Insurance

The Board of Trustees has the benefit of Trustee Indemnity Insurance which is authorised in the Articles of Association and is in relation to certain losses and liabilities which the Trustee(s) may incur to third parties in the course of acting as a Trustee (Director) of the Charity.

#### Auditor

DSG resigned as auditor on 11 September 2024 due to an internal reorganisation. On the same day, DSG Audit Limited was appointed to continue the audit engagement without interruption. This change reflects a legal restructuring of the audit firm and does not affect the scope or continuity of the audit engagement.

The Trustees' report including the strategic report was approved by the Board of Trustees.



Hazel Snell  
Chair

Date: 4<sup>th</sup> September 2025

## LOCAL SOLUTIONS

### INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF LOCAL SOLUTIONS

For the year ended 31 March 2025

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#### OPINION

We have audited the financial statements of Local Solutions (“the Charitable Company”) for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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 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 incoming resources and application of resources for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *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 related 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.

## LOCAL SOLUTIONS

### INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF LOCAL SOLUTIONS

For the year ended 31 March 2025

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#### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. 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.

#### Opinion 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 for the financial year for which the financial statements are prepared, which includes the directors' report and the strategic report prepared for the purposes of company law, is consistent with the financial statements; and
- the strategic report and the directors' report, which are included within the trustees' report, have 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 strategic report or the directors' report included within the trustee's 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 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.

## LOCAL SOLUTIONS

### INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF LOCAL SOLUTIONS

For the year ended 31 March 2025

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#### **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**

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

The extent to which the audit was capable of detecting irregularities, including fraud is detailed below

#### **Capability of the audit in detecting irregularities, including fraud**

As a part of our audit in accordance with United Kingdom Generally Accepted Accounting Practice; and requirements of the Companies Act 2006 we exercise professional judgement and maintain professional scepticism throughout the audit. Based on our understanding and accumulated knowledge of the charity and the sector in which it operates we considered the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud and whether such actions or non-compliance might have a material effect on the financial statements. These included but were not limited to those that relate to the form and content of the financial statements, such as the Charities SORP 2019, Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice) the UK Companies Act 2006 and those that relate to the payment of employees. All team members were briefed to ensure they were aware of any relevant regulations in relation to their work.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries, management bias in accounting estimates and improper revenue recognition associated with year-end cut-off. Our audit procedures included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to recoverability of debtors and valuation and completeness of deferred revenue;
- Revenue year end cut-off procedures;
- Identifying and testing journal entries, in particular any journal entries posted with specific unusual narrative, manual journals to revenue and cash, and review of journals posted to least used accounts;

## LOCAL SOLUTIONS

### INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF LOCAL SOLUTIONS

For the year ended 31 March 2025

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- Discussions with management; including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Obtained an understanding of how the charity is complying with those legal and regulatory frameworks such as Companies Act 2006 & Employment Taxes Act by making enquiries to management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes and other evidence gathered during the course of the audit;
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control; and
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://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.



Jean Ellis BA FCA CTA (Senior Statutory Auditor)  
For and on behalf of DSG Audit

4 September 2025  
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Chartered Accountants  
Statutory Auditor

Castle Chambers  
43 Castle Chambers  
Liverpool  
L2 9TL

## LOCAL SOLUTIONS

### STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2025

	Note	Unrestricted Funds	Restricted Funds	Total 2025	Total 2024
		£	£	£	£
<b>Income and endowments from:</b>					
Donations and legacies	1	41,837	78,614	120,451	45,493
Income from charitable activities	1	14,152,208	230,492	14,382,700	13,113,837
Sale fixed assets	1	-	-	-	121,394
Income from investments	3	94,886	-	94,886	48,183
<b>Total income</b>		<u>14,288,931</u>	<u>309,106</u>	<u>14,598,037</u>	<u>13,328,907</u>
<b>Expenditure on:</b>					
Charitable activities	2	<u>14,087,741</u>	<u>309,924</u>	<u>14,397,665</u>	<u>13,145,156</u>
<b>Total expenditure</b>		<u>14,087,741</u>	<u>309,924</u>	<u>14,397,665</u>	<u>13,145,156</u>
<b>Net income/(expenditure)</b>		<u>201,190</u>	<u>(818)</u>	<u>200,372</u>	<u>183,751</u>
Transfers between funds		<u>56,525</u>	<u>(56,525)</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds</b>		<u>257,715</u>	<u>(57,343)</u>	<u>200,372</u>	<u>183,751</u>
<b>Reconciliation of funds</b>					
Total funds brought forward at 1 April	13	<u>2,431,255</u>	<u>88,673</u>	<u>2,519,928</u>	<u>2,336,177</u>
<b>Total funds carried forward at 31 March</b>	13,14	<u><u>2,688,970</u></u>	<u><u>31,330</u></u>	<u><u>2,720,300</u></u>	<u><u>2,519,928</u></u>

All of the principal activities of the charity were continuing for the year ended 31 March 2025.

There were no recognised gains or losses other than the result for the year.

## LOCAL SOLUTIONS

### BALANCE SHEET

As at 31 March 2025

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	Note	2025 £	2024 £
<b>Fixed assets</b>			
Tangible assets	8	239,616	252,348
<b>Current assets</b>			
Debtors	9	1,483,764	1,296,203
Investments	10	420,427	-
Cash at bank and in hand		<u>1,941,656</u>	<u>2,331,595</u>
		3,845,847	3,627,798
<b>Creditors: amounts falling due within one year</b>	11	<u>(1,314,063)</u>	<u>(1,314,118)</u>
<b>Net current assets</b>		<u>2,531,784</u>	<u>2,313,680</u>
<b>Provision for liabilities</b>	12	(51,100)	(46,100)
<b>Net assets</b>		<u>2,720,300</u>	<u>2,519,928</u>
<b>Funds</b>			
Restricted	13	31,330	88,673
General Unrestricted	13	1,438,970	1,181,255
Designated Reserves	13	1,250,000	1,250,000
Revaluation Reserve	13	-	-
		<u>2,720,300</u>	<u>2,519,928</u>

The financial statements were approved by the Board of Trustees on 4 September 2025, and signed on their behalf by:



Hazel Snell

**Trustee**

Company Number: 01792921

## LOCAL SOLUTIONS

### CASH FLOW STATEMENT

For the year ended 31 March 2025

	Note	2025	2024
		£	£
<b>Cash flows from operating activities</b>			
Surplus for the financial year		200,372	183,751
Adjustments for:			
Depreciation, impairment and amortisation of fixed assets	8	12,732	26,974
Profit on sale of fixed assets		-	(121,394)
Net interest (receivable)	3	(94,886)	(48,183)
Increase in trade and other debtors	9	(187,561)	(122,218)
Increase in trade and other creditors	11,12	4,945	91,332
		<u>(64,398)</u>	<u>10,262</u>
<b>Cash flows from investing activities</b>			
Net proceeds from sale of tangible fixed assets		-	919,162
Current asset investments		(420,427)	-
Interest Received		94,886	48,183
		<u>(325,541)</u>	<u>967,345</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>			
Cash and cash equivalents at beginning of year		2,331,595	1,353,988
		<u>1,941,656</u>	<u>2,331,595</u>
<b>Cash and cash equivalents comprise:</b>			
Cash at bank and in hand		1,941,656	2,331,595
Bank overdrafts		-	-
		<u>1,941,656</u>	<u>2,331,595</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

## **LOCAL SOLUTIONS**

### **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2025

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#### **ACCOUNTING POLICIES**

##### **Charity Information**

Local Solutions is a private company limited by guarantee incorporated in England and Wales. The registered office is  
Vortex Court, Enterprise Way, Wavertree, Liverpool, L13 1FB.

##### **Accounting Convention**

The Company is limited by guarantee and has no share capital.

The financial statements have been prepared in accordance with applicable accounting standards including the Statement of Recommended Practice: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2019 (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

They have been prepared under the historical cost convention. On transition to FRS 102 the Charity has elected to treat the depreciated valuation of land and buildings recognised under the previous UK GAAP as deemed cost. Any difference between historical cost depreciation and depreciation calculated on deemed cost is transferred between the revaluation reserve and unrestricted funds.

The trustees confirm that the Charity meets the definition of a public benefit entity as defined under FRS 102.

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

The principal accounting policies of the Charity have remained unchanged from the previous year and are set out below.

##### **GOING CONCERN POLICY**

The financial statements have been prepared on a going concern basis, which principally assumes that the Charity will continue to receive contracted financial income from various Local Authorities at a sustainable level. The Charity has several contracts in place which secure income and cash flows for at least 12 months from the date of approval of these accounts. Forecasts have been prepared and reviewed for the forthcoming year and beyond, with various scenarios and key assumptions being made to consider a range of possible outcomes.

The Trustees and the Management Team recognise the impact that the general economic climate and the Government's spending review has on the level of public sector funding and are fully aware of the continued impact on funding directly and indirectly available to the Charity. They continue to monitor the various scenarios that reduced income levels could give rise to. In a worst-case scenario, whilst it would see the Charity's reserves and cash position impacted significantly, it would not affect the going concern assumption over the medium and long-term.

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

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Following a review by Trustees, taking into consideration the cash raised from the sale of the Scotland Road site, the overdraft facility has been maintained at £100,000. Projections produced indicate that there will be no need to draw on the overdraft and that there will be considerable headroom if our best-case assumptions materialise. Considering the strength of the balance sheet, and levels of cash and unrestricted reserves, the Trustees believe that, whilst considerable uncertainty exists about the economic and operating environment, this does not pose a material uncertainty that would cast doubt on the Charity's ability to continue as a going concern. The Trustees therefore consider it appropriate to prepare the financial statements on a going concern basis.

#### INCOME

##### Fee income

Fee income is credited as incoming resources when the work relating to the fees has been completed. Income relating to a specified future period is deferred.

##### Grants receivable and Deferred Income

Revenue grants are credited as incoming resources when they are receivable provided conditions for receipt have been complied with, unless they relate to a specified future year, in which case they are deferred.

Grants for the purchase of fixed assets are credited to restricted incoming resources when receivable. Depreciation on the fixed assets purchased with such grants is charged against the restricted fund.

Any unexpended income on projects which relates to grants or donations which must be expended in the following year is taken to creditors and shown as deferred income.

##### Donations and legacies

All monetary donations and gifts are included in full in the statement of financial activities when received if there are no donor-imposed restrictions as to the timing of the related expenditure. If there are any donor-imposed restrictions on the timing of expenditure, then recognition is deferred until any pre-conditions have been met.

Legacies are included when the Charity is advised by the personal representative of an estate that payment will be made, and the amount involved can be quantified. They are included in the statement of financial activities.

Gifts-in-kind are accounted for at the Trustees' estimate of value to the Charity or sale value as follows:

- Assets received for distribution by the Charity are recognised only when distributed.
- Assets received for resale are recognised, where practicable, when receivable or otherwise when sold.
- Gifts of fixed assets for Charity use or funds for acquiring fixed assets for Charity use are accounted for (as restricted funds) immediately on receipt.

## **LOCAL SOLUTIONS**

### **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2025

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Intangible income, which comprises donated services, is included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. An equivalent amount is charged as expenditure. No income is recognised when there is no financial cost borne by a third party. Voluntary help is not included as income.

Donations under Gift Aid together with the associated income tax recoverable are credited as income when the donations are received.

#### **EXPENDITURE**

Expenditure is included on the accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to a particular heading, they have been allocated to activities on a basis consistent with the use of the resources.

##### **Allocation of Overheads**

Local Solutions operates centralised services for senior management, human resources, finance, IT services, and quality functions.

The costs of these centralised services are allocated to individual projects based on actual project expenditure. This ensures a fair and transparent allocation of costs and is in line with accepted practices within the voluntary sector.

#### **FUND ACCOUNTING**

Restricted funds are to be used for specified purposes laid down by the donor. Expenditure for those purposes is charged to the fund, together with a fair allocation of overheads and support costs.

The Charity has projects for which funding consists of restricted and unrestricted income. The Charity's policy in preparing the financial statements is to apply expenditure, together with a fair allocation of overheads and support costs, against both restricted and unrestricted income to a point where all restricted income has been covered.

Expenditure beyond that point is allocated against unrestricted income only. This policy is considered by the Trustees to represent a practical means of representing how costs are allocated on a consistent basis across each project. Any deficits incurred by the Charity on restricted funds are funded by the Charity's unrestricted income.

Unrestricted funds are donations and other incoming resources received or generated for expenditure on the general objectives of the Charity.

#### **TANGIBLE FIXED ASSETS AND DEPRECIATION**

Tangible fixed assets are stated at deemed cost, net of depreciation and any provision for impairment.

Depreciation is calculated to write down the deemed cost less estimated residual value of all tangible fixed assets other than freehold land by equal annual instalments over their estimated useful economic lives.

The Charity capitalises all individual items of fixed assets more than £3,000 for small items and £5,000 for fixed items.

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

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Assets during construction are included within Fixed Assets as a separate category. Depreciation will only commence once the property is brought into use and will then be applied in line with the depreciation policy.

The rates generally applicable are:

- |   |                     |
|---|---------------------|
| - Freehold properties                                 | - 2% of deemed cost |
| - Motor vehicles                                      | - 5 Years           |
| - Fixtures, fittings, equipment and computer software | - 2 to 5 Years      |

#### Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### VALUE ADDED TAX

The Charity is partially exempt from VAT and all irrecoverable VAT is shown in direct charitable expenditure.

#### Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### RETIREMENT BENEFITS

##### Defined Contribution Pension Schemes

The pension costs charged against the operating surplus are the contributions payable to the schemes in respect of the accounting year.

#### OPERATING LEASE AGREEMENTS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the period of the lease.

#### FINANCIAL INSTRUMENTS

Local Solutions only enters into basic financial instruments that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans from banks and other third parties.

Financial assets and financial liabilities are recognised when Local Solutions becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs).

## **LOCAL SOLUTIONS**

### **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2025

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

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

Creditors and provisions are recognised where Local Solutions has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial assets that are measured at cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activities.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Charity would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset, and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **RECOGNITION OF LIABILITIES**

Liabilities are recognised as soon as there is a legal or constructive obligation committing Local Solutions to pay out resources.

#### **LIQUID RESOURCES**

Liquid resources are those associated with the cash management of Local Solutions. Cash and cash equivalents include cash in hand and deposits repayable on demand. Deposits with notice periods three months and over are classified as current asset investments unless they are accessible without significant penalty.

#### **TAXATION**

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

#### **JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

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The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether leases entered into either as a lessor or a lessee are operating leases or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease-by-lease basis.
- Determine whether there are indicators of impairment of the tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty:

Tangible fixed assets (see note 8)

- Tangible fixed assets are depreciated over their useful lives considering residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are considered. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

#### 1 ANALYSIS OF INCOME

	2025 £	2024 £
Donations deferred at 1 April 2024	-	203
Donations receivable in the year	183,716	45,290
Donations deferred at 31 March 2025	(63,265)	-
	<u>120,451</u>	<u>45,493</u>

Donations above include Restricted Donations of £63,266 (2024: £793).

	£	£
Project income deferred at 1 April 2024	249,646	142,749
Project income receivable in the year	14,396,102	13,220,734
Project income deferred at 31 March 2025	(263,048)	(249,646)
	<u>14,382,700</u>	<u>13,113,837</u>

<b>Analysis of income</b>	£	£
Project income for charitable services provided	14,382,700	13,113,837
Donations	120,451	45,493
Investment income	94,886	48,183
Profit from Sale of fixed asset	-	121,394
	<u>14,598,037</u>	<u>13,328,907</u>

#### Project income is analysed as follows:

	£	£
Social Care & Inclusion/Enablement	11,861,341	9,735,027
Young People & Families/ Engagement	2,517,254	3,339,342
Central Services	4,105	39,468
	<u>14,382,700</u>	<u>13,113,837</u>

Project income is derived from various funding sources including Liverpool, Sefton, Knowsley, Wirral, St Helens, Denbighshire and Flintshire Local Authorities.

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

#### 1 ANALYSIS OF INCOME (continued)

##### Restricted Grants within Project Income

	2025	2024
	£	£
Liverpool City Council	89,413	44,707
Others	86,079	62,515
Comic Relief	-	67,600
Lindbury Trust	55,000	13,750
	<u>230,492</u>	<u>188,572</u>

#### 2 ANALYSIS OF EXPENDITURE

	Staff costs £	Other costs £	Depreciation £	2025 £	2024 £
Direct charitable expenditure	12,249,600	2,088,576	12,732	14,350,908	13,069,761
Governance costs	-	46,757	-	46,757	75,395
	<u>12,249,600</u>	<u>2,135,333</u>	<u>12,732</u>	<u>14,397,665</u>	<u>13,145,156</u>

	Staff costs £	Other costs £	Depreciation £	2024 £	2023 £
Direct charitable expenditure	11,156,046	1,886,741	26,974	13,069,761	12,730,485
Governance costs	-	75,395	-	75,395	88,455
	<u>11,156,046</u>	<u>1,962,136</u>	<u>26,974</u>	<u>13,145,156</u>	<u>12,818,940</u>

Within Direct charitable expenditure other costs represents all direct and indirect charitable activity costs covering the various projects operated by the Charity and certain support costs.

Support costs covering Management, Finance, IT support and HR including ancillary costs amount to £825,417 (2024: £1,846,891), which includes fundraising and business development costs of £179,952 (2024: £102,554).

Governance costs relate to the general running of the Charity. They include external audit costs and costs associated with constitutional and statutory requirements. The audit fee for the year amounted to £17,750 (2024: £16,875).

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

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<b>Governance Costs</b>	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Professional & Legal	<b>29,007</b>	58,520
Auditors' remuneration – statutory audit	<b>17,750</b>	16,875
Governance costs at 31 March 2025	<b><u>46,757</u></b>	<b><u>75,395</u></b>

Contained within Restricted Expenditure are the following costs:

	<b>Restricted</b>	<b>Restricted</b>
	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Salaries and on costs	<b>258,519</b>	146,231
Maintenance/repairs	-	6,356
Office expenses	<b>412</b>	221
Telephone/internet	<b>789</b>	2,627
Equipment	<b>1,460</b>	12
Insurance	<b>1,003</b>	313
Travel	<b>926</b>	15,365
Sundry expenses	<b>21,284</b>	19,059
Utilities	<b>5,481</b>	-
Community Empowerment Fund	<b>20,050</b>	-
	<b><u>309,924</u></b>	<b><u>190,184</u></b>

The following amounts are included in expenditure:

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Depreciation	<b>12,732</b>	26,974
Operating Lease rentals:		
- Land & Buildings	<b>269,283</b>	215,847
- Other	<b>1,174</b>	2,034
Auditors Remuneration – statutory audit	<b>17,750</b>	16,875
Auditors Remuneration – other services	<b><u>-</u></b>	<b><u>-</u></b>

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

#### 3 INTEREST RECEIVABLE

	2025 £	2024 £
Other interest receivable and similar income - unrestricted	<u>94,886</u>	<u>48,183</u>

#### 4 EMPLOYEES

Staff costs during the year were as follows:

	2025 £	2024 £
Wages and salaries	11,145,455	10,156,950
Social security costs	874,256	779,106
Other pension costs	229,889	219,990
	<u>12,249,600</u>	<u>11,156,046</u>

Wages and salary costs above include redundancy payments of £54,781 (2024: £Nil)

The average number of employees during the year was 553 (2024: 531).

	2025 Number	2024 Number
Project staff	549	527
Fundraising and publicity	1	1
Management and administration of the charity	3	3
	<u>553</u>	<u>531</u>

The emoluments of higher-paid employees fell within the following ranges:

	2025 Number	2024 Number
£60,001 to £70,000	1	1
£70,001 to £80,000	1	1
£80,001 to £90,000	1	1

During the year there were three higher paid employees (2024: three higher paid employees).

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

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#### 4. EMPLOYEES (continued)

During the year, the following amounts were paid to money purchase pension schemes in respect of higher paid employees:

	2025 £	2024 £
Pension contributions to money purchase schemes	<u>20,924</u>	<u>21,228</u>

#### 5 TRANSACTIONS WITH TRUSTEES AND OTHER RELATED PARTIES

None of the trustees or any person connected with them received any remuneration or benefits from the Charity during the current or previous year.

No Travel expenses were reimbursed to any trustees, (2024: £NIL) during the year.

Trustees donated £- in the year (2024: £1,586).

There were no other related party transactions in the year.

#### 6 REMUNERATION OF KEY MANAGEMENT PERSONNEL

The trustees have delegated much of the day to day running of the Charity to a number of key management personnel. The execution of a clear and transformative vision for leadership from 2021 resulted in the restructuring of the senior management team and associated costs.

The total remuneration, including employers' pension contributions, employers' national insurance contributions and salary sacrifice pension contributions for key management personnel in the year totalled £262,449 (2024: £255,351).

#### 7 INDEMNITY INSURANCE

The Charity purchases Directors and Officers Liability Insurance. The cost of the premium in the year was £2,352 (2024: £2,352).

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

#### 8 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Motor Vehicles £	Fixtures, equipment, fittings & computer software £	Total £
Cost				
At 1 April 2024	264,137	10,699	50,370	325,206
Disposals	-	-	-	-
<b>At 31 March 2025</b>	<b>264,137</b>	<b>10,699</b>	<b>50,370</b>	<b>325,206</b>
Depreciation				
At 1 April 2024	33,507	10,699	28,652	72,858
Provided in the year	5,280	-	7,452	12,732
Eliminated on disposals	-	-	-	-
<b>At 31 March 2025</b>	<b>38,787</b>	<b>10,699</b>	<b>36,104</b>	<b>85,590</b>
Net book amount				
At 31 March 2025	<b>225,350</b>	<b>-</b>	<b>14,266</b>	<b>239,616</b>
Net book amount				
At 31 March 2024	<b>230,630</b>	<b>-</b>	<b>21,718</b>	<b>252,348</b>

Freehold buildings are included in the financial statements at deemed cost and are depreciated at the rate of 2%. The sale of the Scotland Road site was completed in December 2023 and the financial impact of this transaction was fully reflected in the 2023/24 financial statements. No income or asset balances relating to this sale are included in the 2024/25 accounts.

Freehold land is not depreciated. Assets under construction are included within Fixed Assets with depreciation commencing once the asset is brought into use.

All tangible fixed assets were used for charitable purposes.

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

#### 9 DEBTORS

	2025 £	2024 £
Accrued income	401,693	432,399
Trade debtors	910,412	720,532
Other debtors	16,677	19,167
Prepayments	154,982	124,105
	<u>1,483,764</u>	<u>1,296,203</u>

#### 10 CURRENT ASSET INVESTMENTS

	2025 £	2024 £
Cash held on deposit	<u>420,427</u>	<u>-</u>

During the year, the charity reassessed the classification of its 95-day notice account. While previously included within cash and cash equivalents, the account has been reclassified as a current asset investment to better reflect its restricted liquidity. The prior year figures have not been restated as the previous treatment was consistent with the accounting policy and judgement applied at that time.

#### 11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £	2024 £
Trade creditors	92,100	94,955
Other creditors	69,441	164,409
Social security and other taxes	158,764	165,153
Accruals	667,444	639,955
Deferred income	326,314	249,646
	<u>1,314,063</u>	<u>1,314,118</u>

Included within other creditors is an amount of £Nil (2024: £100,000) owing in respect of a historical payment on account for Homecare provision from Liverpool City council.

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

#### 12 PROVISION FOR LIABILITIES

	2025 £	2024 £
Balance at 1 April	46,100	41,100
Increased	5,000	5,500
Utilised	-	(500)
Balance 31 March	<u>51,100</u>	<u>46,100</u>

The above provision relates to dilapidations that have been provided for in relation to making good upon vacation of leased property. These are reviewed annually.

#### 13 FUNDS

	Revaluation Reserve £	Restricted funds £	Unrestricted funds £	Total £
At 1 April 2024	-	88,673	2,431,255	2,519,928
Incoming resources	-	309,106	14,288,931	14,598,037
Resources expended	-	(309,924)	(14,087,741)	(14,397,665)
Reserve transfer	-	(56,525)	56,525	-
At 31 March 2025	<u>-</u>	<u>31,330</u>	<u>2,288,970</u>	<u>2,720,300</u>
At 1 April 2023	653,215	89,492	1,593,470	2,336,177
Incoming resources	-	189,365	13,139,542	13,328,907
Resources expended	-	(190,184)	(12,954,972)	(13,145,156)
Reserve transfer	(653,215)	-	653,215	-
At 31 March 2024	<u>-</u>	<u>88,673</u>	<u>2,431,255</u>	<u>2,519,928</u>

Unrestricted Funds include Designated Funds of £1,250,000 (2024: £1,250,000).

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

#### Designated Funds

	Balance April 2024 £	Transfers in the year £	Expenditure £	Transfers at year end £	Balance March 2025 £
Impact & Innovation	50,000	-	-	25,000	75,000
Workforce Resilience	200,000	-	-	(200,000)	-
Accommodation & Development Fund	1,000,000	-	-	(1,000,000)	-
Premises Fund	-	-	-	1,175,000	1,175,000
	<b>1,250,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,250,000</b>

During the year, the Trustees reviewed the charity's strategic priorities and determined that the previously designated funds for Workforce Resilience (£200,000) and Accommodation & Development (£1,000,000) should be consolidated into a new Premises Fund. This reflects the charity's evolving focus on securing and developing a long-term community-facing headquarters and improved accommodation infrastructure. Subsequent to the year-end, the charity entered into an agreement to purchase a property to support future service delivery. The Impact & Innovation Fund (£50,000) was increased to £75,000 to support pilot initiatives aligned with the charity's mission. These reclassifications do not represent a change in the overall level of designated reserves but ensure alignment with current strategic objectives.

There was no requirement to draw from Designated Reserves in 2024/25.

#### Restricted Funds

	Balance April 2024 £	Income £	Expenditure £	Transfer £	Balance March 2025 £
Donations	-	78,614	(78,614)	-	-
Aims 2	31,330	93,511	(93,511)	-	31,330
Other	57,343	136,981	(137,799)	(56,525)	-
	<b>88,673</b>	<b>309,106</b>	<b>(309,924)</b>	<b>(56,525)</b>	<b>31,330</b>

	Balance April 2023 £	Income £	Expenditure £	Transfer £	Balance March 2024 £
Donations	-	793	(793)	-	-
Aims 2	-	100,164	(68,834)	-	31,330
Comic Relief	76,778	-	(76,778)	-	-
Other	12,714	88,408	(43,779)	-	57,343
	<b>89,492</b>	<b>189,365</b>	<b>(190,184)</b>	<b>-</b>	<b>88,673</b>

The Charity works with funders to enable specific projects to be delivered. These Restricted funds are then used to support the running costs and delivery of the projects.

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

The AIMS 2 fund includes income from the Lindbury Trust to support our AIMS Mentoring service. This enables us to flexibly meet challenges in this area and deploy these resources when and where they are needed.

Other funds include income from LCC funding support for victims of domestic violence.

During the year, a net transfer of £56,525 was made from restricted to unrestricted funds. Of this amount £57,343 related to carers project funding where the original restrictions had either been fulfilled or were no longer applicable. Following a review of the expenditure and the nature of the remaining balances, the Trustees determined that the residual funds could be appropriately reclassified as unrestricted. This treatment is consistent with the charity's accounting policy on fund accounting and reflects the completion of the relevant project activities and obligations.

#### 14 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Revaluation Reserve £	Restricted funds £	Unrestricted funds £	Total £
Tangible Fixed assets	-	-	239,616	239,616
Current assets	-	231,189	3,614,659	3,845,848
Current liabilities	-	(199,859)	(1,165,305)	(1,365,164)
Liabilities over one year	-	-	-	-
Net assets at 31 March 2025	-	<b>31,330</b>	<b>2,688,970</b>	<b>2,720,300</b>
Tangible Fixed assets	-	-	252,348	252,348
Current assets	-	236,919	3,390,879	3,627,798
Current liabilities	-	(148,246)	(1,211,972)	(1,360,218)
Liabilities over one year	-	-	-	-
Net assets at 31 March 2024	-	<b>88,673</b>	<b>2,431,255</b>	<b>2,519,928</b>

#### 15 RETIREMENT BENEFITS

The Charity operates two defined contribution pension schemes for the benefit of the employees. The assets of the scheme are administered by Trustees in a fund independent from those of the charity.

Included in accruals is an amount of £8,504 (2024: £25,845) owing in respect of the charity's pension schemes. This liability was paid subsequent to the year end.

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

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#### 16 OPERATING LEASE COMMITMENTS

The company had the following total minimum lease payments under non-cancellable operating leases as set out below:

	<b>Leasehold properties 2025 £</b>	<b>Leasehold properties 2024 £</b>
Not later than one year	<b>99,425</b>	108,787
Later than one year and not later than five years	<b>129,475</b>	130,674
Greater than five years	-	-
	<b><u>228,900</u></b>	<b><u>239,461</u></b>

#### 17 ANALYSIS OF CHANGES IN NET DEBT

The charitable company had no material debt in the year.

#### 18 NON-ADJUSTING POST BALANCE SHEET EVENT

Subsequent to the year-end, the charity entered into an agreement to purchase a property to support future service delivery. As the conditions for the acquisition did not exist at the balance sheet date, this is treated as a non-adjusting post balance sheet event.

**LOCAL SOLUTIONS**

England & Wales - Charity number 515060

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# Accounts

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Registered number: 01792921  
Charity number: 515060

# **LOCAL SOLUTIONS**

(COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024



# LOCAL SOLUTIONS

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For the year ended 31 March 2024

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# LOCAL SOLUTIONS

## LEGAL AND ADMINISTRATIVE DETAILS

For the year ended 31 March 2024

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Local Solutions is a Company Limited by Guarantee and a Registered Charity governed by its Memorandum and Articles of Association. The Directors of the Charity are its Trustees for the purposes of Charity Law and throughout this report are collectively referred to as the Trustees. The Company is limited by guarantee and permission has been obtained from the Registrar of Companies to dispense with the use of the word "Limited".

Company registration number: 01792921

Charity registration number: 515060

Registered office: Suite A, 1<sup>st</sup> Floor  
Building 2000  
Vortex Court  
Enterprise Way  
Wavertree  
Liverpool  
L13 1FB

Trustees:	Hazel J Snell	Chair
	Helen R Heap	Chair, Finance, Audit & Risk Committee
	Rev Dr Crispin Pailing	Chair, People & Culture Committee
	Jillian M Jones	
	Serena M Kennedy	
	Dr Bruce W Taylor	
	Jonathan H Mounsey FCA	
	Suzanne Mazzone	
	Karl Clawley	
	Elliott Morrison	
	Melanie Harvey	Appointed 21 September 2023
	Ellie J Acton	Resigned 16 May 2024

Chief Executive: Robert Thomas Harrison

Secretary: Karen Paton

Bankers: National Westminster Bank Plc  
Commercial Banking  
Union Street  
Chester  
CH1 1UA

Solicitors:	Brabners LLP	Aaron & Partners
	Horton House	5-7 Grosvenor Court
	Exchange Flags	Foregate Street
	Liverpool	Chester
	L2 3YL	CH1 1HG

Auditor: DSG Chartered Accountants  
Castle Chambers  
43 Castle Street  
Liverpool  
L2 9TL

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2024

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#### A message from our Chair and Chief Executive

Throughout the last year, Local Solutions upheld its commitment to support and empower individuals and communities. Ongoing cost of living pressures exacerbated the challenges many households faced, and public services remained overwhelmed and underfunded. We continued to deliver and develop our existing services whilst extending our reach with new initiatives in early help, multi-agency partnerships and community empowerment.

The financial position is positive with a strong balance sheet and 2023–2024 income of £13.3m, producing an overall surplus for the year of £183,751.

Our reach also increased in the year enabling us to support 37,532 people across the Liverpool City Region and North Wales. We have provided over 400,000 hours of social care, delivered over 4,000 health & wellbeing sessions to unpaid carers, helped 1,500 young people with accommodation skills and mentoring, and supported over 1,400 individuals through our IDVA services.

Last year also marked the start of our 50<sup>th</sup> anniversary year; a year of celebrations, reflections, fundraising and new projects. Key amongst these is our Community Empowerment Fund which provides grants and support to individuals, groups, and small community organisations to develop their own social actions projects and community initiatives. We were also chosen to be the Lord Mayor of Liverpool's Charity of the Year raising funds for our youth mentoring projects alongside our own Big SleepOut event raising funds and awareness around youth homelessness on a chilly March evening.

In late 2023 we sold our Scotland Road site to provide a solution to refurbishing our supported accommodation and to generate funds to support our long-term missions and strategic plans. This has enabled us to continue our delivery on site as tenants and work with developers to shape new plans for transforming the quality of accommodation and facilities available.

As part of our commitment to our Big Missions, we have designated significant reserves for the coming year totaling £1.2m. These include designated funds for Workforce Resilience and for Impact & Innovation, with the largest reserve focused on Accommodation Development. This forms part of our ongoing commitment to asset-based community approaches and we hope to build on our reach across the region with investment in accommodation and the development of our community presence, building on our Social Care community project, Carers Centre, AIMS Skills Programme and Community Empowerment Fund.

This past year has demonstrated Local Solutions' commitment, creativity, and resilience. The skill and passion of our staff and volunteers continues to be the driving force of our positive impact. We are proud of all the work outlined in the Overview of the Year in this report.

A huge thanks to all our staff, supporters, service users and volunteers.

Hazel and Tom



Hazel Snell  
Chair  
Date: 15<sup>th</sup> August 2024



Tom Harrison  
CEO  
Date: 15<sup>th</sup> August 2024

Email: [info@localsolutions.org.uk](mailto:info@localsolutions.org.uk)  
Website: [www.localsolutions.org.uk](http://www.localsolutions.org.uk)

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2024

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The trustees present their annual report and financial statements for the year ended 31 March 2024. The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

## OBJECTIVES

Local Solutions is a charity founded in 1974 that delivers services to people in England and Wales, primarily within the Liverpool City Region and North Wales with a focus on people who face disadvantage, exclusion, and vulnerability.

Our work is guided by our Vision of a society where people can live in safety and dignity and lead fulfilled lives. Our Mission is to empower people and support communities.

We will deliver our mission by truly understanding the needs and challenges facing individuals and communities and working together to design and deliver approaches that create sustained, positive impact.

The Board promotes the Charity's values: compassionate, reliable, pioneering, and knowledgeable, and ensures that these are reflected in all its work. The objects of the organisation are set out in the Memorandum and Articles of Association. The main areas of activity are to benefit the community through the promotion of charitable purposes in the fields of social welfare, education, and recreation.

The Charity Governance Code was published to help charities and their trustees develop high standards of governance. The code sets out seven principles and recommended practice, which Local Solutions addresses and complies with, as explained below.

## ORGANISATIONAL PURPOSE

Our purpose is to empower people and support communities through transformative services and approaches. Our work is in three principal areas:

### **Social Care**

Care and personal support services for people who are older, are affected by physical and mental health issues, have mobility problems, or disabilities. This includes commissioned services for domiciliary care, specialised care, extra care, and care commissioned privately by individuals and families.

### **Support and Accommodation**

Support and accommodation for young people and families who are homeless, vulnerable, marginalised, or at risk of exploitation. Specific services include provision of housing, support, mentoring, skills, advice, and independence.

### **Communities**

Services for people who are affected by exclusion focusing on access to community support, advice, recreation, and skills. Specific support services for those not in education, employment, or training, those affected by domestic abuse or bullying, people who have mobility issues and those who provide unpaid care for others.

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2024

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#### LEADERSHIP, BOARD EFFECTIVENESS, OPENESS AND ACCOUNTABILITY

Local Solutions is governed by its Board of Trustees, which is a body of volunteers with careers in a wide variety of fields. The Trustees who served on the Board throughout the year are listed on page 1.

The Charity's Leadership Team comprises the Chief Executive, Strategic Leads for Social Care and for Support & Accommodation, and Departmental Heads for key areas of the Charity.

The Chief Executive is appointed by the Trustees to manage the day-to-day operations of the Charity.

The remuneration of the Chief Executive and Leadership Team is set by the Trustees recognising:

- individual and team performance in the context of a challenging climate
- the importance of recruitment and retaining the 'right' people (both in terms of experience and attitude)
- the level of knowledge, skills and experience required, and the responsibilities and accountabilities associated with the position.

The Chief Executive selects an appropriate Leadership Team to manage the operations and activities of the Charity. This includes Strategic Leads for Social Care and Support & Accommodation, and Heads of Communities, Finance, People & Culture, Safety & Support, and Business Development & Impact.

A system of performance management, including objectives, key performance indicators, development plans, management reporting and appraisal is in place to monitor the effectiveness and management of individuals and teams.

A Trustee committee structure is established comprising: Finance, Audit & Risk and People & Culture; each Committee includes suitably skilled Trustees plus an appropriate member(s) of the Leadership Team. Other Task and Finish Groups are set up as considered appropriate.

The Trustees meet as a Board four times a year as a minimum. In addition, each Trustee may serve on one or more of the Committees and Task and Finish Groups. Each of the Committees has outlined a clearly defined work programme for the coming year.

The election of Trustees is determined by the membership of the Charity which includes all Trustees. Trustees may serve for a period of three, three-year terms and thereafter may serve a maximum of three additional one-year terms. An active Trustee Recruitment Programme is in place to fill gaps and to ensure that the Board has an appropriate range of relevant expertise and diversity. The induction process for any newly appointed Trustee is tailored to the requirements of the individual. The new Trustee receives copies of Charity Commission guidance, the minutes of the most recent Trustees' meetings, the current strategy document, and a copy of the most recent statutory accounts. Ongoing training is provided for all Trustees.

The Board welcomed one new Trustee during the year:

Melanie Harvey – 21 September 2023 – Melanie is the Communications and Public Affairs Manager at Liverpool Health Partners, part of the NHS.

The Committee Chairs and the Chief Executive report into the Board of Trustees on key issues and actions. Trustees receive other bespoke reports as appropriate. The Charity has a comprehensive set of policies and procedures in place in relation to operations, finance, human resources, risk management and health and safety.

Trustees declare any potential conflicts of interest at every Board meeting, and these are recorded. The Board acts in the best interests of the Charity and its beneficiaries and is not influenced by those who have special interests.

## **LOCAL SOLUTIONS**

### **REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT INCORPORATING STRATEGIC REPORT)**

For the year ended 31 March 2024

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#### **INTEGRITY**

The Board of Trustees is committed to integrity, protecting the Charity's reputation, and promoting the core values through transparent and objective decision making. The Committee structure provides appropriate scrutiny, challenge, and independence. Trustees follow Best Practice as outlined in the Charity Governance Code, and the Board maintains registers of interests and disclosures of actual or potential conflicts.

#### **DECISION MAKING, RISK AND CONTROL**

##### **Decision Making**

Local Solutions operate a clear Scheme of Delegation identifying the operational matters for which the Leadership Team has delegated authority. The Board of Trustees ensure decision making is scrutinised, timely, and in line with the Charity's strategic aims. Committees for Finance, Audit and Risk, and People and Culture, provide assurance and frameworks around decision making, performance and risk.

Following the 2023 annual Strategic Away Day, attended by Trustees and members of the Leadership Team, Trustees agreed to disband the Operations and Development Committee. This Committee served an important function, providing oversight of key operational activities of the Charity during a period of economic uncertainty and change in the Leadership Team. With management changes now embedded, a system of quarterly organisation reviews in place, and some reallocation of oversight responsibilities to the remaining committees, Trustees agreed that the Operations and Development Committee is no longer needed.

##### **Risk Management**

Local Solutions takes a robust approach to managing risk and maintains a Corporate Risk Register to assess its activities and operational risks and to agree any necessary action for mitigation and control. Risk assessment and management is regularly considered at Board, Finance, Audit and Risk Committee and Leadership Team meetings.

The Corporate Risk Register considers governance and management, operational, quality, financial, people, and cyber security aspects of the activities of Local Solutions. It covers risks that the organisation may face and steps and control procedures in place to mitigate those risks, as well as providing an ongoing review of existing systems and procedures.

The Corporate Risk Register is supported by service-specific quality audit processes and tools which focus on the regulatory and delivery aspects of the Charity's main operations.

##### **Principal Risks and Challenges**

The principal risks and challenges which the organisation currently faces are:

- Failure to satisfy regulatory quality benchmarks.
- Failure to recruit and retain enough staff, particularly in Homecare.
- Failure to recruit and retain enough Trustees with relevant skills.
- Serious Incidents and Safeguarding.
- Insufficient funding from Local Authorities to cover cost of delivery of services.
- Loss of a significant contract.
- Failure to grow or secure new business.
- Financial viability of the organisation.
- Failure to secure suitable premises for operations and service delivery.

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2024

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- Threats to cyber security.
- Failure of key operational I.T. systems.
- Serious breach of data protection regulations.

The Board of Trustees has overall responsibility for the management of risk. The Finance, Audit and Risk Committee has delegated authority to review all aspects of risk management for Local Solutions and to provide oversight of the design, implementation, and effectiveness of risk management processes. A firm of chartered accountants has been appointed by the Charity to perform internal audit services, working to an agreed 3-year internal audit strategic plan linked to the Corporate Risk Register. To ensure independence, the internal audit contractor has free and full access to the organisation's officers, records, premises, and meetings, reports to the Chair of the Board of Trustees and functionally to the Finance, Audit and Risk Committee.

The Corporate Risk Register is a live document which is subject to ongoing change as circumstances require, and which involves the Leadership Team and Trustees in identifying, assessing, and monitoring risk. The Finance, Audit and Risk Committee reviews the Corporate Risk Register on a quarterly basis, and it is reviewed by the Board of Trustees twice a year.

Failure to meet regulatory quality benchmarks may mean that Local Solutions is ineligible to retender for contracts resulting in the potential for significant monetary loss and negative organisational impact. Investment continues to be made in improving quality monitoring and oversight, including implementation of the Homecare Quality Plan to ensure achievement of CQC standards, conduct of mock inspections for Ofsted regulated services, weekly reporting of data on quality, implementation of the MyConcern reporting app, and inclusion of the Registered Manager in the Extended Leadership Group

Recruitment and retention of care staff remains a challenge given highly competitive local labour markets. Local Solutions remain committed to paying the Real Living Wage and has adopted a 'Care Friends' app to encourage recruiter bonuses for care staff who provide employee referrals – a high-quality source of new staff. A Workforce Development Plan is being produced to guide us in three key areas: Attract (how we attract good employees), Train (how we make sure our employees have the right skills) and Retain (what we do to invest in our employees). The People and Culture Committee is developing a culture of "you said, we did" by conducting short Pulse Surveys with staff. A recent survey designed for carers resulted in several actions being taken by the Leadership Team in response to feedback, including reviewing a request for torches for night calls, PPE distribution, mileage claims and short notice calls.

The risk of significant harm to service users or staff whilst accessing Local Solutions' services is mitigated by deployment of a dedicated organisational Safeguarding Lead and a named Trustee Lead. Both participate in Safeguarding Strategy Group meetings in which the Safeguarding Risk Register is reviewed, and any items of note are reported directly to the Board of Trustees. The Charity has implemented the MyConcern app which supports CQC and Ofsted requirements and enables us to develop safeguarding responses across all departments. The next stage of implementation will involve the roll out of MyConfide (to report accidents, incidents, complaints, data breaches) and MyVoice, which allows individuals (externally and internally) to submit concerns. Policies and processes have been updated accordingly.

The loss of a significant contract poses a high risk and would have widespread implications for the rest of the organisation's operations. All major contracts that were due to expire in the 2023-24 financial year have either been extended or successfully re-tendered. The Charity's largest Homecare contract has been extended to December 2024 and other significant contracts have been re-awarded for periods of between three and five years. While the immediate risk of loss of a significant contract is thus deemed to be low at present, the Finance, Audit and Risk Committee review the Contracts Register quarterly and receive monthly updates on Key Performance Indicators for Homecare services. The financial viability of new or extended contracts is monitored using Bids, Extensions or Variations forms which are completed by delivery managers, assessed by the Heads of Service or the CEO, and reviewed and authorised by the Chair of the Finance, Audit and Risk Committee according to the Scheme of Delegation.

## **LOCAL SOLUTIONS**

### **REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT INCORPORATING STRATEGIC REPORT)**

For the year ended 31 March 2024

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Effective and consistent operation of I.T. systems is essential to the success of Local Solutions. Domiciliary care services depend on systems access for accurate logging of client calls, care management and invoicing. If access to the system were removed or unavailable this would present a significant risk to Local Solutions. Steps taken to mitigate this risk include daily backups of data on an internal server, availability of offline data for calls during short-term access issues, regular meetings with the system provider to review functionality, and assessment of other potential system providers for features, cost, and benefits. Steps (including staff training on phishing and malicious links, restrictions on who is authorised to install software on company devices, and use of antivirus software) all form part of the organisation's strategy to combat cyber security risks. During the year, a tender exercise was run to provide updated I.T. infrastructure, replacing the end-of-life servers with cloud-based services. The new system increases ease of access and availability of services, unifies the management of desktop and laptop devices, enhances control around device usage and monitoring, and increases security while improving backup integrity. To minimise disruption, the new system has been introduced in phases with all aspects of the upgrade due to be completed in July 2024.

#### **Serious Incidents and Safeguarding**

The Trustees recognise the requirement to report serious incidents to the Charity Commission. Local Solutions has developed and implemented robust Health and Safety, Financial, Disaster and Contingency Planning policies to assist the organisation in minimising the risk of serious incidents and has appropriate strategies in place in the event of an incident.

Local Solutions provides a wide range of services within the Liverpool City Region and North Wales, including domiciliary and residential social care, accommodation, domestic abuse, and other services for a cross-section of young people and older people. By the nature of the provision we deliver, we have frequent interaction with the police, local authorities, and other statutory and regulatory bodies, such as the Care Quality Commission, in the reporting of serious incidents, for which there are established protocols which must be followed.

Monthly Key Performance Indicators relating to Complaints and Safeguarding Allegations are reported to the Board of Trustees to keep them fully informed about serious incidents. There is a specific operational lead for safeguarding and a Safeguarding Strategy Group which includes a nominated Trustee. This Group provides scrutiny, review, and analysis on safeguarding matters. Our Safeguarding Policies and Procedures outline a clearly defined reporting process.

#### **DIVERSITY**

Our Vision is a society where all people can live with dignity, lead fulfilled lives, and realise their full potential. Local Solutions is committed to continuing to enhance Equality, Diversity, and Inclusion in everything we do.

#### **Statement of Commitment**

Local Solutions' Mission is to Empower People and Support Communities. Our teams, whether in offices or communities, are vital. They are compassionate, reliable, pioneering, and knowledgeable which helps them to understand the challenges and empower change.

We ensure that we always recruit, retain, and promote a diverse mix of people who are representative of the diversity in our local communities which gives us a great opportunity to have access to a broad range of ideas and allows us to deliver the wide mix of services.

## **LOCAL SOLUTIONS**

### **REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT INCORPORATING STRATEGIC REPORT)**

For the year ended 31 March 2024

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#### **Our Commitment as an Employer**

Local Solutions is committed to:

- Creating an environment in which individual differences and the contributions of our staff are recognised and valued.
- Ensuring that everyone operates in a working environment that promotes dignity and respect to all. No form of intimidation, bullying or harassment will be tolerated.
- Providing training, development, and progression opportunities to all staff.
- Understanding equality and inclusion in the workplace. That is good management practice and makes sound business sense.
- Regularly reviewing all our employment practices and procedures to ensure fairness and inclusion.
- Taking steps to ensure equity amongst our workforce, such as ensuring that our vacancies are advertised to a diverse range of potential candidates and, where relevant, to particular groups that have been identified as disadvantaged or under-represented in our organisation.
- Taking positive action to recruit disabled people and ensuring there are no unlawful barriers to accessing our employment opportunities, training, progression opportunities, benefits, and facilities.
- Ensuring that diversity in our workforce is regularly monitored to ensure equal opportunities throughout the organisation. Where appropriate, measures will be taken to identify and remove obstacles and to meet the special needs of disadvantaged or under-represented groups.

#### **Our Commitment as a Service Provider**

Local Solutions is committed to:

- Providing services to which all clients are entitled regardless of age, disability, gender reassignment, marriage and civil partnership, pregnancy or maternity, race, religion or belief, sex, or sexual orientation.
- Making sure our services are delivered equally and meet the diverse needs of our service users and clients.
- Taking steps to ensure equity amongst our clients and service users such as removing any unlawful obstacles to accessing our services or facilities. Where appropriate, measures will be taken to identify and remove unnecessary barriers and to meet the special needs of disadvantaged or under-represented groups.
- Having clear procedures that enable our clients, candidates for jobs and employees to raise a grievance or make a complaint if they feel they have been unfairly treated.

#### **Employment of Disabled Persons**

Local Solutions is committed to ensuring that disabled people are afforded equality of opportunity in respect of entering and continuing employment with us. In 2021 Local Solutions was awarded the Disability Confident Employer kitemark for a further 2 years. Local Solutions uses the Disability Confident Symbol, which is our pledge to:

- Interview all disabled applicants who meet the essential criteria for a job vacancy and consider them on their abilities.
- Ensure there is a mechanism in place to discuss with disabled employees at any time, but at least annually, what can be done to make sure they can develop and use their abilities.
- When employees become disabled, make every effort to make sure they remain in employment.
- Take action to ensure that all employees develop the appropriate level of knowledge necessary to make these commitments work; and
- Regularly review the above commitments to shape plans.

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2024

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#### Employee Involvement

Employees receive regular communications through a range of different media informing them of organisational news, service updates and forthcoming events. Additionally, staff receive regular updates from the Chief Executive. Local Solutions has an Employee Forum - a recognised employee group with clear terms of reference which allows all to participate through member representation. We have regular pulse surveys on a range of themes and an annual staff survey and planning process.

## STRATEGIC REPORT

The description under the headings "Overview of the year" and "Financial review" meet the company law requirements for the trustees to present a strategic report.

## OVERVIEW OF THE YEAR

### KEY HIGHLIGHTS

We continue to push forward as a charity, developing our services, improving our buildings and environments, and finding innovative ways to meet the challenges faced by individuals and communities.

We have produced a 2023-2024 Impact Report to illustrate the breadth and impact of our work, focusing on peoples' stories and experiences, which is available on our website [www.localsolutions.org.uk](http://www.localsolutions.org.uk)

In December 2023, after 25 years of delivering support, accommodation, and services from our Scotland Road base, we sold the building to a developer. Their plans for the building will enable us to continue providing high quality support, improved accommodation, and enhanced facilities.

Our work around young people, families and homelessness continues to expand, and we delivered new initiatives at our Flintshire Family Hub providing intensive support to families at risk of, or experiencing homelessness, and across our Supported Lodgings service extending this to support Unaccompanied Asylum Seeker children.

This last year also saw a significant growth in the breadth of services provided by our domestic abuse teams. We have developed new services in conjunction with Liverpool City Council to support Multi-Agency Safeguarding Hubs and Early Help Teams with independent advice, guidance, and interventions as well as further enhancing our specialist protected characteristics and young person's support.

Key to our progress throughout last year was the growth in Homecare delivery, reaching more homes and providing more care than ever. Our care workforce provided 400,128 hours of personal care into peoples' homes, supporting their independence, and increasing their well-being. Although Social Care continues to be a challenging sector with underfunding, staff shortages and an ageing population, we continue to ensure we have a strong voice through campaigning on the ethical cost of care, our commitment to Real Living Wage and through funding our own initiatives including our 'Happy Place' hub in Netherley for people using our Homecare services, our community living room in Wavertree for unpaid carers and our specialist dementia resources in our Extra Care service in Wirral.

We also successfully completed Ofsted registration for all our supported accommodation services for 16 and 17 year olds, including our Homeground Hostel provision and our Supported Lodgings services across Liverpool, Knowsley, Sefton, and Wirral. This new registration requirement is a positive step forward for all services and for young people who use these services and provides protection against unregulated placements and providers.

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2024

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The March launch of our Community Empowerment Fund saw us take an important step towards a more community-led way to create impact. We committed to making grants to grass roots organisations, community groups and individuals to empower local social action and to build on existing community assets, strengths, and ideas. At launch we had over 40 applicants and will be making grants and facilitating network meetings and experience sharing throughout this coming year.

Alongside these new initiatives and innovations, we have continued to successfully tender for many of our existing contracts. These include Liverpool Independent Domestic Violence Advisor Service, Unpaid Carers Assessment and Health & Wellbeing Services. This is in addition to contracts for the delivery of support and accommodation across our young peoples' projects including Supported Lodgings and Homeground Hostel and significant Social Care contracts (including a newly redesigned service in Sefton, where we were successful in becoming a Tier 1 provider).

#### REVIEW OF SERVICES – BUILDING RESILIENCE, RAISING ASPIRATION, IMPROVING LIVES

This year marks our 50th anniversary and we attribute our success and longevity to our ability to respond with boldness and flexibility to the challenges faced by the people and communities that we support. Throughout the 2023/24 financial year, Local Solutions supported 37,532 individuals from across the Liverpool City Region and North Wales.

Our services are varied, but they are underpinned by 5 key outcomes: gaining skills and confidence, developing independence, creating stable accommodation, increasing safety and security, and improving health and wellbeing. Throughout the year, and across all our services, service users reported the following:

- 76% reported that they have more stable accommodation
- 98% reported increased feelings of health and well-being
- 98% reported that they had improved their independence levels
- 88% reported an increase in their safety and security
- 97% reported they had increased their skills and confidence

Our 2024-2027 strategy places focus on 3 big missions; to transform social care, to end homelessness and to empower communities and our key activities this year working within those missions are as follows:

#### Transform Social Care

The Homecare team provided 400,128 hours of care to 1208 individuals in their own homes over the course of the last year. We recognise that delivering care to the elderly in their homes offers substantial benefits across physical, emotional, economic and social dimensions. The care plans that our staff write and deliver foster independence, improve mental health and maintain social connections, significantly enhancing the quality of life for the people that we support.

The majority of the services provided are delivered on behalf of local authorities within the Liverpool City Region. The care that we deliver is predominantly domiciliary, but it also includes 33,617 hours of complex care delivered to individuals who have long term health conditions such as brain damage, long COVID and learning difficulties, which mean that they are not able to live independently without care. The delivery of complex care relieves the pressure on a family member and opens up the individual's world allowing them to maintain a level of independence that would otherwise be impossible for them.

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2024

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In addition to the provision of Homecare, over the last year we have built on the success of a pilot project to reduce isolation amongst Homecare clients in the Netherley area of the city. With funding secured from the SWAGGA Frailty Care team, we have been able to run weekly social meetings for our Happy Place project for elderly clients to leave their home, socialise with others and take part in a range of activities ranging from armchair Tai Chi to Arts, Crafts and Bingo. The outcomes have been improved health and well-being for all participants.

Our Cherry Tree House property in Moreton has provided accommodation and support for 10 residents over the course of the last year. Residents are able to live independently in self-contained flats and receive tailored support from a team of highly trained, dedicated and committed staff. This year we have invested in a large interactive touch screen dementia table that has been placed in the communal area of Cherry Tree. The large screen makes reading, seeing and listening easier and contributes to keeping the minds of residents active. Games and activities can help them to improve their memory and help to maintain cognitive skills. The use of colour and interactive elements can significantly reduce confusion and the large buttons make it easier to use than a standard iPad or tablet.

#### End Homelessness

A central part of our work is to deliver projects that help young homeless people and families to feel secure, build resilience and increase their personal capacity and skills so that they can plan for a successful future. Over the last year 1,504 young people aged between 16-25 have been provided with temporary accommodation support, advice and guidance through our Homeground, Supported Lodgings and Flintshire Support Services across the Liverpool City Region and North Wales.

Our Homeground site provides temporary accommodation and support for young homeless people aged 16-21. In addition to a safe place to live, residents are allocated a support worker to meet their individual needs and support them to make positive life choices to enable them to secure, maintain and thrive when they leave.

Supported Lodgings provides placements for young homeless people, aged 16-25, with householders who live in the community. In the last year, 811 young people were placed in schemes across seven Local Authority areas in England and Wales.

Sunraye is a nine-bed hostel providing accommodation and support for vulnerable women aged 16-65; the service is based in Flintshire, North Wales. The aim of Sunraye is to build skills and capacity in service users to facilitate their resettlement with their own tenancies or suitable move-on accommodation. During the year, 14 women were accommodated at Sunraye.

Our Flintshire Floating Support Service in North Wales provides support, advice and guidance to young people aged between 16-24. The people that we support are at risk of homelessness, in temporary accommodation or need support to establish and sustain tenancies.

The AIMS Mentoring and Skills team support young people aged 16-24 who are homeless or at risk of homelessness and exploitation across the Liverpool City Region. Many of the young people that we support are living in the temporary accommodation that we provide. Our aim is to ensure that the support we provide is unique to the individual and tailored to their needs, helping them to achieve their personal potential. Our experienced and dedicated mentors support young people in 4 fundamental areas:

1. Mentoring.
2. Personal & Social Development skills.
3. Accommodation, independent living, and life skills.
4. Education, employment and training.

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2024

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#### **Empower Communities**

Over the last 12 months, the Liverpool Carers Centre has continued to provide a range of assessments, support interventions, advocacy, and campaigning on behalf of unpaid carers in Liverpool. 4,223 people have taken part in a health and wellbeing activity at the centre and 1,199 care assessments have been completed for unpaid Carers.

Our MyTime project continues to go from strength to strength and now operates in Liverpool, Wigan and Milton Keynes. Over the last 12 months 1,355 unpaid carers have benefitted from a break by taking part in a leisure, cultural or educational activity donated by businesses and organisations from across the 3 regions. MyTime has also been represented at the Liverpool City Region's Tourism Awards and the Liverpool Hospitality Awards, generating additional partnerships with providers and income for the charity.

With increasing fuel and food bills, we have also used the Carers Centre to host a Community Living Room that provides a free warm space for people to access to keep warm, access a hot meal and receive advice from fuel and benefits experts.

As part of our commitment to empower change, we have launched our Community Empowerment Fund and committed to investing £50,000 to provide individuals and groups with the opportunity to make a difference in their own communities. The aim is to offer grants to support smaller projects, ideas and initiatives that come through, or inspire voluntary social action, rather than to fund larger established charities and community groups.

The Fund launched in March, and we have already received over 40 brilliant applications for projects that include yoga classes for people with dementia, self-esteem workshops for victim survivors of domestic abuse, training books for asylum seekers and refugees to learn English and a community garden for residents to access green space and learn to grow produce.

Liverpool Watersports Centre provides watersports and outdoor activities for the whole community, with a particular focus on those experiencing disadvantage, to participate in challenging experiences that enhance personal capabilities. Over the last year 11,146 people have taken part in an activity at the centre.

Over the last 12 months our Independent Domestic Violence Advisory Service (IDVA) has supported 1,438 victim survivors of domestic abuse. Work is carried out using a multi-agency approach and with Merseyside Police as a principal partner. Our work in this area has extended considerably to include partnership work and specialist advice within early help and multi-agency safeguarding teams.

The Shopmobility service, based in Liverpool ONE, assists people that have mobility restrictions to gain access to retail, leisure and cultural amenities through the hire of equipment. Over the course of the last year, 1,340 items of equipment were hired out in total. The service supports local people and enhances the accessibility and experience of visitors to the city.

Our Bullybusters team work within schools providing training and awareness sessions to reduce the number of incidents of bullying. Over the course of the year the team has delivered 275 sessions in 78 schools in Liverpool, Sefton and Knowsley.

Our AIMS team have extended their reach to secondary schools in the past year; the AIMS Schools team has delivered 199 sessions to 38 schools across the Liverpool City Region.

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2024

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#### PUBLIC BENEFIT

The Trustees of Local Solutions confirm that they have given due consideration to the Charity Commission's published guidance on the operation of public benefit when reviewing the Charity's aims and objectives and in planning strategy and future activities. Our activities in 2023/2024 demonstrated, in all accepted definitions, that Local Solutions continues to provide charitable services across England and Wales that are of public benefit through the delivery of our transformative services and approaches.

#### PLANS FOR FUTURE PERIODS

##### High Level Ambitions

Our high-level ambitions are guided by our vision of a society where all people can live with dignity, lead fulfilled lives, and fulfil their potential and our mission to empower people and support communities.

All our ambitions support the achievement of our cross-organisational outcomes:

- Gaining Skills and Confidence.
- Developing Independence.
- Sustaining Stable Accommodation.
- Increasing Safety and Security.
- Improving Health and Wellbeing.

Our 3 Big Missions:

- Transform Social Care.
- End Homelessness.
- Empower Communities.

Our Objectives:

- Make social care a rewarding career.
- Extend community-based accommodation.
- Expand skills, well-being, and inclusion programmes.
- Pilot new ways of working and foster innovation.
- Fund community empowerment.
- Influence systems change.

We will support the achievement of these objectives through key strategic enabling activity:

- Identifying opportunities from political change.
- Quality development, monitoring, reporting & compliance.
- Workforce development, employee experience & staffing trends.
- Accommodation development, premises plans & community presence.
- Communication, collaboration, creativity & organisational culture.
- Contracts, competition & funding diversity.
- Learning & development, training, skills offer & capacity development.
- Service user voice, experience & codesign.
- Technology for good, data insights & systems development.
- Partnership work, network building & stakeholder engagement.

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2024

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## FINANCIAL REVIEW

### Income and Expenditure

The overall surplus for the year was £183,751 (2023: deficit £321,915). Income for the year has increased to £13,328,907 (2023: £12,497,025). Expenditure has increased to £13,145,156 (2023: £12,818,940).

While it is reassuring to see a surplus within the year it is important to note that £121,394 of additional income was recognised as profit on sale of fixed assets following the sale of our Scotland Road building. Excluding this Income the surplus for the year would have been £62,357.

During 2023/24 we have not utilised any Designated Reserve allocation, recognising all costs within our general expenditure.

The largest single factor in the increase in expenses for 2023-24 was a 2% cost of living pay rise for all staff effective from 1<sup>st</sup> October 2023, associated cost of £104,000. Staff costs remain the highest cost for the organisation. Wages and salaries for carers and core staff plus employer national insurance and pension contributions equates to 85% (2023: 83%) of total costs for the year ended 31st March 2024.

Local Solutions continue to be a Real Living Wage employer, which has resulted in an increase in Local Authority Rates. These increases have enabled us to award pay increments which were essential during the cost of living crisis.

Income from delivery of domiciliary care services, Local Solutions' largest source of revenue, was 14% higher than the previous year, from a growth in hours and income rates.

Support and accommodation services and communities' activities such as the Liverpool Watersports Centre, domestic abuse support, and Liverpool Carers Centre provision all continue to make a positive financial contributions to Local Solutions in addition to the social impact they delivered to service users and the wider community. Additional funding secured within our domestic abuse services in year and expansion of the MyTime projects has also had a positive impact.

The Charity earned £48,183 in interest income during 2023-24, taking advantage of the higher interest rates available and opening fixed term deposit accounts. These are reviewed and agreed by the Finance, Audit and Risk Committee monthly to ensure an appropriate balance between accessibility of funds and the opportunity to earn interest.

To comply with the Charity Governance Code, the financial implications associated with adherence to the Code are considered when setting the organisation's annual Budget and are expended as incurred.

### Balance Sheet

The Balance Sheet remains strong despite the impact of challenges during the year. Cash flow has been satisfactory with a closing cash position of £2,331,595 (2023: £1,353,988) at the end of the year. This represents 2.12 times average monthly expenditure. The working capital position has remained positive throughout the year with no cause to access the overdraft facility of £100,000. Net assets of the Charity have increased to £2,519,928 at the year-end (2023: £2,336,177).

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2024

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#### Reserves Policy

Charity reserves are that part of a charity's unrestricted funds that are available to spend at the discretion of the charity trustees. They are unrestricted and are intended to cover unanticipated reductions in income or to fund charitable activities.

The Reserves Policy seeks to ensure that Local Solutions can meet all its current cash flow needs and future obligations, while also enabling uninterrupted operation and provide time to adjust in the event of any change in financial circumstances.

As part of their regular assessment of the Charity's reserves requirements, the Board of Trustees has reviewed analyses of several scenarios in relation to reserves. It was agreed that no change to the Reserves Policy is required now, but that this will be kept under annual review by the Finance, Audit and Risk Committee.

A significant proportion of Local Solutions' costs are contract-linked expenditure and therefore directly recoverable under contracts for services. This means that, in the event of the loss of one or more of these contracts, most of the costs associated with them would be transferred to the succeeding contractor. Following the loss of such a contract, Local Solutions would be left to cover central support costs along with other direct administrative costs which are not contract-linked.

Unrestricted free reserves are defined as general unrestricted funds plus revaluation reserve less tangible fixed assets. Tangible fixed assets cannot be realised quickly and are therefore deducted when calculating unrestricted free reserves.

The Trustees consider that it is appropriate for the Charity to hold unrestricted free reserves equivalent to a minimum of three months' central support costs plus other costs to which there is no directly linked contract. Based on the 2024/25 Budget, three months' central support and admin costs currently amount to £631,477. The current level of unrestricted free reserves is £928,907 providing 1.5 times of cover for the target level of central support costs.

The Trustees wish to continue to invest in the future and the development of the Charity. To achieve this, three designated funds have been maintained this year: Innovation and Impact, Infrastructure and Assets, and Workforce Development and Retention. Further information on designated funds is provided in note 12. Designated funds are intended to be spent in furtherance of specific aspects of the Charity's objectives and in line with our long-term ambitions for sustainability and impact. Designated funds are excluded from the calculation of unrestricted free reserves as they are not available for general expenditure.

Following the sale of the Charity's freehold property at Scotland Road, cash balances increased by £950,000. The cash has been placed in interest-earning deposit accounts for periods ranging from 32-days to 6-months while options for deployment are considered. As these funds have been ring-fenced to provide property to support future growth in support and accommodation services for vulnerable people, they are not available for general expenditure and have also been excluded from the calculation of unrestricted free reserves.

The Trustees recognise the need to ensure the level of reserves is appropriate for the size of the organisation. The Finance, Audit and Risk Committee keep reserve levels and the Reserves Policy under close review to ensure that reserves are adequate to meet the Charity's cash flow needs and that the Policy remains fit for purpose.

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2024

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#### Investment Policy

The Memorandum and Articles of Association sets out the Charity's powers of investment. Currently, the Charity does not hold any long-term investments. Short-term surplus funds are placed in cash deposit investment schemes with the Charity's bankers. The Trustees are satisfied with the return achieved given prevailing interest rates.

#### Funding

The Trustees remain satisfied that the Charity's assets attributable to each of its individual funds are available and adequate to fulfil its obligations in relation to those funds.

#### Going Concern

The Board of Trustees is required to consider the appropriateness of the going concern basis when preparing financial statements.

The financial and operational resilience of the Charity remains robust. During the year ending March 2024 in addition to re-tendering for existing Homecare services, Local Solutions was successful in securing several new contracts, including the provision of support for victims/survivors of domestic abuse, the operation of approved accommodation for 16 to 18 year-old looked after children following completion of Ofsted's registration process, and the provision of supported lodgings in Liverpool.

Since becoming a Real Living Wage employer, with an ongoing commitment to improving pay and conditions, Local Solutions has seen a stabilisation in the overall care workforce numbers. This improves the Charity's capacity to meet existing demand for social care and positions us well to benefit from future growth opportunities. Recent withdrawals from the social care market of some local competitors who are not able to meet local authority requirements to pay the Real Living Wage is expected to further improve the Charity's ability to take on additional domiciliary care contracts when these become available. Proceeds from the sale of the Charity's Scotland Road site provide a useful cash reserve to support future growth.

The Charity has a strong Balance Sheet with a cash position of £2,331,595 and Unrestricted Reserves of £2,431,255 at the end of the year. The working capital position has remained positive throughout the year with no need to access the overdraft facility of £100,000. Given the Charity has no anticipated borrowings, the risk of any breach of terms or conditions associated with the overdraft facility is assessed as low.

A balance of £100,000 from an historic payment on account is owed to Liverpool City Council (LCC). This balance is due to be repaid within the next twelve months. The full balance is held within creditors within one year on the Charity's balance sheet.

In order to consider the appropriateness of the going concern basis, we have prepared forecasts to March 2025 with the underlying assumptions reviewed in detail by the Finance, Audit and Risk Committee. Several scenarios were considered which stress tested the Charity's income. These included a reduction in Homecare hours delivered, lower capacity utilisation in accommodation services, and depressed activity levels at Liverpool Watersports Centre because of poor weather. We forecast that the worst-case scenarios would result in a budgeted surplus of £37K, lower than the base case assumption. Based on our forecasts for the coming year and beyond, and the level of reserves, the Trustees have a reasonable expectation that Local Solutions has adequate resources to continue operations for at least 12 months from the date of approval of these accounts. Trustees have reviewed the assumption that Local Solutions remains a going concern and have concluded this to be accurate and appropriate. Further information in this respect is given in the principal accounting policies.

## **LOCAL SOLUTIONS**

### **REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT INCORPORATING STRATEGIC REPORT)**

For the year ended 31 March 2024

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#### **Statement of Trustees' Responsibilities**

The Trustees (who are also Directors of Local Solutions for the purposes of Company Law) are responsible for preparing the Strategic Report, the Annual Report, and the financial statements in accordance with applicable law and regulations. Company Law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 incoming resources and application of resources, including the income and expenditure, of the Charitable Company 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 of the Charities SORP;
- make judgements and accounting 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 to operate.

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 are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

In so far as each of the Trustees is aware:

- there is no relevant audit information of which the Charitable Company's auditor is unaware.
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

#### **Trustee Indemnity Insurance**

The Board of Trustees has the benefit of Trustee Indemnity Insurance which is authorised in the Articles of Association and is in relation to certain losses and liabilities which the Trustee(s) may incur to third parties in the course of acting as a Trustee (Director) of the Charity.

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2024

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#### **Auditor**

In accordance with the company's articles, a resolution proposing that DSG be reappointed as auditor of the company will be put at a General Meeting.

The Trustees' report including the strategic report was approved by the Board of Trustees.



Hazel Snell  
Chair

Date: 15<sup>h</sup> August 2024

## LOCAL SOLUTIONS

### INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF LOCAL SOLUTIONS

For the year ended 31 March 2024

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#### OPINION

We have audited the financial statements of Local Solutions (“the Charitable Company”) for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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 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 2024 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *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 related 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.

## LOCAL SOLUTIONS

### INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF LOCAL SOLUTIONS

For the year ended 31 March 2024

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#### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. 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.

#### Opinion 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 for the financial year for which the financial statements are prepared, which includes the directors' report and the strategic report prepared for the purposes of company law, is consistent with the financial statements; and
- the strategic report and the directors' report, which are included within the trustees' report, have 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 strategic report or the directors' report included within the trustee's 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 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.

## LOCAL SOLUTIONS

### INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF LOCAL SOLUTIONS

For the year ended 31 March 2024

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#### 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

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

The extent to which the audit was capable of detecting irregularities, including fraud is detailed below

#### Capability of the audit in detecting irregularities, including fraud

As a part of our audit in accordance with United Kingdom Generally Accepted Accounting Practice; and requirements of the Companies Act 2006 we exercise professional judgement and maintain professional scepticism throughout the audit. Based on our understanding and accumulated knowledge of the charity and the sector in which it operates we considered the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud and whether such actions or non-compliance might have a material effect on the financial statements. These included but were not limited to those that relate to the form and content of the financial statements, such as the Charities SORP 2019, Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice) the UK Companies Act 2006 and those that relate to the payment of employees. All team members were briefed to ensure they were aware of any relevant regulations in relation to their work.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries, management bias in accounting estimates and improper revenue recognition associated with year-end cut-off. Our audit procedures included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to recoverability of debtors and valuation and completeness of deferred revenue;
- Revenue year end cut-off procedures;
- Identifying and testing journal entries, in particular any journal entries posted with specific unusual narrative, manual journals to revenue and cash, and review of journals posted to least used accounts;

## LOCAL SOLUTIONS

### INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF LOCAL SOLUTIONS

For the year ended 31 March 2024

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- Discussions with management; including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Obtained an understanding of how the charity is complying with those legal and regulatory frameworks such as Companies Act 2006 & Employment Taxes Act by making enquiries to management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes and other evidence gathered during the course of the audit;
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control; and
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://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.



Jean Ellis BA FCA CTA (Senior Statutory Auditor)  
For and on behalf of DSG

15<sup>th</sup> August 2024

Chartered Accountants  
Statutory Auditor

Castle Chambers  
43 Castle Chambers  
Liverpool  
L2 9TL

## LOCAL SOLUTIONS

### STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2024

	Note	Unrestricted Funds	Restricted Funds	Total 2024	Total 2023
		£	£	£	£
<b>Income and endowments from:</b>					
Donations and legacies	1	44,700	793	<b>45,493</b>	76,724
Income from charitable activities	1	12,925,265	188,572	<b>13,113,837</b>	12,408,851
Sale fixed assets	1	121,394	-	<b>121,394</b>	-
Income from investments	3	48,183	-	<b>48,183</b>	11,450
<b>Total income</b>		<u>13,139,542</u>	<u>189,365</u>	<u><b>13,328,907</b></u>	<u>12,497,025</u>
<b>Expenditure on:</b>					
Charitable activities	2	<u>12,954,972</u>	<u>190,184</u>	<u><b>13,145,156</b></u>	<u>12,818,940</u>
<b>Total expenditure</b>		<u>12,954,972</u>	<u>190,184</u>	<u><b>13,145,156</b></u>	<u>12,818,940</u>
<b>Net income/(expenditure)</b>		<u>184,570</u>	<u>(819)</u>	<u><b>183,751</b></u>	<u>(321,915)</u>
<b>Net movement in funds</b>		184,570	(819)	<b>183,751</b>	(321,915)
<b>Reconciliation of funds</b>					
Total funds brought forward at 1 April	12	<u>2,246,685</u>	<u>89,492</u>	<u><b>2,336,177</b></u>	<u>2,658,092</u>
<b>Total funds carried forward at 31 March</b>	12,13	<u><u>2,431,255</u></u>	<u><u>88,673</u></u>	<u><u><b>2,519,928</b></u></u>	<u><u>2,336,177</u></u>

All of the principal activities of the charity were continuing for the year ended 31 March 2024.

There were no recognised gains or losses other than the result for the year.

## LOCAL SOLUTIONS

### BALANCE SHEET

As at 31 March 2024

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	Note	£	2024 £	£	2023 £
<b>Fixed assets</b>					
Tangible assets	8		252,348		1,077,091
<b>Current assets</b>					
Debtors	9	1,296,203		1,173,985	
Cash at bank and in hand		<u>2,331,595</u>		<u>1,353,988</u>	
		3,627,798		2,527,973	
<b>Creditors: amounts falling due within one year</b>	10	<u>(1,314,118)</u>		<u>(1,227,787)</u>	
<b>Net current assets</b>			<u>2,313,680</u>		<u>1,300,186</u>
<b>Provision for liabilities</b>	11		(46,100)		(41,100)
<b>Net assets</b>			<u>2,519,928</u>		<u>2,336,177</u>
<b>Funds</b>					
Restricted	12		88,673		89,493
General Unrestricted	12		1,181,255		1,357,202
Designated Reserves	12		1,250,000		236,267
Revaluation Reserve	12		-		653,215
			<u>2,519,928</u>		<u>2,336,177</u>

The financial statements were approved by the Board of Trustees on 15 August 2024, and signed on their behalf by:



Hazel Snell

**Trustee**

Company Number: 01792921

## LOCAL SOLUTIONS

### CASH FLOW STATEMENT

For the year ended 31 March 2024

	Note	2024	2023
		£	£
<b>Cash flows from operating activities</b>			
Surplus for the financial year		183,751	(321,915)
Adjustments for:			
Depreciation, impairment and amortisation of fixed assets	8	26,974	37,911
Profit on sale of fixed assets		(121,394)	-
Net interest (receivable)	3	(48,183)	(11,450)
Increase in trade and other debtors	9	(122,218)	(51,271)
Increase in trade and other creditors	10,11	91,332	(472,807)
		<hr/>	<hr/>
<b>Net cash generated from operating activities</b>		<b>10,262</b>	<b>(819,532)</b>
		<hr/>	<hr/>
<b>Cash flows from investing activities</b>			
Net proceeds from sale of tangible fixed assets		919,162	-
Interest Received		48,183	11,450
		<hr/>	<hr/>
<b>Net cash from investing activities</b>		<b>967,345</b>	<b>11,450</b>
		<hr/>	<hr/>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>977,607</b>	<b>(808,082)</b>
Cash and cash equivalents at beginning of year		1,353,988	2,162,070
		<hr/>	<hr/>
<b>Cash and cash equivalents at end of year</b>		<b>2,331,595</b>	<b>1,353,988</b>
		<hr/>	<hr/>
<b>Cash and cash equivalents comprise:</b>			
Cash at bank and in hand		2,331,595	1,353,988
Bank overdrafts		-	-
		<hr/>	<hr/>
		<b>2,331,595</b>	<b>1,353,988</b>
		<hr/>	<hr/>

The accompanying accounting policies and notes form an integral part of these financial statements.

## **LOCAL SOLUTIONS**

### **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2024

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#### **ACCOUNTING POLICIES**

##### **Charity Information**

Local Solutions is a private company limited by guarantee incorporated in England and Wales. The registered office is

Vortex Court, Enterprise Way, Wavertree, Liverpool, L13 1FB.

##### **Accounting Convention**

The Company is limited by guarantee and has no share capital.

The financial statements have been prepared in accordance with applicable accounting standards including the Statement of Recommended Practice: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2019 (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

They have been prepared under the historical cost convention. On transition to FRS 102 the Charity has elected to treat the depreciated valuation of land and buildings recognised under the previous UK GAAP as deemed cost. Any difference between historical cost depreciation and depreciation calculated on deemed cost is transferred between the revaluation reserve and unrestricted funds.

The trustees confirm that the Charity meets the definition of a public benefit entity as defined under FRS 102.

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

The principal accounting policies of the Charity have remained unchanged from the previous year and are set out below.

##### **GOING CONCERN POLICY**

The financial statements have been prepared on a going concern basis, which principally assumes that the Charity will continue to receive contracted financial income from various Local Authorities at a sustainable level. The Charity has several contracts in place which secure income and cash flows for at least 12 months from the date of approval of these accounts. Forecasts have been prepared and reviewed for the forthcoming year and beyond, with various scenarios and key assumptions being made to consider a range of possible outcomes.

The Trustees and the Management Team recognise the impact that the general economic climate and the Government's spending review has on the level of public sector funding and are fully aware of the continued impact on funding directly and indirectly available to the Charity. They continue to monitor the various scenarios that reduced income levels could give rise to. In a worst-case scenario, whilst it would see the Charity's reserves and cash position impacted significantly, it would not affect the going concern assumption over the medium and long-term.

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

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Following a review by Trustees, taking into consideration the cash raised from the sale of the Scotland Road site, the overdraft facility has been reduced from £200,000 to £100,000. Projections produced indicate that there will be no need to draw on the overdraft and that there will be considerable headroom if our best-case assumptions materialise. Considering the strength of the balance sheet, and levels of cash and unrestricted reserves, the Trustees believe that, whilst considerable uncertainty exists about the economic and operating environment, this does not pose a material uncertainty that would cast doubt on the Charity's ability to continue as a going concern. The Trustees therefore consider it appropriate to prepare the financial statements on a going concern basis.

#### INCOME

##### Fee income

Fee income is credited as incoming resources when the work relating to the fees has been completed. Income relating to a specified future period is deferred.

##### Grants receivable and Deferred Income

Revenue grants are credited as incoming resources when they are receivable provided conditions for receipt have been complied with, unless they relate to a specified future year, in which case they are deferred.

Grants for the purchase of fixed assets are credited to restricted incoming resources when receivable. Depreciation on the fixed assets purchased with such grants is charged against the restricted fund.

Any unexpended income on projects which relates to grants or donations which must be expended in the following year is taken to creditors and shown as deferred income.

##### Donations and legacies

All monetary donations and gifts are included in full in the statement of financial activities when received if there are no donor-imposed restrictions as to the timing of the related expenditure. If there are any donor-imposed restrictions on the timing of expenditure, then recognition is deferred until any pre-conditions have been met.

Legacies are included when the Charity is advised by the personal representative of an estate that payment will be made, and the amount involved can be quantified. They are included in the statement of financial activities.

Gifts-in-kind are accounted for at the Trustees' estimate of value to the Charity or sale value as follows:

- Assets received for distribution by the Charity are recognised only when distributed.
- Assets received for resale are recognised, where practicable, when receivable or otherwise when sold.
- Gifts of fixed assets for Charity use or funds for acquiring fixed assets for Charity use are accounted for (as restricted funds) immediately on receipt.

## **LOCAL SOLUTIONS**

### **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2024

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Intangible income, which comprises donated services, is included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. An equivalent amount is charged as expenditure. No income is recognised when there is no financial cost borne by a third party. Voluntary help is not included as income.

Donations under Gift Aid together with the associated income tax recoverable are credited as income when the donations are received.

#### **EXPENDITURE**

Expenditure is included on the accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to a particular heading, they have been allocated to activities on a basis consistent with the use of the resources.

##### **Allocation of Overheads**

Local Solutions operates centralised services for senior management, human resources, finance, IT services, and quality functions.

The costs of these centralised services are allocated to individual projects based on actual project expenditure. This ensures a fair and transparent allocation of costs and is in line with accepted practices within the voluntary sector.

#### **FUND ACCOUNTING**

Restricted funds are to be used for specified purposes laid down by the donor. Expenditure for those purposes is charged to the fund, together with a fair allocation of overheads and support costs.

The Charity has projects for which funding consists of restricted and unrestricted income. The Charity's policy in preparing the financial statements is to apply expenditure, together with a fair allocation of overheads and support costs, against both restricted and unrestricted income to a point where all restricted income has been covered.

Expenditure beyond that point is allocated against unrestricted income only. This policy is considered by the Trustees to represent a practical means of representing how costs are allocated on a consistent basis across each project. Any deficits incurred by the Charity on restricted funds are funded by the Charity's unrestricted income.

Unrestricted funds are donations and other incoming resources received or generated for expenditure on the general objectives of the Charity.

#### **TANGIBLE FIXED ASSETS AND DEPRECIATION**

Tangible fixed assets are stated at deemed cost, net of depreciation and any provision for impairment.

Depreciation is calculated to write down the deemed cost less estimated residual value of all tangible fixed assets other than freehold land by equal annual instalments over their estimated useful economic lives.

The Charity capitalises all individual items of fixed assets more than £3,000 for small items and £5,000 for fixed items.

## **LOCAL SOLUTIONS**

### **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2024

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Assets during construction are included within Fixed Assets as a separate category. Depreciation will only commence once the property is brought into use and will then be applied in line with the depreciation policy.

The rates generally applicable are:

- |   |                     |
|---|---------------------|
| - Freehold properties                                 | - 2% of deemed cost |
| - Motor vehicles                                      | - 5 Years           |
| - Fixtures, fittings, equipment and computer software | - 2 to 5 Years      |

#### **Impairment of fixed assets**

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### **VALUE ADDED TAX**

The Charity is partially exempt from VAT and all irrecoverable VAT is shown in direct charitable expenditure.

#### **Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **RETIREMENT BENEFITS**

##### **Defined Contribution Pension Schemes**

The pension costs charged against the operating surplus are the contributions payable to the schemes in respect of the accounting year.

#### **OPERATING LEASE AGREEMENTS**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the period of the lease.

#### **FINANCIAL INSTRUMENTS**

Local Solutions only enters into basic financial instruments that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans from banks and other third parties.

Financial assets and financial liabilities are recognised when Local Solutions becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs).

## **LOCAL SOLUTIONS**

### **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2024

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

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

Creditors and provisions are recognised where Local Solutions has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial assets that are measured at cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activities.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Charity would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset, and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **RECOGNITION OF LIABILITIES**

Liabilities are recognised as soon as there is a legal or constructive obligation committing Local Solutions to pay out resources.

#### **LIQUID RESOURCES**

Liquid resources are those associated with the cash management of Local Solutions.

#### **TAXATION**

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects..

#### **JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

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In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether leases entered into either as a lessor or a lessee are operating leases or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease-by-lease basis.
- Determine whether there are indicators of impairment of the tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty:

Tangible fixed assets (see note 8)

- Tangible fixed assets are depreciated over their useful lives considering residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are considered. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

# LOCAL SOLUTIONS

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 1 ANALYSIS OF INCOME

	2024 £	2023 £
Donations deferred at 1 April 2023	203	-
Donations receivable in the year	45,290	76,927
Donations deferred at 31 March 2024	-	(203)
	<u>45,493</u>	<u>76,724</u>

Donations above include Restricted Donations of £793 (2023: £1,022).

	£	£
Project income deferred at 1 April 2023	142,749	361,546
Project income receivable in the year	13,220,734	12,190,054
Project income deferred at 31 March 2024	(249,646)	(142,749)
	<u>13,113,837</u>	<u>12,408,851</u>

#### Analysis of income

	£	£
Project income for charitable services provided	13,113,837	12,408,851
Donations	45,493	76,724
Investment income	48,183	11,450
Profit from Sale of fixed asset	121,394	-
	<u>13,328,907</u>	<u>12,497,025</u>

#### Project income is analysed as follows:

	£	£
Social Care & Inclusion/Enablement	9,735,027	9,673,368
Young People & Families/ Engagement	3,339,342	2,689,197
Central Services	39,468	46,286
	<u>13,113,837</u>	<u>12,408,851</u>

Project income is derived from various funding sources including Liverpool, Sefton, Knowsley, Wirral, St Helens, Denbighshire and Flintshire Local Authorities.

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

#### 1 ANALYSIS OF INCOME (continued)

##### Restricted Grants within Project Income

	2024	2023
	£	£
Liverpool City Council	44,707	26,218
Others	62,515	68,069
Comic Relief	67,600	108,070
Lindbury Trust	13,750	154,502
	<u>188,572</u>	<u>356,859</u>

#### 2 ANALYSIS OF EXPENDITURE

	Staff costs £	Other costs £	Depreciation £	2024 £	2023 £
Direct charitable expenditure	11,156,046	1,886,741	26,974	13,069,761	12,730,485
Governance costs	-	75,395	-	75,395	88,455
	<u>11,156,046</u>	<u>1,962,136</u>	<u>26,974</u>	<u>13,145,156</u>	<u>12,818,940</u>

	Staff costs £	Other costs £	Depreciation £	2023 £	2022 £
Direct charitable expenditure	10,593,547	2,099,027	37,911	12,730,485	12,673,962
Governance costs	-	88,455	-	88,455	46,408
	<u>10,593,547</u>	<u>2,187,482</u>	<u>37,911</u>	<u>12,818,940</u>	<u>12,720,370</u>

Within Direct charitable expenditure other costs represents all direct and indirect charitable activity costs covering the various projects operated by the Charity and certain support costs.

Support costs covering Management, Finance, IT support and HR including ancillary costs amount to £1,846,891 (2023: £1,847,153), which includes fundraising and business development costs of £102,554 (2023: £95,163).

Governance costs relate to the general running of the Charity. They include external audit costs and costs associated with constitutional and statutory requirements. The audit fee for the year amounted to £16,875 (2023: £15,700).

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

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<b>Governance Costs</b>	<b>2024</b>	<b>2023</b>
	£	£
Professional & Legal	<b>58,520</b>	72,755
Auditors' remuneration – statutory audit	<b>16,875</b>	15,700
Governance costs at 31 March 2024	<b><u>75,395</u></b>	<u>88,455</u>

Contained within Restricted Expenditure are the following costs:

	<b>Restricted</b>	Restricted
	<b>2024</b>	2023
	£	£
Salaries and on costs	<b>146,231</b>	253,028
Maintenance/repairs	<b>6,356</b>	175
Office expenses	<b>221</b>	17,895
Telephone/internet	<b>2,627</b>	3,946
Equipment	<b>12</b>	1,594
Insurance	<b>313</b>	1,995
Travel	<b>15,365</b>	1,979
Sundry expenses	<b>19,059</b>	78,087
	<b><u>190,184</u></b>	<u>358,699</u>

The following amounts are included in expenditure:

	<b>2024</b>	2023
	£	£
Depreciation	<b>26,974</b>	37,911
Operating Lease rentals:		
- Land & Buildings	<b>215,847</b>	286,655
- Other	<b>2,034</b>	2,380
Auditors Remuneration – statutory audit	<b>16,875</b>	15,700
Auditors Remuneration – other services	<b><u>-</u></b>	<u>-</u>

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

#### 3 INTEREST RECEIVABLE

	2024 £	2023 £
Other interest receivable and similar income - unrestricted	<u>48,183</u>	<u>11,450</u>

#### 4 EMPLOYEES

Staff costs during the year were as follows:

	2024 £	2023 £
Wages and salaries	10,156,950	9,623,657
Social security costs	779,106	758,755
Other pension costs	219,990	211,135
	<u>11,156,046</u>	<u>10,593,547</u>

Wages and salary costs above include redundancy payments of £- (2023: £29,098)

The average number of employees during the year was 531 (2023: 537).

	2024 Number	2023 Number
Project staff	527	534
Fundraising and publicity	1	1
Management and administration of the charity	3	2
	<u>531</u>	<u>537</u>

The emoluments of higher-paid employees fell within the following ranges:

	2024 Number	2023 Number
£60,001 to £70,000	1	-
£70,001 to £80,000	1	1
£80,001 to £90,000	1	1
	<u>1</u>	<u>1</u>

During the year there were three higher paid employees (2023: two higher paid employees).

**LOCAL SOLUTIONS**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2024

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**4. EMPLOYEES (continued)**

During the year, the following amounts were paid to money purchase pension schemes in respect of higher paid employees:

	<b>2024</b>	2023
	£	£
Pension contributions to money purchase schemes	<u><b>21,228</b></u>	<u>20,154</u>

**5 TRANSACTIONS WITH TRUSTEES AND OTHER RELATED PARTIES**

None of the trustees or any person connected with them received any remuneration or benefits from the Charity during the current or previous year.

No Travel expenses were reimbursed to any trustees, (2023: £NIL) during the year.

Trustees donated £1,586 in the year.

Helen Heap’s partner is Chief Officer at Raise, an advice charity which supports tenants with social housing issues. Local Solutions received rental income of £19,110 (2023: £19,110) from Raise in the year.

There were no other related party transactions in the year.

**6 REMUNERATION OF KEY MANAGEMENT PERSONNEL**

The trustees have delegated much of the day to day running of the Charity to a number of key management personnel. The execution of a clear and transformative vision for leadership from 2021 resulted in the restructuring of the senior management team and associated costs.

The total remuneration, including employers’ pension contributions, employers’ national insurance contributions and salary sacrifice pension contributions for key management personnel in the year totalled £255,351 (2023: £199,566).

**7 INDEMNITY INSURANCE**

The Charity purchases Directors and Officers Liability Insurance. The cost of the premium in the year was £2,352 (2023: £2,464).

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

#### 8 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Motor Vehicles £	Fixtures, equipment, fittings & computer software £	Total £
Cost				
At 1 April 2023	1,229,137	10,699	50,370	1,290,206
Disposals	(965,000)	-	-	(965,000)
<b>At 31 March 2024</b>	<b>264,137</b>	<b>10,699</b>	<b>50,370</b>	<b>325,206</b>
Depreciation				
At 1 April 2023	182,595	9,434	21,087	213,116
Provided in the year	18,144	1,265	7,565	26,974
Eliminated on disposals	(167,232)	-	-	(167,232)
<b>At 31 March 2024</b>	<b>33,507</b>	<b>10,699</b>	<b>28,652</b>	<b>72,858</b>
Net book amount				
At 31 March 2024	<b>230,630</b>	<b>-</b>	<b>21,718</b>	<b>252,348</b>
Net book amount				
At 31 March 2023	<u>1,046,542</u>	<u>1,265</u>	<u>29,284</u>	<u>1,077,091</u>

Freehold buildings are included in the financial statements at deemed cost and are depreciated at the rate of 2%. The Scotland Road site was sold in December 2023.

Freehold land is not depreciated. Assets under construction are included within Fixed Assets with depreciation commencing once the asset is brought into use.

All tangible fixed assets were used for charitable purposes.

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

#### 9 DEBTORS

	2024 £	2023 £
Accrued income	432,399	364,375
Trade debtors	720,532	673,160
Other debtors	19,167	18,311
Prepayments	124,105	118,139
	<u>1,296,203</u>	<u>1,173,985</u>

#### 10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £	2023 £
Trade creditors	94,955	139,502
Other creditors	164,409	232,245
Social security and other taxes	165,153	162,215
Accruals	639,955	550,873
Deferred income	249,646	142,952
	<u>1,314,118</u>	<u>1,227,787</u>

Included within other creditors is an amount of £100,000 (2023: £200,000) owing in respect of a historical payment on account for Homecare provision from Liverpool City council.

#### 11 PROVISION FOR LIABILITIES

	2024 £	2023 £
Balance at 1 April	41,100	42,500
Increased	5,500	18,300
Utilised	(500)	(19,700)
Balance 31 March	<u>46,100</u>	<u>41,100</u>

The above provision relates to dilapidations that have been provided for in relation to making good upon vacation of leased property. These are reviewed annually.

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

#### 12 FUNDS

	Revaluation Reserve £	Restricted funds £	Unrestricted funds £	Total £
At 1 April 2023	653,215	89,492	1,593,470	2,336,177
Incoming resources	-	189,365	13,139,542	13,328,907
Resources expended	-	(190,184)	(12,954,972)	(13,145,156)
Reserve transfer	(653,215)	-	653,215	-
At 31 March 2024	<u>-</u>	<u>88,673</u>	<u>2,431,255</u>	<u>2,519,928</u>
At 1 April 2022	667,515	90,311	1,900,266	2,658,092
Incoming resources	-	357,880	12,139,145	12,497,025
Resources expended	-	(358,699)	(12,460,241)	(12,818,940)
Reserve transfer	(14,300)	-	14,300	-
At 31 March 2023	<u>653,215</u>	<u>89,492</u>	<u>1,593,470</u>	<u>2,336,177</u>

Unrestricted Funds include Designated Funds of £1,250,000 (2023: £236,267).

Following the sale of Scotland Road £653,215 Revaluation Reserve relating to this property has been released in year.

#### Designated Funds

	Balance April 2023 £	Transfers in the year £	Expenditure £	Transfers at year end £	Balance March 2024 £
Impact & Innovation	34,167	-	-	15,833	50,000
Workforce Resilience	177,100	-	-	22,900	200,000
Infrastructure & Assets	25,000	-	-	(25,000)	-
Accommodation	-	-	-	-	-
Development Fund	-	-	-	1,000,000	1,000,000
	<u>236,267</u>	<u>-</u>	<u>-</u>	<u>1,013,733</u>	<u>1,250,000</u>

Impact & Innovation – development of pilot projects to meet emerging needs and explore innovative approaches and models of delivery in line with our mission alongside supporting our objectives for community empowerment.

Workforce Resilience – addressing workforce challenges, enabling staffing retention in delivery critical scenarios, responding to market pressures and supporting strategic goals around transformation of social care.

Accommodation & Development Funds – for investment in accommodation property to continue to meet our strategic objectives around housing and homelessness.

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

There was no requirement to draw from Designated Reserves in 2023/24. Investment from the 2023/24 surplus has been allocated to Designated Reserves at the end of the year.

#### Restricted Funds

	Balance April 2023 £	Income £	Expenditure £	Transfer £	Balance March 2024 £
Donations	-	793	(793)	-	-
Aims 2	-	100,164	(68,834)	-	31,330
Comic Relief	76,778	-	(76,778)	-	-
Other	12,714	88,408	(43,779)	-	57,343
	<b>89,492</b>	<b>189,365</b>	<b>(190,184)</b>	<b>-</b>	<b>88,673</b>

	Balance April 2022 £	Income £	Expenditure £	Transfer £	Balance March 2023 £
Donations	-	1,022	(1022)	-	-
Aims 2	-	150,082	(150,082)	-	-
Comic Relief	76,778	108,070	(108,070)	-	76,778
Other	13,533	98,706	(99,525)	-	12,714
	<b>90,311</b>	<b>357,880</b>	<b>(358,699)</b>	<b>-</b>	<b>89,492</b>

The Charity works with funders to enable specific projects to be delivered. These Restricted funds are then used to support the running costs and delivery of the projects.

#### 13 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Revaluation Reserve £	Restricted funds £	Unrestricted funds £	Total £
Tangible Fixed assets	-	-	252,348	252,348
Current assets	-	236,919	3,390,879	3,627,798
Current liabilities	-	(148,246)	(1,211,972)	(1,360,218)
Liabilities over one year	-	-	-	-
Net assets at 31 March 2024	<b>-</b>	<b>88,673</b>	<b>2,431,255</b>	<b>2,519,928</b>
Tangible Fixed assets	653,215	-	423,876	1,077,091
Current assets	-	191,268	2,336,705	2,527,973
Current liabilities	-	(101,775)	(1,167,112)	(1,268,887)
Liabilities over one year	-	-	-	-
Net assets at 31 March 2023	<b>653,215</b>	<b>89,493</b>	<b>1,593,469</b>	<b>2,336,177</b>

**LOCAL SOLUTIONS**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2024

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**14 RETIREMENT BENEFITS**

The Charity operates two defined contribution pension schemes for the benefit of the employees. The assets of the scheme are administered by Trustees in a fund independent from those of the charity.

Included in accruals is an amount of £25,845 (2023: £9,396) owing in respect of the charity’s pension schemes. This liability was paid subsequent to the year end.

**15 OPERATING LEASE COMMITMENTS**

The company had the following total minimum lease payments under non-cancellable operating leases as set out below:

	<b>Leasehold properties 2024 £</b>	Leasehold properties 2023 £
Not later than one year	<b>108,787</b>	333
Later than one year and not later than five years	<b>130,674</b>	247,351
Greater than five years	-	-
	<u><b>239,461</b></u>	<u>247,684</u>

**16 ANALYSIS OF CHANGES IN NET DEBT**

The charitable company had no material debt in the year.

**LOCAL SOLUTIONS**

England & Wales - Charity number 515060

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# Accounts

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Registered number: 01792921  
Charity number: 515060

# **LOCAL SOLUTIONS**

(COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023



# LOCAL SOLUTIONS

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For the year ended 31 March 2023

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## LOCAL SOLUTIONS

### LEGAL AND ADMINISTRATIVE DETAILS

For the year ended 31 March 2023

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Local Solutions is a Company Limited by Guarantee and a Registered Charity governed by its Memorandum and Articles of Association. The Directors of the Charity are its Trustees for the purposes of Charity Law and throughout this report are collectively referred to as the Trustees. The Company is limited by guarantee and permission has been obtained from the Registrar of Companies to dispense with the use of the word "Limited".

Company registration number: 01792921

Charity registration number: 515060

Registered office: Suite A, 1<sup>st</sup> Floor  
Building 2000  
Vortex Court  
Enterprise Way  
Wavertree  
Liverpool  
L13 1FB

Trustees:	Hazel J Snell	Chair
	Helen R Heap	Chair, Finance, Audit & Risk Committee
	Rev Dr Crispin Pailing	Chair, People & Culture Committee
	Jillian M Jones	Chair, Operations & Development Committee from 26 January 2023
	Ellie J Acton	
	Serena M Kennedy	
	Dr Bruce W Taylor	
	Jonathan H Mounsey FCA	
	Katie E Clubb	Resigned 17 November 2022
	Suzanne Mazzone	Appointed 17 November 2022
	Karl Clawley	Appointed 23 March 2023
	Elliott Morrison	Appointed 23 March 2023
	Louise Towers	Resigned 20 March 2023

Chief Executive: Robert Thomas Harrison

Secretary: Karen Paton

Bankers: National Westminster Bank Plc  
Commercial Banking  
Union Street  
Chester  
CH1 1UA

Solicitors:	Brabners LLP	Aaron & Partners
	Horton House	5-7 Grosvenor Court
	Exchange Flags	Foregate Street
	Liverpool	Chester
	L2 3YL	CH1 1HG

Auditor: DSG Chartered Accountants  
Castle Chambers  
43 Castle Street  
Liverpool  
L2 9TL

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES (INCLUDING DIRECTOR'S REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2023

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#### **A message from our Chair and Chief Executive**

Throughout the last year, Local Solutions' commitment to understanding the challenges faced by people and communities, and to working together with them, proved vital during a prolonged period of economic pressure and uncertainty.

Steps taken in previous years to refocus our work, create an agile and efficient organisation and to ensure we maximise the impact of our resources, has enabled us to invest £323,000 of prior year surpluses to meet these challenges, whilst maintaining a strong and sustainable foundation for future delivery.

Our commitment, at the beginning of this period, to boldly and flexibly invest designated funds to meet these challenges proved essential, as individuals and communities felt the impact of rising inflation on everyday essentials including food, energy, travel, and housing.

We opened a community living room at our Liverpool Carers Centre, welcomed the first young people into our new semi-independent accommodation, introduced a health and wellbeing community project, and developed a family skills hub.

We extended our reach, engaging with over 36,000 people across the Liverpool City Region and North Wales, and delivered even more care, support, advice, skills work, and wellbeing sessions through a wide range of services in our communities.

We are proud of the steps we have taken to lean into the challenges in social care including our commitment to paying a real living wage, an offer of minimum guaranteed hours and by enhancing learning and development across the organisation.

Alongside this, we have continued to focus on developing the quality of our services, placing the experiences of our services users at the center of all that we do. To support this, we have embarked on a journey of embedding psychologically informed environments and trauma-informed approaches throughout the whole organisation.

Guided by our goals to develop expert approaches, innovate, identify opportunities for early intervention and to go beyond basic needs, we have again allocated designated funds for development. impact and innovation to support our ambitions.

Whilst our services are varied, they are all underpinned by five key outcomes: gaining skills and confidence, developing independence, sustaining stable accommodation, increasing safety and security, and improving health and wellbeing.

This year has been challenging and inspiring! The dedication, skill and resilience of our staff and volunteers is at the heart of Local Solutions and it is through their compassion, knowledge, and creativity that we continue to make a positive impact.

Next year marks our 50<sup>th</sup> anniversary and we are focused on extending our reach, widening our engagement, and empowering even more people and communities to achieve their goals and fulfil their potential.

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES (INCLUDING DIRECTOR'S REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2023

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We are proud of all the work outlined in the Overview of the Year in this report. Further information on the difference Local Solutions makes to people and communities can be found in our Impact Report which is available on our website.

A huge thanks to all our staff, supporters, service users and volunteers.

Hazel and Tom



Hazel Snell  
Chair

Date: 20<sup>th</sup> July 2023



Tom Harrison  
CEO

Date: 20<sup>th</sup> July 2023

Email: [info@localsolutions.org.uk](mailto:info@localsolutions.org.uk)  
Website: [www.localsolutions.org.uk](http://www.localsolutions.org.uk)

## **LOCAL SOLUTIONS**

### **REPORT OF THE TRUSTEES (INCLUDING DIRECTOR'S REPORT INCORPORATING STRATEGIC REPORT)**

For the year ended 31 March 2023

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The trustees present their annual report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

## **OBJECTIVES**

Local Solutions is a charity founded in 1974 that delivers services to people in England and Wales, primarily within the Liverpool City Region and North Wales with a focus on people who face disadvantage, exclusion, and vulnerability.

Our work is guided by our Vision of a society where people can live in safety and dignity and lead fulfilled lives. Our Mission is to empower people and support communities.

We will deliver our mission by truly understanding the needs and challenges facing individuals and communities and working together to design and deliver approaches that create sustained, positive impact.

The Board promotes the Charity's values: compassionate, reliable, pioneering, and knowledgeable, and ensures that these are reflected in all its work. The objects of the organisation are set out in the Memorandum and Articles of Association. The main areas of activity are to benefit the community through the promotion of charitable purposes in the fields of social welfare, education, and recreation.

## **STRATEGIC REPORT**

The Trustees (who are Directors of the Charity for the purposes of the Companies Act 2006) present their report together with the financial statements for the year ended 31 March 2023.

The Charity Governance Code was published to help charities and their trustees develop high standards of governance. The code sets out Seven principles and recommended practice, which Local Solutions addresses and complies with, as explained below.

## **ORGANISATIONAL PURPOSE**

Our purpose is to empower people and support communities through transformative services and approaches. Our work is in three principal areas:

### **Social Care**

Care and personal support services for people who are older, are affected by physical and mental health issues, have mobility problems, or disabilities. This includes commissioned services for domiciliary care, specialised care, extra care, and care commissioned privately by individuals and families.

### **Support and Accommodation**

Support and accommodation for young people and families who are homeless, vulnerable, marginalised, or at risk of exploitation. Specific services include provision of housing, support, mentoring, skills, advice, and independence.

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES (INCLUDING DIRECTOR'S REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2023

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#### **Communities**

Services for people who are affected by exclusion focusing on access to community support, advice, recreation, and skills. Specific support services for those not in education, employment, or training, those affected by domestic abuse or bullying, people who have mobility issues and those who provide unpaid care for others.

#### **LEADERSHIP, BOARD EFFECTIVENESS, OPENESS AND ACCOUNTABILITY**

Local Solutions is governed by its Board of Trustees, which is a body of volunteers with distinguished careers in a wide variety of fields. The Trustees who served on the Board throughout the year are listed on page 1.

The Charity's Leadership Team comprises the Chief Executive, Chief Operating Officer, and departmental heads for key areas of the Charity.

The Chief Executive is appointed by the Trustees to manage the day-to-day operations of the Charity.

The remuneration of the Chief Executive and Leadership Team is set by the Trustees recognising:

- individual and team performance in the context of a challenging climate
- the importance of recruitment and retaining the 'right' people (both in terms of experience and attitude)
- the level of knowledge, skills and experience required, and the responsibilities and accountabilities associated with the position.

The Chief Executive selects an appropriate Leadership Team to manage the operations and activities of the Charity. This includes: The Chief Operating Officer, and heads of Social Care, Support and Accommodation, Communities, Finance, People and Culture, and Business Development and Impact.

A system of performance management, including objectives, key performance indicators, development plans, management reporting and appraisal is in place to monitor the effectiveness and management of individuals and teams.

A Trustee Committee structure is established comprising: Finance, Audit and Risk; People and Culture; Operations and Development. Each Committee includes suitably skilled Trustees plus an appropriate member(s) of the Leadership Team. Other Task and Finish groups are set up as considered appropriate.

The Trustees meet as a Board six times a year as a minimum. In addition, each Trustee serves on one or more of the three Committees and Task and Finish groups. Each of the Committees has outlined a clearly defined work programme for the coming year.

The election of Trustees is determined by the membership of the Charity which comprises organisations and individuals. Trustees may serve for a maximum period of three, three-year terms with an extension thereafter being allowed in exceptional circumstances. An active Trustee recruitment programme is in place to fill gaps and to ensure that the Board has an appropriate range of relevant expertise and diversity. The induction process for any newly appointed Trustee is tailored to the requirements of the individual. The new Trustee receives copies of Charity Commission guidance, the minutes of the most recent Trustees' meetings and a copy of the most recent statutory accounts. Ongoing training is provided for all Trustees.

## **LOCAL SOLUTIONS**

### **REPORT OF THE TRUSTEES (INCLUDING DIRECTOR'S REPORT INCORPORATING STRATEGIC REPORT)**

For the year ended 31 March 2023

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The board welcomed three new Trustees during the year:

Suzanne Mazzone - 17 November 2022 - Suzanne is the Executive Director of Housing at ClwydAlyn, a housing association in North Wales.

Karl Clawley - 23 March 2023 - Karl is the Associate Director at the Monument Group.

Elliott Morrison - 23 March 2023 - Elliott is the Lead Paralegal at DWF Law LLP.

The Committee Chairs and the Chief Executive report into the Board of Trustees on key issues and actions. Trustees receive other bespoke reports as appropriate. The Charity has a comprehensive set of policies and procedures in place in relation to operations, finance, human resources, risk management and health and safety.

Trustees declare any potential conflicts of interest at every Board meeting, and these are recorded. The Board acts in the best interests of the Charity and its beneficiaries and is not influenced by those who have special interests.

## **INTEGRITY**

The Board of Trustees is committed to integrity, protecting the Charity's reputation, and promoting the core values through transparent and objective decision making. The Committee structure provides appropriate scrutiny, challenge, and independence. Trustees follow Best Practice as outlined in the Charity Governance Code, and the Board maintains registers of interests and disclosures of actual or potential conflicts.

## **DECISION MAKING, RISK AND CONTROL**

### **Decision Making**

Local Solutions operates a clear scheme of delegation identifying the operational matters for which the Leadership Team have delegated authority. The Board of Trustees ensures decision making is scrutinised, timely, and in line with the Charity's strategic aims. Committees for Finance, Audit and Risk, Operations and Development, and People and Culture, provide assurance and frameworks around decision making, performance and risk.

Local Solutions' Board of Trustees and Leadership Team deliver regular reviews and hold an annual away day to consider strategic direction.

### **Risk Management**

Local Solutions takes a robust approach to managing risk and maintains a Corporate Risk Register to assess its activities and operational risks and to agree any necessary action for mitigation and control. Risk assessment and management is regularly considered at Board, Finance, Audit and Risk Committee and Leadership Team meetings.

The Corporate Risk Register considers governance and management, operational, quality, financial, and people aspects of the activities of Local Solutions. It covers risks that the organisation may face and steps and control procedures in place to mitigate those risks, as well as providing an ongoing review of existing systems and procedures.

This will be supported by several service delivery risk registers which are in the process of being developed for each of the main service delivery areas.

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES (INCLUDING DIRECTOR'S REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2023

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#### Principal Risks and Challenges

The principal risks and challenges which the organisation currently faces are:

##### Risks

- Failure to satisfy regulatory quality benchmarks
- Loss of a significant contract
- Failure to secure suitable premises for operations and service delivery
- Threats to cyber security
- Failure of key operational I.T. systems
- Serious incidents and safeguarding
- Financial viability of the organisation
- Failure to recruit and retain sufficient staff, particularly in Homecare
- Serious breach of data protection regulations
- Failure to grow or secure new business

The Board of Trustees has overall responsibility for the management of risk. The Finance, Audit and Risk Committee has delegated authority to review all aspects of risk management for Local Solutions and to provide oversight of the design, implementation, and effectiveness of risk management processes.

The Corporate Risk Register is a live document which is subject to ongoing change as circumstances require, and which involves the Leadership Team and Trustees in identifying, assessing, and monitoring risk. The Finance, Audit and Risk Committee reviews the Corporate Risk Register on a quarterly basis, and it is reviewed by the Board of Trustees twice a year.

Failure to meet regulatory quality benchmarks may mean that Local Solutions is ineligible to tender for contracts resulting in the potential for significant financial loss and negative organisational impact. Investment has been made in improving quality monitoring and oversight, including implementation of the Homecare Quality Plan to ensure achievement of CQC standards and recruitment of a Compliance and Implementation Manager.

During the year, £246,338 of Workforce Development & Retention Designated Reserves were allocated to reposition Local Solutions in the labour market by improving pay and conditions for staff. We have received some early signs that these strategic decisions are starting to have a positive impact with staff recruitment and retention stable and several local authorities now specifying a preference for payment of Real Living Wage for domiciliary care contracts.

The loss of a significant contract poses a high risk and would have widespread implications for the rest of the organisation's operations. This is mitigated through regular performance reviews of existing contracts by the Operations and Development Committee using key performance indicators covering both quantitative and qualitative performance measures to identify underperforming services and oversee improvement plans. This oversight reduces the risk of failure in new business by ensuring that the organisation only takes on new contracts that are financially viable and which can be delivered sustainably.

Effective and consistent operation of I.T. systems is essential to the success of Local Solutions. Domiciliary care services depend on systems access for accurate logging of client calls, care management and invoicing. If access to the system were removed or unavailable this would present a significant risk to Local Solutions. Steps taken to mitigate this risk include daily backups of data on an internal server, availability of offline data for calls during short-term access issues, regular meetings with the system provider to review functionality, and assessment of other potential system providers for features, cost, and benefits. Steps including staff training on phishing and malicious links, restrictions on who is authorised to install software on company devices, and use of antivirus software all form part of the organisation's strategy to combat cyber security risks.

## **LOCAL SOLUTIONS**

### **REPORT OF THE TRUSTEES (INCLUDING DIRECTOR'S REPORT INCORPORATING STRATEGIC REPORT)**

For the year ended 31 March 2023

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Following the retirement of Local Solutions' internal auditor, a qualified experienced external provider has been contracted to provide an independent and objective approach to evaluate and improve the effectiveness of risk management, control, and governance processes. A 3-year internal audit plan is being developed with a clear link to the Corporate Risk Register. To ensure independence, the internal audit contractor has free and full access to the organisation's officers, records, premises, and meetings. The Head of Internal Audit reports to the Chair of the Board of Trustees and functionally to the Finance, Audit and Risk Committee.

#### **Serious Incidents and Safeguarding**

The Trustees recognise the requirement to report serious incidents to the Charity Commission. Local Solutions has developed and implemented robust Health and Safety, Financial, Disaster and Contingency Planning policies to assist the organisation in minimising the risk of serious incidents and has appropriate strategies in place in the event of an incident.

Local Solutions provides a wide range of services within the Liverpool City Region and North Wales, including domiciliary and residential social care, accommodation services, domestic abuse services and other services for a cross-section of young people and older people. By the nature of the provision we deliver, we have frequent interaction with the police, local authorities, and other statutory and regulatory bodies, such as the Care Quality Commission, in the reporting of serious incidents, for which there are established protocols which must be followed.

Monthly Key Performance Indicators relating to Complaints and Safeguarding Allegations are reported to the Board of Trustees to keep them fully informed about serious incidents. There is a specific operational lead for safeguarding and a Safeguarding Strategy Group which includes a nominated Trustee. This Group provides scrutiny, review, and analysis on safeguarding matters. Our Safeguarding Policies and Procedures outline a clearly defined reporting process.

#### **DIVERSITY**

Our Vision is a society where all people can live with dignity, lead fulfilled lives, and realise their full potential.

Local Solutions is committed to continuing to enhance Equality, Diversity, and Inclusion in everything we do.

#### **Statement of Commitment**

Local Solutions' Mission is to Empower People and Support Communities. Our teams, whether in offices or communities are vital. They are compassionate, reliable, pioneering, and knowledgeable which helps them to understand the challenges and empower change.

We ensure that we always recruit, retain, and promote a diverse mix of people who are representative of the diversity in our local communities which gives us a great opportunity to have access to a broad range of ideas and allows us to deliver the wide mix of services.

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES (INCLUDING DIRECTOR'S REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2023

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#### **Our Commitment as an Employer**

Local Solutions is committed to:

- Creating an environment in which individual differences and the contributions of our staff are recognised and valued.
- Ensuring that everyone operates in a working environment that promotes dignity and respect to all. No form of intimidation, bullying or harassment will be tolerated.
- Providing training, development, and progression opportunities to all staff.
- Understanding equality and inclusion in the workplace. That is good management practice and makes sound business sense.
- Regularly reviewing all our employment practices and procedures to ensure fairness and inclusion for all.
- Taking steps to ensure equity amongst our workforce such as ensuring that our vacancies are advertised to a diverse range of potential candidates and, where relevant, to particular groups that have been identified as disadvantaged or underrepresented in our organisation.
- Taking positive action to recruit disabled people and ensuring there are no unlawful barriers to accessing our employment opportunities, training, progression opportunities, benefits, and facilities.
- Ensuring that diversity in our workforce is regularly monitored to ensure equal opportunities throughout the organisation. Where appropriate, measures will be taken to identify and remove unnecessary obstacles and to meet the special needs of disadvantaged or underrepresented groups.

#### **Our Commitment as a Service Provider**

Local Solutions is committed to:

- Providing services to which all clients are entitled regardless of age, disability, gender reassignment, marriage and civil partnership, pregnancy or maternity, race, religion or belief, sex, or sexual orientation.
- Making sure our services are delivered equally and meet the diverse needs of our service users and clients.
- Taking steps to ensure equity amongst our clients and service users such as removing any unlawful obstacles to accessing our services or facilities. Where appropriate, measures will be taken to identify and remove unnecessary barriers and to meet the special needs of disadvantaged or underrepresented groups.
- Having clear procedures that enable our clients, candidates for jobs and employees to raise a grievance or make a complaint if they feel they have been unfairly treated.

#### **Employment of Disabled Persons**

Local Solutions is committed to ensuring that disabled people are afforded equality of opportunity in respect of entering and continuing employment with us. In 2021 Local Solutions was awarded the Disability Confident Employer kitemark for a further 2 years. Local Solutions uses the Disability Confident Symbol, which is our pledge to:

- Interview all disabled applicants who meet the essential criteria for a job vacancy and consider them on their abilities.
- Ensure there is a mechanism in place to discuss with disabled employees at any time, but at least annually, what can be done to make sure they can develop and use their abilities.
- When employees become disabled, make every effort to make sure they remain in employment.
- Take action to ensure that all employees develop the appropriate level of knowledge necessary to make these commitments work; and
- Regularly review the above commitments to shape plans

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES (INCLUDING DIRECTOR'S REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2023

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#### Employee Involvement

Employees receive regular communications through a range of different media informing them of organisational news, service updates and forthcoming events. Additionally, staff receive regular updates from the Chief Executive. Local Solutions has an Employee Forum - a recognised employee group with clear terms of reference which allows all to participate through member representation. We have regular pulse surveys on a range of themes and an annual staff survey and planning process.

## OVERVIEW OF THE YEAR

### KEY HIGHLIGHTS

We continue to push forward as a charity, developing our services, improving our buildings and environments, and finding innovative ways to meet the challenges faced by individuals and communities.

We have produced a 2022 - 2023 Impact Report to illustrate the breadth and impact of our work, focusing on peoples' stories and experiences, which is available on our website [www.localsolutions.org.uk](http://www.localsolutions.org.uk).

After 25 years of delivering support, accommodation, and services from our Scotland Road site, we have begun a process of identifying upgraded accommodation and improved facilities. We have also developed our community presence through our family skills hub in Flint, our community living room in Liverpool and our plans for a skills and wellbeing hub at our watersports centre.

The social care sector continues to face unprecedented challenges with national staff vacancies reaching 165,000, leaving vulnerable individuals struggling to get the care they need or stuck in hospital settings. Our commitment to this area has seen us invest significantly in frontline wages, bringing forward increases to pay and exceeding our commitment to real living wages. This has had a positive impact on our recruitment and retention of staff, the continuity of care we can provide, and the quality of care experienced by individuals and families.

Throughout the last year, the Liverpool Carers Centre has supported unpaid carers with support, advice and access to health and wellbeing activities at our Liverpool Carers centre. In addition to providing support through the Carers Centre, Local Solutions has also connected unpaid carers with leisure and hospitality organisations from across Liverpool and Wigan through our MyTime projects. Our work with unpaid carers continues to develop and we opened a community living room in response to the challenges faced by unpaid carers and the wider community due cost of living pressures with a particular focus on heating, eating and isolation.

Despite this challenging backdrop, Local Solutions domiciliary care workers in Liverpool, Knowsley, Sefton, Wirral and St Helens have provided support to 1,218 individuals in their homes and delivered over 333,000 hours of individual care. Alongside this Local Solutions has been at the forefront of action to further improve pay, conditions, and delivery in social care, engaging with partners, policy makers, individuals and families to empower change and launching a community pilot project to understand how social care can be done better.

Across our support and accommodation services we have looked for more ways to extend our reach and innovate. We have successfully extended the range and number of organisations engaged with our AIMS Lifeskills Programme, developed opportunities for unaccompanied young asylum seekers through our Supported Lodgings schemes, achieved successful launches and outcomes from our semi-independent accommodation schemes at Baltic yard and Webster Road and opened our first Family Skills Hub in Flintshire.

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES (INCLUDING DIRECTOR'S REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2023

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#### REVIEW OF SERVICES – BUILDING RESILIENCE, RAISING ASPIRATION, IMPROVING LIVES

Our work can be seen through 3 lenses or departments: Social Care, which is predominantly domiciliary care in the community; Support and Accommodation for young homeless people and individuals; and our Communities department where we work with unpaid carers, victims of domestic abuse and support health and wellbeing.

Our services may be varied but they are underpinned by 5 key outcomes: gaining skills and confidence, developing independence, creating stable accommodation, increasing safety and security, and improving health and wellbeing. Throughout the year, and across all our services, service users reported the following:

- 91% reported that they have more stable accommodation
- 83% reported increased feelings of health and well being
- 85% reported that they had improved their independence levels
- 88% reported an increase in their safety and security
- 86% reported they had increased their skills and confidence

Local Solutions has continued to have a significant impact on individuals, families, and communities. We have been driven by the desire to empower change, to be transformative, creative, innovative, and flexible. Our ambition is to empower people to achieve their own goals and to take control of their own lives.

Throughout the 2022/23 financial year, Local Solutions supported 36,000 individuals from across the Liverpool City Region and North Wales.

Our key activities in the year have been:

#### Social Care

The Homecare department provides social care to individuals in their own homes. The service operates 24 hours a day, 7 days a week, 365 days a year. The majority of the services provided are delivered on behalf of the local and health authorities within the Liverpool City Region. In the year, Local Solutions delivered 333,543 hours of care to 1,281 people.

The desired outcomes of the Homecare service are to meet individuals' social care needs and keep them safe in their own homes, remove or delay the need for residential or hospital care, reduce individuals' need to access primary and secondary health care services, minimise the number of long-term social care interventions required by an individual, and improve the quality of life for those requiring social care.

During the year, Local Solutions has delivered the following services:

- Scheduled domiciliary care visits during the day and night
- Unscheduled emergency response to telecare alerts throughout the day and night
- Carers respite service
- Short term discharge to assess reablement service for people coming home from hospital
- Housing and social care support in Extra Care setting
- Support to access community facilities

The majority of people using the service were older people and require support due to either:

- Frailty,
- Managing long term health conditions,
- Having a physical or sensory impairment, or
- Living with dementia

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES (INCLUDING DIRECTOR'S REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2023

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Services are delivered at the frequency, duration and time commissioned by the Local Authority and in agreement with the individual. Most visits are a minimum of 30 minutes in duration. The amount of time that we spend with service users and the punctuality of the service is monitored in real time using an electronic call monitoring system. During the year, over 99% of services were monitored in this way. Although some services were commissioned on a 'block', meaning that income is guaranteed regardless of the utilisation of the service, most services were commissioned on a 'spot' basis, meaning that income is subject to fluctuation.

- 94% of people receiving care felt that it had helped them to sustain stable accommodation
- 93% of people receiving care felt like their health and well-being had improved
- 90% of people receiving care felt like they had developed their independence
- 92% of people receiving care felt like their safety and security had increased
- 90% of people receiving care felt like they had gained skills and confidence

#### Support and Accommodation

A core element of Local Solutions' work is projects to help young homeless people and families feel secure, build resilience, increase personal capacity and skills so that they can plan for a successful future. Our services are based in the Liverpool City Region and North Wales. During the year over 600 people were accommodated and supported through our provision.

**Homeground** provides accommodation and support for young homeless people aged 16-21. In the year, 40 young people received focused support to meet individual needs, enabling them to make positive life changes to promote their independence, with 23 planned positive departures.

**Supported Lodgings** provides placements for young homeless people, aged 16-25, with householders who live in the community. In the period, 104 young people were placed in schemes across seven Local Authority areas in England and Wales. 98% of young people reported gains in skills and confidence as a result of the support they had received.

**Nightstop** is an emergency accommodation service that we currently operate in North Wales providing accommodation within the homes of people in the community. Young people used the Nightstop service A for 325 nights, preventing them from rough sleeping, stabilising their immediate circumstances and permitting options for more secure accommodation to be explored.

**Plas Bellin** offers temporary supported accommodation for up to 20 families in cottages and flats; the accommodation is based in Flintshire, North Wales. The aim of the service is to build capacity and skills of service users and to resettle them with their own tenancies in the community where they will also receive additional floating support. During the year, 31 adults and their families were supported at Plas Bellin and 95% of those adults reported improved health and well-being as a result of the support they received. Our service at Plas Bellin transformed from a place-based accommodation service to a Family Skills Hub in early spring 2023. The service continues to support families in Flintshire who are at risk of homelessness, in temporary accommodation or who need support to establish and sustain tenancies.

**Sunraye** is a nine-bed hostel providing accommodation and support for vulnerable women aged 16-65; the service is based in Flintshire, North Wales. The aim of Sunraye is to build skills and capacity in service users to facilitate their resettlement with their own tenancies or suitable move-on accommodation. During the year, 14 women were accommodated at Sunraye and 90% of leavers reported improved independence levels as a result of using the service.

Our work in **Mentoring** for young people continues to grow, predicated on the strong approaches that have been developed over the years. The 'Young Persons' Hub', based at our Homeground site, provides support for young people facing disadvantage including those who are homeless, care leavers, those having multiple and complex needs and those who are Not in Education, Employment or Training (NEET).

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES (INCLUDING DIRECTOR'S REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2023

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The services include AIMS (Accommodation Intense Mentoring and Skills) and Sports Horizons that uses sport and water-based activities as a catalyst for engagement and mentoring with young people who have no secure place to live. Our mentoring programmes also work with young people who are at risk of criminal exploitation or criminality through diversionary and skills programmes.

- 86% of young people that took part in an AIMS programme felt that this had helped them to sustain stable accommodation
- 89% of young people that took part in an AIMS programme felt that it has helped them to improve their health and wellbeing
- 89% of young people that took part in an AIMS programme felt like it had helped them to develop their independence skills
- 82% of young people that took part in an AIMS programme felt that their safety and security had increased as a result
- 93% of young people that took part in an AIMS programme felt that it had helped them to gain skills and confidence

#### Communities

The **Liverpool Carers Centre** provides a range of assessments, support interventions, advocacy, and campaigning on behalf of unpaid carers in Liverpool. Carers Centre staff are trusted assessors who conduct formal assessments of unpaid carers and produce formal support plans. In this period there 903 support plans were completed and 1,816 people took part in an activity designed to improve their health and well-being. In addition, 1,619 carers experienced a respite break through the **MyTime** initiative that provides free access to a hotel stay or leisure activity for carers in the city.

MyTime has expanded and now provides support for unpaid carers to access breaks and respite in Wigan and is soon to begin a MyTime service in Milton Keynes.

People affected by domestic abuse are supported through several specialist initiatives including the **Independent Domestic Violence Advisory Service (IDVA)**, **Worst Kept Secret** helpline and initiatives to tackle violence and abuse. Work is carried out using a multi-agency approach and with Merseyside Police as a principal partner. In the period, 1,396 high risk victims accessed the service. 100% of these service users reported improved safety and security as a result of the support they had received. 89% of these people also reported improved health and well-being.

**Bullybusters** is an anti-bullying initiative that aims to reduce the number of incidents and raise awareness of bullying. The service provides training and awareness-raising sessions for young people, a freephone helpline, mediation work and web-based resources, which are delivered in Liverpool, Sefton and Knowsley. During the year 7,352 young people attended one of the 409 school based anti-bullying training/awareness sessions.

The **Shopmobility** scheme in Liverpool assists people with mobility restrictions to gain access to retail, leisure, and cultural amenities through the hire of equipment. The service made 811 hires of equipment. Shopmobility is a lifeline for local people and has a significant role in ensuring that Liverpool is a major cultural and tourist destination for outside visitors.

The **Liverpool Watersports Centre** provides water sports and outdoor activities for the whole community, with a particular focus on enabling young people and those experiencing disadvantage to participate in challenging experiences that enhance personal capabilities. This year 17,007 people took part in an activity at the centre.

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES (INCLUDING DIRECTOR'S REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2023

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#### PUBLIC BENEFIT

The Trustees of Local Solutions confirm that they have given due consideration to the Charity Commission's published guidance on the operation of public benefit when reviewing the Charity's aims and objectives and in planning strategy and future activities. Our activities in 2021/22 demonstrated, in all accepted definitions, that Local Solutions continues to provide charitable services across England and Wales that are of public benefit through the delivery of our transformative services and approaches.

#### PLANS FOR FUTURE PERIODS

##### High Level Ambitions

Our high-level ambitions are guided by our mission to empower people and support communities. Areas of focus over the next 12 months will be driven by the desire to meet our strategic goals through specific delivery objectives discussed and agreed in strategy sessions with staff in each service area.

All our ambitions support the achievement of our cross-organisational outcomes:

- Gaining Skills and Confidence
- Developing Independence
- Sustaining Stable Accommodation
- Increasing Safety and Security
- Improving Health and Wellbeing

Our identified Strategic Goals are:

- Establish expert practice and approaches
- Make earlier interventions through increased training and education
- Develop innovative asset-based pilot projects in response to understanding the challenges
- Go beyond meeting basic needs and embrace arts and leisure to empower change

We will support the achievement of these goals through key strategic enabling activity:

- **Integration:** Internal integration between geographies and departments, in particular domiciliary care, carers initiatives and accommodation.
- **Sustainability:** Long term financial and service sustainability to create stable conditions for funding, innovation, and impact.
- **Partnership:** Development and delivery partnerships with expert value aligned complementary organisations.
- **Co-production:** Develop a culture of co-production and engagement, ensuring approaches and services are designed in genuine collaboration.
  
- **People:** Provide a skilled, committed, and diverse workforce with quality learning and development and excellent pay and conditions.
- **Systems:** Maintain data systems, frameworks, and performance management tools to innovate, evaluate and promote effectiveness.
- **Premises:** Provide buildings and environments which are psychologically informed and aligned with our values, purpose and outcomes.
- **Diversity:** Increase the reach and accessibility of our services to ensure we are inclusive and representative of diverse communities.

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES (INCLUDING DIRECTOR'S REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2023

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## FINANCIAL REVIEW

### Income and Expenditure

The overall deficit for the year was £321,915 (2022: £621,068 surplus). Income for the year has decreased to £12,497,025 (2022: £13,341,438). Expenditure has increased to £12,818,940 (2022: £12,720,370).

While it may be disappointing to see a large deficit for the year it is important to note that most of this is due to proactive decisions, which were agreed by Trustees, to invest designated reserves to reposition Local Solutions in local labour markets by improving pay and conditions for staff. In total, £322,900 of the £450,000 of designated reserves available were invested: Workforce Development and Retention £246,338; Impact and Innovation £53,718; Infrastructure and Assets £22,844. Had these investments not taken place then the year-end financial position would likely have been close to breakeven, but employee terms and conditions would not have been improved, Local Solutions would not be a Real Living Wage employer, and the organisation would not have been able to benefit from service innovations including Community Living Rooms, a Health and Wellbeing Community Navigator, and a redesign project for domiciliary care.

Income from delivery of domiciliary care services, Local Solutions' largest source of revenue, was 8% lower than the previous year, in line with a reduction in hours delivered. Wage costs for frontline care staff were unchanged year on year reflecting the purposeful use of the surplus generated in 2021-22 to improve recruitment and retention and stabilise the delivery of care hours. The deficit in Homecare was the key driver of the overall financial position for the organisation in 2022-23.

Support and accommodation services and communities' activities such as the Liverpool Watersports Centre, domestic abuse support, and Liverpool Carers Centre provision all made positive financial contributions to Local Solutions in addition to the social impact they delivered to service users and the wider community.

The Charity earned over £11,000 in interest income during 2022-23 as some of the cash balances which had previously been held in a non-interest-bearing current account were moved to a Treasury Reserve facility to take advantage of increases in the Bank of England base rate. Deposits in this facility were made for no longer than two months and are reviewed by the Finance, Audit and Risk Committee monthly to ensure an appropriate balance between accessibility of funds and the opportunity to earn interest.

The largest single factor in the increase in expenses for 2022-23 was a cost of living pay rise for all staff effective from 1<sup>st</sup> December 2022. This, in addition to pay increases for carers has enabled Local Solutions to retain staff, protect service delivery and demonstrate our values as a social sector organisation. Staff costs remain the highest cost for the organisation. Wages and salaries for carers and core staff plus employer national insurance and pension contributions equates to 83% (2022: 83%) of total costs for the year ended 31st March 2023.

As widely reported in the media, the energy market was extremely difficult during 2022-23. Overall energy costs for the year were up 25% despite the move to smaller, more modern head office premises. Energy saving advice has been issued to all site managers with a view to reducing consumption and saving costs. Meter readings at all sites are being taken monthly to ensure that all estimated bills are accurate. The Finance, Audit and Risk Committee reviews energy costs monthly.

During the year contracts for care worker and core staff mobile phones, which were previously separate, were amalgamated into a single contract. This has allowed for a unified approach to mobile device management and usage, which is more efficient operationally, and will result in significant overall cost savings on a full year basis.

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES (INCLUDING DIRECTOR'S REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2023

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To comply with the Charity Governance Code, the financial implications associated with adherence to the Code are considered when setting the organisation's annual Budget and are expended as incurred.

#### **Balance Sheet**

The Balance Sheet remains strong despite the impact of challenges during the year. Cash flow has been satisfactory with a closing cash position of £1,353,988 (2022: £2,162,070) at the end of the year. This represents 1.27 times average monthly expenditure. The working capital position has remained positive throughout the year with no cause to access the overdraft facility of £200,000. Net assets of the Charity have decreased to £2,336,177 at the year-end (2022: £2,658,092).

#### **Reserves Policy**

Charity reserves are that part of a charity's unrestricted funds that are available to spend at the discretion of the charity trustees. They are unrestricted and are intended to cover unanticipated reductions in income or to fund charitable activities.

The Reserves Policy seeks to ensure that Local Solutions can meet all its current cash flow needs and future obligations, while also enabling uninterrupted operation and provide time to adjust in the event of any change in financial circumstances.

As part of their regular assessment of the Charity's reserves requirements, the Board of Trustees has reviewed analyses of several scenarios in relation to reserves. It was agreed that no change to the Reserves Policy is required now, but that this will be kept under annual review by the Finance, Audit and Risk Committee.

A significant proportion of Local Solutions' costs are contract-linked expenditure and therefore directly recoverable under contracts for services. This means that, in the event of the loss of one or more of these contracts, most of the costs associated with them would be transferred to the succeeding contractor. Following the loss of such a contract, Local Solutions would be left to cover central support costs along with other direct administrative costs which are not contract-linked.

Unrestricted free reserves are defined as general unrestricted funds plus revaluation reserve less tangible fixed assets. Tangible fixed assets cannot be realised quickly and are therefore deducted when calculating unrestricted free reserves.

The Trustees consider that it is appropriate for the Charity to hold unrestricted free reserves equivalent to a minimum of three months' central support costs plus other costs to which there is no directly linked contract. Based on the 2023/24 Budget, three months' central support and admin costs currently amount to £618,303. The current level of unrestricted free reserves is £933,326 providing 1.51 times of cover for the target level of central support costs.

The Trustees wish to continue to invest in the future and the development of the Charity. To achieve this, three designated funds have been maintained this year: Innovation and Impact, Infrastructure and Assets, and Workforce Development and Retention. Further information on designated funds is provided in note 13. Designated funds are intended to be spent in furtherance of specific aspects of the Charity's objectives and in line with our long-term ambitions for sustainability and impact. Designated funds are excluded from the calculation of unrestricted free reserves as they are not available for general expenditure.

The Trustees recognise the need to ensure the level of reserves is appropriate for the size of the organisation. The Finance, Audit and Risk Committee keep reserve levels and the Reserves Policy under close review to ensure that reserves are adequate to meet the Charity's cash flow needs and that the Policy remains fit for purpose.

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES (INCLUDING DIRECTOR'S REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2023

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#### Investment Policy

The Memorandum and Articles of Association sets out the Charity's powers of investment. Currently, the Charity does not hold any long-term investments. Short-term surplus funds are placed in cash deposit investment schemes with the Charity's bankers. The Trustees are satisfied with the return achieved given prevailing interest rates.

#### Funding

The Trustees remain satisfied that the Charity's assets attributable to each of its individual funds are available and adequate to fulfil its obligations in relation to those funds.

#### Going Concern

The Board of Trustees is required to consider the appropriateness of the going concern basis when preparing financial statements. Following substantial cost reductions, restructuring of operations and teams, and strengthened governance arrangements to improve risk monitoring and financial processes which were implemented in the year to March 2021, the financial and operational resilience of the Charity has been substantially improved. During the year ending March 2023, as part of a determined effort to play our part in improving industry pay and conditions, Local Solutions raised hourly rates of pay for carers, and in doing so we are pleased to have achieved our ambition to become a Real Living Wage employer. Trustees have agreed to set aside a designated Workforce Retention Reserve to ensure that we can continue to support our staff with cost-of-living increases and to further our efforts to build and develop our teams through high quality recruitment and retention.

In order to consider the appropriateness of the going concern basis, we have prepared forecasts to March 2024 with the underlying assumptions reviewed in detail by the Finance, Audit and Risk Committee. Several scenarios were considered which stress test the key costs to the organisation. We forecast that the worst-case scenarios would result in deficits of between £0.5m and £0.8m in March 2024. Local Solutions continues to have an excellent track record of retaining contracts and we maintain strong relationships with Commissioners across our areas of operation. Since becoming a Real Living Wage employer, with an ongoing commitment to improving pay and conditions, Local Solutions has seen a positive impact on staff retention. This improves the Charity's capacity to meet existing demand for social care and positions us well to benefit from future growth opportunities. Recent withdrawals from the social care market of some local competitors who are not able to meet local authority requirements to pay the Real Living Wage is expected to further improve Local Solutions' ability to take on additional domiciliary care contracts when these become available.

The Charity has a strong Balance Sheet with a cash position of £1,363,988 and Unrestricted Reserves of £1,593,469 at the end of the year. The working capital position has remained positive throughout the year with no cause to access the overdraft facility of £200,000. Given the Charity has no anticipated borrowings, the risk of any breach of terms or conditions associated with the overdraft facility is assessed as low.

A balance of £200,000 from an historic payment on account is owed to Liverpool City Council (LCC). This balance is due to be repaid within the next twelve months. The full balance is held within creditors within one year on the Charity's balance sheet.

Based on our forecasts for the coming year and beyond, and the level of reserves, the Trustees have a reasonable expectation that Local Solutions has adequate resources to continue operations for at least 12 months from the date of approval of these accounts. Trustees have reviewed the assumption that Local Solutions remains a going concern and have concluded this to be accurate and appropriate. Further information in this respect is given in the principal accounting policies.

## **LOCAL SOLUTIONS**

### **REPORT OF THE TRUSTEES (INCLUDING DIRECTOR'S REPORT INCORPORATING STRATEGIC REPORT)**

For the year ended 31 March 2023

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#### **Statement of Trustees' Responsibilities**

The Trustees (who are also Directors of Local Solutions for the purposes of Company Law) are responsible for preparing the Strategic Report, the Annual Report, and the financial statements in accordance with applicable law and regulations.

Company Law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 incoming resources and application of resources, including the income and expenditure, of the Charitable Company 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 of the Charities SORP;
- make judgements and accounting 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 to operate.

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 are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

In so far as each of the Trustees is aware:

- there is no relevant audit information of which the Charitable Company's auditor is unaware.
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

#### **Trustee Indemnity Insurance**

The Board of Trustees has the benefit of Trustee Indemnity Insurance which is authorised in the Articles of Association and is in relation to certain losses and liabilities which the Trustee(s) may incur to third parties in the course of acting as a Trustee (Director) of the Charity.

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES (INCLUDING DIRECTOR'S REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2023

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#### **Auditor**

In accordance with the company's articles, a resolution proposing that DSG be reappointed as auditor of the company will be put at a General Meeting.

The Trustees' report including the strategic report was approved by the Board of Trustees.



Hazel Snell  
Chair

Date: 20<sup>th</sup> July 2023

## LOCAL SOLUTIONS

### INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF LOCAL SOLUTIONS

For the year ended 31 March 2023

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#### OPINION

We have audited the financial statements of Local Solutions (“the Charitable Company”) for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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 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 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *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 related 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 annual report, other than the financial statements and our auditor’s report thereon. The Trustees are responsible for the other information contained within the annual report. 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

## **LOCAL SOLUTIONS**

### **INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF LOCAL SOLUTIONS**

For the year ended 31 March 2023

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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.

#### **Opinion 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 for the financial year for which the financial statements are prepared, which includes the directors' report and the strategic report prepared for the purposes of company law, is consistent with the financial statements; and
- the strategic report and the directors' report, which are included within the trustees' report, have 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 strategic report or the directors' report included within the trustee's 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 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.

#### **Responsibilities of Trustees**

As explained more fully in the statement of trustee 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 determines 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**

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

## LOCAL SOLUTIONS

### INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF LOCAL SOLUTIONS

For the year ended 31 March 2023

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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.

The extent to which the audit was capable of detecting irregularities, including fraud is detailed below

#### **Capability of the audit in detecting irregularities, including fraud**

As a part of our audit in accordance with United Kingdom Generally Accepted Accounting Practice; and requirements of the Companies Act 2006 we exercise professional judgement and maintain professional scepticism throughout the audit. Based on our understanding and accumulated knowledge of the charity and the sector in which it operates we considered the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud and whether such actions or non-compliance might have a material effect on the financial statements. These included but were not limited to those that relate to the form and content of the financial statements, such as the Charities SORP 2019, Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice) the UK Companies Act 2006 and those that relate to the payment of employees. All team members were briefed to ensure they were aware of any relevant regulations in relation to their work.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries, management bias in accounting estimates and improper revenue recognition associated with year-end cut-off. Our audit procedures included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to recoverability of debtors and valuation and completeness of deferred revenue;
- Revenue year end cut-off procedures;
- Identifying and testing journal entries, in particular any journal entries posted with specific unusual narrative, manual journals to revenue and cash, and review of journals posted to least used accounts;
- Discussions with management; including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Obtained an understanding of how the charity is complying with those legal and regulatory frameworks such as Companies Act 2006 & Employment Taxes Act by making enquiries to management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes and other evidence gathered during the course of the audit;
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control; and
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## LOCAL SOLUTIONS

### INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF LOCAL SOLUTIONS

For the year ended 31 March 2023

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Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://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.



Jean Ellis BA FCA CTA (Senior Statutory Auditor)  
For and on behalf of DSG

20 July 2023

Chartered Accountants  
Statutory Auditor

Castle Chambers  
43 Castle Chambers  
Liverpool  
L2 9TL

## LOCAL SOLUTIONS

### STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2023

	Note	Unrestricted Funds	Restricted Funds	Total 2023	Total 2022
		£	£	£	£
<b>Income and endowments from:</b>					
Donations and legacies	1	75,702	1,022	<b>76,724</b>	75,837
Income from charitable activities	1	12,051,992	356,859	<b>12,408,851</b>	13,253,860
Coronavirus Job Retention Scheme	1	-	-	-	11,540
Income from investments	3	11,450	-	<b>11,450</b>	201
<b>Total income</b>		<u>12,139,144</u>	<u>357,881</u>	<u><b>12,497,025</b></u>	<u>13,341,438</u>
<b>Expenditure on:</b>					
Charitable activities	2	<u>12,460,241</u>	<u>358,699</u>	<u><b>12,818,940</b></u>	<u>12,720,370</u>
<b>Total expenditure</b>		<u>12,460,241</u>	<u>358,699</u>	<u><b>12,818,940</b></u>	<u>12,720,370</u>
<b>Net (expenditure)/income</b>		<u>(321,097)</u>	<u>(818)</u>	<u><b>(321,915)</b></u>	<u>621,068</u>
<b>Net movement in funds</b>		(321,097)	(818)	<b>(321,915)</b>	621,068
<b>Reconciliation of funds</b>					
Total funds brought forward at 1 April	13	<u>2,567,781</u>	<u>90,311</u>	<u><b>2,658,092</b></u>	<u>2,037,024</u>
<b>Total funds carried forward at 31 March</b>	13,14	<u><u>2,246,684</u></u>	<u><u>89,493</u></u>	<u><u><b>2,336,177</b></u></u>	<u><u>2,658,092</u></u>

All of the principal activities of the charity were continuing for the year ended 31 March 2023.

There were no recognised gains or losses other than the result for the year.

## LOCAL SOLUTIONS

### BALANCE SHEET

As at 31 March 2023

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	Note	£	2023 £	£	2022 £
<b>Fixed assets</b>					
Tangible assets	8		1,077,091		1,115,002
<b>Current assets</b>					
Debtors	9	1,173,985		1,122,714	
Cash at bank and in hand		<u>1,353,988</u>		<u>2,162,070</u>	
			2,527,973		3,284,784
<b>Creditors: amounts falling due within one year</b>	10	<u>(1,227,787)</u>		<u>(1,599,194)</u>	
<b>Net current assets</b>			1,300,186		1,685,590
<b>Creditors: falling due after more than 1 year</b>	12		-		(100,000)
<b>Provision for liabilities</b>	11		(41,100)		(42,500)
<b>Net assets less provision for liabilities</b>			1,259,086		1,543,090
<b>Net assets</b>			<u>2,336,177</u>		<u>2,658,092</u>
<b>Funds</b>					
Restricted	13		89,493		90,311
General Unrestricted	13		1,357,202		1,450,266
Designated Reserves	13		236,267		450,000
Revaluation Reserve	13		653,215		667,515
			<u>2,336,177</u>		<u>2,658,092</u>

The financial statements were approved by the Board of Trustees on 20 July 2023, and signed on their behalf by:



Hazel Snell

**Trustee**

Company Number: 01792921

## LOCAL SOLUTIONS

### CASH FLOW STATEMENT

For the year ended 31 March 2023

	Note	2023 £	2022 £
<b>Cash flows from operating activities</b>			
Deficit for the financial year		(321,915)	621,068
Adjustments for:			
Depreciation, impairment and amortisation of fixed assets	8	37,911	30,538
Net interest (receivable)	3	(11,450)	(201)
Increase in trade and other debtors	9	(51,271)	34,477
Decrease in trade and other creditors	10,11,12	(472,807)	(92,079)
		<hr/>	<hr/>
<b>Cash from operations</b>		<b>(819,532)</b>	593,803
Taxation paid		-	-
		<hr/>	<hr/>
<b>Net cash generated from operating activities</b>		<b>(819,532)</b>	593,803
		<hr/>	<hr/>
<b>Cash flows from investing activities</b>			
Purchases of tangible fixed assets	8	-	(47,002)
Interest Received		11,450	201
Proceeds from disposal of Fixtures, Fittings & Equipment		-	1,465
		<hr/>	<hr/>
<b>Net cash from investing activities</b>		<b>11,450</b>	(45,336)
		<hr/>	<hr/>
<b>Cash flows from financing activities</b>			
Interest paid	3	-	-
Repayment of loans		-	-
		<hr/>	<hr/>
<b>Net cash used in financing activities</b>		<b>-</b>	-
		<hr/>	<hr/>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(808,082)</b>	548,467
Cash and cash equivalents at beginning of year		2,162,070	1,613,603
		<hr/>	<hr/>
<b>Cash and cash equivalents at end of year</b>		<b>1,353,988</b>	2,162,070
		<hr/>	<hr/>
<b>Cash and cash equivalents comprise:</b>			
Cash at bank and in hand		1,353,988	2,162,070
Bank overdrafts		-	-
		<hr/>	<hr/>
		<b>1,353,988</b>	2,162,070
		<hr/>	<hr/>

The accompanying accounting policies and notes form an integral part of these financial statements.

## **LOCAL SOLUTIONS**

### **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended

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#### **ACCOUNTING POLICIES**

##### **Charity Information**

Local Solutions is a private company limited by guarantee incorporated in England and Wales. The registered office is  
Vortex Court, Enterprise Way, Wavertree, Liverpool, L13 1FB.

##### **Accounting Convention**

The Company is limited by guarantee and has no share capital.

The financial statements have been prepared in accordance with applicable accounting standards including the Statement of Recommended Practice: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2019 (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

They have been prepared under the historical cost convention. On transition to FRS 102 the Charity has elected to treat the depreciated valuation of land and buildings recognised under the previous UK GAAP as deemed cost. Any difference between historical cost depreciation and depreciation calculated on deemed cost is transferred between the revaluation reserve and unrestricted funds.

The trustees confirm that the Charity meets the definition of a public benefit entity as defined under FRS 102.

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

The principal accounting policies of the Charity have remained unchanged from the previous year and are set out below.

##### **GOING CONCERN POLICY**

The financial statements have been prepared on a going concern basis, which principally assumes that the Charity will continue to receive contracted financial income from various Local Authorities at a sustainable level. The Charity has several contracts in place which secure income and cash flows for at least 12 months from the date of approval of these accounts. Forecasts have been prepared and reviewed for the forthcoming year and beyond, with various scenarios and key assumptions being made to consider a range of possible outcomes.

The Trustees and the Management Team recognise the impact that the general economic climate and the Government's spending review has on the level of public sector funding and are fully aware of the continued impact on funding directly and indirectly available to the Charity. They continue to monitor the various scenarios that reduced income levels could give rise to. In a worst-case scenario, whilst it would see the Charity's reserves and cash position impacted significantly, it would not affect the going concern assumption over the medium and long-term.

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended

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Following a review by Trustees, the overdraft facility has been maintained at the current level of £200,000, even though the projections produced indicate that there will be no need to draw on it. Indeed, the projections show there to be considerable headroom if assumptions hold good. Considering the strength of the balance sheet, and levels of cash and unrestricted reserves, the Trustees believe that, whilst considerable uncertainty exists about the economic and operating environment, this does not pose a material uncertainty that would cast doubt on the Charity's ability to continue as a going concern. The Trustees therefore consider it appropriate to prepare the financial statements on a going concern basis.

#### INCOME

##### Fee income

Fee income is credited as incoming resources when the work relating to the fees has been completed. Income relating to a specified future period is deferred.

##### Grants receivable and Deferred Income

Revenue grants are credited as incoming resources when they are receivable provided conditions for receipt have been complied with, unless they relate to a specified future year, in which case they are deferred.

Grants for the purchase of fixed assets are credited to restricted incoming resources when receivable. Depreciation on the fixed assets purchased with such grants is charged against the restricted fund.

Any unexpended income on projects which relates to grants or donations which must be expended in the following year is taken to creditors and shown as deferred income.

Coronavirus Job Retention Scheme income is accounted for within unrestricted charitable income, with the associated wage costs included within unrestricted charitable expenditure.

##### Donations and legacies

All monetary donations and gifts are included in full in the statement of financial activities when received if there are no donor-imposed restrictions as to the timing of the related expenditure. If there are any donor-imposed restrictions on the timing of expenditure, then recognition is deferred until any pre-conditions have been met.

Legacies are included when the Charity is advised by the personal representative of an estate that payment will be made, and the amount involved can be quantified. They are included in the statement of financial activities.

Gifts-in-kind are accounted for at the Trustees' estimate of value to the Charity or sale value as follows:

- Assets received for distribution by the Charity are recognised only when distributed.
- Assets received for resale are recognised, where practicable, when receivable or otherwise when sold.
- Gifts of fixed assets for Charity use or funds for acquiring fixed assets for Charity use are accounted for (as restricted funds) immediately on receipt.

## **LOCAL SOLUTIONS**

### **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended

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Intangible income, which comprises donated services, is included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. An equivalent amount is charged as expenditure. No income is recognised when there is no financial cost borne by a third party. Voluntary help is not included as income.

Donations under Gift Aid together with the associated income tax recoverable are credited as income when the donations are received.

#### **EXPENDITURE**

Expenditure is included on the accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to a particular heading, they have been allocated to activities on a basis consistent with the use of the resources.

##### **Allocation of Overheads**

Local Solutions operates centralised services for senior management, human resources, finance, IT services, and quality functions.

The costs of these centralised services are allocated to individual projects based on actual project expenditure. This ensures a fair and transparent allocation of costs and is in line with accepted practices within the voluntary sector.

#### **FUND ACCOUNTING**

Restricted funds are to be used for specified purposes laid down by the donor. Expenditure for those purposes is charged to the fund, together with a fair allocation of overheads and support costs.

The Charity has projects for which funding consists of restricted and unrestricted income. The Charity's policy in preparing the financial statements is to apply expenditure, together with a fair allocation of overheads and support costs, against both restricted and unrestricted income to a point where all restricted income has been covered.

Expenditure beyond that point is allocated against unrestricted income only. This policy is considered by the Trustees to represent a practical means of representing how costs are allocated on a consistent basis across each project. Any deficits incurred by the Charity on restricted funds are funded by the Charity's unrestricted income.

Unrestricted funds are donations and other incoming resources received or generated for expenditure on the general objectives of the Charity.

#### **TANGIBLE FIXED ASSETS AND DEPRECIATION**

Tangible fixed assets are stated at deemed cost, net of depreciation and any provision for impairment.

Depreciation is calculated to write down the deemed cost less estimated residual value of all tangible fixed assets other than freehold land by equal annual instalments over their estimated useful economic lives.

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended

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The Charity capitalises all individual items of fixed assets more than £3,000 for small items and £5,000 for fixed items.

Assets during construction are included within Fixed Assets as a separate category. Depreciation will only commence once the property is brought into use and will then be applied in line with the depreciation policy.

The rates generally applicable are:

- |  |                     |
|--|---------------------|
| - Freehold properties                                    | - 2% of deemed cost |
| - Motor vehicles   | - 5 Years           |
| - Fixtures, fittings, equipment<br>and computer software | - 2 to 5 Years      |

#### **Impairment of fixed assets**

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### **VALUE ADDED TAX**

The Charity is partially exempt from VAT and all irrecoverable VAT is shown in direct charitable expenditure.

#### **Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **RETIREMENT BENEFITS**

##### **Defined Contribution Pension Schemes**

The pension costs charged against the operating surplus are the contributions payable to the schemes in respect of the accounting year.

#### **OPERATING LEASE AGREEMENTS**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the period of the lease.

## **LOCAL SOLUTIONS**

### **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended

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#### **FINANCIAL INSTRUMENTS**

Local Solutions only enters into basic financial instruments that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans from banks and other third parties.

Financial assets and financial liabilities are recognised when Local Solutions becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs).

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

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

Creditors and provisions are recognised where Local Solutions has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial assets that are measured at cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activities.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Charity would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset, and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **RECOGNITION OF LIABILITIES**

Liabilities are recognised as soon as there is a legal or constructive obligation committing Local Solutions to pay out resources.

#### **LIQUID RESOURCES**

Liquid resources are those associated with the cash management of Local Solutions.

#### **TAXATION**

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects..

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended

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#### **JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether leases entered into either as a lessor or a lessee are operating leases or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease-by-lease basis.
- Determine whether there are indicators of impairment of the tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty:

Tangible fixed assets (see note 8)

- Tangible fixed assets are depreciated over their useful lives considering residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are considered. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

# LOCAL SOLUTIONS

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended

### 1 ANALYSIS OF INCOME

	2023 £	2022 £
Donations deferred at 1 April 2022	-	-
Donations receivable in the year	<b>76,927</b>	75,837
Donations deferred at 31 March 2023	<b>(203)</b>	-
	<u><b>76,724</b></u>	<u>75,837</u>

Donations above include Restricted Donations of £1,022 (2022: £11,489).

	£	£
Project income deferred at 1 April 2022	<b>361,546</b>	469,480
Project income receivable in the year	<b>12,190,054</b>	13,157,466
Project income deferred at 31 March 2023	<b>(142,749)</b>	(361,546)
	<u><b>12,408,851</b></u>	<u>13,265,400</u>

#### Analysis of income

	£	£
Project income for charitable services provided	<b>12,408,851</b>	13,253,860
Donations	<b>76,724</b>	75,837
Investment Income	<b>11,450</b>	201
Coronavirus Job Retention Scheme	-	11,540
	<u><b>12,497,025</b></u>	<u>13,341,438</u>

#### Project income is analysed as follows:

	£	£
Social Care & Inclusion/Enablement	<b>9,673,368</b>	9,652,982
Young People & Families/ Engagement	<b>2,689,197</b>	3,348,522
Central Services	<b>46,286</b>	263,896
	<u><b>12,408,851</b></u>	<u>13,265,400</u>

Project income is derived from various funding sources including Liverpool, Sefton, Knowsley, Wirral, St Helens, Denbighshire and Flintshire Local Authorities.

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended

#### 1 ANALYSIS OF INCOME (continued)

##### Restricted Grants within Project Income

	2023	2022
	£	£
Liverpool City Council	26,218	-
Government & Local Authority COVID-19	-	443,810
Others	68,069	211,013
Comic Relief	108,070	137,949
Lindbury Trust	154,502	-
	<u>356,859</u>	<u>792,772</u>

Costs relating to COVID-19, for which Restricted Grants have been received from Government and Local Authorities, are included in Note 2 Restricted Expenditure

#### 2 ANALYSIS OF EXPENDITURE

	Staff costs £	Other costs £	Depreciation £	2023 £	2022 £
Direct charitable expenditure	10,593,547	2,099,027	37,911	12,730,485	12,673,962
Governance costs	-	88,455	-	88,455	46,408
	<u>10,593,547</u>	<u>2,187,482</u>	<u>37,911</u>	<u>12,818,940</u>	<u>12,720,370</u>

	Staff costs £	Other costs £	Depreciation £	2022 £	2021 £
Direct charitable expenditure	10,510,952	2,132,472	30,538	12,673,962	14,308,855
Governance costs	-	46,408	-	46,408	56,978
	<u>10,510,952</u>	<u>2,178,880</u>	<u>30,538</u>	<u>12,720,370</u>	<u>14,365,833</u>

Within Direct charitable expenditure other costs represents all direct and indirect charitable activity costs covering the various projects operated by the Charity and certain support costs.

Support costs covering Management, Finance, IT support and HR including ancillary costs amount to £1,847,153 (2022: £1,832,306), which includes fundraising and business development costs of £95,163 (2022: £48,685).

Governance costs relate to the general running of the Charity. They include external audit costs and costs associated with constitutional and statutory requirements. The audit fee for the year amounted to £15,700 (2022: £14,530).

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended

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<b>Governance Costs</b>	<b>2023</b> £	2022 £
Professional & Legal	<b>72,755</b>	31,878
Auditors' remuneration – statutory audit	<b>15,700</b>	14,530
Governance costs at 31 March 2023	<b><u>88,455</u></b>	<u>46,408</u>

Contained within Restricted Expenditure are the following costs:

	<b>Restricted</b> <b>2023</b> £	Restricted 2022 £
Salaries and on costs	<b>253,028</b>	683,219
Maintenance/repairs	<b>175</b>	9,524
Office expenses	<b>17,895</b>	19,334
Telephone/internet	<b>3,946</b>	6,923
Equipment	<b>1,594</b>	42,021
Insurance	<b>1,995</b>	1,492
Travel	<b>1,979</b>	9,047
Sundry expenses	<b>78,087</b>	87,244
	<b><u>358,699</u></b>	<u>858,804</u>

The following amounts are included in expenditure:

	<b>2023</b> £	2022 £
Depreciation	<b>37,911</b>	30,538
Operating Lease rentals:		
- Land & Buildings	<b>286,655</b>	278,182
- Other	<b>2,380</b>	5,653
Auditors Remuneration – statutory audit	<b>15,700</b>	14,530
Auditors Remuneration – other services	<b><u>-</u></b>	<u>-</u>

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended

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#### 3 INTEREST RECEIVABLE

	2023 £	2022 £
Other interest receivable and similar income - unrestricted	<u>11,450</u>	<u>201</u>

#### 4 EMPLOYEES

Staff costs during the year were as follows:

	2023 £	2022 £
Wages and salaries	9,623,657	9,609,193
Social security costs	758,755	692,580
Other pension costs	211,135	209,179
	<u>10,593,547</u>	<u>10,510,952</u>

Wages and salary costs above include redundancy payments of £29,098 (2022: £39,515)

The average number of employees during the year was 537 (2022: 624).

	2023 Number	2022 Number
Project staff	534	621
Fundraising and publicity	1	1
Management and administration of the charity	2	2
	<u>537</u>	<u>624</u>

The emoluments of higher-paid employees fell within the following ranges:

	2023 Number	2022 Number
£70,001 to £80,000	1	1
£80,001 to £90,000	1	1
	<u>1</u>	<u>1</u>

**LOCAL SOLUTIONS**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended

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**4. EMPLOYEES (continued)**

During the year, the following amounts were paid to money purchase pension schemes in respect of higher paid employees:

	<b>2023</b>	2022
	<b>£</b>	£
Pension contributions to money purchase schemes	<u><b>30,154</b></u>	<u>31,719</u>

During the year two higher paid employees (2022: two higher paid employees) participated in a money purchase pension scheme.

**5 TRANSACTIONS WITH TRUSTEES AND OTHER RELATED PARTIES**

None of the trustees or any person connected with them received any remuneration or benefits from the Charity during the current or previous year.

No Travel expenses were reimbursed to any trustees, (2022: £NIL) during the year.

Helen Heap’s partner is Chief Officer at Raise. The charity received rental income of £19,110 (2022: £19,110) from Raise in the year.

There were no other related party transactions in the year.

**6 REMUNERATION OF KEY MANAGEMENT PERSONNEL**

The trustees have delegated much of the day to day running of the Charity to a number of key management personnel. The execution of a clear and transformative vision for leadership from 2021 resulted in the restructuring of the senior management team and associated costs.

The total remuneration, including employers’ pension contributions, employers’ national insurance contributions and salary sacrifice pension contributions for key management personnel in the year totalled £199,566 (2022: £238,537).

**7 INDEMNITY INSURANCE**

The Charity purchases Directors and Officers Liability Insurance. The cost of the premium in the year was £2,464 (2022: £2,240).

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended

#### 8 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Motor vehicles £	Fixtures, equipment, fittings & computer software £	Total £
Cost				
At 1 April 2022	1,229,137	10,699	59,128	1,298,964
Disposals	-	-	(8,757)	(8,757)
<b>At 31 March 2023</b>	<b><u>1,229,137</u></b>	<b><u>10,699</u></b>	<b><u>50,371</u></b>	<b><u>1,290,207</u></b>
Depreciation				
At 1 April 2022	158,019	7,298	18,645	183,962
Provided in the year	24,576	2,136	11,199	37,911
Eliminated on disposals	-	-	(8,757)	(8,757)
<b>At 31 March 2023</b>	<b><u>182,595</u></b>	<b><u>9,434</u></b>	<b><u>21,087</u></b>	<b><u>213,116</u></b>
Net book amount at At 31 March 2023	<b><u>1,046,542</u></b>	<b><u>1,265</u></b>	<b><u>29,284</u></b>	<b><u>1,077,091</u></b>
Net book amount at 31 March 2022	<u>1,071,118</u>	<u>3,401</u>	<u>40,483</u>	<u>1,115,002</u>

Freehold buildings are included in the financial statements at deemed cost and are depreciated at the rate of 2%. The Scotland Road site is included within freehold land and buildings at a deemed cost of £965,000. It was valued by Lambert Smith Hampton, commercial property consultants, at £1,080,000 on 2 May 2018.

In February 2023 a revaluation was carried out by Keppie Massie to confirm the value.

Freehold land is not depreciated. Assets under construction are included within Fixed Assets with depreciation commencing once the asset is brought into use.

All tangible fixed assets were used for charitable purposes.

The overdraft facility of the Charity is secured by a legal charge over the freehold land and buildings.

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended

#### 9 DEBTORS

	2023 £	2022 £
Accrued income	364,375	137,944
Trade debtors	673,160	824,999
Other debtors	18,311	17,184
Prepayments	118,139	142,587
	<u>1,173,985</u>	<u>1,122,714</u>

#### 10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade creditors	139,502	89,274
Other creditors	232,245	386,799
Social security and other taxes	162,215	157,317
Accruals	550,873	604,258
Deferred income	142,952	361,546
	<u>1,227,787</u>	<u>1,599,194</u>

Included within other creditors is an amount of £200,000 (2022: £300,000) owing in respect of a historic payment on account for Homecare provision from Liverpool City council.

#### 11 PROVISION FOR LIABILITIES

	2023 £	2022 £
Balance at 1 April	42,500	42,500
Increased	18,300	3,000
Utilised	<u>(19,700)</u>	<u>(3,000)</u>
Balance 31 March	<u>41,100</u>	<u>42,500</u>

The above provision relates to dilapidations that have been provided for in relation to making good upon vacation of leased property. These are reviewed annually.

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended

#### 12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023 £	2022 £
Liverpool City Council	-	100,000
	<u>-</u>	<u>100,000</u>

This relates to an historic payment on account for Homecare from Liverpool City Council. The final payment being due March 2024.

#### 13 FUNDS

	Revaluation Reserve £	Restricted funds £	Unrestricted funds £	Total £
At 1 April 2022	667,515	90,311	1,900,266	2,658,092
Incoming resources	-	357,881	12,139,144	12,497,025
Resources expended	-	(358,699)	(12,460,241)	(12,818,940)
Reserve transfer	(14,300)	-	14,300	-
At 31 March 2023	<u>653,215</u>	<u>89,493</u>	<u>1,593,469</u>	<u>2,336,177</u>
At 1 April 2021	681,815	144,854	1,210,355	2,037,024
Incoming resources	-	804,261	12,537,177	13,341,438
Resources expended	-	(858,804)	(11,861,566)	(12,720,370)
Reserve transfer	(14,300)	-	14,300	-
At 31 March 2022	<u>667,515</u>	<u>90,311</u>	<u>1,900,266</u>	<u>2,658,092</u>

Unrestricted Funds include Designated Funds of £236,267 (2022: £450,000)

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended

#### Designated Funds

	Balance April 2022 £	Transfers in the year £	Expenditure £	Transfers at year end £	Balance March 2023 £
Impact & Innovation	150,000	(80,050)	(44,551)	8,768	34,167
Workforce Development & Retention	150,000	195,050	(246,338)	78,388	177,100
Infrastructure & Assets	150,000	(115,000)	(22,844)	12,844	25,000
	<b>450,000</b>	<b>-</b>	<b>(313,733)</b>	<b>100,000</b>	<b>236,267</b>

Impact & Innovation – development of pilot projects to meet emerging needs and explore innovative approaches and models of delivery in line with our mission.

Workforce Retention – meeting short term workforce challenges and enabling retention in delivery critical and impact essential scenarios.

Infrastructure & Assets – providing support to improve impact through improved systems, facilities, or assets.

During the financial year reallocation of the provision has been applied to ensure best use of Designated Reserves. A further £100k was allocated to the provision at the end of the financial year.

#### Restricted Funds

	Balance April 2022 £	Income £	Expenditure £	Transfer £	Balance March 2023 £
Donations	-	1,022	(1,022)	-	-
Aims 2	-	150,082	(150,082)	-	-
Covid	-	-	-	-	-
Comic Relief	76,778	108,070	(108,070)	-	76,778
Other	13,533	98,707	(99,525)	-	12,715
	<b>90,311</b>	<b>357,881</b>	<b>(358,699)</b>	<b>-</b>	<b>89,493</b>

	Balance April 2021 £	Income £	Expenditure £	Transfer £	Balance March 2022 £
Donations	-	11,489	(11,489)	-	-
Aims 2	-	31,587	(51,040)	19,453	-
Covid	-	443,810	(443,810)	-	-
Comic Relief	144,854	137,949	(192,492)	(13,533)	76,778
Other	-	179,426	(159,973)	(5,920)	13,533
	<b>144,854</b>	<b>804,261</b>	<b>(858,804)</b>	<b>-</b>	<b>90,311</b>

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended

The Charity works with funders to enable specific projects to be delivered. These Restricted funds are then used to support the running costs and delivery of the projects. Additional COVID funding was received in year for the likes of Workforce Recruitment and Retention which covered associated costs.

#### 14 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Revaluation Reserve £	Restricted funds £	Unrestricted funds £	Total £
Tangible Fixed assets	653,215	-	423,876	1,077,091
Current assets	-	191,268	2,336,705	2,527,973
Current liabilities	-	(101,775)	(1,167,112)	(1,268,887)
Liabilities over one year	-	-	-	-
Net assets at 31 March 2023	<b>653,215</b>	<b>89,493</b>	<b>1,593,469</b>	<b>2,336,177</b>
Tangible Fixed assets	667,515	-	447,487	1,115,002
Current assets	-	330,576	2,954,208	3,284,784
Current liabilities	-	(240,265)	(1,501,429)	(1,741,694)
Liabilities over one year	-	-	-	-
Net assets at 31 March 2022	<b>667,515</b>	<b>90,311</b>	<b>1,900,266</b>	<b>2,658,092</b>

#### 15 RETIREMENT BENEFITS

The Charity operates two defined contribution pension schemes for the benefit of the employees. The assets of the scheme are administered by Trustees in a fund independent from those of the charity.

Included in accruals is an amount of £9,396 (2022: £23,323) owing in respect of the charity's pension schemes. This liability was paid subsequent to the year end.

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended

#### 16 OPERATING LEASE COMMITMENTS

The company had the following total minimum lease payments under non-cancellable operating leases as set out below:

	<b>Leasehold properties 2023 £</b>	<b>Leasehold properties 2022 £</b>
Not later than one year	<b>333</b>	77,728
Later than one year and not later than five years	<b>247,351</b>	218,864
Greater than five years	-	4,712
	<b><u>247,684</u></b>	<u>301,304</u>

#### 17 ANALYSIS OF CHANGES IN NET DEBT

	<b>At 1 April 2022 £</b>	<b>Cash flows £</b>	<b>Other changes £</b>	<b>At 31 March 2023 £</b>
Cash and cash equivalents	<b><u>2,162,070</u></b>	<b><u>(808,082)</u></b>	<b><u>-</u></b>	<b><u>1,353,988</u></b>

	<b>At 1 April 2021 £</b>	<b>Cash flows £</b>	<b>Other changes £</b>	<b>At 31 March 2022 £</b>
Cash and cash equivalents	<b><u>1,613,603</u></b>	<b><u>548,467</u></b>	<b><u>-</u></b>	<b><u>2,162,070</u></b>

#### 18 CONTINGENT LIABILITIES

Historically amounts were received by the charity which totalled £24,751 and were included in creditors as at 31 March 2021 and included over 100 small balances from individuals. This amount remained in the balance sheet for many years. The charity once again made a concerted effort in the year ended 31 March 2022 to contact the donors to repay monies to them. No requests for repayments of outstanding balances were received. £24,751 was released to income in the year ended 31 March 2022 as the requirement to repay the balances is considered minimal. Should any donors come forward to reclaim their funds in the future the charity will repay balances owed.

**LOCAL SOLUTIONS**

England & Wales - Charity number 515060

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# Accounts

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Registered number: 01792921  
Charity number: 515060

# **LOCAL SOLUTIONS**

ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

# LOCAL SOLUTIONS

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For the year ended 31 March 2022

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## LOCAL SOLUTIONS

### LEGAL AND ADMINISTRATIVE DETAILS

For the year ended 31 March 2022

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Local Solutions is a Company Limited by Guarantee and a Registered Charity governed by its Memorandum and Articles of Association. The Directors of the Charity are its Trustees for the purposes of Charity Law and throughout this report are collectively referred to as the Trustees. The Company is limited by guarantee and permission has been obtained from the Registrar of Companies to dispense with the use of the word "Limited".

Company registration number: 01792921

Charity registration number: 515060

Registered office: Suite A, 1<sup>st</sup> Floor  
Building 2000  
Vortex Court  
Enterprise Way  
Wavertree  
L13 1FB

Trustees:	Hazel J Snell	Chair
	Helen R Heap	Chair, Finance, Audit & Risk Committee
	Rev Dr Crispin Pailing	Chair, People & Culture Committee
	Louise C Towers	Chair, Operations & Development Committee to 10 February 2022
	Ellie J Acton	Appointed 20 May 2021
		Chair, Operations & Development Committee from 10 Feb 2022
	Jillian M Jones	Appointed 20 May 2021
	Serena M Kennedy	Appointed 20 July 2021
	Dr Bruce W Taylor	
	Jonathan H Mounsey FCA	
	Katie E Clubb	

Chief Executive: Robert Thomas Harrison

Secretary: Karen Paton

Bankers: National Westminster Bank Plc  
Commercial Banking  
Union Street  
Chester  
CH1 1UA

Solicitors:	Brabners LLP	Aaron & Partners
	Horton House	5-7 Grosvenor Court
	Exchange Flags	Foregate Street
	Liverpool	Chester
	L2 3YL	CH1 1HG

Auditor: DSG Chartered Accountants  
Castle Chambers  
43 Castle Street  
Liverpool  
L2 9TL

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES INCORPORATING STRATEGIC REPORT

For the year ended 31 March 2022

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#### A message from our Chair and Chief Executive

The last 12 months have seen another period of challenge and change for everyone, including all of us at Local Solutions. The experience of living through the Covid pandemic has shaped our understanding of these challenges, and the way in which we might best approach them.

Our work at Local Solutions can be seen through 3 lenses or departments: Social Care, which is predominantly domiciliary care in the community; Support and Accommodation for young homeless people, families, and individuals; and our Communities department, where we work with unpaid carers, victims of domestic abuse and support health and wellbeing.

Our services may be varied but they are underpinned by 5 key outcomes: gaining skills and confidence, developing independence, creating stable accommodation, increasing safety and security, and improving health and wellbeing.

It has been a year where we have continued to focus on our commitment to make the most effective use of the resources available, and where we strive to connect our work directly with our outcomes.

The continued commitment to maximise the effective use of our resources has been supported by streamlining and restructuring the senior management team and moving to smaller and more efficient premises. We have also focused on reducing our running costs, developing the quality of our internal processes, and enhancing our social enterprise opportunities.

This work has created the conditions for a positive financial year for Local Solutions and enabled us to invest in the quality of our work, become a real living wage employer and develop designated funds to support impact, innovation, and future investment.

Once again it has been a year about people, about their dedication and values, and the desire to empower change. We want to be transformative. We want to be creative, innovative, and flexible and be there to empower people to achieve their own goals and to take control of their own lives. That is our ambition for Local Solutions, that is what drives our work.

This has also been an inspiring year! The unconditional care shown by our teams and in our communities has provided the hope and energy needed to keep going and empower people to reach their full potential, even in testing times.

We are proud of all the work outlined in the Overview of the Year in this report. Further information on the difference Local Solutions makes to the people we support can be found in our Impact Report which is available on our website.

A huge thanks to all our staff, supporters, service users and volunteers.

Hazel and Tom



Hazel Snell  
Chair

Date: 21<sup>st</sup> July 2022

Email: [info@localsolutions.org.uk](mailto:info@localsolutions.org.uk)  
Website: [www.localsolutions.org.uk](http://www.localsolutions.org.uk)



Tom Harrison  
CEO

Date: 21<sup>st</sup> July 2022

## **LOCAL SOLUTIONS**

### **REPORT OF THE TRUSTEES INCORPORATING STRATEGIC REPORT**

For the year ended 31 March 2022

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## **OBJECTIVES**

Local Solutions is a charity founded in 1974 that delivers services to people in England and Wales, primarily within the Liverpool City Region and North Wales with a focus on people who face disadvantage, exclusion, and vulnerability.

Our work is guided by our Vision of a society where people can live in safety and dignity and lead fulfilled lives. Our Mission is to empower people and support communities.

We will deliver our mission by truly understanding the needs and challenges facing individuals and communities and working together to design and deliver approaches that create sustained, positive impact.

The Board promotes the Charity's values: compassionate, reliable, pioneering, and knowledgeable, and ensures that these are reflected in all its work. The objects of the organisation are set out in the Memorandum and Articles of Association. The main areas of activity are to benefit the community through the promotion of charitable purposes in the fields of social welfare, education, and recreation.

## **STRATEGIC REPORT**

The Trustees (who are Directors of the Charity for the purposes of the Companies Act 2006) present their report together with the financial statements for the year ended 31 March 2022.

The Charity Governance Code was published to help charities and their trustees develop high standards of governance. The code sets out Seven principles and recommended practice, which Local Solutions addresses and complies with, as explained below.

## **ORGANISATIONAL PURPOSE**

Our purpose is to empower people and support communities through transformative services and approaches. Our work is in three principal areas:

### **Social Care**

Care and personal support services for people who are older, are affected by physical and mental health issues, have mobility problems, or disabilities. This includes commissioned services for domiciliary care, specialised care, extra care, and care commissioned privately by individuals and families.

### **Support and Accommodation**

Support and accommodation for young people and families who are homeless, vulnerable, marginalised, or at risk of exploitation. Specific services include provision of housing, support, mentoring, skills, advice, and independence.

### **Communities**

Services for people who are affected by exclusion focusing on access to community support, advice, recreation, and skills. Specific support services for those not in education, employment, or training, those affected by domestic abuse or bullying, people who have mobility issues and those who provide unpaid care for others.

## **LOCAL SOLUTIONS**

### **REPORT OF THE TRUSTEES INCORPORATING STRATEGIC REPORT**

For the year ended 31 March 2022

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#### **LEADERSHIP, BOARD EFFECTIVENESS, OPPENESS AND ACCOUNTABILITY**

Local Solutions is governed by its Board of Trustees, which is a body of volunteers with distinguished careers in a wide variety of fields. The Trustees who served on the Board throughout the year are listed on page 1.

The Charity's Leadership Team comprises the Chief Executive, Chief Operating Officer, and departmental heads for key areas of the Charity.

The Chief Executive is appointed by the Trustees to manage the day-to-day operations of the Charity.

The remuneration of the Chief Executive and Leadership Team is set by the Trustees recognising:

- individual and team performance in the context of a challenging climate
- the importance of recruitment and retaining the 'right' people (both in terms of experience and attitude)
- the level of knowledge, skills and experience required, and the responsibilities and accountabilities associated with the position.

The Chief Executive selects an appropriate Leadership Team to manage the operations and activities of the Charity. This includes: The Chief Operating Officer, and heads of Social Care, Support and Accommodation, Communities, Finance, People and Culture, and Business Development and Impact.

A system of performance management, including objectives, key performance indicators, development plans, management reporting and appraisal is in place to monitor the effectiveness and management of individuals and teams.

A Trustee Committee structure is established comprising: Finance, Audit and Risk; People and Culture; Operations and Development. Each Committee includes suitably skilled Trustees plus an appropriate member(s) of the Leadership Team. Other Task and Finish groups are set up as considered appropriate.

The Trustees meet as a Board six times a year as a minimum. In addition, each Trustee serves on one or more of the three Committees and Task and Finish groups. Each of the Committees has outlined a clearly defined work programme for the coming year.

The election of Trustees is determined by the membership of the Charity which comprises organisations and individuals. Trustees may serve for a maximum period of three, three-year terms with an extension thereafter being allowed in exceptional circumstances. An active Trustee recruitment programme is in place to fill gaps and to ensure that the Board has an appropriate range of relevant expertise and diversity. The induction process for any newly appointed Trustee is tailored to the requirements of the individual. The new Trustee receives copies of Charity Commission guidance, the minutes of the most recent Trustees' meetings and a copy of the most recent statutory accounts. Ongoing training is provided for all Trustees.

The board welcomed three new Trustees during the year.

Helen Jane Acton (Ellie Acton) – 20 May 2021 - Ellie is a change leader with over 20 years' experience in both the public and private sector including policing and national government.

Jillian Margaret Jones (Jill Jones) – 20 May 2021 - Jill is a Chartered Accountant and has a number of non-executive roles.

Serena Margaret Kennedy – 20 July 2021- Serena is the serving Chief Constable of Merseyside Police.

## **LOCAL SOLUTIONS**

### **REPORT OF THE TRUSTEES INCORPORATING STRATEGIC REPORT**

For the year ended 31 March 2022

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The Committee Chairs and the Chief Executive report into the Board of Trustees on key issues and actions. Trustees receive other bespoke reports as appropriate. The Charity has a comprehensive set of policies and procedures in place in relation to operations, finance, human resources, risk management and health and safety.

Trustees declare any potential conflicts of interest at every Board meeting, and these are recorded. The Board acts in the best interests of the Charity and its beneficiaries and is not influenced by those who have special interests.

#### **INTEGRITY**

The Board of Trustees is committed to integrity, protecting the Charity's reputation, and promoting the core values through transparent and objective decision making. The Committee structure provides appropriate scrutiny, challenge, and independence. Trustees follow Best Practice as outlined in the Charity Governance Code, and the Board maintains registers of interests and disclosures of actual or potential conflicts.

#### **DECISION MAKING, RISK AND CONTROL**

##### **Decision Making**

Local Solutions operates a clear scheme of delegation identifying the operational matters for which the Leadership Team have delegated authority. The Board of Trustees ensures decision making is scrutinised, timely, and in line with the Charity's strategic aims. Committees for Finance, Audit and Risk, Operations and Development, and People and Culture, provide assurance and frameworks around decision making, performance and risk.

Local Solutions' Board of Trustees and Leadership Team deliver regular reviews and hold an annual away day to consider strategic direction.

##### **Risk Management**

Local Solutions takes a robust approach to managing risk and maintains a Corporate Risk Register to assess its activities and operational risks and to agree any necessary action for mitigation and control. Risk assessment and management is regularly considered at Board, Finance, Audit and Risk Committee and Leadership Team meetings.

The Corporate Risk Register considers governance and management, operational, quality, financial, and people aspects of the activities of Local Solutions. It covers risks that the organisation may face and steps and control procedures in place to mitigate those risks, as well as providing an ongoing review of existing systems and procedures.

This will be supported by several service delivery risk registers which are in the process of being developed for each of the main service delivery areas.

## **LOCAL SOLUTIONS**

### **REPORT OF THE TRUSTEES INCORPORATING STRATEGIC REPORT**

For the year ended 31 March 2022

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#### **Principal Risks and Challenges**

The principal risks and challenges which the organisation currently faces are:

##### **Risks**

- Failure to satisfy regulatory quality benchmarks
- Serious incidents and safeguarding
- Financial viability of the organisation
- Loss of a major service or contract
- Failure to recruit and retain sufficient staff, particularly in Homecare
- Serious breach of data protection regulations
- Failure to secure new or grow existing business
- Failure of premises strategy

The Board of Trustees has overall responsibility for the management of risk. The Finance, Audit and Risk Committee has delegated authority to review all aspects of risk management for Local Solutions and to provide oversight of the design, implementation, and effectiveness of risk management processes.

The Corporate Risk Register is a live document which is subject to ongoing change as circumstances require, and which involves the Leadership Team and Trustees in identifying, assessing, and monitoring risk. The Finance, Audit and Risk Committee reviews the Corporate Risk Register on a quarterly basis.

The loss of a significant contract poses a high risk and would have widespread implications for the rest of the organisation's operations. This is mitigated through regular performance reviews of existing contracts using key performance indicators covering both quantitative and qualitative performance measures. Strategy for Homecare to improve and monitor quality against CQC standards is close to being finalised (April 2022).

The financial year 2021/2022 has seen a significant turnaround in the organisation's financial performance. The Operations and Development Committee is responsible for overseeing Local Solutions' development strategy, monitoring key performance indicators and reviewing underperforming services. This will reduce the risk of failure in new business by ensuring that the organisation only takes on new contracts that are financially viable and which can be delivered sustainably.

Local Solutions maintains an internal audit function which ensures that operational, financial, risk and management processes are robustly and independently reviewed. The Risk Register is used as the foundation for the work of the Internal Auditor, who has access to all departments and reports directly to the Finance, Audit and Risk Committee with day-to-day line management by the Chief Executive.

#### **Serious Incidents and Safeguarding**

The Trustees recognise the requirement to report serious incidents to the Charity Commission. Local Solutions has developed and implemented robust Health and Safety, Financial, Disaster and Contingency Planning policies to assist the organisation in minimising the risk of serious incidents and has appropriate strategies in place in the event of an incident.

Local Solutions provides a wide range of services within the Liverpool City Region and North Wales, including domiciliary and residential social care, accommodation services, domestic abuse services and other services for a cross-section of young people and older people. By the nature of the provision we deliver, we have frequent interaction with the police, local authorities, and other statutory and regulatory bodies, such as the Care Quality Commission, in the reporting of serious incidents, for which there are established protocols which must be followed.

## **LOCAL SOLUTIONS**

### **REPORT OF THE TRUSTEES INCORPORATING STRATEGIC REPORT**

For the year ended 31 March 2022

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Monthly Key Performance Indicators relating to Complaints and Safeguarding Allegations are reported to the Board of Trustees to keep them fully informed about serious incidents. There is a specific operational lead for safeguarding and a Safeguarding Strategy Group which includes a nominated Trustee. This Group provides scrutiny, review, and analysis on safeguarding matters. Our Safeguarding Policies and Procedures outline a clearly defined reporting process.

#### **DIVERSITY**

Our Vision is a society where all people can live with dignity, lead fulfilled lives, and realise their full potential.

Local Solutions is committed to continuing to enhance Equality, Diversity, and Inclusion in everything we do.

#### **Statement of Commitment**

Local Solutions' Mission is to Empower People and Support Communities. Our teams, whether in offices or communities are vital. They are compassionate, reliable, pioneering, and knowledgeable which helps them to understand the challenges and empower change.

We ensure that we always recruit, retain, and promote a diverse mix of people who are representative of the diversity in our local communities which gives us a great opportunity to have access to a broad range of ideas and allows us to deliver the wide mix of services.

#### **Our Commitment as an Employer**

Local Solutions is committed to:

- Creating an environment in which individual differences and the contributions of our staff are recognised and valued.
- Ensuring that everyone operates in a working environment that promotes dignity and respect to all. No form of intimidation, bullying or harassment will be tolerated.
- Providing training, development, and progression opportunities to all staff.
- Understanding equality and inclusion in the workplace. That is good management practice and makes sound business sense.
- Regularly reviewing all our employment practices and procedures to ensure fairness and inclusion for all.
- Taking steps to ensure equity amongst our workforce such as ensuring that our vacancies are advertised to a diverse range of potential candidates and, where relevant, to particular groups that have been identified as disadvantaged or underrepresented in our organisation.
- Taking positive action to recruit disabled people and ensuring there are no unlawful barriers to accessing our employment opportunities, training, progression opportunities, benefits, and facilities.
- Ensuring that diversity in our workforce is regularly monitored to ensure equal opportunities throughout the organisation. Where appropriate, measures will be taken to identify and remove unnecessary obstacles and to meet the special needs of disadvantaged or underrepresented groups.

#### **Our Commitment as a Service Provider**

Local Solutions is committed to:

- Providing services to which all clients are entitled regardless of age, disability, gender reassignment, marriage and civil partnership, pregnancy or maternity, race, religion or belief, sex, or sexual orientation.

## **LOCAL SOLUTIONS**

### **REPORT OF THE TRUSTEES INCORPORATING STRATEGIC REPORT**

For the year ended 31 March 2022

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- Making sure our services are delivered equally and meet the diverse needs of our service users and clients.
- Taking steps to ensure equity amongst our clients and service users such as removing any unlawful obstacles to accessing our services or facilities. Where appropriate, measures will be taken to identify and remove unnecessary barriers and to meet the special needs of disadvantaged or underrepresented groups.
- Having clear procedures that enable our clients, candidates for jobs and employees to raise a grievance or make a complaint if they feel they have been unfairly treated.

#### **Employment of Disabled Persons**

Local Solutions is committed to ensuring that disabled people are afforded equality of opportunity in respect of entering and continuing employment with us. In 2021 Local Solutions was awarded the Disability Confident Employer kitemark for a further 2 years. Local Solutions uses the Disability Confident Symbol, which is our pledge to:

- Interview all disabled applicants who meet the essential criteria for a job vacancy and consider them on their abilities.
- Ensure there is a mechanism in place to discuss with disabled employees at any time, but at least annually, what can be done to make sure they can develop and use their abilities.
- When employees become disabled, make every effort to make sure they remain in employment.
- Take action to ensure that all employees develop the appropriate level of knowledge necessary to make these commitments work; and
- Regularly review the above commitments to shape plans

#### **Employee Involvement**

Employees receive regular communications through a range of different media informing them of organisational news, service updates and forthcoming events. Additionally, staff receive regular updates from the Chief Executive. Local Solutions has an Employee Forum - a recognised employee group with clear terms of reference which allows all to participate through member representation. We have regular pulse surveys on a range of themes and an annual staff survey and planning process.

## **OVERVIEW OF THE YEAR**

### **KEY HIGHLIGHTS**

These are exciting times for the Charity, and we have ambitious plans for the future as we seek to accelerate and expand impact in order to help more disadvantaged, excluded and vulnerable people.

We have produced an 2021-2022 Impact Report to illustrate the breadth and impact of our work, including case studies, which is available on our website [www.localsolutions.org.uk](http://www.localsolutions.org.uk).

In April we launched a new visual identity including a new logo featuring new icons and colours that together bring clarity to the way we are able communicate who we are and symbolise what we do.

After nearly 50 years of staff working from our Mount Vernon Green site, we have moved to a new, contemporary building in Wavertree. The office is bright, modern and encompasses the new visual identity of the Charity. Our vision, mission, values, and outcomes are clearly on display to motivate and inspire staff and visitors. The open plan office has already improved the working dynamic, allowing us to be more collaborative, creative, innovative, and flexible. The office move has reduced the space we occupy from

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES INCORPORATING STRATEGIC REPORT

For the year ended 31 March 2022

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over 20,000 square feet to 3500 square feet, and this is expected to result in commensurately lower establishment costs and energy consumption from April 2022.

This has been an unprecedented year for unpaid carers. In the aftermath of the Coronavirus pandemic, the numbers of carers and those receiving care have been significantly affected. Throughout the last year, the Liverpool Carers Centre has supported 1,047 unpaid carers and completed 1,018 carers support plans. In addition to providing support through the Carers Centre, Local Solutions has also connected 4,177 unpaid carers with tourism and hospitality organisations from across Liverpool and Wigan through our MyTime project.

At the forefront of our work with carers is our Head of Communities, Hazel Brown. We are immensely proud to congratulate her for receiving an MBE for her service to carers over the last 24 years. Hazel's dedication and caring nature has improved the lives of many families and carers over the years.

The impact of the UK leaving the European Union has had a detrimental effect on the care sector and this, combined with the impact of the pandemic, has meant that the last year has been extremely turbulent for our social care teams. Despite this challenging backdrop, Local Solutions care workers across Liverpool, Knowsley, Sefton, and St Helens have provided support to 1,414 individuals in their homes. Despite the continued risk of COVID, and in all weather conditions, our care staff have provided vital care and support for those who need it.

In January, as part of our continued commitment to improve minimum pay and conditions, and to recognise the exceptional dedication of our staff, Local Solutions were proud to become a Real Living Wage employer. Our minimum rate of pay across our organisation is now £9.90 in line with the recommendation from the Real Living Wage Foundation.

A relationship formed with LandAid, LIV Group and Heitman has enabled us to become a collaborative charity partner with the owners of the Baltic Yard apartment complex in the heart of the Baltic Triangle, Liverpool. The three-year partnership will enable us to offer heavily subsidised one bed furnished apartment to our young people in order to support their move on from hostels and supported accommodation.

### REVIEW OF SERVICES – BUILDING RESILIENCE, RAISING ASPIRATION, IMPROVING LIVES

Our work can be seen through 3 lenses or departments: Social Care, which is predominantly domiciliary care in the community; Support and Accommodation for young homeless people and individuals; and our Communities department where we work with unpaid carers, victims of domestic abuse and support health and wellbeing.

Our services may be varied but they are underpinned by 5 key outcomes: gaining skills and confidence, developing independence, creating stable accommodation, increasing safety and security, and improving health and wellbeing.

Local Solutions has continued to have a significant impact on individuals, families, and communities. We have been driven by the desire to empower change, to be transformative, creative, innovative, and flexible. Our ambition is to empower people to achieve their own goals and to take control of their own lives.

**Throughout the 2021/22 financial year, Local Solutions supported 37,360 individuals from across the Liverpool City Region and North Wales.**

Our key activities in the year have been:

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES INCORPORATING STRATEGIC REPORT

For the year ended 31 March 2022

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#### Social Care

The Homecare department provides social care to individuals in their own homes. The service operates 24 hours a day, 7 days a week, 365 days a year. The majority of the services provided are delivered on behalf of the local and health authorities within the Liverpool City Region. In the year, Local Solutions delivered 9,380 hours of care to 1,414 people. 968 individuals receiving care were new to the service in 2021-22.

The desired outcomes of the Homecare service are to meet individuals' social care needs and keep them safe in their own homes, remove or delay the need for residential or hospital care, reduce individuals' need to access primary and secondary health care services, minimise the number of long-term social care interventions required by an individual, and improve the quality of life for those requiring social care.

During the year, Local Solutions has delivered the following services:

- Scheduled domiciliary care visits during the day and night
- Unscheduled emergency response to telecare alerts throughout the day and night
- Carers respite service
- Short term discharge to assess reablement service for people coming home from hospital
- Housing and social care support in Extra Care setting
- Support to access community facilities

The majority of people using the service were older people and require support due to either:

- Frailty,
- Managing long term health conditions,
- Having a physical or sensory impairment, or
- Living with dementia

Services are delivered at the frequency, duration and time commissioned by the Local Authority and in agreement with the individual. Most visits are a minimum of 30 minutes in duration. The amount of time that we spend with service users and the punctuality of the service is monitored in real time using an electronic call monitoring system. During the year, over 99% of services were monitored in this way. Although some services were commissioned on a 'block', meaning that income is guaranteed regardless of the utilisation of the service, most services were commissioned on a 'spot' basis, meaning that income is subject to fluctuation.

#### Support and Accommodation

A core element of Local Solutions' work is projects to help young homeless people and families feel secure, build resilience, increase personal capacity and skills so that they can plan for a successful future. Our services are based in the Liverpool City Region and North Wales. During the year 503 people were accommodated and supported through our provision.

**Homeground** provides accommodation and support for young homeless people aged 16-21. In the year, 39 young people received focused support to meet individual needs, enabling them to make positive life changes to promote their independence, with 76% moving on from Homeground in a planned and positive way.

**Supported Lodgings** provides placements for young homeless people, aged 16-25, with householders who live in the community. In the period, 111 young people were placed in schemes across seven Local Authority areas in England and Wales. 92% of leavers made a positive, planned transition to their next accommodation.

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES INCORPORATING STRATEGIC REPORT

For the year ended 31 March 2022

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**Nightstop** is an emergency accommodation service that we currently operate in North Wales providing accommodation within the homes of people in the community. Young people used the Nightstop service A for 212 nights, preventing them from rough sleeping, stabilising their immediate circumstances and permitting options for more secure accommodation to be explored.

**Plas Bellin** offers temporary supported accommodation for up to 20 families in cottages and flats; the accommodation is based in Flintshire, North Wales. The aim of the service is to build capacity and skills of service users and to resettle them with their own tenancies in the community where they will also receive additional floating support. During the year, 35 adults and 40 children were supported at Plas Bellin and 86% of families who left did so in a planned, positive way.

**Sunraye** is a nine-bed hostel providing accommodation and support for vulnerable women aged 16-65; the service is based in Flintshire, North Wales. The aim of Sunraye is to build skills and capacity in service users to facilitate their resettlement with their own tenancies or suitable move-on accommodation. During the year, 14 women were accommodated at Sunraye and 86% of leavers did so through a planned, positive move-on.

Our work in **Mentoring** for young people continues to grow, predicated on the strong approaches that have been developed over the years. The 'Young Persons' Hub', based at our Homeground site, provides support for young people facing disadvantage including those who are homeless, care leavers, those having multiple and complex needs and those who are Not in Education, Employment or Training (NEET). The services include AIMS (Accommodation Intense Mentoring and Skills) and Sports Horizons that uses sport and water-based activities as a catalyst for engagement and mentoring with young people who have no secure place to live. During the year 61 young people were supported through varying programmes. The work of the Sports Horizons team received nationwide exposure this year as the story of one of the young people that participated in water sports activity was featured in the BBC Comic Relief TV 2022 programme. Her story was also included in educational resources for teachers in schools across the UK encouraging children to consider how they would feel, think, and act in her situation.

#### Communities

The **Liverpool Carers Centre** provides a range of assessments, support interventions, advocacy, and campaigning on behalf of unpaid carers in Liverpool. Carers Centre staff are trusted assessors who conduct formal assessments of unpaid carers and produce formal support plans. In this period there were 990 referrals to the service for support, and 1,018 support plans completed. In addition, 4,177 carers experienced a respite break through the **MyTime** initiative that provides free access to a hotel stay or leisure activity for carers in the city.

In March 2021, MyTime was one of the official charity partners for the Reach Regional Tourism Awards. This was a wonderful opportunity to raise awareness of the scheme to secure opportunities from the tourism and hospitality sector and to promote MyTime to unpaid carers across the region.

People affected by domestic abuse are supported through several specialist initiatives including the Independent **Domestic Violence Advisory Service (IDVA)**, **Worst Kept Secret** helpline and initiatives to tackle violence and abuse. Work is carried out using a multi-agency approach and with Merseyside Police as a principal partner. In the period, 2,047 high risk victims accessed the service. The specialist interventions have produced significant, life-changing outcomes, meaning that only 34% of service users then seek further support in terms of their domestic abuse issues and 97% of service users claim to feel safer after interventions.

**Bullybusters** is an anti-bullying initiative that aims to reduce the number of incidents and raise awareness of bullying. The service provides training and awareness-raising sessions for young people, a freephone helpline, mediation work and web-based resources, which are delivered in Liverpool, Sefton and Knowsley. During the year 8,614 young people attended one of the 409 school based anti-bullying training/awareness sessions.

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES INCORPORATING STRATEGIC REPORT

For the year ended 31 March 2022

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The **Shopmobility** scheme in Liverpool assists people with mobility restrictions to gain access to retail, leisure, and cultural amenities through the hire of equipment. The service made 764 hires of equipment and 778 service users accessed the amenity. Shopmobility is a lifeline for local people and has a significant role in ensuring that Liverpool is a major cultural and tourist destination for outside visitors.

The **Liverpool Watersports Centre** provides water sports and outdoor activities for the whole community, with a particular focus on enabling young people and those experiencing disadvantage to participate in challenging experiences that enhance personal capabilities. This year 19,239 people took part in an activity at the centre.

In February, Local Solutions partnered with local coffee shop FIKA to run the Café at the Watersports Centre for the summer 2022 season. This partnership will allow us to offer training and employment opportunities to the young people that use or have used our support and accommodation services in the past.

## PUBLIC BENEFIT

The Trustees of Local Solutions confirm that they have given due consideration to the Charity Commission's published guidance on the operation of public benefit when reviewing the Charity's aims and objectives and in planning strategy and future activities. Our activities in 2021/22 demonstrated, in all accepted definitions, that Local Solutions continues to provide charitable services across England and Wales that are of public benefit through the delivery of our transformative services and approaches.

## PLANS FOR FUTURE PERIODS

### High Level Ambitions

Our high-level ambitions are guided by our mission to empower people and support communities. Areas of focus over the next 12 months will be driven by the desire to meet our strategic goals through specific delivery objectives discussed and agreed in strategy sessions with staff in each service area.

All our ambitions support the achievement of our cross-organisational outcomes:

- Gaining Skills and Confidence
- Developing Independence
- Sustaining Stable Accommodation
- Increasing Safety and Security
- Improving Health and Wellbeing

Our identified Strategic Goals are:

- Establish expert practice and approaches
- Make earlier interventions through increased training and education
- Develop innovative asset-based pilot projects in response to understanding the challenges
- Go beyond meeting basic needs and embrace arts and leisure to empower change

We will support the achievement of these goals through key strategic enabling activity:

- **Integration:** Internal integration between geographies and departments, in particular domiciliary care, carers initiatives and accommodation.
- **Sustainability:** Long term financial and service sustainability to create stable conditions for funding, innovation, and impact.
- **Partnership:** Development and delivery partnerships with expert value aligned complementary organisations.
- **Co-production:** Develop a culture of co-production and engagement, ensuring approaches and services are designed in genuine collaboration.

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES INCORPORATING STRATEGIC REPORT

For the year ended 31 March 2022

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- **People:** Provide a skilled, committed, and diverse workforce with quality learning and development and excellent pay and conditions.
- **Systems:** Maintain data systems, frameworks, and performance management tools to innovate, evaluate and promote effectiveness.
- **Premises:** Provide buildings and environments which are psychologically informed and aligned with our values, purpose and outcomes.
- **Diversity:** Increase the reach and accessibility of our services to ensure we are inclusive and representative of diverse communities.

## FINANCIAL REVIEW

### Income and Expenditure

The overall surplus for the year was £621,068 (2021: £100,048 surplus). Income for the year has decreased to £13,341,438 (2021: £14,465,881). Expenditure has decreased to £12,720,370 (2021: £14,365,833).

COVID-19 has impacted the results significantly with additional income being received via grant funding and Local Authority support to fund additional expenditure in various areas. There have been a range of ongoing challenges in relation to care delivery arising from the pandemic. Increased regulatory and legislative work, increases in National Minimum Wage rates and staff costs have all added pressure to already tight margins with isolation and testing requirements resulting in additional financial and logistic challenges.

Domiciliary care services remain a substantial and crucially important part of Local Solutions. The sector continues to face challenges around the provision of domiciliary care services and Local Solutions, in conjunction with sector partners, continues to play a role in ensuring challenges are highlighted at regional and national levels.

In 2020/21 Local Authorities supported the Domiciliary care providers by increasing income to cover the shortfall in hours being delivered due to the impact of the virus. This did not continue into 2021/22 despite the care hours not increasing to pre-pandemic levels. This therefore resulted in income being reduced along with expenditure costs to support this service.

The Liverpool Watersports Centre provides a great example of an area of operations which was able to thrive as Covid restrictions lifted. Visitor numbers were significantly up as people took advantage of re-opened outdoor leisure facilities, 'staycations' and good weather.

There was significant investment in new projects and initial set-up costs of new initiatives to ensure the longer-term health of the organisation including rebranding, communications support, and a move to new premises. These developments have all been successfully implemented and enable the Charity to operate with a more efficient infrastructure, reduce long-term running costs and enhance our reputation.

Local Solutions has continued to make improvements in the efficiency of internal tasks. Technology plays an important role within the organisation, streamlining many previously laborious and cumbersome manual processes. Modernised systems help to deliver a range of high quality, customer focused services. The wide array of projects that Local Solutions delivers remains critically dependent on its highly motivated, hardworking, and committed workforce. It is of no surprise that the greatest proportion of the organisation's expenditure continues to relate to staff costs. This equates to 83% (2021: 82%) of total costs for the year ended 31st March 2022.

To comply with the Charity Governance Code, the financial implications associated with adherence to the Code are considered when setting the organisation's annual Budget and are expended as incurred.

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES INCORPORATING STRATEGIC REPORT

For the year ended 31 March 2022

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#### Balance Sheet

The Balance Sheet remains strong despite the impact of challenges during the year. Cash flow has been satisfactory with a closing cash position of £2,162,070 (2021: £1,613,603) at the end of the year. This represents 2.04 times average monthly expenditure. The working capital position has remained positive throughout the year with no cause to access the overdraft facility of £200,000. Net assets of the Charity have increased to £2,658,092 at the year-end (2021: £2,037,024).

#### Reserves Policy

Charity reserves are that part of a charity's unrestricted funds that are available to spend at the discretion of the charity trustees. They are unrestricted and are intended to cover unanticipated reductions in income or to fund charitable activities.

The Reserves Policy seeks to ensure that Local Solutions can meet all its current cash flow needs and future obligations, while also enabling uninterrupted operation and provide time to adjust in the event of any change in financial circumstances.

As part of their regular assessment of the Charity's reserves requirements, the Board of Trustees has reviewed analyses of several scenarios in relation to reserves. It was agreed that no change to the Reserves Policy is required now, but that this will be kept under annual review by the Finance, Audit and Risk Committee.

A significant proportion of Local Solutions' costs are contract-linked expenditure and therefore directly recoverable under contracts for services. This means that, in the event of the loss of one or more of these contracts, most of the costs associated with them would be transferred to the succeeding contractor. Following the loss of such a contract, Local Solutions would be left to cover central support costs along with other direct administrative costs which are not contract-linked.

Unrestricted free reserves are defined as general unrestricted funds plus revaluation reserve less tangible fixed assets. Tangible fixed assets cannot be realised quickly and so are not included in the calculation of unrestricted free reserves.

The Trustees considered that it is appropriate for the Charity to hold unrestricted free reserves equivalent to a minimum of three months' central support costs plus other costs to which there is no directly linked contract. Based on the 2022/23 Budget, three months' central support and admin costs currently amount to £607,136. The current level of unrestricted free reserves is £1,002,779 providing a relatively comfortable 1.65 times of cover for the target level of central support costs.

The Trustees wish to invest in the future and the development of the Charity. To achieve this, three designated funds have been created this year: Innovation and Impact, Infrastructure and Assets, and Workforce Development and Retention. Further information on designated funds is provided in note 13. Designated funds are intended to be spent in furtherance of specific aspects of the Charity's objectives and in line with our long-term ambitions for sustainability and impact. Designated funds are excluded from the calculation of unrestricted free reserves as they are not available for general expenditure.

The Trustees recognise the need to ensure the level of reserves is appropriate for the size of the organisation. The Finance, Audit and Risk Committee will keep reserve levels and the Reserves Policy under close review to ensure that reserves are adequate to meet the Charity's cash flow needs and that the Policy remains fit for purpose.

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES INCORPORATING STRATEGIC REPORT

For the year ended 31 March 2022

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#### Investment Policy

The Memorandum and Articles of Association sets out the Charity's powers of investment. Currently, the Charity does not hold any long-term investments. Short-term surplus funds are placed in cash deposit investment schemes with the Charity's bankers. The Trustees are satisfied with the return achieved given prevailing interest rates.

#### Funding

The Trustees remain satisfied that the Charity's assets attributable to each of its individual funds are available and adequate to fulfil its obligations in relation to those funds.

#### Going Concern

The Board of Trustees is required to consider the appropriateness of the going concern basis when preparing financial statements. Following substantial cost reductions, restructuring of operations and teams, and strengthened governance arrangements to improve risk monitoring and financial processes which were implemented in the year to March 2021, the financial and operational resilience of the Charity has been substantially improved. During the year ending March 2022, as part of a determined effort to play our part in improving industry pay and conditions, Local Solutions raised hourly rates of pay for carers, and in doing so we are pleased to have achieved our ambition to become a Real Living Wage employer. Trustees have agreed to set aside a designated Workforce Retention Reserve to ensure that we can continue to support our staff with cost-of-living increases and to further our efforts to build and develop our teams through high quality recruitment and retention. Additional costs incurred by the Charity throughout the Covid-19 pandemic in procuring PPE have been met during the year ending March 2022 by infection control grants from Local Authorities and these payments are confirmed to continue to March 2023.

In order to consider the appropriateness of the going concern basis, we have prepared forecasts to March 2023 with the underlying assumptions reviewed in detail by the Finance, Audit and Risk Committee. Our worst-case scenario assumes that key contracts worth £1.2m due for retender within the year are not renewed and that the volume of social care hours delivered shows an average year on year decline of 5%. We forecast that the worst-case scenario would result in a deficit of £0.3m in March 2023. Extending the forecasted decline in social care hours delivered for a second year would lead to a further net loss of £0.1m in March 2024. While considerable uncertainty remains about the funding model for social care following publication of the UK Government's People at the Heart of Care White Paper in December 2021, we have an excellent track record of retaining contracts and we maintain strong relationships with Commissioners across our areas of operation. Since becoming a Real Living Wage employer, with an ongoing commitment to improving pay and conditions, Local Solutions has seen a significant positive impact on staff retention. This improves the Charity's capacity to meet existing demand for social care and positions us well to benefit from future growth opportunities. Recent volatility and increases in energy prices, more general inflationary pressures, and concerns about economic recession have added uncertainty to predictions of future costs but the impact of this has been mitigated by the relocation of Local Solutions' Head Office to substantially smaller, more efficient premises.

The Charity has a strong Balance Sheet with a cash position of £2,162,070 and Unrestricted Reserves of £1,900,266 at the end of the year. The working capital position has remained positive throughout the year with no cause to access the overdraft facility of £200,000. Given the Charity has no anticipated borrowings, the risk of any breach of terms or conditions associated with the overdraft facility is assessed as low.

A balance of £400,000 from an historic payment on account is owed to Liverpool City Council (LCC). Confirmation has been sought from LCC on the calculation of the outstanding balance. Once this has been received it is expected that the balance will be repaid over the course of the next two years. The Trustees consider that there are adequate existing cash resources to be able to settle this outstanding debt in the unlikely event of changes to the expected repayment term. The full balance is held within creditors on the Charity's balance sheet.

## **LOCAL SOLUTIONS**

### **REPORT OF THE TRUSTEES INCORPORATING STRATEGIC REPORT**

For the year ended 31 March 2022

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Based on our forecasts for the coming year and beyond, and the level of reserves, the Trustees have a reasonable expectation that Local Solutions has adequate resources to continue operations for at least 12 months from the date of approval of these accounts. Trustees have reviewed the assumption that Local Solutions remains a going concern and have concluded this to be accurate and appropriate. Further information in this respect is given in the principal accounting policies.

#### **Statement of Trustees' Responsibilities**

The Trustees (who are also Directors of Local Solutions for the purposes of Company Law) are responsible for preparing the Strategic Report, the Annual Report, and the financial statements in accordance with applicable law and regulations.

Company Law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 incoming resources and application of resources, including the income and expenditure, of the Charitable Company for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and accounting estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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 are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The maintenance and integrity of the Charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

In so far as each of the Trustees is aware:

- there is no relevant audit information of which the Charitable Company's auditor is unaware.
- the Trustees have taken all steps that they ought to have taken 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 Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### **Trustee Indemnity Insurance**

The Board of Trustees has the benefit of Trustee Indemnity Insurance which is authorised in the Articles of Association and is in relation to certain losses and liabilities which the Trustee(s) may incur to third parties in the course of acting as a Trustee (Director) of the Charity.

## **LOCAL SOLUTIONS**

### **REPORT OF THE TRUSTEES INCORPORATING STRATEGIC REPORT**

For the year ended 31 March 2022

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#### **Auditor**

DSG has been appointed as auditor in accordance with section 485 of the Companies Act 2006.

The Trustees' report was approved by the Board of Trustees.



Hazel Snell  
Chair

Date: 21<sup>st</sup> July 2022

## LOCAL SOLUTIONS

### INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF LOCAL SOLUTIONS

For the year ended 31 March 2022

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#### OPINION

We have audited the financial statements of Local Solutions ("the Charitable Company") for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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 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 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *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 related 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 annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. 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

## **LOCAL SOLUTIONS**

### **INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF LOCAL SOLUTIONS**

For the year ended 31 March 2022

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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.

#### **Opinion 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 and the strategic 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 strategic report and the directors' report, which are included within the trustees' report, have 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 strategic report or the directors' report included within the trustee's 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 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.

#### **Responsibilities of Trustees**

As explained more fully in the statement of trustee 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 determines 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**

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

## LOCAL SOLUTIONS

### INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF LOCAL SOLUTIONS

For the year ended 31 March 2022

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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.

The extent to which the audit was capable of detecting irregularities, including fraud is detailed below

#### **Capability of the audit in detecting irregularities, including fraud**

As a part of our audit in accordance with United Kingdom Generally Accepted Accounting Practice; and requirements of the Companies Act 2006 we exercise professional judgement and maintain professional scepticism throughout the audit. Based on our understanding and accumulated knowledge of the charity and the sector in which it operates we considered the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud and whether such actions or non-compliance might have a material effect on the financial statements. These included but were not limited to those that relate to the form and content of the financial statements, such as the Charities SORP 2019, Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice) the UK Companies Act 2006 and those that relate to the payment of employees. All team members were briefed to ensure they were aware of any relevant regulations in relation to their work.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries, management bias in accounting estimates and improper revenue recognition associated with year-end cut-off. Our audit procedures included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to recoverability of debtors and valuation and completeness of deferred revenue;
- Revenue year end cut-off procedures;
- Identifying and testing journal entries, in particular any journal entries posted with specific unusual narrative, manual journals to revenue and cash, and review of journals posted to least used accounts;
- Discussions with management; including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Obtained an understanding of how the charity is complying with those legal and regulatory frameworks such as Companies Act 2006 & Employment Taxes Act by making enquiries to management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes and other evidence gathered during the course of the audit;
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control; and
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## LOCAL SOLUTIONS

### INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF LOCAL SOLUTIONS

For the year ended 31 March 2022

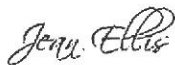
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Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://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.



Jean Ellis BA FCA CTA (Senior Statutory Auditor)  
For and on behalf of DSG

21 July 2022

Chartered Accountants  
Statutory Auditor

Castle Chambers  
43 Castle Chambers  
Liverpool  
L2 9TL

## LOCAL SOLUTIONS

### STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2022

	Note	Unrestricted Funds	Restricted Funds	Total 2022	Total 2021
		£	£	£	£
<b>Income and endowments from:</b>					
Donations and legacies	1	64,348	11,489	75,837	141,150
Income from charitable activities	1	12,461,088	792,772	13,253,860	14,051,410
Coronavirus Job Retention Scheme	1	11,540	-	11,540	272,586
Income from investments	3	201	-	201	735
<b>Total income</b>		<u>12,537,177</u>	<u>804,261</u>	<u>13,341,438</u>	<u>14,465,881</u>
<b>Expenditure on:</b>					
Charitable activities	2	<u>11,861,566</u>	<u>858,804</u>	<u>12,720,370</u>	<u>14,365,833</u>
<b>Total expenditure</b>		<u>11,861,566</u>	<u>858,804</u>	<u>12,720,370</u>	<u>14,365,833</u>
<b>Net (expenditure)/income</b>		<u>675,611</u>	<u>(54,543)</u>	<u>621,068</u>	<u>100,048</u>
<b>Net movement in funds</b>		675,611	(54,543)	621,068	100,048
<b>Reconciliation of funds</b>					
Total funds brought forward at 1 April	13	<u>1,892,170</u>	<u>144,854</u>	<u>2,037,024</u>	<u>1,936,976</u>
<b>Total funds carried forward at 31 March</b>	13,14	<u>2,567,781</u>	<u>90,311</u>	<u>2,658,092</u>	<u>2,037,024</u>

All of the principal activities of the charity were continuing for the year ended 31 March 2022.

There were no recognised gains or losses other than the result for the year.

## LOCAL SOLUTIONS

### BALANCE SHEET

As at 31 March 2022

	Note	£	2022 £	£	2021 £
<b>Fixed assets</b>					
Tangible assets	8		1,115,002		1,100,003
<b>Current assets</b>					
Debtors	9	1,122,714		1,157,191	
Cash at bank and in hand		<u>2,162,070</u>		<u>1,613,603</u>	
		3,284,784		2,770,794	
<b>Creditors: amounts falling due within one year</b>	10	(1,599,194)		(1,791,273)	
<b>Provision for Liabilities</b>	11	<u>(42,500)</u>		<u>(42,500)</u>	
<b>Net current assets</b>			1,643,090		937,021
<b>Creditors: falling due after more than 1 year</b>	12		(100,000)		-
<b>Net assets</b>			1,543,090		937,021
<b>Net assets</b>			<u>2,658,092</u>		<u>2,037,024</u>
<b>Funds</b>					
Restricted	13		90,311		144,854
General Unrestricted	13		1,450,266		1,210,355
Designated Reserves	13		450,000		-
Revaluation reserve	13		667,515		681,815
			<u>2,658,092</u>		<u>2,037,024</u>

The financial statements were approved by the Board of Trustees on their behalf by:



Hazel Snell

Trustee

Company Number: 01792921

, and signed on

## LOCAL SOLUTIONS

### CASH FLOW STATEMENT

For the year ended 31 March 2022

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Surplus for the financial year		621,068	100,048
Adjustments for:			
Depreciation, impairment and amortisation of fixed assets	8	30,538	34,185
Net interest (receivable)	3	(201)	(735)
Decrease in trade and other debtors	9	34,477	235,951
(Decrease)/Increase in trade and other creditors	10	(92,079)	339,229
		<hr/>	<hr/>
<b>Cash from operations</b>		<b>593,803</b>	<b>708,678</b>
Taxation paid		-	-
		<hr/>	<hr/>
<b>Net cash generated from operating activities</b>		<b>593,803</b>	<b>708,678</b>
		<hr/>	<hr/>
<b>Cash flows from investing activities</b>			
Purchases of tangible fixed assets	8	(47,002)	(94,268)
Interest Received		201	735
Proceeds from disposal of Fixtures, Fittings & Equipment		1,465	2,133
		<hr/>	<hr/>
<b>Net cash from investing activities</b>		<b>(45,336)</b>	<b>(91,400)</b>
		<hr/>	<hr/>
<b>Cash flows from financing activities</b>			
Interest paid	3	-	-
Repayment of loans		-	-
		<hr/>	<hr/>
<b>Net cash used in financing activities</b>		<b>-</b>	<b>-</b>
		<hr/>	<hr/>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>548,467</b>	<b>617,278</b>
Cash and cash equivalents at beginning of year		1,613,603	996,325
		<hr/>	<hr/>
<b>Cash and cash equivalents at end of year</b>		<b>2,162,070</b>	<b>1,613,603</b>
		<hr/>	<hr/>
<b>Cash and cash equivalents comprise:</b>			
Cash at bank and in hand		2,162,070	1,613,603
Bank overdrafts		-	-
		<hr/>	<hr/>
		<b>2,162,070</b>	<b>1,613,603</b>
		<hr/>	<hr/>

The accompanying accounting policies and notes form an integral part of these financial statements.

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

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#### BASIS OF PREPARATION

The Company is limited by guarantee and has no share capital.

The financial statements have been prepared in accordance with applicable accounting standards including the Statement of Recommended Practice: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2019 (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

They have been prepared under the historical cost convention. On transition to FRS 102 the Charity has elected to treat the depreciated valuation of land and buildings recognised under the previous UK GAAP as deemed cost. Any difference between historical cost depreciation and depreciation calculated on deemed cost is transferred between the revaluation reserve and unrestricted funds.

The trustees confirm that the Charity meets the definition of a public benefit entity under FRS 102.

The principal accounting policies of the Charity have remained unchanged from the previous year and are set out below.

#### GOING CONCERN POLICY

The financial statements have been prepared on a going concern basis, which principally assumes that the Charity will continue to receive contracted financial income from various Local Authorities at a sustainable level. The Charity has several contracts in place which secure income and cash flows for at least 12 months from the date of approval of these accounts. Forecasts have been prepared and reviewed for the forthcoming year and beyond, with various scenarios and key assumptions being made to consider a range of possible outcomes.

The Charity has a strong Balance Sheet with a cash position at the end of the year of £2,162,070 and Unrestricted Reserves of £1,900,266. The working capital position has remained positive throughout the year with no cause to access the overdraft facility that is in place of £200,000.

The Trustees and the Management Team recognise the impact that the general economic climate and the Government's spending review has on the level of public sector funding and are fully aware of the continued impact on funding directly and indirectly available to the Charity. They continue to monitor the various scenarios that reduced income levels could give rise to. In a worst-case scenario, whilst it would see the Charity's reserves and cash position impacted significantly, it would not affect the going concern assumption over the medium and long-term. Trustees and Management have also considered the impact of potential operational challenges posed by COVID 19, recent geopolitical events in Eastern Europe, inflationary pressures, especially rising energy costs, and concerns about recession. The potential impact of these factors includes, but is not restricted to, increasing the costs of the Charity, and negatively affecting its ability to deliver services. The Trustees have concluded that any operational pressures caused directly by COVID 19, geopolitical or economic events are unlikely to have a material impact on the Charity.

Following a review by Trustees, the overdraft facility has been maintained at the current level of £200,000, even though the projections produced indicate that there will be no need to draw on it. Indeed, the projections show there to be considerable headroom if assumptions hold good. Considering the impact of last year's cost cutting measures, the strength of the balance sheet, and levels

## **LOCAL SOLUTIONS**

### **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2022

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of cash and unrestricted reserves, the Trustees believe that, whilst considerable uncertainty exists about the economic and operating environment, this does not pose a material uncertainty that would cast doubt on the Charity's ability to continue as a going concern. The Trustees therefore consider it appropriate to prepare the financial statements on a going concern basis.

#### **INCOME**

##### **Fee Income**

Fee income is credited as incoming resources when the work relating to the fees has been completed. Income relating to a specified future period is deferred.

##### **Grants receivable and Deferred Income**

Revenue grants are credited as incoming resources when they are receivable provided conditions for receipt have been complied with, unless they relate to a specified future year, in which case they are deferred.

Grants for the purchase of fixed assets are credited to restricted incoming resources when receivable. Depreciation on the fixed assets purchased with such grants is charged against the restricted fund.

Any unexpended income on projects which relates to grants or donations which must be expended in the following year is taken to creditors and shown as deferred income.

Coronavirus Job Retention Scheme income is accounted for within unrestricted charitable income, with the associated wage costs included within unrestricted charitable expenditure.

##### **Donations and legacies**

All monetary donations and gifts are included in full in the statement of financial activities when received if there are no donor-imposed restrictions as to the timing of the related expenditure. If there are any donor-imposed restrictions on the timing of expenditure, then recognition is deferred until any pre-conditions have been met.

Legacies are included when the Charity is advised by the personal representative of an estate that payment will be made, and the amount involved can be quantified. They are included in the statement of financial activities.

Gifts-in-kind are accounted for at the Trustees' estimate of value to the Charity or sale value as follows:

- Assets received for distribution by the Charity are recognised only when distributed.
- Assets received for resale are recognised, where practicable, when receivable or otherwise when sold.
- Gifts of fixed assets for Charity use or funds for acquiring fixed assets for Charity use are accounted for (as restricted funds) immediately on receipt.

Intangible income, which comprises donated services, is included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. An equivalent amount is charged as expenditure. No income is recognised when there is no financial cost borne by a third party. Voluntary help is not included as income.

## **LOCAL SOLUTIONS**

### **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2022

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Donations under Gift Aid together with the associated income tax recoverable are credited as income when the donations are received.

#### **EXPENDITURE**

Expenditure is included on the accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to a particular heading, they have been allocated to activities on a basis consistent with the use of the resources.

##### **Allocation of Overheads**

Local Solutions operates centralised services for senior management, human resources, finance, IT services, and quality functions.

The costs of these centralised services are allocated to individual projects based on actual project expenditure. This ensures a fair and transparent allocation of costs and is in line with accepted practices within the voluntary sector.

#### **FUND ACCOUNTING**

Restricted funds are to be used for specified purposes laid down by the donor. Expenditure for those purposes is charged to the fund, together with a fair allocation of overheads and support costs.

The Charity has projects for which funding consists of restricted and unrestricted income. The Charity's policy in preparing the financial statements is to apply expenditure, together with a fair allocation of overheads and support costs, against both restricted and unrestricted income to a point where all restricted income has been covered.

Expenditure beyond that point is allocated against unrestricted income only. This policy is considered by the Trustees to represent a practical means of representing how costs are allocated on a consistent basis across each project. Any deficits incurred by the Charity on restricted funds are funded by the Charity's unrestricted income.

Unrestricted funds are donations and other incoming resources received or generated for expenditure on the general objectives of the Charity.

#### **TANGIBLE FIXED ASSETS AND DEPRECIATION**

Tangible fixed assets are stated at deemed cost, net of depreciation and any provision for impairment.

Depreciation is calculated to write down the deemed cost less estimated residual value of all tangible fixed assets other than freehold land by equal annual instalments over their estimated useful economic lives.

The Charity capitalises all individual items of fixed assets more than £3,000 for small items and £5,000 for fixed items.

Assets during construction are included within Fixed Assets as a separate category. Depreciation will only commence once the property is brought into use and will then be applied in line with the depreciation policy.

## **LOCAL SOLUTIONS**

### **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2022

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The rates generally applicable are:

- |  |                            |
|--|----------------------------|
| - Freehold properties                                    | - 2% of deemed cost        |
| - Leasehold improvements                                 | - Remaining life of leases |
| - Motor vehicles   | - 5 Years                  |
| - Fixtures, fittings, equipment<br>and computer software | - 2 to 5 Years             |

#### **VALUE ADDED TAX**

The Charity is partially exempt from VAT and all irrecoverable VAT is shown in direct charitable expenditure.

#### **RETIREMENT BENEFITS**

##### **Defined Contribution Pension Schemes**

The pension costs charged against the operating surplus are the contributions payable to the schemes in respect of the accounting year.

#### **OPERATING LEASE AGREEMENTS**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the period of the lease.

#### **FINANCIAL INSTRUMENTS**

Local Solutions only enters into basic financial instruments that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans from banks and other third parties.

Financial assets and financial liabilities are recognised when Local Solutions becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs).

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

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

Creditors and provisions are recognised where Local Solutions has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

## **LOCAL SOLUTIONS**

### **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2022

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Financial assets that are measured at cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activities.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Charity would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset, and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **RECOGNITION OF LIABILITIES**

Liabilities are recognised as soon as there is a legal or constructive obligation committing Local Solutions to pay out resources.

#### **LIQUID RESOURCES**

Liquid resources are those associated with the cash management of Local Solutions.

#### **JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether leases entered into either as a lessor or a lessee are operating leases or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease-by-lease basis.
- Determine whether there are indicators of impairment of the tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty:

Tangible fixed assets (see note 8)

- Tangible fixed assets are depreciated over their useful lives considering residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are considered. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

#### 1 ANALYSIS OF INCOME

	2022 £	2021 £
Donations deferred at 1 April 2021	-	23,072
Donations receivable in the year	75,837	118,078
Donations deferred at 31 March 2022	-	-
	<u>75,837</u>	<u>141,150</u>
	£	£
Project income deferred at 1 April 2021	469,480	240,716
Project income receivable in the year	13,157,466	14,552,760
Project income deferred at 31 March 2022	(361,546)	(469,480)
	<u>13,265,400</u>	<u>14,323,996</u>
	£	£
<b>Analysis of income</b>		
Project income for charitable services provided	13,253,860	14,051,410
Donations	75,837	141,150
Investment Income	201	735
Coronavirus Job Retention Scheme	11,540	272,586
	<u>13,341,438</u>	<u>14,465,881</u>
	£	£
<b>Project income is analysed as follows:</b>		
Social Care & Inclusion/Enablement	9,652,982	10,486,313
Young People & Families/ Engagement	3,348,522	3,268,990
Central Services	263,896	568,693
	<u>13,265,400</u>	<u>14,323,996</u>

Project income is derived from various funding sources including Liverpool, Sefton, Knowsley, Wirral, St Helens, Denbighshire and Flintshire Local Authorities.

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

#### 1 ANALYSIS OF INCOME (continued)

##### Restricted Grants within Project Income

	2022	2021
	£	£
Liverpool City Council – AIMS2	-	25,000
Government & Local Authority COVID-19	<b>443,810</b>	513,025
Others	<b>211,013</b>	256,137
Comic Relief	<b>137,949</b>	125,406
Sports England	-	15,828
	<b><u>792,772</u></b>	<b><u>935,396</u></b>

Costs relating to COVID-19, for which Restricted Grants have been received from Government and Local Authorities, are included in Note 2 Restricted Expenditure

#### 2 ANALYSIS OF EXPENDITURE

	Staff costs £	Other costs £	Depreciation £	2022 £	2021 £
Direct charitable expenditure	10,510,952	2,132,472	30,538	<b>12,673,962</b>	14,308,855
Governance costs	-	46,408	-	<b>46,408</b>	56,978
	<b><u>10,510,952</u></b>	<b><u>2,178,880</u></b>	<b><u>30,538</u></b>	<b><u>12,720,370</u></b>	<b><u>14,365,833</u></b>
	Staff costs £	Other costs £	Depreciation £	2021 £	2020 £
Direct charitable expenditure	11,796,037	2,478,633	34,185	14,308,855	14,673,561
Governance costs	-	56,978	-	56,978	66,110
	<b><u>11,796,037</u></b>	<b><u>2,535,611</u></b>	<b><u>34,185</u></b>	<b><u>14,365,833</u></b>	<b><u>14,739,671</u></b>

Within Direct charitable expenditure other costs represents all direct and indirect charitable activity costs covering the various projects operated by the Charity and certain support costs.

Support costs covering Management, Finance, IT support and HR including ancillary costs amount to £1,832,306 (2021: £2,022,587), which includes fundraising costs of £48,685 (2021: £52,472).

Governance costs relate to the general running of the Charity. They include external audit costs and costs associated with constitutional and statutory requirements. The audit fee for the year amounted to £14,530 (2021: £17,600).

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

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<b>Governance Costs</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Professional & Legal	<b>31,878</b>	39,378
Auditors' remuneration – statutory audit	<b>14,530</b>	17,600
Auditors' remuneration – other services	-	-
Governance costs at 31 March 2022	<b><u>46,408</u></b>	<b><u>56,978</u></b>

Contained within Restricted Expenditure are the following costs:

	<b>Restricted</b>	<b>Restricted</b>
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Salaries and on costs	<b>683,219</b>	583,845
Maintenance/repairs	<b>9,524</b>	38,298
Utilities	-	83
Office expenses	<b>19,334</b>	18,111
Telephone/internet	<b>6,923</b>	10,612
Equipment	<b>42,021</b>	24,689
Insurance	<b>1,492</b>	2,261
Travel	<b>9,047</b>	955
Local Authority Rates	-	21,998
Sundry expenses	<b>87,244</b>	207,005
Leasing costs	-	25
	<b><u>858,804</u></b>	<b><u>907,882</u></b>

The following amounts are included in expenditure:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Depreciation	<b>30,538</b>	34,185
Operating Lease rentals:		
- Land & Buildings	<b>278,182</b>	306,671
- Other	<b>5,653</b>	9,382
Auditors Remuneration – statutory audit	<b>14,530</b>	17,600
Auditors Remuneration – other services	-	-

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

#### 3 INTEREST RECEIVABLE

	2022 £	2021 £
Other interest receivable and similar income	<u>201</u>	<u>735</u>

#### 4 EMPLOYEES

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	<b>9,609,193</b>	10,787,979
Social security costs	<b>692,580</b>	744,432
Other pension costs	<b>209,179</b>	263,627
	<u><b>10,510,952</b></u>	<u>11,796,038</u>

The average number of employees during the year was 624 (2021: 743).

	2022 Number	2021 Number
Project staff	<b>621</b>	736
Fundraising and publicity	<b>1</b>	2
Management and administration of the charity	<b>2</b>	5
	<u><b>624</b></u>	<u>743</u>

The emoluments of higher-paid employees fell within the following ranges:

	2022 Number	2021 Number*
£60,001 to £70,000	-	1
£70,001 to £80,000	<b>1</b>	-
£80,001 to £90,000	<b>1</b>	2
£90,001 to £100,000	-	1
£100,001 to £110,000	-	-
£110,001 to £120,000	-	1
£120,001 to £130,000	-	-

\*2021 prior year values have been amended to reflect the current Charities SORP guidance.

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

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#### 4. EMPLOYEES (continued)

During the year, the following amounts were paid to money purchase pension schemes in respect of higher paid employees:

	2022 £	2021 £
Pension contributions to money purchase schemes	<u>31,719</u>	<u>86,299</u>

During the year two higher paid employees (2021: five higher paid employees) participated in a money purchase pension scheme.

#### 5 TRANSACTIONS WITH TRUSTEES AND OTHER RELATED PARTIES

None of the trustees or any person connected with them received any remuneration or benefits from the Charity during the current or previous year.

No Travel expenses were reimbursed to any trustees, (2021: £NIL) during the year.

#### 6 REMUNERATION OF KEY MANAGEMENT PERSONNEL

The trustees have delegated much of the day to day running of the Charity to a number of key management personnel. The execution of a clear and transformative vision for leadership from 2021 resulted in the restructuring of the senior management team and associated costs. The total remuneration, including employers' pension contributions, employers' national insurance contributions and salary sacrifice pension contributions for key management personnel in the year totalled £238,537 (2021: £527,478).

#### 7 INDEMNITY INSURANCE

The Charity purchases Directors and Officers Liability Insurance. The cost of the premium in the year was £2,240 (2021: £2,128).

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

#### 8 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Assets under Construction £	Motor vehicles £	Fixtures, equipment, fittings & computer software £	Total £
Cost					
At 1 April 2021	1,125,111	94,268	10,699	41,309	1,271,387
Transfer of Assets	94,268	(94,268)	-	-	-
Additions	9,758	-	-	37,244	47,002
Disposals	-	-	-	(19,425)	(19,425)
<b>At 31 March 2022</b>	<b>1,229,137</b>	<b>-</b>	<b>10,699</b>	<b>59,128</b>	<b>1,298,964</b>
Depreciation					
At 1 April 2021	135,000	-	5,162	31,222	171,384
Provided in the year	23,019	-	2,136	5,383	30,538
Eliminated on disposals	-	-	-	(17,960)	(17,960)
<b>At 31 March 2022</b>	<b>158,019</b>	<b>-</b>	<b>7,298</b>	<b>18,645</b>	<b>183,962</b>
Net book amount at At 31 March 2022	<b>1,071,118</b>	<b>-</b>	<b>3,401</b>	<b>40,483</b>	<b>1,115,002</b>
Net book amount at 31 March 2021	990,111	94,268	5,537	10,087	1,100,003

Freehold buildings are included in the financial statements at deemed cost and are depreciated at the rate of 2%. The Scotland Road site is included within freehold land and buildings at a deemed cost of £965,000. It was valued by Lambert Smith Hampton, commercial property consultants, at £1,080,000 on 2 May 2018.

Freehold land is not depreciated. Assets under construction are included within Fixed Assets with depreciation commencing once the asset is brought into use.

All tangible fixed assets were used for charitable purposes.

The overdraft facility of the Charity is secured by a legal charge over the freehold land and buildings.

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

#### 9 DEBTORS

	2022 £	2021 £
Accrued income	137,944	242,851
Trade debtors	824,999	726,682
Other debtors	17,184	21,931
Prepayments	142,587	165,727
	<u>1,122,714</u>	<u>1,157,191</u>

#### 10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	89,274	65,582
Other creditors	386,799	528,133
Social security and other taxes	157,317	120,188
Accruals	604,258	650,390
Deferred income	361,546	469,480
	<u>1,599,194</u>	<u>1,494,544</u>

Included within other creditors is an amount of £300,000 (2021: £400,000) owing in respect of a historic payment on account for Homecare provision from Liverpool City council.

#### 11 PROVISION FOR LIABILITIES

	2022 £	2021 £
Balance at 1 April	42,500	46,500
Increased	3,000	-
Utilised	(3,000)	(4,000)
Balance 31 March	<u>42,500</u>	<u>42,500</u>

The above provision relates to dilapidations that have been provided for in relation to making good upon vacation of leased property. These are reviewed annually.

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

#### 12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022 £	2021 £
Liverpool City Council	<u>100,000</u>	-
	<u>100,000</u>	-

This relates to an historic payment on account for Homecare from Liverpool City Council. In prior years this has been included within other creditors pending confirmation of repayment (see note 10). This has now been confirmed the with final payment being due March 2024.

#### 13 FUNDS

	Revaluation Reserve £	Restricted funds £	Unrestricted funds £	Total £
At 1 April 2021	681,815	144,854	1,210,355	2,037,024
Incoming resources	-	804,261	12,537,177	13,341,438
Resources expended	-	(858,804)	(11,861,566)	(12,720,370)
Reserve transfer	(14,300)	-	14,300	-
At 31 March 2022	<u>667,515</u>	<u>90,311</u>	<u>1,900,266</u>	<u>2,658,092</u>
At 1 April 2020	696,115	87,742	1,153,119	1,936,976
Incoming resources	-	964,994	13,500,887	14,465,881
Resources expended	-	(907,882)	(13,457,951)	(14,365,833)
Reserve transfer	(14,300)	-	14,300	-
At 31 March 2021	<u>681,815</u>	<u>144,854</u>	<u>1,210,355</u>	<u>2,037,024</u>

Unrestricted Funds include Designated Funds of £450,000

Designated Funds	2022 £	2021 £
Impact & Innovation	150,000	-
Workforce Development & Retention	150,000	-
Infrastructure & Assets	150,000	-
	<u>450,000</u>	-

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

Impact & Innovation – development of pilot projects to meet emerging needs and explore innovative approaches and models of delivery in line with our mission.

Workforce Retention – meeting short term workforce challenges and enabling retention in delivery critical and impact essential scenarios.

Infrastructure & Assets – providing support to improve impact through improved systems, facilities, or assets.

#### Restricted Funds

	Balance April 2021 £	Income £	Expenditure £	Transfer £	Balance March 2022 £
Donations	-	11,489	(11,489)	-	-
Aims 2	-	31,587	(51,040)	19,453	-
Covid	-	443,810	(443,810)	-	-
Comic Relief	144,854	137,949	(192,492)	-	76,778
Other	-	179,426	(159,973)	(19,453)	13,533
	<b>144,854</b>	<b>804,261</b>	<b>(858,804)</b>	<b>-</b>	<b>90,311</b>

	Balance April 2020 £	Income £	Expenditure £	Transfer £	Balance March 2021 £
Donations	-	29,598	(29,598)	-	-
Aims 2	-	25,000	(25,000)	-	-
Covid	-	513,025	(513,025)	-	-
Comic Relief	87,742	125,406	(68,294)	-	144,854
Sports England	-	15,828	(15,828)	-	-
Other	-	256,137	(256,137)	-	-
	<b>87,742</b>	<b>964,994</b>	<b>(907,882)</b>	<b>-</b>	<b>144,854</b>

More information relating to the non-covid restricted funds can be found in the Trustees Report on pages 2-17. Covid funding was received to support the organisation and its delivery during the current pandemic.

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

#### 14 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Revaluation Reserve £	Restricted funds £	Unrestricted funds £	Total £
Tangible Fixed assets	667,515	-	447,487	1,115,002
Current assets	-	330,576	2,954,208	3,284,784
Current liabilities	-	(240,265)	(1,501,429)	(1,741,694)
Liabilities over one year	-	-	-	-
Net assets at 31 March 2022	<b>667,515</b>	<b>90,311</b>	<b>1,900,266</b>	<b>2,658,092</b>
Tangible Fixed assets	681,815	-	418,188	1,100,003
Current assets	-	499,993	2,270,801	2,770,794
Current liabilities	-	(355,139)	(1,478,634)	(1,833,773)
Liabilities over one year	-	-	-	-
Net assets at 31 March 2021	<b>681,815</b>	<b>144,854</b>	<b>1,210,355</b>	<b>2,037,024</b>

#### 15 RETIREMENT BENEFITS

The Charity operates two defined contribution pension schemes for the benefit of the employees. The assets of the scheme are administered by Trustees in a fund independent from those of the charity.

Included in accruals is an amount of £23,323 (2021: £34,890) owing in respect of the charity's pension schemes. This liability was paid subsequent to the year end.

#### 16 OPERATING LEASE COMMITMENTS

The company had the following total minimum lease payments under non-cancellable operating leases as set out below:

	Leasehold properties 2022 £	Leasehold properties 2021 £
Not later than one year	77,728	70,750
Later than one year and not later than five years	218,864	80,000
Greater than five years	4,712	24,712
	<b>301,304</b>	<b>175,462</b>

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

#### 17 ANALYSIS OF CHANGES IN NET DEBT

	<b>At 1 April 2021</b>	<b>Cash flows</b>	<b>Other changes</b>	<b>At 31 March 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cash and cash equivalents	<b>1,613,603</b>	<b>548,467</b>	<b>-</b>	<b>2,162,070</b>

	<b>At 1 April 2020</b>	<b>Cash flows</b>	<b>Other changes</b>	<b>At 31 March 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cash and cash equivalents	<b>996,325</b>	<b>617,278</b>	<b>-</b>	<b>1,613,603</b>

**LOCAL SOLUTIONS**

England & Wales - Charity number 515060

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# Accounts

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Registered number: 01792921  
Charity number: 515060

# **LOCAL SOLUTIONS**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

# LOCAL SOLUTIONS

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For the year ended 31 March 2021

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## LOCAL SOLUTIONS

### LEGAL AND ADMINISTRATIVE DETAILS

For the year ended 31 March 2021

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Local Solutions is a Company Limited by Guarantee and a Registered Charity governed by its Memorandum and Articles of Association. The Directors of the charity are its Trustees for the purposes of Charity Law and throughout this report are collectively referred to as the Trustees. The company is limited by guarantee and permission has been obtained from the Registrar of Companies to dispense with the use of the word "Limited".

Company registration number: 01792921

Charity registration number: 515060

Registered office: Mount Vernon Green  
Hall Lane  
Liverpool  
L7 8TF

Trustees:

Hazel J Snell	Chair from 1 April 2021
Helen R Heap*	Chair, Finance, Audit & Risk Committee
Rev Dr Crispin Palling*	Chair, People & Culture Committee
Louise C Towers*	Chair, Operations & Development
Katie E Clubb	
Niranjana Patel	
Dr Bruce W Taylor	
Jonathan H Mounsey FCA	Honorary Treasurer to 31 March 2021
Andrew J Cooke QPM	Retired 11 April 2021
Robert T H Owen, JP, DL	Retired 31 March 2021
Richard M White	Retired 2 October 2020
Nigel S Lanceley FCA, DL	Chair, retired 31 March 2021
Jillian M Jones	Appointed 20 May 2021
Ellie J Acton	Appointed 20 May 2021

\* Committees formed 11 February 2021

Chief Executive: Steve Hawkins Retired 1 January 2021  
Robert Thomas Harrison Appointed Chief Executive 15 March 2021

Secretary: Karen Paton

Bankers: National Westminster Bank Plc  
Commercial Banking  
Union Street  
Chester  
CH1 1UA

Solicitors: Brabners LLP Weightmans LLP  
Horton House 100 Old Hall Street  
Exchange Flags Liverpool  
Liverpool L3 9QJ  
L2 3YL

Auditor: BDO LLP  
5 Temple Square  
Temple Street  
Liverpool  
L2 5RH

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES INCORPORATING STRATEGIC REPORT

For the year ended 31 March 2021

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#### A message from our Chair and Chief Executive

2020-21 was a year of change for Local Solutions. In dealing with the COVID-19 pandemic and significant restructuring of the organisation, we have shown tremendous adaptability and resilience to ensure that we continue to deliver high quality services effectively. We are proud of the way Local Solutions has dealt with the challenges we faced, and we are looking to the future with confidence and excitement.

As a Board we have spent time reviewing how we work. Building on the longstanding support of now retired previous Chairs, Robert Owen, and Nigel Lanceley, we have considerably strengthened our governance by implementing new committee structures and recruiting additional trustees to add to the Board's knowledge and expertise.

With the retirement of Steve Hawkins after 15 years as Chief Executive and the appointment of Tom Harrison as our new Chief Executive, we have reviewed and restructured the senior management team to ensure that all levels within Local Solutions are able to support our operational delivery in the most effective way.

The shape of the organisation is firmly focused on our mission of 'Improving Lives', centred on a commitment to do the most we can with the resources available to us. We also want to ensure that Local Solutions maintains its reputation as a supportive and creative place to work with a renewed focus on how we can help each member of staff flourish, learn, and develop in their roles.

Our people continue to be our biggest asset and despite the continuing challenges of COVID-19 our staff and volunteers make a huge difference for thousands of people every day. We were delighted that our Head of Communities, Hazel Brown, was awarded an MBE in the Queen's Birthday Honours for her work in support of carers, which is indicative of the commitment and high standards we see across Local Solutions.

Together we look forward to the year ahead in the knowledge that we are fit for the future and can continue to transform lives and meet need where it arises.

Hazel and Tom



Hazel Snell  
Chair



Tom Harrison  
CEO

Date: 1<sup>st</sup> September 2021

Date: 1<sup>st</sup> September 2021

Email: [info@localsolutions.org.uk](mailto:info@localsolutions.org.uk)  
Website: [www.localsolutions.org.uk](http://www.localsolutions.org.uk)

## **LOCAL SOLUTIONS**

### **REPORT OF THE TRUSTEES INCORPORATING STRATEGIC REPORT**

For the year ended 31 March 2021

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## **OBJECTIVES**

Local Solutions is a charity founded in 1974 that delivers services to people England and Wales, primarily within the Liverpool City Region and North Wales with a focus on people who face disadvantage, exclusion, and vulnerability.

Our work is guided by our Vision of a society where people can live in safety and dignity and lead fulfilled lives. Our Mission is to improve people's lives.

We will deliver our mission by truly understanding the needs and challenges facing individuals and communities and working together to design and deliver approaches that create sustained, positive impact.

The Board promotes the charity's values of compassion, respect, professionalism, and inclusivity, and ensures that these are reflected in all its work. The objects of the organisation are set out in the Memorandum and Articles of Association. The main areas of activity are to benefit the community through the promotion of charitable purposes in the fields of social welfare, education, and recreation.

## **STRATEGIC REPORT**

The Trustees (who are Directors of the charity for the purposes of the Companies Act 2006) present their report together with the financial statements for the year ended 31 March 2021.

The Charity Governance Code was published to help charities and their trustees develop high standards of governance. The code sets out seven principles and recommended practice, which Local Solutions addresses and complies with, as explained below.

## **ORGANISATIONAL PURPOSE**

Our purpose is to improve the lives of individuals and communities through transformative services and approaches. Our work is in three principal areas:

### **Social Care**

Personal and support services for people who are older, are affected by physical and mental health issues, have mobility problems, or disabilities. This includes older people and those with physical disabilities, physical and sensory impairments, drug and alcohol problems, autism, Asperger's syndrome, mental health conditions and/or learning difficulties.

### **Support & Accommodation**

Support and accommodation for young people and families who are homeless, vulnerable, marginalised, or at risk of exploitation. Specific services providing housing, support, mentoring, skills, advice and independence.

### **Communities**

Services for people who are affected by exclusion focusing on access to community support, advice, recreation, and skills. Specific support services for those not in education, employment, or training, those affected by domestic abuse or bullying, people who have mobility issues and those who provide unpaid care for others.

## **LOCAL SOLUTIONS**

### **REPORT OF THE TRUSTEES INCORPORATING STRATEGIC REPORT**

For the year ended 31 March 2021

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#### **LEADERSHIP, BOARD EFFECTIVENESS, OPPENESS AND ACCOUNTABILITY**

Local Solutions is governed by its Board of Trustees, which is a body of volunteers with distinguished careers in a wide variety of fields. The Trustees who served on the Board throughout the year are listed on page 1.

The Charity's Leadership Team comprises the Chief Executive, Chief Operating Officer, and departmental heads for key areas of the charity.

The Chief Executive is appointed by the Trustees to manage the day-to-day operations of the Charity.

The remuneration of the Chief Executive and Leadership Team is set by the Trustees recognising:

- individual and team performance in the context of a challenging climate
- the importance of recruitment and retaining the 'right' people (both in terms of experience and attitude)
- the level of knowledge, skills and experience required, and the responsibilities and accountabilities associated with the position.

The Chief Executive selects an appropriate Leadership Team to manage the operations and activities of the Charity. This includes: The Chief Operating Officer, Heads of Social Care, Support and Accommodation, Communities, Finance, Human Resources, IT & Services, and Business Development.

A system of performance management, including objectives, key performance indicators, development plans, management reporting and appraisal is in place to monitor the effectiveness of management and their teams.

During the year, a Trustee Committee structure was established comprising: Finance, Audit and Risk; People and Culture; Operations & Development. Each Committee includes suitably skilled Trustees plus an appropriate member(s) of the Leadership Team. Other Task and Finish groups are set up as considered appropriate. During the year these included Governance, Chief Executive Recruitment and Premises.

The Trustees meet as a Board six times a year as a minimum. In addition, each Trustee serves on one or more of the three Committees and Task and Finish groups. Each of the Committees has outlined a clearly defined work programmes for the coming year.

One third of the Trustees retire each year and they may stand for re-election. Their election is determined by the membership of the Charity which comprises organisations and individuals. Trustees may serve for a maximum period of three, three-year terms with an extension thereafter being allowed in exceptional circumstances. Following several retirements in the year, an active Trustee recruitment programme is underway to fill gaps and to ensure that the Board has an appropriate range of relevant expertise and diversity. The induction process for any newly appointed Trustee is tailored to the requirements of the individual. The new Trustee receives copies of Charity Commission guidance, the minutes of the most recent Trustees' meetings and a copy of the most recent statutory accounts. Ongoing training is provided for all Trustees.

The Committee Chairs and the Chief Executive report into the Board of Trustees on key issues and actions. Trustees receive other bespoke reports as appropriate. The Charity has a comprehensive set of policies and procedures in place in relation to operations, finance, human resources, risk management and health and safety.

Trustees declare any potential conflicts of interest at every Board meeting, and these are recorded. The Board acts in the best interests of the charity and its beneficiaries and is not influenced by those who have special interests.

## **LOCAL SOLUTIONS**

### **REPORT OF THE TRUSTEES INCORPORATING STRATEGIC REPORT**

For the year ended 31 March 2021

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Four long-serving Trustees retired during the year. Andrew Cooke, Chief Constable of Merseyside, retired after 5 years on the Board. Ritchie White had served as a Trustee for 20 years; Robert Owen served from 2001 to 2021 and was Chair for 7 years during his tenure; Nigel Lanceley served from 2007 to 2021 and was Chair from 2014 until his retirement from the Board. We congratulate Nigel Lanceley on becoming High Sheriff of Merseyside. He will continue to maintain his associations with Local Solutions as a Vice President. Local Solutions would like to place on record our sincere gratitude for the service and contribution that these Trustees have given to the charity.

Steve Hawkins retired as Chief Executive during the year. Steve had held the role since 2006, working for Local Solutions for 39 years. Steve's significant contribution to the life and success of Local Solutions is recognised and appreciated by everyone within the organisation and we wish him a long and healthy retirement.

#### **INTEGRITY**

The Board of Trustees is committed to integrity, protecting the Charity's reputation, and promoting the core values through transparent and objective decision making. The Committee structure provides appropriate scrutiny, challenge, and independence. Trustees follow Best Practice, and the Board maintains registers of interest and disclosures of actual or potential conflicts.

#### **DECISION MAKING, RISK AND CONTROL**

##### **Decision Making**

Local Solutions operates a clear scheme of delegation identifying the operational matters for which the Leadership Team have delegated authority. The Board of Trustees ensures decision making is scrutinised, timely, and in line with the Charity's strategic aims. Committees for Finance, Audit and Risk, Operations and Development, and People and Culture, provide assurance and frameworks around decision making, performance and risk.

Local Solutions' Board of Trustees and Leadership Team deliver regular reviews and hold an annual away day to consider strategic direction.

##### **Risk Management**

Local Solutions takes a robust approach to managing risk and maintains a Risk Register to assess its activities and operational risks and to agree any necessary action for mitigation and control. Risk assessment and management is regularly considered at Board, Finance, Audit and Risk Committee and Leadership Team meetings.

The Risk Register considers governance and management, operational, financial, reputational, environmental and compliance aspects of the activities of Local Solutions. It covers risks that the organisation may face, and steps and control procedures in place to mitigate those risks, as well as providing an ongoing review of existing systems and procedures.

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES INCORPORATING STRATEGIC REPORT

For the year ended 31 March 2021

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#### Principal Risks and Challenges

The principal risks and challenges which the organisation currently faces are:

##### Risks

- Impact of Covid-19
- Failure to satisfy regulatory quality benchmarks
- Serious incidents and safeguarding
- Financial viability of the organisation
- Loss of a major service or contract
- Cashflow management
- Serious breach of data protection regulations
- Failure to secure new or grow existing business
- Failure of premises strategy

The Board of Trustees has overall responsibility for the management of risk. During the year the Finance, Audit and Risk Committee was established with delegated authority to review all aspects of risk management for Local Solutions and to provide oversight of the design, implementation, and effectiveness of risk management processes.

The Risk Register is a live document which is subject to ongoing change as circumstances require, and which involves the Leadership Team and Trustees in identifying, assessing, and monitoring risk. The Finance, Audit and Risk Committee reviews the Risk Register quarterly.

The Winter 2020 Review of the Risk Register identified four Principal Risks:

- Severe Reputational Risk.
- Loss of Major Contracts
- Financial Sustainability
- Failure in New Business

Reputational risk is mitigated through the adoption and implementation of robust Health and Safety and Safeguarding Policies, regular staff training and feedback from service users.

The loss of a significant contract poses a high risk and would have widespread implications on the rest of the organisation's operations. This is mitigated through regular performance reviews of existing contracts using key performance indicators covering both quantitative and qualitative performance measures.

Following several years of losses and the continuation of challenging underlying financial conditions for Local Solutions, together with the difficulties caused by COVID-19, the Trustees have taken significant, decisive action to improve the financial sustainability of the organisation. This includes substantial cost reductions and new governance arrangements to improve risk monitoring and financial processes.

The newly established Operations and Development Committee is responsible for overseeing Local Solutions' development strategy, monitoring key performance indicators, and reviewing underperforming services. This will reduce the risk of failure in new business by ensuring that the organisation only takes on new contracts that are financially viable and which can be delivered sustainably.

Cash flow is carefully managed using cash flow forecasting. Cash reserves are monitored and controlled daily, with surplus funds transferred to an interest-bearing account. An overdraft facility is available to cover any short-term liquidity issues. This did not need accessing during the year. The overdraft facility is renewed annually. The principal credit risk arises from debtors. 92% of debtors are public sector bodies who are perceived as low-level credit risk. The balance of debtors are mainly private individuals, for whom the risk is considered higher. Credit limits are reviewed regularly, taking into account debt ageing and collection history.

## **LOCAL SOLUTIONS**

### **REPORT OF THE TRUSTEES INCORPORATING STRATEGIC REPORT**

For the year ended 31 March 2021

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Local Solutions maintains an Internal Audit function which ensures that operational, financial, risk and management processes are robustly and independently reviewed. The Risk Register is used as the foundation for the work of the Internal Auditor, who has access to all departments and reports directly to the Board of Trustees, with day-to-day line management by the Chief Executive.

#### **Serious Incidents and Safeguarding**

The Trustees recognise the requirement to report serious incidents to the Charity Commission. Local Solutions has developed and implemented robust Health and Safety, Financial, Disaster and Contingency Planning policies to assist the organisation in minimising the risk of serious incidents and has appropriate strategies in place in the event of an incident.

Local Solutions provides a wide range of services within the North West of England and North Wales, including domiciliary and residential social care, accommodation services, domestic abuse services and other services for a cross-section of young people and older people. By the nature of the provision we deliver, we have frequent interaction with the police, local authorities, and other statutory and regulatory bodies, such as the Care Quality Commission, in the reporting of serious incidents, for which there are established protocols which must be followed.

Monthly Key Performance Indicators relating to Complaints and Safeguarding Allegations are reported to the Board of Trustees to keep them fully informed about serious incidents. There is a specific operational lead for safeguarding and a Safeguarding Strategy Group which includes a nominated Trustee. This Group provides scrutiny, review, and analysis on safeguarding matters. Our Safeguarding Policies and Procedures outline a clearly defined reporting process.

## **DIVERSITY**

#### **Employment of Disabled Persons**

Local Solutions is committed to ensuring that disabled people are afforded equality of opportunity in respect of entering and continuing employment with us. In 2021 Local Solutions was awarded the Disability Confident Employer kitemark for a further 2 years. Local Solutions uses the Disability Confident Symbol, which is our pledge to:

- interview all disabled applicants who meet the essential criteria for a job vacancy and consider them on their abilities.
- ensure there is a mechanism in place to discuss with disabled employees at any time, but at least annually, what can be done to make sure they can develop and use their abilities.
- when employees become disabled, make every effort to make sure they remain in employment.
- take action to ensure that all employees develop the appropriate level of knowledge necessary to make these commitments work; and
- regularly review the above commitments to shape plans.

#### **Employee Involvement**

Employees receive regular communications through a range of different media informing them of organisational news, service updates and forthcoming events. Additionally, staff receive regular updates from the Chief Executive. Local Solutions has an Employee Forum - a recognised employee group with clear terms of reference which allows all to participate through member representation.

## **LOCAL SOLUTIONS**

### **REPORT OF THE TRUSTEES INCORPORATING STRATEGIC REPORT**

For the year ended 31 March 2021

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## **OVERVIEW OF THE YEAR**

### **KEY HIGHLIGHTS**

A long-term ambition of the organisation was to develop move on accommodation for young people. We are delighted that we have furthered that ambition by securing and refurbishing a property in Liverpool for the purposes of providing access to housing for excluded young people within three units of accommodation. A partnership approach with the LandAid Trust, including a grant, has been key to this endeavour.

Our work with young people through Mentoring programmes received a boost during the year with significant further investment by the Linbury Trust to augment our Young Persons' Hub and AIMS service.

A grant awarded by the WCVA and Comic Relief has enabled us to develop new digital services within North Wales and the Liverpool City Region for vulnerable people living within our accommodation services and those who have been resettled in the community. This programme has included providing equipment and setting up a 'virtual hub' for service users to stay in touch during the pandemic and to have access to advice, training, and specialist agencies.

The Liverpool Watersports Centre further improved its accessibility for people with disabilities to participate in water-based activities. The new facilities include a refurbished lift, ramps, and pontoons to enhance access to the water. This builds on other previous investments such as the Wheelyboat, specifically designed for people in wheelchairs to participate. Local Solutions is proud to enhance its offer to people with disabilities and this investment will benefit so many over the years.

### **REVIEW OF SERVICES – BUILDING RESILIENCE, RAISING ASPIRATION, IMPROVING LIVES**

Local Solutions continued to have a significant impact on individuals, families, and communities within its area of benefit by delivering effective, responsive services that meet needs and support ambition.

The entire year of operations has been affected by the COVID-19 pandemic. For some of our services, the impact of the pandemic has been significant including closures of facilities such as the Liverpool Watersports Centre and Shopmobility for long periods. All our services have had to adjust and transform delivery in accordance with government guidelines and public health advice. However, we are proud of the efforts of all our teams in ensuring the key delivery of vital services and the flexibility and responsiveness demonstrated to maintain high levels of support to our service users during this most challenging period.

Our key activities in the year were:

#### **Social Care**

The Homecare department provides social care to individuals in their own homes. The service operates 24 hours a day, 7 days a week, 365 days a year. The majority of the services provided are delivered on behalf of the local and health authorities within the Liverpool City Region. In the year, Local Solutions delivered care to 1,635 people (500,024 hours of care). 882 individuals receiving care (54%) were new to the service in 20-21. There was a significant degree of fluctuation during the year for demand due to the pandemic and the service cared for between 800 and 900 individuals. The size of the active workforce similarly fluctuated in year due to shielding, however, in general a workforce of approx. 400 care support workers supported individuals.

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES INCORPORATING STRATEGIC REPORT

For the year ended 31 March 2021

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Local Solutions delivers all of the homecare services from one of three locations registered with the Care Quality Commission (CQC). The service is registered to provide personal care. No inspections took place during the year, however the CQC contacted all three locations to check that the services were continuing to provide safe and effective services during the pandemic. No concerns were highlighted. All three locations are rated as 'Good' overall.

The desired outcomes of the homecare service are to meet individuals' social care needs and keep them safe in their own homes, remove or delay the need for residential or hospital care, reduce individual's need to access primary and secondary health care services, minimise the number of long-term social care interventions required by an individual, and improve the quality of life for those requiring social care.

During the year, Local Solutions has delivered the following services:

- Scheduled domiciliary care visits during the day and night
- Unscheduled emergency response to telecare alerts throughout the day and night
- Carers respite service
- Short term discharge to assess reablement service for people coming home from hospital
- Housing and social care support in Extra Care setting
- Support to access community facilities

The majority of people using the service were older people and require support due to either:

- frailty,
- managing long terms health conditions,
- have a physical or sensory impairment, or
- living with dementia

Services are delivered at the frequency, duration and time commissioned by the local authority and in agreement with the individual. The majority of visits are a minimum of 30 minutes in duration. The amount of time that we actually spend with service users and the punctuality of the service is monitored in real time using an electronic call monitoring system. During the year, over 90% of services were monitored in this way. Although some services (15%) were commissioned on a 'block', meaning that income is guaranteed regardless of the utilisation of the service, the majority of services were commissioned on a 'spot' basis, meaning that income is subject to fluctuation.

The service regularly sought feedback from service users, completing an annual survey and a monthly spot check. Of the 290 service users contacted during the year, 93% concluded the service that they received was either good or excellent.

#### **Support and Accommodation**

A core element of Local Solutions' work is projects to help young homeless people and families feel secure, build resilience, increase personal capacity and skills so that they can plan for a successful future. Our services are based in the Liverpool City Region and North Wales and during the year 356 people were accommodated and supported through our provision.

**Homeground** provides accommodation and support for young homeless people aged 16-21. In the year, 63 young people received focused support to meet individual needs, enabling them to make positive life changes to promote their independence, with 73% moving on from Homeground in a planned and positive way.

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES INCORPORATING STRATEGIC REPORT

For the year ended 31 March 2021

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**Supported Lodgings** provides placements for young homeless people, aged 16-25, with householders who live in the community. In the period, 135 young people were placed in schemes across seven local authority areas in England and Wales. 91% of leavers made a positive, planned transition to their next accommodation.

**Nightstop** is an emergency accommodation service providing accommodation within the homes of people in the community that we currently operate in North Wales. 23 young people used the Nightstop service for 410 nights, preventing them from rough sleeping, stabilising their immediate circumstances and permitting options for more secure accommodation to be explored.

**Plas Bellin** offers temporary supported accommodation for up to 20 families in cottages and flats; the accommodation is based in Flintshire, North Wales. The aim of the service is to build capacity and skills of service users and to resettle them within their own tenancies in the community where they will also receive additional floating support. During the year, 33 adults and 43 children were supported at Plas Bellin and 63% of families who left, did so in a planned, positive way.

**Sunraye** is a nine-bed hostel providing accommodation and support for vulnerable women aged 16-65; the service is based in Flintshire, North Wales. The aim of Sunraye is to build skills and capacity in service users to facilitate their resettlement in their own tenancies or suitable move-on accommodation. During the year, 15 women were accommodated at Sunraye and 67% of leavers did so through a planned, positive move-on.

Our work in **Mentoring** for young people continues to grow, predicated on the strong approaches that have been developed over the years. The 'Young Persons' Hub', based at our Homeground site, provides support for young people facing disadvantage including those who are homeless, care leavers, those having multiple and complex needs and those who are Not in Education, Employment or Training (NEET). The services include AIMS (Accommodation Intense Mentoring and Skills) and Sports Horizons that uses sport and water-based activities as a catalyst for engagement and mentoring with young people who have no secure place to live. During the year 55 young people were supported through varying programmes and a new service 'Inform Nurture Know' (INK) was developed to work with young people specifically at risk of Child Criminal Exploitation.

#### Communities

The **Liverpool Carers Centre** provides a range of assessments, support interventions, advocacy and campaigning on behalf of unpaid carers in Liverpool. Carers Centre staff are trusted assessors who conduct formal assessments of unpaid carers and produce formal support plans. In this period there were 1,571 referrals to the service for support, and 1,010 support plans completed. In addition, 282 carers experienced a respite break through the **MyTime** initiative that provides free access to a hotel stay or leisure activity for carers in the city.

People affected by domestic abuse are supported through several specialist initiatives including the Independent **Domestic Violence Advisory Service (IDVA)**, **Worst Kept Secret** helpline and initiatives to tackle violence and abuse. Work is carried out in a multi-agency approach and a principal partner is Merseyside Police. In the period, 1,095 high risk victims accessed the service. The specialist interventions have produced significant, life-changing outcomes, meaning that only 25% of service users then seek further support in terms of their domestic abuse issues and 97% of service users claim to feel safer after interventions.

**Bullybusters** is an anti-bullying initiative that aims to reduce incidents and raise awareness of bullying, including training and awareness raising sessions for young people, a freephone helpline, mediation work and web-based resources, which are delivered in Liverpool, Sefton and Knowsley. During the year 3,317 young people attended one of the 158 school based anti-bullying training/awareness sessions.

## LOCAL SOLUTIONS

### REPORT OF THE TRUSTEES INCORPORATING STRATEGIC REPORT

For the year ended 31 March 2021

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The **Shopmobility** scheme in Liverpool assists people with mobility restrictions to gain access to retail, leisure, and cultural amenities through the hire of equipment. The service made 250 hires of equipment and 160 service users accessed the amenity. Shopmobility is a lifeline to local people and has a significant role in ensuring that Liverpool is a major cultural and tourist destination for outside visitors.

The **Liverpool Watersports Centre** provides water sports and outdoor activities for the whole community, with a particular focus on enabling young people and those experiencing disadvantage to participate in challenging experiences that enhance personal capabilities. The year was severely affected by the pandemic but there were 14,377 hours of activity at the centre.

## PUBLIC BENEFIT

The Trustees of Local Solutions confirm that they have given due consideration to the Charity Commission's published guidance on the operation of public benefit when reviewing the charity's aims and objectives and in planning strategy and future activities. Our activities in 2020/21 demonstrated, in all accepted definitions, that Local Solutions continues to provide charitable services across England and Wales that are of public benefit through the delivery of our transformative services and approaches.

## PLANS FOR FUTURE PERIODS

### High Level Ambitions

Our high-level ambitions are guided by our mission to Improve the Quality of Life, and focus on extending our reach, expertise and impact.

### Social Care

- Develop innovative pilot projects exploring new approaches to social care based around assets, strengths, and wellbeing
- Connect our Social Care and Communities activity to create new and additional benefits for the people we care for
- Develop personal commissioning and extended service offers

### Support and Accommodation

- Continue to advance and integrate a Local Solutions approach to youth homelessness that is dynamic and demonstrates leadership in this work
- Develop our access to accommodation through ownership and partnership
- Identify new hostel provision for our young person's service
- Extend our offer to other vulnerable client groups

### Communities

- Extend MyTime service into new geographical areas and roll out the new app for MyTime users
- Create pathways between community projects to extend and enhance our impact
- Take additional existing services into the community and make them more accessible to, and representative of, people and place.

### Organisation

- Work towards new solutions for premises
- Review and refresh communications strategy including re-branding of Local Solutions.
- Further articulate our impact through dedicated annual reporting
- Recruit new Trustees to support the organisation in meeting future challenges and opportunities
- Enhance our expertise, learning and development and performance management

## **LOCAL SOLUTIONS**

### **REPORT OF THE TRUSTEES INCORPORATING STRATEGIC REPORT**

For the year ended 31 March 2021

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## **FINANCIAL REVIEW**

### **Income and Expenditure**

The overall surplus for the year was £100,048 (2020: £463,672 deficit). Income for the year has increased to £14,465,881 (2020: £14,275,999). Expenditure has decreased to £14,365,833 (2020: £14,739,671).

COVID-19 has impacted the results significantly with additional income being received via grant funding and Local Authority support to fund additional expenditure in various areas. There have been various ongoing challenges in relation to care delivery arising from the pandemic. Increased regulatory and legislative work, increases in National Minimum Wage rates and staff costs have all added pressure to already tight margins.

Domiciliary care services remain a substantial and crucially important part of Local Solutions. We have maintained a "Good" rating by the Care Quality Commission ("CQC") for all areas of our domiciliary care services. The sector continues to face challenges around the provision of domiciliary care services and Local Solutions, in conjunction with sector partners, continues to play a role in ensuring challenges are highlighted at regional and national levels.

The Liverpool Watersports Centre and Shopmobility were both affected by long periods of closure during the financial year in line with Government guidelines, resulting in significant loss of income, whilst still incurring fixed costs.

There was also significant investment in new projects and initial set-up costs of new initiatives, along with increased costs being incurred during the financial year in relation to COVID-19. Whilst most of the issues are outside of the organisation's control, we continue to respond to these challenges to minimise the financial impact as far as possible through cost saving measures, scenario planning and sourcing of new revenue streams.

Local Solutions has continued to make improvements in the efficiency of internal tasks. Technology plays an important role within the organisation, streamlining many previously laborious and cumbersome manual processes. Modernised systems help to deliver a range of high quality, customer focused services. The wide array of projects that Local Solutions delivers remains critically dependent on its highly motivated, hardworking, and committed workforce. It is of no surprise that the greatest proportion of the organisation's expenditure continues to relate to staff costs. This equates to 82% (2020: 82%) of total costs for the year ended 31st March 2021.

To comply with the Charity Governance Code, the financial implications associated with adherence to the Code are considered when setting the organisation's annual Budget and are expended as incurred.

### **Balance Sheet**

The Balance Sheet remains strong despite the impact of challenges during the year. Cash flow has been satisfactory with a closing cash position of £1,613,603 (2020: £996,325) at the end of the year. This represents 1.3 times average monthly expenditure. The working capital position has remained positive throughout the year with no cause to access the overdraft facility of £450,000. Net assets of the charity have increased to £2,037,024 at the year-end (2020: £1,936,976).

## **LOCAL SOLUTIONS**

### **REPORT OF THE TRUSTEES INCORPORATING STRATEGIC REPORT**

For the year ended 31 March 2021

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#### **Reserves Policy**

Charity reserves are that part of a charity's unrestricted funds that are available to spend at the discretion of the charity trustees. They are unrestricted and are intended to cover unanticipated reductions in income or to fund charitable activities.

The reserves policy seeks to ensure that Local Solutions can meet all its current cash flow needs and future obligations, while also enabling uninterrupted operation and provide time to adjust in the event of any change in financial circumstances.

As part of their regular assessment of the Charity's reserves requirements, the Board of Trustees has reviewed analyses of several scenarios in relation to reserves. It was agreed that no change to the reserves policy is required now but that this will be kept under annual review by the Finance, Audit and Risk Committee.

A significant proportion of Local Solutions' costs are contract-linked expenditure and therefore directly recoverable under contracts for services. This means that, in the event of the loss of one or more of these contracts, most of the costs associated with them would be transferred to the succeeding contractor. Following the loss of such a contract, Local Solutions would be left to cover central support costs which are not contract-linked.

The Trustees consider that it is appropriate for the Charity to hold reserves equivalent to two months' central support costs to which there is no directly linked contract. Based on the 2021/22 Budget, two months' central support costs currently amount to approximately £340,000. The current level of unrestricted free reserves is £1,210,199 providing a relatively comfortable 3.5 times of cover for the target level of central support costs.

Unrestricted free reserves are defined as unrestricted funds plus revaluation reserve less tangible fixed assets. Tangible fixed assets cannot be realised quickly and so are not included in the calculation of unrestricted free reserves.

The Trustees recognise the need to ensure the level of reserves is appropriate for the size of the organisation. The Finance, Audit and Risk Committee will keep reserve levels and the reserves policy under close review to ensure that reserves are adequate to meet the charity's cash flow needs and that the policy is fit for purpose.

#### **Investment Policy**

The Memorandum and Articles of Association sets out the company's powers of investment. Currently we do not hold any long-term investments. Short-term surplus funds are placed in cash deposit investment schemes with the company's bankers. The Trustees are satisfied with the return achieved given prevailing interest rates.

#### **Funding**

The Trustees remain satisfied that the charity's assets attributable to each of its individual funds are available and adequate to fulfil its obligations in relation to those funds.

## **LOCAL SOLUTIONS**

### **REPORT OF THE TRUSTEES INCORPORATING STRATEGIC REPORT**

For the year ended 31 March 2021

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#### **Going Concern**

Following several years of losses and challenging underlying financial conditions for the organisation, the Trustees have taken various actions to address the situation. This includes substantial cost reductions, restructuring of operations and teams, and strengthened governance arrangements to improve risk monitoring and financial processes.

Trustees have commissioned both internal and external reviews of the strategy, operations, corporate structure, and governance of Local Solutions in light of the difficult financial position and the potential threats and opportunities arising from the COVID-19 pandemic. Three new committees have been established – Finance, Audit and Risk; People and Culture; Operations and Development – to provide a sound and effective decision-making and monitoring framework which will enable Local Solutions to deliver its charitable purposes in a financially sustainable and impactful way. The Finance, Audit and Risk Committee has been meeting monthly since October 2020 with a remit to closely monitor the financial position, require timely action to get back on track if significant variances vs budget emerge, and to identify, mitigate and manage risks appropriately.

During the latter part of the year, a robust restructuring programme, Project Sustainment, was undertaken to align costs more closely with income and to improve organisational resilience. Budgets and forecasts have been prepared by the Finance Team in detailed consultation with senior management. They have been scrutinised and reviewed by the Finance, Audit and Risk Committee. Assumptions used in the preparation have been discussed and challenged in detail and have been subjected to sensitivity analysis. This analysis includes an assessment of provisions that are made in the budget to provide a degree of headroom against negative variances.

The Charity has a strong Balance Sheet with a cash position of £1,613,603 and Net Assets of £2,037,024 at the end of the year. The working capital position has remained positive throughout the year with no cause to access the overdraft facility of £450,000. Given the Charity has no anticipated borrowings, the risk of any breach of terms or conditions associated with the overdraft facility is assessed as low.

A balance of £400,000 from an historic payment on account is owed to Liverpool City Council. A repayment arrangement is in place whereby this balance will be repaid over the course of the next four years, in equal annual amounts. The Committee views that there are adequate existing cash resources to be able to settle this outstanding debt in the unlikely event of changes to repayment term. The full balance is held within creditors on the charity's balance sheet.

Forecasts have been prepared for the coming year and beyond and the level of reserves has been assessed. Based on this the Trustees have a reasonable expectation that Local Solutions has adequate resources to continue operations for at least 12 months from the date of approval of these accounts. Trustees have reviewed the presumption that Local Solutions remains a Going Concern and have concluded this to be accurate and appropriate.

Further information in this respect is given in the principal accounting policies.

#### **Statement of Trustees' Responsibilities**

The Trustees (who are also Directors of Local Solutions for the purposes of Company Law) are responsible for preparing the Strategic Report, the Annual Report, and the financial statements in accordance with applicable law and regulations.

## **LOCAL SOLUTIONS**

### **REPORT OF THE TRUSTEES INCORPORATING STRATEGIC REPORT**

For the year ended 31 March 2021

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Company Law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the Trustees are required to:

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

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 are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The maintenance and integrity of the charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

In so far as each of the Trustees is aware:

- there is no relevant audit information of which the charitable company's auditor is unaware.
- the Trustees have taken all steps that they ought to have taken 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 company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### **Trustee Indemnity Insurance**

The Board of Trustees has the benefit of Trustee Indemnity Insurance which is authorised in the Articles of Association and is in relation to certain losses and liabilities which the Trustee(s) may incur to third parties in the course of acting as a Trustee (Director) of the Charity.

#### **Auditor**

BDO LLP offers themselves for reappointment as auditor in accordance with section 485 of the Companies Act 2006.

## **LOCAL SOLUTIONS**

### **INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF LOCAL SOLUTIONS**

For the year ended 31 March 2021

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#### **OPINION ON THE FINANCIAL STATEMENTS**

In our opinion, the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 March 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Local Solutions ("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 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).

#### **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 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 related 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 Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises: Trustees Report. 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,

## LOCAL SOLUTIONS

### INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF LOCAL SOLUTIONS

For the year ended 31 March 2021

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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.

#### **Other Companies Act 2006 reporting**

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 and the Strategic 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 Strategic report and the Directors' Report, which are included in the Trustees' report, have been prepared in accordance with applicable legal requirements.

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 misstatement in the Strategic report or the Trustee's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' 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 statement of trustee 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 determines 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.

## LOCAL SOLUTIONS

### INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF LOCAL SOLUTIONS

For the year ended 31 March 2021

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#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

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

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

As a part of our audit in accordance with United Kingdom Generally Accepted Accounting Practice; and requirements of the Companies Act 2006 we exercise professional judgement and maintain professional scepticism throughout the audit. Based on our understanding and accumulated knowledge of the Charity and the sector in which it operates we considered the risk of acts by the Charity which were contrary to applicable laws and regulations, including fraud and whether such actions or non-compliance might have a material effect on the financial statements. These included but were not limited to those that relate to the form and content of the financial statements, such as the Charities SORP 2019, Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice) the UK Companies Act 2006 and those that relate to the payment of employees. All team members were briefed to ensure they were aware of any relevant regulations in relation to their work.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries, management bias in accounting estimates and improper revenue recognition associated with year-end cut-off. Our audit procedures included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to recoverability of debtors and valuation and completeness of deferred revenue;
- Revenue year end cut-off procedures;
- Identifying and testing journal entries, in particular any journal entries posted with specific unusual narrative, manual journals to revenue and cash, and review of journals posted to least used accounts;
- Discussions with management; including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Obtained an understanding of how the Charity is complying with those legal and regulatory frameworks such as Companies Act 2006 & Employment Taxes Act by making enquiries to management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes and other evidence gathered during the course of the audit;
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Charity's internal control; and

## LOCAL SOLUTIONS

### INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF LOCAL SOLUTIONS

For the year ended 31 March 2021

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- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://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.

DocuSigned by:  
**HELEN KNOWLES**  
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Helen Knowles (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
Manchester

02 September 2021

BDO LLP is a limited liability partnership registered in England and Wales  
(with registered number OC305127).

## LOCAL SOLUTIONS

### STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2021

	Note	Unrestricted Funds	Restricted Funds	Total 2021	Total 2020
		£	£	£	£
<b>Income and endowments from:</b>					
Donations and legacies	1	111,552	29,598	141,150	145,599
Income from charitable activities	1	13,116,014	935,396	14,051,410	14,126,239
Coronavirus Job Retention Scheme	1	272,586	-	272,586	-
Income from investments	3	735	-	735	4,161
<b>Total income</b>		<u>13,500,887</u>	<u>964,994</u>	<u>14,465,881</u>	<u>14,275,999</u>
<b>Expenditure on:</b>					
Charitable activities	2	<u>13,457,951</u>	<u>907,882</u>	<u>14,365,833</u>	<u>14,739,671</u>
<b>Total expenditure</b>		<u>13,457,951</u>	<u>907,882</u>	<u>14,365,833</u>	<u>14,739,671</u>
<b>Net (expenditure)/income</b>		<u>42,936</u>	<u>57,112</u>	<u>100,048</u>	<u>(463,672)</u>
<b>Net movement in funds</b>		42,936	57,112	100,048	(463,672)
<b>Reconciliation of funds</b>					
Total funds brought forward at 1 April	11	<u>1,849,234</u>	<u>87,742</u>	<u>1,936,976</u>	<u>2,400,648</u>
<b>Total funds carried forward at 31 March</b>	11,12	<u>1,892,170</u>	<u>144,854</u>	<u>2,037,024</u>	<u>1,936,976</u>

All of the principal activities of the charity were continuing for the year ended 31 March 2021.

There were no other recognised gains or losses other than the result for the year.

## LOCAL SOLUTIONS

### BALANCE SHEET

As at 31 March 2021

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	Note	£	2021 £	£	2020 £
<b>Fixed assets</b>					
Tangible assets	8		<b>1,100,003</b>		1,042,053
<b>Current assets</b>					
Debtors	9	<b>1,157,191</b>		1,393,142	
Cash at bank and in hand		<b>1,613,603</b>		<b>996,325</b>	
		<b>2,770,794</b>		<b>2,389,467</b>	
<b>Creditors: amounts falling due within one year</b>	10	<b>(1,833,773)</b>		<b>(1,494,544)</b>	
<b>Net current assets</b>			<b>937,021</b>		894,923
<b>Net assets</b>			<b>2,037,024</b>		<b>1,936,976</b>
<b>Funds</b>					
Restricted	11		<b>144,854</b>		87,742
Unrestricted	11		<b>1,210,355</b>		1,153,119
Revaluation reserve	11		<b>681,815</b>		696,115
			<b>2,037,024</b>		<b>1,936,976</b>

The financial statements were approved by the Board of Trustees on 1<sup>st</sup> September 2021 and signed on their behalf by:



Hazel Snell

**Chair**

Company Number: 01792921

## LOCAL SOLUTIONS

### CASH FLOW STATEMENT

For the year ended 31 March 2021

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Surplus for the financial year		100,048	(463,672)
Adjustments for:			
Depreciation, impairment and amortisation of fixed assets	8	34,185	36,860
Net interest (receivable)	3	(735)	(4,161)
Decrease in trade and other debtors	9	235,951	673,177
Increase in trade and other creditors	10	339,229	(574,370)
		<hr/>	<hr/>
<b>Cash from operations</b>		708,678	(332,166)
Taxation paid		-	-
		<hr/>	<hr/>
<b>Net cash generated from operating activities</b>		708,678	(332,166)
		<hr/>	<hr/>
<b>Cash flows from investing activities</b>			
Purchases of tangible fixed assets	8	(94,268)	(4,409)
Interest Received		735	4,161
Proceeds from disposal of Fixtures, Fittings & Equipment		2,133	2,437
		<hr/>	<hr/>
<b>Net cash from investing activities</b>		(91,400)	2,189
		<hr/>	<hr/>
<b>Cash flows from financing activities</b>			
Interest paid	3	-	-
Repayment of loans		-	-
		<hr/>	<hr/>
<b>Net cash used in financing activities</b>		-	-
		<hr/>	<hr/>
<b>Net increase/(decrease) in cash and cash equivalents</b>		617,278	(329,977)
Cash and cash equivalents at beginning of year		996,325	1,326,302
		<hr/>	<hr/>
<b>Cash and cash equivalents at end of year</b>		1,613,603	996,325
		<hr/>	<hr/>
<b>Cash and cash equivalents comprise:</b>			
Cash at bank and in hand		1,613,603	996,325
Bank overdrafts		-	-
		<hr/>	<hr/>
		1,613,603	996,325
		<hr/>	<hr/>

The accompanying accounting policies and notes form an integral part of these financial statements.

## **LOCAL SOLUTIONS**

### **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2021

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#### **BASIS OF PREPARATION**

The company is limited by guarantee and has no share capital.

The financial statements have been prepared in accordance with applicable accounting standards including the Statement of Recommended Practice: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2019 (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

They have been prepared under the historical cost convention. On transition to FRS 102 the charity has elected to treat the depreciated valuation of land and buildings recognised under the previous UK GAAP as deemed cost. Any difference between historical cost depreciation and depreciation calculated on deemed cost is transferred between the revaluation reserve and unrestricted funds.

The trustees confirm that the Charity meets the definition of a public benefit entity under FRS 102.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

#### **GOING CONCERN POLICY**

The financial statements have been prepared on a going concern basis, which principally assumes that the Charity will continue to receive contracted financial income from various Local Authorities at a sustainable level. The Charity has several contracts in place which secure income and cash flows for at least 12 months from the date of approval of these accounts. Forecasts have been prepared and reviewed for the forthcoming year and beyond, with various different scenarios and key assumptions being made to look at a variety of scenarios.

The Charity has a strong Balance Sheet with a cash position at the end of the year of £1,613,603 and Net Assets of £2,037,024. The working capital position has remained positive throughout the year with no cause to access the overdraft facility that is in place of £450,000.

The financial impact of the COVID-19 pandemic, in the main, has related to the temporary closure of operational revenue generating sites and a curtailment in delivery of some services. The Trustees and Management Team have managed expenditure robustly, cutting it significantly where possible and appropriate. In addition, specific additional support has been received from various Local Authorities and other bodies which has mitigated the negative impact of the pandemic on the Charity's finances.

The Trustees and the Management Team continue to see and recognise the impact that the general economic climate and the government's spending review has had on the level of public sector funding and are fully aware of the continued impact on funding directly and indirectly available to the Charity. They continue to monitor the various scenarios that reduced income levels could give rise to.

The overdraft facility is in the process of being renewed, even though the projections produced indicate that there will be no need to draw on it. Indeed, the projections show there to be considerable headroom if assumptions hold good.

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

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In the light of the projections produced, including various scenario planning, and with the benefit of the various actions taken in the year, the Trustees and Management Team have a reasonable expectation that the Charity has adequate resources to continue in operational existence for at least 12 months from the date of approval of these accounts that the going concern basis remains appropriate.

#### INCOME

##### Fee income

Fee income is credited as incoming resources when the work relating to the fees has been completed. Income relating to a specified future period is deferred.

##### Grants receivable and Deferred Income

Revenue grants are credited as incoming resources when they are receivable provided conditions for receipt have been complied with, unless they relate to a specified future year, in which case they are deferred.

Grants for the purchase of fixed assets are credited to restricted incoming resources when receivable. Depreciation on the fixed assets purchased with such grants is charged against the restricted fund.

Any unexpended income on projects which relates to grants or donations which must be expended in the following year is taken to creditors and shown as deferred income.

Coronavirus Job Retention Scheme income is accounted for within unrestricted charitable income, with the associated wage costs included within unrestricted charitable expenditure.

##### Donations and legacies

All monetary donations and gifts are included in full in the statement of financial activities when received, if there are no donor-imposed restrictions as to the timing of the related expenditure, in which case recognition is deferred until any pre-conditions have been met.

Legacies are included when the charity is advised by the personal representative of an estate that payment will be made, and the amount involved can be quantified. They are included in the statement of financial activities.

Gifts-in-kind are accounted for at the Trustees' estimate of value to the charity or sale value as follows:

- Assets received for distribution by the charity are recognised only when distributed.
- Assets received for resale are recognised, where practicable, when receivable or otherwise when sold.
- Gifts of fixed assets for charity use or funds for acquiring fixed assets for charity use are accounted for (as restricted funds) immediately on receipt.

Intangible income, which comprises donated services, is included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. An equivalent amount is charged as expenditure. No income is recognised when there is no financial cost borne by a third party. Voluntary help is not included as income.

Donations under Gift Aid together with the associated income tax recoveries are credited as income when the donations are received.

## **LOCAL SOLUTIONS**

### **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2021

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#### **EXPENDITURE**

Expenditure is included on the accruals basis and has been classified under headings that aggregate all of costs related to the category. Where costs cannot be directly attributed to a particular heading, they have been allocated to activities on a basis consistent with the use of the resources.

#### **Allocation of Overheads**

Local Solutions operates centralised services for senior management, human resources, finance, IT and services, and quality functions.

The costs of these centralised services are allocated to individual projects based on actual project expenditure. This ensures a fair and transparent allocation of costs and is in line with accepted practices within the voluntary sector.

#### **FUND ACCOUNTING**

Restricted funds are to be used for specified purposes laid down by the donor. Expenditure for those purposes is charged to the fund, together with a fair allocation of overheads and support costs.

The charity has projects for which funding consists of restricted and unrestricted income. The charity's policy in preparing the financial statements is to apply expenditure, together with a fair allocation of overheads and support costs, against both restricted and unrestricted income to a point where all restricted income has been covered.

Expenditure beyond that point is allocated against unrestricted income only. This policy is considered by the Trustees to represent a practical means of representing how costs are allocated on a consistent basis across each project. Any deficits incurred by the charity on restricted funds are funded by the charity's unrestricted income.

Unrestricted funds are donations and other incoming resources received or generated for expenditure on the general objectives of the charity.

#### **TANGIBLE FIXED ASSETS AND DEPRECIATION**

Tangible fixed assets are stated at deemed cost, net of depreciation and any provision for impairment.

Depreciation is calculated to write down the deemed cost less estimated residual value of all tangible fixed assets other than freehold land by equal annual instalments over their estimated useful economic lives.

The charity capitalises all individual items of fixed assets more than £3,000 for small items and £5,000 for fixed items.

Assets during construction are included within Fixed Assets as a separate category. Depreciation will only commence once the property is brought into use and will then be applied in line with the depreciation policy.

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

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The rates generally applicable are:

- |   |                            |
|---|----------------------------|
| - Freehold properties                                 | - 2% of deemed cost        |
| - Leasehold improvements                              | - Remaining life of leases |
| - Motor vehicles                                      | - 5 Years                  |
| - Fixtures, fittings, equipment and computer software | - 2 to 5 Years             |

### VALUE ADDED TAX

The charity is partially exempt from VAT and all irrecoverable VAT is shown in direct charitable expenditure.

### RETIREMENT BENEFITS

#### Defined Contribution Pension Schemes

The pension costs charged against the operating surplus are the contributions payable to the schemes in respect of the accounting year.

### OPERATING LEASE AGREEMENTS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the period of the lease.

### FINANCIAL INSTRUMENTS

Local Solutions only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans from banks and other third parties.

Financial assets and financial liabilities are recognised when Local Solutions becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs).

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

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

Creditors and provisions are recognised where Local Solutions has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

## **LOCAL SOLUTIONS**

### **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2021

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Financial assets that are measured at cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activities.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Charity would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset, and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **RECOGNITION OF LIABILITIES**

Liabilities are recognised as soon as there is a legal or constructive obligation committing Local Solutions to pay out resources.

#### **LIQUID RESOURCES**

Liquid resources are those associated with the cash management of Local Solutions.

#### **JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether leases entered into either as a lessor or a lessee are operating or lease or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease-by-lease basis.
- Determine whether there are indicators of impairment of the tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty:

Tangible fixed assets (see note 8)

- Tangible fixed assets are depreciated over their useful lives considering residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are considered. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

#### 1 ANALYSIS OF INCOME

	2021 £	2020 £
Donations deferred at 1 April 2020	23,072	29,409
Donations receivable in the year	118,078	139,262
Donations deferred at 31 March 2021	-	(23,072)
	<u>141,150</u>	<u>145,599</u>
	£	£
Project income deferred at 1 April 2020	240,716	168,929
Project income receivable in the year	14,552,760	14,198,026
Project income deferred at 31 March 2021	(469,480)	(240,716)
	<u>14,323,996</u>	<u>14,126,239</u>
	£	£
<b>Analysis of income</b>		
Project income for charitable services provided	14,051,410	14,126,239
Donations	141,150	145,599
Investment Income	735	4,161
Coronavirus Job Retention Scheme	272,586	-
	<u>14,465,881</u>	<u>14,275,999</u>
	£	£
<b>Project income is analysed as follows:</b>		
Social Care & Inclusion/Enablement	10,486,313	10,707,339
Young People & Families/ Engagement	3,268,990	3,342,334
Central Services	568,693	76,566
	<u>14,323,996</u>	<u>14,126,239</u>

Project income is derived from various funding sources including Liverpool, Sefton, Knowsley, Wirral, St Helens, Denbighshire and Flintshire Local Authorities.

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

#### 1 ANALYSIS OF INCOME (continued)

##### Restricted Grants within Project Income

	2021	2020
	£	£
Liverpool City Council – AIMS2	25,000	50,000
Government & Local Authority COVID-19	513,025	-
Others	256,137	154,750
Lottery Funding	-	35,130
Comic Relief	125,406	79,844
Sports England	15,828	84,172
	<u>935,396</u>	<u>403,896</u>

Costs relating to COVID-19, for which Restricted Grants have been received from Government and Local Authorities, are included in Note 2 Restricted Expenditure

#### 2 ANALYSIS OF EXPENDITURE

	Staff costs £	Other costs £	Depreciation £	2021 £	2020 £
Direct charitable expenditure	11,796,037	2,478,633	34,185	14,308,855	14,673,561
Governance costs	-	56,978	-	56,978	66,110
	<u>11,796,037</u>	<u>2,535,611</u>	<u>34,185</u>	<u>14,365,833</u>	<u>14,739,671</u>
	Staff costs £	Other costs £	Depreciation £	2020 £	2019 £
Direct charitable expenditure	12,133,399	2,503,302	36,860	14,673,561	13,861,845
Governance costs	-	66,110	-	66,110	77,832
	<u>12,133,399</u>	<u>2,569,412</u>	<u>36,860</u>	<u>14,739,671</u>	<u>13,939,677</u>

Within Direct charitable expenditure other costs represents all direct and indirect charitable activity costs covering the various projects operated by the charity and certain support costs.

Support costs covering Management, Finance, IT support and HR including ancillary costs amount to £2,022,587 (2020: £1,759,262), which includes fundraising costs of £52,472 (2020: £92,201).

Governance costs relate to the general running of the charity. They include external audit costs and costs associated with constitutional and statutory requirements. The audit fee for the year amounted to £17,600 (2020: £16,702).

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

<b>Governance Costs</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Professional & Legal	<b>39,378</b>	49,408
Auditors' remuneration – statutory audit	<b>17,600</b>	16,702
Auditors' remuneration – other services	-	-
Governance costs at 31 March 2021	<b>56,978</b>	66,110

Contained within Restricted Expenditure are the following costs in respect of the Resources Unit funding:

	<b>Restricted</b>	<b>Restricted</b>
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Salaries and on costs	<b>583,845</b>	240,820
Maintenance/repairs	<b>38,298</b>	74,988
Utilities	<b>83</b>	130
Volunteers expenses	-	218
Office expenses	<b>18,111</b>	28,791
Telephone/internet	<b>10,612</b>	5,067
Equipment	<b>24,689</b>	8,436
Bank Charges	-	-
Insurance	<b>2,261</b>	2,182
Travel	<b>955</b>	4,080
Local Authority Rates	<b>21,998</b>	-
Sundry expenses	<b>207,005</b>	64,961
Leasing costs	<b>25</b>	368
	<b>907,882</b>	430,041

Other costs of running these projects of £53,863 (2020: £122,147) are included in Unrestricted Fund Expenditure.

The following amounts are included in expenditure:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Depreciation	<b>34,185</b>	36,860
Operating Lease rentals:		
- Land & Buildings	<b>306,671</b>	343,864
- Other	<b>9,382</b>	10,269
Auditors Remuneration – statutory audit	<b>17,600</b>	16,702
Auditors Remuneration – other services	-	-

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

#### 3 INTEREST RECEIVABLE

	2021 £	2020 £
Other interest receivable and similar income	<u>735</u>	<u>4,161</u>

#### 4 EMPLOYEES

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	<b>10,787,979</b>	11,141,031
Social security costs	<b>744,432</b>	760,727
Other pension costs	<b>263,627</b>	251,640
	<u><b>11,796,038</b></u>	<u>12,153,398</u>

The average number of employees during the year was 743 (2020: 768).

	2021 Number	2020 Number
Project staff	<b>736</b>	760
Fundraising and publicity	<b>2</b>	2
Management and administration of the charity	<b>5</b>	6
	<u><b>743</b></u>	<u>768</u>

The emoluments of higher-paid employees fell within the following ranges:

	2021 Number	2020 Number *
£60,001 to £70,000	<b>2</b>	3
£70,001 to £80,000	-	1
£80,001 to £90,000	<b>2</b>	1
£90,001 to £100,000	<b>1</b>	-
£100,001 to £110,000	-	-
£110,001 to £120,000	-	1
£120,001 to £130,000	-	-

\*2020 prior year values have been amended to reflect a reinterpretation of the Charities SORP, whereby employers' National Insurance contributions, employers' pension contributions and termination amounts are excluded, and benefits-in-kind are included.

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

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#### 4. EMPLOYEES (continued)

During the year, the following amounts were paid to money purchase pension schemes in respect of higher paid employees:

	2021 £	2020** £
Pension contributions to money purchase schemes	<u>86,299</u>	<u>71,980</u>

During the year five higher paid employees (2020: six higher paid employees) participated in a money purchase pension scheme.

\*\* 2020 prior year values have been amended to include Salary Sacrifice Pension Contributions.

During the year, a robust restructuring programme has been undertaken to put the charity on a more sustainable financial path and to improve resilience. Total redundancy and termination amounts agreed were £111,706 (2020: £40,000). The amounts are a combination of redundancy and severance payments. The accounting policy is to recognise redundancy or termination amounts on communication of intent and when reasonably quantifiable. Such amounts are accounted for as staff costs and are funded from unrestricted funds and have been provided for at 31 March 2021.

#### 5 TRANSACTIONS WITH TRUSTEES AND OTHER RELATED PARTIES

No trustee or person with a family or business connection with a trustee received remuneration in the year, directly or indirectly, from either the charity or an institution or company controlled by the charity.

No Travel expenses were reimbursed to any trustees, (2020: £NIL) during the year. There were no related party transactions in the year.

#### 6 REMUNERATION OF KEY MANAGEMENT PERSONNEL

The trustees have delegated much of the day to day running of the charity to a number of key management personnel. The total remuneration, including employers' pension contributions and salary sacrifice pension contributions but excluding termination amounts, for key management personnel in the year totalled £484,534 (2020: £531,305). As a result of the restructuring programme mentioned in Note 4, the number of Key Management Personnel has been substantially reduced during the year. Termination amounts in respect of Key Management Personnel were £45,000 (2020: £20,000).

#### 7 INDEMNITY INSURANCE

The Charity purchases Directors and Officers Liability Insurance. The cost of the premium in the year was £2,128 (2020: £2,128).

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

#### 8 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Assets under Construction £	Motor vehicles £	Fixtures, equipment, fittings & computer software £	Total £
Cost					
At 1 April 2020	1,125,111	-	10,699	52,002	1,187,812
Additions	-	94,268	-	-	94,268
Disposals	-	-	-	(10,693)	(10,693)
<b>At 31 March 2021</b>	<b>1,125,111</b>	<b>94,268</b>	<b>10,699</b>	<b>41,309</b>	<b>1,271,387</b>
Depreciation					
At 1 April 2020	112,500	-	3,026	30,233	145,759
Provided in the year	22,500	-	2,136	9,549	34,185
Eliminated on disposals	-	-	-	(8,560)	(8,560)
<b>At 31 March 2021</b>	<b>135,000</b>	<b>-</b>	<b>5,162</b>	<b>31,222</b>	<b>171,384</b>
Net book amount at At 31 March 2021	<b>990,111</b>	<b>94,268</b>	<b>5,537</b>	<b>10,087</b>	<b>1,100,003</b>
Net book amount at 31 March 2020	1,012,611	-	7,673	21,769	1,042,053

Freehold buildings are included in the financial statements at deemed cost and depreciated at 2%. The Scotland Road site is included within freehold land and buildings at a deemed cost of £965,000. It was valued by Lambert Smith Hampton, commercial property consultants, at £1,080,000 on 2 May 2018.

Freehold land is not depreciated. Assets during construction are included within Fixed Assets with depreciation commencing once the asset is brought into use.

All tangible fixed assets were used for charitable purposes.

The overdraft facility of the charity is secured by a legal charge over the freehold land and buildings.

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

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#### 9 DEBTORS

	2021 £	2020 £
Accrued income	242,851	596,169
Trade debtors	726,682	607,831
Other debtors	21,931	19,432
Prepayments	165,727	169,710
	<u>1,157,191</u>	<u>1,393,142</u>

#### 10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	65,582	31,952
Other creditors	528,133	693,301
Social security and other taxes	120,188	180,139
Accruals	650,390	325,364
Deferred income	469,480	263,788
	<u>1,833,773</u>	<u>1,494,544</u>

Included within other creditors is an amount of £400,000 (2020: £500,000) owing in respect of a historic payment on account for Homecare provision from Liverpool City Council.

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

#### 11 FUNDS

	Revaluation Reserve £	Restricted funds £	Unrestricted funds £	Total £
At 1 April 2020	696,115	87,742	1,153,119	1,936,976
Incoming resources	-	964,994	13,500,887	14,465,881
Resources expended	-	(907,882)	(13,457,951)	(14,365,833)
Reserve transfer	(14,300)	-	14,300	-
At 31 March 2021	<u>681,815</u>	<u>144,854</u>	<u>1,210,355</u>	<u>2,037,024</u>
At 1 April 2019	710,415	82,205	1,608,028	2,400,648
Incoming resources	-	435,578	13,840,421	14,275,999
Resources expended	-	(430,041)	(14,309,630)	(14,739,671)
Reserve transfer	(14,300)	-	14,300	-
At 31 March 2020	<u>696,115</u>	<u>87,742</u>	<u>1,153,119</u>	<u>1,936,976</u>

#### 12 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Revaluation Reserve £	Restricted funds £	Unrestricted funds £	Total £
Tangible Fixed assets	681,815	-	418,188	1,100,003
Current assets	-	499,993	2,270,801	2,770,794
Current liabilities	-	(355,139)	(1,478,634)	(1,833,773)
Liabilities over one year	-	-	-	-
Net assets at 31 March 2021	<u>681,815</u>	<u>144,854</u>	<u>1,210,355</u>	<u>2,037,024</u>
Tangible Fixed assets	696,115	-	345,938	1,042,053
Current assets	-	87,742	2,301,725	2,389,467
Current liabilities	-	-	(1,494,544)	(1,494,544)
Liabilities over one year	-	-	-	-
Net assets at 31 March 2020	<u>696,115</u>	<u>87,742</u>	<u>1,153,119</u>	<u>1,936,976</u>

## LOCAL SOLUTIONS

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

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#### 13 RETIREMENT BENEFITS

The charity operates two defined contribution pension schemes for the benefit of the employees. The assets of the scheme are administered by Trustees in a fund independent from those of the charity.

Included in accruals is an amount of £34,890 (2020: £40,406) owing in respect of the charity's pension schemes. This liability was paid subsequent to the year end.

#### 14 OPERATING LEASE COMMITMENTS

The company had the following total minimum lease payments under non-cancellable operating leases as set out below:

	<b>Leasehold properties 2021 £</b>	<b>Leasehold properties 2020 £</b>
Not later than one year	<b>70,750</b>	84,229
Later than one year and not later than five years	<b>80,000</b>	80,000
Greater than five years	<b>24,712</b>	44,712
	<b><u>175,462</u></b>	<u>208,941</u>

#### 15 ANALYSIS OF CHANGES IN NET DEBT

	<b>At 1 April 2020 £</b>	<b>Cash flows £</b>	<b>Other changes £</b>	<b>At 31 March 2021 £</b>
Cash and cash equivalents	<b><u>996,325</u></b>	<b><u>617,278</u></b>	<b><u>-</u></b>	<b><u>1,613,603</u></b>

	<b>At 1 April 2019 £</b>	<b>Cash flows £</b>	<b>Other changes £</b>	<b>At 31 March 2020 £</b>
Cash and cash equivalents	<b><u>1,326,302</u></b>	<b><u>(329,977)</u></b>	<b><u>-</u></b>	<b><u>996,325</u></b>