

THE LEADERSHIP CENTRE FOR LOCAL GOVERNMENT

(A company limited by guarantee)

REPORT OF THE TRUSTEES and FINANCIAL STATEMENTS

for the year ended 31 March 2012

Company Registration Number 05467557
Charity Number 1123234

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The Leadership Centre for Local Government

CONTENTS

	Page
Legal and administrative information	3
Report of the Trustees	4
Report of the Independent Auditor	11
Statement of Financial Activities	13
Balance Sheet	14
Notes to the Financial Statements	15

The Leadership Centre for Local Government

Legal and administrative details

<u>Registered Name</u>	The Leadership Centre for Local Government
<u>Charity number</u>	1123234
<u>Company number</u>	05467557
<u>Registered office</u>	Local Government House, Smith Square, London SW1P 3HZ
Auditors	Littlejohn LLP, 1 Westferry Circus, Canary Wharf, London E14 4HD
Bankers	RBS/Natwest, Holborn Circus branch, no 1 Hatton Garden, London EC1P 1DU
Solicitors	Bates Wells & Braithwaite London LLP 2-6 Cannon Street, London, EC4M 6YH

Directors and Trustees

The directors of the charitable company (the charity) are its Trustees for the purpose of charity laws and throughout this report are collectively referred as the Trustees

The Trustees serving during the year were

S Freer
J G O' Brien
Lord P R C Smith (Chair)
Cllr R C Stay
K Ryley
Cllr D R Parsons
Cllr C M Bakewell
J Simons

Secretary N de Beer

Senior Staff

Director of Politics and Partnerships J Simpson (directly employed by the LGA – 1st June 2011 – no replacement)

The Leadership Centre for Local Government

Report of the Trustees for the year ended 31st March 2012.

The Trustees present their report and financial statements of The Leadership Centre for Local Government ('LGL' 'the Centre') for the period from 1 April 2011 to 31 March 2012

Structure, Governance and Management

Governing document

The Leadership Centre for Local Government is a company limited by guarantee governed by its Memorandum and Articles of Association dated of 13 June 2005, amended on 3 September 2007, 5 March 2008 and 20 May 2009 to improve its governance arrangements. There were no additional amendments to the governing documents during 2011-12. Accounts for 2010-11 were filed with the Registrar of Companies.

Appointment of Trustees

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

Trustee induction and training

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

Organisation

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

During 2011-12 attendance at Board meetings was

Peter Smith, Cathy Bakewell, Kim Ryley, Richard Stay	3 meetings
David Parsons, John O'Brien	2 meetings
Joanna Simons, Steve Freer	1 meetings

The Chair worked closely with the Director of Politics and Partnerships and Company Secretary, both of whom are employees of the LGA. The Trustees continue to steer and oversee the Centre's legacy programmes which are now being commissioned by the LGA's related bodies, and authorise the management by the LGA's officers of other work that is funded from the Centre's own resources.

The Leadership Centre for Local Government Report of the Trustees

Related parties

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

Public benefit statement

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

How our activities deliver public benefit

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

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

Directors

The names of the directors who served throughout the year and since the year end are set out on page 3.

Business review

The Centre, the Local Government Association (LGA), and the other organisations associated with the LGA – Local Government Improvement and Development (LGID), Local Government Employers (LGE) and Local Government Regulation (LGR) – have a shared ambition to make an outstanding contribution to the success of local government. In the first quarter of 2011-12 the operations of all these organisations were fully integrated to deliver a focused, effective offer for councils as set out in our combined business plan for the year. We work with and on behalf of member authorities to support, promote and improve local government.

The priorities in our business plan were firmly based on evidence and research, identifying the issues most important to member councils. Our offer to councils was designed around two top priorities. The first, achieving greater devolution for local government, has meant leading the national debate on the key issues facing councils and the people they represent. To achieve this, we have developed forward-looking policy positions to influence government policy in the priority areas identified by our members. We have focused on making a compelling case for a significant devolution of powers and funding to local councils and onward to local communities. We have lobbied on national and European legislation using evidence based on real examples of best practice from our membership.

Our second priority, helping councils tackle their challenges, recognises that the way councils improve over the next ten years will be radically different from the last ten. We are moving away from the government wanting to control public services through top-down performance management and inspection, with a dismantling of Public Service Agreements and

The Leadership Centre for Local Government Report of the Trustees

Comprehensive Area Assessments In a world in which councils take responsibility for their own performance, our role is to ensure that new ideas and new ways of working are shared

To help achieve this, the Centre has over the past financial year furthered its role in promoting, developing and supporting leadership in local government. It did this through two programmes. The first focused on Big Society within the respective party traditions. For the Conservatives, four projects were commissioned-working in Gloucestershire, Birmingham, Bexley and Hertfordshire. The title of the programme was "Tomorrow's Councillor, how localism and big society are impacting on the role and behaviour of councillors". The Liberal Democrat strand was launched at a major debate at their annual conference. In summary the work revisits "community politics" to understand what a 21st century version of this would look like. The Labour strand has been exploring the emerging new role for councillors. Their approach they have called community leadership.

In the second programme, the Centre focused on new ways of working, including new relationships with the private and social enterprise sectors engaging with a number of authorities who were exploring such changes and facilitating a dialogue with key private and social enterprise partners. The work focused on reducing demand in the long term, stimulating local growth and enterprise and creating a local provider markets.

Work continues on both programmes in 2012/13

Key Performance Indicators

The LGA and its related bodies, including the Centre, have reviewed the impact of our work and the delivery of our priorities through robust performance management. At each Board of Trustees meeting papers were given by relevant programme leads updating the Trustees on each activity. These reports are used to monitor performance and progress. Regular reports have also been made to the LGA's Audit and Scrutiny Panel.

Key Performance Indicators are also maintained for the LGA and its related bodies as a whole. These include the number of organisations in LGA membership, which has been maintained at 422 in March 2012, the same number as were in membership in March 2011. We continue to monitor employee absence, which has fallen from an average annual number of sick days per employee of 6.4 days in December 2010 to 2.8 days in March 2012.

In the coming year the LGA will monitor customer satisfaction indicators, by carrying out a survey of local authorities. We will also regularly review employee satisfaction through an annual survey.

The LGA and its related bodies monitor the number of employees. This has fallen from 529 employees in March 2011 to 355 employees in March 2012.

The LGA also continues to monitor debtors, where for the LGA and its associated companies the percentage of debtors over 12 months has reduced from 34 per cent of total debtors in March 2011, to 12 per cent of debtors in March 2012.

Restructure

The LGA has along with its associated companies completed its largest review and restructure since its creation. This work started in 2009-10 with the formation of a shared communications service which ensured a more efficient and unified communications function.

Faced with a reduction of 38% in the funding distributed through the RSG top-slice mechanism, a restructuring exercise was started in 2010-11 and completed during 2011-12, with a new organisational structure in place from 1 June 2011. This has meant a reduction in staff resources of over 30%, taking staff costs for the LGA and its associated companies from £35.9 million in 2010-11 to £24.7 million for 2011-12.

The Leadership Centre for Local Government Report of the Trustees

As a result the LGA undertook several rounds of voluntary redundancy and an extensive selection and recruitment process for those employees that wished to remain. There has been a significant reduction in the number of senior posts in the restructuring process. Excluding senior posts that are funded by specific grants (3 such posts at 1 April 2010 and 1 April 2011), the total number of senior manager and Director level posts has reduced from 41 as at 1 April 2010 to 21 following completion of implementation of the restructuring programme. Total transition costs, covering the administration of the selection process, outplacement support for those leaving and the costs of redundancy and notice period payments, have amounted to £7.6 million the majority of which was paid or provided for in 2010-11.

Despite very challenging times the Centre has delivered a satisfactory financial outcome in 2011-12.

Future Developments

Our future success will rely heavily on our delivering ever greater value to local government when councils are facing significant reductions in their own funding and are, more than ever, questioning the value of every item of expenditure. The further work to make our offer even more focused on the priorities of key importance to member authorities is therefore vital.

The priorities of the LGA and its associated companies for the year ahead include supporting councils in leading public sector reform, where we will be focusing in particular on the need to reform the funding system for adult social care. We will be promoting councils' leadership of economic development as well as campaigning to ensure there is sustainable funding for local government going forward. Councils have already shown remarkable resilience in coping with the spending cuts, and we will also be focusing on supporting them in finding innovative ways of moving forward through our support with productivity and efficiency, our programme of peer challenges and direct support, and our leadership programmes.

Principal risks and uncertainties

The Centre has reviewed its arrangements for risk management with clear responsibilities assigned to named senior officers for the management of the principal risks and the introduction of a Group-wide risk register. The principal risks identified and actively managed include managing a significant reduction in core funding and other sources of income, changes to the political leadership of the LGA, achieving key lobbying objectives for local government and establishing a credible approach to sector self-regulation, and successfully reducing the cost base of the LGA and LGL, and integrating the different parts of the Group. The Trustees consider these risks are being effectively mitigated.

Environment

We have agreed an environmental policy which includes the commitment to

- reduce carbon emissions by 16% by 2014-15 in line with the intended UK carbon budget
- continually reduce waste and increase our recycling rate
- reduce paper use
- ensure that procurement of goods and services adheres to our green purchasing and procurement policy
- champion and mainstream consideration of environmental sustainability throughout our outward facing work programmes and services
- comply with all applicable legislation, regulation and with other relevant requirements relating to our environmental impacts

The Leadership Centre for Local Government Report of the Trustees

Political and charitable contributions

The company did not make any political or charitable donations or incur any political expenditure during the year

Financial review

The Centre's original principal source of funding at the time it was established was the Department of Communities and Local Government (CLG) - as part of the Capacity Building Fund. Funding from this source ceased prior to the start of 2011-12.

During 2011-12 the Centre utilised its reserves to support its charitable activities and received funding from Revenue Support Grant topslice granted to the Improvement & Development Agency for Local Government, a company controlled by the LGA, to fund its core corporate costs.

Investment powers and policy

Under the Memorandum and Articles of Association, the Trustees have the power to -

- Invest the Charity's money not immediately required for its objects in or upon any investments, securities, or property, and
- Delegate the management of investments to a financial expert provided that the financial expert is an individual who is an authorised person within the meaning of the Financial Services and Markets Act 2000 or a company or firm of repute which is an authorised or exempt person within the meaning of that Act except persons exempt solely by virtue of Article 44 and/or Article 45 of the Financial Services and Markets Act 2000 (Exemption) Order 2001

The income and property of the Charity is required to be applied solely towards the promotion of its objects.

Reserves policy

During the financial year 2011-12 the Trustees developed and implemented a reserves policy, considering future income streams, costs, liabilities, operating environment and cashflow, to maintain minimum free reserves of no less than £500,000. In the current uncertain financial environment it was considered prudent to retain this level of reserves to give the Leadership Centre the ability to continue as a going concern while it sought new income streams and to provide cover for potential staff redundancies and the costs of any contracts the Centre may have entered into (e.g. shared services at the LGA) if future funding is reduced or becomes unavailable. Reserves at the year end are £1,166,536 (2010-11 £1,450,083) and there is further planned utilisation in 2012-13 to deliver the Centre's charitable objectives and reduce the Centre's reserves to the target balance.

Provision of information to Auditors

In so far as the Trustees are aware

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

The Leadership Centre for Local Government Report of the Trustees

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

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

Auditors

A resolution for the re-appointment of auditors of the company is to be proposed at a forthcoming Board Meeting.

Approved by the Board of Trustees and signed on behalf of the Board

A handwritten signature in black ink, appearing to read 'P. Smith'.

Peter Smith

Date 20 JUNE 2012

The Leadership Centre for Local Government

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the Trustees to prepare financial statements for each financial year. Under that law they have are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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

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

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

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

The Leadership Centre for Local Government Independent Auditors' Report

Independent auditors' report to the members of The Leadership Centre for Local Government

We have audited the financial statements of The Leadership Centre for Local Government ('The Centre') for the year ended 31 March 2012 set out on pages 13 to 19. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities set out on page 10, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- the financial statements have been prepared in accordance with the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

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

The Leadership Centre for Local Government Independent Auditors' Report

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- the charitable company has not kept adequate accounting records or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime take advantage of the small companies' exemption in preparing the Trustees' Annual Report



Paul Hopper (Senior Statutory Auditor)
for and on behalf of Littlejohn LLP, Statutory Auditor
Chartered Accountants
1 Westferry Circus, Canary Wharf, London E14 4HD

Date *20 June 2012*

The Leadership Centre for Local Government

STATEMENT OF FINANCIAL ACTIVITIES (incorporating an INCOME AND EXPENDITURE ACCOUNT) for the year ended 31 March 2012

	Notes	Unrestricted funds 2012 £	Unrestricted funds 2011 £
Incoming resources			
Incoming resources from generated funds			
Voluntary Income	2	210,710	2,100,000
Services recharged	2	41,904	256,892
Investment income	3	10,889	8,125
Incoming resources from charitable activities			
Sponsorship and conferences		-	5,852
Total incoming resources		263,503	2,370,869
Resources expended			
Charitable activities	7	545,770	2,777,023
Governance costs	9	2,000	4,104
Total resources expended		547,770	2,781,127
Net outgoing resources	4	(284,267)	(410,258)
Total funds brought forward		1,450,803	1,861,061
Total funds carried forward	15	<u>1,166,536</u>	<u>1,450,803</u>

There are no recognised gains or losses other than those disclosed above
All of the above results derive from continuing activities and there were no acquisitions in the period

The notes on pages 15 to 19 form part of these financial statements

The Leadership Centre for Local Government

Co No 05467557

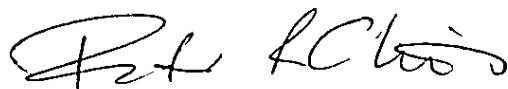
BALANCE SHEET

as at 31 March 2012

	Notes	2012 £	2011 £
Current assets			
Debtors	10	13,118	84,273
Short term Investments	3	1,000,000	1,500,000
Cash at bank and in hand		186,701	124,717
		1,199,819	1,708,990
Creditors amounts falling due within one year			
Creditors falling due within one year	11	33,283	258,187
Net current assets		1,166,536	1,450,803
Total assets less current liabilities		1,166,536	1,450,803
Funds	15		
Unrestricted - General Fund		1,166,536	1,450,803
		1,166,536	1,450,803

These financial statements are prepared in accordance with the special provisions of Part 15 Chapter 4 of the Companies Act 2006 relating to small entities and with the Financial Reporting Standard for Smaller Entities

These financial statements were approved by the Trustees on 20 June 2012 and are signed and authorised for issue on their behalf by



Peter Smith
Trustee

The notes on pages 15 to 19 form part of these financial statements

The Leadership Centre for Local Government

Notes to the Financial Statements

NOTE 1 - ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The accounts are prepared under the historical cost convention and in accordance with the Financial Reporting Standards for Smaller Entities (effective January 2007). They have been prepared in accordance with the Companies Act 2006 and the Accounting and Reporting by Charities Statement of Recommended Practice (SORP 2005).

GOING CONCERN

The Trustees (who are also the directors of The Leadership Centre for Local Government ('the Centre') for purposes of company law) have prepared the accounts on a going concern basis. As described in the Report of the Trustees, during 2011/12 the Centre worked closely with the Local Government Association and the various publicly funded specified bodies under the Local Government Association's control. Funding has been agreed beyond 31 March 2012 and the directors are of the belief that the company will continue as a going concern.

INCOME POLICY

Voluntary income including donations and grants are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Investment income is recognised on a receivable basis.

RESTRICTED INCOME

Where donors specifically state which project their donations are to be used for, this is treated as restricted income. Where donations are made that can be used at the discretion of the Centre, then this is treated as unrestricted income.

RESOURCES EXPENDED

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

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

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

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

Any grants payable are accounted for on award to the recipient.

Governance costs include those costs associated with the general running of the charity and include the operations of the Board and addressing constitutional, audit and other statutory requirements.

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

The Leadership Centre for Local Government

Notes to the Financial Statements

ALLOCATION OF SUPPORT COSTS

The costs of functions which are not direct, which support more than one of the Centre's activities, have been allocated to those activities on a consistent basis related to time spent in furtherance of the Centre's objects

CASH FLOW STATEMENT

The Centre qualifies as a small company under the terms of Section 398 of the Companies Act 2006. As a consequence it is exempt from the requirement to publish a cash flow statement

CORPORATION TAX

The Centre is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes

FUNDS

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity. Designated funds are unrestricted funds earmarked by the Trustees for particular purposes. Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

NOTE 2 - VOLUNTARY INCOME

	2012 (£)	2011 (£)
<i>Incoming resources from generated funds</i>		
Voluntary Income	210,710	2,100,000
Services recharged	41,904	256,892
<i>Incoming resources from charitable activities</i>		
Sponsorship and conferences	-	5,852
	<u>252,614</u>	<u>2,362,744</u>

Voluntary income relates to RSG and is allocated to the main activities of the charity. Services recharged include events and conferences, publications and consultancy.

NOTE 3 - INVESTMENT INCOME

All of the investment income arises from interest bearing deposits. The Centre participates in arrangements in which surplus cash balances are deposited with borrowers on the Local Government Association (LGA) Group's approved list. The Centre's investments are pooled with those of other entities that have adopted the LGA Group Investment Strategy. Investments are typically for periods of up to six months and as such the loan amount is a reasonable assessment of fair value. Lending of up to £3m of the total funds held for up to one year is permitted. The counterparty list is currently restricted to major UK financial institutions, the larger UK building societies, and AAA-rated money market funds. The LGA Group Investment Strategy strictly applies credit limits for all of the above financial institutions to ensure that deposits are spread across a number of its approved counterparties. No credit limits were exceeded during the year and the Centre does not expect any losses on short term investments.

The Leadership Centre for Local Government

Notes to the Financial Statements

NOTE 4 - NET INCOMING RESOURCES

Net Incoming resources are stated after charging

	2012 (£)	2011 (£)
Trustees Emoluments (see note 5)	16,727	32,048
Directors Emoluments	-	90,546
Audit fees	2,000	3,550

NOTE 5 - EMOLUMENTS

During 2011-12 total remuneration of £16,727 (2010-11 £32,048) was paid to the respective Chairs for work done in this capacity in accordance with a written agreement approved by the Trustees under clause 5 9 of the Memorandum of Association Reimbursement of expenses to Trustees for travel costs totalled £0 (2010-11 £573)

NOTE 6 - EMPLOYEES

	2012 (£)	2011 (£)
<i>Staff costs</i>		
Wages & salaries	-	79,961
Social security costs	-	10,585
	<u>-</u>	<u>90,546</u>
<i>Agency and secondments</i>		
Agency staff fees	30,418	91,583
Secondments	48,209	506,636
Total staffing costs	<u>78,627</u>	<u>688,765</u>

The average number of employees analysed by function is

	2011	2010
Direct work	-	8
Support	-	3
	<u>-</u>	<u>11</u>

NOTE 7 - COSTS OF CHARITABLE ACTIVITIES

	2012 Activities undertaken Directly (£)	2012 Support Costs (£)	2011 Activities undertaken directly (£)	2011 Support costs (£)
Delivery Areas				
Leeds Castle Programme	-	-	182,356	39,806
Civic Pride	183,674	54,508	1,208,108	263,714
Knowledge management	31,973	9,488	91,178	19,903
Total Place Pilot	168,883	50,118	683,835	149,272
Work in specific places	36,341	10,785	113,972	24,879
Total	<u>420,871</u>	<u>124,899</u>	<u>2,279,449</u>	<u>497,574</u>

The Leadership Centre for Local Government
Notes to the Financial Statements

NOTE 8 - BREAKDOWN OF SUPPORT COSTS BY CHARITABLE ACTIVITY

	2012	2011
	(£)	(£)
Finance support	21,000	33,258
Direction	19,479	146,467
General Office Costs	81,465	282,190
IT	386	7,869
Staff Costs	2,589	27,790
	<u>124,899</u>	<u>497,574</u>

Support costs are allocated based on dedicated general ledger codes. Where apportionments and judgement have to be applied, this is done based on staff time spent on different activities.

NOTE 9 - GOVERNANCE COSTS

	2012	2011
	(£)	(£)
Chairman's expenses	-	554
Statutory Audit fees	2,000	2,610
Grant certification	-	940
	<u>2,000</u>	<u>4,104</u>

Chairman's expenses relate to travel and subsistence.

NOTE 10 - DEBTORS

	2012	2011
	(£)	(£)
Trade debtors	1,472	84,097
Intercompany debtors	4,471	-
VAT recoverable	7,084	-
Accrued Income	91	176
	<u>13,118</u>	<u>84,273</u>

Intercompany debtors represent those owed by the Local Government Association (LGA) and companies under the LGA's control.

NOTE 11 - CREDITORS

	2012	2011
	(£)	(£)
Trade creditors	7,474	145,497
Accruals & deferred income	25,809	107,033
VAT payable	-	5,657
	<u>33,283</u>	<u>258,187</u>

NOTE 12 – ANALYSIS OF NET ASSETS BETWEEN FUNDS

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

The Leadership Centre for Local Government

Notes to the Financial Statements

NOTE 13 – MEMBERS’ LIABILITY

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

NOTE 14 - RELATED PARTIES

The Directors consider the Local Government Association (LGA) and Improvement and Development Agency for Local Government (IDeA), a company controlled by the LGA, to be related parties.

- a Councillor Richard Stay serves as a Board member in the LGA. Councillor David Parsons also served as deputy chairman for the LGA. Related party transactions with the LGA comprise

	2012	2011
	(£)	(£)
Recharges for Staff	79,143	627,970
Consultants fees	-	3,666
Conference events and catering	1,294	2,974
SLA Charge	68,790	269,550
Administration	22,132	39,834
	171,359	943,994

As at 31 March 2012 the LGA also had a creditor intercompany balance of £3,000 with the Centre which will be offset in the next financial year.

- b Councillor Richard Stay is a peer member of IDeA. Councillor David Parsons was Chairman of IDeA until 31 August 2011. Related party transactions with IDeA comprise

	2012	2011
	(£)	(£)
Grants received	210,710	2,100,000
Recharges	(47,684)	6,206
	163,026	2,106,206

As at 31 March 2012 IDeA has no debtor or creditor balances with the Centre.

NOTE 15 - UNRESTRICTED FUNDS

	At 1 April	Incoming	Resources	At 31 March
	2011	Resources	Expended	2012
	(£)	(£)	(£)	(£)
General Fund	1,450,803	263,503	547,770	1,166,536