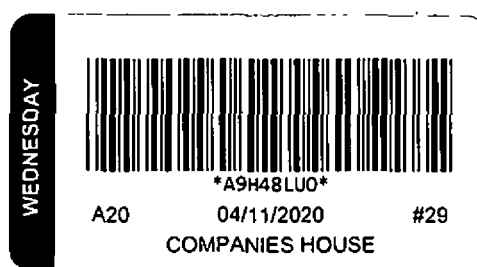


# THE LEADERSHIP CENTRE FOR LOCAL GOVERNMENT

(A company limited by guarantee)

## REPORT OF THE TRUSTEES and FINANCIAL STATEMENTS

for the year ended 31 March 2020



Company Registration Number 05467557  
Charity Number 1123234

**REPORT AND FINANCIAL STATEMENTS 2020**

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**LEGAL AND ADMINISTRATIVE DETAILS**

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

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

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

Solicitors: Bates Wells & 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 law and throughout this report are collectively referred to as the Trustees.

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

	Attendance – possible 5 Board Meetings
H Bailey	5
K Ryley	4
Lord P R C Smith (Chair)	5
Cllr R C Stay (resigned 17 <sup>th</sup> July 2019)	-
J Sobieraj	5
David Lloyd	4
Cllr Keith House	3
Tamara Finklestein	3

Chief Executive  
Secretary and Chief Operating Officer

Joe Simpson  
John Jarvis

## **REPORT OF THE TRUSTEES**

The Trustees present their report and audited financial statements of The Leadership Centre for Local Government ("the Leadership Centre") for the year from 1 April 2019 to 31 March 2020. The Trustees have adopted the provisions of the Statement of Recommended Practice "Accounting and Reporting by Charities" ("FRS 102 SORP") in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and relevant Accounting Standards. The Trustees have considered the likely impact of Covid-19 on the operational activities of the Centre and are of the view that there is a material impact. However, the Trustees consider that the current level of the Centre's unrestricted funds and with the continuing likelihood of securing funding for periods beyond April 2020, the Centre has sufficient resources to continue as a going concern.

### **Structure, Governance and Management**

#### **Governing document**

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

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

#### **Appointment of Trustees**

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

#### **Trustee induction and training**

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

#### **Organisation**

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

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

### **Related parties**

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

### **Public benefit statement**

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

### **How our activities deliver public benefit**

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

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

## **BUSINESS AND FINANCIAL REVIEW**

### **'Great Leaders, Great Places'**

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

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

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

The following report details our achievement in 2019-20 and highlights our plans for 2020-21.

The global Covid-19 pandemic has clearly impacted all governments, businesses and communities, and we are not immune to this. The effects of the pandemic will be a thread running throughout this report and our plans for 2020-21 are necessarily emergent.

### **Background:**

#### **Strategy**

This is an account of the eighth year of activity following the strategic review undertaken by Trustees. That review proposed that the Leadership Centre adopt a profile working across local public services, rather than purely with local government.

The first manifestation of that change was a widening of the base of background of the Trustees, with new Trustees bringing experience of work in Whitehall, the NHS and Police as well as Local Government.

The second manifestation was the successful establishment and delivery of the new Future Vision programme. Future Vision is a pan-public service leadership programme which continues to go from strength to strength.

Since then, the Leadership Centre has heavily engaged with various partners by playing key convening, design, support and delivery roles. This cross-sector engagement has strengthened existing and facilitated new relationships and provided opportunities to demonstrate the value we add.

It's important for the Leadership Centre to continue to identify new opportunities to ensure it continues to be financially sustainable. The impact of Covid-19 has resulted in the Leadership Centre utilising some of its reserves, but there are opportunities for the Leadership Centre to support leaders adapting to new challenges during and after the pandemic.

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

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

## **2019 – 2020 Achievements**

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

Through its core programmes, Future Vision and 2025 Leaders, as well as numerous bespoke commissioned projects, the Leadership Centre has created and shared learning, increased our national influence, and assisted in securing better outcomes for citizens, through leadership development & whole system change interventions.

For the 2019-20 year the Leadership Centre outlined several key priorities.

1. Seek to expand existing programmes where there is clear public value in doing so. The number of participants on Future Vision has expanded, and the number of online masterclasses has increased.
2. Foster further collaborations with key local and national partners. The Leadership Centre's relationship with key national partners such as PHE and Sport England have strengthened, and the Leadership Centre now has a formal partnership with the Birmingham Leadership Institute at the University of Birmingham.
3. Shape & respond to bespoke place commissions. As noted later in the report, the Leadership Centre has been able to engage locally to shape leadership development support around some really important and complex issues for communities, such as domestic violence & health and social care integration.
4. Further develop our unique composition and practice. The Leadership Centre has continued to curate its enabler network, bringing together a unique mix of

anthropology, psychology, philosophy, service design, evolutionary biology, living systems, complexity, adaptive leadership, organisational and culture development and social movement building practitioners.

5. Convene coalitions of the willing around emerging leadership challenges of importance to foster radical ideas & activity. Through a series of events across the year the Leadership Centre has convened groups around issues such as Climate Change, Covid-19, Inequalities, community development, and the nature of leadership in a complex world.

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

- Pivoted delivery to online platforms, adapting to the challenges presented by Covid-19. The learning and impact of Covid-19 on leadership practice and online leadership development will be shared with the sector.
- Created support spaces for senior public service leaders. Offering the opportunity to recharge and reflect.
- Initiated a series of learning spaces, to identify the crucial learning from Covid-19 and begin to navigate the challenges of recovery.

### **Quotes from participants and place programmes:**

*"For anyone that's thinking about investing in their own personal leadership capability, capacity, vision and effectiveness I would highly recommend this programme."*

**Chief Executive of large national Charity**

*"If we stand still as an organisation, we actually atrophy and go backwards. The world is moving on, so the ability to understand innovation and future facing challenges of public service and the joined-up approach of place-based has enabled me to bring some of that people centred future facing approach into my own organisation".*

**A Chief Constable**

*"I do think the Leadership Centre has already helped our [Covid-19] response. We are now putting System Leadership principles into practice on a scale never imagined. Unless we think and work as a system, we will not be able to support our people, communities and workforce. Sharing staff and resources is rapidly becoming the norm. Will definitely be some positives and learning through this"*

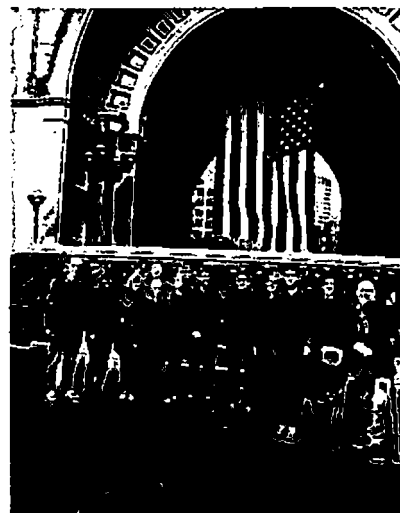
**Council Strategic Director**

### **Key leadership development activities in 2019-20:**

#### **Future Vision**

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

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



Cohort 7 in Boston on a week-long study visit

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

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

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

Short interviews with participants from the 2019/20 Future Vision programme can be found on the Leadership Centre website. <https://www.leadershipcentre.org.uk/ourwork/future-vision/>

### **2025 Leaders Programme**

2019-20 saw the third cohort of 2025 Leaders Programme for Directors in the Health system identified as potential Chief Executives of the future. Whilst the programme is health focussed, participants come from a range of organisations and backgrounds including:

- National NHS bodies
- Local NHS Foundation Trusts
- Commissioning Support Units
- Sustainability and Transformation Partnerships
- Councils

The programme involves residential, field visits, psychometric profiling, plus coaching and mentoring elements including a week-long exploration of the Danish Health System.

The final residential block of the programme has been postponed until those involved are able to get together again.

#### **Impact evaluation from the 2025 programme:**

Participants feel that the programme helps their personal development, and shapes the way they think and work. Examples mentioned include:

- Improved personal resilience
- Less risk aversion
- More tolerance for potential failure
- Improved communication
- Increased empathy
- Refined focus on purpose
- Increased confidence

The programme left participants with a more rounded view of what it means to be a leader, and a deeper understanding of their own leadership styles. Alongside personal development, participants have seen an impact at an organisational level. By sharing tools, theories and learnings across their teams they feel their organisations have benefited from their time on the programme.

In addition to this, participants say the programme has given them a broader perspective, deepening their understanding of how different elements of the health and care system work



2025 Leaders, Cohort 3 at the A&E Department in Odense, Denmark as part of a week-long study visit.



together and reinforcing the importance of systems leadership. Participants feel they are now better equipped to work across organisational boundaries.

*"The programme definitely helped me to think about how you operate across the organisational boundaries and to think about what the system as a whole is trying to achieve."*

### **Leadership Centre Alumni**

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

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

- **Learn together:** by creating a space for learning to continue their leadership development.
- **Think together:** developing innovative public policy approaches drawing on the latest research and analysis.
- **Do together:** by working together on real problems facing the public sector and civil society and also to enable alumni members to talk with peers in a confidential and supportive way, sharing their own leadership challenges and responses.

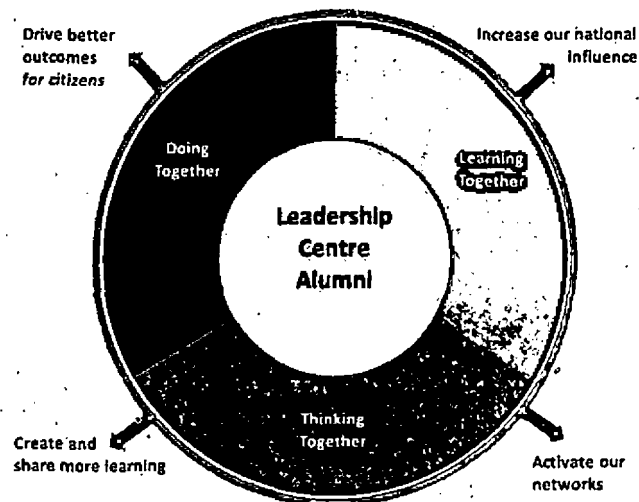


Figure 1: Alumni Aims

During 2019-20 considerable effort has been deployed to develop the Alumni offer. This has included:

- Increasing the network's strategic importance. The Alumni team has been bolstered with the addition of two volunteer directors, and increasing its connection points into the Leadership Centre.
- Curation and convening of the Alumni Council. A group of 19 Alumni, from health, local government, central government, large charities, the fire service, police and academia, to help to shape the Alumni work.
- On 4<sup>th</sup> March 2020 we held the inaugural Alumni Council meeting alongside a national leadership event on the climate crisis. Great ideas and challenges were generated that will be the focus of the 2020-21 Alumni work.

Feedback from the sessions included "... an outstanding Alumni event".  
The challenge now is how to build on this in the current climate.

### **Place-based leadership and change**

The Leadership Centre supports leaders in places to delve deeper into multi-faceted, complex issues facing their communities. We foster ways to listen differently, build new relationships with residents and develop their leadership capability to operate in complexity and co-create better outcomes with communities.

The Leadership Centre's locality work often involves:

- Identifying the work we want to do together, and committing to each other and that journey.
- Gathering what we need for the journey – the leadership knowledge, skills, approaches, through which we will make progress and sustain ourselves and each other.
- Building communities of action, movements for change – forming and deepening relationships, listening to each other, sharing insights and information.

To tackle complex issues effectively means asking people to learn to think differently, hold our traditional expertise lightly, listen deeply to residents & communities, learn how to diagnose complex system dynamics collaboratively, build relationships with others to make the space for true learning and experimentation. We support local leaders to hold that space, so meaningful action, learning and behaviour change can really take place through experimentation. It's about a change in each of us as well as process and structure.

During 2019-20 the Leadership Centre has supported teams to develop place-based approaches to; diabetes, physical inactivity, domestic violence, primary care networks, air quality, social isolation and homelessness to name a few. In each case we've provided a platform to develop leadership practice and open new possibilities which infect a whole set of growing relationships. Below are just a few expanded examples:

#### **Tackling Physical Inactivity**

This project involves getting alongside the community in five chosen wards, along with statutory and VCS partners to surface new insight, test and develop approaches which remove the barriers to physical activity. Residents want to change the system, redesigning it so it no longer produces the inequalities created by the status quo. This requires developing a collaborative learning system, shifting power, harnessing & releasing the energies and expertise of a diverse set of people and fostering an enduring capacity to change.

The Leadership Centre's network of enablers has provided experience and expertise in co-producing place-based, whole system solutions to tackling complex social problems in an urban setting - based on a detailed programme of insight creation our work has led to amongst other strands, leadership capacity-building in the community.

#### **Domestic Violence**

The demand for domestic abuse services is high. It is recognised that the number of incidents is under-reported, services are predominantly under-resourced and fragmented.

Together with local statutory and non-statutory leaders and those passionate about making a difference the Leadership Centre co-designed a programme of learning that supported them to develop a deeper understanding of an ideal system from the perspective of people at risk of or living with domestic abuse.

With a multi-organisational and multi-disciplinary team together we:

- Met and listened to different groups of people - professionals, families, victims and perpetrators.
- Identified ways to work together differently.
- Identified the case for change – what works well; what do we need to change; what do we need to learn.

As a result of the work, victim support and preventative services are changing. New strands of work to make the issue more visible are underway, and it has galvanised a movement locally to make positive change

### **Place based Health**

In numerous localities the Leadership Centre has provided support for teams of leaders at different spatial levels involved with Sustainability and Transformation Partnerships, Integrated Care Systems and Primary Care Networks.

Whilst challenges and opportunities manifest differently in different localities the work has been to help multi-organisational collaborations begin to answer, 'what are we here for?', 'what can we come together in service of?' and 'how can we make a difference?'

With Mental Health Alliances, Primary Care Networks, Personalised Care Teams, Homelessness and Public Health, the Leadership Centre has supported leaders to build deep relationships with each other, and those they serve, to understand better what is going on, the challenges residents face, how life is for them.

This has made possible action in pursuit of shared endeavours – regardless of arbitrary hierarchy.

### **Developing Systemic Leadership Nationally**

Our work with national organisations, government departments, arms length bodies and charities, supports leaders to develop the thinking, tools and behaviours to change the way they operate in order that they might empower change and leadership at a local level. Below are a few examples from the past year.

Supporting leaders in a national body to increase their individual and combined leadership capability, exploring how their approach and actions foster collaborative, systemic leadership in each of their twelve place-based work pilots.

This has included a range of interventions such as design, facilitation, coaching, artefact generation, developing communities of practice and sensemaking.

The impact of this support has been magnified through the Covid-19 crisis. Local teams are reporting being able to respond to the crisis in a more agile and collaborative way due to the relationship and learning infrastructure created through this work. More honest conversations between local public services and the national body are emerging about what is needed to continue this way of working.

Similarly, over the past year and into the next, the Leadership Centre is working with NHS national bodies to support pan-sector teams engaged in large-scale change. As part of this we have delivered Systems Leadership masterclasses for over 100 teams focusing on everything from maternity services to palliative care.

The Leadership Centre is bringing all its knowledge and experience to bear by designing and delivering the first nationwide support programme for Integrated Care Systems across the country.

In total, over the year, the Leadership Centre delivered more than 60 masterclasses and webinars on systemic leadership, reaching over 2000 people. The aim has been to introduce people to how systems leadership approaches can help them navigate, and work with, complexity; and to sit alongside them as they apply these approaches to make real-time improvements for the people they work with.

### **Impact & Value Capture deep-dives**

As part of the Leadership Centre's commitment to capture and share learning on an ongoing basis it has conducted a number of impact and value deep-dives. The learning capture process involves revisiting localities the Leadership Centre has previously supported, serving to make visible the journey and impact, and provide the place with a moment of reflection to consider what's next.

As an example of impact - in one locality the Health and Wellbeing board has built strong relationships, and deep understanding of local residents through two particular projects, 'Community Conversations' which was focussed on a particular locality community and the 'Diabetes Truth Programme', connecting to those that suffer from or support those with type 2 diabetes. The value capture process highlights a huge number of benefits for the H&WBB and the local community including developing deeper, institutional empathy, emotional and relational infrastructure, a conscious leadership system and changing behaviours as a way to change outcomes for citizens.

In another locality the Leadership Centre revisited the work it supported around 'mental health and homelessness', 'discharge to the streets' and 'young people and mental health'. Through the value capture deep-dive colleagues highlighted an explicit evolving practice fusing systems leadership, design and digital approaches, through which they have transformed their ways of seeing issues individually and collectively. They have reduced homelessness & rough sleeping and formed a resilient tapestry of relational, behavioural, process and activity 'infrastructure' that flexes and grows to meet the needs of complex challenges.

## **Challenges faced in 2019-20:**

### **Covid-19**

Towards the end of the 2019-20 financial year the coronavirus crisis hit and in mid-March the Leadership Centre had to rapidly adapt its ways of working. All staff transitioned to remote working and redesigned leadership development support where possible, from face-to-face to online.

Public Service leaders have led through the most testing of times; changes in working patterns and other habits impacting the economy, workspaces and retail in town and city centres; the revealing and magnification by Covid-19 of the deep social, health and economic inequalities that exist across the country; and the deepening financial pressures on public services. The nationwide societal impact is likely to be lengthy and multifaceted in nature. The ongoing impact of Covid-19 heavily shapes the Leadership Centre's operating environment for 2020-21 onwards. Everything we do is likely to be through the lens of Covid-19, from supporting leaders to tackle inequalities to the difficulties of running large scale learning events with social distancing.

### **Increasing awareness**

The Leadership Centre continues to grow its brand awareness through live events, social media, publications and its networks, set against a cacophony of competing demands for people's time & attention.

### **Delivery Capacity**

From the outset the Leadership Centre adopted a specific approach to staffing. We did not seek to establish a large in-house permanent staff. We believed that such an approach would be both inflexible and costly. Neither did we opt for a pure commissioning model (with its reliance often on large suppliers). Instead we aimed to create a pool of individuals, with whom we would work on a regular basis, but always offering local places choice so places had a stake in the decision. By using the pool, we were also able to get some quality control, but also capture shared learning (otherwise the communal learning would be lost). A key challenge for 2019-20 was to expand the pool of enablers. We have had limited success in this area and a small number of individuals in the network continue to shoulder much of the responsibility.

### **Pushing the boundaries of place-based Leadership development**

The Leadership Centre's interest is in developing leadership & learning, so sustainable progress is made which creates public value. One of the challenges faced by us and public services when shaping a place based collaborative intervention is 'who pays'. Who invests and who saves as a result has long been a tension for public service organisations as a result of reduced, programmatic and siloed funding streams from government. Risk appetite is also

variable and therefore impacts the degree to which a project can push boundaries as it so often has to be comfortable enough for all those involved. Creating the conditions for co-investment during times of public finance austerity, and co-risk taking during heightened scrutiny is an ongoing challenge.

## **2020-21 Operational Priorities and Objectives:**

### **Volatile, Uncertain, Complex, Ambiguous!**

It is impossible for any organisation to plan with any certainty for the future as we live through a global pandemic.

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

- The future of public services is radically uncertain; recession, extended pandemic impact, the HM Treasury Spending Review, EU exit, climate change alongside challenges specifically felt locally such as inequality and inequity.
- The needs of leaders are likely to grow extensively as their resilience, alongside, community workers, and volunteers is tested.
- Competing ideas and philosophies about what recovery/reset/regeneration looks like, for who and who needs to be involved.

In response the Leadership Centre needs to be connected, flexible, resilient and relevant. The Leadership Centre has started a process of strategizing, questioning what its unique contribution can be in the changing world. As a result, the Leadership Centre will nimbly adapt to provide support to leaders as well as investing time in internal developing an iterative future offer.

As the Leadership Centre's strategy evolves it will provide the platform for generative connections, collaborations, bespoke leadership development delivery, creation and sharing of learning both supporting leaders and creating positive impact for citizens. The Leadership Centre's work is arguably even more important now than ever before.

2020-21 will provide opportunities to bring our focus on People, Place, Politics & Practice alive, albeit in more imaginative ways.

### **Priorities in 2020-21**

1. Making the most effective use of the Leadership Centre's assets, our staff, networks, alumni, enablers, trustees and change makers as the innovation and strategy engine of the Leadership Centre.
2. In the context of place, recognise and respond to the links between physical activity, mental & physical health, housing, transport and education to help create better and fairer outcomes.
3. Convene local and national coalitions of the willing around the emerging crucial 'post-Covid' leadership challenges to foster radical ideas & activity.
4. Design cutting edge online leadership development practice - enabling leadership development and place-based change online.
5. Ensure Leadership Centre staff wellbeing.
6. Help organisations to support and utilise their key asset, their workforce, to deliver their objectives.

### **Challenges in 2020-21**

1. Ever greater collaboration - The Leadership Centre has always sought collaborations. With public funding getting ever tighter, collaborative and co-produced interventions and knowledge creation has never been more important. The challenge is identifying organisations that live their values in a way that resonates with ours, who are able to collaborate in this complex space.
2. Delivery capacity - The Leadership Centre knows that the delivery of its mission relies on its talented and motivated people. The 2020-21 challenge will be maintaining a balance between maximising impact, maintaining excellence, growing revenue, minimising expenditure and finding top talent to keep us cutting edge. To this end the Leadership Centre has started a complete review of its networks and internal operations and will begin to shape new expectations and relationships in the coming months.
3. Impact of Covid-19 - The crisis has highlighted the need for investment in people. Practical challenges of face-to-face vs online can be overcome. The challenges will likely be bandwidth and financial ones as public sector leaders time and finances are squeezed.

### **Principal risks and uncertainties**

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

### **Reserves**

During 2019-20 the Leadership Centre has continued to utilise its reserves to support its charitable activities and reduce the overall holding.

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

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

The reserve policy requires the retention of adequate funds to support about a half year of operating of the Leadership Centre and this should be in the order of £200,000. Taking account of current costs and operational circumstances, the retention to cover at least three months of full staff costs and accommodation, including facilities and IT would be £100,000. The policy is reviewed regularly, is considered adequate at the present time, and will be looked at again, in the light of changing economic, funding circumstances and timing. The Leadership Centre has utilised some government support and will continue to do so whilst available and is needed. At 31<sup>st</sup> March 2020 the balance of available unrestricted reserves was £178,075.

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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

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

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

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

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

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

### **Provision of information to Auditors**

In so far as the Trustees are aware:

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

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

**The Leadership Centre for Local Government**

**Year ended 31st March 2020**

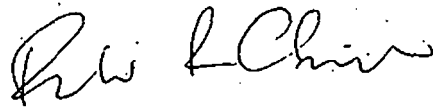
**Statement of Trustees' Responsibilities**

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

**Auditors**

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

Approved by the Board of Trustees on 18<sup>th</sup> September 2020 and signed on their behalf by

A handwritten signature in black ink, appearing to read 'Peter Smith', is written over the printed name.

**Peter Smith**

**18<sup>th</sup> September 2020**



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

**Opinion**

We have audited the financial statements of The Leadership Centre for Local Government (the 'charitable company') for the year ended 31 March 2020 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).

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 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine

**The Leadership Centre for Local Government  
Year ended 31st March 2020**

**Independent Auditors Report**

whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report (incorporating the directors' report) has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take the small companies' exemption from the requirement to prepare a strategic report.

**Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

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

*Nicky Whitehead*

**Nicky Whitehead (Senior Statutory Auditor)**  
**For and on behalf of PKF Littlejohn LLP**  
**Statutory Auditor**

**15 Westferry Circus**  
**Canary Wharf**  
**London E14 4HD**

Date: *23/10/20*

**STATEMENT OF FINANCIAL ACTIVITIES**

(Incorporating an INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 March 2020

	Note	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Income from:</b>				
Grants	2	35,000	35,000	58,650
Charitable Activities	2	1,187,976	1,187,976	1,109,021
Investment income	3	525	525	999
Sponsorship and conferences	2	20,608	20,608	15,000
<b>Total income</b>		<b>1,244,109</b>	<b>1,244,109</b>	<b>1,183,670</b>
<b>Expenditure on:</b>				
Charitable activities	7	1,378,956	1,378,956	1,579,887
Other Costs	9	21,258	21,258	21,117
<b>Total Expenditure</b>		<b>1,400,214</b>	<b>1,400,214</b>	<b>1,601,004</b>
<b>Net (expenditure)</b>	4	<b>(156,105)</b>	<b>(156,105)</b>	<b>(417,334)</b>
<b>Reconciliation of Funds:</b>				
Total funds brought forward		<b>334,371</b>	<b>334,371</b>	<b>751,705</b>
<b>Total funds carried forward</b>	14	<b>178,266</b>	<b>178,266</b>	<b>334,371</b>

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

All of the above results derive from continuing activities

The notes on pages 23 to 27 form part of these financial statements.

Company Registration number 05467557

**BALANCE SHEET**  
**As at 31 March 2020**

	Notes	2020 £	2019 £
<b>Current assets</b>			
Debtors	10	480,684	425,195
Short term Investments	3	61,572	71,382
Cash at bank and in hand		10,000	10,000
		<u>552,256</u>	<u>506,577</u>
<b>Creditors: amounts falling due within one year</b>			
Creditors falling due within one year	11	373,990	172,206
		<u>373,990</u>	<u>172,206</u>
<b>Net current assets</b>		<b>178,266</b>	<b>334,371</b>
<b>Total assets less current Liabilities</b>		<u><b>178,266</b></u>	<u><b>334,371</b></u>
<b>Funds</b>			
Restricted Funds	14		
Unrestricted Funds	14	178,266	334,371
		<u><b>178,266</b></u>	<u><b>334,371</b></u>

These financial statements were approved by the Trustees on 18<sup>th</sup> September 2020 and are signed and authorised for issue on their behalf by:



**Peter Smith**  
Trustee

The notes on pages 23 to 27 form part of these financial statements.

Company Registration number 05467557

**STATEMENT OF CASH FLOWS**

As at 31 March 2020

	Note	2020 £	2019 £
Cash flow from operating activities	12	(9,810)	(275,317)
Net cash flow (used in)/provided by operating activities		<u>(9,810)</u>	<u>(275,317)</u>
Cash and cash equivalents at 1 April		81,382	356,699
Cash and cash equivalents at 31 March		<u>71,572</u>	<u>81,382</u>
<b>Cash and cash equivalents consists of:</b>			
Cash at bank and in hand		10,000	10,000
Short term deposits		61,572	71,382
Cash and cash equivalents at 31 March		<u>71,572</u>	<u>81,382</u>

The notes on pages 23 to 27 form part of these financial statements.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1. ACCOUNTING POLICIES**

#### **BASIS OF ACCOUNTING**

The Leadership Centre is a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in March 2018, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, The Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2019.

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

#### **GOING CONCERN**

The Trustees (who are also the directors of The Leadership Centre for Local Government ('the Centre') for purposes of company law) have prepared the accounts on a going concern basis. As described in the Report of the Trustees, during 2019/20 the Centre worked closely with the LGA and various public/private funded specified bodies. The Trustees have considered the likely impact of Covid-19 on the operational activities of the Centre and are of the view that there is a material impact. However, the Trustees consider that given the current level of the Centre's unrestricted funds and, given the likelihood of secured and securing funding for periods beyond April 2020, the Centre has sufficient resources to continue as a going concern.

#### **FUNDS**

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

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

#### **INCOME POLICY**

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

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

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

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

## RESOURCES EXPENDED

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

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

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

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

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

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

## ALLOCATION OF SUPPORT COSTS

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

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

## TAX

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

## 2. INCOME

	2020 £	2019 £
<b>Income from donations and grants</b>		
Voluntary Income and Grants	35,000	58,650
Sponsorship and Conferences	20,608	15,000
<b>Income from charitable activities</b>		
Services recharged	<u>1,187,976</u>	<u>1,109,021</u>
	<u>1,243,583</u>	<u>1,182,671</u>

Voluntary income and grants mainly relate to funding from other public sector bodies. It is allocated to the main activities of the charity. Services recharged include events and conferences, publications and consultancy. Nil (2019 Nil) of the above income was attributable to restricted funds and £1,243,583 (2019 £1,182,671) to unrestricted funds.



### 3. INVESTMENT INCOME

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

### 4. AUDITORS REMUNERATION

The auditor's remuneration amounts to an audit fee of

	2020	2019
	£	£
Audit fees	3,500	3,500

No non-audit fees were paid in the year to the auditor (2019 nil).

### 5. EMOLUMENTS

During 2019-20 total remuneration of £16,689 (2018/19; £16,717) was paid to the Chair for work done in this capacity in accordance with a written agreement approved by the Trustees under clause 5.9 of the Memorandum of Association. Reimbursement of expenses to two (2018/19; one) Trustees for travel costs totalled £991 (2018/19; £745).

### 6. EMPLOYEES

	2020	2019
	£	£
<b>Staff, agency and secondments</b>		
Staff	320,561	333,697
Agency staff fees	89,392	92,463
<b>Total staffing costs</b>	<b>409,953</b>	<b>426,160</b>

The aggregate employee benefits of key management personnel were £248,352 (2019: £265,042). The average number of senior staff employed directly during the year was 3 (2019 3 persons), with employee benefits, are in the ranges below.

Range £k	2020	2019
80-90	2	2
70-80	-	-
60-70	-	1
40-50	1	-

The average number of persons employed (including agency staff) was 5.3 (2019 6 persons).

**7. EXPENDITURE ON CHARITABLE ACTIVITIES**

Delivery Areas	2020 Activities undertaken Directly £	2020 Support Costs £	2020 Total Costs £	2019 Total Costs £
Future Vision	221,897	27,763	249,660	229,340
Centre Projects	441,873	55,288	497,161	368,967
Accident and Emergency	161,166	20,165	181,331	358,997
Specific Location Support for Leaders	38,575	4,826	43,401	22,827
Systems Leadership	-	-	-	293,947
Nursing Talent	18,330	2,293	20,623	53,691
Local Vision	-	-	-	80,754
Sport England	91,535	11,453	102,988	-
Public Health Leadership	252,233	31,559	283,792	171,364
<b>Total</b>	<b>1,225,609</b>	<b>153,347</b>	<b>1,378,956</b>	<b>1,579,887</b>

£0 (2019 £171,627) of the above costs were attributable to restricted funds and £1,378,956 (2019 £1,429,377) to unrestricted funds.

**8. BREAKDOWN OF SUPPORT COSTS**

	2020 £	2019 £
Finance support	10,300	10,300
Direction	35,962	33,210
General Office Costs	51,221	44,511
IT	25,972	18,600
Staff Costs	29,892	32,311
	<b>153,347</b>	<b>138,932</b>

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

**9. EXPENDITURE ON OTHER COSTS**

	2020 £	2019 £
Trustees Emoluments (see note 5)	16,689	16,717
Meeting costs	78	155
Trustee's expenses	991	745
Statutory Audit fees	3,500	3,500
	<b>21,258</b>	<b>21,117</b>

**10. DEBTORS**

	2020 £	2019 £
Trade debtors	379,438	392,535
Other Debtors	9,762	25,894
VAT	72,224	954
Accrued Income	19,260	5,812
	<b>480,684</b>	<b>425,195</b>

# 11. CREDITORS

	2020 £	2019 £
Trade creditors	59,449	20,633
Accruals	141,171	125,417
Other taxes and PAYE	9,593	12,004
VAT	141,905	10,936
Earned Leave Liability	3,872	3,216
Provision for Bad and Doubtful Debt	18,000	-
	<u>373,990</u>	<u>172,206</u>

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

	2020 £	2018 £
Net expenditure for year	(156,105)	(417,334)
(Increase) / Decrease in debtors	(55,489)	199,300
Increase / (Decrease) in creditors	201,784	(57,283)
	<u>(9,810)</u>	<u>(275,317)</u>

# 13. MEMBERS' LIABILITY

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

# 14. FUNDS ANALYSIS OF NET ASSETS BETWEEN FUNDS at 31st March 2020

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

	Current Assets £	Current Liabilities £	Funds Total £
UNRESTRICTED	552,256	373,990	178,266
	<u>552,256</u>	<u>373,990</u>	<u>178,266</u>

	As at 1 April 2019 £	Income £	Expenditure £	As at 31 March 2020 £
Unrestricted Funds	334,371	1,244,109	1,400,214	178,266
Total	<u>334,371</u>	<u>1,244,109</u>	<u>1,400,214</u>	<u>178,266</u>

# 15. POST BALANCE SHEET EVENTS

The directors are only aware of the potential post balance sheet date impacts of Covid-19, as disclosed in the accounting policy, and of no other events other than those already stated.