

Annual Review 2020



The Carnegie UK Trust works to improve the lives of people throughout the UK and Ireland, by changing minds through influencing policy, and by changing lives through innovative practice and partnership work.

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Introduction

Both data and experience suggest that the Covid-19 pandemic has already had a profound impact on our personal, community and societal wellbeing. While there will be a lag in the formal reporting of all the relevant indicators, each one of us has experienced a profound disruption to our normal way of life over the past year, and for many the trauma has been deep and will be long-lasting.



Sir John Elvidge



Sarah Davidson

The pattern of inequalities revealed by the ravages of the virus were all there before March 2020, whether inequalities of health; wealth; education; ethnicity; disability; or employment status. Themes that have dominated media and public discussion in the past year all had their roots in the pre-pandemic world: trust – or otherwise - in governments; the uneven distribution of social capital and resources; the strength of local democracy versus central control; the structure of the labour market; the quality of neighbourhoods; and the growing omnipotence of the digital world and the opportunities and challenges that brings.

The difference of this particular moment has been that the interconnectedness of all of these issues has been laid bare. Our assertion at Carnegie UK Trust that the different aspects of wellbeing are intrinsically interlinked has been brought into sharp focus for many people; our health, wealth and happiness are all connected, as are the social, economic, environmental, and democratic outcomes for society.

The spread of COVID-19 in the UK and the measures to contain it had significant implications for the Trust's strategic and operating context in 2020. Along with our partners and peers we had to learn quickly to adapt to the requirements of working remotely. We were privileged in being

able to make up for some of what we lost in the easy familiarity of in-person contact with the opportunity to access online conversations and colloquiums both nationally and internationally.

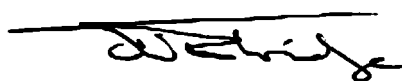
We were fortunate to be in the final stages of delivering our 2016-2020 strategy and therefore able to deploy the networks, evidence base and expertise built up over that period to inform our response to the pandemic context. The impact of the pandemic has affected almost every aspect of people's lives, and it is therefore no surprise that as a wellbeing organisation, the consequences have been far-reaching in many of the fields that we are active in. As existing networks quickly moved online, we sought to tap into a wide range of insights and perspectives in order to make sense of what the current moment demanded of us as an operating trust with a mission to improve wellbeing.

As you will read in this report, that process led us to open up new spaces for discussion and debate, to lean in to support new and emerging partnerships, and to revisit our previous work and evidence base. The experience of the pandemic impact and response validated what we have said for some time about the importance of supporting local communities to influence and shape the services they receive, and about the key role which can be played by grassroots organisations when statutory agencies give them their place.

The events of 2020 added to existing evidence about the importance of relationships and everyday kindness, whether between near neighbours helping each other out, or within the health and care system at a time of unprecedented pressure, or in a public library service redesigning its offer to meet immediate needs. Further research reinforced our arguments about the inequalities associated with the digital divide, and what happens when access to affordable credit is suddenly cut off. We had an opportunity to assert yet again how precarious work can be for too many people, and the need to ensure that we do not slip backwards and lose some of the gains made in valuing quality of work at a time when unemployment is rising.

We have worked on all of these issues over the course of 2020 and hope that in doing so, we have made a useful contribution to the national debate about what it would mean to emerge from the pandemic on a more sustainable footing.

While Covid set the prevailing context for most of the year, we were also able to continue with a number of our pre-planned projects, which are described in the pages of this report. We were particularly pleased to end 2020 with the publication of “Gross Domestic Wellbeing (GDWe)”, our proposed alternative to GDP as a measure of social progress and a new way of thinking which we believe can be used to place national wellbeing at the centre of policy making. This is of particular importance as Governments plan for national recovery.



Sir John Elvidge, Chair of Trustees



Sarah Davidson, CEO

The importance of prioritising the pandemic response in 2020 led us to extend our period of strategic review, which has in turn allowed us to take account of the evolving context for wellbeing in our deliberations about future priorities. This has been a rich period of reflection for the Trust, and we wish to record our thanks to all those of our partners and stakeholders who responded to our request for feedback and insights as part of this review. We look forward to publishing details of our new strategic approach in summer 2021 and embarking on the next phase of our work to improve wellbeing.

The ongoing work of the Trust is of course underpinned by the dedicated contribution of our talented staff team, Trustees, Associates, and partners. This year, more than ever, we have been grateful to them all for rising to the challenges of operating remotely, modelling new ways of working, and providing high levels of mutual support and encouragement. We hope that we will be able to plot our own path back to something approaching a more “normal” way of working by the end of 2021. In doing so, we will do our best to take with us the learning from the past year about the importance of flexibility, agility and responsiveness, and the role that philanthropic organisations can and should play in contributing to a national conversation about what matters.

Our partners in 2020

- Simon Anderson Consulting
- Community Places
- Centre for Effective Services
- Stratagem Northern Ireland
- Diffley Partnership
- Prospect Awards CIC
- Civil Exchange
- UPP Foundation
- Children in Scotland
- Institute of Welsh Affairs
- CO3 Limited
- Scotland's Town Partnership
- Cardiff University
- New Local Government Network
- Better Way
- Blake Stevenson
- Revealing Reality
- Good Things Foundation
- British Library
- Arts Council England
- Your Own Place
- East Kilbride Credit Union
- Learning and Work Institute
- The RSA
- Wellcome
- Wolfson Foundation
- Luminare
- UK Committee for UNICEF (UNICEF UK)
- Cattanach Trust
- Project Lift
- SCLF
- North Ayrshire Council
- Power to Change
- The Relationships Project
- Involve
- Scottish Government
- Data Justice Lab
- CILIP
- The Stove
- Treorchy
- Scarborough
- New Local
- Barrow Cadbury Trust
- Scotland's Towns Partnership
- Cardiff University
- CLES
- Welsh Government
- Fair4All Finance
- Social Investment Scotland
- Money Advice and Pension Service
- Operation Black Vote
- UCL
- Institute for Employment Research
- Armagh City Banbridge and Craigavon Borough Council
- Derry City and Strabane District Council
- Lisburn and Castlereagh City Council
- Kindness in Leadership Network
- Treorchy and District Chamber of Trade
- Coast and Vale Community Action
- Castle Community Bank
- 1st Alliance (Ayrshire) Credit Union
- Kingdom Community Bank
- East Kilbride Credit Union
- Kingdom Credit Union
- Calderdale Libraries
- City of London Libraries
- Falmouth Art Gallery and Library
- Fife Cultural Trust
- Glasgow Libraries
- Libraries NI
- London Borough of Camden
- London Borough of Hammersmith and Fulham
- London Borough of Sutton
- Manchester City Council
- Treorchy Library
- Western Isles Libraries
- West Lothian Council
- Sounddelivery
- University of Essex
- London Borough of Bexley
- Oldham Libraries
- Powys County Council
- Wakefield Libraries
- Vision Redbridge Culture and Leisure



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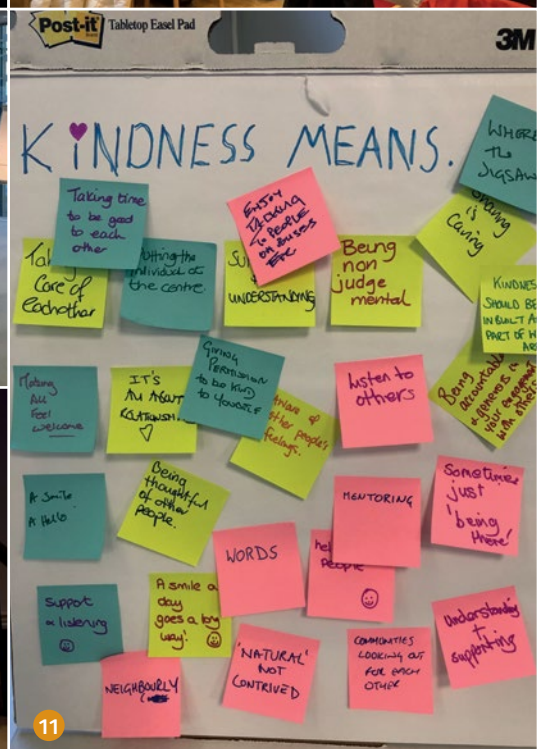
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All photographs were taken prior to the March 2020 lockdown. 01 Can Procurement be Kind, Fire Starter Festival © Ben Thurman, CUKT. 02 Engaging Libraries Development Programme Workshop © Rachel Heydecker, CUKT. 03 Engaging Libraries Development Programme Workshop © Rachel Heydecker, CUKT. 04 Race Inequality Launch © Georgina Bowyer, CUKT. 05 Community Asset Transfer for Towns © Hannah Ormston, CUKT. 06 Stage shot from Can Good Work Solve Productivity © Emma Bakkel, RSA. 07 Can Procurement be Kind, Fire Starter Festival © Ben Thurman, CUKT. 08 Andy Haldane Can Good Work Solve Productivity © Emma Bakkel, RSA. 09 Engaging Libraries Development programme Workshop © Rachel Heydecker, CUKT. 10 Panel 2 Can Good Work Solve Productivity © Emma Bakkel, RSA. 11 North Ayrshire Community and Locality Planning Conference © Ben Thurman, CUKT.

Enabling Wellbeing



Our 2020 Enabling Wellbeing projects continued to explore how governments, third sector and academia can put wellbeing at the heart of their work. We had four specific areas of activity:

1. Wellbeing in government: Supporting governments to put wellbeing at the heart of their policy processes.
2. The power of kindness; Advocating for a radical approach to building relationships into policy and practice.
3. Enabling State: Investing in leadership on reforming public and third sector services.
4. Promoting interaction between academics and third sector, government and business to improve wellbeing outcomes in policy and practice.

COVID-19 Response Projects

The impact of the pandemic on wellbeing required the Carnegie UK Trust to move quickly to open up new spaces for discussion and debate, and new research on the impact of COVID-19 was required. In summer 2020 we partnered with the Institute of Welsh Affairs to run a series of Rethinking Wales events. In total, 10 events were held by the end of 2020 with an average of more than 80 attendees per event. We embarked on similar programmes in Scotland and more recently in Northern Ireland. The Rethinking Scotland programme explored the 'how' of policy-making for wellbeing, including the need to focus on diverse voices in policy, and was intentionally a smaller, more conversational space

than the Wales model. We held three events with approximately 30 attendees at each event. The report from this work will be published later in 2021. We have also embarked on a Rethinking Northern Ireland programme, in partnership with CO3 (Chief Officers of the Third Sector) which will be launched in 2021.

As well as creating space for deliberation and debate, we have revisited our previous work and evidence base and considered its relevance in the current context. Drawing on this, and on the wide range of networks we have engaged with during recent months, we have produced a number of key outputs setting out new thinking to help inform conversations around the ambition to 'build back better':

- We were commissioned to provide evidence to the Scottish Government on our priorities for the medium term recovery. We also participated in the 'policy circle' process informing the work of the Scottish Government's Social Renewal Board.
- Our Building Back for the Better paper published in July sets out six new propositions for the future, focused on wellbeing; public services; localism; employment; financial security, and technology.
- Through our COVID-19 and Wellbeing blog series we have shared thoughts, ideas and perspectives from across the team on the different issues we are engaging in during the crisis.
- We were commissioned by the Scottish Government in March to produce and present a paper on our thoughts for the medium-term recovery (the key points of which subsequently developed into the Building Back for the Better paper).

Leadership in wellbeing is at the heart of governments

Our major report on Gross Domestic Wellbeing was launched in December 2020. Caroline Lucas MP tabled an Early Day Motion seeking to 'welcome the publication of the innovative Gross Domestic Wellbeing Index by the Carnegie UK Trust' on 3 December 2020. We will continue advocating on the need for a wellbeing approach to decision making.

In 2020 we continued our work in Northern Ireland where we are working through three Community Planning Partnerships to explore how they can embed wellbeing in their practice. Activities this year included:

- A peer-to-peer learning event on working with communities, post COVID-19 and publication of a subsequent briefing paper.
- A peer-to-peer learning event on Valuing Data and Evidence in Community Planning and publication of a subsequent briefing paper.
- Significant Youth Participatory Budgeting projects held in Derry and Strabane and in Armagh, Banbridge and Craigavon.
- Our briefing on priorities for the newly reformed NI Executive.
- Publication of the Natural Capital Account for Derry City and Strabane Council.



“ Due to the pandemic we have extended the co-production support we are providing to our partners in to 2021 and our shared leadership support will primarily move online, to capture the experiences of shared leadership during the crisis.”

We began a new project in mid-2020, working with Children in Scotland and the Cattanach Trust to research the potential for a Children’s Wellbeing Budget in Scotland. The research included interviews with over 50 senior stakeholders in Scotland and international experts. The Children’s Sector Strategy and Policy Forum continues to oversee this project and ensure alignment with other key areas of work, including the continued commitment in Scotland to full implementation of the United Nations Convention on the Rights of the Child. A project leaflet and interim report were published in 2020, with the response suggesting significant interest in the main findings, to be launched in early 2021.

Power of Kindness

Prior to the pandemic, we had already begun work on the value of kindness in health and social care in Scotland. This work became more critical during the pandemic phase. We have met with a range of stakeholders to take this forward as well as continuing to support Project Lift and SCLF to deliver a range of workshops over the course of 2020. Carnegie Associate Dr Elizabeth Kelly held various meetings with the Scottish Government and the Sturrock Inquiry working group. We published our ‘Courage to be Kind’ report which drew on a series of conversations with a small group of medics to reflect on the role of kindness in the healthcare response to COVID-19. As well as reflecting on some of the positive changes brought about by the pandemic, the report considered the experience for individuals working within ‘the system’, and the importance of creating space for kindness – for staff as well as patients – in planning health and social care renewal.

At a UK level, we were able to continue our work with the Kindness in Leadership Network. The group took part in a workshop with the Relationships Project on building kindness into organisations and we commissioned expertise on measuring kindness to support values-based organisational development. The outputs from this Network will be available in early 2021.

Interaction

Our primary activity under this outcome area has been our part-funding for the Civic Universities Hub. The Hub, and its accompanying website, was launched and is accompanied by regular newsletters and a new Twitter account. It is hosted by Sheffield Hallam University.

The Hub are now running a series of regional workshops, including one specifically for Scotland; and engaging with the existing Welsh civic university network. UPP Foundation and Carnegie UK Trust investment has been matched by UK Department of Education and Arts Council England who have come on board as funders.

We have continued to advocate for the importance of knowledge brokering between academic, third sector, government and the business communities, including speaking at high profile events such as the Westminster Higher Education Forum on Impact and Future of the Knowledge Evaluation Framework. We have joined the Newcastle University International Advisory Board for the Institutes of Social Sciences and Humanities.

Our other activities included:

- Hosting a Roundtable on Kindness in Wales co-chaired by Jack Sargeant AM.
- Working with North Ayrshire Council and the Community Planning Partnership to plan, deliver and reflect on a community planning conference centred on kindness, which included input from Chief Officers across the partnership.
- Our 'Can Procurement be Kind?' event at Firestarter Festival.
- A significant set of advocacy activities including presentations at multiple events and with a wide variety of stakeholders

Enabling State

Our most significant project under this programme is our support for the Better Way Network. The network continued to be run nationally by two co-convenors, Caroline Slocock and Steve Wyler. Civil Exchange is the host organisation and in 2020 the Network had funding from the Carnegie UK Trust, the Esmee Fairbairn Foundation and the John Ellerman Foundation, with new funding now secured for the convenor in the North in 2021 from Power to Change. In addition, the Carnegie UK Trust provides administrative support for the Network. During 2020, the Better Way Network:

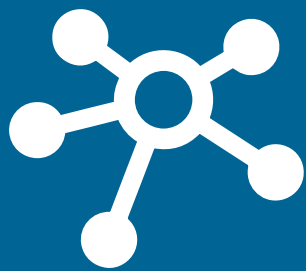
- Published a *Call to Action for a Better Way* in November 2020.
- Grew the membership from 425 to 680 and doubled its Twitter following.
- They also recruited more ethnic minority, public sector and younger members.
- Ran 35 events, including three national roundtables to consider the coronavirus crisis and the power of connection and community.

- Held twice-monthly drop-in sessions for people in our network and some geographically based cells.
- Held an annual national gathering at the end of November, involving more than 70 participants.
- Published over 20 blogs where leaders have talked about how they are putting a Better Way into action or have ideas for doing things better.
- Issued regular bulleting, to highlight and disseminate thinking from our members and from networks and organisations with affinity to Better Way thinking.
- Collaborated with one of their founding members, Danny Kruger MP, while he was working up ideas for his report to the Prime Minister, holding a large consultation event with up to 100 people.

In addition:

- Our refreshed Route Map to an Enabling State: Guiding Principles for recovery was published in July. The publication was well received on social media and by stakeholders.
- The Relationships Project (part-funded by Carnegie UK Trust) published 'The Moment We Noticed', which was well received and sparked a number of responses from their network, including a guest blog hosted by Carnegie UK Trust.





Digital Futures

In 2020 the projects in our Digital Futures theme continued to focus on four specific areas of activity:

- Increasing opportunities for disadvantaged or excluded groups to benefit from digital technology.
- Tackling potentially problematic issues where digital can have a negative impact on wellbeing.
- Supporting the development of good digital public services which can deliver the desired outcomes.
- Supporting the strategic development of public libraries across the UK and Ireland, recognising the significant contribution libraries can make to this agenda and building on the Trust's unique and historic library legacy.

Increasing opportunities for disadvantaged or excluded groups to benefit from digital technology

The COVID-19 pandemic and associated lockdowns brought the question of digital inclusion into sharp focus in 2020. In particular, it highlighted the significant disadvantages that many people experience in accessing digital technology in an effective and safe way.

We responded to this challenge in a number of ways during the course of the year. We worked closely with Scottish Government, charities, public service providers and business to support the Connecting Scotland programme, which was set up to support more people in Scotland get access to technology at home during lockdown. We led the ‘customer workstream’ during the initial programme phase, contributed to the development of the evaluation plan for the programme and joined the overarching programme Advisory Group.

We published our report ‘Learning from Lockdown: 12 Steps to Eliminate Digital Exclusion’, which examined the actions required to turn the emergency responses to digital exclusion in the pandemic into longer-term policy programmes. The report has generated significant interest from stakeholders and we gave evidence to the House of Lords COVID-19 Committee on the issues covered.

Our response to COVID-19 also included specific work on the particular effects of the pandemic on digital exclusion amongst children and young people, building on our previous work in this field. We hosted a series of online conversations with charities across the UK on the topic and developed a new partnership with UK Committee for UNICEF (UNICEF UK). Our joint report from that partnership will be published in early 2021.

Outside of our COVID-19 response, we continued our #NotWithoutMe project in 2020, looking at how disadvantaged young people can be supported to be digitally included. A key output from this project during the year was the final evaluation report from our 2018/19 Accelerator programme, which was carried out for us by Revealing Reality.

We also continued our work with Good Things Foundation in 2020 examining how to support digital inclusion amongst people in the UK who have little or no English language or literacy. We delivered physical and face-to-face workshops on this topic and published a report looking at practical challenges in this field and how these might be tackled.

Tackling potentially problematic issues where digital can have a negative impact on wellbeing

We continued our work throughout 2020 to campaign for the UK to introduce a new regulatory system to tackle online harm, based on a ‘duty of care’ model, working with Professor Lorna Woods at the University of Essex and Carnegie Associate Maeve Walsh.

Our outputs and activities this year included:

- Responding to the UK Government’s responses to the Online Harms White paper.
- Working with Lord McNally to support the introduction of a Private Member’s Bill (Online Harms Reduction Regulator (Report) Bill), in the House of Lords.
- A series of written outputs, including pieces on regulatory interlock and disinformation.
- Providing advice, input and our endorsement to a series of joint calls for action from civil society organisations on a range of specific aspects of online harms.
- Extension and solidification of our network of supportive civil society organisations, for whom we now facilitate a monthly forum involving up to 50 organisations from an expanding range of different interest groups.
- The launch of our new newsletter, disseminated regularly to several hundred subscribers.

Supporting the development of good digital public services which can deliver the desired outcomes

This was a busy field of activity for the Trust during 2020, with a number of project activities advancing in this field.

With support from external funding secured from the Scottish Government, we launched a new project to examine the actions required for Scotland to become 'an ethical digital nation'. We are working with our partners Involve to deliver this work, which comprises a series of 'mini public workshops', bringing together a group of around 30 members of the public for a series of in-depth workshops over a number of months to explore the concept of digital ethics. Initially planned as face-to-face events, we repurposed this activity during the year to make it a fully online programme.

Working with the Data Justice Lab at Cardiff University, we spent time in 2020 examining the use of predictive analytics and automated systems in public services – and in particular, examples of where the implementation of such systems has been cancelled. The work is taking an international case study approach and will be published in early 2021.

|| The pandemic forced many organisations to transform their delivery models during 2020, to become almost entirely digital for much of the year. This presented challenges and opportunities for most public service providers, charities and businesses."

We also continued our partnership this year with the British Library and Arts Council England, on the development of a single digital platform for public libraries. Led by the project team based at the British Library, the project delivered a significant programme of research and development work throughout 2020.

The pandemic forced many organisations to transform their delivery models during 2020, to become almost entirely digital for much of the year. This presented challenges and opportunities for most public service providers, charities and businesses. To help draw out some key learning points from this transformation process, we partnered with Your Own Place, the social enterprise who received funding through our #NotWithoutMe Accelerator, to produce a series of blogs on their journey to digital delivery throughout the year. These pieces have covered a wide range of considerations and we will compile these into a single report for publication in 2021.

Supporting the strategic development of public libraries across UK and Ireland

We have been working for a number of years to support the strategic development of public libraries in the UK and Ireland and we responded to the pandemic in 2020 to consider its impact on the library sector. We published our 'Making a Difference' report in the autumn, drawing on public polling data we conducted with ComRes; a survey of more than 1,200 library workers; and in-depth interviews with leaders of twenty library services. We published the findings in a series of reports and held a number of roundtable sessions with senior library stakeholders to discuss the emerging key messages and conclusions.

We dedicated considerable time throughout the year to repurposing our Engaging Libraries programme to deal with the conditions of the pandemic. Through this programme we are supporting 14 library projects, with funding support from Wellcome and the Wolfson Foundation, to deliver public engagement activities across a range of fields. We supported participating projects to rethink their project timelines; helped them to consider options for digital delivery; and recast the development and evaluation strands of the programme to enable these to progress in a remote working context. The overall programme timescale has been extended and will now conclude later in 2021.

Our long-running Carnegie Library Lab programme came to a close in 2020. The programme has supported the development of leadership and innovation skills amongst emerging library leaders across three cohorts. We were delighted to be able to repurpose the online learning programme that we had developed as part of the project, to make this widely available through CILIP, the Library Association as a key legacy of Library Lab. We also published a final report on the work of the third cohort of participants; and a final report reflecting on the key outputs, successes and learning points from the entire programme over the past six years.

We launched a new programme of activity in 2020 to connect our public libraries work with our work on radical kindness. We invited applications from library services across Scotland, to join a network of champions for libraries and kindness and to test out small interventions in their libraries. The delivery of these interventions was delayed as a result of the pandemic and will now take place in 2021.

Finally, during this year, we started a new project with CILIP and Arts Council England, to examine the future funding model for public libraries in England. This work will conclude in 2021.

“ We dedicated considerable time throughout the year to repurposing our Engaging Libraries programme to deal with the conditions of the pandemic.”



Flourishing Towns



Our work on Flourishing Towns has focused on two outcome areas during 2020: advocating for towns and wellbeing data for towns.

Towns Advocacy

In 2020 we completed our Talk of the Town programme to support storytelling in towns in the UK. The Trust supported individuals from Scarborough and Treorchy to tell the story of their town through face-to-face events, following a competitive application process. We published a blog on the development of the story of Treorchy and a video of highlights from the Talk of the Town Treorchy event. The full report of the project outlines the Trust's reflections from supporting the two towns with storytelling expertise, and aims to provide learning for policymakers, practitioners and funders who wish to explore the concept of storytelling as a tool to improve community wellbeing.

During 2020 we supported the Stove (an artist-led community hub and Development Trust in Dumfries) to share their learning through the EMBERS project. Embers explored the opportunities for better shared learning and mutual support between organisations in Dumfries and Galloway who are engaged in place making and cultural regeneration. This project – funded by the South of Scotland Economic Partnership – focused on defining a joined-up vision for culturally-led regeneration across the South of Scotland, and how to strengthen support networks. As part of this partnership we published a case study of the Stove's approach to town regeneration (which is also featured in our Turnaround Towns UK report) and a final report that lays out a vision and approach to growing our places as prosperous, sustainable and resilient communities.

Under this thematic area, we also carried out a COVID-19 project to better understand local and community responses to the crisis. The project was conceived as our contribution to the need for sense-making in the immediate and medium-term

“ We carried out a COVID-19 project to better understand local and community responses to the crisis. The project was conceived as our contribution to the need for sense-making in the immediate and medium-term response to COVID-19.”

response to COVID-19. Over a six-month period the staff team had over 80 conversations with people from 16 communities across the UK, focussing on how organisations and communities were adapting to meet the needs of the people around them, and the evolving relationships between the public sector, the voluntary, community and social enterprise sector, and communities. Two reports were published: *Pooling Together* tells the story of the rapid development of the multi sectoral community hub; *COVID-19 and Communities* reflects on what has been learnt during this time and outlines hopes and opportunities for ways of working, identifying how the public sector and communities can develop sustainable ways of working together to respond to the needs of local people. It links to the guiding principles for recovery developed from the Enabling State programme.

As part of our work around shaping post-COVID-19 recovery across the UK, we have identified a shared, mutual interest with Power to Change and Barrow

Cadbury Trust around changing relationships between local public services and the community sector, catalysed by the COVID-19 pandemic. To understand the depth and significance of any change in these relationships, we co-designed a short research and learning project with New Local Government Network (now New Local). The Carnegie UK Trust funding allowed our case studies from Scotland and Wales to be included, widening the project scope from England to GB. This project, *Shifting the Balance of Power* involved peer-to-peer workshops and in-depth case studies and is due for publication in early 2021.

We continued our advocacy work by:

- Hosting a cross-jurisdictional event on community ownership of assets in towns held in York in the first quarter of the year and publishing a report of the key discussion points.
- Responding to the Scottish Parliament Local Government and Communities Committee’s Inquiry into what affects ‘community wellbeing’.
- Joining the governing board of Scotland’s Towns Partnership.
- Contributing to the Town Centre Action Plan Review which explored actions to support towns and town centres following the COVID-19 pandemic.



Developing wellbeing data for towns

Our core project under this outcome is Understanding Welsh Places; a website that presents data about more than 300 towns and communities in Wales. While other data websites present information on a local authority level, Understanding Welsh Places allows people to analyse statistics of every place in Wales with more than 2,000 residents. As well as exploring data about individual places, people can compare their town with other places, and find out about their town's relationship with nearby communities and others across Wales. It also allows people to upload their own information about their town, such as plans or places audits, to the website.

The Carnegie UK Trust, in partnership with the Welsh Government, commissioned the Institute of Welsh Affairs to manage the delivery of the website in 2018, overseen by a consortium of advisers. The build of the website was led by WISERD at Cardiff University, with additional data analysis by CLES .

In November we hosted the Understanding Welsh Places Festival, a series of online events supporting and inspiring local communities, decision-makers, planners and policy-makers to make positive changes to the places where they live and work. Over the three days we engaged with over 150 different people; a mixture of people from town and community councils, third sector organisations, social care sector, small businesses, housing associations, local authorities, academics, researchers, planners and both the UK and Welsh Government. This generated new users to the UWP website, as well as starting some interesting policy conversations including what more could Wales be doing with regards to community input into high street regeneration. The event videos are available online.

In late 2020 we released an update of UWP (referred to as UWP2) which included:

- The rollout of over 70 new place descriptions so that the story of each place is clearly summarised as much as possible by people living and working there.
- New variables for each place including data on access to services, access to green space, broadband availability, numbers of public toilets, numbers of generative businesses and mental health statistics, all of which will be crucial to how Wales builds its future after COVID-19.
- The addition of new Population Flow maps showing migrations and daily trips within Wales and across the border to England.

Other key activities and outcomes from this work are:

- UWP has become an approved resource for blended learning for secondary school children and University students on Welsh Government's HWB education website.
- We have been working on new innovative ways to engage the public with Understanding Welsh Places. This includes developing online training and webinars.
- The Welsh Government announced £90m for Transforming Towns, citing Carnegie UK Trust in the Welsh Assembly as a valuable data source.

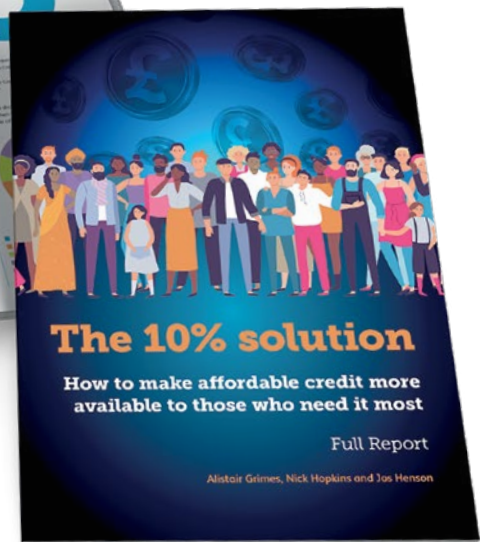
We began a new project on *Measuring Flourishing Towns*. Carnegie UK Trust is contributing to the Centre for Thriving Places and Power to Change proposal for a Measuring Flourishing Towns pilot. The project will consider the issues involved in producing a Thriving Places Index for Towns.

Fulfilling Work

Improving the financial position of workers

A major project for us in 2020 was our partnership with the Learning and Work Foundation to examine the future of the minimum wage in the UK. We published two reports during the year, exploring the attitudes of workers and employers to proposed increases in the minimum wage and the benefits and challenges involved. Our work has been supported by an advisory group, including representation from Be the Business, Confederation of British Industry, Federation of Small Businesses, Institute of Fiscal Studies, IPPR, Joseph Rowntree Foundation, Living Wage Foundation, Low Pay Commission, Recruitment and Employment Confederation, Resolution Foundation, Trade Union Congress and Trust for London. The final project report will be published in early 2021.

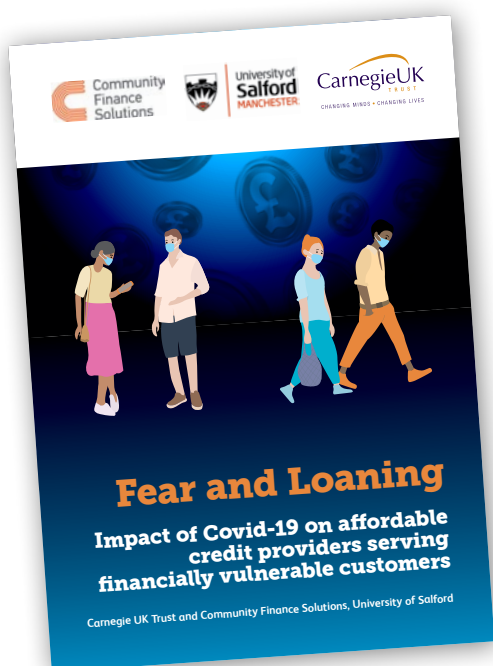
We continued our work throughout 2020 to improve the availability of more affordable credit across the UK. The COVID-19 pandemic had a significant impact on this area of public policy and service delivery and we sought to respond accordingly. We worked closely throughout the year with Fair4All Finance, the body established



|| We continued our work throughout 2020 to improve the availability of more affordable credit across the UK. The COVID-19 pandemic had a significant impact on this area of public policy and service delivery and we sought to respond accordingly."

to allocate £55 million of dormant bank account monies to improving access to affordable credit. We supported the delivery of Fair4All's funding support programme for the affordable credit sector in the first phase of lockdown and later in the year we supported the due diligence process for the next round of Fair4All Finance's funding scale up programme.

Working in partnership with the University of Salford, we published a new research report, 'Fear and Loaning' examining the impact of the pandemic for affordable credit providers across the UK, based on a survey and a series of interviews with providers. We also published our report 'The 10% solution' which set out options for seven local authorities in Scotland to extend the supply of affordable credit in their areas.



Supporting place-based interventions to improve work

We concluded our work this year examining the barriers and opportunities for how public sector procurement might improve the quality of jobs in the UK by recognising companies for their commitment to 'good work'. Working with our Carnegie Associates Deborah Harrison and Philip Edwards we continued to advance the case for this agenda through a series of advocacy activities and we were pleased to see the National Social Value Taskforce take forward our thinking on these issues.

We continued to facilitate our Affordable Credit Action Group throughout the year and undertook a wide range of other engagement and advocacy activities, including working with the Money and Pension Service on their UK Strategy for Financial Wellbeing.

In the autumn, we were asked by the Scottish Government, as part of their Programme for Government, to produce a set of proposals to further improve the availability of affordable credit in Scotland. We held a series of workshops to inform and develop our thinking on this and our final report will be published in early 2021. Through our Affordable Credit Loan Fund, managed by Social Investment Scotland, we made a further investment in 2020, to support the work of Conduit Scotland.

Supporting our affordable credit activity, we also continued to support our Credit Union Payroll project during 2020, working with five credit unions in Scotland to improve workers' access to savings and affordable loans. Activity in this project was delayed in much of 2020, due to the conditions of the COVID-19 pandemic and the project will now conclude in 2021.

Supporting strategic interventions to make 'better quality' work available to more people

We continued our work in 2020 to highlight the importance of 'good work' across a range of relevant policy agendas. Similarly to a number of our other areas of work, we dedicated significant time in 2020 to responding to the impact of the COVID-19 pandemic and examining its implications for good work. We published a major report on this subject in the autumn, based on a series of in-depth stakeholder interviews. The report set out our key findings across the different domains of good work and made more than 30 recommendations for action. We held an initial roundtable event to discuss the research findings and proposals; delivered a presentation on the results to more than 40 officials in the Department for Business Energy and Industrial Strategy; and have further advocacy activity planned for early 2021.

At the start of 2020 we published the outputs from our good work and productivity project, which examined how better quality jobs, that enhance wellbeing, can also improve business productivity. The outputs included an essay collection, featuring contributions from representatives of organisations including the CBI, TUC, McKinsey, Institute for Employment Research, Be the Business, Resolution Foundation, ACAS, Joseph Rowntree Foundation, the RSA, Kings College London and University of Oxford. We launched the report at a large public event at the RSA in London, which was also broadcast online. Andy Haldane, Chief Economist at the Bank of England, provided the keynote address for the event, a foreword for the essay collection and a blog for the Carnegie UK Trust website.

We also launched, in early 2020, our report with Operation Black Vote and UCL examining the relationship between precarious work, ethnicity and mental health, as experienced by young workers. We launched the report at a major event in the House of Commons, hosted by Clive Lewis MP, with contributions from senior representatives from the Runnymede Trust, RSA and the Royal College of Psychiatrists. Later in 2020, we published a follow up report, looking at the specific implications of the COVID-19 pandemic for ethnic minority workers.

W We continued our work in 2020 to highlight the importance of 'good work' across a range of relevant policy agendas. Similarly to a number of our other areas of work, we dedicated significant time in 2020 to responding to the impact of the COVID-19 pandemic and examining its implications for good work."



Trustees, Staff and Advisers

Honorary President

William Thomson CBE

Trustees

Sir John Elvidge KCB (*Chair*)

Dame Diana Brittan* (*Vice Chair until May 2020*)

Willie Campbell

Colin Firth *from May 2020*

Jane Livingstone

Megan Mathias MBE

George Murray *from May 2020*

Janet McCauslin MBE

Aideen McGinley* OBE (*Vice Chair from May 2020*) (*Convener of the Audit and Risk Committee from May 2020*)

Christine McLaughlin* (*Convener of the Finance and Corporate Services Committee from May 2020*)

William Perrin* OBE

Mike Reid*

Fiona Robertson*

Professor Mark Shucksmith OBE

Albert Tucker

David Walker* (*Convener of Finance and Corporate Services Committee*) *until May 2020*

Ian Wilson* (*Convener of Audit and Risk Committee*) *until May 2020*

**Audit and Risk Committee Members*

Chief Executive

Sarah Davidson CB

Staff

Georgina Bowyer – Policy and Development Officer

Pippa Coutts – Policy and Development Manager

Anna Grant – Senior Policy and Development Officer

Rachel Heydecker – Policy and Development Officer

Gail Irvine – Senior Policy and Development Officer

Alison Manson – Senior Corporate Services Officer

Rebecca Munro – Senior Corporate Services Officer (*Maternity Leave from May 2019 until February 2020*)

Genna Nelson – Corporate Services Officer

Hannah Ormston – Policy and Development Officer

Jenny Peachey – Senior Policy and Development Officer

Lauren Pennycook – Senior Policy and Development Officer

Liz Pullar – Finance Assistant

Lucy Smith – Senior Corporate Services Officer

Lauren Speed – Events and Communications Officer (*Maternity Leave from May 2020*)

Steven Thompson – Finance & Corporate Services Manager

Ben Thurman – Policy and Development Officer (*Temporary Senior Policy and Development Officer from April 2020*)

Jennifer Wallace – Head of Policy

Douglas White – Head of Advocacy

Carnegie Associates

Niall Alexander

Phillip Edwards

Zoe Ferguson (*until September 2020*)

Tom Forrest (*until May 2020*)

Dr Deborah Harrison

Dr Elizabeth Kelly

Cliff Manning

Katie Pekacar

Caroline Slocock

Maeve Walsh

Andy Wright

Steve Wyler

Advisers

External Auditor

Chiene + Tait LLP

Investment Managers

Cazenove Capital Management Ltd

Legal/Professional Advisers

Lindsays LLP

Anderson Strathern LLP

Mason, Hayes and Curran

Pension Advisers

LEBC Group

Public Affairs/Relations

Grayling (UK) Scotland

HR Advisers

VerusHR Ltd

Financial Review

Overview

2020 was a challenging year financially for the Trust with the COVID-19 Pandemic significantly impacting on the performance of the Trust's Investment Portfolio. Overall income in 2020 was £1.64m (£2.19m – 2019) and overall expenditure was £2.37m (£2.50m – 2019). The resultant deficit of £737k was budgeted for and funded under the Trust's Total Return Policy, through an approved transfer from the Trust's Unapplied Fund, which sits within the Investment Portfolio.

Income

Total income for 2020 was £1.64 million (£2.19 million – 2019). Unrestricted fund income totalled £1.31 million (£1.56 million – 2019). Restricted fund grant income was received from the Scottish Government of £78k (£nil – 2019), for the National Digital Ethics Citizen Group project and the Welsh Government of £25k (£40k – 2019), for the Understanding Welsh Places project. Restricted fund partnership funding of £176k (£88k 2019) was received from Luminare for work on the Trust's Social Harm Reduction project and £4k (£nil – 2019) was received from the University of Warwick to coordinate a Short Life Working Group. Donation income of £45k (£24k – 2019) was received from F.Perrin also for work on the Trust's Social Harm Reduction project.

Expenditure

Expenditure for 2020 was £2.37 million (£2.50 million – 2019). The Trust expended £1.92 million from unrestricted funds (£2.16 million – 2019) with £1.88 million (£2.12 million – 2019) expended directly on its Charitable Activities, with the main area of expenditure being Policy and Development activities £1.60 million (£1.92m – 2019). Further unrestricted grant payments of £129k (£39k – 2019) were made.

The Trust expended £414k (£296k – 2019) from Restricted Funds with £277k (£250k – 2019)

expended on specific Policy and Development projects and further restricted grant payments of £137k (£46k – 2019) being made.

Net expenditure before Gains/(Losses) on Investments for the year was £737k (£312k – 2019). This was a planned deficit funded from a transfer approved by Trustees, from the unapplied fund element of the Trust's endowment fund, a fund set up in November 2014 to support the Trust's strategic plan 2016 – 2020 and its total return approach to investments.

Investment Policy and Performance

The Trust's Discretionary Fund Manager, Cazenove Capital Management Ltd have a remit of growing both Capital and Income from the Trust's Investment Portfolio.

The main risk to the level of income received and market value of the Trust's Investments is the volatility of financial markets. The Trust mitigates against investment risk through its Statement of Investment Policy and delegates investment decisions to their Discretionary Fund Managers, Cazenove Capital Management Ltd, within agreed investment objectives, asset allocations and performance benchmarks, set by the Trust. The Trust's Board reviews investment performance against an agreed set of performance benchmarks on a quarterly basis, at their Board meetings. Overall Trustees are content with the performance of its Investment Portfolio in 2020 as measured against its benchmarks.

The Trust adopts a total return approach to investments. In order to provide future funding to achieve certainty, stability and sustainable growth over the period of the strategic plan 2016-2020, Trustees made the decision at the end of 2014, to de-risk the unapplied total return element of its investment portfolio by investing in low risk UK Gilts and Multi-Asset funds.

The Trust's investment portfolio currently retains 40% of its value in M&G Charifund Units, a UK equity based fund, and 60% in a mixed portfolio of UK and non UK equity funds and bonds. The Trust Investments are governed by its Statement of Investment Policy.

The value of the Trust's investments at 31 December 2020 were £39.37 million (*£41.97 million – 2019*). Income distributions relating to the Trust's investments in the year were £1.22 million (*£1.49 million – 2019*).

The Trust continues to monitor the performance of its Investments and throughout 2020 maintained regular contact with its Fund Manager Cazenove, regarding the impact of the COVID-19 Pandemic on the Trust's Investment Portfolio and what the forecasted effect would be for current and future income streams.

Whilst the impact of the COVID-19 Pandemic does give rise to short term implications of a reduction in investment income and the value of investments, the Trust is well placed to support all activities due to the ongoing positive cash flow and reserves and as a consequence continues to be a going concern.

In March 2021 Trustees approved a full review of its Investment Management Arrangements and plans are currently in process to go out to tender on this.

In 2021, financial markets improved in the first quarter and the value of the Trust's investments at 31 March were £40.59 million.

Grant Making Policy

The Trust's charitable activities now focus on proactive initiatives capable of influencing public policy and social change. Grants awarded are based on competitive selection, where partners are identified to take forward demonstration and/or research commissioned by the Trust to further its strategic work. The Trust no longer accepts unsolicited grant applications.

Reserves Policy

The Reserves policy set by Trustees is intended to retain sufficient operational expenditure in relation to its business continuity and contingency planning whilst also protecting the Trust from unexpected fluctuations in income from its investment portfolio over its five year strategic plan.

The Other Charitable Fund Reserve is an unrestricted fund, corresponding to sums accumulated from historical surpluses of income over expenditure which Trustees are free to use in accordance with the charitable objects of the Trust.

The appropriateness, purpose and level of reserves is reviewed by Trustees annually reflecting on expenditure decisions made, future workplans, partnership working and future income and capital growth forecasts.

In addition to the Other Charitable Fund Reserve held at 31 December 2020 of £2.61 million (*£2.02 million – 2019*), the Trust also held Restricted Funds of £360k (*£447k – 2019*) and Designated Funds of £1.05 million (*£1.53 million – 2019*).

The Trust also holds an Endowment Fund which was originally gifted by Andrew Carnegie in 1913. The Value of this fund at 31 December 2020 was £38.99 million (*£41.56 million – 2019*). The income from this fund is treated as unrestricted.

Trustees' Statement on Summary Accounts

The summary of accounts set out on pages 7 and 8 have been extracted from the full financial statements of the Trust which were approved on 2 June 2021 and do not constitute the Trust's statutory full financial statements. The full financial statements have been audited and the auditor's opinion was unqualified.

These Summary accounts may not contain sufficient information to allow for a full understanding of the financial affairs of the Trust. For further information, the full financial statements, the auditor's report on these statements and the report of the Trustees should be consulted. Copies of the full financial statements can be obtained from the Trust's office.

Summary Accounts

Statement of Financial Activities

Year to 31 December 2020

	Unrestricted Funds £	Restricted Funds £	Endowment Fund £	2020 Total £	2019 Total £
Income and Endowments from:					
Investments	1,224,502	-	-	1,244,502	1,486,755
Donations and Legacies	-	45,000	-	45,000	23,750
Charitable activities	-	282,726	-	282,726	603,000
Other Trading Activities	84,813	-	-	84,813	74,944
Total	1,309,315	327,726	-	1,637,041	2,188,449
Expenditure on:					
Raising funds	41,232	-	41,233	82,465	82,378
Charitable activities:					
Policy and Development	1,711,586	413,845	-	2,125,431	2,230,000
Charitable Initiatives	28,299	-	-	28,299	56,773
Other Charitable Activities	137,382	-	-	137,382	130,860
Total	1,918,499	413,845	41,233	2,373,577	2,500,011
Net (Expenditure)/Income before Gains (Losses) on Investments	(609,184)	(86,119)	(41,233)	(736,536)	(311,562)
Gains/(Losses) on Investments					
Realised	-	-	(326,091)	(326,091)	389,164
Unrealised	-	-	(1,487,120)	(1,487,120)	4,593,725
Net (Expenditure)/Income	(609,184)	(86,119)	(1,854,444)	(2,549,747)	4,671,327
Transfer to unrestricted funds	711,877	-	(711,877)	-	-
Net Movement in Funds	102,693	(86,119)	(2,566,321)	(2,549,747)	4,671,327
Reconciliation of Funds:					
Total funds brought forward	3,556,547	446,512	41,559,361	45,562,420	40,891,093
Total funds carried forward	3,659,240	360,393	38,993,040	43,012,673	45,562,420

Summary Accounts

Balance Sheet

As at 31 December 2020

	2020		2019	
	£	£	£	£
FIXED ASSETS				
Tangible fixed assets		871,857		871,730
Investments		39,373,516		41,974,375
Social Investments		1,006,377		1,006,466
Total fixed assets		<u>41,251,750</u>		<u>43,852,571</u>
CURRENT ASSETS				
Debtors	64,488		104,254	
Investments	793,861		789,941	
Cash at bank and in hand	1,288,186		1,191,943	
Total current assets		<u>2,146,535</u>		<u>2,086,138</u>
LIABILITIES				
Creditors: amounts falling due within one year	(385,612)		(376,289)	
Net current assets		<u>1,760,923</u>		<u>1,709,849</u>
Total net assets		<u>43,012,673</u>		<u>45,562,420</u>
THE FUNDS OF THE CHARITY				
Endowment funds		38,993,040		41,559,361
Restricted income funds		360,393		446,512
Unrestricted funds:				
Designated funds		1,050,614		1,531,884
Other charitable funds		2,608,626		2,024,663
Total charity funds		<u>43,012,673</u>		<u>45,562,420</u>

Approved by the Trustees on 2 June 2021 and signed on their behalf by:

SIR JOHN ELVIDGE
Chair of Trustees

CHRISTINE MCLAUGHLIN
Convener of the Finance and Corporate Services Committee

The Carnegie UK Trust works to improve the lives of people throughout the UK and Ireland, by changing minds through influencing policy, and by changing lives through innovative practice and partnership work. The Carnegie UK Trust was established by Scots-American philanthropist Andrew Carnegie in 1913.

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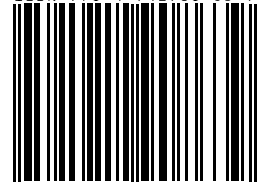
May 2021



CHANGING MINDS • CHANGING LIVES

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