



# Annual Review 2017

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 from the Chair and Chief Executive

2017 was another busy and productive year here at the Carnegie UK Trust. This was the second year of our Strategic Plan for 2016-2020 and we have been working hard to advance projects across our four themes of Digital Futures, Enabling Wellbeing, Fulfilling Work and Flourishing Towns.



Sir John Elvidge, Chair

A major highlight this year was the launch of our ‘Shining a Light’ report on public attitudes to and experience of public libraries across the UK and Ireland. Libraries are, of course, a hugely significant part of the Carnegie heritage. Our report, based on 10,000 interviews carried out for the Trust by Ipsos MORI with people in England, Scotland, Wales, Northern Ireland and Ireland, explored questions around how people value their library, how they use it and the improvements they’d like to enhance services in future. By comparing the data to the first iteration of the survey that we published five years ago, we were able to give a unique perspective on how libraries are shifting in public consciousness and experience. The report had widespread media coverage across the UK and we are working closely with library leadership institutions to advance activity across the report’s findings and recommendations.



Martyn Evans, Chief Executive

We were delighted to have the opportunity to take some of our key projects and partners to an international stage this year. In partnership with the OECD, we hosted a roundtable event in Paris with participants from governments at national and sub-national levels to explore the measurement of wellbeing as a mechanism for tracking social progress and driving policy action. The event provided a platform to highlight the impressive work of governments in Scotland and Northern Ireland in this arena. On the other side of the Atlantic, we were thrilled to be able to convene a group of UK digital policy experts and public library leaders for a 5-day study trip to New York to explore how American libraries are supporting citizens to develop their knowledge, understanding and skills in relation to online data privacy. The huge amount of learning participants gleaned from the trip is already manifesting itself in a range of new projects which will come to fruition in 2018.

Closer to home we have been developing a new project to support cross-jurisdictional learning – one of our key strategic objectives – between Scotland and Wales on the issue of towns. Our Understanding Scottish

Places data portal for Scottish towns, launched in 2014, has proved to be a valuable tool for policy makers and practitioners in Scotland and we were therefore delighted to announce a new partnership with the Welsh Government to develop a similar portal for Wales – Understanding Welsh Places – the development of which will begin in 2018.

In our Fulfilling Work theme, a major initiative for the Trust this year has been the establishment of a new Working Group to develop a set of measures for assessing and tracking progress on job quality across the UK. The Taylor Review of Modern Employment, commissioned by the Prime Minister and published in July, recommended the development of a new set of job quality metrics and we have established an expert cross-sectoral group of employee representatives, business, charities, think tanks and academics to respond to this challenge. The UK Government has committed to working with the Group and we look forward to reporting in 2018.

We reported last year on our ‘affordable credit’ project and the drive to tackle the poverty premium by making cheaper credit – delivered on a not-for-profit basis, linked to wider financial and social inclusion support – much more widely available to those most in need. We have been delighted at the progress on this agenda in 2017. During the year we have seen the number of Community Development Finance Institution (CDFI) outlets in Scotland rise from one to seven and there is now a growing recognition amongst a wide range of organisations that this is a public policy priority that merits real focus and attention. We look forward to more positive developments in 2018, including new projects with credit unions and the launch of new investment capital to support the expansion of affordable credit providers.

At the Trust this year, Angus Hogg retired as Chair in May after five successful years in the role and we have been delighted to welcome Sir John Elvidge, former Permanent Secretary of the Scottish Government and a Trustee of Carnegie UK Trust since 2014, as our new Chair.

As ever, we are grateful to all of our Trustees, staff, Fellows, Associates and partners for their incredible hard work and commitment throughout the year and we look forward to continuing these positive and productive relationships in 2018.



**Sir John Elvidge, Chair**



**Martyn Evans, Chief Executive**

# 2017 Wrapped Up



**300k+**  
website views



**10k+**  
blog  
readers

**2,000  
VIEWS**  
of our Place of  
Kindness film

**120 applications**  
to our Engaging Libraries project



**10** Better Way cells  
established



**70+** public presentations  
to nearly 4,000 people



**20+**  
external  
advisory  
groups

**80+** pieces of press coverage  
for our Shining a Light report



**20,000+**  
report downloads

**16**   
new reports

[www.carnegieuk.org](http://www.carnegieuk.org)



# Introduction

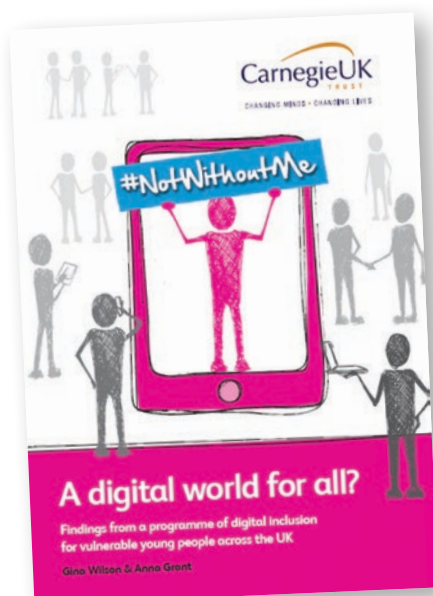
In 2017, the Trust remained committed to improving wellbeing for people in the UK and Ireland with particular regard to people who are disadvantaged. This was the second year of our 2016-2020 strategic plan, running policy and practice projects across our four thematic areas. As a modern operating trust, we have a role both to influence ideas and policy and to be active in testing and delivering real-life solutions – all with the aim of improving people’s wellbeing.

## Digital Futures

### #NOTWITHOUTME

There is no such thing as a ‘digital native’. Many young people need help and support to maximise the benefits and mitigate the risks of the digital age. Our #notwithoutme project is testing and promoting effective approaches to building the

digital skills of vulnerable young people. In 2017 we launched our key report, ‘A digital world for all?’, which showcased the findings from our partner projects in London, Scotland, Northern Ireland and Cumbria. We also held a major event at the BBC in Glasgow, showcasing the work of our partners and providing policy makers and practitioners with opportunity for challenge, debate and collaboration. Phase 2 of #notwithoutme launches in early 2018.



© Anna Grant



## DIGITALLY SAVVY CITIZENS

We launched our Digitally Savvy Citizens report in 2017, to explore how people across the UK and Ireland manage their information, privacy and security online. Building on our long-standing work on digital inclusion, and based on representative population samples in England, Scotland, Wales, Northern Ireland and Ireland,

Digitally Savvy Citizens considers a myriad of different questions about how people navigate information and privacy issues online – such as ‘do people turn off phone location data’ and ‘do people verify information from multiple sources’.



## DIGITAL AND BREXIT

The consequences of the UK leaving the EU are highly unpredictable across a wide array of public policy issues. A great deal will depend on the detailed arrangements that are established to determine the UK's future relationship with the EU. In 2017 we published ‘Brexit – Implications for Digital Citizens and Consumers’. In this report, former Number 10 Telecommunications Policy Advisor William Perrin, provides an expert, independent assessment of the opportunities and risks that Brexit brings for our relationship with digital technology. The report provides a starting point to a wide range of relevant issues, seeks to inform priorities and identifies what a good outcome looks like for digital citizens and consumers.

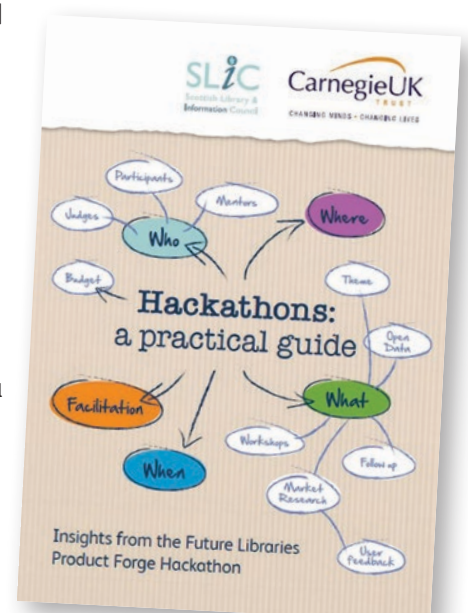
## BALANCING PRIVACY AND PUBLIC BENEFIT

Data sharing between public agencies has potential for significant public good by improving the design and delivery of public services. It also brings many risks. In partnership with Involve and Understanding Patient Data, we are exploring how government, civil society and advocacy groups make sense of and balance the potential risk and reward of data sharing across services. In 2017 we held in-depth workshops with partners in six local authority areas – Manchester, Leeds, Sheffield, Essex, West Midlands and Melton – to explore the key issues. The final report, with findings from the workshops and recommendations for action at national and local level, will be published in early 2018.



## HACKATHONS

Our Libraries Hackathon project is working with the library sector and wider public services to demonstrate the potential for innovation and to share learnings and practical guidance for hosting and running immersive and alternative service design events. In 2017 we published our guide on running Hackathon events, and embarked on a project to run two new Hackathons with library services in 2018.





## DIGITAL PUBLIC SERVICES

The digitisation of public services brings many significant benefits for citizens but also presents some challenges. We are working with the British Library and Arts Council England to explore the development of a single digital presence for public libraries. A single digital presence could provide public libraries with the opportunity to revisit their core mission and provide a transformative digital service for their users. The development of such a service is highly complex and with our support the British Library is leading the examination and testing of what a potential model could look like. We are also continuing our work with the Scottish Government and a major housing association to examine the quality of life benefits delivered by a new technology system for tenants.



© Courtesy of the Carnegie Council

## Engaging Libraries Programme Portfolio



- Release the Pressure, City of London
- No Filter, Essex
- Empathy Day, Jointly: Essex, St Helens, Libraries Unlimited (Devon) and Sheffield
- The Final Party - Celebrating Death through Celebrations of Life: Redbridge
- Body, Image and Mind, Leeds
- Brainworks, East Dunbartonshire
- Talking 'Bout Teddies, Dundee
- Great Minds, Lancashire
- The Travelling Happiness Bar, Bolton
- Comics and Cosplay; Caring for Young Minds, Oldham
- Slipper Talk, Torfaen
- Teddy Bears Picnic, Bexley
- Library Takeovers: Creating a Space for All, Somerset
- You Can't Judge a Book by its Cover, Norfolk

Visit the project web page to find out more [www.bit.ly/engalibs](http://www.bit.ly/engalibs)

## ENGAGING LIBRARIES

In partnership with the Wellcome Trust we launched Engaging Libraries in 2017 to support public libraries across the UK to deliver creative and imaginative public engagement projects on health and wellbeing. Fourteen projects are being supported, from over 100 high quality applications. Activities that the participating libraries, from Dundee to Somerset, are delivering explore a variety of health issues and include the development of graphic novels, teddy bear picnics, theatre performances, vlogs and podcasts; and a 'travelling happiness bar'. Projects will complete in 2018.

## LIBRARIANS AND ONLINE DATA PRIVACY

In the digital age, questions about how we understand and manage our data privacy online are ever more pressing. We are interested in how public librarians, as information professionals in local communities, can help people to navigate this challenge. In 2017 we took a group of senior representatives from the public library sector and other key stakeholders on a study visit to New York to understand how American librarians are tackling these issues. We also embarked on a project with Newcastle Libraries to develop a toolkit for public libraries and we commissioned Ipsos MORI to undertake a literature review of existing data on public attitudes to data privacy. The toolkit and review will both be launched in 2018.

## MEASURING THE IMPACT OF SCOTTISH LIBRARIES

In a world where competition for resources is becoming ever more challenging, public libraries need to be able to demonstrate more than ever the significant positive impact they deliver for local communities. In 2017 we supported the Scottish Library and Information Council (SLIC) to commission a study examining best practice in library impact measurement. The results from the work will be used to inform the refresh of Scotland’s national public library strategy, which SLIC are leading and which will be completed in 2018.

## SHINING A LIGHT

We launched Shining a Light, our major report on people’s attitudes to and use of public libraries, in 2017. The study is based on 10,000 interviews with people from across the UK and Ireland and tracks how people’s views and experience of libraries have changed over the past five years. The publication set included a policy report, comprehensive data booklet and individual country factsheets for England, Scotland, Wales, Ireland and Northern Ireland. The report has been widely disseminated and used by the public library sector and was our most downloaded publication in 2017.

## CARNEGIE LIBRARY LAB

Libraries need great leadership to survive and thrive. Our Library Lab development programme aims to support the advancement of innovation and leadership in public libraries. Emerging public library leaders who participate in the programme have a unique opportunity to develop and deliver a practical, innovative project, take part in mentoring and networking activities and engage in a bespoke online learning programme. In 2017 we continued working with our second cohort of project participants, from libraries in Lambeth, Exeter, Pyle, North Somerset, Falkirk and Dungiven and Limavady. We published a ‘snapshot’ report on their progress. Between them our Cohort 2 partners delivered more than 200 events and engaged more than 3,000 people across their projects. The third round of Library Lab opens for applications in early 2018.



# Fulfilling Work



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## MEASURING JOB QUALITY

We have a well-established set of statistics and measures for understanding **quantity** of work in the UK. That is, who has work, who doesn't, and is work more or less available than it was in previous months, years and decades? We don't at present, have the same robust, consistent approach for understanding **quality** of work – what it is, who has it and is it, overall, going up or down? In 2017, in partnership with the Royal Society of Arts, we convened a short-life working group to develop a new framework for measuring job quality in the UK. The 2017 Taylor Review suggest an outcome that 'all work should be fair and decent with realistic scope for development and fulfilment', and recommends the Government should identify a set of metrics against which it can track progress against this goal. Our group is seeking to respond to this recommendation and will report in 2018. Group members include representatives from organisations including the TUC, Federation of Small Businesses, IKEA, Tesco, Office for National Statistics, Institute for Employment Research, ACAS, CIPD, What Works Wellbeing, Joseph Rowntree Foundation, IPPR, Resolution Foundation and the Work Foundation.

## BREXIT AND FULFILLING WORK

The UK's exit from the EU has the potential to bring significant changes to the world of work. In 2017 we published a new report, by Professor Alan McGregor at the University of Glasgow, examining the risks and opportunities that Brexit might bring for fulfilling work in the UK. The report considers key issues, including the size and structure of the economy, migration, employment laws and regulation and EU structural funding, and sets out 10 recommendations to ensure the best outcomes for UK citizens.



## LIVING WAGE PLACES

The Living Wage provides an important mechanism through which workers can improve their experience of work through an acceptable, increased minimum level of pay. The real Living Wage rates are independently-calculated each year, based on what people need to get by. The rates are currently set at £8.75 for the UK, and £10.20 for London. Over 4000 employers in the UK have committed to paying their employees the Living Wage. Recently, a number of local places in the UK have expressed interest in becoming a Living Wage town, city or region. To date, however, there has been no consensus on what this would mean in practice. This has created risks around a lack of formal recognition and the use of different criteria in different places, which could undermine and devalue the Living Wage brand and mission. In 2017 we worked in partnership with the Poverty Alliance, who deliver the Living Wage programme in Scotland, to deliver a feasibility study into a series of possible models for a Living Wage Place recognition system. The outcomes of the study will be developed into pilot projects in England and Scotland that the Trust will support in 2018.





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## AFFORDABLE CREDIT

The question of how to make affordable credit available to people who cannot access mainstream forms of credit, such as overdrafts, bank loans or credit cards, is a complex and contested public policy issue. We continued our work in 2017 to support and promote affordable alternatives for those most in need. We were delighted that six new affordable credit outlets opened across Scotland this year, in Edinburgh, Greenock, Falkirk, Bathgate, Dunfermline and Kirkcaldy. We provide a range of support to these new initiatives, through our national Affordable Credit Action Group, led by the Very Reverend John Chalmers, former Moderator of the Church of Scotland and through our expert Carnegie Associate Niall Alexander. We'll be continuing our work in 2018, with more exciting developments anticipated, including a £1 million investment to establish an Affordable Credit Loan Fund.

## WORK AND WELLBEING

Our experience of the world of work has a significant impact on our wellbeing. Following the publication of our Work and Wellbeing report, which examined how work contributes to our quality of life and who is least likely to experience fulfilling work, we held two roundtable events in 2017 to discuss the issues highlighted in the report. Our event in Newcastle, with the Institute for Social Renewal, focused on the key challenges and opportunities for North East England. Our event in London, with the Royal Society of Arts, looked at the issues from a whole-UK perspective. Senior representatives from key public, private, charitable and academic institutions attended each event, both of which sparked lively debate and generated new projects that will be delivered in 2018.



© Gail Irvine



## GIVE SOMETHING BACK

In 2017 we supported the Charity Retail Association and Demos to publish *Shopping for Good*, a new report examining the social value delivered by charity retailers in the UK. The research explored the value that charity retailers bring to the high street and also looked at the employment experience of those working and volunteering in the sector. The report provides new findings, demonstrating that for volunteers and work placements, charity shops can provide a variety of positive outcomes from the opportunity to contribute to their community or a particular cause, to building vital skills and confidence to support access to paid employment.

# Flourishing Towns

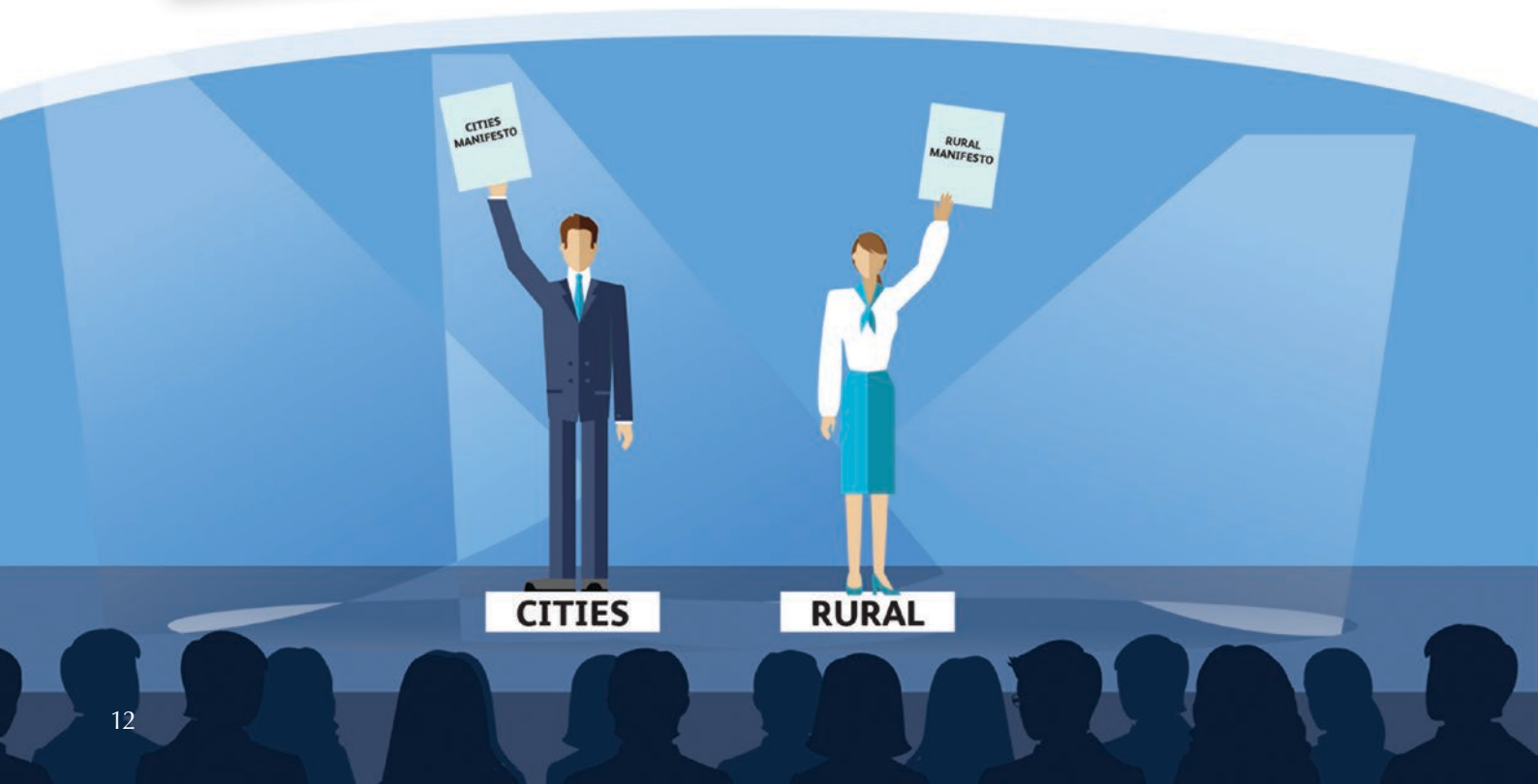
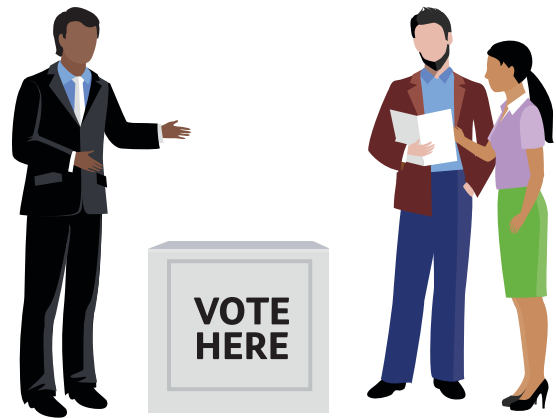
## TURNAROUND TOWNS

Through our Turnaround Towns project we've examined international examples of towns that have successfully gone through a transformation process. In 2017 we continued this work, sharing the learning with stakeholders in the UK and thinking about the implications for policy and practice here. We held two roundtable discussions in Wales and a further one in the North East of England and published our report Supporting Local Places and Local People, with recommendations for Welsh and local government, the voluntary and business sectors, and individuals and communities with an interest in the wellbeing of towns.



## SEARCHING FOR SPACE

As the home to millions of citizens, businesses, and service providers, towns are extremely important places across the UK and Ireland. In 2017 we published our Searching for Space report, which examined how public policy addresses towns across the jurisdictions. We found that towns are not well served by policy design. There are well-developed policies designed to progress cities and rural areas, and often powerful groups working on their behalf, while supporting community-level development. However, towns are a neglected area of public policy – they are rarely taken as the basis for formal policymaking, or have the policy levers available to them to influence their fortunes.



## USP AND UWP



Towns need better data to help them understand their area and identify the issues they want to tackle. We continued our work in 2017 on the USP initiative, a unique data platform developed by a multi-stakeholder consortium, which allows people to compare and contrast information on almost 500 Scottish towns. We also announced a new partnership with the Welsh Government to develop UWP, a new data platform that will improve the understanding and evidence base for Welsh Towns. UWP, which will be developed in 2018, aims to collate data-driven insights that will inform national and local policy decisions about towns in Wales.

## TWIN TOWNS

Towns can learn and develop by working together. We continued our Twin Towns project in 2017, to support pairs of towns from across the UK to work together to make positive change in their communities. We worked with five pairs of towns, including towns from the North East, Lancashire, Yorkshire, Wales, Northern Ireland and central Scotland. The twinned towns share similar characteristics and challenges. We worked with the towns, providing support, guidance and funding to enable them to exchange learning and develop projects to boost economic and social prosperity in their town.



© Gina Wilson



© Keith Heppell Photography

## TEST TOWN LEGACY

We continued to share the resources and products from our Test Town project in 2017. Based on our unique TestTown programme for high street entrepreneurialism, our Build Your Own TestTown guide and online portal provide learning and support for towns and organisations across the UK to deliver their own, independent pop-up enterprise initiatives. We continued to promote and market these resources throughout 2017.

# Enabling Wellbeing

## THE POWER AND PLACE OF KINDNESS

Kindness is at the very heart of our wellbeing. We continued our work on this vital agenda in 2017. We published our Place of Kindness report and film, led by our Carnegie Associate Zoe Ferguson. Through this initiative we worked with seven organisations to test what, if anything, could be done to encourage kinder communities, exploring ideas around the importance of places and opportunities to connect, and the intrinsic values underpinning our interactions and relationships. We also began our work led by Carnegie Fellow Julia Unwin, to take these conversations to a strategic level to understand what needs to change in public policy to promote kindness across the UK. All of this work will continue in 2018.



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## ENABLING STATE

Our Enabling State project aims to describe the paradigm shift that is transforming the UK welfare state to an enabling state. This shift is characterised by a recognition that traditional ‘top down’ approaches can no longer solve the complex social problems that we face as a society. The state needs to play a more facilitative and enabling role which empowers individuals and communities to have more control over their personal wellbeing and our collective wellbeing as a society. We continued our work on this agenda in 2017. Our What Citizens Want study explored, in partnership with the University of Edinburgh and three housing associations, how professional public services fit into people’s everyday life. The report offered recommendations to support personal agency and ensure services link effectively with informal emotional and practical support from friends, family and the wider community. Our Fairness Commissions and Enabling State report examined how Fairness Commissions as a model for social change at a local level, might support greater civic wellbeing in a more enabling state.



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## CITIZENS RISING

We continued to work with the Wheel in Ireland in 2017, to support cross sectoral partners to realise a new vision for citizen empowerment and greater participative democracy. The four strands of the work – active citizenship and an independent community voluntary sector; citizen participation in public service design and delivery; developing the link between economic and social wellbeing and participation; and ongoing engagement and advocacy activity – all continued throughout the year and will complete their activities in 2018.



## EVIDENCE IN POLICY

Policy making that improves wellbeing relies on good quality evidence. We published our Scottish Approach to Evidence report in 2017, in partnership with the Alliance for Useful Evidence. Stimulated by debates at a roundtable discussion with senior stakeholders from academia, the third sector and government, the report examined the specific public policy context in Scotland and implications for evidence use and generation, identifying a series of required future actions. We also re-ran our Evidence Exchange survey to update our understanding of how policymakers and practitioners across the UK access and use evidence, including co-produced evidence.

## UNDERSTANDING WELLBEING

We continued our work in 2017 as leading advocates for wellbeing frameworks that allow governments at all levels to meaningfully measure social progress for citizens. We published the report of our Northern Ireland wellbeing conference, Towards a Wellbeing Framework: From Outcomes to Actions. We also continued our positive engagement with the Scottish Government, and completed our research into public views on the national outcomes for Scotland, to inform a refresh of the national performance framework. We continued to work internationally, including engagement with the OECD.



## BETTER WAY

Our Better Way network, led by Carnegie Associates, Steve Wyler and Caroline Slocock continued to expand in 2017. The aim of the network is to support a cross-sectoral group of social activists to share ideas and inspiration, to improve services and build stronger communities. There are now more than ten Better Way cells active in the UK, involving more than 200 members. The network has also launched an online platform and published a series of insights into the thinking behind its key principles. This work will be continuing in 2018.



## WELFARE AND SOCIAL SECURITY

The devolution of social security powers to the Scottish Parliament for the first time brings new opportunity to consider the construction of the welfare benefits system in Scotland. The Trust worked with Policy Scotland in 2017 to bring UK and Scottish academics and policy makers together to discuss the challenging issue of ‘conditionality in progressive welfare benefit systems.’



## GOVERNING ENGLAND

English devolution and governance is a critical issue in UK constitutional debates. In 2017 we worked in partnership with the British Academy on the Governing England project to address some of the key issues relating to this agenda. The project is examining questions relating to identity and institutions and the relationship between the two, as well as debates on parliament, government, and the political parties. It is exploring whether England and English identity are becoming more distinct and politically assertive. Governing England also investigates the governance of England’s cities and regions, considers the implications of changes such as ‘English Votes for English Laws’ for the UK constitution as a whole, and the relationship between institutional change and political identity at the regional level. The work will continue in 2018.



# Sponsorship

The Trust continued two long-standing sponsorship activities in 2017.

We continued our long-standing support for the Carnegie Medal for Children’s literature, which is administered and judged by the Chartered Institute of Library and Information Professionals (CILIP). This year’s winner was Ruta Sepetys for her novel *Salt to the Sea*.

We also continued to provide sponsorship to Community Land Scotland (CLS) in 2017, enabling CLS to engage in a range of activities to promote the value of and opportunity for community land ownership throughout Scotland and other parts of the UK.



# Trustees, Staff and Advisers

## Honorary President

William Thomson CBE

## Trustees

Sir John Elvidge (*Chair from May 2017, Convener of Finance and Corporate Services Committee until May 2017*)

Angus Hogg (*Chair until retiring in May 2017*)

Carol Madison Graham (*Vice Chair*)

Dame Diana Brittan\*

Lynne Lamont\*

Jane Livingstone

Janet McCauslin

Aideen McGinley OBE

Mike Reid

Richard Davies (*until May 2017*)

Fiona Robertson\*

Professor Mark Shucksmith OBE

Albert Tucker

Douglas Scott (*until May 2017*)

David Walker\* (*Convener of Audit and Risk Committee until May 2017, Convener of Finance and Corporate Services Committee from May 2017*)

Ian Wilson\* (*Convener of Audit and Risk Committee from May 2017*)

Willie Campbell (*from May 2017*)

\**Audit and Risk Committee Members*

## Chief Executive

Martyn Evans

## Staff

Georgina Bowyer – Policy and Development Officer (*Maternity Leave from November 2017*)

Jenny Brotchie – Policy and Development Officer (*Maternity Leave from June 2017*)

Lauren Coutts – Events and Communications Officer (*from June 2017*)

Anna Grant – Policy and Development Officer

Natalie Hancox – Policy and Development Officer (*from August 2017*)

Rachel Heydecker – Policy and Development Officer (*from August 2017*)

Gail Irvine – Policy and Development Officer

Alison Manson – Corporate Services Officer (*from June 2017*)

Rebekah Menzies – Policy and Development Officer

Rebecca Munro – Corporate Services Officer (*from July 2017*)

Genna Nelson – Corporate Services Officer

Jenny Peachey – Senior Policy and Development Officer

Lauren Pennycook – Policy and Development Officer

Liz Pullar – Finance Assistant

Lucy Smith – Senior Corporate Services Officer

Steven Thompson – Finance & Corporate Services Manager

Jennifer Wallace – Head of Policy  
Douglas White – Head of Advocacy

Gina Wilson – (Acting)

Development Manager (*until 30 June 2017*) Senior Policy and Development Officer (*from 1 July 2017*).

## Carnegie Fellows

Angus Hogg MBE – International Fellow (*from May 2017*)

Julia Unwin CBE

## Carnegie Associates

Niall Alexander

Andy Wright

Mark Diffley

Martyn Wade

Pippa Coutts

Zoe Ferguson

Tom Forrest

Pauline Radcliffe

Caroline Slocock

Steve Wyler OBE

## Advisers

### External Auditor

Chiene + Tait LLP

### Investment Managers

Cazenove Capital Management Ltd

### Legal/Professional Advisers

Lindsay's LLP

Anderson Strathern LLP

Mason, Hayes and Curran

VI Pension Law Ltd

Thomson Dickson Consulting Ltd

### Public Affairs/Relations

Grayling (UK) Scotland

### HR Advisers

VerusHR Ltd

# Finance and Corporate Services Report

## Income

Total income for 2017 was £2.03 million (£1.76 million – 2016). Unrestricted fund investment income totalled £1.55 million (£1.59 million – 2016). Restricted fund grant income was received from the Scottish Government of £99.5k (£73.5k – 2016), Joseph Rowntree Foundation £25k (£25k – 2016), the Wellcome Trust £201k (£25k – 2016) and Oak Foundation £77k. Partnership funding was received from the Scottish Government of £18.9k for research work for the Legal Aid Review project.

## Expenditure

Expenditure for 2017 was £2.49 million (£1.97 million – 2016).

The Trust expended £2.16 million from unrestricted funds (£1.8 million – 2016) with £2.12 million (£1.66 million – 2016) expended directly on its Charitable Activities, with the main area of expenditure being Policy and Development activities £1.74 million (£1.55m – 2016). Further unrestricted grant payments of £171k (£117k – 2016) were made.

The Trust expended £306k (£134k – 2016) from Restricted Funds with £184k (£108k – 2016) expended on specific Policy and Development projects and further restricted grant payments of £122k (£26k – 2016) being made.

Net expenditure before Gains/(Losses) on Investments for the year was £458k. 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.

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 next 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 54% of its value in M&G Charifund Units, a UK equity based fund, and 46% 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 2017 was £42.1 million (£40.9 million – 2016). Income distributions relating to the Trust's investments in the year were £1.55 million (£1.59 million – 2016). The Trust continues to monitor the stock market and its impact on the endowment and its related income stream.

## Reserves Policy

£1.51 million (£978k – 2016) of funds has been allocated to specific grants and funding for multi year projects, which remain unpaid at the year-end (restricted and designated funds).

The General Reserve (designated funds) remained at £950k in line with the Trust's five-year strategic plan. This represents the Trustees' policy of retaining sufficient funds for operational expenditure in relation to its business continuity and contingency planning. It is subject to future reviews taking into account the continued development of the Trust's policy of partnerships to support its strategic work as outlined in the new five year strategic plan.

The remaining unrestricted reserves of £1.39 million (£1.88 million – 2016) are maintained for existing Trustee approved expenditure commitments against multi-year projects.

### **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.

### **Trustees' Statement on Summary Accounts**

The summary of accounts set out on pages 20 and 21 have been extracted from the full financial statements of the Trust which were approved on 23 May 2018 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 2017

	Unrestricted Funds £	Restricted Funds £	Endowment Fund £	2017 Total £	2016 Total £
<b>Income and Endowments from:</b>					
Investments	1,548,707	-	-	1,548,707	1,585,817
Donations and legacies	130	-	-	130	34,685
Charitable activities	-	421,324	-	421,324	123,458
Other Trading activities	64,395	-	-	64,395	14,073
<b>Total</b>	<b>1,613,232</b>	<b>421,324</b>	<b>-</b>	<b>2,034,556</b>	<b>1,758,033</b>
<b>Expenditure on:</b>					
Raising funds	31,234	-	31,233	62,467	56,127
Charitable activities:					
Policy and Development	1,872,578	305,809	-	2,178,387	1,763,953
Charitable Initiatives	116,264	-	-	116,264	51,330
Other Charitable Activities	135,252	-	-	135,252	94,986
<b>Total</b>	<b>2,155,328</b>	<b>305,809</b>	<b>31,233</b>	<b>2,492,370</b>	<b>1,966,396</b>
<b>Net (Expenditure)/Income before Gains/(Losses) on Investments</b>	(542,096)	115,515	(31,233)	(457,814)	(208,363)
<b>Gains/(Losses) on Investments</b>					
Realised	-	-	201,556	201,556	288,270
Unrealised	-	-	2,488,701	2,488,701	3,238,872
	-	-	2,690,257	2,690,257	3,527,142
<b>Net (Expenditure)/Income</b>	(542,096)	115,515	2,659,024	2,232,443	3,318,779
Transfer to unrestricted funds	470,000	-	(470,000)	-	-
<b>Net Movement in Funds</b>	(72,096)	115,515	2,189,024	2,232,443	3,318,779
Reconciliation of Funds:					
Total funds brought forward	3,681,422	124,837	39,479,679	43,285,938	39,967,159
<b>Total Funds carried forward</b>	<b>3,609,326</b>	<b>240,352</b>	<b>41,668,703</b>	<b>45,518,381</b>	<b>43,285,938</b>

# Summary Accounts

## Balance Sheet

As at 31 December 2017

	2017		2016	
	£	£	£	£
<b>FIXED ASSETS</b>				
Tangible fixed assets		967,153		998,267
Investments		42,125,307		40,865,164
Social Investments		1,000,000		-
<b>Total fixed assets</b>		<u>44,092,460</u>		<u>41,863,431</u>
<b>CURRENT ASSETS</b>				
Debtors	137,622		276,328	
Investments	1,064,354		959,187	
Cash at bank and in hand	740,267		573,521	
<b>Total current assets</b>	<u>1,942,243</u>		<u>1,809,036</u>	
<b>LIABILITIES</b>				
Creditors: amounts due within one year	(516,322)		(386,529)	
Net current assets		<u>1,425,921</u>		<u>1,422,507</u>
<b>Total net assets</b>		<u>45,518,381</u>		<u>43,285,938</u>
<b>THE FUNDS OF THE CHARITY</b>				
Endowment fund		41,668,703		39,479,679
Restricted income funds		240,352		124,837
Unrestricted funds:				
Designated funds		2,221,042		1,803,200
Other charitable funds		1,388,284		1,878,222
<b>Total charity funds</b>		<u>45,518,381</u>		<u>43,285,938</u>

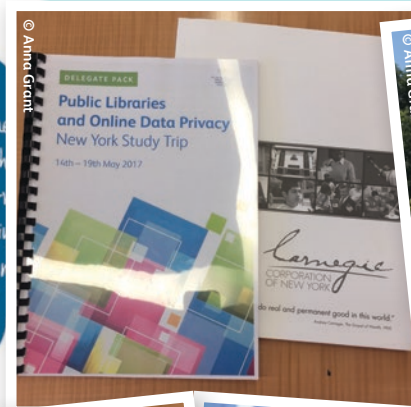
Approved by the Trustees on 23 May 2018 and signed on their behalf by:

**SIR JOHN ELVIDGE**  
Chair of Trustees

**DAVID WALKER BA CA FCCA**  
Convener of Finance and Corporate Services Committee



"Being a Carnegie Partner...I have had the opportunity to work with people and do things I otherwise wouldn't have had. This brings benefits to my project and career more generally"







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