

Registered number: 01792921
Charity number: 515060

LOCAL SOLUTIONS

(COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024



LOCAL SOLUTIONS

CONTENTS

For the year ended 31 March 2024

	PAGE
Legal and Administrative Details	1
Message from the Chair and Chief Executive	2
Report of the Trustees incorporating the Strategic Report	3 – 18
Report of the Independent Auditor	19 – 22
Statement of Financial Activities incorporating the Income and Expenditure Account	23
Balance Sheet	24
Cash Flow Statement	25
Notes to the Financial Statements	26 – 41

LOCAL SOLUTIONS

LEGAL AND ADMINISTRATIVE DETAILS

For the year ended 31 March 2024

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

Company registration number: 01792921

Charity registration number: 515060

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

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

Chief Executive: Robert Thomas Harrison

Secretary: Karen Paton

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

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

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

LOCAL SOLUTIONS

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

For the year ended 31 March 2024

A message from our Chair and Chief Executive

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

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

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

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

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

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

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

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

Hazel and Tom



Hazel Snell
Chair
Date: 15th August 2024



Tom Harrison
CEO
Date: 15th August 2024

Email: info@localsolutions.org.uk
Website: www.localsolutions.org.uk

LOCAL SOLUTIONS

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

For the year ended 31 March 2024

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

OBJECTIVES

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

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

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

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

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

ORGANISATIONAL PURPOSE

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

Social Care

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

Support and Accommodation

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

Communities

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

LOCAL SOLUTIONS

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

For the year ended 31 March 2024

LEADERSHIP, BOARD EFFECTIVENESS, OPENESS AND ACCOUNTABILITY

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

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

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

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

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

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

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

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

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

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

The Board welcomed one new Trustee during the year:

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

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

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

LOCAL SOLUTIONS

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

For the year ended 31 March 2024

INTEGRITY

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

DECISION MAKING, RISK AND CONTROL

Decision Making

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

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

Risk Management

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

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

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

Principal Risks and Challenges

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

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

LOCAL SOLUTIONS

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

For the year ended 31 March 2024

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

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

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

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

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

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

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

LOCAL SOLUTIONS

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

For the year ended 31 March 2024

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

Serious Incidents and Safeguarding

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

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

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

DIVERSITY

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

Statement of Commitment

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

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

LOCAL SOLUTIONS

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

For the year ended 31 March 2024

Our Commitment as an Employer

Local Solutions is committed to:

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

Our Commitment as a Service Provider

Local Solutions is committed to:

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

Employment of Disabled Persons

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

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

LOCAL SOLUTIONS

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

For the year ended 31 March 2024

Employee Involvement

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

STRATEGIC REPORT

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

OVERVIEW OF THE YEAR

KEY HIGHLIGHTS

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

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

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

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

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

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

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

LOCAL SOLUTIONS

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

For the year ended 31 March 2024

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

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

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

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

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

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

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

Transform Social Care

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

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

LOCAL SOLUTIONS

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

For the year ended 31 March 2024

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

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

End Homelessness

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

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

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

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

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

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

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

LOCAL SOLUTIONS

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

For the year ended 31 March 2024

Empower Communities

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

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

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

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

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

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

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

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

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

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

LOCAL SOLUTIONS

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

For the year ended 31 March 2024

PUBLIC BENEFIT

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

PLANS FOR FUTURE PERIODS

High Level Ambitions

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

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

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

Our 3 Big Missions:

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

Our Objectives:

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

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

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

LOCAL SOLUTIONS

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

For the year ended 31 March 2024

FINANCIAL REVIEW

Income and Expenditure

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

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

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

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

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

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

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

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

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

Balance Sheet

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

LOCAL SOLUTIONS

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

For the year ended 31 March 2024

Reserves Policy

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

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

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

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

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

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

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

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

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

LOCAL SOLUTIONS

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

For the year ended 31 March 2024

Investment Policy

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

Funding

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

Going Concern

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

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

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

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

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

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

LOCAL SOLUTIONS

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

For the year ended 31 March 2024

Statement of Trustees' Responsibilities

The Trustees (who are also Directors of Local Solutions for the purposes of Company Law) are responsible for preparing the Strategic Report, the Annual Report, and the financial statements in accordance with applicable law and regulations. Company Law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company Law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company for that period.

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

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

In so far as each of the Trustees is aware:

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

Trustee Indemnity Insurance

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

LOCAL SOLUTIONS

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

For the year ended 31 March 2024

Auditor

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

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



Hazel Snell
Chair

Date: 15^h August 2024

LOCAL SOLUTIONS

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF LOCAL SOLUTIONS

For the year ended 31 March 2024

OPINION

We have audited the financial statements of Local Solutions (“the Charitable Company”) for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company’s affairs as at 31 March 2024 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions related to going concern

In auditing the financial statements, we have concluded that the trustees’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

LOCAL SOLUTIONS

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF LOCAL SOLUTIONS

For the year ended 31 March 2024

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report and the strategic report prepared for the purposes of company law, is consistent with the financial statements; and
- the strategic report and the directors' report, which are included within the trustees' report, have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustee's report.

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

LOCAL SOLUTIONS

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF LOCAL SOLUTIONS

For the year ended 31 March 2024

Responsibilities of Trustees

As explained more fully in the statement of trustees' responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

Capability of the audit in detecting irregularities, including fraud

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

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

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

LOCAL SOLUTIONS

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF LOCAL SOLUTIONS

For the year ended 31 March 2024

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

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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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



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

15th August 2024

Chartered Accountants
Statutory Auditor

Castle Chambers
43 Castle Chambers
Liverpool
L2 9TL

LOCAL SOLUTIONS

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2024

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

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

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

LOCAL SOLUTIONS

BALANCE SHEET

As at 31 March 2024

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

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



Hazel Snell

Trustee

Company Number: 01792921

LOCAL SOLUTIONS

CASH FLOW STATEMENT

For the year ended 31 March 2024

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

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

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

ACCOUNTING POLICIES

Charity Information

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

Accounting Convention

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

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

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

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

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

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

GOING CONCERN POLICY

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

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

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

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

INCOME

Fee income

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

Grants receivable and Deferred Income

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

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

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

Donations and legacies

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

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

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

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

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

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

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

EXPENDITURE

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

Allocation of Overheads

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

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

FUND ACCOUNTING

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

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

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

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

TANGIBLE FIXED ASSETS AND DEPRECIATION

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

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

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

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

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

The rates generally applicable are:

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

Impairment of fixed assets

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

VALUE ADDED TAX

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

Employee benefits

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

RETIREMENT BENEFITS

Defined Contribution Pension Schemes

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

OPERATING LEASE AGREEMENTS

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

FINANCIAL INSTRUMENTS

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

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

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

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

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

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

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

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

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

RECOGNITION OF LIABILITIES

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

LIQUID RESOURCES

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

TAXATION

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

JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

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

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

Other key sources of estimation uncertainty:

Tangible fixed assets (see note 8)

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

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

1 ANALYSIS OF INCOME

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

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

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

Analysis of income

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

Project income is analysed as follows:

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

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

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

1 ANALYSIS OF INCOME (continued)

Restricted Grants within Project Income

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

2 ANALYSIS OF EXPENDITURE

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

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

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

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

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

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

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

Contained within Restricted Expenditure are the following costs:

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

The following amounts are included in expenditure:

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

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

3 INTEREST RECEIVABLE

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

4 EMPLOYEES

Staff costs during the year were as follows:

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

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

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

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

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

	2024 Number	2023 Number
£60,001 to £70,000	1	-
£70,001 to £80,000	1	1
£80,001 to £90,000	1	1

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

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

4. EMPLOYEES (continued)

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

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

5 TRANSACTIONS WITH TRUSTEES AND OTHER RELATED PARTIES

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

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

Trustees donated £1,586 in the year.

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

There were no other related party transactions in the year.

6 REMUNERATION OF KEY MANAGEMENT PERSONNEL

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

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

7 INDEMNITY INSURANCE

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

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

8 TANGIBLE FIXED ASSETS

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

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

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

All tangible fixed assets were used for charitable purposes.

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

9 DEBTORS

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

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

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

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

11 PROVISION FOR LIABILITIES

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

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

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

12 FUNDS

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

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

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

Designated Funds

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

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

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

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

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

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

Restricted Funds

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

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

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

13 ANALYSIS OF NET ASSETS BETWEEN FUNDS

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

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

14 RETIREMENT BENEFITS

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

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

15 OPERATING LEASE COMMITMENTS

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

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

16 ANALYSIS OF CHANGES IN NET DEBT

The charitable company had no material debt in the year.