

**THE CARNEGIE
UNITED KINGDOM TRUST**



**ANNUAL REVIEW
CENTENARY EDITION**

(FOR THE YEAR ENDING 31ST DECEMBER 2012)

Approved by the Board

Submitted to and Adopted by Trustees

**At their AGM
On Wednesday 15 May 2013**

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INTRODUCTION FROM THE CHAIR

The Trust is focussed on its mission of improving well-being in the UK and Ireland. As Andrew Carnegie set out in our Trust Deed and Royal Charter, we must be flexible in our approach and respond to change and emerging challenges.

The Trust, with its proud history of support for the public library system and the 600 plus Carnegie libraries across the UK and Ireland, published *A New Chapter – Public Library Services in the 21st Century*. This research report was accompanied by a discussion paper and five factsheets containing details of the research in each of the five jurisdictions covered by the Trust. The public library service is at a crossroads and change is needed to respond to reduced levels of public spending, the challenges and opportunities of the digital age, and changes in people’s lifestyles and patterns of book reading and buying. These papers set out the key questions we think need to be answered in order to create a strong vision for the public library service in the 21st century.

On what became one of the hottest topics of the year, we continued our working with Carnegie Fellow, Blair Jenkins OBE and published *Better Journalism in the Digital Age*. Our report set out seven key recommendations to deliver better news media in the UK – including a call for a new, single code of conduct for all journalists to aspire to, and a proposal for a new, non-statutory, independent press regulator with strong incentives to join.

Building on our previous work on Measuring What Matters, the Trust worked with IPPR (Institute for Public Policy Research) North to explore wellbeing. It was with great pleasure that I was able to accompany fellow Trustee, Jane Steele, and Policy Manager, Jennifer Wallace on the study trips to Paris, USA and Canada. These study trips were invaluable. It would not have been possible to obtain the same level of information without meeting people in person. *Shifting the Dial* captured that learning and heightened the issues to ensure that measuring wellbeing has a real impact.

In spring 2012, we welcomed Sir John Elvidge as a Carnegie Fellow to lead on our Enabling State project which examines the changing relationship between government and citizens in the UK and Ireland. The discussion paper written by Sir John was released at the end of the year. We have held meetings across the UK and Ireland to hear stakeholders' views on this complex issue.

In November 2012, the Trust concluded its thorough Investment Review and agreed to appoint Cazenove Capital Management Ltd as our Discretionary Fund Manager from the beginning of 2013. We look forward to working with Cazenove to grow both the Trust's capital and income.

It is with enormous thanks that I report that Melanie Leech, Chair (until May 2012), concluded her review of the Trust's governance to modernise our oversight process in line with its 2011-2015 Strategic Plan and all legal requirements. We also adopted revised Standing Orders at our AGM in May 2012.



*Angus Hogg and David Mundell MP at Dover House.
Photo by Chris Wood Studios*

On 6 November, we were honoured to hold a reception at Dover House in Whitehall, home to the Scotland Office, to mark the launch of Carnegie UK Trust's centenary in 2013. There is more on our plans later in this review. The reception was attended by distinguished guests and long-time partners of the Trust. The Rt Hon David Mundell MP, Parliamentary Under-Secretary of State for Scotland, gave us a warm welcome and thank you to all those who were able to attend and help join us in launching our centenary events.

The Trust's mission could not be progressed without the outstanding staff team led by Chief Executive, Martyn Evans. I also thank my fellow Trustees, particularly Melanie Leech as Vice-Chair, for their professionalism, dedication and hard work, and look forward to 2013.

Angus Hogg
Chair

CHIEF EXECUTIVE'S REVIEW – POLICY, PARTNERS, PRACTICE

In the second year of our 2011-2015 strategic plan, the Trust published 12 well received policy reports in addition to short summaries and case studies. This represented a step-change in outputs. The Trust's policy impact process, however, aims to move projects from 'outputs to advocacy' and ultimately to substantial policy change. This process requires a significant investment of staff time to meet with key decision makers.

On a range of issues including libraries, journalism and environmental incivilities, government ministers and senior stakeholders responded positively to our requests for meetings and have approached us directly to request meetings. For example, the UK Minister for Skills, spoke at the launch of *Enterprising Minds*. Lord Hunt, Chair of the Press Complaints Commission requested a meeting to discuss our Better Journalism report. The Scottish Cabinet Secretary for Culture and External Affairs, Fiona Hyslop MSP, met us to discuss the *A New Chapter – Public Library Services in the 21st Century* report, and additional meetings were held with Welsh Government officials, Libraries NI and the Irish Library Council.

We have continued to work in partnership with others over a wide range of issues and across the UK and Ireland. Following the success of the Carnegie Challenge in 2011 we increased substantially the pool of funds for 2012. This funding helped enable recipients to put on a high calibre debate to raise the profile and impact of an issue at a conference or event which they were organising. During 2012 we were pleased to sponsor nine wide-ranging Carnegie Challenge events. These are listed later in the report.

Our relationship with CILIP (the Chartered Institute for Library and Information Professionals) has continued with sponsoring the Carnegie Medal for Children's Literature and the related shadowing scheme. For the second year running the Carnegie Medal winner in 2012 was Patrick Ness, this time for *A Monster Calls*.



*Pictured from left to right: John Healey MP, former Cabinet Minister and launch host, John Hayes MP, UK Minister for Adult Skills, Carnegie UK Trust Chief Executive Martyn Evans, and project leader Jim Metcalfe.
Photo by Lauren Pennycook*



Theresa Breslin, Children's Author, speaking at the Trust's Festival of Politics Chamber Event, 'The Importance of Reading to Children and to Society'. Photo courtesy of Andrew Cowan/ Scottish Parliament

The Trust was again one of the main partners for the 2012 Festival of Politics at the Scottish Parliament during August with the headline *Politics. Culture. Creativity. A Force for Positive Change.*

We were pleased to announce that the Plunkett Foundation would become the new host of our rural Community of Practice from the beginning of 2013. The Plunkett Foundation has worked with Carnegie and the Community of Practice (CoP) steering group to put together a vision for the future development of the CoP.

Albert Tucker was strategic adviser to the Global Rules project throughout its development, and chaired discussion sessions in both London and New York. Professor Richard Kerley explored with us how charities in Scotland are preparing for the potential for further constitutional change. Blair Jenkins made a significant contribution to our Better Journalism initiative. He stood down as a Carnegie Fellow in December 2012.

We welcomed Tricia Marwick MSP, the Presiding Officer of the Scottish Parliament to Andrew Carnegie House. We look forward to working closely with the Presiding Officer and Scottish Parliament colleagues over 2013 in connection with the Carnegie Medal of Philanthropy and the Andrew Carnegie International Legacy week. These events will be held in October 2013.

We look forward to our centenary year in 2013 and our continued work within the Strategic Plan. The Enabling State roundtables continued in Dublin, Newcastle, Dunfermline and London, and our Neighbourhood News project launched on 10 January. Dunfermline has been appointed as the host for TestTown 2013.

In January 2013 we launched our centenary website. The successful digitisation of 100 years of publications and annual reports, along with the first 50 years of all our committee and board minutes, was a complex and challenging undertaking. We received great advice and support from the National Library of Scotland. The fully searchable online archive, which can be found through the centenary website, is well worth browsing. There is a wealth of information to delve into, particularly since the early minutes seem to have been extremely descriptive and sometimes blunt in their assessment of applications!

Every Friday we 'tweet' Carnegie quotes from the anthology – one such quote is: "There is little success where there is little laughter." We do hope for lots of laughter and success in the Trust's centenary year.

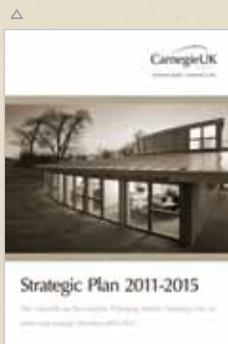
Martyn Evans
Chief Executive

OUR WORK IN 2012

The Carnegie UK Trust moved into the second year of its 2011-2015 strategic plan. In the first year, the Trust published its roundtable on *Measuring What Matters: More than GDP* and launched a large number of new projects tackling issues as diverse as news, media and society; the future of libraries; improving the quality of our neighbourhoods and the views of young people on enterprise and entrepreneurship.

In 2012, we continued with many of these projects and introduced new areas of work. Much of our work is in areas where we have a strong historic track record like public libraries, support for cultural activity, social welfare, further education, the role of civil society and rural development. The Trust also completed its involvement in two major practice development projects. The Rural Development Community of Practice (CoP) was handed over to the Plunkett Foundation to host and manage, and the Community Land Trust Empowerment Fund Project came to end.

A major innovation challenge, called *TestTown*, was developed for 16-25 year olds from across the UK to radically change the way we think about our high streets.



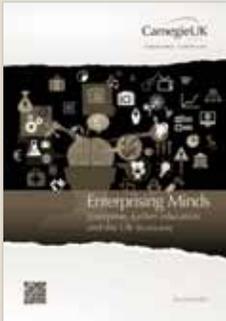
ENTERPRISE AND SOCIETY

The Trust has a long heritage in the development of skills and lifelong learning. In a global market and in the midst of an international recession, our Enterprise and Society work asks questions like: How can young people be encouraged to flourish in the new economic environment? How important is it that citizens' views are represented in a strengthened system of global regulation of markets? And what is social progress anyway?

Enterprising Minds

In 2012, the Trust branched out into the field of enterprise education, and explored the attitudes of college students in the UK to entrepreneurship, flexible working and the future economy.

Enterprising Minds is our innovative peer-to-peer research programme with college students, designed to gauge their level of exposure to, and interest in, enterprise and entrepreneurship. The research involved 51 Carnegie interns carrying out research across 17 campuses in late 2011 and early 2012. We found a clear link between the quality of enterprise education in our schools and colleges and the enthusiasm of young people to start a business or to work for themselves.



The report was launched in the spring of 2012 in the House of Commons and Portcullis House, hosted by former cabinet minister the Rt Hon John Healey MP. John Hayes MP, the UK minister for Further Education at the time, spoke at the launch. A dozen invited MPs joined 40 college staff and Carnegie interns for the launch. A roundtable session for the 17 Carnegie partner colleges followed, with wide-ranging discussion about enterprise education in the sector.

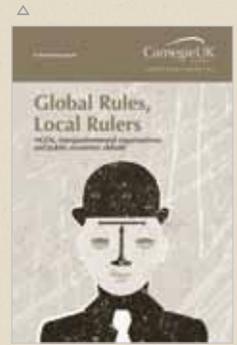
We have joined the European Commission expert group on data and indicators on entrepreneurial learning. The anticipated outcome is to agree on appropriate data and indicators that can be used at EU level. We will continue to work with this group during 2013 to ensure that the measures include indicators that are relevant to young people.

Global Rules, Local Rulers

In 2012, the Trust embarked on a new project to examine the inter-relationships between UK advocacy groups, citizens, and the inter-governmental organisations that regulate trade, markets and consumer policy.

Most citizens have limited knowledge and understanding of how global trade works, and of the inter-governmental organisations that regulate it. They rely on civil society organisations, operating at international level, to ensure that the work carried out by these organisations is in their interests.

Our Global Rules, Local Rulers discussion paper, published in 2012, presented new data on this issue – highlighting that many people feel disconnected from the debate and arguing that both civil society organisations and international trade bodies need to become more engaged with citizens and with domestic economic policy debates. We worked with Carnegie Associate Albert Tucker to use these findings to spark debate in the US, with our partner organisation the Carnegie Council for Ethics in International Affairs, and with senior stakeholders at a similar event in London.



It is a cliché in policy making circles to say that it is what you measure that matters. But while the UK is now producing good quality data on wellbeing, these measures will only really matter if they are translated into better policy making. Following our successful Scottish Roundtable on More than GDP in 2011, we wanted to understand better how other governments were putting wellbeing measures into practice.

Measuring what Matters

During 2012, we worked with IPPR (Institute for Public Policy Research) North to explore how to put new wellbeing measures into practice in the UK. The project involved visiting six case studies that are, in different ways, further ahead than the UK with measuring wellbeing (these were: the City of Somerville (Massachusetts, USA); the Commonwealth of Virginia (USA); Toronto's Vital Signs project (Canada); the City of Guelph (Canada); the Canadian Index of Wellbeing; and also France).

The final report *Shifting the Dial* explored what needs to happen to ensure that measuring wellbeing is made to matter in policy making practice. It was launched in London in October 2012. The seminar included presentations from the OECD (Organisation for Economic Co-operation and Development) and Canadian guests from Vital Signs Toronto and the Canadian Index of Wellbeing.



In 2013 we will continue to work with stakeholders in Scotland, and across the UK and Republic of Ireland to explore how the concept of wellbeing can be used to promote social change. We will work with Oxfam Scotland and others to explore creative ways of using wellbeing data to influence policy making.

TestTown

The *TestTown* initiative was developed in response to the Trust's research into youth enterprise and towns regeneration.

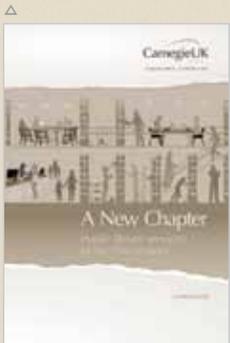


It is an innovation challenge where teams of young people aged 16-25 from across the UK, from all kinds of education and employment backgrounds, will be invited to submit cutting edge new business and social enterprise ideas, and will have the chance to put their ideas into practice in one town centre environment. The most inspiring concept, brought to life in TestTown will walk away with a £10,000 prize. The initiative will be launched in February and the finals week will be held in Dunfermline in the week beginning 24 June 2013.

KNOWLEDGE AND CULTURE

Throughout its history the Carnegie UK Trust has had a keen interest in supporting access to knowledge and culture. In the early years, one of the most effective ways to support access to knowledge was through the creation of public libraries. We have continued this work, asking what the future holds for public libraries in the twenty-first century. Building on this strong heritage we have explored contemporary public policy dilemmas such as: what is the role of news media in a healthy democracy? And what is the role of digital inclusion in fostering access to knowledge and culture?

The Future of Public Libraries



The level of concern about the future of public libraries prompted us to revisit this historic area of our work in 2011. Our comprehensive research into public attitudes in the UK and the Republic of Ireland (launched in Spring 2012) shows that people still love their libraries – but the public library service is at a crossroads and change is needed to respond to reduced levels of public spending, the challenges and opportunities of the digital age, and changes in people's lifestyles and patterns of behaviour.

The report *A New Chapter* has become our most popular publication of the year. The appetite to discuss the future of libraries has been strong across all areas of the UK and Republic of Ireland. In Scotland, we held successful events as part of the annual Scottish Parliament Festival of Politics.



Newcastle City Library. Photo by Liz Macdonald

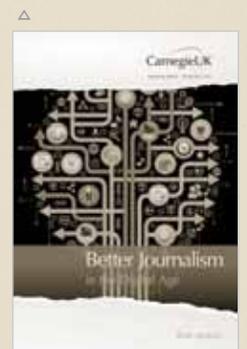
We continue our strong partnership with CILIP (the Chartered Institute for Library and Information Professionals), sponsoring the Carnegie Medal for Children's Literature and supporting research in 2012 to explore how the shadowing scheme can be more effective and encourage even more children and young people to enjoy reading outside a classroom setting.

In 2013, the Trust will seek to engage in creative partnerships with those who are working to re-imagine the role of public libraries in the future, and to support initiatives or partnerships which aim to contribute to the sustainability of a relevant modern service. We will work at national level in Scotland and England to promote national visions and strategies. We will consider how we can support innovative and creative practice in libraries, particularly in relation to people's economic wellbeing, and developing digital skills in young people.

2012 was an eventful year for the news industry in the UK. We began the year working with Carnegie Fellow, Blair Jenkins, to understand and improve the relationship between news, media, civil society and democracy. Having embarked on this work in 2011, prior to the phone hacking scandal, we then found ourselves faced with the challenge of responding to one of the most difficult public policy debates facing the UK.

In February 2012, we published the outcome of our Better Journalism work. *Better Journalism in the Digital Age* argued that we need to 'raise the floor' and ensure that acceptable, minimum standards of behaviour are applied by all those who wish to be seen as credible news providers. But at the same time we must also aim to 'raise the ceiling' as high quality news journalism is a vital part of a healthy democratic society.

Better Journalism



Later in 2012, we took this work one step further, working in partnership with the think tank, Demos, we carried out research to investigate the definition of the term ‘public interest’ as well as exploring the legal and ethical contexts of the term. The final report *Voicing the Public Interest* was published in October and presented the first polling of its kind indicating public attitudes to the public interest and press regulation.



Our work made the national press and contributed to the increasingly heated debate between self-regulation and statutory regulation of the press. It was taken as formal evidence to the Leveson Inquiry and of the seven key recommendations made in the Carnegie UK Trust’s detailed second submission to the Inquiry in June 2012, six were broadly adopted by Lord Justice Leveson.

In 2013 we will be moving into practice work, with the launch of our Neighbourhood News competition to support innovative local news provision and a new partnership with Cooperatives UK to take the idea of new business models for news media ‘on the road’, with a series of events around the UK, showcasing alternative approaches.

Digital Participation

Access to high speed digital technology is fast becoming a necessity in 21st century life. The Trust is concerned that when people are not able to access this technology – either because of the costs involved, a lack of confidence or skills or because of the poor quality digital services in their area – then this can have a highly negative impact on their quality of life.



In 2012 we published a joint report with the Plunkett Foundation *Rural Broadband – Reframing the Debate* – in which we argued that rural communities that are unlikely to receive a commercial broadband service need to be given much more support and resources in order to develop their own, community-led broadband solutions. The report was welcomed by members of the House of Lords Communications Committee.

We were delighted to work with the Scottish Government to explore how best to configure the new £5 million fund for community broadband. In particular, an initial ‘pioneer phase’ has been developed to support early innovators in rural areas.

We will continue to pursue the recommendations from this report in 2013. Also in 2013 we will be publishing new data from Glasgow, exploring the reasons for the particularly low levels of broadband take-up in the city.

PEOPLE AND PLACE

The Trust has always played a prominent role in helping to build strong communities, and this remains a major element of our work located primarily in our People and Place theme.

Across the UK and Ireland communities face significant challenges and risks. The Trust is keen to examine these issues. In 2012 we focused our work on understanding how to tackle environmental incivilities and launched our new programme on the Enabling State.

The Carnegie UK Trust is proud of our long history of supporting rural community development. In our 100 year history, we have supported the early development of rural community councils, funded the building of village halls, and supported the rural voluntary arts network.

In 2012, we carried out a number of projects focused on rural development. The Trust supported Professor Hunter to carry out research which informed a new book on the history of the community ownership of land movement, and commissioned Cailean MacLean to produce a series of photographs to illustrate the book. *From the Lowest Tide of the Sea to the Highest Mountain Tops* was published by the Islands Book Trust in March 2012.

In early 2012 we also published the findings from our research into rural community networks which found concern about the sustainability of these important resources for community development. We also continued our support for Carnegie Associate, Dion Alexander, to campaign for more effective use of Rural Housing Burdens, to support the development of affordable housing in rural areas of Scotland.

Five years after the final report of the Carnegie Commission on Rural Community Development, we were keen to explore what had changed and what remain as key issues for the sector. We worked with Professor Mark Shucksmith of Newcastle University to explore developments in the last 5 years. The report *Future Directions in Rural Development* helped to consolidate the Trusts long history in rural development and highlight the key issues for future work, including a renewed focus on the risks of developing a two-speed rural economy.

Rural Development



**Rural
Development
Community of
Practice**

(www.fieryspirits.com)

The Community of Practice (CoP) continued to develop and grow over 2012. The CoP Development Fund supported activity, both online and at events, through the three priority themes – managing community assets, developing rural services and exploring community resilience.

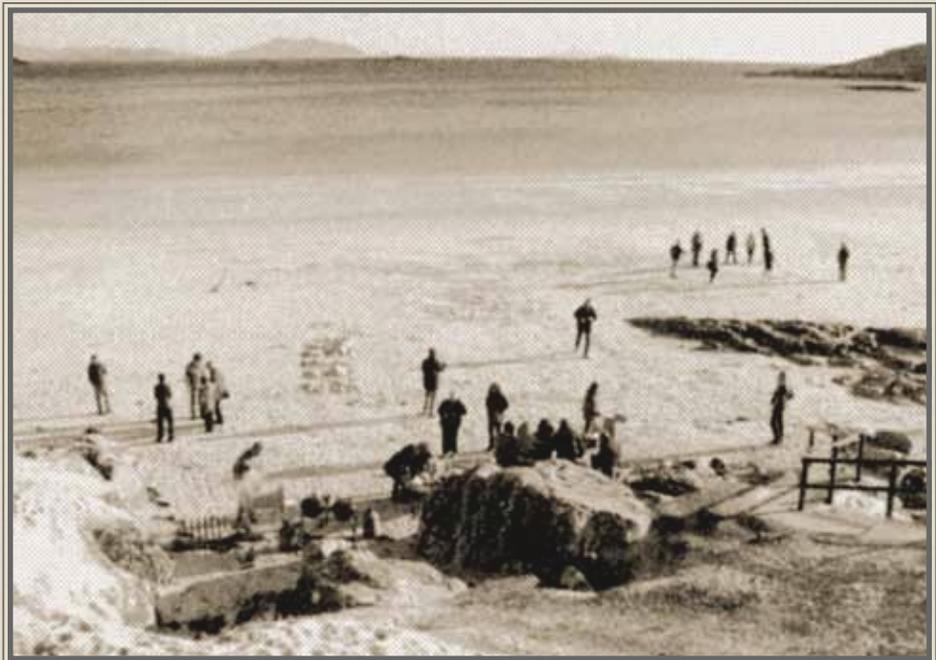
Theme 1

Managing community assets

Activities continued under the Young, Gifted and Rural theme in partnership with the Scottish Rural Development Network (SRDN). Facilitated by Carnegie Associate, Alan Caldwell, and the SRDN, project visits were hosted by yipworld.com in Cumnock, Harris Youth Council and Twechar Youth Group. Group members continue to work together and are developing a rural app and are planning a national youth conference in 2013.

Supported by CoP partner Highlands and Islands Enterprise (HIE), the North Harris Trust continued to share learning about managing community land with the CoP members. They will produce three learning resources in 2013 looking at working relationships between community land trusts and schools, developing community-led festivals and progressing innovative land management.

A second successful Community Land Scotland conference was supported by the CoP and took place on the island of Mull in March. The Trust-supported book *From the Lowest Tide of the Sea to the Highest Mountain Tops* written by Jim Hunter was launched at the event.



Young, Gifted and Rural Event in North Harris. Photo by Alan Caldwell.

Theme 2

Developing rural services

Carnegie Associate, Daniel Heery, was appointed to look more in depth into community-led broadband. Building on the Carnegie report *Rural Broadband – Reframing the Debate* this topic looked into the current issues practitioners are grappling with. Using a series of webinars and workshops, the 32 members of the online group have come together and will be producing a FierySpirits Broadband Manifesto or 2013.

The partners of the Argyll and Bute Local Services Initiative continued their exploration into social enterprise solutions for the future of rural services. A final report will be launched in March 2013 with a series of recommendations for the Scottish Government, Argyll and Bute Council and the Argyll and Bute Community Planning Partnership.

Theme 3

Exploring community resilience

Dissemination of the report *Exploring Community Resilience in times of rapid change* continued through the CoP and at external events. Various workshops, presentations and interviews were given through the year for several organisations including Scottish Water, BBC Wales, Big Lottery Village S.O.S, Red Cross and Glasgow School of Art.

However, the major focus for the Rural Development CoP in 2012 was establishing a sustainable future for the CoP as an independent entity from the Trust. An agreement was reached by the end of the year that the Plunkett Foundation would become the new owner and manager of the CoP. This was due to Plunkett's interest in and commitment to community led-rural development across the UK and Ireland, its established track record in building and supporting rural networks and its clear values aligned with the assets-based approach at the heart of the Fiery Spirits work. The Plunkett Foundation is an exciting new home for www.fieryspirits.com which has a membership of 1,300 rural practitioners from across the UK and Ireland.

The Community Land Trust Empowerment Fund project was supported by a £500,000 grant from the Empowerment Fund of the Department for Communities and Local Government (DCLG) and was completed at the end of March 2012. This project was delivered in partnership between the Trust and Community Finance Solutions (University of Salford.) Through the project the Community Land Trust Network (hosted by the National Housing Federation) and the



**Community
Land Trust
Empowerment
Fund
(2009-2012)**

Devon, Somerset and Dorset Umbrella CLT Project were created. Both now run as independent organisations providing vital support to the CLT sector in England and Wales.

Carnegie UK Trust will continue its support of this sector through membership of the Community Land Trust Network Board.

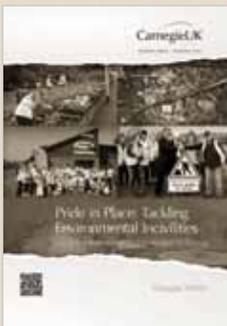
Tackling Incivilities

We all know that problems like litter, graffiti, vandalism and dog fouling can be a real blight on people's lives – affecting many different aspects of community and personal wellbeing. We believe that significant change can be achieved if communities are given the power and the support to address these issues in their own area.

In 2012 we set out a new agenda for solving these problems by showcasing local examples of where communities have taken action to address these problems within their area, and brought about positive change for citizens.



Litter Watch Eco Bus at the launch of the Tackling Incivilities Report. Photo by Douglas White



Our research highlights the tremendous success that community-led projects have had. We believe that more support must be made available to enable more communities to address the environmental problems affecting their neighbourhood. Our policy report makes recommendations to local government, environmental charities and funders. We have received significant interest in this area of our work, from around the UK and from both public and third sector organisation.

We are grateful to the stakeholders on our reference group involving Living Streets, Keep Britain Tidy, NESTA, the New Economics Foundation, the Young Foundation, NHS Health Scotland, Big Lottery Scotland, the Welsh Council for Voluntary Action and Volunteering England who provided external advice and guidance to our work in this area.

In 2013 we will continue to work with government, business, funders and like-minded organisations to encourage decision-makers to make the quality of the local environment a high priority issue, and empower local communities to find new and innovative ways of tackling these problems in their neighbourhood.

The people of the UK and the Republic of Ireland have experienced huge improvements in wellbeing since the Carnegie UK Trust was established in 1913, however many social problems persist and others have emerged. From our work across the five jurisdictions of the UK and Ireland we were aware that many people, both within and outside government, feel it is time to look afresh the role of the state in improving outcomes for citizens

Led by Carnegie Fellow Sir John Elvidge, our Enabling State programme asks whether a new relationship between governments and communities, families and individuals is required. It considers how the state can develop an enabling role around building capacity, alongside its role in continuing to provide public services where their effectiveness is clear.

Our discussion paper *The Enabling State* was launched in December 2012 and we held lively and informative roundtables in Cardiff and Belfast. This work will continue into 2013 and includes engaging governments, civil society organisations and the business community across the UK and Ireland, looking for common themes and opportunities for shared learning.

The Scottish Government is committed to holding a referendum on independence for Scotland in 2014 with a potential 'independence day' early in 2016 (should the electorate vote for independence).

In 2012 the Trust embarked on a small-scale research project in collaboration with Carnegie Associate Professor Richard Kerley to explore the extent to which charities in Scotland are preparing for possible constitutional change.

In December 2012, we published our findings in *A Charitable Concern? How charities in Scotland are preparing for the potential for further constitutional change*. The report explores the current state of awareness, understanding of, and responses to the implications of possible further constitutional change amongst charities in Scotland. It found very low levels of formal preparations within charities, despite a general view that further constitutional change would have a direct impact on their organisations.

In 2013 we will continue to work with the charitable sector in Scotland to explore how best charities can prepare for the possibility of independence.

Enabling State



Scottish Charities and the Potential for Further Constitutional Change



THE CARNEGIE CHALLENGE PROGRAMME

In 2012 we continued our successful Carnegie Challenge programme. The Carnegie Challenge is a fund to enable partners to put on a high calibre debate to raise the profile and impact of a conference or event which they are organising. These debates attract leading public policy thinkers and commentators to debate issues of public concern.

We supported nine debates in 2012:

- Wales Public Services 2025 conference (9 February, Cardiff) with a panel debate *Learning from other countries* with Professor James Mitchell, Barry Vaughn (NESC) and Ben Lucas (RSA) chaired by Professor Ian Hargreaves.
- The Media Trust *Hitting the Headlines* conference (29 March, London) with Janet Street-Porter, Adam Baker (Blottr) and Sue Llewellyn (Ultra Social) debating whether or not targeting the mainstream media is an outdated strategy for charities and communities looking to inspire change and raise awareness.

Photo by Jennifer Wallace
- Friends of the Earth Scotland *Just Banking* conference (19 April, Edinburgh). With a panel discussion chaired by Merryn Somerset Webb, editor in chief of Money Week, with: Ann Pettifor (activist and author); Tony Greenham (New Economics Foundation); Prof Richard Werner (University of Southampton).

Photo by Jim Metcalfe
- The *Walking Cycling Connecting Communities* conference (29 May, Glasgow). It featured Keith Brown MSP (Minister for Housing and Transport); David Sim (Gehl Architects, Copenhagen); David Ubaka (Architect and Urban Planner); and John Pinkard (Chair of Transform Scotland).

- The Plunkett Foundation hosted *The World of Rural Co-operatives* (31 October, Manchester). The session was chaired by Jim Metcalfe (Carnegie UK Trust) with Peter Couchman (Plunkett Foundation) Dr Martin Lowery (National Rural Electric Cooperative Association), Dr Eve Crowley (Food and Agriculture Organization of the United Nations) and Simel Esim (International Labor Organisation).

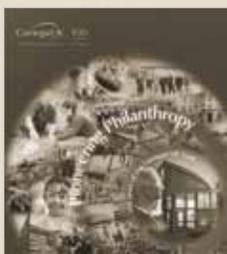


*Dame Pauline Green, President of the International Co-operative Alliance, signing the Dunsany Declaration for Rural Co-operative Development.
Photo courtesy of Plunkett Foundation*

- Cleraun Media Conferences held *Conflict Resolution Journalism & Professional Integrity & Ethics* (12 October, Dublin), with Barbara O'Shea, (Dublin Institute of Technology), Mark Tighe (The Sunday Times in Ireland), Alan Gilsonan (documentary filmmaker), Margaret Ward (RTE Journalist), Blair Jenkins (former Carnegie Fellow), Seamus Dooley (Irish Secretary of the NUJ), Hugh Linehan (Irish Times), Dearbhail McDonald (The Irish Independent) and Paddy Murray (The Sunday World).
- Bristol Natural History Consortium *Breaking Boundaries: The Next Ten Years for People and Nature* (24 October, Bristol) with John Thogersen (Aarhus University), Theresa Marteau (University of Cambridge), Ed Gillespie (Futerra Sustainability Communications) and Richard Hawkins (Public Interest Research Centre).
- The Rural Media Company hosted the *Same but Different – Equality and Diversity in Rural Britain: Opportunities and Challenges* conference (6 November, Hereford) which was chaired by Elonka Soros (diversity editor of BBC English Regions) with Dr Paul Darke, Jonathan Charlesworth (Educational Action Challenging Homophobia), Jess MacKenzie (About Face theatre company) and Josie Pearson (Paralympian).
- The Women's Human Rights Alliance hosted an event titled *Women's Health and the Reform of the Irish Healthcare System – A Human Rights Approach?* (17 December, Dublin). It included a key note presentation from Mr Anand Grover (UN Special Rapporteur on the Right to Health) and was chaired by Dr Kathleen Lynch (University College Dublin).

CENTENARY LOOKING FORWARD

With 2013 marking 100 years of the Carnegie UK Trust, there has been planning and preparation during 2012 for a range of activities which will take place during the centenary year. These activities have all been chosen with a view to pursuing and promoting the aims of the Trust, namely to promote the wellbeing of people in the UK and Ireland. The centenary is an opportunity to raise awareness of what the Trust has done in the past, and to re-establish links with the many partners the Trust has worked with over the years. We aim to promote awareness of the Trust's role with policy makers and potential future partners, and to promote the work of partner organisations which themselves have key roles in supporting the wellbeing of people throughout the UK and Ireland.



Special activities taking place during 2013 will include the following:

-
- | | |
|----------------|--|
| January | <input type="checkbox"/> launch of a centenary website at www.carnegieuktrust100.org.uk including an interactive timeline
<input type="checkbox"/> digitisation of the Trust's annual reports and publications |
|----------------|--|
-
- | | |
|--------------|--|
| April | <input type="checkbox"/> publication of <i>Pioneering Philanthropy: 100 years of the Carnegie UK Trust</i> |
|--------------|--|
-
- | | |
|------------|---|
| May | <input type="checkbox"/> a short film about the Trust |
|------------|---|
-
- | | |
|-------------|---|
| July | <input type="checkbox"/> publication of a volume of new arrangements of carols to be sung by adult and children's choirs, produced in partnership with Making Music |
|-------------|---|
-
- | | |
|------------------------|---|
| August-December | <input type="checkbox"/> a series of concerts by Stile Antico, featuring the Trust's role in the publication of Tudor church music in the 1910s and 20s |
|------------------------|---|
-
- | | |
|----------------|---|
| October | <input type="checkbox"/> jointly hosting with the other UK-based Carnegie Trusts, a week of events, exhibitions and music (Andrew Carnegie's International Legacy) leading up to the presentation of the Carnegie Medal of Philanthropy
<input type="checkbox"/> a public meeting as part of a Global Ethics Commission. |
|----------------|---|
-

FINANCE AND CORPORATE SERVICES REPORT

Full financial statements for 2012 have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), and the 2005 Statement of Recommended Practice: Accounting and Reporting by Charities, and are available from the Trust Office. Key extracts – statement of financial activities and the balance sheet are shown on pages 27 to 28.

Accounts Format

Since 2005 the Trust has invested in Charifund, a designated Unit Trust Fund for Charities, managed by M&G Investments.

Investment Policy and Performance

In 2010, the Trust established a Working Group on Investment Policy with a remit to draft an Investment Policy for the Trust having due consideration to ethical, socially responsible and mission/programme related investment issues. This Investment Policy was subsequently completed and formally adopted by Trustees later in 2010.

In 2011, with the Trust's Investment Policy firmly in place, the Trust agreed to undertake a full Investment Review.

In November 2012, the Trust concluded its Investment Review process and, after a competitive procurement process, agreed to appoint Cazenove Capital Management Ltd as their Discretionary Fund Manager. This arrangement took effect from January 2013 with a remit of growing both Capital and Income. The Trust will retain 60% of its holding in M&G Charifund Units for at least a year, which will be managed by Cazenove Capital Management Ltd. The remaining 40% will be invested directly with Cazenove Capital Management Ltd in a non-UK equity-based portfolio.

Financial markets improved in 2012 and the Trust sold £2.25 million of M&G Charifund units as part of the transitional process of changing Investment Fund Managers.

The Trust's investments value at 31 December 2012 was £32.1 million including £2.25 million of cash awaiting investment with Cazenove Capital Management Ltd (*£29.1 million – 2011*). Income distributions relating to the Trust's Investment in the year were £1.63 million (*£1.54 million – 2011*). The Trust continues to monitor the stock market and its impact on the endowment and its related income stream.

Income

Total income for 2012 was £1.74 million (*£1.71 million – 2011*). Unrestricted fund income totalled £1.66 million (*£1.55 million – 2011*). In addition, there was restricted fund income of £80k, from partnership funding received from Highlands and Islands Enterprise, to support the Community of Practice work.

Expenditure

Expenditure for 2012 was £1.64 million (*£1.37 million – 2011*). Research grant activity saw an increase in the year and grant payments made from unrestricted funds were £121k (*£16k – 2011*). From restricted funds grant payments were £102k (*£189k – 2011*). In addition to these grant payments, the Trust expended £1.3 million from unrestricted funds directly on its charitable activities, with the main areas of expenditure being Policy activities at £800k, and Practice activities at £329k.

The Trust's income and expenditure relates to grant-funded and team initiatives and are combined in the SORP format. This makes year-to-year comparisons difficult as the expenses of initiatives and their management rise and fall, while core administrative costs are usually relatively constant.

**Reserves
Policy**

£74k (*£88k – 2011*) of funds has been allocated to grants and funding for projects which remain unpaid at the year-end (the restricted and designated funds). The designated General Reserve was reviewed in 2012 and it was agreed to increase it from £750k to £800k. This represents the Trustees' policy of retaining approximately six months of operational expenditure in relation to its business continuity and contingency planning. This is subject to future reviews taking into account the continued development of the Trust's policy of partnerships to support its strategic work as outlined in the five-year plan.

Staff

In February 2012, Jim Metcalfe was appointed as the Trust's Practice and Development Manager following an internal recruitment process, and following an internal restructuring in 2012 and conclusion of work on the Community of Practice, the new Practice & Development Team (P&DT) was in position from the beginning of January 2013.

On the resignation of Martine Miller, Policy Officer in February 2012, the Trust began recruiting for her replacement. Two candidates, Lauren Pennycook and Jenny Brotchie, were particularly suited to this post and both were offered and accepted the position. The structure of the Policy Team was reviewed concurrently and it was felt that a balanced structure of two Senior Policy Officers and two Policy Officers would work together well in the delivery of the team's workplan.

During 2012 there was mutual benefit realised from the work of interns – namely Lauren Wilks, Rebecca van Hove, Melissa Broadbent, John Mottram and Liz Murphy – particularly on the Trust’s centenary book, events and archiving work. The Trust also received temporary Corporate Services support from Elaine Lambie through the Crossmatch Recruitment Agency for specific database work, and Rachel Cooper volunteered on archive index work.

When Georgina Bowyer assumed a role specifically aimed at external events and communications for approximately 18 months (until end 2013), there was a vacant Corporate Services Officer post – fixed term eighteen months. This was filled by Genna Nelson in August 2012. The extended contract with Anne Marte Bergseng, Special Projects Officer, ended on 29 February 2012.

In early 2012, the Trust’s meeting room was converted into a dedicated office for the team managers. Plans were also developed to modify the reception area at Andrew Carnegie House. These renovations took place in early 2013 and the shared area now has an increased working space for collation and mail distributions. A digital signage information screen will be installed.

Building

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

Grant Making Policy

TRUSTEES AND STAFF

HONORARY PRESIDENT

William Thomson CBE

TRUSTEES



Board Meeting in November 2012. Photo by Granlly Lynch Photography

Melanie Leech* (*Chair until May 2012; Vice-Chair and Convener of Finance and Corporate Services Committee from May 2012*)

Angus Hogg* (*Vice-Chair and Convener of Finance and Corporate Services Committee until May 2012; Chair from May 2012*)

Dame Diana Brittan

Richard Davies

James Doorley

Dr David M Fraser

Jeremy Holmes

Lynne Lamont*

Bill Livingstone

Carol Madison Graham

Douglas Scott

Dr David B B Smith OBE

Jane Steele

David Walker* (*Convener of Audit and Risk Committee*)

Robin W Watson

Ian Wilson*

**Audit and Risk Committee Members (during year)*

CARNEGIE FELLOWS

Sir John Elvidge

Blair Jenkins OBE (*until 31 December 2012*)

STAFF**CHIEF EXECUTIVE**

Martyn Evans

Jennifer Wallace

Policy Manager

Steven Thompson

Finance Manager

Janine Linning

Corporate Services Manager

Jim Metcalfe

Senior Policy Officer

(until 5 February 2012),

Practice and Development Manager

(from 6 February 2012)

Anne Marte Bergseng

Special Projects Officer

(until 29 February 2012)

Georgina Bowyer

Corporate Services Officer

(until 27 May 2012), External

Events and Communications Officer

(from 28 May 2012)

Jenny Brotchie

Policy Officer *(from 23 April 2012)*

Liz Macdonald

Senior Policy Officer

Martine Miller

Policy Officer

(Resigned 17 February 2012)

Genna Nelson

Corporate Services Officer

(from 13 August 2012)

Lauren Pennycook

Policy Officer *(from 16 April 2012)*

Liz Pullar

Finance Assistant

Lucy Smith

Corporate Services Officer

Kirsty Tait

Development Officer *(Maternity Leave*

until 19 November 2012)

Douglas White

Senior Policy Officer

Nick Wilding

Development Officer

(until 31 December 2012)

INTERNS

Melissa Broadbent

Corporate Services Assistant

(from 20 June 2012 until

31 December 2012)

John Mottram

Corporate Services Assistant

(from 5 July 2012 until 4 October 2012)

Liz Murphy

Events and Communications Assistant

(from 19 June 2012 until 23 August 2012)

Rebecca van Hove

Historical Research Assistant

(from 10 October 2011 until

13 April 2012)

Lauren Wilks

Historical Research Assistant

(from 10 October 2011 until 24

February 2012) and Events and

Communications Assistant (from

16 July 2012 until 7 September 2012)

VOLUNTEERS

Rachel Cooper

Archive Indexing *(February – April 2012)*

SUMMARY ACCOUNTS

STATEMENT OF FINANCIAL ACTIVITIES AND BALANCE SHEET

Trustees' Statement on Summarised Accounts

The summarised accounts set out on pages 27 and 28 have been extracted from the full financial statements of the Trust which were approved on 15 May 2013 and do not constitute the Trust's statutory financial statements. The full financial statements have been audited and the auditor's opinion was unqualified.

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

Independent Auditor's Statement to the Trustees of The Carnegie United Kingdom Trust

We have examined the summarised accounts for the year ended 31 December 2012 set out on pages 27 and 28.

This statement is made solely to the Trustees as a body in accordance with the terms of our engagement letter. Our work has been undertaken so we might state to the Trustees those matters we are required to state in such a statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustees as a body, for our work, for this statement, or for the opinions we have formed.

Respective Responsibilities of the Trustees and the Auditor

The Trustees are responsible for preparing the summarised accounts in accordance with applicable United Kingdom law and the recommendations of the Charities Statement of Recommended Practice.

Our responsibility is to report to you our opinion on the consistency of the summarised accounts with the full annual financial statements and Trustees' Annual Report. We also read other information contained in the summarised annual review and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the summarised accounts.

We conducted our work in accordance with Bulletin 2008/3 *The Auditor's statement on the summary financial statement* issued by the Auditing Practices Board.

Opinion

In our opinion the summarised accounts are consistent with the full financial statements and the Trustees' Annual Report of The Carnegie United Kingdom Trust for the year ended 31 December 2012.

Chiene + Tait, Chartered Accountants and Statutory Auditor
61 Dublin Street, Edinburgh, EH3 6NL
15 May 2013

SUMMARY ACCOUNTS

STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Endowment Fund £	2012 Total £	2011 Total £	Year to 31 December 2012
Incoming Resources						
Incoming resources from generated funds:						
Investment income and Interest	1,656,375	-	-	1,656,375	1,548,800	
Legacy income	5,000	-	-	5,000	-	
Incoming resources from charitable activities	690	79,850	-	80,540	160,375	
Total Incoming Resources	1,662,065	79,850	-	1,741,915	1,709,175	
Resources Expended						
Charitable activities:						
Practice and Development	354,130	104,850	-	458,980	446,831	
Policy	817,983	-	-	817,983	610,757	
Charitable Initiatives	142,684	-	-	142,684	124,538	
Other Charitable Activities	132,911	-	-	132,911	122,527	
Governance costs:	85,676	-	-	85,676	68,307	
Total Resources Expended	1,533,384	104,850	-	1,638,234	1,372,960	
Net Incoming/ (Outgoing) Resources Before Transfers	128,681	(25,000)	-	103,681	336,215	
(Losses) on Fixed Assets						
Realised	(1,502)	-	-	(1,502)	(4,610)	
Gains/(Losses) on Investments						
Realised	-	-	204,346	204,346	(6,492)	
Unrealised	-	-	2,730,160	2,730,160	(1,620,967)	
Net Movement in Funds	127,179	(25,000)	2,934,506	3,036,685	(1,295,854)	
Fund balances at 31.12.11	3,459,523	25,000	28,075,122	31,559,645	32,855,499	
Fund balances at 31.12.12	3,586,702	-	31,009,628	34,596,330	31,559,645	

The statement of financial activities (SOFA) includes the Statement of Total Recognised Gains and Losses. All activities relate to continuing activities.

SUMMARY ACCOUNTS

BALANCE SHEET

Year to 31 December 2012	£	2012 £	£	2011 £
Fixed Assets				
Tangible fixed assets		1,123,313		1,156,706
Investments at market value		32,133,426		29,134,558
		<u>33,256,739</u>		<u>30,291,264</u>
Current Assets				
Other debtors and prepayments	54,623		65,559	
Short term deposits	1,424,885		1,330,575	
Cash at bank and in hand	120,044		30,975	
		<u>1,599,552</u>		<u>1,427,109</u>
Creditors: amounts due within one year	(259,961)		(158,728)	
Net current assets		<u>1,339,591</u>		<u>1,268,381</u>
Net Assets		<u>34,596,330</u>		<u>31,559,645</u>
Funds				
Endowment fund		31,009,628		28,075,122
Restricted fund		-		25,000
Unrestricted funds				
Designated funds		873,650		812,859
Other charitable funds		2,713,052		2,646,664
		<u>34,596,330</u>		<u>31,559,645</u>

Approved by the Trustees and signed on their behalf by:

ANGUS M HOGG
Chair of Trustees
15 May 2013

DAVID WALKER BA CA FCCA
Convener of Audit
and Risk Committee

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

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May 2013

**CarnegieUK**
TRUST

100
YEARS

CHANGING MINDS • CHANGING LIVES

1913 – 2013

Carnegie United Kingdom Trust
Scottish charity SC 012799 operating in the UK and Ireland
Incorporated by Royal Charter 1917

