

BIG LOCAL TRUST

England & Wales · Charity number 1145916

Details

Status Registered

Legal form Trust

Registered 2012-02-15

Register [View on the Charity Commission register](#)

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Activities

Objects: 5.1. THE OBJECTS OF THE CHARITY (A) THE ADVANCEMENT OF COMMUNITY DEVELOPMENT; AND (B) THE RELIEF OF UNEMPLOYMENT FOR THE BENEFIT OF THE PUBLIC, IN PARTICULAR, BUT WITHOUT LIMITATION, IN THE LOCALITIES IN EACH REGION SPECIFIED IN SCHEDULE 6. 5.2. THE OBJECTS ARE TO BE ACHIEVED IN PARTICULAR, BUT WITHOUT LIMITATION (C) BY MAKING DISTRIBUTIONS TO RECIPIENTS; AND (D) CONDUCTING RESEARCH AND DISSEMINATING THE USEFUL RESULTS OF SUCH RESEARCH. 5.3. THE DISTRIBUTIONS REFERRED TO IN CLAUSE 5.2. SHOULD BE MADE SO AS TO DEVELOP THE CAPACITY AND SKILLS OF THE MEMBERS OF SOCIALLY AND ECONOMICALLY DISADVANTAGED COMMUNITIES, FOR THE BENEFIT OF THE PUBLIC, IN SUCH A WAY THAT THEY ARE BETTER ABLE:(E) TO IDENTIFY, AND HELP MEET THEIR NEEDS; AND (F) TO PARTICIPATE MORE FULLY IN SOCIETY.

Activities: Advance community development and the relief of unemployment for the benefit of the public in the localities in each region specified by making distributions to the recipients to develop the capacity and skills of the members of socially and economically disadvantaged communities in such a way that they are better able to identify and help meet their needs and participate more fully in society

Classification

- **How:** Makes Grants To Organisations
- **What:** Economic/community Development/employment
- **Who:** The General Public/mankind

Geography

- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£2,133,000	£8,819,000	£15,981,000	62
2024-03-31	£2,906,000	£17,397,000	£23,989,000	63
2023-03-31	£1,713,000	£20,279,000	£38,069,000	55
2022-03-31	£380,000	£25,108,000	-	-
2021-03-31	£1,022,000	£21,145,000	£80,653,000	41

Trustees

Name	Role	Appointed
LOCAL TRUST		2012-02-15

BIG LOCAL TRUST

England & Wales - Charity number 1145916

Accounts

Big Local Trust

Annual report and financial statements

for 1 April 2024 to 31 March 2025

Registered charity number 1145916

Submitted by Local Trust as the corporate trustee for Big Local Trust



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Introduction

Local Trust was established in 2012 to deliver Big Local, a National Lottery Community Fund programme which committed more than £1m of grant funding to each of 150 communities and neighbourhoods across England.

The areas selected by the National Lottery Community Fund to benefit from Big Local funding were, typically, communities that were seen to have missed out on their 'fair share' of National Lottery and other funding. A significant number were located on the edges of towns and cities that themselves faced problems associated with long-term economic decline and loss of social infrastructure.

The scale of the investment matched the challenge; the £217m originally provided to establish the Big Local programme is the biggest ever single-purpose National Lottery-funded endowment, and the largest ever investment by a UK grant-funder in place-based, resident-led change. Over the course of the programme, and as a consequence of the growth delivered by the careful management of our endowment, some £280m will have been committed in support of our mission.

Big Local, from the outset, was designed to be radically different from other funding programmes. In contrast to conventional top-down, time-limited or project-led funding, the money awarded to each Big Local area was provided on a 'no strings' basis – there was no application process, and the funds were made available to be spent over 10–15 years at communities' own chosen pace, and on their own plans and priorities. By supporting local residents to take the lead in making decisions on how funds were spent in their areas, the Big Local programme aimed to build the confidence and skills of local people, strengthening local civic life and the social infrastructure that supports it.

Big Local sits at the heart of Local Trust's mission and is the major programme that we deliver as an organisation.

In April 2024 we entered the final phase of Big Local and Local Trust ahead of our final closedown, currently planned for February 2027. This left two years to support Big Local areas to spend out the funds committed to them and successfully secure their local legacies. In the final year (2026-27), Local Trust will: complete work documenting and accounting for the Big Local programme; publish final research and evaluation reports; and wind down its operations, achieving a successful closure.

Increasingly, over this period, Local Trust is also looking towards securing its own organisational legacy, and that of the Big Local programme as a whole. Reflecting our founding deed, we have always sought to share learning from the Big Local programme to influence and inform policymakers, funders and others seeking to work with communities and place. We were pleased that learning from Big Local helped inform the case made by the Community Wealth Fund Alliance, a cross-sectoral campaign which successfully made the case to government for substantial new investment in rebuilding the social infrastructure of 'left behind' communities. We will continue to focus on sharing insight and knowledge with others over the remaining years of Local Trust's operation.

Overview of 2024-25

April 2025 marks the beginning of the Big Local programme's final operational year. A further year follows, during which Local Trust will wind up its remaining operations, finish documenting what it – and Big Local areas – have achieved over almost a decade and a half of activity, and complete any remaining work identified as critical to securing its legacy.

During the last 18 months, we have planned in detail for the successful closure of both Big Local Trust and Local Trust in 2027. In November 2023, our Closure Plan set out how we would responsibly prepare for dissolution, whilst maintaining our ability to support Big Local areas and deliver our wider legacy ambitions. The Closure Plan was complemented by a Programme Delivery Framework and specific strategies on Legacy and on Equality, Diversity and Inclusion (EDI). We also streamlined our governance structures and organisational systems in 2023-24, in preparation for our closure activities.

Our Business Plan for 2024-25 was firmly rooted in all these strategies.

Local Trust's primary role has always been to support the 150 Big Local communities to make a success of the funds allocated to them. This has consistently been the focus of our business plans since 2012. Over the past year, this work has received sustained attention across the team and has resulted in considerable momentum in the numbers of Big Local areas 'closing out'. The year 2024-25 saw 49 areas closing out, bringing the overall total to 86 Big Local areas which have closed out of the programme. Together with 20 areas on track to close out, this put us ahead of our target of having 90 areas closed or in the close out phase by March 2025. The number of areas with over £200k still to spend fell from 53 to 9 over 2024-25, exceeding our target decrease of 30 such areas for the year. With just 12 months left in the Big Local programme, we expect 100 areas to be closed out by June 2025. Furthermore, over 90 areas have received support to strengthen and ensure their local legacy; this exceeds both our base target for the year of 50 areas, and our 'stretch' target of 70.

At the end of 2024-25, we estimated that 40 areas will still be active by September 2025. Many of these have faced specific challenges. In the past year, we have offered such areas bespoke support, undertook dedicated site visits and reviewed individual plans, and through area coordinators working closely with the funding team, area advisors and other partners who can help deliver key projects and activities. The close-out process introduced in 2023 has served areas and Local Trust well. However, given that the time to spend any remaining funds is narrowing, and those Big Locals still to close have less of a track record for achieving their plans, we are reviewing the thresholds and process for areas to close out. We will continue to refine our approach and the support available for these areas, recognising that increasingly tailored interventions will be required.

We planned to release at least £14.8m to Big Local areas during 2024-25. Between April 2024 and the end of March 2025, we paid out £16.0m, putting us ahead of our business target. We are required by the Trust Deed to spend a minimum of £220m by the end of the programme and we have already passed this milestone in terms of committed funds and cash spent. We continue to plan for full spend-out by February 2027 of the £280m realised by the Big Local Trust endowment fund. We are confident that we can comfortably meet the demands associated with support costs for Big Locals and organisational and area closure costs, whilst resourcing organisational legacy

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ambitions and retaining scope to respond to unexpected events. With a surprise general election in July 2024, for example, we were able to invest time and resources briefing the new government and connecting with new MPs across Parliament.

Such wider impact as an organisation has only been possible because of the scale of the Big Local programme, the learning we draw from it, and the credibility we gain from our effective support of its delivery. One of our goals is to influence those with power to effect change and make improvements – now and in the future – through the sharing of evidence, resources and insight drawn from our experience in neighbourhood and community renewal. We want the legacy of Local Trust's work to last well beyond the end of the Big Local programme. As we move towards closure, we are focused on consolidating our learning, ensuring our materials are accessible, evergreen and faithfully capture the entirety of the programme and its outputs.

As part of our closure planning process, at the start of 2024-25 we began to consider how activities initiated as part of our legacy would be maintained and continue to have impact following the end of Local Trust. We know that we have a better chance of embedding such impact if we work with and through others. Many projects have been developed with partners that can continue to realise the Local Trust ambition beyond 2027. Notable initiatives this year have included: our partnership with the NHS Confederation, exploring radical transformation of health and social care through community-led actions; our support for 3ni, a new national network for local authority officers dedicated to community-led, place-based regeneration; our backing for the Independent Commission on Neighbourhoods (ICON), to build evidence for a government focus on the country's most deprived neighbourhoods; and, our involvement with the consortium behind a new research centre, the Centre for Collaboration in Community Connectedness (C4).

Across this work, we continue to build on our strong track record of amplifying the voices and experiences of those who are marginalised and have the least power. Local Trust's research team has been meeting with each area to put together their individual profile for our online repository, Learning from Big Local. This new website will capture evidence so that academics, community development workers and policymakers can continue to build on and learn from Big Local principles well into the future; C4 has already agreed to host the site on an ongoing basis. These stories are the culmination of years of hard work and the dedication of committed volunteers. They are also the best evidence that can be marshalled in favour of community-led neighbourhood regeneration.

Big Local remains one of a kind: the only large-scale community-led regeneration programme to provide long-term, non-prescriptive funding direct to the neighbourhoods that need it most. The context of a planned and purposeful closure is also unusual, and it is likely we will need to respond to a range of unforeseen events. Our greatest resource at Local Trust is our people, and we continue to invest in good communications, support and training as roles change. We are determined to maintain a high performing and engaged team, and an inclusive and positive culture that can deliver on our ambitions through to the end. As we move towards closure, we will remain anchored to our values, confident in the range of skills, expertise and experiences across the organisation, fleet-of-foot in terms of our capacity and attention, and focused on our ultimate goals.

Objects of Big Local Trust

The Big Local Trust deed was amended in 2018. The revised objects of the charity are laid out in the trust deed (paragraph 5), as follows:

‘5.1. The Objects of the charity are:

- (a) the advancement of community development; and
- (b) the relief of unemployment; for the benefit of the public, in particular, but without limitation, in the localities in each region specified in Schedule 6.

5.2. Objects 5.1(a) and 5.1(b) are to be achieved in particular, but without limitation, by:

- (a) making Distributions to Recipients; and
- (b) conducting research and disseminating the useful results of such research.

5.3. The Distributions referred to in clause 5.2 should be made so as to develop the capacity and skills of the members of socially and economically disadvantaged communities, for the benefit of the public, in such a way that they are better able:

- (a) to identify, and help meet, their needs; and
- (b) to participate more fully in society.’

Our main activities are described below. All our activities focus on developing the capacity and skills of members of socially and economically, or socially disadvantaged, communities, as described in our objects, and are undertaken to further our charitable purposes for the public benefit.

The trustees confirm that they have referred to the Charity Commission’s guidance on the Public Benefit requirement under the Charities Act 2011 when reviewing the Trust’s aims, objectives, policies, in planning future activities and setting their grant-making policies.

Our areas of work

Local Trust is the corporate trustee of Big Local Trust, and the **Big Local programme** is at the centre of our work. The Big Local programme is funded from the Big Local Trust endowment created by the National Lottery Community Fund in 2012.

Big Local seeks to put power, resources and decision-making into the hands of local communities. Central to the design of the programme is a belief that when resources and decision-making are transferred to local communities, they have the most impact where they reflect the following key principles:

- **Long-term** – providing certainty and continuity, over a decade or more where possible
- **Resident-led** – building confidence and capacity among those wanting to make a difference to their community and their local area
- **Unconditional** – enabling residents to spend on their own terms and in their own time, on the projects they judge to be most important to them
- **Patient and non-judgemental** – giving communities 10 years + and opportunity to learn, make mistakes, resolve disagreements and overcome challenges for themselves, on their way to achieving their ambitions
- **Accompanied by support** – to help communities to build the confidence and capability to make the most of the opportunities available to them, while not constraining their own ambition and initiative.

One of the key legacy ambitions from the Big Local programme, reflecting the wishes of our Founder, the National Lottery Community Fund, is that others should benefit from the learning it generates. As a consequence, Local Trust seeks to share insight and learning gained from Big Local as widely as possible to inform and influence policymakers, funders and other organisations working with communities. This includes: learning around the design and delivery of the programme; insight generated from the data we collect and have access to; and, importantly, the experiences and voices of residents in Big Local areas themselves.

The four outcomes set by the National Lottery Community Fund for the Big Local programme are:

- communities will be better able to identify local needs and take action in response to them
- people will have increased skills and confidence so that they can continue to identify and respond to local needs in the future
- the community will make a difference to the needs it prioritises
- people will feel that their area is an even better place to live.

Our strategy

As we move into this final phase of our work, our three key organisational priorities are:

- supporting Big Local areas to achieve their ambitions
- securing a sustainable legacy for both Local Trust and Big Local areas
- achieving a successful closure.

The way we will approach these challenges over the period 2023-27 is outlined in the following strategies.

- our Legacy Strategy, which sets out Local Trust's approach to defining its long-term organisational impact, with an intention that our work should have impact beyond the end of the Big Local programme
- the latest iteration of our Programme Delivery Framework, which sets out how we support Big Local areas as they progress through the programme
- our Closure Strategy, setting out how we plan to wind up Local Trust, now supported by a detailed Closure Plan that was approved by Trustees in November 2023

Our Diversity and Inclusion Strategy, which captures the range of work in support of diversity and inclusion Local Trust has championed through and alongside the Big Local programme, and how we will embed diversity and inclusion in the final phase of the programme and within our legacy

Progress report 2024-25

Our Business Plan and activities for 2024-25 reflected these strategies and plans, as well as work taken forward by trustees to further consider how we might consolidate our organisational legacy over our remaining period of operation. Our planning and review during this year focused on:

- Supporting Big Local areas and helping them achieve their legacies.
- Securing Local Trust's own legacy.
- Preparing for a successful closure.
- Promoting inclusivity and diversity.
- Navigating uncertainty and risk.
- Governance and organisation.

Supporting Big Local areas and helping them achieve their legacies

This past year has seen increased momentum in the number of areas closing out. Our priority remains one of working patiently with communities to help them achieve their ambitions and exit from the formal programme in a well-managed way. As timescales narrow, this has meant becoming more flexible and providing more tailored support to enable Big Locals to achieve their ambitions. We also actively engaged with at-risk areas to agree action plans, with clear milestones, to meet their expenditure targets.

- Between April 2024 and March 2025, we paid out £16.0m in grants, exceeding our target of releasing at least £14.8m to Big Local areas during 2024-25. This reduces the outstanding grant to be distributed during 2025-26 (Big Local's final year) to £7.6m.

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- By March 2025, 86 areas had closed out of the programme. A further 20 areas were in the close-out phase (with 5 holding less than £75k of local funding). The total number of areas closed or in the close out phase therefore exceeded our target of 90 areas closed or closing by the end of March 2025. We expect all these areas to be closed by August 2025.
- By March 2025, only 9 areas still held a balance of over £200k, down from 53 at the start of 2024-25. At the end of 2024-25, 13 areas remained above the £150k threshold.
- We implemented a programme of delivery review visits to the 36 areas classed as 'high need' (having at least £150k remaining and/or with specific concerns around progression). Visits covered a detailed review and discussion of plans and finances, potential risks, and support needs. This work has enabled us to ensure that expectations and requirements are agreed, viable delivery plans and realistic budgets are in place, the right support is made available, and all our funding processes have been adhered to.
- In early 2025, we reviewed potential support needs across all remaining active areas plus those closed in the preceding six months. This will inform regional and sub-regional support and action plans for a new strand of work called 'building local connections' in 2025-26.
- Action to ensure the local legacies of individual Big Locals included: offering all areas membership of Locality (a network supporting local community organisations); 'speedy support' tailored to areas closing out; and assigning specialist advisors to particular areas. Tailored support has been given around: setting up and running legacy bodies; fundraising to maintain activities, projects and services; and, owning and managing community assets.
- We also piloted legacy activities, including a 'meet the funders' event, and communications events for areas approaching closing out.

Securing Local Trust's own legacy

This year, we began considering how our legacy activities might be maintained and continue to have impact following closure. Many partnerships projects have already been developed, spinning out such activities to organisations that can continue to realise the Local Trust ambition beyond 2027.

- In April 2024, we launched a new partnership with the NHS Confederation. This is exploring the importance of community-led health in the Big Local programme and the need for radical transformation in health and care across the UK. The central aim is to improve population health and reduce inequalities through joined-up, community-led approaches at a hyper-local level. This will be achieved through the creation of practical partnerships between Big Local areas and NHS partners to share learning and drive change. The partnership will disseminate new evidence about successful integrated approaches, with the goal of influencing health and care at a national level.
- We helped establish the Independent Commission on Neighbourhoods (ICON), which launched in September. ICON aims to influence government to address the significant challenges faced by the country's most disadvantaged neighbourhoods. It will build on existing research (including by Local Trust's policy and research teams), generate new insights, and propose actions to improve the prospects of residents. The Commission's work is funded by Local Trust but is run by an independent secretariat.
- In October, we launched 3ni, a new learning network designed specifically for local government officers dedicated to community-led neighbourhood regeneration. Developed by Local Trust, supported by New Local and delivered by Capacity, 3ni offers a platform for collaboration and innovation in local government efforts to transform neighbourhoods across

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the country. We will maintain a close, collaborative working relationship with the team delivering the programme.

- We are members of a consortium of universities, voluntary and community sector organisations behind a new research body, the Centre for Collaboration in Community Connectedness (C4). Launched in December, and primarily funded by the ESRC, C4 will focus on strengthening connectedness and participation in place-based communities across the UK. Local Trust has committed to investing £1m and providing staff time to manage and support the work. We will feed in knowledge gained through Big Local.
- We have been developing Learning from Big Local, our new website bringing together the key research, learning and stories from across the programme. Our soft launch will take place in autumn 2025, once we take account of user testing and internal feedback, and to upload more content. C4 will host the website as an 'evidence repository' after the Big Local programme ends.
- We continued to produce a range of submissions, case studies and research reports. *Breaking the Cycle* (published with the Centre for Progressive Policy) explores how to bring growth and opportunity to areas stuck in a trap of 'no jobs or bad jobs'; *Young People's Wellbeing in Doubly Disadvantaged Neighbourhoods in Greater Manchester* (with #Beewell and the Centre for Education and Youth) investigates the experiences of young people; *Neighbourhoods in Action: Achieving big results by working hyperlocally* (with 3ni) examines how local authorities in England are using neighbourhood approaches to support their most disadvantaged areas.
- We commissioned a synthesis of evidence on how to create and maintain strong communities in the most deprived areas. Frontier Economics completed the initial phase and are now reorientating the project to answer ICON's core research questions.
- We partnered with Demos and 3ni to produce a series of policy papers, exploring how strong social capital can improve social and economic outcomes at the neighbourhood level.
- Our series of research seminars which covered a range of topics like community leadership, health and Pride in Place ran throughout the year.
- We continued to support Amazing Communities Together to establish itself as a credible, inclusive and sustainable network providing a national forum for practitioners and champions of resident-led renewal. Grown out of the Big Local programme, a priority for ACT's independent Board now is establishing an effective business model beyond Big Local and Local Trust funding.

Preparing for a successful closure

In November 2023, trustees approved a Closure Plan, setting out how we will responsibly prepare for close down of Local Trust by February 2027. This Closure Plan underpins all our activities, but also incorporates measures around core functions.

- In 2024-25, we agreed in principle which organisations we want to take responsibility for residuary functions following closure and the budget (if any) required to facilitate this. We took advice from Withers (solicitors) and Moore Kingston Smith (auditors) on these proposals.
- By March 2025, we had reached agreement with C4 on holding some of these functions. We are in negotiation with a separate organisation about other functional support post-closure.

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We have set ourselves a deadline of September 2025 for these discussions. Thereafter, if necessary, we will complete an appraisal of alternative options by November 2025.

- We have updated staff twice during 2024-25 so that they understand the strategy, their role now, and the implications moving forward.
- In July 2024, we revised our stakeholders communications plan to ensure our partners at all levels remain fully informed.

Promoting inclusivity and diversity

In March 2023, our new Equality, Diversity and Inclusion (EDI) Strategy committed us to action across three domains: our relationship with Big Local partnerships, our external narrative, and the way we work. After a raft of new initiatives in 2023-24, 2024-25 has been largely a year of maintaining energy and momentum. The action plan for the year included:

- Brokering tailored support to Big Local partnerships in areas such as Mottingham around their approach to issues of equality in the final phases of their local plan.
- Sharing findings from the action learning project, based on work with two Big Local areas seeking to addressing systemic racial inequality and discrimination in their work.
- Development and dissemination of a community action plan focusing on youth engagement.
- Assurance regarding the equalities impacts of our approach to closure planning

Progress against commitments has been regularly reviewed by a Senior Management Team lead, with an annual report on progress and learning to the Board in March 2025.

Navigating uncertainty and risk

We regularly review the risks facing Local Trust and Big Local, with all operational risks considered at least once a quarter and shared with relevant trustee committees and our Board.

One strategic risk in 2024-25 was that of reduced policy impact after the July 2024 UK general election. We have taken particular action to establish relationships with the new government.

- In the run-up to the general election, we published our own neighbourhoods ‘manifesto’ calling on the next government to commit to improving the prospects of ‘doubly disadvantaged’ neighbourhoods (those with both the highest levels of deprivation and weakest social infrastructure).
- Immediately after the election, we produced a series of papers exploring how learning from the Big Local programme might inform Labour’s five ‘missions’, and the importance of the neighbourhood level in having the greatest impact here.
- On 22 July, the Community Wealth Fund (CWF) campaign was re-launched with a parliamentary event for new MPs. As a founding member of the Community Wealth Fund Alliance, we asked the new government to commit to an immediate review and expansion of the proposed CWF, alongside a broader realignment towards the campaign’s original principles. In December, a further £87.5m was committed.
- We have met with over two dozen new MPs across the three main parties, arranging for some to visit their or other Big Locals. We have met with relevant ministers and key advisors. Other ministerial engagement has come through work with ICON and the NHS Confederation, including with the Secretary of State for Health and his senior officials.
- Organisationally, we identified the risk that mishandling closure could result in low staff morale and loss of efficiency. We have mitigated this by increasing staff capacity focused on effective closure and updating the budget to take account of closure costs.

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- Another significant risk approaching closure is the loss of key staff and challenges recruiting talented staff. In this context, we implemented a new remuneration policy and have been putting increased emphasis on secondments. So far, we have seen relatively few unplanned exits; where this happens, we review how this interacts with our longer-term planning for closure.

Governance and organisation

We have adapted our governance arrangements to reflect changing needs and demands as we run down our operational capacity whilst maintaining proper oversight of the delivery of the last stages of Big Local and our key legacy projects. The recommendations from the Governance review carried out in 2023-24 – including a streamlined Board Committee structure – are now well embedded. We accept we may need to adapt further as we move towards closure.

- As part of planned downsizing, Matt Leach exited the post of Chief Executive Officer at the end of 2024-25. He was succeeded by Rachel Rowney, who has been part of the team at Local Trust responsible for delivering Big Local since 2012, most recently as chief operating officer.
- Staff surveys carried out during 2024-25 showed that:
 - People feel positive about working for Local Trust.
 - People feel passionately about the mission and vision of the organisation.
 - People feel that they are treated fairly and well.
 - Colleagues respect and enjoy working together, believing Local Trust to be a competent and strong organisation.
 - Motivation levels continue to be high across the organisation.

Plans for the future

2025-26 is the final operational year of the Big Local programme, with 2027 marking the last year of the Big Local Trust Deed and the planned closure of Local Trust. These deadlines form the context for the ambitions and focus of our 2025-26 Business Plan. We have set realistic priorities to maximise impact.

With limited time remaining, we view our Business Plan as ‘live’. We must be able to respond to a dynamic operating environment within a reducing budget envelope. We will regularly monitor our progress, including review with trustees every quarter.

Our overall priorities for 2025-26 are:

- Supporting the remaining Big Local areas to achieve their ambitions and secure a legacy through their final plans.
- Influencing those with power to change policy and practice, through the sharing of evidence, resources and insight on neighbourhood and community renewal.
- Managing the dissolution of Big Local Trust and closure of Local Trust effectively, ensuring we meet our legal and fiduciary duties.
- Maintaining and supporting a high performing and engaged team that can deliver on our mission and ambitions through to the end.

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These priorities remain underpinned by our four strategies and plans on performance delivery, legacy, closure, and equality, diversity and inclusion, published in 2023. For each priority, we have set ourselves goals, pinned to measurable targets.

Delivering the Big Local programme

Local Trust will continue to prioritise support for around 60 active Big Local areas due to close out across 2025-26. This means helping all remaining areas to successfully deliver their final plans and make best use of their full funding. We will also assist partnerships to plan for their own legacy. Our goals are to:

- Support all Big Local areas to achieve their ambitions, through direct intervention informed by a risk-based approach. We are keeping our close-out thresholds and processes under review. We will work closely with those facing the biggest challenges and look to resolve issues quickly and proactively. We will also celebrate endings, both locally and nationally. Our targets are: to have all areas in their close-out phase by December 2025, with £8m of grant cash spent by March 2026.
- Provide the best platform for Big Locals to secure their legacy, by facilitating access to relevant support, connection and learning opportunities. We will continue to offer bespoke support, enhancing our network of local and national providers. We will be more active in building local connections between Big Locals and potential partners, including sub-regional and regional action plans focused on brokering relationships with broader voluntary, community and funding organisations and networks. Our targets are: for 85% of those receiving support to feel more confident about achieving their legacy; and, to see at least 10 Big Locals access support around equalities and inclusion.
- Complete all our funding fully and accurately. We will close grant agreements and complete administration of those grants still open. This includes closing relevant contracts for supporting organisations and individuals, ensuring no outstanding liabilities. Our target is to close 125 grants by December 2025.

Our legacy

We will develop an outward-facing campaign highlighting the principles of both the Big Local programme and Local Trust, aiming to secure broad-based understanding of their success. We will ensure we have both in-house capacity and management information to respond to any negative media and develop a detailed crisis response plan, ensuring we have the resources to respond appropriately to potential issues. Throughout, we will continue to build on our strong record of providing a platform for those who are most marginalised. Our goals are to:

- Demonstrate a clear, relevant and accessible evidence base that shows the importance of long-term, flexible and supported funding for resident- and community-led decision-making. We are focused on consolidating our learning. Our targets are to: launch the Learning from Big Local website to positive feedback and gain increased engagement with key audiences.
- Establish wider understanding within the funding system that locally led institutions and infrastructure form the foundation of successful neighbourhoods. We will champion the importance of funding that values resident-led initiatives in achieving lasting change. We will lead a new programme of learning for funders in London and run a series of dissemination events with partners. We will seek to embed Big Local learning within networks around community-led renewal. A new strand of activity, 'building local connections', will assist Big

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Locals in forging relationships that will outlive the programme. Our targets are to see: 90% of areas engaged in our new strand saying they have developed local connections which will help them sustain impact; 15 London funders participating in our new programme.

- Embed our insights with public and civil society organisations and those working directly with communities. Local Trust's policy team will continue to provide briefings on policy or delivery. As a lead institution behind C4, Local Trust will ensure it builds on our evidence base to bring value to current and future policy makers, civil society organisations, academics, and practitioners of community development. With TCPA and Sovereign Network Group, we will publish a playbook for private developers on creating strong communities in new housing developments. Our targets are to see: 5 key funding programmes (or equivalent) align with Local Trust's learning and principles; and for Local Trust's influence to be evident in the 'what works', methods and community engagement strands of delivery.

Closure

During 2025-26 we will continue to prepare and plan for successful organisational closure. This will include:

- Progressing discussions with organisations that might hold the residuary functions of Local Trust after closure.
- Establishing agreements with organisations that will 'carry the Local Trust flame' through our legacy projects and activities.
- Reviewing any and all legal requirements to ensure they are understood and planned for.
- Ensuring that our staffing profile reflects what's needed to achieve our objectives.

We are not planning significant changes to core business systems. However, we are considering when systems might no longer be required, any GDPR implications, and the process for phasing out their use. Our goal is to manage the closure of Local Trust and dissolution of Big Local Trust, in line with our legal and fiduciary duties. Our targets are: to have team closure plans by October 2025; to have completed a 'systems stocktake' by December 2025, with an exit plan for each system by March 2026; by September 2025, to have concluded current discussions with one organisation over holding residuary functions and, if necessary, to have carried out an appraisal of alternatives by November 2025; to have agreed a financial exit/closure plan by March 2026.

Our people, culture and performance

Maintaining a high performing and engaged team, and an inclusive and positive culture that can deliver on our ambitions through to closure of the Big Local programme and organisation, is crucial. Our approach to budget management will become more dynamic to ensure funds are fully and appropriately allocated. Our expected expenditure during 2025-26 is:

- £400k new grant commitments (99% of all grant funding available to areas).
- £8.8m spent on grants.
- £9.7m spent on support and delivery.

Our goals are to:

- Ensure Local Trust is governed, led and managed effectively. Our targets are to meet our legal and fiduciary duties, and to achieve a clean audit.
- Maintain a confident, resilient, and motivated staff team. Our targets are to: achieve 80% of quarterly development objectives; see staff satisfaction maintained or improved in the 2025 staff survey; offer 200 instances of training.

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- Deploy our skills, resources and capacity in line with organisational priorities and risks. Our overall target is to meet 90% of detailed Business Plan targets.

Response to the Charity Governance Code

The Local Trust board chose to adopt and apply the Charity Governance Code published in December 2020. Local Trust has continued to focus on good governance with its work supported by our independent Protector, Rosie Chapman, appointed in September 2018. Her role includes ensuring the integrity of the administration of the charity and the propriety of its procedures.

Local Trust is the corporate trustee for Big Local Trust and governs the Big Local programme. Over the last year, Local Trust has continued to address the seven key areas of governance outlined in the Charity Governance Code. Details of action undertaken during the year are outlined in the Local Trust group annual report and accounts for the year ended 31 March 2025.

Financial review

Overview of income and expenditure

Big Local Trust is funded through an expendable endowment from the National Lottery Community Fund. The Big Local Trust endowment is invested and income on the investment for the year was £1.9m (2024: £2.9m). There were net losses on investments of £1,322k (2024: £413k).

The charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

Total expenditure for the year was £8.6m (2024: £17.4m). The reduction in expenditure reflects a 103% decrease in direct funding committed to Big Local areas of £0.3m (2024: increase of £8.8m). The cost of delivery to areas decreased by 22% to £4.0m (2024: £5.1m) and the cost of learning to support the programme increased by 40% to £4.5m (2024: £3.4m). A full list of the funding to Big Local areas is included in note 5.

During the year, trustees designated £1,072k of funds to be spent on the development and delivery of an Independent Commission on Neighbourhoods (ICON) as part of Big Local Trust's legacy work. Of this, £291k was spent and a balance of £781k remained at the end of the financial year. No funds had been otherwise designated or committed as at 31 March 2025 other than those identified elsewhere in the accounts.

The net reduction in funds for the year was £8.0m (2024: £14.1m) and total funds held at the year-end were £16.0m (2024: £24.0m).

Big Local Trust's investments

Investment strategy

Big Local Trust's original investment strategy objectives were:

- for the investment assets of the Big Local Trust (the fund) to provide the resources required by Big Local, and
- to manage the assets in a manner that maximises the impact of the funds to enable Big Local areas to extend the life of Big Local beyond 10 years and £1m for each area.

Making use of the scale and duration of Big Local, the original investment strategy aimed to provide a reasonable medium-term return while ensuring that at all times sufficient short-term funds were available to support spending.

After careful consideration, in November 2019, trustees agreed to change the implementation of the Big Local Trust investment strategy, from a focus on investment returns to controlling risks. This reflected the fact that the fund had achieved good investment returns in the years since it was established, enabling Big Local Trust to fulfil its original investment strategic objectives. The key driver for this decision was the need for financial certainty to allow Local Trust and Big Local areas to plan; and related to this was the ever-reducing amount of time for the fund to recover from the downsides of market volatility as Big Local moves towards the latter stages of the programme. However, in the summer of 2020 and the consequent uncertainties and potential for further volatility led the Trustees to revisit the strategy, with the aim of ensuring as much certainty and stability as possible. This led to a shift in strategy from controlling to minimising risk in order to preserve the value of the investment (above generating returns), in order to have as much certainty as possible as Big Local spends out.

The trustees reviewed the investment strategy again in November 2023 and agreed to transition from direct cash investments in the money market to investing realised cash into a CCLA managed COIF

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deposit fund. This will enable better liquidity of funds to closure in 2026. The transition out of money market investments would mark the end of Big Local Trust's custodian relationship with HSBC. It was anticipated that this relationship would end by March 2025. The investment strategy was revised to:

As of 1 April 2024 there will be no further direct cash investments. Cash realised on the maturity of investments in the portfolio will be invested in a CCLA managed Deposit Fund account.

The portfolio reference currency will be British Pounds (GBP).

During the year, the revised investment strategy was implemented and direct cash investments in the money market were transitioned over to the COIF charities deposit fund upon maturity. The Big Local Trust discretionary investment management agreement with CCLA was terminated in November 2024, the segregated fund closed. Remaining funds continue to be held in a COIF charities deposit fund, managed directly by Big Local Trust.

Investment management

CCLA is the investment manager for Big Local Trust and over the life of the charity, has worked with the Local Trust's finance and audit committee to manage investments in line with the investment strategy, as agreed by the board.

November 2024 marked the closure of the discretionary investment management agreement between Big Local Trust and CCLA. Remaining funds from the portfolio are held in CCLA's COIF charities deposit fund and continue to receive support from our investment managers, albeit on a smaller scale.

Investment performance

Big Local Trust commenced the year with an investment portfolio of cash and near-cash assets. There were no fixed asset investments held as at 31 March 2025 (2024: £46.0m), as the segregated investment portfolio was closed in November 2024 and remaining funds transferred to the charity's COIF deposit fund as short-term investments. Funds held in the COIF deposit fund at 31 March 2025 were £22.9m (2024: £206k).

The performance benchmark of the fund was Sterling Overnight Index Average (UK SONIA) from 1 January 2021 onward. The benchmark for the period ended 31 Dec 2024 when the portfolio closed was +5.23% (Dec 2023: +4.69%), and the overall returns for the period were +5.64% (Dec 2023: +4.58%). During the three months to 31 March 2025 when the remaining investment funds were transferred to the COIF charities deposit fund, the average yield for the fund was 4.56% (4.66% AEY). This compares with the benchmark of +4.46% (UK SONIA).

Ethical and responsible investment

Trustees reviewed Big Local Trust's ethical and responsible investment policy in March 2025. Local Trust, acting as the corporate trustee of Big Local Trust, agreed to use CCLA's ethical investment policy in the management of its investments. This policy has been developed in accordance with Charity Commission guidance (CC14), and trustees believe it represents an appropriate balance between aligning Big Local Trust's investments with its purposes and the delivery of good investment returns.

As all our assets are now invested in CCLA's COIF charities deposit fund, Big Local Trust has agreed to follow the responsible investment policy adopted by CCLA. This assesses the banks on a broad range of subjects including climate change, corporate governance and how they treat their workforce.

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CCLA also leads engagement with the banks to push for more responsible business practices where needed.

The finance and investment committee meet regularly to assess their approach to managing the charity's money responsibly and review this policy annually.

Despite our holding of only cash investment assets, Big Local Trust's Finance and Audit committee will still consider participation in appropriate CCLA ethical engagement programmes. As a responsible investor, Big Local Trust supports CCLA's wider stewardship work. Big Local Trust is keen to invest in accordance with the Principles for Responsible Investment, and expects its investment manager to be a signatory to these principles.

Distribution of returns on the investment

Under Big Local, 150 Big Local areas were each allocated £1m to spend over a 10-year period, based on each area's Big Local plan. The fund that provides these allocations and supports the delivery of the programme is managed centrally, with areas accessing funds over time as plans are delivered locally. Beyond providing £1m plan funding to each area, Local Trust has committed to ensure that each area will also receive a proportion of the net investment returns earned by the fund.

In September 2017, with several Big Local areas approaching full spend of their £1m, trustees made the decision to bring forward the distribution of that proportion of the returns that could be guaranteed at that date. Having considered the performance of the investment, trustees decided each Big Local area would receive an additional £105k from the returns generated from the original investment of £150m. This was added to the balance of each area's £1m. A further distribution of investment returns, of £50k per area, was agreed by the board in March 2020.

Grant-making policy

As part of the accounts, the trustees' annual report must explain any policy for grant making.

The policy reads as follows:

Each Big Local area draws down funding by presenting plans to Local Trust for endorsement, setting out how they intend to address priorities identified by people in the area. Big Local areas appoint a locally trusted organisation to hold and be responsible for the funding. When plan funding is drawn down, locally trusted organisations receive an administration contribution of 5% of the grant.

Each grant we award is only to be used for the charitable purpose for which it is made, as described in each proposal or plan, and all grants are to help Big Local areas meet the Big Local outcomes. Locally trusted organisations are required to record all Big Local grants in their accounts as restricted funds.

Each area will receive:

- £1 million plus a contribution towards partnership running costs or grant administration (5% of the total spend) available once their Big Local plan is endorsed
- a fair proportion of net investment returns earned by the fund (an additional £105k per area was agreed by trustees in September 2017 and £50k in March 2020)
- any underspent or unused grant funding from the funds we offered to areas in the early years of Big Local (called Getting People Involved/Getting Started, Creating your Big Local plan and Marketplace), now available through the plan funding process
- travel and carer costs for residents to attend networking and learning events.

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By exception, and in line with policy framework agreed by trustees, Local Trust may agree to vary arrangements for the distribution of funds in Big Local areas where the local partnership (as the vehicle through which Local Trust seeks assurance of local residents' priorities) is unable to meet the [minimum criteria required of partnerships](#) over a sustained period. Local Trust will seek to ensure distribution of such funds reflects priorities identified by people in the area.

Local Trust as a locally trusted organisation

Local Trust acted as the LTO for one Big Local area that had been unable to identify a suitable organisation to fulfil this role during (or part of) the year to March 2025: Worle Big Local.

Big Local Trust retains the administration contribution of 5% for Local Trust acting as the LTO, and in 2024-25 this totalled £0.1k (2024: £5.3k).

Social investments

Big Local areas have been encouraged to be innovative in the ways they create positive social change and economic growth within their local areas through the use of social investment. Big Local partnerships team up with credit unions and other social investors within their local areas, opening up access to new funding for individuals and small organisations. These initiatives are presented as part of the Big Local partnership plans, and funding made available for delivery.

During 2024-25, Big Local Trust made £163k (2024: £184k) available for social investment. These programme-related investments are listed under note 12 and disclosed as a separate line on the face of the balance sheet. We have reviewed all social investments held during 2024-25 and have found none of the active social investments to be impaired. Irrecoverable impairments of £19k have been written off in previous years, and no further active social investments have since been deemed impaired. After repayments in the period of £40k, the value of the social investments at 31 March 2025 is therefore £123k.

Big Local Trust's social investments and impairment policy is reviewed on an annual basis. An assessment is undertaken at the end of each financial year to determine the extent, if any, to which Big Local Trust's social investments have been impaired (reduced in value), to ensure that their value has not been overstated.

Constructive obligations

A constructive obligation between Big Local Trust and a locally trusted organisation (LTO) is triggered when a grant (or other funding) offer letter is sent to an LTO to notify them that a specific amount of funding has been endorsed for a stated period of time.

We record these constructive obligations, or grant commitments as creditors in the balance sheet of these accounts.

Big Local Trust's constructive obligations decreased from £24.4m as at 31 March 2024 to £7.8m as at 31 March 2025. This reflects a significant decrease in new commitments and an increase in grant cash payments made during the year as Big Local areas deliver their plans locally and more areas close successfully.

Financial planning

We undertake annual reviews of the budget and cashflow forecast to inform Big Local delivery, how funding is allocated and spent, and how areas are supported. The budget and cashflow forecast to 2027 is updated each year with actual spend and income and re-forecasted annually. We revisit the

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budget and cashflow forecast on a quarterly basis tracking spend against plan and re-forecasting where required.

Whilst planning for the 2024-27 budget period, we carried out a thorough review of our budget and cashflow forecast to ensure they are sufficiently robust to support delivery of the Big Local programme over the remaining years, which a specific focus on closure planning to February 2027. This includes considerations for the remuneration of staff upon redundancy as well as any costs associated with winding down the charity.

The updated 15-year budget informs the investment strategy and a rolling two-year cash flow forecast is provided to CCLA to enable them to manage cashflow requirements of the programme. The cashflow proved to be accurate for 2024-25 as it has been every year since it was first prepared in 2012.

Reserves policy

Big Local Trust has an expendable endowment, received from the National Lottery Community Fund in 2012 and 2013, to be spent by 13 February 2027. All of Big Local Trust's funds are unrestricted. During the year, trustees designated £1,072k of funds to be spent on the development and delivery of an Independent Commission on Neighbourhoods (ICON) as part of Big Local Trust's legacy work. Of this, £291k was spent and a balance of £781k remained at the end of the financial year. No funds had been otherwise designated or committed as at 31 March 2025 other than those identified elsewhere in the accounts.

Trustees consider that it is not necessary for Big Local Trust to specify a level of reserves beyond the significant level of funds held. The trust has processes in place to manage its funding over the period of the endowment, to ensure that the support costs, delivery costs and funding allocated to the 150 areas are spent in line with the requirements of the programme and the trust deed. This includes planning and managing closure in 2027.

It is in the nature of an expendable endowment that funds are spent out over time. In the final years of Big Local, it may require a reserves policy to ensure sufficient funds are held to manage the close down of the programme in a managed and prudent way; however, this is not currently the case. As at 31 March 2025, Big Local Trust held total funds of £16.0m (2024: £24.0m). It has sufficient contingencies within this to cover any unforeseen costs; therefore, it is not currently appropriate for the trust to specify a reserves level.

Trustees review the Big Local Trust reserves policy annually.

Principal risks

Big Local Trust has a detailed risk register, which is reviewed and update regularly by the Executive and on a quarterly basis by the board and the Finance and Audit committee. Significant new strategic and operational risks are brought to the attention of the Finance Audit and Risk committee and the board as necessary.

The business planning process carried out during the year to March 2025 identified the following major risks that would need to be monitored and managed over the year ahead:

The key risks

- **Failure of low spend areas to meet spend forecast:** This would result in these areas falling further behind targets and in capacity challenges (both intensity and overall timeline) and could challenge our ability to complete delivery of Big Local by March 2026. Over the course of the year, we revised our approach to risk assessment, to take better account of available data and intelligence, and ensured work to support and intervene where necessary in these areas was a team priority. A programme of visits to all higher risk areas towards the end of the year, and involving all relevant stakeholders resulted in agreed milestones and forward review points, with additional support or changes to delivery arrangements where considered necessary.
- **Risk of Lower spend by a majority of Big Local areas remaining in the programme than expected.** This would also result in capacity challenges, including our ability to focus on lower spending areas. In response we regularly review programme data to assess level of risks; including ensuring monitoring of progress and challenges in areas with more moderate balances, and visits and touch points between Local Trust staff and areas, including a greater proportion of areas with a named Area Co-ordinator. The revised approach to area close-out significantly reduced this risk, freeing up resources to deploy in lower spend areas; whilst moving to alternative delivery approach in some areas also reduces the risk.
- **Risk that areas close to spend out (holding less than £150k) exit the programme slowly than expected:** This would divert resources away from areas with high needs and put a strain on capacity. Embedding the revised approach introduced in 2023 reduced this risk significantly, and ensured clear responsibility within the team for moving areas through the close out pathway in a timely manner, and some additional flexibility applied to standard thresholds for close out (e.g. where balance is above £75k but there is high confidence in the trajectory of local spend).
- **Local Trust support fails to effectively address needs and requirements of areas at greatest risk:** This could result in areas not spending out by 2026 in a timely and effective manner; require changes in how Local Trust supports Big Local areas and manages the closure of the programme, additional funding and staff changes. We continue to track the impact of support by area with regular reviews, including a review of expert support contracts which focuses on the support that will most likely assist in moving local plans towards completion, with the Delivery Review Visits offering the opportunity to take stock of potential additional support requirements. More flexibility to deploy a range of support providers – including local organisations – is being introduced.
- **Significant number of individually small negative media stories around low spend/challenging BL area leads to questioning of Local Trust competency and the Big Local model;** This could lead to reputational damage, and impact on our credibility and influence. A dedicated press risk register is regularly reviewed, with leadership from the Head of Policy and Communications and reviewed monthly by the Senior Management Team and quarterly by the trustees. We are improving management information on areas: whilst increased in-house provision of support to areas enables problems to be surfaced/exposed, and responsive action implemented, more quickly.

- **Delays in implementing legacy projects:** This could lead to a lack of impact, with Local Trust failing to achieve optimal outcomes from remaining time and resources. Trustee decisions have resulted in clear positive action to initiate work on key projects, and allocation of resources in the business plan.
- **Loss of key staff, and challenges in recruiting talented staff, as we get closer to the proposed end date of the organisation:** A resultant lack of capacity and skills in the organisation to deliver strategy and business. Local Trust has reviewed remuneration in this context, implementing a new policy, and is putting increased emphasis on secondments. Our resourcing priorities are reviewed every 6 months as part of the closure plan.
- **Failure to adequately plan organisational closure:** This could result in poor administration of Local Trust and Big Local during final years, low staff morale, loss of efficiency, and challenges in resourcing closure effectively. Critical in addressing this risk is the published Closure Strategy, and associated Closure Plan. The forward budget has been updated to take account of closure costs, and Trustees receive regular reports on progress.

Structure, governance and management

Staffing

Staff remuneration

Trustees consider remuneration, including the remuneration of the senior management team, annually. During 2024-25 trustees carried out a review of staff salaries, including the salaries of key management personnel, taking into consideration the organisation's financial health, what peer organisations are generally choosing to pay, and other factors in the pay policy. The pay policy was initially agreed in May 2019, and most recently reviewed in February 2025.

Trustees consider a cost-of-living increase for existing salaries, on an annual basis, after reviewing the consumer price index (CPI). A cost-of-living increase of 3.4% was agreed for 2024-25.

Trustees are responsible for setting overall remuneration levels for staff, with recommendations being made to Board as part of the budget approval process.

Trustees recognise the importance of valuing staff that need to effectively and appropriately manage the endowment, the programme, grants and social investment into 150 areas and the contracts/grants of those delivering national support, research and evaluation.

Staff are jointly employed by Big Local Trust and Local Trust. The average number of employees during the year was 62 (FTE) (2024: 63).

Pensions and auto enrolment

Big Local Trust operates a group pension scheme with Scottish Widows and contributes the equivalent of 10% of salary for each member of staff into scheme. This is more than the minimum legal requirement under auto-enrolment. Staff are encouraged to make a voluntary personal contribution.

During 2024-25, all Big Local Trust staff were enrolled in the group personal pension scheme.

Volunteers

Big Local relies on people getting involved in making their areas better places to live. Around 400 people directly participate as partnership members across the 44 Big Local areas, the other 106 Big Local areas either already closed or on the closure path. Partnership members include representatives from local organisations, councils and businesses however, a vast majority are volunteer residents (69%) who give of their own time to help lead the Big Local programme in their local areas.

Governance and committees

Local Trust acts as the corporate trustee of Big Local Trust, in line with the Big Local Trust deed.

Local Trust was registered as a charity in England and Wales on 30 May 2012 (charity number 1147511). Local Trust is also registered as private limited company by guarantee (company number 07833396).

Local Trust's work is overseen by a board of trustees who meet on a quarterly basis. Our approach to governance is led by the chair of the Local Trust board and is based on:

- ensuring delivery of organisational purpose
- working effectively as individuals and as a team
- exercising effective control
- behaving with integrity
- being open and accountable.

Trustees receive regular, timely reports which provide updates on Local Trust programmes of work and inform decision-making.

Trustees delegate responsibility for the day-to-day running of the charity to the chief executive.

Committees

Following a review of governance in 2022-23, a new board committee structure was introduced in April 2024, which saw the closure of the Legacy and Learning and Programme Delivery committees. This ensures trustees are able to continue to effectively exercise oversight of Big Local Trust both as an organisation and the programmes it delivers.

The two remaining committees are: Finance and Audit (formerly Finance, Audit and Risk); and People and Culture (formerly Governance and Remuneration). New terms of reference explaining the responsibilities of each committee were approved and will be periodically reviewed and updated to ensure continued effective oversight and decision making across all aspects of Big Local Trust's business.

- The purpose of the **Finance and Audit Committee** is to support the Board in the overall management and monitoring of finance, investment, and audit matters at Local Trust and Big Local Trust. It does this by providing an appropriate level of scrutiny of finances, investment policies and procedures of Local Trust and Big Local Trust, as well as the audit process and outcome, and by supporting the Board and management in managing its finances effectively, prior to making recommendations on these matters to the trustees for their decision.
- The purpose of **People and Culture Committee** is to: ensure the effective governance of Local Trust and Big Local Trust; make recommendations as to the organisation's overall staff remuneration policy; and support the successful closure of Local Trust and Big Local Trust.

The Protector

The Big Local Trust deed provides for the appointment of a Protector who has a fiduciary duty to ensure the integrity of the administration of the Big Local Trust and the propriety of its procedures, and if necessary, report matters of serious concern to the National Lottery Community Fund as the Founder or to the Charity Commission. Rosie Chapman has been the Protector since September 2018.

Trustees delegate responsibility for the day-to-day running of the charity to the chief executive.

Statement of trustee's responsibilities

In respect of the trustee's annual report and the financial statements

Focus of activities

The trustee has given due consideration to Charity Commission guidance on the operation of the public benefit requirement and is satisfied that the work of Big Local Trust meets that requirement. Big Local Trust's work in the year to 31 March 2025 focused on supporting the 150 Big Local areas to identify their priorities and to develop and deliver plans to address these priorities.

Responsibilities of the corporate trustee

Local Trust is corporate trustee of Big Local Trust and is responsible for preparing the trustee annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) that gives a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the net income or expenditure, for the year. In preparing the financial statements, the corporate trustee is required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the charities Statement of Recommended Practice Charities SORP (FRS 102)
- make judgments and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the charity will continue in business.

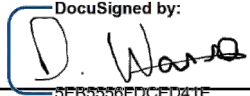
The corporate trustee is responsible for keeping accounting records that disclose, with reasonable accuracy at any time, the financial position of the charity. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The corporate trustee is responsible for the maintenance and integrity of the financial information included on the charity website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

The trustee has confirmed that so far as it is aware, there is no relevant audit information of which the charity's auditors are unaware, and that it has taken all the steps that it ought to have taken as a trustee in order to make itself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

A resolution to appoint Moore Kingston Smith was proposed at the last annual general meeting.

Approved by the corporate trustee on 27 November 2025 and signed on their behalf by:

Signed  Date 05 December 2025

David Warner
Chair

Independent auditor's report to the trustees of Big Local Trust

Opinion

We have audited the financial statements of Big Local Trust for the year ended 31 March 2025 which comprise Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement 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 FRS 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 charity's affairs as at 31 March 2025, 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 Charities Act 2011.

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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 charity'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.

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.

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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 there is 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we required for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page [21](#), the trustees 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 charity'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 charity 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 section 1442 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and

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obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain 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 purposes of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charity.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charity and considered that the most significant are [the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council]
- We obtained an understanding of how the charity complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.

Big Local Trust annual report and financial statements 1 April 2024 - 31 March 2025

- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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 or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees 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 any party other than the charity and charity's trustees as a body, for our audit work, for this report, or for the opinion we have formed.

Moore Kingston Smith LLP
.....

8 December 2025

Statutory auditor

Date

6th Floor, 9 Appold Street

London

EC2A 2AP

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

Big Local Trust annual report and financial statements 1 April 2024 - 31 March 2025

Statement of financial activities

for the year ended 31 March 2025

	<u>Notes</u>	Designated 2025 £000	Unrestricted 2025 £000	Total 2025 £000	Total 2024 £000
Income from:					
Investments	2	-	1,863	1,863	2,888
Reimbursements from Local Trust		-	-	-	15
Other sources	3	-	1	1	3
Total income		-	1,864	1,864	2,906
Expenditure on:					
Raising funds:					
Investment management charges		-	15	15	85
Charitable activities:					
Grants payable	5	-	(269)	(269)	8,758
Delivery to areas		-	3,963	3,963	5,107
Learning to support the programme		291	4,550	4,841	3,447
Total expenditure	4	291	8,259	8,550	17,397
Net operating expenditure	7	(291)	(6,395)	(6,686)	(14,491)
Net gains/(losses) on investments		-	(1,322)	(1,322)	413
Net income/ (expenditure)		(291)	(7,717)	(8,008)	(14,078)
Loss on disposal		-	-	-	(2)
Transfers between funds		1,072	(1,072)	-	-
Net movement in funds		781	(8,789)	(8,008)	(14,080)
Reconciliation of funds:					
Total funds brought forward 1 April 2024		-	23,989	23,989	38,069
Total funds carried forward 31 March 2025		781	15,200	15,981	23,989

All amounts are related to continuing activities.

All gains and losses recognised are included in the statement of financial activities.

The accompanying notes, on pages 31 to 48, form part of these financial statements.

Big Local Trust annual report and financial statements 1 April 2024 - 31 March 2025

Balance sheet

as at 31 March 2025

	Notes	2025 £000	2024 £000
Fixed assets			
Tangible assets	8	24	30
Intangible assets	9	69	132
Investments	10 & 11	-	46,018
Social Investments	12	123	163
		<u>216</u>	<u>46,343</u>
Current assets			
Debtors	13	436	1,546
Investments		22,945	206
Cash at bank and in hand		1,141	1,315
Total current assets		<u>24,522</u>	<u>3,067</u>
Liabilities			
Creditors: amounts falling due within one year	14	(8,757)	(22,322)
Net current liabilities		<u>15,765</u>	<u>(19,255)</u>
Creditors: amounts falling due after one year	15	-	(3,099)
Net assets		<u>15,981</u>	<u>23,989</u>
Funds			
Designated funds		781	-
Unrestricted funds		15,200	23,989
Total funds		<u>15,981</u>	<u>23,989</u>

The accompanying notes, on pages 31 to 48, form part of these financial statements.

Approved by the corporate trustee, authorised for issue on 27 November 2025 and signed on behalf of the trustee:

Signed  Date 05 December 2025

David Warner
Chair

Big Local Trust annual report and financial statements 1 April 2024 - 31 March 2025

Statement of cash flows

for the year to 31 March 2024

		2025	2024
Cash (outflow)/inflow from operating activities:	Notes	£000	£000
Net operating expenditure		(6,686)	(14,489)
Investment and other income received		(3,186)	(2,478)
Depreciation/amortisation of fixed assets		120	165
Increase in debtors		1,110	(401)
Increase in creditors		(16,664)	(8,068)
Investment management fees		(15)	(84)
Increase in investment management fee accrual		(17)	(9)
Net cash (used in) operating activities		(25,338)	(25,363)
Cash flows from investing activities:			
Investment and other income received		3,186	2,478
Investment management fees		15	84
Payments to acquire tangible fixed assets		(20)	(17)
Payments to acquire intangible fixed assets		(31)	(24)
Loss on disposal of tangible fixed assets		-	(2)
Payments to acquire social investments		-	(120)
Repayments of social investments		39	22
Payments to acquire fixed asset investments		9,000	(45,000)
Movements in investment cash balances		714	(356)
Receipts from sale of fixed asset investments		35,000	69,000
Net cash provided by investing activities		47,903	26,065
Change in cash and cash equivalents in the year		22,565	701
Change in cash and cash equivalents in the year		22,565	701
Cash and cash equivalents at 1 April 2024		1,521	820
Cash and cash equivalents at 31 March 2025	17	24,086	1,521
Analysis of cash and cash equivalents:		2025	2024
		£000	£000
Cash in hand		1,141	1,315
Notice deposits		22,945	206
		24,086	1,521

Notes to the accounts for year to 31 March 2025

1. Accounting policies

a) Administrative information

Big Local Trust is a public benefit entity registered as a charity in England and Wales on 15 February 2012 (charity number 1145916). The ultimate controlling party of Big Local Trust is Local Trust, corporate trustee. Local Trust is a registered company (number 07833396) and registered charity (number 1147511).

The charity was established under its trust deed dated 13 February 2012.

The registered office of Big Local Trust and Local Trust is: Canopi, Arc House, 82 Tanner Street, London SE1 3GN.

b) Basis of preparation

The financial statements are prepared on a going concern basis which assumes the charity will continue in operational existence for the foreseeable future. The trustees have considered the impact of the prevailing external environment on the financial position of the charity and are aware that the charity is able to draw down on its expendable endowment to provide an appropriate response to additional needs where necessary.

After reviewing the charity's forecast and projections, the trustees have concluded that it has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

The financial statements have been prepared under the historical cost convention, with the exception that fixed asset investments are stated at market value, and in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the 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).

The financial statements have been prepared to give a 'true and fair' view and departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved preparing accounts in accordance with FRS102 rather than SORP 2005 which has since been withdrawn.

c) Critical accounting judgements and key sources of estimation uncertainty

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

d) Income

Income is recognised in the period in which the charity is entitled to receipt, the amount can be measured reliably and receipt is probable. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

e) Expenditure

Expenditure is included on an accruals basis for charitable activities and expenditure on raising funds.

Expenditure is allocated to a particular activity where the cost relates directly to that activity.

Grants payable are accounted for in full as liabilities when approved and notified to locally trusted organisations and Big Local areas, because Big Local areas would have a valid expectation that they would receive the grant as offered and accepted.

f) Allocation of support costs

Support costs are those costs which enable the raising of funds and which enable charitable activities to be carried out. These costs include finance, human resources and information technology.

Support costs are allocated across grant expenditure directly to areas, delivery to areas, learning to support the programme and governance on the basis of staff time spent undertaking an activity.

Direct governance costs are allocated on the basis of staff time spent undertaking an activity. The direct staff cost allocation for the period to 31 March 2025 was across delivery to areas and learning to support the programme.

g) Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term to the statement of financial activities, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

h) Expenditure on raising funds

Expenditure on raising funds include investment management fees which for the segregated portfolio, are charged at 0.15% of the market value of the portfolio and as they fall due to the statement of financial activities. The fee reduced from 0.20% to 0.15% from 1 July 2020. COIF charity deposit fund management fees are charged at 0.20% (discounted to 0.10% for balances over £15m) and are taken from income before receipt.

i) Tangible fixed assets depreciation and intangible fixed assets amortisation

All assets costing more than £1,000 are capitalised. Depreciation on tangible fixed assets (IT equipment and office furniture), and amortisation of intangible fixed assets (website and grant management system development), is provided to write off assets on a straight-line basis over their estimated useful economic life (three years).

j) Investments

Investments are included at their bid-price at the year-end. Gains and losses arising on the disposal of investments and the revaluation to market value are charged or credited to the statement of financial activities in the year.

k) Social investments

Big Local Trust makes programme-related social investments on behalf of Big Local areas. Big Local Trust receives annual dividends from the credit unions on behalf of the Big Local areas, at the same rate as the annual dividend paid to other corporate members.

Social investments are initially recognised at cost and are assessed for impairment on an annual basis.

k) Pension

Local Trust operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charity to the fund. The charity has no liability under the scheme other than for the payment of those contributions.

l) Grants payable

A 'constructive obligation' between Big Local Trust and a locally trusted organisation is triggered when a grant (or funding) offer letter is sent to a locally trusted organisation to notify them that a specified amount of funding has been endorsed for a stated period of time. Big Local Trust records these constructive obligations, or grants payable, as creditors in these accounts.

m) Financial instruments

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument. Additionally, all financial assets and liabilities are classified according to the substance of the contractual arrangements entered into.

Financial assets and liabilities are initially measured at transaction price (including transaction cost) and are subsequently re-measured where applicable at amortised cost except for investments, which are subsequently measured at fair value with gains and losses recognised in the statement of financial activities.

n) Cash

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of 90 days or less, and bank overdrafts. Deposits with maturity greater than 90 days from the year end are classified within investments.

*Big Local Trust annual report and financial statements 1 April 2024 - 31 March 2025***2. Investment income**

	2025	2024
	£000	£000
Income on investments	655	2,360
Bank interest	1,208	519
Tax refunds	-	9
Total	<u>1,863</u>	<u>2,888</u>

3. Other income

	2025	2024
	£000	£000
Contribution to event costs	<u>1</u>	<u>3</u>
Total	<u>1</u>	<u>3</u>

Big Local Trust received no grant income during the year ended 31 March 2025.

Big Local Trust annual report and financial statements 1 April 2024 - 31 March 2025

4. Expenditure

	Charitable activities						2025 Total £000	2024 Total £000
	Grant expenditure directly to areas £000	Delivery to areas £000	Learning to support the programme £000	Expenditure on raising funds £000	Governance £000	Support £000		
Direct costs								
Staff	-	1,754	1,614	-	-	1,058	4,204	4,204
Grants to areas								
Big Local funding	(680)	-	-	-	-	-	7,841	(680)
Community travel and childcare	44	-	-	-	-	-	112	44
Area admin contribution	(28)	-	-	-	-	-	394	(28)
Social Investment returns to areas	72	-	-	-	-	-	37	72
Area delivery costs	-	1,541	-	-	-	-	2,284	1,541
Programme development	-	-	2,190	-	-	-	1,385	2,190
Finance charges	-	-	-	15	-	-	85	15
Governance costs	-	-	-	-	51	-	85	51
Audit and financial advice	-	-	-	-	37	-	40	37
Legal and professional fees	-	-	-	-	(8)	-	9	(8)
Communications and marketing	-	-	-	-	-	142	195	142
IT and Consultancy	-	-	-	-	-	298	195	298
Rent and office costs (incl. recharged staff costs)	-	-	-	-	-	329	366	329
Grant bad debts/ impairment loss	1	-	-	-	-	-	-	1
Depreciation	-	-	-	-	-	120	165	120
Total costs	(591)	3,295	3,804	15	80	1,947	17,397	8,550
Allocated to charitable activities								
Support Costs	288	598	929	-	132	(1,947)	-	-
Governance costs (note 6)	34	70	108	-	(212)	-	-	-
Total expenditure 2025	(269)	3,963	4,841	15	-	-	17,397	8,550
Total expenditure 2024	13,194	4,268	2,693	124	-	-	20,279	20,279

Big Local Trust annual report and financial statements 1 April 2024 - 31 March 2025

4. Expenditure (continued)

Charitable activities

	Grant expenditure directly to areas £000	Delivery to areas £000	Learning to support the programme £000	Expenditure on raising funds £000	Governance £000	Support £000	2024 Total £000	2023 Total £000
Direct costs								
Staff	-	2,022	1,100	-	-	1,082	4,204	3,285
Grants to areas								
Big Local funding	7,841	-	-	-	-	-	7,841	12,030
Community travel and childcare	112	-	-	-	-	-	112	74
Area admin contribution	394	-	-	-	-	-	394	597
Social Investment returns to areas	37	-	-	-	-	-	37	80
Area delivery costs	-	2,284	-	-	-	-	2,284	2,080
Programme development	-	-	1,385	-	-	-	1,385	832
Finance charges	-	-	-	85	-	-	85	124
Governance costs	-	-	-	-	85	-	85	26
Audit and financial advice	-	-	-	-	40	-	40	46
Legal and professional fees	-	-	-	-	9	-	9	105
Communications and marketing	-	-	-	-	-	195	195	187
IT and Consultancy	-	-	-	-	-	195	195	263
Rent and office costs (incl. recharged staff costs)	-	-	-	-	-	366	366	387
Grant bad debts/ Impairment loss	-	-	-	-	-	-	-	32
Depreciation	-	-	-	-	-	165	165	131
Total costs	8,384	4,306	2,485	85	134	2,003	17,397	20,279
Allocated to charitable activities								
Support Costs	330	707	849	-	117	(2,003)	-	-
Governance costs (note 6)	44	94	113	-	(251)	-	-	-
Total expenditure 2024	8,758	5,107	3,447	85	-	-	17,397	20,279
Total expenditure 2023	13,194	4,268	2,693	124	-	-	20,279	25,108

Big Local Trust annual report and financial statements 1 April 2024 - 31 March 2025

5. Grants payable

Big Local area	Locally trusted organisation	New grants £000	Repayment of unspent grants £000	Closed grants £000	2025 Total £000	2024 Total £000
3 Together	Groundwork North East	-	-	-	-	(201)
Aberfeldy	Bromley by Bow Centre	315	-	-	315	
Aberfeldy	Quaker Social Action	-	-	(309)	(309)	(269)
Arches Local (Central Chatham, Luton Arches)	Starlings Support CIC	9	-	-	9	(23)
Barnfield	Quaker Social Action	-	-	(12)	(12)	(28)
Barrowcliff	Community First Credit Union Ltd	-	-	(14)	(14)	-
Beechwood, Ballantyne And Bidston Village	Community Foundations for Lancashire and Merseyside	-	-	-	-	(104)
Big Local Broad Green	Community Alliance Broxbourne and East Herts (formerly CVSBEH)	-	-	(2)	(2)	473
Birchfield	Birmingham Voluntary Service Council	-	-	(115)	(115)	-
Birchwood	Lincolnshire Community Foundation	439	-	-	439	-
Birchwood	Lincolnshire Cooperative Limited	-	-	(440)	(440)	-
Blackpool Revoe	Blackpool Coastal Housing	-	-	(1)	(1)	239
Bountagu (Bounces-Montagu)	Community Alliance Broxbourne and East Herts (formerly CVSBEH)	-	-	-	-	(242)
Bountagu (Bounces-montagu)	Enfield Voluntary Action	5	-	-	5	330
Bourne Estate	Bournemouth Churches Housing Association (BCHA)	-	(51)	(5)	(56)	110
Bradley	Pendle Borough Council	157	(39)	(64)	54	-
Brereton	Brereton Big Local CIO	-	-	-	-	(30)
Brinnington	Groundwork Greater Manchester	11	-	-	11	-
Brookside	Brookside Central CIO	4	-	(126)	(122)	359
Brookside	Stirchley and Brookside Parish Council	-	-	-	-	(263)
Canvey Island Big Local	Canvey Island Town Council (CITC)	13	(13)	(30)	(30)	-
Canvey Island Big Local	Canvey Island Youth Project	-	-	-	-	(72)
Canvey Island Big Local	Canvey Island Youth Project (Yellow Door)	2	-	-	2	-
Canvey Island Big Local	Trust Links	-	-	-	-	592
Cars Estate	Colebridge Trust	-	-	(15)	(15)	208
Catton Grove	Oak Grove Community Church	35	-	-	35	-
Central Boston	Age UK Lincoln & South Lincolnshire	-	-	-	-	(66)
Chinbrook Estate	Community Alliance Broxbourne and East Herts (formerly CVSBEH)	-	-	-	-	207
Clapham Junction, West Battersea (Big Local SW11)	Providence House	5	-	-	5	-
Clubmoor	Liverpool CVS Charity and Voluntary Services	-	-	(26)	(26)	-
Collyhurst	Manchester Communication Academy	-	-	-	-	3
Conniburrow	Great Linford Parish Council	-	-	-	-	283
Conniburrow	SJ Mellish Accountancy Services Ltd	-	(6)	(135)	(141)	(223)

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Dartford	Community Links Bromley	-	(2)	(5)	(7)	-
Dartford	Dartford Borough Council	379	-	-	379	-
Dartford	Local Trust	-	-	-	-	(8)
Dartford	Red Zebra Community Solutions (previously East Kent Voluntary Action Support)	-	-	-	-	(243)
Devonshire West	3VA	-	-	-	-	15
Dewsbury Moor	Local Trust	-	-	(12)	(12)	-
Dewsbury Moor	One Community	-	-	-	-	355
Distington	Birmingham Voluntary Service Council (BVSC)	-	-	-	-	(10)
Distington	Distington Big Local Ltd	-	-	(234)	(234)	-
Distington	Groundwork North East	-	-	-	-	81
Distington	Local Trust	-	-	(10)	(10)	-
Dyke House	The Wharton Trust	25	-	-	25	-
East Cleveland Good Neighbours	Tees Valley Rural Action (TVRA)	213	-	(48)	165	-
East Coseley	Dudley CVS	-	-	-	-	(157)
Eastern Sheppey	Swale Community and Voluntary Services	-	-	(25)	(25)	(199)
Elthorne Estates	Caxton House Community Centre	25	-	-	25	-
Ewanrigg	Cumbria CVS	-	-	-	-	(291)
Ewanrigg	The Centre, West Cumbria Ltd	17	-	-	17	178
Farley Hill	Age Concern Luton	8	-	-	8	95
Firs and Bromford	Birmingham Voluntary Service Council (BVSC)	-	-	(181)	(181)	(321)
Firs and Bromford	Firs and Bromford Community Development Trust CIC	193	-	-	193	-
Firs and Bromford	Worth Unlimited	-	-	-	-	340
Fratton	Action Hampshire	-	-	-	-	(43)
Gannow	Burnley, Pendle & Rossendale CVS	-	-	-	-	17
Gateshead	Groundwork North East	-	-	-	-	447
Gateshead	Local Trust	-	-	(28)	(28)	75
Gaunless Gateway	H.C. Horizons CIC	-	-	-	-	303
Gaunless Gateway	South Durham Enterprise Agency	251	-	(263)	(12)	(291)
Goldthorpe with Bolton-on- Dearne	The Snap Tin CIC	1	-	-	1	(45)
Grace Mary to Lion Farm	Sandwell Council of Voluntary Organisations (SCVO)	-	-	(116)	(116)	255
Grange Estate	CommUNITY Barnet	-	-	-	-	-
Grange Estate	Inclusion Barnet	-	-	(2)	(2)	203
Grassland Hasmoor	Grassland Hasmoor Futures Ltd	-	-	-	-	9
Greatfield	Probe (Hull) Ltd	-	-	(21)	(21)	-
Hackney Wick	CREST Waltham Forest	-	-	-	-	(27)
Hackney Wick	Rural Community Council of Essex	151	-	-	151	-
Harefield, Midanbury and Townhill Park (Big Local SO18)	TWICS (Training for Work in Communities)	-	-	-	-	127
Hateley Cross (Hateley Heath and Stone Cross)	Sandwell Community Info & Participation Service (SCIPS)	24	-	-	24	(35)
Hawksworth Wood Estate, the Abbeydales and the Vespers	Kirkstall Valley Development Trust	4	-	-	4	366
Heart of Pitsea	Basildon, Billericay and Wickford Council for Voluntary Service	1	-	-	1	-
Heart of Sidley	Basildon, Billericay and Wickford Council for Voluntary Service	-	-	(4)	(4)	-

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Heart of Sidley	Optivo (form. AmicusHorizon)	-	-	-	-	(10)
Heart of Sidley	Rother Voluntary Action	-	8	(17)	(8)	54
Heart of Sidley	Southern Housing	-	-	-	-	95
Heath Big Local	Parochial Church Council of Uttoxeter	-	-	(6)	(6)	58
Heston West	Berkeley Academy	-	-	-	-	(46)
Heston West	C-Change West London	83	-	-	83	(160)
Hill Top and Caldwell	Warwickshire Community and Voluntary Action (WCAVA)	23	-	-	23	-
Horsefair, Broadwaters and Greenhill (Big Local DY10)	Parish of Kidderminster East	-	-	-	-	(8)
Inner East Preston	University of Central Lancashire (UCLan)	8	-	-	8	-
Keighley Valley	Airedale Enterprise Services	-	-	-	-	(21)
Kingsbrook and Cauldwell	Bedfordshire and Luton Community Foundation	193	-	-	193	-
Kingsbrook and Cauldwell	Community Voluntary Service Bedfordshire	-	-	(186)	(186)	-
Kingswood and Hazel Leys	Groundwork Northamptonshire	-	-	-	-	(41)
Kirk Hallam	Mansfield CVS	-	-	(7)	(7)	-
Langold, Costhorpe and Carlton	Hodsock Parish Council	-	-	-	-	(28)
Latch Ford	Groundwork Cheshire, Lancashire & Merseyside	1	-	-	1	-
Lawrence Weston	Ambition Lawrence Weston	-	-	-	-	70
Leecliffe (Leeming and Aycliffe)	Clarion Futures	-	-	(288)	(288)	439
Leigh West	Leigh Neighbours Project CIO	-	-	(18)	(18)	-
Little Hulton	CommUNITY Little Hulton	(75)	-	-	(75)	177
Little Hulton	Salford CVS	-	-	-	-	-
Littlemoor	Dorset Community Action	-	-	(131)	(131)	385
Mablethorpe, Trusthorpe and Sutton on Sea (Coastal Communities Challenge)	Lincolnshire Community Foundation	-	-	(20)	(20)	-
Marsh and Micklefield	Chiltern Rangers CIC	263	(55)	(203)	5	-
Mossley	One Walsall	35	(35)	-	-	7
Mottingham	Community Links Bromley	-	(1)	(153)	(154)	344
Newington, Ramsgate	Starlings Support CIC	3	-	-	3	(25)
Noel Park Estate	Community Alliance Broxbourne and East Herts (formerly CVSBEH)	-	-	(14)	(14)	-
Noel Park Estate	CREST Waltham Forest	-	-	-	-	(147)
North Brixton	Angell Town RMO Resident Management Organisation Limited	299	-	-	299	-
North Brixton	Big Local Impact	-	-	-	-	(3)
North Brixton	Local Trust	-	-	-	-	(1)
North Brixton	The Integrate Agency CIC	-	-	-	-	456
North Cleethorpes	Voluntary Action North East Lincolnshire (VANEL)	(51)	-	-	(51)	51
North East Hastings	Hastings Voluntary Action	7	-	-	7	-
North meets South	CREST Waltham Forest	1	-	-	1	150
North Ormesby	North Ormesby Neighbourhood Development Trust	22	-	-	22	-
North West Ipswich	Castle Hill Community Centre Trust	-	-	-	-	(139)
North West Ipswich	Local Trust	-	-	(4)	(4)	20
North West Ipswich	Rural Community Council of Essex	177	-	-	177	91

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Northfleet North	North West Kent Council for Voluntary Service	-	-	-	-	4
Northwood	Community Foundation for Merseyside	(61)	-	-	(61)	61
Northwood	Community Foundations for Lancashire and Merseyside	-	-	-	-	10
Palfrey	One Walsall	-	-	-	-	(240)
Palfrey	Palfrey Community Association	-	(3)	-	(3)	-
Palfrey	Walsall Council	-	-	-	-	458
Par Bay	Par Bay Community Trust	-	-	-	-	(10)
Peabody Avenue and Churchill Gardens Estate (Big Local SW1)	Quaker Social Action	-	-	(6)	(6)	348
Plaistow South	Quaker Social Action	8	-	-	8	302
Podsmead	Blackbridge Charitable Community Benefit Society	-	(11)	(5)	(16)	228
Prospect Estate	Rushmoor Borough Council	18	-	-	18	(80)
Radstock and Westfield	Radstock and Westfield Big Local CIC	37	-	-	37	222
Radstock and Westfield	The Carers Centre	-	-	-	-	(210)
Rastrick	Community Foundation for Calderdale	1	(1)	(240)	(240)	335
Ridge Hill	Jigsaw Homes (formerly New Charter Housing Trust Group)	25	-	-	25	-
Riverside Community	Thurrock Lifestyle Solutions	270	-	(262)	8	-
Roseworth Ward	Catalyst Stockton on Tees	10	-	-	10	(28)
Rudheath and Witton	Groundwork CLM	-	-	-	-	1
Sale West	Irwell Valley Housing Association	86	-	-	86	-
Scotlands and Bushbury Hill	Bushbury Hill Estate Management Board	97	-	-	97	-
Selby Town	Up For Yorkshire (previously Selby District AVS)	-	-	(21)	(21)	115
Shadsworth with Whitebirk	Blackburn with Darwen Healthy Living	-	-	-	-	(81)
Shadsworth with Whitebirk	The Big Local Community Shop Ltd	-	-	-	-	84
Slade Green	Bexley Voluntary Service Council	-	-	-	-	15
Somers Town	CREST Waltham Forest	10	-	-	10	-
Sompting	Community Works	27	-	-	27	(174)
St James Street Area	Camden Giving	207	-	-	207	-
St James Street Area	CREST Waltham Forest	-	-	(4)	(4)	-
St Oswald and Netherton (L30 Million Project)	Knowsley Mutual Credit Union	-	(8)	-	(8)	-
St Oswald and Netherton L30 Million Proj	Groundwork Cheshire, Lancashire & Merseyside	-	-	-	-	153
St Peter's and the Moors	Cheltenham Borough Council	-	(8)	(13)	(22)	411
Stoke North	YMCA North Staffordshire	-	-	(13)	(13)	-
Thurnscoe	Station House Community Association Ltd	-	-	-	-	11
Tonge with the Haulgh	Bolton at Home	-	-	(11)	(11)	270
Toothill	Swindon Borough Council	-	-	(1)	(1)	-
W12 Together	CommUNITY Barnet	-	(8)	(118)	(126)	(54)
W12 Together	Sobus	126	-	-	126	-
Wargrave	Groundwork Cheshire, Lancashire & Merseyside	308	-	-	308	95
Wargrave	Torus Foundation	-	(17)	(468)	(485)	488
Warwick Ahead	Nova Wakefield District	4	-	-	4	-
Wecock Farm	Citizens Advice Havant	-	-	-	-	13

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Welsh House Farm	Birmingham Voluntary Service Council	12	-	-	12	-
Wembley Central	CommUNITY Barnet	5	-	-	5	-
Wembley Central	Local Trust	-	-	(40)	(40)	-
West End, Morecambe	Lancaster District CVS	-	-	(7)	(7)	-
Westfield Estate	Beighton Village Development Trust	1	-	(180)	(179)	-
Whitleigh	Whitleigh Primary and Sir John Hunt Community Sports College (CSC) Federation	-	-	-	-	37
Whitley	Whitley Community Development Association	-	-	-	-	172
Whitley Bay	Whitley Bay Big Local	-	-	-	-	(1)
Windmill Hill	Groundwork Cheshire, Lancashire & Merseyside	28	-	-	28	-
Windmill Hill	Groundwork Cheshire, Lancashire & Merseyside	-	-	(50)	(50)	248
Winterton	Voluntary Action North Lincolnshire (VANL)	-	-	(136)	(136)	-
Withernsea	Shores Centre (Southern Holderness Resource Centre)	-	-	(62)	(62)	65
Woolavington Puriton	SHAL Housing Ltd	4	-	-	4	376
Worle	Local Trust	-	-	-	-	12
Worle	Local Trust	-	-	(2)	(2)	-
Worle	NSAH (Alliance Homes) Limited	-	-	-	-	(209)
Worle	Rother Voluntary Action	-	-	-	-	(89)
Worle	Weston-super-Mare Town Council	-	-	-	-	236
Subtotal of Big Local grants		4,499	(250)	(4,929)	(680)	7,841

5. Grants payable (continued)

Subtotal of Big Local grants (carried forward)	(680)	7,841
Community travel and childcare	44	112
Area admin contribution	(28)	394
Social Investment returns to areas	72	37
Grant bad debts/ SI impairments	1	-
Support and governance costs	322	374
Total grants payable	(269)	8,758

In April 2019, Palfrey Community Association, the locally trusted organisation for Palfrey Big Local, went into administration while holding up to an estimated £75k cash of Big Local funds. In November 2019 this estimate was reduced to £38k upon receiving further spend information from Palfrey Community Association. In October 2024 Big Local Trust received £2.6k from the liquidators, which has been allocated to Palfrey Big Local.

Big Local Trust annual report and financial statements 1 April 2024 - 31 March 2025

6. Governance costs

Total governance costs of £212k (2024: £251k) consist of direct governance costs of £80k (2024: £134k) and indirect costs of £132k (2023: £117k). Indirect governance costs are an apportionment of staffing and other support costs, calculated on the basis of staff time spent. This is in accordance with our accounting policies as outlined in note 1(f) to the accounts.

7. Net operating expenditure for the year

This is stated after charging:

	2025	2024
	£000	£000
Depreciation and amortisation	120	165
Grant bad debts	1	-
Auditor's remuneration (including VAT):		
- <i>in respect of current year audit</i>	32	31
- <i>in respect of current year non-audit</i>	1	1
- <i>in respect of prior year</i>	-	4
Financial advice	4	4
Investment manager's fees	15	85
Legal and professional fees	(8)	9
Licence fees	147	156

8. Tangible fixed assets

			2025
	Office refurbishment	IT equipment	Total
	£000	£000	£000
Cost			
Balance brought forward	85	181	266
Additions	4	16	20
Disposals	-	(8)	(8)
Balance carried forward	<u>89</u>	<u>189</u>	<u>278</u>
Depreciation			
Balance brought forward	72	164	236
Disposals	-	(8)	(8)
Charge for year	12	14	26
Balance carried forward	<u>84</u>	<u>170</u>	<u>254</u>
Net book value			
Brought forward	<u>13</u>	<u>17</u>	<u>30</u>
Carried forward	<u>5</u>	<u>19</u>	<u>24</u>

Big Local Trust annual report and financial statements 1 April 2024 - 31 March 2025

9. Intangible fixed assets

	2025
	Total
	£000
Cost	
Balance brought forward	518
Additions	31
Disposals	-
Balance carried forward	<u>549</u>
Amortisation	
Balance brought forward	386
Disposals	-
Charge for year	94
Balance carried forward	<u>480</u>
Net book value	
Brought forward	<u>132</u>
Carried forward	<u>69</u>

Intangible fixed assets include the development of Big Local Trust's grant management system, website and area assessment tool; recent additions were from development of the Learning from Big Local legacy website.

10. Investments

	2025	2024
	£000	£000
At 1 April 2024	45,305	68,883
Purchases at cost	-	42,000
Disposal proceeds	(35,000)	(69,000)
Movements in investment creditors	(9,000)	3,000
Accrued management charges	17	9
Net investment gains/(loss)	(1,322)	413
At 31 March 2025	<u>-</u>	<u>45,305</u>
Capital and revenue cash balance	-	713
Total	<u>-</u>	<u>46,018</u>

The Big Local Trust discretionary investment fund with CCLA was terminated in November 2024, and funds of £31.4m transferred to a COIF Charity Deposit Fund, which is being managed in-house.

11. Investments by type and location of fund

	2025	2025	2025	2024	2024	2024
	UK	Overseas	Total	UK	Overseas	Total
	£000	£000	£000	£000	£000	£000
Cash	-	-	-	46,018	-	46,018
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,018</u>	<u>-</u>	<u>46,018</u>

The total book cost of investments held at 31 March 2025 was £nil (2024: £44,696k).

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12. Social investment assets

Big Local area	Credit union	Type of investment	Funds at 31 March 2024 £000	Additions £000	Repayments/ Discharges £000	Impairment £000	Funds at 31 March 2025 £000
2015-16							
East Coseley	Castle and Crystal Credit Union	Corporate deposit	-	-	-	-	-
North West Ipswich	Eastern Savings and Loans Credit Union	Subordinated Loan	20	-	(20)	-	-
Subtotal			20	-	(20)	-	-
2016-17							
St Oswald and Netherton	Knowsley Mutual Credit Union	Corporate deposit	13	-	(13)	-	-
Subtotal			13	-	(13)	-	-
2023-23							
Bourne Estate	Key Fund loan	Loan	10	-	(7)	-	3
Subtotal			10	-	(7)	-	3
2024-25							
Radstock and Westfield	Key Fund loan	Loan	120				120
Subtotal			120				120
Cumulative totals			163	-	(40)	-	123
Total Key Fund loan balance			130	-	(7)	-	123

13. Debtors

	2025 £000	2024 £000
Trade debtors	187	18
Other debtors	45	36
Amounts due from Local Trust	-	3
Prepayments	204	167
Accrued income	-	1,322
Total	436	1,546

Big Local Trust annual report and financial statements 1 April 2024 - 31 March 2025

14. Creditors: amounts falling due within one year

	2025	2024
	£000	£000
Grant commitments	7,761	21,259
Trade creditors	848	875
Accruals	68	68
Social security and other taxation	80	83
Pension payments due	-	37
Total	8,757	22,322

15. Creditors: amounts falling due after one year

	2025	2024
	£000	£000
Grant commitments	-	3,099
Total	-	3,099

16. Grant commitments

	2025	2024
	£000	£000
Grant commitments b/fwd	24,358	32,777
New commitments in the year	4,499	15,078
Area admin contribution	(28)	394
Commitments settled in the year	(15,889)	(16,654)
Commitments reversed in the year	(5,179)	(7,237)
Grant commitments c/fwd	7,761	24,358

Note: Grant commitments include a £25k programme delivery grant commitment payable to Community Alliance for Broxbourne and East Herts, and a £46k capacity support grant payable to Amazing Communities Together (ACT) (2024 non-BL plan grants: £67k)

17. Analysis of changes in net debt

	At 31 March 2024	Cash flows	At 31 March 2025
	£000	£000	£000
Cash	1,315	(174)	1,141
Cash equivalents	206	22,738	22,946
Overdraft facility repayable on demand	-	-	-
Total	1,521	22,564	24,086

*Big Local Trust annual report and financial statements 1 April 2024 - 31 March 2025***18. Operating leases**

	2025	2024
	£000	£000
Land and buildings, due in less than 1 year	99	78
Land and buildings, due in 2 to 5 years	-	-
Land and buildings, due after 5 years	-	-

Big Local Trust has a licence to occupy office space at Canopi, Tanner Street, London SE1. Future commitments in relation to this lease are noted above.

19. Staff costs and numbers

	2025	2024
	£000	£000
Wages and salaries	3,145	3,032
Social security and other taxes	315	315
Pension	554	454
Other staff costs	412	402
Total	4,426	4,204

Trustees are responsible for setting overall remuneration levels for staff, with recommendations being made to Board as part of the budget approval process.

Trustees recognise the importance of valuing staff that need to effectively and appropriately manage the endowment, the programme, grants and social investment into 150 areas and the contracts/grants of those delivering national support, research and evaluation.

Staff are jointly employed by Big Local Trust and Local Trust. The average number of employees during the year was 62 (FTE) (2024: 63).

During the year, 11 roles (2024: four) were made redundant. Redundancy payments of £198k (2024: £78k) were made to the members of staff who left during the year.

There were 19 employees who were remunerated over £60k in the year (2024: 9 employees) and comprised the Chief Executive, senior managers and middle managers. The total remuneration and benefits, including salary and employer's national insurance and employer's pension contributions, of the key management personnel was £1,151k (2024: £972k).

Senior salaries

	Number of employees	
	2025	2024
£60,000 - £69,999	7	2
£70,000 - £79,999	2	2
£80,000 - £89,999	3	2
£90,000 - £99,999	2	2
£130,000 - £139,999	3	1
£140,000 - £149,999	1	0
£170,000 - £179,999	1	0

As at 31 March 2025, the median full time gross salary was £44k (2024: £41k) (ratio 3.2 to 1 between highest and median) and the lowest full-time salary was £26k (2024: £25k) (ratio 5.4 to 1 between highest and lowest).

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Big Local Trust is a London Living Wage accredited employer, and all our staff and contractors are paid at least the London Living Wage.

20. Volunteers

Big Local relies on people getting involved in making their areas better places to live. Around 400 people directly participate as partnership members across the 44 Big Local areas, the other 106 Big Local areas either already closed or on the closure path. Partnership members include representatives from local organisations, councils and businesses however, a vast majority are volunteer residents (69%) who give of their own time to help lead the Big Local programme in their local areas.

21. Pension

Staff are offered the opportunity to join a defined contribution Group Personal Pension Plan ('the scheme') and monthly contributions to the scheme are invested in the Scottish Widows personal pension plans. Big Local Trust's contribution to the scheme is based on 10% of the employee's basic annual salary, plus an amount equal to the saving Big Local Trust makes under the salary exchange system from the employer National Insurance contribution. There is no minimum contribution for staff although they are encouraged to contribute.

Pension contributions made by Big Local Trust to the scheme during the year were £523k (2024: £324k) for 82 employees (2024: 72). Employee contributions, made through our salary exchange scheme, were £194k (2024: £124k). As at 31 March 2025, Big Local Trust owed £nil (2024: £37k) to the scheme relating to March pension payments.

22. Trustees' remuneration, benefits and expenses

Trustees received no remuneration Trustees are reimbursed for their incidental expenses in attending board, executive and other meetings. During the year Trustees received £11k in reimbursements for travel costs (or provision of travel) (2024: £10k). Trustee training expenses during the year were £25k (2024: £9k). Trustee recruitment costs during the year were £nil (2024: £32k).

23. Big Local Trust protector

Protector fees and expenses of £15k were payable during the period (2024: £16k).

24. Related party transactions

There were no transactions between Local Trust and Big Local during the year to 31 March 2025, *Chris Catterall* is a trustee of Local Trust and Chief Executive of This is Capacity CIC (Capacity). During the year, Capacity was commissioned by Big Local Trust to support the incubation and development of 3ni: the National Network for Neighbourhood improvement. Big Local Trust entered into an £800k grant agreement with Capacity, £200k of which was paid during the financial year. The remaining grant award will be payable in instalments over the next 18 months to December 2026, subject to satisfactorily meeting agreed milestones.

Jessica Studdert is a trustee of Local Trust and Chief Executive of New Local Ltd. During the year ended 31 March 2025, New Local has been a delivery partner with Big Local Trust. This involved a contract to deliver a workshop at the annual conference Stronger Things June 2025; a fringe at LGA Conference; an action learning set for members of 3ni and an annual membership of New Local's membership network. The partnership involves 3ni branding but the contractual relationship is with Big Local Trust. Big Local Trust paid New Local £55k during the year; this included £12k for annual membership.

*Big Local Trust annual report and financial statements 1 April 2024 - 31 March 2025***25. Financial instruments**

Carrying values of financial assets and liabilities at 31 March:

	2025	2024
	£000	£000
Financial assets measured at amortised cost (a)	24,319	2,900
Financial assets measured at fair value (b)	123	46,180
Financial liabilities measured at amortised cost (c)	8,677	25,338

- (a) Financial assets measured at amortised cost include all debtors (excluding prepayments), cash in hand, and notice deposits.
- (b) Financial assets measured at fair value include all fixed asset investments (including social investments).
- (c) Financial liabilities measured at amortised cost include all liabilities excluding amounts due for tax and social security.
- (d) Interest recognised in the statement of financial activities on assets held at amortised cost during 2024 was £781k (2024: £494k). Dividends and interest recognised in the statement of financial activities on assets held at fair value was £1,955k (2024: £1,956k).

Big Local Trust annual report and financial statements 1 April 2024 - 31 March 2025

Charity details

Big Local Trust

Big Local Trust is registered charity number 1145916.

Local Trust

Local Trust is the corporate trustee (parent entity) of Big Local Trust. Local Trust is registered company number 07833396 and registered charity number 1147511.

Copies of the consolidated accounts for Local Trust, including Big Local Trust, are available from the Local Trust website at <http://localtrust.org.uk/about-us/finance/>

Principal address of Big Local Trust and Local Trust

Canopi, Arc House, 82 Tanner Street, London SE1 3GN

All trustees of Local Trust are independent and non-executive.

The trustees of Local Trust are:

Stephen Aldridge
Matt Bell
Chris Catterall
Kate Hainsworth
Sahil Khan (until 28 November 2024)
Caroline Macfarland
Patrick Melia
Nicola Pollock (vice chair)
Jessica Studdert
David Warner (chair)
Rich Wilson

Finance and audit committee (formerly Finance, audit and risk committee)

Matt Bell (until 24 March 2024)
Matthew Brumsen (co-optee with investment expertise)
Chris Catterall (chair)
Patrick Melia
Jess Studdert (from 1 April 2024)
David Warner (Ex officio as board chair)

People and Culture committee (formerly Governance and remuneration committee)

Matt Bell (from April 2024)
Chris Catterall (until 19 October 2023)
Kate Hainsworth (from 1 April 2024)
Caroline Macfarland (Chair from 1 April 2024)
David Warner (Ex officio as board chair)

Chief executive of Local Trust

Matt Leach (until April 2025)
Rachel Rowney (from April 2025)

Protector of Big Local Trust

Rosie Chapman

Big Local Trust annual report and financial statements 1 April 2024 - 31 March 2025

Advisors

Auditor

Moore Kingston Smith LLP

6th Floor

9 Appold Street

London

EC2A 2AP

Solicitor

Withers LLP

16 Old Bailey

London EC4M 7EG

Banker

National Westminster Bank PLC

250 Regent Street

London W1B 3BN

Investment manager

CCLA

One Angel Lane

London EC4R 3AB

Custodian (until 27 November 2024)

SEI Investments (Europe) Limited

1st Floor

Alphabeta

14-18 Finsbury Square

London EC2A 1BR

Annual statement by the Protector for Big Local Trust

Background

Big Local Trust (Big Local) is an unincorporated charity, established in 2012. Its founder is the National Lottery Community Fund (NLCF). NLCF invested £217m in setting up and endowing Big Local to commit over £1m to 150 neighbourhoods across England, with this funding provided on the basis that communities spend it over 10 to 15 years at their own chosen pace, and on their own plans and priorities.

Local Trust (the Trust) is the sole corporate trustee of Big Local, controlled by a Board of directors (trustees). The Board delegates the day-to-day running of the Trust to the chief executive.

Big Local also operates in accordance with a Trust Deed between the NLCF and Local Trust. The Trust Deed provides that Big Local must appoint a Protector with the appointment made in consultation with NLCF. Local Trust appointed me to this role in 2018 and subsequently extended my appointment to February 2027, or when the programme ends if sooner.

Purpose and functions

The function of the Protector is set out in the Trust Deed. The Deed provides a tight definition for the Protector role with its primary purpose being to ensure that Big Local's decisions are within the scope of the Deed and reached in accordance with the principles of good governance.

The Deed also requires my consent to some decisions in a few circumstances primarily relating to procurement limits and amendments to the Trust Deed. Specifically, the Trust Deed requires that Local Trust seek my consent, and that of NLCF, when it wishes to close Big Local Trust, a task which is coming into sharper focus as the programme reaches its end.

While I receive papers for all Board and committee meetings and have a right to attend any of those meetings, I am not involved in Big Local's decision-making nor am I a trustee of either Big Local or Local Trust.

The role does require me to:

- report any matters of serious concern that I come across to NLCF or to the Charity Commission; and
- produce a statement each year in relation to my work for inclusion in the Trust's annual report. Where appropriate, this statement identifies any areas of administration which require improvement and the steps that Big Local Trust might take in response.

Approach to delivering the Protector role

During the year I visited the following Big Local areas and locally trusted organisations (LTO):

- Community Links Bromley as part of a Financial Review visit for Mottingham Big Local
- Farley Hill Big Local (Luton)
- Dartford Big Local

I received papers for all Board and committee meetings held during the period, reading, and commenting on these papers either in person or in writing. Attendance included:

- four Board meetings, and the Board away day;
- two meetings of the finance and audit committee; and
- three meetings of the people, culture and governance committee.

Big Local Trust annual report and financial statements 1 April 2024 - 31 March 2025

Protector's consent and input

In line with the Trust Deed and Local Trust's regulations, this year I approved an application to disapply Local Trust's Finance Manual's tender requirements, to award a contract to a supplier to employ a pooled worker providing support to selected Big Local London partnerships.

I also commented on Local Trust's review of its regulations accompanying the Trust Deed, ensuring that the regulations are consistent with the grant making approach as closure nears.

In line with Local Trust's complaints policy, when required, I review whether the organisation has correctly followed its policy for addressing any complaints and concerns relating to the delivery of the Big Local Programme. I reviewed two such complaints during the year, and, in both cases, I was satisfied that the Trust followed its processes and procedures.

Role in relation to Local Trust's additional income

In 2024/25 Local Trust identified new initiatives to support using additional income it has generated through higher than anticipated interest rates. As Protector I have a limited role in these considerations but, having reviewed the Board papers and discussions, I am satisfied that the monies:

- are being spend on areas consistent with Big Local's purposes (which are wide in scope).
- are not undermining delivery of the overall programme.
- take account of NLCF's wishes as Founder to promote learning from the programme.

Preparing for closure

Local Trust has previously met the Trust Deed requirement for Big Local Trust to have spent at least £220m by February 2027. With just under two years remaining, 86 of the Big Local areas have spent their funds and closed, 20 are in the close out phase, leaving 44 outstanding.

I was assured by Local Trust's staff of ongoing work to ensure that all areas achieve a timely close out, closely monitoring and developing mitigation plans for those few areas in danger of not spending out in time. As part of this work, I have commented on and was satisfied by the proposed alternative delivery mechanisms the organisation proposed to adopt for a small number of Big Local areas.

The governance changes introduced this year means that the Board now directly oversees delivery of the Big Local programme, providing a more direct line to the work and additional assurance.

I was also pleased to see the Board identify the organisation's contingent liabilities and staffing needs in the run-up to closure. As part of this work and with advice from an external specialist, the Board agreed a plan for the shape and number of executive roles for the remaining period, and associated retention and redundancy arrangements. Local Trust has followed a similar process for other staff; both processes appear to have been well managed with staff clear about the organisation's plans and the implications for their role.

I note the arrangements Local Trust have put in place to enable access to archive material relating to the learning from Big Local fund once the organisation has closed. Local Trust's discussions with NLCF on the retention of financial and governance information, as well as any further requests that they might have about closure are still ongoing. As part of the preparations for closure, I have also met with a counterpart at in similar time-limited endowment fund and I have spoken to staff at the NLCF about their expectations. I am hopeful that that the NLCF, as Founder, will clarify its position imminently to enable the closure planning to continue, including arrangements for retaining staff and other administrative statutory records for the required time.

I am satisfied that the Board focus remains on securing Big Local spend is consistent with the Trust Deed, and that the Big Local funding programme and its legacy remains central to the Trust's work.

Big Local Trust annual report and financial statements 1 April 2024 - 31 March 2025

Governance and administration of the Big Local Trust

Local Trust had 10 directors/trustees in post as of 1 July 2025. (During the year one trustee resigned.)

Overall, from attending various meetings, regular discussion with the Chair and Chief Executive and from reading key documents my view is that the governance of the Big Local fund continues to be effective. I have noted and seen that the Board is aware of its role, of the relationship between Local Trust and Big Local, and that it acts accordingly.

I am satisfied that the administration of Big Local was in accordance with the terms of the Trust Deed in the period 1 April 2024 to 31 March 2025.

Future priorities

For the next year, I will focus on:

- Seeking assurance that the remaining Big Local programme delivery and spend out is on track to complete by 2026 in a managed and orderly way.
- Seeing how Local Trust demonstrates the transparency of the Big Local legacy both in individual areas, and overall, to show at all levels how the fund was used.
- Reviewing key policies as required, including the complaints policy.
- Reviewing complaints and concerns as required.
- Working closely with Local Trust as it moves towards the planned closure of the Big Local Trust in 2026/27, adopting new governance and staffing arrangements as it goes.

Rosie Chapman, Protector, Big Local Trust

August 2025

Local Trust

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The endowment for the Big Local programme is held by the Big Local Trust and overseen by Local Trust. The Big Local Trust was established by the National Lottery Community Fund with a National Lottery grant of £196,873,499.

Registered in England and Wales | Big Local Trust registered charity number 1145916

Local Trust registered company number 07833396, registered charity number 1147511

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BIG LOCAL TRUST

England & Wales - Charity number 1145916

Accounts

Big Local Trust

Annual report and financial statements

for 1 April 2023 to 31 March 2024

Registered charity number 1145916

Submitted by Local Trust as the corporate trustee for Big Local Trust



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Introduction

Big Local Trust was established in 2012 to deliver Big Local, a National Lottery Community Fund programme which committed more than £1m of grant funding to each of 150 communities and neighbourhoods across England.

The areas selected by the National Lottery Community Fund to benefit from Big Local funding were, typically, communities that were seen to have missed out on their 'fair share' of National Lottery and other funding. With a significant number located on the edges of towns and cities that themselves faced problems associated with long-term economic decline and loss of social infrastructure.

The scale of the investment matched the challenge; the £217m originally provided to establish the Big Local programme is the biggest ever single-purpose National Lottery-funded endowment, and the largest ever investment by a UK grant-funder in place-based, resident-led change. Over the course of the programme, and as a consequence of the growth delivered by the careful management of our endowment, some £275m will have been committed in support of our mission.

Big Local, from the outset, was designed to be radically different from other funding programmes. In contrast to conventional top-down, time-limited or project-led funding, the money awarded to each Big Local area was provided on a 'no strings' basis – there was no application process, and the funds were made available to be spent over 10–15 years at communities' own chosen pace, and on their own plans and priorities. By supporting local residents to take the lead in making decisions on how funds were spent in their areas, the Big Local programme aimed to build the confidence and skills of local people, strengthening local civic life and the social infrastructure that supports it.

In April 2024 we entered the final phase of Big Local and Local Trust ahead of our final closedown, currently planned for February 2027. There will be two years left to support Big Local areas to spend out the funds committed to them and successfully secure their local legacies. In the further year after that, Local Trust will: complete work documenting and accounting for the Big Local programme; publish final research and evaluation reports; and wind down its operations, achieving a successful closure.

Increasingly, over this period, Local Trust will also look towards securing its own organisational legacy, and that of the Big Local programme as a whole. Reflecting our founding deed, we have always sought to share learning from the Big Local programme to influence and inform policymakers, funders and others seeking to work with communities and place. We were pleased that learning from Big Local helped inform the case made by the Community Wealth Fund Alliance, a cross-sectoral campaign which successfully made the case to government for substantial new investment in rebuilding the social infrastructure of 'left behind' communities. We will continue to focus on sharing insight and knowledge with others over the remaining years of Local Trust's operation.

Overview of 2023-24

Over the past year, Big Local Trust has initiated and embedded work to support the final phase of the Big Local programme. We have set out how we will approach these challenges under new strategies and plans, which we published in this year:

- our **Programme Delivery Framework**: how we support remaining Big Local areas as they and the programme come to an end
- our **Closure Strategy**: how we plan to wind up Local Trust (with a detailed Closure Plan approved by trustees in November 2023)
- our **Legacy Strategy**: how our work will have impact beyond the end of the Big Local programme
- our **Equality, Diversity and Inclusion Strategy**: how we will embed diversity and inclusion within both the final phase of the programme and our legacy.

Our annual Business Plans for both 2023-24 and 2024-25 have been based on these new strategies, which replace our previous Strategic Framework 2020-26.

Big Local Trust remains well-equipped to deliver the ambitions set out in these plans. Careful management of our endowment means that we are fortunate to have long-term and secure funds to sustain activities through to the end of 2026-27, alongside scope to increase resourcing of our legacy ambitions. Inflationary pressures appear to be easing. Increases in bank base rates have provided some limited financial headroom for moderate additional investment in legacy activities alongside continued and increased investment in support for Big Local areas. Big Local areas are, in general, progressing towards spend out at a rate consistent with our current workforce and support planning.

We continue to plan for full spend-out of the £275.8m provided by the Big Local Trust endowment fund by February 2027. Over 2023-24, almost a third of the 150 Big Local areas have successfully spent the £1.15m funds committed to them. A further 20 areas are already on a pathway that will see them spending out their allocated funds during 2024-25, with around 25 more also expected to spend out during 2024-25. The remainder – around 55–60 Big Local areas – are expected to exit the programme during 2025-26, its final year. There remains a risk that a relatively small number will require much greater than expected support to help them spend out to target. In 2023-24, we drew up a framework to identify and support those falling into this category. At present, our assessment is that any flexibility we need for this can be met from currently allocated contingency resources.

During 2023-24, we carried out a Governance Review. Its particular focus was ensuring that our governance structures provide appropriate trustee engagement with and oversight of the Closure Plan, including monitoring of its implementation. The Review included an audit of trustee skills and expertise relevant to closure and related issues. We wanted to identify whether further recruitment of trustees would be of benefit with overseeing the closure process. This audit led to the recruitment of three new trustees in November 2023.

We also reviewed and updated our board Committee structures. From March 2024, our previous committee structure of four has been streamlined to two – Finance and Audit, and People and Culture. The trustees will focus on policies and procedures related to programme delivery, risk and legacy, with day-to-day running delegated to the Chief Executive and Senior Management Team. As we approach closure, we accept that we may need to adapt these new governance arrangements further to reflect the changing needs and demands of the organisation as we run down our operational capacity whilst maintaining proper oversight of the delivery of the last stages of Big

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Local and our key legacy projects. We will therefore keep governance arrangements under review, with the aim of ensuring that throughout our remaining period of operation we continue to demonstrate best practice in everything that we do.

During 2023-24, we consolidated previous upgrades to our core business systems to ensure they are ready for the final phase of the Big Local programme. We also initiated some organisational restructuring, reflecting both changing demands as we prepare to close and our renewed focus on supporting those Big Local areas which still have furthest to go. Further adjustments in staffing will take place periodically over the remainder of Big Local Trust's lifespan, as increasing numbers of Big Local areas exit the programme, in turn reducing demands on some areas of our business. We recognise that organisational change has an emotional as well as practical impact. We have put into place plans to support our staff during these transitions and as they move forward as individuals. In particular, we have developed a staff closure communications plan and are moving to appoint a Head of Human Resources to support the organisation to manage processes effectively.

As a means of continuing our reach and influence both before and after Big Local Trust finishes its work, we have established the Local Trusters, a 'diaspora' group aimed at maintaining connections between former employees and trustees once they have left the organisation. Those directly involved in Big Local areas share our ambition to sustain the relationships they have created. Amazing Communities Together – led by Big Local workers and partnership members – was launched in Autumn 2023. This network will build on the knowledge, experience and connections formed through Big Local, so that communities can continue to benefit long after the programme's formal conclusion.

In January 2024, Trustees reviewed progress in delivering our legacy and updated our plans and priorities for the remainder of the programme. This included:

- further developing our evidence base, with plans to commission a major synthesis of evidence from Big Local and other, similar, neighbourhood-focused programmes
- extending our partnership working with local government, health services and others to share knowledge further.
- ensuring that our forward business planning includes provision for staff resource to support policy-focused knowledge sharing activity through to the end of December 2026

Big Local Trust now enters the final two years of delivery of the Big Local programme. This will be followed by a further year during which it winds up remaining operations, finishes documenting what it – and Big Local areas – have delivered and achieved over almost a decade and a half of activity and effort, and completes any remaining work identified as critical to securing its legacy.

Crucially, we maintain the capacity to respond to new opportunities and challenges as they emerge. We continue to retain a talented and well-motivated staff team and a forward-looking trustee group. Our external relationships – with Big Locals, delivery partners, and external stakeholders – are positive and value-generating. We continue to invest in policy and influencing, at both the national and local level, to highlight the importance of community-led neighbourhood regeneration. With an election in the offing, we are ready to brief new cohorts of decision makers. And our knowledge and research base continues to grow, reflecting our long-term investment in learning from Big Local over the whole of the programme.

Objects of Big Local Trust

The Big Local Trust deed was amended in 2018. The revised objects of the charity are laid out in the trust deed (paragraph 5), as follows:

5.1. The Objects of the charity are:

- (a) the advancement of community development; and
- (b) the relief of unemployment; for the benefit of the public, in particular, but without limitation, in the localities in each region specified in Schedule 6.

5.2. Objects 5.1(a) and 5.1(b) are to be achieved in particular, but without limitation, by:

- (a) making Distributions to Recipients; and
- (b) conducting research and disseminating the useful results of such research.

5.3. The Distributions referred to in clause 5.2 should be made so as to develop the capacity and skills of the members of socially and economically disadvantaged communities, for the benefit of the public, in such a way that they are better able:

- (a) to identify, and help meet, their needs; and
- (b) to participate more fully in society.

Our main activities are described below. All our activities focus on developing the capacity and skills of members of socially and economically, or socially disadvantaged, communities, as described in our objects, and are undertaken to further our charitable purposes for the public benefit.

The trustees confirm that they have referred to the Charity Commission's guidance on the Public Benefit requirement under the Charities Act 2011 when reviewing the Trust's aims, objectives, policies, in planning future activities and setting their grant-making policies.

Our areas of work

Local Trust is the corporate trustee of Big Local Trust, and the **Big Local programme** is at the centre of our work. The Big Local programme is funded from the Big Local Trust endowment created by the National Lottery Community Fund in 2012.

Big Local seeks to put power, resources and decision-making into the hands of local communities. Central to the design of the programme is a belief that when resources and decision-making are transferred to local communities, they have the most impact where they reflect the following key principles:

- **Long-term** – providing certainty and continuity, over a decade or more where possible
- **Resident-led** – building confidence and capacity among those wanting to make a difference to their community and their local area
- **Unconditional** – enabling residents to spend on their own terms and in their own time, on the projects they judge to be most important to them
- **Patient and non-judgemental** – giving communities the time and opportunity to learn, make mistakes, resolve disagreements and overcome challenges for themselves, on their way to achieving their ambitions
- **Accompanied by light-touch support** – to help communities to build the confidence and capability to make the most of the opportunities available to them, while not constraining their own ambition and initiative.

One of the key legacy ambitions from the Big Local programme, reflecting the wishes of our Founder, the National Lottery Community Fund, is that others should benefit from the learning it generates. As a consequence, Local Trust seeks to share insight and learning gained from Big Local as widely as possible to inform and influence policymakers, funders and other organisations working with communities. This includes learning around the design and delivery of the programme; insight generated from the data we collect and have access to; and, importantly, the experiences and voices of residents in Big Local areas themselves.

The four outcomes set by the National Lottery Community Fund for the Big Local programme are:

- communities will be better able to identify local needs and take action in response to them
- people will have increased skills and confidence so that they can continue to identify and respond to local needs in the future
- the community will make a difference to the needs it prioritises
- people will feel that their area is an even better place to live.

Our strategy

In 2023, we published three new strategy documents on: Closure, Legacy, and Equality, Diversity and Inclusion. These strategies were developed over 2022-23 in a planning process led by the trustees. They are informed by but supersede the 2020-26 Strategic Framework approved by trustees in 2020.

As we move into this final phase of our work, our three key organisational priorities are:

- supporting Big Local areas to achieve their ambitions
- securing a sustainable legacy for both Local Trust and Big Local areas
- achieving a successful closure.

The way we will approach these challenges over the period 2023-27 is outlined in the following strategies.

Our **Programme Delivery Framework** sets out how we support Big Local areas as they progress through the programme. Local Trust was established to deliver the Big Local programme; it sits at the heart of everything we do. Supporting residents to successfully deliver Big Local in their neighbourhoods helps ensure the programme's long-term legacy at local level, whilst providing the evidence, insight and credibility that underpins the policy and approaches we promote more widely as part of Local Trust's national legacy. Right through to the end of the programme, we will continue to commit whatever resources are needed towards effectively delivering the Big Local programme at a local level. We will refine and improve our information systems and management tools to identify where and how Big Local areas would benefit from support, advice and assistance. Where areas appear at risk of not spending out, we will take timely action as necessary to address this. We will seek to learn from and continuously improve and develop our approaches to supporting Big Local areas.

Our **Closure Strategy** sets out how we plan to wind up Local Trust by the scheduled end date of 13 February 2027. It is supported by a detailed Closure Plan, approved by Trustees in November 2023. In closing Local Trust, we will be guided by eight core principles. Closure will be: well-planned and managed; transparent and clearly communicated; fair, equitable and inclusive; delivering on our promises to others; responsive, pragmatic and reflective; aligned with our other strategies and plans; focused on the future; and recognising that closure is not simply an administrative task but has an emotional impact. Our planning for closure will focus on: governance; financial management; programme delivery; staffing; and communications.

Our **Legacy Strategy** defines our ambitions for the long-term impact of Local Trust's work over 15 years and the effort and achievement of residents of the 150 Big Local areas we have supported. Across the Big Local areas we want to see: community-owned and -led assets and organisations continue to thrive, and maintain strong, balanced partnerships with key local stakeholders; Big Local communities with greater confidence and fairer access to funding; and, residents who choose to remain active and able to create change. We want our legacy work to be: long-term and transformational; focused where we can have most influence; committed to inclusivity; built on all of our assets, national and local; and, evidence-based and transparent. Our vision is that: robust locally-led infrastructure is widely understood to be the foundation for powerful communities and successful neighbourhoods; this insight is embedded into how public, private and civil society organisations work; placing money and assets into the hands of local people becomes a well-established principle; and a clear evidence base – demonstrated by the success of Big Local – upholds such approaches.

Our **Equality, Diversity and Inclusion (EDI) Strategy** captures the range of work Local Trust has championed through and alongside the Big Local programme, and how we will embed diversity and inclusion in the final phase of the programme and within our legacy. We have reviewed our practice and its strategic thinking to ensure our approach to equality, diversity and inclusion: aligns with our changing operational context; is integrated with our developing plans for programme delivery and organisational closure; and, reflects our increasing focus on the legacy of Big Local and Local Trust. Our ambitions stretch across: challenging discrimination and inequality; embracing diversity; and, promoting inclusion. Our focus will be: our relationship with Big Local partnerships; our external narrative, advocacy and partnership work; and, our culture, the way we work, and how we might carry this into a future beyond Big Local.

Progress report 2023-24

Our planning and review from this year until the end of our activity in 2026-27 is grounded in the three new strategies we published in 2023, supported by our ongoing Programme Delivery Framework. These focus on:

- supporting Big Local areas and helping them achieve their legacies
- securing Local Trust's own legacy
- preparing for a successful closure
- promoting inclusivity and diversity
- navigating uncertainty and risk
- governance and organisation.

Supporting Big Local areas and helping them achieve their legacies

Local Trust's primary role has always been to support all 150 Big Local communities to make a success of the funds allocated to them. We want to ensure residents' time and energy are spent on things that make a lasting difference. We are committed to maintaining this core ethos, right to the end of the programme. But we recognise that we must adapt our support as the Big Local approaches its end and as timescales narrow. Our priority remains one of working patiently with communities to help them achieve their ambitions and exit from the formal programme in a well-managed way.

- In Summer 2023, we introduced a new approach to help Big Locals manage moving on from the programme. This approach: supports Big Local partnerships to deliver the final parts of their plan and formally 'close out'; reduces the administrative and reporting burden; and, frees up time and resource for partnerships to prepare for what comes next. Where necessary, it provides for:
 - direct support from an identified local Area Coordinator or Advisor
 - additional support in following our closure planning guidance
 - signposting to 'next steps', including brokering bespoke legacy support and continued advice from Local Trust's delivery partners
 - highlighting opportunities for participating in ongoing Local Trust legacy and support programmes, even after closing out, and
 - capturing key achievements and experiences for inclusion in our Learning from Big Local project.

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- Increasingly, we are offering tailored support to enable Big Locals to achieve their legacy ambitions. This includes: setting up and running legacy bodies; fundraising to sustain and maintain activities, projects and services; and, asset ownership and management.
- During 2023-24, just over 50 areas entered the 'close out' phase, and more than 30 areas had left the programme. We expect another 40 to enter the close out phase during 2024-25. At the end of January 2024, only four Big Local areas had more than £100k of their allocation uncommitted. However, 35 Big Local areas had over £300k and a further 42 between £150-£300k to spend before March 2026.
- In 2023-24, Trustees approved a framework for initiating alternative approaches in areas judged to be at risk of not spending out. We will actively engage with these areas to agree action plans, with clear milestones, to meet their expenditure targets. Agreed actions might include amending plans, taking up additional delivery support, or resolving any points of dispute.

Securing Local Trust's own legacy

We want the legacy of Local Trust's work to last well beyond the end of the Big Local programme. Local Trust's Legacy Strategy sets out how we aim to deliver on this. In 2023-24 we have:

- Made significant new investment in storytelling, website content, podcasts and other vehicles to showcase the achievements of Big Local areas and the residents leading this work.
- Extended the scope of the Learning from Big Local project, which seeks to document the achievements and challenges of every Big Local partnership and the programme as a whole. This now includes practical content aimed at funders/statutory agencies and community groups. The first three 'How to' guides were published by March 2024; over 20 more are in the pipeline.
- Supported a range of campaigns promoting the potential and power of community, including the successful conclusion of our campaign for a Community Wealth Fund.
- Continued to support the All-Party Parliamentary Group (APPG) for 'left behind' neighbourhoods. In October 2023, the APPG published its major Inquiry into Levelling Up report, which benefited from significant input from Big Local residents.
- Produced a range of submissions, case studies and research reports, including publication of the methodology for the latest iteration of the Community Needs Index created in collaboration with OCSI.
- Participated in bids from consortiums seeking to deliver the new ESRC Centre In Community Participation and Social Connectedness. (A decision is due in May 2024.)
- Piloted a 3NI a network-based initiative sharing relevant learning within and across local government.
- Launched Local Trusters, a network to maintain connections between Local Trust staff, both before and after Local Trust finishes its work. We will continue to support the group's growth and development.
- Facilitated the launch of Amazing Communities Together, a network led by Big Local workers and partnership members to support one another and reach out to other communities. Over 130 people from 55 Big Locals signed up at the launch event in March 2024. We have appointed a Development Manager to support this group.

Preparing for a successful closure

Achieving a successful closure at the end of 2026-27 is a critically important part of Local Trust's work. We published our Closure Strategy in March 2023 and have built on this over the past year:

- In June 2023, we published a public statement setting out our approach to closure, to ensure that our key stakeholders and partners are aware of and engaged with our initial plans.
- In November 2023, trustees approved a Closure Plan, developed in collaboration between staff, trustees and external advisors. It sets out how we will responsibly prepare for close down of Local Trust by February 2027 in a way that maintains our ability to support Big Local areas and deliver our wider legacy ambitions, while downsizing.
- In the second half of 2023-24, we reviewed our approach to retention and redundancy, identified mission-critical staff and organisational capabilities, put in place support for staff as they face the future, created and implemented a communications plan for staff, and made first redundancies.

Promoting inclusivity and diversity

In March 2023, Local Trust's Board agreed a new Equality, Diversity and Inclusion (EDI) Strategy and Action Plan. The strategy commits Local Trust to action across three domains: our relationship with Big Local partnerships, our external narrative, and the way we work. During 2023-24, we have taken forward the EDI Action Plan, making progress on a range of fronts, including:

- developing and implementing an internal EDI communications and engagement plan
- removing barriers to event and course attendance (including providing childcare provision)
- commissioning action research on community-led approaches to addressing racial injustice
- providing tailored training for our Area Co-ordinators
- introducing focused sessions for new staff as part of induction
- piloting a cultural competence course for staff
- undertaking a communications audit.

Navigating uncertainty and risk

We regularly review the risks facing Local Trust and Big Local, with all operational risks considered at least once a quarter and shared with relevant trustee committees and our Board.

- In 2022-23, we developed a simple scenarios model, to help us navigate changes in our operating environment as we move towards closure. Entering 2024-25, our assessment is that we are securely operating within the lowest risk scenario.
- The chief programme delivery risk would see low spending Big Locals fall further behind on targets. This could challenge our ability to deliver Big Local by March 2026. We are closely monitoring this. A review of the 30 lowest spending areas, identifying actions at area and programme level, has informed our 2024-25 business plan. We have moved to a more bespoke and intensive approach to supporting these areas, including additional Area Co-Ordinator coverage, and ensuring advisor and expert support partners have relevant skills.
- A strategic legacy risk would be reduced policy impact after the July 2024 UK general election. In January 2024, trustees agreed to further extend the policy function within Local

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Trust to the end of 2026. We continue to highlight the importance of community-led neighbourhood regeneration. We have increased our engagement with policymakers and opinion formers in Westminster and Whitehall and across political parties. We have also placed greater focus on the local public sector as a means of influencing national as well as local policy.

Governance and organisation

We have adapted our governance arrangements to reflect the changing needs and demands of the organisation as we run down our operational capacity whilst maintaining proper oversight of the delivery of the last stages of Big Local and our key legacy projects. We accept we may need to adapt further as we move towards closure. Further details are available in the Local Trust group accounts.

Plans for the future

Our 2024-25 Business Plan reflects our new strategies and plans, as well as work taken forward by trustees and staff over the last twelve months, to further consider how we might complete delivery and consolidate our organisational legacy over our remaining period of operation. We have set targets for our three priority areas: supporting Big Local areas; securing our legacy; and promoting equality, inclusivity and diversity.

Supporting Big Local areas

As we enter 2024-25, almost all Big Local funds are now committed, with approval of just one final significant spending plan outstanding. By the end of December 2024, more Big Locals will have exited the programme than remain. As the number of active Big Local areas decreases, we are planning for a parallel reduction in our own programme management and area support capacity.

Our priority is ensuring we commit resources to help Big Local areas successfully complete their Big Local journey, so as to: continue to support progression of Big Local areas through to the end of their time in the programme; and, provide increased and more focused support to those areas with furthest to go, particularly those at risk of not spending out their Big Local funds by March 2026.

Our Big Local delivery targets for 2024-25 are:

- at least £14m is released to Big Local areas during 2024-25, reducing outstanding grant fund to be distributed during our final year of the Big Local programme to £10m in 2025-26
- no more than 30 areas have an outstanding balance of more than £200k by March 2025
- at least 90 areas have closed out or are in the close out phase by March 2025
- provide support to 50 areas seeking to strengthen and ensure local legacy from Big Local.

Securing Local Trust's legacy

We plan to build on Local Trust's significant investment in influencing and informing policy and practice across policymakers, funders and others with an interest in harnessing the power of communities to improve their local areas. We will draw on evidence and insight from the Big Local programme, as a key element of our organisational legacy.

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We will continue to undertake research, hold events and produce papers which: focus attention on the learning generated by Big Local; place it in the context of current needs, past government neighbourhood-based initiatives, and future opportunities; and, help set out options for improving outcomes in the most 'left behind' and deprived neighbourhoods.

Whilst continuing to seek to influence and inform existing government policy, we will also ramp up our work to contribute to pre-election planning by both major parties and to post-election engagement with what new agendas emerge.

We will continue to engage with and influence a broader range of stakeholders to promote learning from Big Local, and to build a wider commitment to addressing decline and deprivation at a neighbourhood level through long-term funding for community-led change. We have a new project lead in post to develop these key areas of work. Over the coming year, we expect to focus primarily on engaging with the local government and health sectors. This is where we have gained most initial interest and engagement, and where there appears the most potential for achieving traction and impact.

Our legacy targets for 2024-25 are:

- expand our local authority network, recruiting to it 12 local authorities seeking to build stronger communities in their areas, by the end of 2024/25
- develop and roll out a programme of work to influence the NHS to support community-led initiatives, by the end of 2024/25
- commission an evidence synthesis examining how we create/maintain strong communities in the most deprived areas by October 2024
- soft launch the Learning from Big Local website in November 2024, alongside a broader initiative to promote awareness of our large stock of research, evaluation and other learning
- Brief prospective parliamentary candidates and new MPs representing seats with Big Locals or 'left behind' neighbourhoods; build links with a new cohort of MPs, particularly Ministers; and start to implement a plan to influence the next government's policy programme, by the end of 2024/25
- scope new projects for consideration by trustees, including: a national inquiry into neighbourhoods and a larger scale project with local authorities, by July 2024; and a review of 'carrying the flame' options, by September 2024.

Preparing for a successful closure

We have defined the principles that will guide our closure process and the key actions for the coming year in our Closure Strategy and Plan.

In early 2024-25, we will develop a more comprehensive stakeholder communication plan, setting out how we will build on that initial statement and keep partners and others updated on our progress over the next three years. We will take a dynamic approach to monitoring and managing our staffing profile, ensuring that we have the skills and people required to achieve the objectives set out in our strategy and business plan. Exact timings will be dictated by the number of Big Local areas exiting the programme, the support needs of areas with remaining funds to spend, and the skills required to achieve our legacy ambitions.

Our targets on closure for 2024-25 are:

- prepare a revised stakeholder communications plan by July 2024
- update staff on plans for closure twice during 2024-25 so that they understand the strategy, their role now, and implications moving forward

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- agree – in principle – which organisations will be responsible for residuary functions following the closure of Local Trust, and the budget (if any) required to facilitate this, by March 2025.

Promoting inclusion and diversity

We have consistently sought to provide space and a platform for residents of our areas whose voices are not normally heard, and to support them in challenging existing centres of power. We also accept that we need to be willing to challenge ourselves, and subject our own assumptions, beliefs and actions to the same degree of scrutiny that we choose to apply to others.

Our Equality, Diversity and Inclusion (EDI) Strategy and Action Plan were published in March 2023. In 2024-25, we will seek to build this work, review progress on the first year of the strategy, and deliver an updated action plan for the next year aligned to the priorities and opportunities in our business plan. This will include support for Big Local area legacy bodies, building EDI considerations into key legacy projects, and ensuring fairness in delivery of the closure plan.

Our targets on equality, diversity and inclusion for 2024-25 are:

- implement a second annual action plan to continue implementation of the EDI strategy.
- report on progress, learning and present a forward plan for 2025-6 to board in March 2025.

Response to the Charity Governance Code

The Local Trust board chose to adopt and apply the Charity Governance Code published in December 2020. Local Trust continues to focus on good governance with its work supported by our independent Protector, Rosie Chapman, appointed in September 2018. Her role includes ensuring the integrity of the administration of the charity and the propriety of its procedures.

Local Trust is the corporate trustee for Big Local Trust and governs the Big Local programme. Over the last year, Local Trust has continued to address the seven key areas of governance outlined in the Charity Governance Code. Details of action undertaken during the year are outlined in the Local Trust group annual report and accounts for the year ended 31 March 2024.

Financial review

Overview of income and expenditure

Big Local Trust is funded through an expendable endowment from the National Lottery Community Fund. The Big Local Trust endowment is invested and income on the investment for the year was £2.9m (2023: £1.6m). There were net gains on investments of £413k (2023: £778k).

The charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

Total expenditure for the year was £17.4m (2023: £20.3m). The reduction in expenditure reflects a 34% decrease in direct funding committed to Big Local areas of £8.8m (2023: £13.2m). The cost of delivery to areas increased by 20% to £5.1m (2023: £4.3m) and the cost of learning to support the programme increased by 28% to £3.4m (2023: £2.7m). A full list of the funding to Big Local areas is included in note 5.

The net reduction in funds for the year was £14.1m (2023: £17.8m) and total funds held at the year-end were £24.0m (2023: £38.1m).

Big Local Trust's investments

Investment strategy

Big Local Trust's original investment strategy objectives were:

- for the investment assets of the Big Local Trust (the fund) to provide the resources required by Big Local, and
- to manage the assets in a manner that maximises the impact of the funds to enable Big Local areas to extend the life of Big Local beyond 10 years and £1m for each area.

Making use of the scale and duration of Big Local, the original investment strategy aimed to provide a reasonable medium-term return while ensuring that at all times sufficient short-term funds were available to support spending.

After careful consideration, in November 2019, trustees agreed to change the implementation of the Big Local Trust investment strategy, from a focus on investment returns to controlling risks. This reflected the fact that the fund had achieved good investment returns in the years since it was established, enabling Big Local Trust to fulfil its original investment strategic objectives. The key driver for this decision was the need for financial certainty to allow Local Trust and Big Local areas to plan; and related to this was the ever-reducing amount of time for the fund to recover from the downsides of market volatility as Big Local moves towards the latter stages of the programme. However, in the summer of 2020 and the consequent uncertainties and potential for further volatility led the Trustees to revisit the strategy, with the aim of ensuring as much certainty and stability as possible. This led to a shift in strategy from controlling to minimising risk in order to preserve the value of the investment (above generating returns), in order to have as much certainty as possible as Big Local spends out.

The trustees reviewed the investment strategy again in November 2023 and agreed to transition from direct cash investments in the money market to investing realised cash into a CCLA managed COIF deposit fund. This will enable better liquidity of funds to closure in 2026. The transition out of money market investments will mark the end of Big Local Trust's custodian relationship with HSBC. It is anticipated that this relationship will end by March 2025. The investment strategy has been revised to:

As of 1 April 2024 there will be no further direct cash investments. Cash realised on the maturity of investments in the portfolio will be invested in a CCLA managed Deposit Fund account.

The portfolio reference currency will be British Pounds (GBP).

Investment management

CCLA is the investment manager for Big Local Trust and works with the Local Trust's finance and audit committee to manage investments in line with the investment strategy, as agreed by the board.

The committee formally reviews the investment strategy annually in line with the trust deed. The finance and audit committee have a voluntary co-opted member, Matthew Brummen, who provides independent investment expertise to discussions.

Investment performance

Big Local Trust commenced the year with an investment portfolio of cash and near-cash assets. The total value of Big Local Trust's investments, including income, as at 31 March 2024 was £46.0m (2023: £69.2m). The performance benchmark of the fund was Sterling Overnight Index Average (UK SONIA) from 1 January 2021 onward. The benchmark for the year ended 31 March 2024 was +5.05% (2023: +2.25%), and the overall returns for the year were +5.06% (2023: +2.10%).

The financial year to 31 March 2024 started with subdued growth in the investment market due to indications of an impending recession. With a continued commitment to meet its 2% inflation target by early 2025, the Bank of England maintained the official Bank Rate at 5.25% throughout the year, whilst inflation (CPI) steadily declined from 8.7% in April 2023 to 3.2% in March 2024.

Throughout the year, our investment managers focussed on preserving the value of the investment, using segregated exposures in the money market to minimise risk whilst ensuring access to liquidity and creating scope to augment returns. They took advantage of the improvement in the rate environment as yields responded to tightening monetary policy, resulting in significant growth in investment returns, when compared to the previous financial year. These provided a buffer against increased non-grant costs due to increases in inflation. CCLA were able to protect the nominal value of our portfolio assets in line with our investment strategy, also making a reasonable return, just slightly below the benchmark.

Ethical and responsible investment

Trustees reviewed Big Local Trust's ethical and responsible investment policy in March 2024. Local Trust, acting as the corporate trustee of Big Local Trust, agreed to use CCLA's ethical investment policy in the management of its investments. This policy has been developed in accordance with Charity Commission guidance (CC14), and trustees believe it represents an appropriate balance between aligning Big Local Trust's investments with its purposes and the delivery of good investment returns.

As all our assets are now invested in cash deposits with banks and building societies, Big Local Trust has agreed to follow the responsible investment policy adopted by CCLA's COIF Charities Deposit Fund. This assesses the banks on a broad range of subjects including climate change, corporate governance and how they treat their workforce. CCLA also leads engagement with the banks to push for more responsible business practices where needed.

The finance and investment committee meet regularly with CCLA to assess their approach to managing the charity's money responsibly and review this policy annually.

Despite our holding of only cash and near-cash investment assets, Big Local Trust's Finance and Audit committee will still consider participation in appropriate CCLA ethical engagement programmes that may result in divestments on a case-by-case basis. As a responsible investor, Big Local Trust supports CCLA's wider stewardship work. Big Local Trust is keen to invest in accordance with the Principles for Responsible Investment, and expects its investment manager to be a signatory to these principles.

Distribution of returns on the investment

Under Big Local, 150 Big Local areas were each allocated £1m to spend over a 10-year period, based on each area's Big Local plan. The fund that provides these allocations and supports the delivery of the programme is managed centrally, with areas accessing funds over time as plans are delivered locally. Beyond providing £1m plan funding to each area, Local Trust has committed to ensure that each area will also receive a proportion of the net investment returns earned by the fund.

In September 2017, with several Big Local areas approaching full spend of their £1m, trustees made the decision to bring forward the distribution of that proportion of the returns that could be guaranteed at that date. Having considered the performance of the investment, trustees decided each Big Local area would receive an additional £105k from the returns generated from the original investment of £150m. This was added to the balance of each area's £1m. A further distribution of investment returns, of £50k per area, was agreed by the board in March 2020.

Grant-making policy

As part of the accounts, the trustees' annual report must explain any policy for grant making.

The policy reads as follows:

Each Big Local area draws down funding by presenting plans to Local Trust for endorsement, setting out how they intend to address priorities identified by people in the area. Big Local areas appoint a locally trusted organisation to hold and be responsible for the funding. When plan funding is drawn down, locally trusted organisations receive an administration contribution of 5% of the grant.

Each grant we award is only to be used for the charitable purpose for which it is made, as described in each proposal or plan, and all grants are to help Big Local areas meet the Big Local outcomes. Locally trusted organisations are required to record all Big Local grants in their accounts as restricted funds.

Each area will receive:

- £1 million plus a contribution towards partnership running costs or grant administration (5% of the total spend) available once their Big Local plan is endorsed
- a fair proportion of net investment returns earned by the fund (an additional £105k per area was agreed by trustees in September 2017 and £50k in March 2020)
- any underspent or unused grant funding from the funds we offered to areas in the early years of Big Local (called Getting People Involved/Getting Started, Creating your Big Local plan and Marketplace), now available through the plan funding process
- travel and carer costs for residents to attend networking and learning events.

By exception, and in line with policy framework agreed by trustees, Local Trust may agree to vary arrangements for the distribution of funds in Big Local areas where the local partnership (as the vehicle through which Local Trust seeks assurance of local residents' priorities) is unable to meet

the [minimum criteria required of partnerships](#) over a sustained period. Local Trust will seek to ensure distribution of such funds reflects priorities identified by people in the area.

Local Trust as a locally trusted organisation

Local Trust acted as the LTO for five Big Local areas that have been unable to identify a suitable organisation to fulfil this role during (or part of) the year to March 2024: North Brixton, Gateshead, NW Ipswich, Worle and Dewsbury Moor Big Locals.

Big Local Trust retains the administration contribution of 5% for Local Trust acting as the LTO, and in 2023-24 this totalled £5.3k (2023: £0.8k).

Social investments

Big Local areas are encouraged to be innovative in the ways they create positive social change and economic growth within their local areas through the use of social investment. Big Local partnerships team up with credit unions and other social investors within their local areas, opening up access to new funding for individuals and small organisations. These initiatives are presented as part of the Big Local partnership plans, and funding made available for delivery.

During 2023-24, Big Local Trust made £184k (2023: £147k) available for social investment. These programme-related investments are listed under note 12 and disclosed as a separate line on the face of the balance sheet. We have reviewed all social investments held during 2023-24 and have found none of the active social investments to be impaired. Irrecoverable impairments of £19k have been written off in previous years, and no further active social investments have since been deemed impaired. After repayments in the period of £22k, the value of the social investments at 31 March 2024 is therefore £163k.

Big Local Trust's social investments and impairment policy is reviewed on an annual basis. An assessment is undertaken at the end of each financial year to determine the extent, if any, to which Big Local Trust's social investments have been impaired (reduced in value), to ensure that their value has not been overstated.

Constructive obligations

A constructive obligation between Big Local Trust and a locally trusted organisation (LTO) is triggered when a grant (or other funding) offer letter is sent to an LTO to notify them that a specific amount of funding has been endorsed for a stated period of time.

We record these constructive obligations, or grant commitments as creditors in the balance sheet of these accounts.

Big Local Trust's constructive obligations decreased from £32.8m as at 31 March 2023 to £24.4m as at 31 March 2024. This reflects a decrease in new commitments and an increase in grant cash payments made during the year as Big Local area delivery their plans locally.

Financial planning

We undertake annual reviews of the budget to inform Big Local development, how funding is allocated and how areas are supported. The budget to 2027 is updated each year with actual spend and income and re-forecasted annually. It includes estimates of constructive obligations (funding committed) to Big Local areas as we make funding available for delivery of Big Local plans.

The updated 15-year budget informs the investment strategy and a rolling two-year cash flow forecast is provided to CCLA to enable them to manage cashflow requirements of the programme. The

cashflow proved to be accurate for 2023-24 as it has been every year since it was first prepared in 2012.

Reserves policy

Big Local Trust has an expendable endowment, received from the National Lottery Community Fund in 2012 and 2013, to be spent by 13 February 2027. All of Big Local Trust's funds are unrestricted. No funds had been designated or otherwise committed as at 31 March 2024 other than those identified elsewhere in the accounts.

Trustees consider that it is not necessary for Big Local Trust to specify a level of reserves beyond the significant level of funds held. The trust has processes in place to manage its funding over the period of the endowment, to ensure that the support costs, delivery costs and funding allocated to the 150 areas are spent in line with the requirements of the programme and the trust deed.

It is in the nature of an expendable endowment that funds are spent out over time. In the final years of Big Local, it may require a reserves policy to ensure sufficient funds are held to manage the close down of the programme in a managed and prudent way; however, this is not currently the case. As at 31 March 2024, Big Local Trust held total funds of £24.0m (2023: £38.1m). It has sufficient contingencies within this to cover any unforeseen costs; therefore, it is not currently appropriate for the trust to specify a reserves level.

Trustees review the Big Local Trust reserves policy annually.

Principal risks

Big Local Trust has a detailed risk register, which is reviewed and update regularly by the Executive and on a quarterly basis by the board and the Finance and Audit committee. Significant new strategic and operational risks are brought to the attention of the Finance Audit and Risk committee and the board as necessary.

The business planning process carried out during the year to March 2024 identified the following major risks that would need to be monitored and managed over the year ahead:

The key risks

- **Failure of low spend areas to meet spend forecast:** This would result in these areas falling further behind targets and in capacity challenges (both intensity and overall timeline) and could challenge our ability to deliver Big Local by March 2026. A review of the 30 lowest spending areas was carried out during the year, identifying actions at area and programme level and outlined in the 2024-25 Business Plan. We have moved to a more bespoke and intensive approach to supporting these areas, including additional Area Co-Ordinator coverage, and ensuring Advisor and expert support partners have relevant skills.
- **Risk of Lower spend by a majority of Big Local areas remaining in the programme than expected.** This would also result in capacity challenges, including our ability to focus on lower spending areas. In response we regularly review programme data to assess level of risks; including ensuring monitoring of progress and challenges in areas with more moderate balances, and visits and touch points between Local Trust staff and areas. The revised approach to area close-out is significantly reducing this risk, freeing up resources to deploy in lower spend areas; whilst moving to alternative delivery approach in some areas also reduces the risk.

- **Risk that areas close to spend out (holding less than £150k) exit the programme slowly than expected:** This would divert resources away from areas with high needs and put a strain on capacity. We are ensuring focus on maintaining momentum with close-outs in team workplans and will look to improve and adapt the close out process based on early learning.
- **Local Trust support fails to effectively address needs and requirements of areas at greatest risk:** This could result in areas not spending out by 2026 in a timely and effective manner; require changes in how Local Trust supports Big Local areas and manages the closure of the programme, additional funding and staff changes. We are tracking the impact of support by area with regular reviews, including a renegotiation of expert support contracts which focuses on the support that will most likely assist in accelerating effective spend. We are also ensuring clearer internal responsibilities for leading on each BL area.
- **Significant number of individually small negative media stories around low spend/challenging BL area leads to questioning of Local Trust competency and the Big Local model:**, This could lead to reputational damage, and impact on our credibility and influence. A dedicated press risk register is regularly reviewed, with leadership from the Head of External Affairs and reviewed monthly by the Senior Management Team and quarterly by the trustees. We are improving management information on areas: whilst increased in-house provision of support to areas enables problems to be surfaced/exposed, and responsive action implemented, more quickly.
- **Failure to influence the next government:** We recognise that a failure to share insight and leaving to policy makers and politicians and could result in reduced policy impact post-election which erodes our legacy potential. We will continue to invest in policy and influencing to highlight the importance of community led neighbourhood regeneration. A programme of work is in place to influence the Labour party to promote the importance of community/neighbourhoods, alongside greater focus on the local public sector as a means of influencing national as well as local policy.
- **Delays in implementing legacy projects:** This could lead to a lack of impact, with Local Trust failing to achieve optimal outcomes from remaining time and resources. Initial trustee decisions made in January 2024 have resulted in clear positive action to initiate work on key projects, and allocation of resources in the business plan. Trustees will receive reports on progress against that initial wave of projects in March 2024; with larger project scoped by the summer; and 'carrying the flame' options appraised in September.
- **A breakdown of relationship with leadership of NLCF and/or key senior officials/ministers within government:** Resulting in criticism of Bing Local programme and/or tensions over CWF implementation affecting our relationships and reputation. This is mitigated by a concerted focus on strong relationships built up with officials in key departments, and prompt responses to MPs where concerns are raised. We are increasing our focus on 'good news' story outputs.
- **Loss of key staff, and challenges in recruiting talented staff, as we get closer to the proposed end date of the organisation:** A resultant lack of capacity and skills in the organisation to deliver strategy and business. Local Trust has reviewed remuneration in this

context, implementing a new policy, and is putting increased emphasis on secondments. Our resourcing priorities are reviewed every 6 months as part of the closure plan.

- **Failure to adequately plan organisational closure:** This could result in poor administration of Local Trust and Big Local during final years, low staff morale, loss of efficiency, and challenges in resourcing closure effectively. Critical in addressing this risk is the published Closure Strategy, and associated Closure Plan. The forward budget has been updated to take account of closure costs, and Trustees receive regular reports on progress.

Structure, governance and management

Staffing

Staff remuneration

Trustees consider remuneration, including the remuneration of the senior management team, annually. During 2023-24 trustees carried out a review of staff salaries, including the salaries of key management personnel, taking into consideration the organisation's financial health, what peer organisations are generally choosing to pay, and other factors in the pay policy. The pay policy was initially agreed in May 2019, and most recently reviewed in May 2023.

Trustees consider a cost-of-living increase for existing salaries, on an annual basis, after reviewing the consumer price index (CPI). A cost-of-living increase of 10.4% was agreed for 2023-24.

Trustees are responsible for setting overall remuneration levels for staff, with recommendations being made to Board as part of the budget approval process.

Trustees recognise the importance of valuing staff that need to effectively and appropriately manage the endowment, the programme, grants and social investment into 150 areas and the contracts/grants of those delivering national support, research and evaluation.

Staff are jointly employed by Big Local Trust and Local Trust. The average number of employees during the year was 63 (FTE) (2023: 55).

Pensions and auto enrolment

Big Local Trust operates a group pension scheme with Scottish Widows and contributes the equivalent of 10% of salary for each member of staff into scheme. This is more than the minimum legal requirement under auto-enrolment. Staff are encouraged to make a voluntary personal contribution.

During 2023-24, all Big Local Trust staff were enrolled in the group personal pension scheme.

Volunteers

Big Local relies on people getting involved in making their areas better places to live. Just over 1000 people directly participate as partnership members across the 101 Big Local areas, the other 49 Big Local areas either already closed or on the closure path. Partnership members include representatives from local organisations, councils and businesses however, a vast majority are volunteer residents (69%) who give of their own time to help lead the Big Local programme in their local areas.

Governance and committees

Local Trust acts as the corporate trustee of Big Local Trust, in line with the Big Local Trust deed.

Local Trust was registered as a charity in England and Wales on 30 May 2012 (charity number 1147511). Local Trust is also registered as private limited company by guarantee (company number 07833396).

Local Trust's work is overseen by a board of trustees who meet on a quarterly basis. Our approach to governance is led by the chair of the Local Trust board and is based on:

- ensuring delivery of organisational purpose
- working effectively as individuals and as a team
- exercising effective control
- behaving with integrity
- being open and accountable.

Trustees receive regular, timely reports which provide updates on Local Trust programmes of work, and inform decision-making.

Trustees delegate responsibility for the day-to-day running of the charity to the chief executive.

Committees

Following a review of governance in 2023-24, a new board committee structure was introduced in April 2024, which saw the closure of the Legacy and Learning and Programme Delivery committees. This ensures trustees are able to continue to effectively exercise oversight of both Big Local Trust as an organisation and the programmes it delivers.

The two remaining committees are: Finance and Audit (formerly Finance, Audit and Risk); and People and Culture (formerly Governance and Remuneration). New terms of reference explaining the responsibilities of each committee were approved and will be periodically reviewed and updated to ensure continued effective oversight and decision making across all aspects of Big Local Trust's business.

- The purpose of the **Finance and Audit Committee** is to support the Board in the overall management and monitoring of finance, investment, and audit matters at Local Trust and Big Local Trust. It does this by providing an appropriate level of scrutiny of finances, investment policies and procedures of Local Trust and Big Local Trust, as well as the audit process and outcome, and by supporting the Board and management in managing its finances effectively, prior to making recommendations on these matters to the trustees for their decision.
- The purpose of **People and Culture Committee** is to: ensure the effective governance of Local Trust and Big Local Trust; make recommendations as to the organisation's overall staff remuneration policy; and support the successful closure of Local Trust and Big Local Trust.

The Protector

The Big Local Trust deed provides for the appointment of a Protector who has a fiduciary duty to ensure the integrity of the administration of the Big Local Trust and the propriety of its procedures, and if necessary, report matters of serious concern to the National Lottery Community Fund as the Founder or to the Charity Commission. Rosie Chapman has been the Protector since September 2018.

Trustees delegate responsibility for the day-to-day running of the charity to the chief executive.

Statement of trustee's responsibilities**In respect of the trustee's annual report and the financial statements****Focus of activities**

The trustee has given due consideration to Charity Commission guidance on the operation of the public benefit requirement and is satisfied that the work of Big Local Trust meets that requirement. Big Local Trust's work in the year to 31 March 2024 focused on supporting the 150 Big Local areas to identify their priorities and to develop and deliver plans to address these priorities.

Responsibilities of the corporate trustee

Local Trust is corporate trustee of Big Local Trust and is responsible for preparing the trustee annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) that gives a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the net income or expenditure, for the year. In preparing the financial statements, the corporate trustee is required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the charities Statement of Recommended Practice Charities SORP (FRS 102)
- make judgments and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the charity will continue in business.

The corporate trustee is responsible for keeping accounting records that disclose, with reasonable accuracy at any time, the financial position of the charity. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The corporate trustee is responsible for the maintenance and integrity of the financial information included on the charity website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

The trustee has confirmed that so far as it is aware, there is no relevant audit information of which the charity's auditors are unaware, and that it has taken all the steps that it ought to have taken as a trustee in order to make itself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

A resolution to appoint Moore Kingston Smith was proposed at the last annual general meeting.

Approved by the corporate trustee on 28 November 2024 and signed on their behalf by:

Signed  Date 16 December 2024

David Warner
Chair

Independent auditor's report to the trustees of Big Local Trust

Opinion

We have audited the financial statements of Big Local Trust for the year ended 31 March 2024 which comprise Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement 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 FRS 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 charity'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 Charities Act 2011.

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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 charity'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.

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.

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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 there is 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we required for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page [21](#), the trustees 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 charity'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 charity 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 section 1442 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and

obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain 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 purposes of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charity.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charity and considered that the most significant are [the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council]
- We obtained an understanding of how the charity complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.

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- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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 or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees 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 any party other than the charity and charity's trustees as a body, for our audit work, for this report, or for the opinion we have formed.

Moore Kingston Smith LLP

16 December 2024

Statutory auditor

Date

6th Floor, 9 Appold Street

London

EC2A 2AP

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

Statement of financial activities

for the year ended 31 March 2024

	Restricted	Unrestricted	Total	Total
	2024	2024	2024	2023
Notes	£000	£000	£000	£000
Income from:				
Investments	2	-	2,888	2,888
Reimbursements from Local Trust			15	15
Other sources	3	-	3	3
Total income		-	2,906	2,906
Expenditure on:				
Raising funds:				
Investment management charges		-	85	85
Charitable activities:				
Grants payable	5	-	8,758	8,758
Delivery to areas		-	5,107	5,107
Learning to support the programme		-	3,447	3,447
Total expenditure	4	-	17,397	17,397
Net operating expenditure	7	-	(14,491)	(14,491)
Net gains/(losses) on investments		-	413	413
Net income/ (expenditure)		-	(14,078)	(14,078)
Loss on disposal		-	(2)	(2)
Net movement in funds		-	(14,080)	(14,080)
Reconciliation of funds:				
Total funds brought forward 1 April 2023		-	38,069	38,069
Total funds carried forward 31 March 2024		-	23,989	23,989

All amounts are related to continuing activities.

All gains and losses recognised are included in the statement of financial activities.

The accompanying notes, on pages 29 to 47, form part of these financial statements.

Big Local Trust annual report and financial statements 1 April 2023 - 31 March 2024

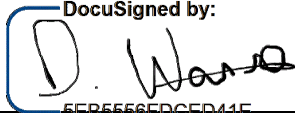
Balance sheet

as at 31 March 2024

	Notes	2024 £000	2023 £000
Fixed assets			
Tangible assets	8	30	48
Intangible assets	9	132	240
Investments	10 & 11	46,018	69,241
Social Investments	12	163	64
		<u>46,343</u>	<u>69,593</u>
Current assets			
Debtors	13	1,546	1,145
Investments		206	193
Cash at bank and in hand		1,315	627
Total current assets		<u>3,067</u>	<u>1,965</u>
Liabilities			
Creditors: amounts falling due within one year	14	(22,322)	(25,005)
Net current liabilities		<u>(19,255)</u>	<u>(23,040)</u>
Creditors: amounts falling due after one year	15	(3,099)	(8,484)
		<u>23,989</u>	<u>38,069</u>
Net assets			
Funds			
Unrestricted funds		23,989	38,069
Total funds		<u>23,989</u>	<u>38,069</u>

The accompanying notes, on pages 29 to 47, form part of these financial statements.

Approved by the corporate trustee, authorised for issue on 28 November 2024 and signed on behalf of the trustee:

DocuSigned by:

 Signed _____ Date 16 December 2024
 6EB5556FDCED41E...
 David Warner
 Chair

Statement of cash flows

for the year to 31 March 2024

		2024	2023
Cash (outflow)/inflow from operating activities:	Notes	£000	£000
Net operating expenditure		(14,489)	(18,566)
Investment and other income received		(2,478)	(787)
Depreciation/amortisation of fixed assets		165	135
Increase in debtors		(401)	(661)
Increase in creditors		(8,068)	(3,641)
Investment management fees		(84)	(124)
Increase in investment management fee accrual		(9)	(8)
Net cash (used in) operating activities		(25,363)	(23,652)
Cash flows from investing activities:			
Investment and other income received		2,478	787
Investment management fees		84	124
Payments to acquire tangible fixed assets		(17)	(13)
Payments to acquire intangible fixed assets		(24)	(206)
Loss on disposal of tangible fixed assets		(2)	-
Payments to acquire social investments		(120)	(20)
Repayments of social investments		22	63
Payments to acquire fixed asset investments		(45,000)	(140,999)
Movements in investment cash balances		(356)	368
Receipts from sale of fixed asset investments		69,000	162,990
Net cash provided by investing activities		26,065	23,094
Change in cash and cash equivalents in the year		701	(558)
Change in cash and cash equivalents in the year		820	1,378
Cash and cash equivalents at 1 April 2023		701	(558)
Cash and cash equivalents at 31 March 2024	17	1,521	820

		2024	2023
Analysis of cash and cash equivalents:		£000	£000
Cash in hand		1,315	627
Notice deposits		206	193
		1,521	820

Notes to the accounts

for year to 31 March 2024

1. Accounting policies

a) Administrative information

Big Local Trust is a public benefit entity registered as a charity in England and Wales on 15 February 2012 (charity number 1145916). The ultimate controlling party of Big Local Trust is Local Trust, corporate trustee. Local Trust is a registered company (number 07833396) and registered charity (number 1147511).

The charity was established under its trust deed dated 13 February 2012.

The registered office of Big Local Trust and Local Trust is: Canopi, 7 - 14 Great Dover Street, London SE1 4YR.

b) Basis of preparation

The financial statements are prepared on a going concern basis which assumes the charity will continue in operational existence for the foreseeable future. The trustees have considered the impact of the prevailing external environment on the financial position of the charity and are aware that the charity is able to draw down on its expendable endowment to provide an appropriate response to additional needs where necessary.

After reviewing the charity's forecast and projections, the trustees have concluded that it has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

The financial statements have been prepared under the historical cost convention, with the exception that fixed asset investments are stated at market value, and in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the 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).

The financial statements have been prepared to give a 'true and fair' view and departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved preparing accounts in accordance with FRS102 rather than SORP 2005 which has since been withdrawn.

c) Critical accounting judgements and key sources of estimation uncertainty

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

d) Income

Income is recognised in the period in which the charity is entitled to receipt, the amount can be measured reliably and receipt is probable. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

e) Expenditure

Expenditure is included on an accruals basis for charitable activities and expenditure on raising funds.

Expenditure is allocated to a particular activity where the cost relates directly to that activity.

Grants payable are accounted for in full as liabilities when approved and notified to locally trusted organisations and Big Local areas, because Big Local areas would have a valid expectation that they would receive the grant as offered and accepted.

f) Allocation of support costs

Support costs are those costs which enable the raising of funds and which enable charitable activities to be carried out. These costs include finance, human resources and information technology.

Support costs are allocated across grant expenditure directly to areas, delivery to areas, learning to support the programme and governance on the basis of staff time spent undertaking an activity.

Direct governance costs are allocated on the basis of staff time spent undertaking an activity. The direct staff cost allocation for the period to 31 March 2024 was across delivery to areas and learning to support the programme.

g) Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term to the statement of financial activities, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

h) Expenditure on raising funds

Expenditure on raising funds include investment management fees which are charged at 0.15% of the market value of the portfolio and as they fall due to the statement of financial activities. The fee reduced from 0.20% to 0.15% from 1 July 2020.

i) Tangible fixed assets depreciation and intangible fixed assets amortisation

All assets costing more than £1,000 are capitalised. Depreciation on tangible fixed assets (IT equipment and office furniture), and amortisation of intangible fixed assets (website and grant management system development), is provided to write off assets on a straight-line basis over their estimated useful economic life (three years).

j) Investments

Investments are included at their bid-price at the year-end. Gains and losses arising on the disposal of investments and the revaluation to market value are charged or credited to the statement of financial activities in the year.

k) Social investments

Big Local Trust makes programme-related social investments on behalf of Big Local areas. Big Local Trust receives annual dividends from the credit unions on behalf of the Big Local areas, at the same rate as the annual dividend paid to other corporate members.

Social investments are initially recognised at cost and are assessed for impairment on an annual basis.

k) Pension

Local Trust operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charity to the fund. The charity has no liability under the scheme other than for the payment of those contributions.

l) Grants payable

A 'constructive obligation' between Big Local Trust and a locally trusted organisation is triggered when a grant (or funding) offer letter is sent to a locally trusted organisation to notify them that a specified amount of funding has been endorsed for a stated period of time. Big Local Trust records these constructive obligations, or grants payable, as creditors in these accounts.

m) Financial instruments

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument. Additionally, all financial assets and liabilities are classified according to the substance of the contractual arrangements entered into.

Financial assets and liabilities are initially measured at transaction price (including transaction cost) and are subsequently re-measured where applicable at amortised cost except for investments, which are subsequently measured at fair value with gains and losses recognised in the statement of financial activities. Assets and liabilities held in a foreign currency are translated to GBP at the balance sheet date at an appropriate year-end exchange rate. At 31 March 2024, revenue cash of USD3,416.01 (equivalent GBP 2,704) was held within Big Local Trust's investment portfolio. This was the result of class action proceeds issued on previously held equities.

n) Cash

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of 90 days or less, and bank overdrafts. Deposits with maturity greater than 90 days from the year end are classified within investments.

*Big Local Trust annual report and financial statements 1 April 2023 - 31 March 2024***2. Investment income**

	2024	2023
	£000	£000
Income on investments	2,360	1,329
Bank interest	519	217
Tax refunds	9	24
Total	2,888	1,570

3. Other income

	2024	2023
	£000	£000
Contribution to US fact finding trip	3	4
Total	3	4

Big Local Trust received no grant income during the year ended 31 March 2024.

Big Local Trust annual report and financial statements 1 April 2023 - 31 March 2024

4. Expenditure

Charitable activities

	Grant expenditure directly to areas	Delivery to areas	Learning to support the programme	Expenditure on raising funds	Governance	Support	2024 Total	2023 Total
	£000	£000	£000	£000	£000	£000	£000	£000
Direct costs								
Staff	-	2,022	1,100	-	-	1,082	4,204	3,285
Grants to areas								
Big Local funding	7,841	-	-	-	-	-	7,841	12,030
Community travel and childcare	112	-	-	-	-	-	112	74
Area admin contribution	394	-	-	-	-	-	394	597
Social Investment returns to areas	37	-	-	-	-	-	37	80
Area delivery costs	-	2,284	-	-	-	-	2,284	2,080
Programme development	-	-	1,385	-	-	-	1,385	832
Finance charges	-	-	-	85	-	-	85	124
Governance costs	-	-	-	-	85	-	85	26
Audit and financial advice	-	-	-	-	40	-	40	46
Legal and professional fees	-	-	-	-	9	-	9	105
Communications and marketing	-	-	-	-	-	195	195	187
IT and Consultancy	-	-	-	-	-	195	195	263
Rent and office costs (incl. recharged staff costs)	-	-	-	-	-	366	366	387
Grant bad debts/ Impairment loss	-	-	-	-	-	-	-	32
Depreciation	-	-	-	-	-	165	165	131
Total costs	8,384	4,306	2,485	85	134	2,003	17,397	20,279
Allocated to charitable activities								
Support Costs	330	707	849	-	117	(2,003)	-	-
Governance costs (note 6)	44	94	113	-	(251)	-	-	-
Total expenditure 2024	8,758	5,107	3,447	85	-	-	17,397	20,279
Total expenditure 2023	13,194	4,268	2,693	124	-	-	20,279	25,108

4. Expenditure (continued)

Charitable activities

	Grant expenditure directly to areas £000	Delivery to areas £000	Learning to support the programme £000	Expenditure on raising funds £000	Governance £000	Support £000	2023 Total £000	2022 Total £000
Direct costs								
Staff	-	1,465	963	-	-	857	3,285	2,723
Grants to areas								
Big Local funding	12,030	-	-	-	-	-	12,030	16,791
Community travel and childcare	74	-	-	-	-	-	74	80
Area admin contribution	597	-	-	-	-	-	597	839
Social Investment returns to areas	80	-	-	-	-	-	80	-
Area delivery costs	-	2,080	-	-	-	-	2,080	2,329
Programme development	-	-	832	-	-	-	832	1,172
Finance charges	-	-	-	124	-	-	124	122
Governance costs	-	-	-	-	26	-	26	73
Audit and financial advice	-	-	-	-	46	-	46	34
Legal and professional fees	-	-	-	-	105	-	105	33
Communications and marketing	-	-	-	-	-	187	187	210
IT and Consultancy	-	-	-	-	-	263	263	302
Rent and office costs (incl. recharged staff costs)	-	-	-	-	-	387	387	294
Grant bad debts/ Impairment loss	32	-	-	-	-	-	32	5
Depreciation	-	-	-	-	-	131	131	101
Total costs	12,813	3,545	1,795	124	177	1,825	20,279	25,108
Allocated to charitable activities								
Support Costs	322	613	762	-	128	(1,825)	-	-
Governance costs (note 6)	59	110	136	-	(305)	-	-	-
Total expenditure 2023	13,194	4,268	2,693	124	-	-	20,279	25,108
Total expenditure 2022	18,002	4,193	2,791	122	-	-	25,108	21,145

Big Local Trust annual report and financial statements 1 April 2023 - 31 March 2024

5. Grants payable

Big Local area	Locally trusted organisation	New grants £000	Repayment of unspent grants £000	Closed grants £000	2024 Total £000	2023 Total £000
3 Together	Groundwork North East	-	-	(201)	(201)	565
Aberfeldy	Quaker Social Action	-	-	(269)	(269)	567
Allenton	Enthusiasm Trust	-	-	-	-	50
Arches Local (Central Chatham, Luton Arches)	Starlings Support CIC	-	(23)	-	(23)	386
Arley and Ansley	Warwickshire Community and Voluntary Action (WCAVA)	-	-	-	-	(402)
Barnfield	Quaker Social Action	144	-	(172)	(28)	
Barnfield	Greenwich Co-operative Devt Agency	-	-	-	-	(1)
Barrow Island	Barrow Island Community Sports Trust	-	-	-	-	33
Beechwood, Ballantyne And Bidston Village	Community Foundations for Lancashire and Merseyside	-	-	(104)	(104)	(73)
Big Local Broad Green	Community Alliance Broxbourne and East Herts (formerly CVSBEH)	491	(18)	-	473	62
Big Local Broad Green	Asian Resource Centre	-	-	-	-	(8)
Birchfield	Birmingham Voluntary Service Council	-	-	-	-	306
Birchwood	Lincolnshire Cooperative Limited	-	-	-	-	100
Blackpool Revoe	Blackpool Coastal Housing	350	(12)	(99)	239	-
Bountagu (Bounces-Montagu)	Community Alliance Broxbourne and East Herts (formerly CVSBEH)	-	-	(242)	(242)	111
Bountagu (Bounces-montagu)	Enfield Voluntary Action	330	-	-	330	
Bourne Estate	Bournemouth Churches Housing Association (BCHA)	110	-	-	110	-
Bradley	Pendle Borough Council	-	-	-	-	27
Brereton	Brereton Big Local CIO	-	-	(30)	(30)	418
Brereton	Support Staffordshire Cannock Chase	-	-	-	-	(192)
Brookside	Brookside Central CIO	359	-	-	359	227
Brookside	Stirchley and Brookside Parish Council	-	(36)	(227)	(263)	
Canvey Island Big Local	Canvey Island Town Council (CITC)	-	-	-	-	50
Canvey Island Big Local	Canvey Island Youth Project	27	(10)	(89)	(72)	-
Canvey Island Big Local	Trust Links	592	-	-	592	-
Cars Estate	Colebridge Trust	235	(27)	-	208	-
CELL - Lynemouth, Cresswell, Ellington and Linton	Cresswell	-	-	-	-	-
Central Boston	Age UK Lincoln & South Lincolnshire	-	(29)	(37)	(66)	198
Central Boston	Groundwork South and North Tyneside	-	-	-	-	-
Central Jarrow	Groundwork South Tyneside & Newcastle	-	-	-	-	(10)
Central Jarrow	Shared Assets Ltd	-	-	-	-	(1)
Chinbrook Estate	Community Alliance Broxbourne and East Herts (formerly CVSBEH)	254	(16)	(31)	207	-
Church Hill	Charles Lovell & Co Limited	-	-	-	-	48

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Clapham Junction, West Battersea (Big Local SW11)	Providence House	-	-	-	-	(65)
Clarksfield, Greenacres and Littlemoor	Action Together CIO	-	-	-	-	106
Clubmoor	Liverpool CVS Charity and Voluntary Services	-	-	-	-	(178)
Collyhurst	Manchester Communication Academy	3	-	-	3	115
Conniburrow	Great Linford Parish Council	283	-	-	283	
Conniburrow	SJ Mellish Accountancy Services Ltd	-	(43)	(180)	(223)	454
Conniburrow	Milton Keynes Community Foundation	-	-	-	-	(92)
Dartford	Red Zebra Community Solutions (previously East Kent Voluntary Action Support)	-	-	(243)	(243)	-
Dartford	Community Links Bromley	-	-	-	-	25
Dartford	Local Trust	-	-	(8)	(8)	-
Devonshire West	3VA	15	-	-	15	
Dewsbury Moor	Local Trust	-	-	-	-	15
Dewsbury Moor	One Community	355	-	-	355	-
Distington	Birmingham Voluntary Service Council (BVSC)	-	(10)	-	(10)	
Distington	Groundwork North East	174	(3)	(90)	81	152
Dover Big Local	Dover Big Local CIC	-	-	-	-	99
Dover Big Local	Red Zebra Community Solutions	-	-	-	-	(7)
Dyke House	The Wharton Trust	-	-	-	-	461
East Coseley	Dudley CVS	-	-	(157)	(157)	204
Eastern Sheppey	Swale Community and Voluntary Services	-	-	(199)	(199)	288
Elmton, Creswell and Hodthorpe	Bassetlaw Community and Voluntary Service (BCVS)	-	-	-	-	1
Elthorne Estates	Caxton House Community Centre	-	-	-	-	359
Ewanrigg	Cumbria CVS	-	(37)	(254)	(291)	243
Ewanrigg	The Centre, West Cumbria Ltd	178	-	-	178	-
Farley Hill	Age Concern Luton	599	(8)	(496)	95	
Firs and Bromford	Birmingham Voluntary Service Council (BVSC)	-	(5)	(316)	(321)	-
Firs and Bromford	Worth Unlimited	340	-	-	340	
Fratton	Action Hampshire	-	-	(43)	(43)	
Fratton	Community Action Hampshire	-	-	-	-	276
Gannow	Burnley, Pendle & Rossendale CVS	17	-	-	17	158
Gateshead	Groundwork North East	447	-	-	447	-
Gateshead	Local Trust	25	-	50	75	-
Gateshead	St Chad's Community Project	-	-	-	-	-
Gaunless Gateway	H.C. Horizons CIC	303	-	-	303	
Gaunless Gateway	South Durham Enterprise Agency	-	(41)	(251)	(291)	-
Goldthorpe with Bolton-on- Dearne	The Snap Tin CIC	-	(19)	(26)	(45)	155
Grace Mary to Lion Farm	Sandwell Council of Voluntary Organisations (SCVO)	255	-	-	255	
Grange Estate	CommUNITY Barnet	-	-	-	-	(253)
Grange Estate	Inclusion Barnet	423	(15)	(206)	203	-
Grassland Hasmoor	Grassland Hasmoor Futures Ltd	9	-	-	9	(127)
Greatfield	Probe (Hull) Ltd	-	-	-	-	278
Greenmoor	Better Communities Bradford	-	-	-	-	59

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Growing Together (Northampton East)	Growing Together (Northampton)	-	-	-	-	-
Hackney Wick	CREST Waltham Forest	-	-	(27)	(27)	(122)
Harefield, Midanbury and Townhill Park (Big Local SO18)	Salford CVS	-	-	-	-	-
Harefield, Midanbury and Townhill Park (Big Local SO18)	TWICS (Training for Work in Communities)	141	-	(14)	127	(177)
Hateley Cross (Hateley Heath and Stone Cross)	Sandwell Community Info & Participation Service (SCIPS)	-	-	(35)	(35)	-
Hawksworth Wood Estate, the Abbeydales and the Vespers	Kirkstall Valley Development Trust	393	(3)	(24)	366	102
Hawksworth Wood Estate, the Abbeydales and the Vespers	The Cardigan Centre	-	-	-	-	(473)
Heart of Sidley	Optivo (form. AmicusHorizon)	-	(10)	-	(10)	-
Heart of Sidley	Rother Voluntary Action	266	(125)	(88)	54	125
Heart of Sidley	Southern Housing	95	-	-	95	-
Heath Big Local	Parochial Church Council of Uttoxeter	174	(15)	(101)	58	-
Heath Big Local	Uttoxeter Knights	-	-	-	-	(152)
Heston West	Berkeley Academy	-	(1)	(45)	(46)	-
Heston West	C-Change West London	-	-	(160)	(160)	274
Hill Top and Caldwell	Warwickshire Community and Voluntary Action (WCAVA)	-	-	-	-	262
Horsefair, Broadwaters and Greenhill (Big Local DY10)	Parish of Kidderminster East	-	-	(8)	(8)	(149)
Inner East Preston		-	-	-	-	(8)
Inner East Preston	University of Central Lancashire	-	-	-	-	72
Inner East Preston	Preston City Council	-	-	-	-	(143)
Inner East Preston	Groundwork Northamptonshire	-	-	-	-	(19)
Keighley Valley	Airedale Enterprise Services	-	-	(21)	(21)	-
Kingsbrook and Cauldwell	CVS Bedfordshire	-	-	-	-	420
Kingsbrook and Cauldwell	Community Voluntary Service Bedfordshire	-	-	-	-	(7)
Kingswood and Hazel Leys	Groundwork Northamptonshire	-	-	(41)	(41)	134
Kirk Hallam	Mansfield CVS	-	-	-	-	260
Kirk Hallam	Kirk Hallam Community Academy	-	-	-	-	(65)
Langold, Costhorpe and Carlton	Hodsock Parish Council	2	(5)	(25)	(28)	166
Lawrence Weston	Ambition Lawrence Weston	70	-	-	70	-
Leedcliffe (Leeming and Aycliffe)	Clarion Futures	439	-	-	439	-
Leigh West	Leigh Neighbours Project CIO	-	-	-	-	120
Little Hulton	CommUNITY Little Hulton	177	-	-	177	48
Little Hulton	Salford CVS	-	-	-	-	-
Littlemoor	Dorset Community Action	385	-	-	385	(17)
Mossley	One Walsall	55	-	(48)	7	-
Mottingham	Community Links Bromley	344	-	-	344	-
Newington, Ramsgate	Starlings Support CIC	-	(8)	(17)	(25)	257
Noel Park Estate	CREST Waltham Forest	-	(6)	(141)	(147)	-
Noel Park Estate	Community Alliance Broxbourne and East Herts	-	-	-	-	792
North Brixton	Big Local Impact	-	(3)	-	(3)	-
North Cleethorpes	Voluntary Action North East Lincolnshire (VANEL)	51	-	-	51	123
North East Hastings	Hastings Voluntary Action	-	-	-	-	97
North meets South	CREST Waltham Forest	151	(1)	-	150	-

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North Ormesby	North Ormesby Neighbourhood Development Trust	-	-	-	-	(22)
North West Ipswich	Castle Hill Community Centre Trust	-	(1)	(138)	(139)	-
North West Ipswich	Eastern Region Training Ltd	91	-	(91)	-	-
North West Ipswich	Local Trust	20	-	-	20	-
North West Ipswich	Rural Community Council of Essex	91	-	-	91	-
Northfleet North	North West Kent Council for Voluntary Service	4	-	-	4	119
Northwood	Community Foundation for Merseyside	61	-	-	61	(30)
Northwood	Community Foundations for Lancashire and Merseyside	13	-	(3)	10	-
Palfrey	One Walsall	-	-	(240)	(240)	-
Palfrey	Walsall Council	458	-	-	458	-
Par Bay	Par Bay Community Trust	-	-	(10)	(10)	41
Peabody Avenue and Churchill Gardens Estate (Big Local SW1)	Quaker Social Action	440	-	(92)	348	-
People's Empowerment Alliance of Custom House (PEACH)	Ascension Church Centre	-	-	-	-	265
Plaistow South	Quaker Social Action	328	(3)	(24)	302	-
Plaistow South	Rights and Equalities in Newham (REIN)	-	-	-	-	(355)
Podsmead	Blackbridge Charitable Community Benefit Society	228	-	-	228	82
Podsmead	GL Communities	-	-	-	-	-
Podsmead	Gloucestershire Credit Union	-	-	-	-	(150)
Prospect Estate	Rushmoor Borough Council	-	(17)	(63)	(80)	308
Radstock and Westfield	Radstock and Westfield Big Local CIC	222	-	-	222	-
Radstock and Westfield	The Carers Centre	-	(32)	(178)	(210)	-
Rastrick	Community Foundation for Calderdale	335	-	-	335	-
Ravensthorpe and Westwood	Cross Keys Homes	-	-	-	-	166
Roseworth Ward	Catalyst Stockton on Tees	-	1	(29)	(28)	479
Rudheath and Witton	Groundwork CLM	1	-	-	1	-
Sale West	Irwell Valley Housing Association	-	-	-	-	(178)
Selby Town	Selby District AVS	-	-	-	-	-
Selby Town	Up For Yorkshire (previously Selby District AVS)	115	-	-	115	-
Shadsworth with Whitebirk	Blackburn with Darwen Healthy Living	-	-	(81)	(81)	-
Shadsworth with Whitebirk	The Big Local Community Shop Ltd	84	-	-	84	-
Slade Green	Bexley Voluntary Service Council	15	-	-	15	-
Somers Town	CREST Waltham Forest	-	-	-	-	725
Somers Town	Working Mens College	-	-	-	-	34
Sompting	Community Works	-	-	(174)	(174)	415
South Bermondsey	United St Saviour's Charity	-	-	-	-	16
St James Street Area	CREST Waltham Forest	-	-	-	-	(47)
St Oswald and Netherton (L30 Million Project)	Sefton Metropolitan Borough Council	-	-	-	-	(554)
St Oswald and Netherton (L30 Million Project)	Asian Resource Centre	-	-	-	-	(97)

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St Oswald and Netherton L30 Million Proj	Groundwork Cheshire, Lancashire & Merseyside	337	(12)	(172)	153	
St Peter's and the Moors	Cheltenham Borough Council	536	-	(125)	411	125
Stoke North	YMCA North Staffordshire	-	-	-	-	369
Tang Hall	Balance sheet check	-	-	-	-	(24)
Three Parishes - Gobowen, St Martins and Weston Rhyn	Oswestry Community Action	-	-	-	-	30
Thurcroft	Rotherham Federation of Communities Ltd	-	-	-	-	5
Thurnscoe	Station House Community Association Ltd	11	-	-	11	124
Tonge with the Haulgh	Bolton at Home	270	-	-	270	
Toothill	Swindon Borough Council	-	-	-	-	92
W12 Together	CommUNITY Barnet	-	(6)	(48)	(54)	272
Wargrave	Groundwork Cheshire, Lancashire & Merseyside	95	-	-	95	
Wargrave	Torus Foundation	488	-	-	488	17
Warwick Ahead	Nova Wakefield District	-	-	-	-	276
Wecock Farm	Citizens Advice Havant	13	-	-	13	(429)
Welsh House Farm	Birmingham Voluntary Service Council	-	-	-	-	551
Wembley Central	Community Alliance Broxbourne & East Hert	-	-	-	-	661
Wembley Central	CommUNITY Barnet	-	-	-	-	(2)
West End, Morecambe	Lancaster District CVS	-	-	-	-	684
Westfield Estate	Beighton Village Development Trust	-	-	-	-	294
Whiteleigh	Whiteleigh Primary and Sir John Hunt Community Sports College (CSC) Federation	-	-	37	37	(213)
Whitley	Whitley Community Development Association	172	-	-	172	40
Whitley	Berkshire Community Foundation	-	-	-	-	(1)
Whitley Bay	Whitley Bay Big Local	1	-	(2)	(1)	124
William Morris	CREST Waltham Forest	-	-	-	-	(208)
Windmill Hill	Groundwork Cheshire, Lancashire & Merseyside	248	-	-	248	
Winterton	Voluntary Action North Lincolnshire (VANL)	-	-	-	-	283
Withernsea	Shores Centre (Southern Holderness Resource Centre)	206	(100)	(41)	65	
Woolavington Puriton	SHAL Housing Ltd	420	(25)	(19)	376	-
World's End Estate and Lots Road Area	Community Alliance Broxbourne and East Herts (formerly CVSBEH)	-	-	-	-	599
Worle	Local Trust	12	-	-	12	
Worle	NSAH (Alliance Homes) Limited	-	-	(209)	(209)	
Worle	Rother Voluntary Action	-	(89)	-	(89)	
Worle	Weston-super-Mare Town Council	236	-	-	236	
Wormley and Turnford	Community Alliance Broxbourne and East Herts	-	-	-	-	27
	Subtotal of Big Local grants	15,078	(811)	(6,426)	7,841	12,030

*Big Local Trust annual report and financial statements 1 April 2023 - 31 March 2024***5. Grants payable (continued)**

Subtotal of Big Local grants (carried forward)	7,841	12,030
Other grants		
Community travel and childcare	112	74
Area admin contribution	394	597
Social Investment returns to areas	37	80
Grant bad debts/ SI impairments	-	32
Support and governance costs	374	381
Total grants payable	8,758	13,194

In April 2019, Palfrey Community Association, the locally trusted organisation for Palfrey Big Local, went into administration while holding up to an estimated £75k cash of Big Local funds. In November 2019 this estimate was reduced to £38k upon receiving further spend information from Palfrey Community Association. Big Local Trust is an unsecured creditor for the funding and the administration process is ongoing. At the time of writing, we expect to receive a report from the liquidator in June 2024.

6. Governance costs

Total governance costs of £251k (2023: £305k) consist of direct governance costs of £134k (2023: £177k) and indirect costs of £117k (2023: £128k). Indirect governance costs are an apportionment of staffing and other support costs, calculated on the basis of staff time spent. This is in accordance with our accounting policies as outlined in note 1(f) to the accounts.

7. Net operating expenditure for the year

This is stated after charging:

	2024	2023
	£000	£000
Depreciation and amortisation	165	131
Impairment of social investments	-	4
Auditor's remuneration (including VAT):	-	-
- <i>in respect of current year audit</i>	31	31
- <i>in respect of current year non-audit</i>	1	5
- <i>in respect of prior year</i>	4	4
Financial advice	4	6
Investment manager's fees	85	124
Legal and professional fees	9	105
Licence fees	156	152

8. Tangible fixed assets

			2024	2023
	Office refurbishment	IT equipment	Total	Total
	£000	£000	£000	£000
Cost				
Balance brought forward	85	191	276	263
Additions	-	17	17	13
Disposals	-	(27)	(27)	-
Balance carried forward	<u>85</u>	<u>181</u>	<u>266</u>	<u>276</u>
Depreciation				
Balance brought forward	52	176	228	191
Disposals	-	(26)	(26)	-
Charge for year	20	14	34	37
Balance carried forward	<u>72</u>	<u>164</u>	<u>236</u>	<u>228</u>
Net book value				
Brought forward	<u>33</u>	<u>15</u>	<u>48</u>	<u>72</u>
Carried forward	<u>13</u>	<u>17</u>	<u>30</u>	<u>48</u>

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9. Intangible fixed assets

	2024	2023
	Total	Total
Cost	£000	£000
Balance brought forward	506	300
Additions	24	206
Disposals	(12)	-
Balance carried forward	<u>518</u>	<u>506</u>
Amortisation		
Balance brought forward	266	172
Disposals	(11)	-
Charge for year	131	94
Balance carried forward	<u>386</u>	<u>266</u>
Net book value		
Brought forward	<u>240</u>	<u>128</u>
Carried forward	<u>132</u>	<u>240</u>

Intangible fixed assets include development of Big Local Trust's grant management system, finance system and the Big Local Compendium website.

10. Investments

	2024	2023
	£000	£000
At 1 April 2023	68,883	90,088
Purchases at cost	42,000	141,999
Disposal proceeds	(69,000)	(162,990)
Movements in investment creditors	3,000	(1,000)
Accrued management charges	9	8
Net investment gains/(loss)	413	778
At 31 March 2024	<u>45,305</u>	<u>68,883</u>
Capital and revenue cash balance	713	358
Total	<u>46,018</u>	<u>69,241</u>

11. Investments by type and location of fund

	2024	2024	2024	2023	2023	2023
	UK	Overseas	Total	UK	Overseas	Total
	£000	£000	£000	£000	£000	£000
Cash	46,018	-	46,018	69,241	-	69,241
Total	<u>46,018</u>	<u>-</u>	<u>46,018</u>	<u>69,241</u>	<u>-</u>	<u>69,241</u>

The total book cost of investments held at 31 March 2024 was £44,696k (2023: £68,331k).

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12. Social investment assets

Big Local area	Credit union	Type of investment	Funds at 31 March 2023 £000	Additions £000	Repayments/ Discharges £000	Impairment £000	Funds at 31 March 2024 £000
2015–16							
East Coseley	Castle and Crystal Credit Union	Corporate deposit	15	-	(15)	-	-
North West Ipswich	Eastern Savings and Loans Credit Union	Subordinated Loan	20	-	-	-	20
Subtotal			35	-	(15)	-	20
2016–17							
St Oswald and Netherton	Knowsley Mutual Credit Union	Corporate deposit	13	-	-	-	13
Subtotal			13	-	-	-	13
2023-23							
Bourne Estate	Key Fund loan	Loan	17	-	(7)	-	10
Subtotal			17	-	(7)	-	10
2023-24							
Radstock and Westfield	Key Fund loan	Loan	-	120	-	-	120
Subtotal			-	120	-	-	120
Cumulative totals			65	120	(22)	-	163
Total Key Fund loan balance			17	120	(7)	-	130

13. Debtors

	2024 £000	2023 £000
Trade debtors	18	9
Other debtors	36	36
Amounts due from Local Trust	3	-
Prepayments	167	191
Accrued income	1,322	909
Total	1,546	1,145

14. Creditors: amounts falling due within one year

	2024	2023
	£000	£000
Grant commitments	21,259	24,293
Trade creditors	875	522
Accruals	68	66
Social security and other taxation	83	69
Pension payments due	37	30
Intercompany creditors	-	25
Total	22,322	25,005

15. Creditors: amounts falling due after one year

	2024	2023
	£000	£000
Grant commitments	3,099	8,484
Total	3,099	8,484

16. Grant commitments

	2024	2023
	£000	£000
Grant commitments b/fwd	32,777	36,059
New commitments in the year	15,078	20,973
Area admin contribution	394	597
Commitments settled in the year	(16,654)	(15,909)
Commitments reversed in the year	(7,237)	(8,943)
Grant commitments c/fwd	24,358	32,777

Note: Grant commitments include a £67k research grant commitment, payable to NHS Confederation. This falls due within one year. (2023: £nil)

17. Analysis of changes in net debt

	At 31 March 2023 £000	Cash flows £000	At 31 March 2024 £000
Cash	627	688	1,315
Cash equivalents	193	13	206
Overdraft facility repayable on demand	-	-	-
Total	820	701	1,521

18. Operating leases

	2024	2023
	£000	£000
Land and buildings, due in less than 1 year	78	76
Land and buildings, due in 2 to 5 years	-	-
Land and buildings, due after 5 years	-	-

Big Local Trust has a licence to occupy office space at CAN Mezzanine, Borough. Future commitments in relation to this lease are noted above.

19. Staff costs and numbers

	2024	2023
	£000	£000
Wages and salaries	3,032	2,418
Social security and other taxes	315	233
Pension	454	350
Other staff costs	402	284
Total	4,204	3,285

Trustees are responsible for setting overall remuneration levels for staff, with recommendations being made to Board as part of the budget approval process.

Trustees recognise the importance of valuing staff that need to effectively and appropriately manage the endowment, the programme, grants and social investment into 150 areas and the contracts/grants of those delivering national support, research and evaluation.

Staff are jointly employed by Big Local Trust and Local Trust. The average number of employees during the year was 63 (FTE) (2023: 55).

During the year, four roles (2023: two) were made redundant. Redundancy payments of £78k (2023: £38k) were made to the members of staff who left during the year.

There were nine key management personnel who were remunerated over £60k in the year (2023: 8 employees) and comprised the Chief Executive, Director of Policy, Director of Partnerships and Learning, Director of Delivery, Head of Finance and Resources, Head of Support to Areas, Head of Programme Delivery, Head of Learning and Research, and Senior Finance Manager. The total remuneration and benefits, including salary and employer's National Insurance and employer's pension contributions, of the key management personnel was £972k (2023: £783k).

Senior salaries

	Number of employees	
	2024	2023
£60,000 - £69,999	2	3
£70,000 - £79,999	2	4
£80,000 - £89,999	2	0
£90,000 - £99,999	2	0
£110,000 - £119,999	0	1
£130,000 - £139,999	1	0

As at 31 March 2024, the median full time gross salary was £41k (2023: £38k) (ratio 3.3 to 1 between highest and median) and the lowest full-time salary was £25k (2023: £22k) (ratio 5.4 to 1 between highest and lowest).

Big Local Trust annual report and financial statements 1 April 2023 - 31 March 2024

Big Local Trust is a London Living Wage accredited employer, and all our staff and contractors are paid at least the London Living Wage.

20. Volunteers

Big Local relies on people getting involved in making their areas better places to live. Just over 1000 people directly participate as partnership members across the 101 Big Local areas, the other 49 Big Local areas either already closed or on the closure path. Partnership members include representatives from local organisations, councils and businesses however, a vast majority are volunteer residents (69%) who give of their own time to help lead the Big Local programme in their local areas.

21. Pension

Staff are offered the opportunity to join a defined contribution Group Personal Pension Plan ('the scheme') and monthly contributions to the scheme are invested in the Scottish Widows personal pension plans. Big Local Trust's contribution to the scheme is based on 10% of the employee's basic annual salary, plus an amount equal to the saving Big Local Trust makes under the salary exchange system from the employer National Insurance contribution. There is no minimum contribution for staff although they are encouraged to contribute.

Pension contributions made by Big Local Trust to the scheme during the year were £324k (2023: £269k) for 63 employees (2023: 55). Employee contributions, made through our salary exchange scheme, were £124k (2023: £81k). As at 31 March 2024, Big Local Trust owed £37k (2023: £30k) to the scheme relating to March pension payments: the amount due was settled during April 2024.

22. Trustees' remuneration, benefits and expenses

Trustees received no remuneration Trustees are reimbursed for their incidental expenses in attending board, executive and other meetings. During the year Trustees received £10k in reimbursements for travel costs (or provision of travel) (2023: £9k). Trustee training expenses during the year were £9k (2023: £nil). Trustee recruitment costs during the year were £32k (2023: £nil). A full Governance review was carried out during the year at a cost of £19k (2023: £1k).

23. Big Local Trust protector

Protector fees and expenses of £16k were payable during the period (2023: £15k).

24. Related party transactions

During the year to March 2024, Local Trust paid Big Local Trust £15k for expenses spent on Local Trust activities, that were initially paid for through Big Local Trust (2023: 139k). This included £3k owed to Big Local Trust as at 31 March 2024 (2023: £nil).

Charlotte Pickles is a trustee of Local Trust and executive Director of Reform Research Trust.

Reform Research Trust was commissioned, via a competitive tender, to be the policy partner for the APPG for Left Behind Neighbourhoods, funded by Big Local Trust. During the year to 31 March 2024, Big Local Trust paid Reform Research Trust £10k for APPG policy support during the period.

Jessica Studdert is a trustee of Local Trust and Interim Chief Executive of New Local Ltd. During the year ended 31 March 2024, New Local is a delivery partner with Big Local Trust. Big Local Trust paid New Local £12k for annual membership and £15k as a final payment towards the Communities and Health project.

Kate Hainsworth is a trustee of Local Trust and The Young Foundation. During the year ended 31 March 2024, Big Local paid The Young Foundation £13k for writing and editing Big Local case studies.

25. Financial instruments

Carrying values of financial assets and liabilities at 31 March:

	2024	2023
	£000	£000
Financial assets measured at amortised cost (a)	2,900	1,775
Financial assets measured at fair value (b)	46,180	69,304
Financial liabilities measured at amortised cost (c)	25,338	33,403

- (a) Financial assets measured at amortised cost include all debtors (excluding prepayments), cash in hand, and notice deposits.
- (b) Financial assets measured at fair value include all fixed asset investments (including social investments).
- (c) Financial liabilities measured at amortised cost include all liabilities excluding amounts due for tax and social security.
- (d) Interest recognised in the statement of financial activities on assets held at amortised cost during 2024 was £494k (2023: £208k). Dividends and interest recognised in the statement of financial activities on assets held at fair value was £1,956k (2023: £565k).

Big Local Trust annual report and financial statements 1 April 2023 - 31 March 2024

Charity details

Big Local Trust

Big Local Trust is registered charity number 1145916.

Local Trust

Local Trust is the corporate trustee (parent entity) of Big Local Trust. Local Trust is registered company number 07833396 and registered charity number 1147511.

Copies of the consolidated accounts for Local Trust, including Big Local Trust, are available from the Local Trust website at <http://localtrust.org.uk/about-us/finance/>

Principal address of Big Local Trust and Local Trust

Canopi, 7-14 Great Dover Street, London SE1 4YR

All trustees of Local Trust are independent and non-executive.

The trustees of Local Trust are:

Stephen Aldridge (from November 2023)

Matt Bell

Chris Catterall

Kate Hainsworth (from November 2023)

Sahil Khan

Caroline Macfarland

Patrick Melia

Charlotte Pickles (until January 2024)

Nicola Pollock

Jessica Studdert (from November 2023)

David Warner (chair)

Rich Wilson

Finance and audit committee (formerly Finance, audit and risk committee)

Matt Bell

Matthew Brumsen (co-optee with investment expertise)

Chris Catterall (chair)

Sahil Khan (until 31 March 2024)

Serena Loudon (co-optee with investment expertise until 15 May 2023)

Caroline Macfarland (until 31 March 2024)

Patrick Melia

Jess Studdert (from 1 April 2024)

David Warner (Ex officio as board chair)

People and Culture committee (formerly Governance and remuneration committee)

Chris Catterall

Kate Hainsworth (from 1 April 2024)

Caroline Macfarland (Chair from 1 April 2024)

Nicola Pollock (Chair until 31 March 2024)

David Warner (Ex officio as board chair)

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Legacy and learning committee (to 31 March 2024)

Matt Bell

Patrick Melia (chair)

Charlotte Pickles

David Warner

Rich Wilson

Programme delivery committee (to 31 March 2024)

Sahil Khan (chair)

Caroline Macfarland

Charlotte Pickles

Nicola Pollock

David Warner

Chief executive of Local Trust

Matt Leach

Protector of Big Local Trust

Rosie Chapman

Big Local Trust annual report and financial statements 1 April 2023 - 31 March 2024

Advisors

Auditor

Moore Kingston Smith LLP
6th Floor
9 Appold Street
London
EC2A 2AP

Solicitor

Withers LLP
16 Old Bailey
London EC4M 7EG

Banker

National Westminster Bank PLC
250 Regent Street
London W1B 3BN

Investment manager

CCLA
One Angel Lane
London EC4R 3AB

Custodian

HSBC Bank Plc
8 Canada Square
London E14 5HQ

Annual statement by the Protector for Big Local Trust

Protector's Statement

Background

Big Local Trust (Big Local) is an unincorporated charity, established in 2012. Its founder is the National Lottery Community Fund (NLCF). The founder invested £217m in setting up and endowing Big Local to commit over £1m to 150 neighbourhoods across England, with this funding provided on the basis that communities spend it over 10 to 15 years at their own chosen pace, and on their own plans and priorities.

Local Trust (the Trust) is the sole corporate trustee of Big Local, which is in turn controlled by a Board of directors (trustees). The Board delegates the day-to-day running of the Trust to the chief executive.

Big Local operates in accordance with a Trust Deed between the Fund and Local Trust, made originally in 2012, amended in 2021-22, and reviewed in 2022-23.

The Trust Deed provides that Big Local must have a Protector with their appointment made in consultation with NLCF. Local Trust appointed me to this role in 2018 and subsequently extended the appointment to February 2027, or when the programme ends if sooner.

Purpose and functions

The function of the Protector is set out in the Trust Deed. The Protector role is quite specific and limited – the primary purpose is to ensure that Big Local's decisions are within the scope of the Trust Deed and are reached in accordance with the principles of good governance.

Big Local is required to get the Protector's consent in some limited circumstances primarily relating to procurement limits and amendments to the Trust Deed.

While I receive papers for all Board and committee meetings and have a right to attend any of those meetings, I am not involved in Big Local's decision-making nor am I a trustee of either Big Local or Local Trust.

The role does require me to:

- report any matters of serious concern that I come across to NLCF or to the Charity Commission; and
- produce a statement each year in relation to my work for inclusion in the Trust's annual report. Where appropriate, this statement identifies any areas of administration which require improvement and the steps that Big Local might take in response.

How I discharged the Protector function during the year

During the year I visited two Big Local areas and associated locally trusted organisations (LTO):

- One Palfrey Big Local (Walsall)
- Svale CVS and Eastern Sheppey Big Local (Sittingbourne, Kent)

I received papers for all Board and committee meetings held during the period, reading, and commenting on these papers either in person or in writing. Attendance included:

- three of the four Board meetings, and the Board away day;
- four meetings of the finance, audit, and risk committee;
- one of the two meetings of the programme delivery committee; and
- two governance and remuneration committee meetings.

Big Local Trust annual report and financial statements 1 April 2023 - 31 March 2024

In October 2023, Local Trust met the Trust Deed requirement for Big Locals to have spent at least £220m by February 2027. I noted that, by the year end, all but £1.6m of the remaining Big Local funds were committed for expenditure.

A further 34 Big Local partnerships, in 'low risk' areas closed out in 2023-24 increasing the overall total of areas which have spent out by the year end to 37.

During the year I noted the Board's agreement to a closure pathway and criteria for the remaining local areas, with criteria based on:

- remaining monies to be spent
- ongoing resident leadership
- a final plan in place with the local area making clear progress against it
- the LTOs performance and stability, and
- assurances regarding future protection of any land or property assets

I also noted Local Trust's interventions within those low spending Big Local partnerships they identified as, realistically, not in a position to spend out their funds. These interventions included drawing up plans to ensure spending the monies took place within the local areas.

Overall, I am satisfied that the Board remains focussed on securing Big Local spend consistent with the Trust Deed, and the Big Local funding programme and its legacy remains central to the Trust's work.

Protector's consent

I was not asked to give specific consent to any changes to Big Local's articles in 2023-24, nor requested to approve any disapplication of procedures in Local Trust's Finance Manual.

I did review the organisation's Finance Manual during the year, including the reasoning behind changes to the trustee signatory levels.

Local Trust has agreed a closure strategy for the organisation, including governance, administrative and staffing issues. I have reviewed and advised on the plans underpinning this strategy where they overlap with my role and function, and I will continue to do so towards closure. Specifically, on the closure strategy and related planning, I noted the Board's agreement of criteria and plans for the first planned redundancies and for retention of staff in selected cases, with the new process for both implemented during the year. I have been impressed by the organisation's work on its closure strategy which appears well planned and thought through.

Governance and administration of the Big Local Trust

Local Trust had 11 directors/trustees in post as of 1 July 2024. (During the year one trustee resigned and three new trustees appointed.)

The Trust commissioned a governance and board effectiveness review during the year to support the development of Big Local's closure strategy (see above). This work included a review of the Board and committee responsibilities and delegations, the Board's and committees' relationship to the Executive, Board behaviours and dynamics. Subsequently I commented on a review of Local Trust's committees which saw a realignment and rationalisation to reflect Board and committee changing priorities as overall spend out draws closer.

Overall, from attending various meetings, regular discussion with the Chair, vice Chair and Chief Executive and from reading key documents my view is that the governance of the Big Local fund continues to be effective. I have noted and seen that the Board is aware of its role, of the relationship between Local Trust and Big Local, and that it acts accordingly.

Big Local Trust annual report and financial statements 1 April 2023 - 31 March 2024

I am satisfied that the administration of Big Local was in accordance with the terms of the Trust Deed in the period 1 April 2023 to 31 March 2024.

Future priorities

For the next year, my primary focus will continue to be overseeing that Big Local programme delivery and spend out occurs in a managed and orderly way. As part of this process, I have noted the governance changes placing a focus on the Board now directly overseeing delivery of that programme, which will be increasingly important for mitigating the risks of areas not spending out.

I have noted that Local Trust has identified additional income because of higher than anticipated interest rates during the year and consider additional options for using this unallocated additional funding in 2024-25. As Protector I have a limited role in these considerations, to ensure that the monies:

- are spent on areas consistent with Big Local's purposes (which are wide in scope)
- do not undermine delivery of the overall programme
- take account of the Founder's wishes (NLCF) to promote learning from the programme.

Local Trust deferred its review of the regulations accompanying the Trust Deed from 2023-24 to 2024-25. I will take part in this review to ensure that the regulations are consistent with the grant making approach in relation to closure.

I remain interested in seeing Local Trust:

- assembling evidence that demonstrates the transparency of the Big Local legacy in individual areas, and the overall fund, to give visibility at all levels on how the money was spent
- developing and displaying the Big Local asset register.

Finally, my ongoing priorities include:

- Visits, including finance reviews, to Big Local areas,
- Reviewing complaints and concerns where relevant
- Continuing to oversee how the Trust manages, presents, and delineates Big Local and Local Trust's respective roles and functions
- Reviewing the plans for a planned and successful closure of the Big Local programme, including related plans for staffing numbers and profiles over the remaining period.

Rosie Chapman

Protector, Big Local Trust

November 2024

Local Trust

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Twitter: @LocalTrust #biglocal

The endowment for the Big Local programme is held by the Big Local Trust and overseen by Local Trust. The Big Local Trust was established by the National Lottery Community Fund with a National Lottery grant of £196,873,499.

Registered in England and Wales | Big Local Trust registered charity number 1145916

Local Trust registered company number 07833396, registered charity number 1147511

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BIG LOCAL TRUST

England & Wales - Charity number 1145916

Accounts

Big Local Trust

Annual report and financial statements

for 1 April 2022 to 31 March 2023

Registered charity number 1145916

Submitted by Local Trust as the corporate trustee for Big Local Trust



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Introduction

Local Trust was established in 2012 to deliver Big Local, a National Lottery Community Fund programme which committed more than £1m of grant funding to each of 150 communities and neighbourhoods across England.

The areas selected by the National Lottery Community Fund to benefit from Big Local funding were, typically, communities that were seen to have missed out on their 'fair share' of National Lottery and other funding. With a significant number of them located on the edges of towns and cities that themselves faced problems associated with long-term economic decline, many Big Local areas have much in common with places which current government policy initiatives are hoping to 'level up'.

The scale of the investment matched the challenge; the £217m originally provided to establish the Big Local programme is the biggest ever single-purpose National Lottery-funded endowment, and the largest ever investment by a UK grant-funder in place-based, resident-led change. Over the course of the programme, as a consequence of the growth delivered by the careful management of our endowment, some £270m will have been committed in support of our mission.

Matching the scale of that ambition, from the outset Big Local was designed to be radically different from other funding programmes. In contrast to conventional top-down, time-limited or project-led funding, the money awarded to each Big Local area is provided on a 'no strings' basis – there was no application process, and the funds can be spent over 10–15 years at communities' own chosen pace, and on their own plans and priorities. By effectively supporting local residents to take the lead in making decisions on how Big Local is delivered in their areas, Local Trust aims to build the confidence and skills of local people, strengthening local civic life and the social infrastructure that supports it.

Big Local sits at the heart of Local Trust's mission and is the major programme that we deliver as an organisation. Reflecting the Big Local Trust deed, our ambition extends beyond simply delivering the Big Local programme. Seeing how communities are using Big Local funding to make their neighbourhoods into better places to live, we aim to share learning from the programme, and promote a wider transformation in the way policymakers, funders and others engage with communities and place.

Overview of 2022-23

We expected 2022–23 to be a year of relative calm following the disruption of the COVID-19 pandemic. Instead, we faced a year of new challenges. In particular, inflation rocketed to its highest level in decades, causing a significant cost-of-living crisis which impacted in particular on communities such as the ones we work with.

As well as piling additional stresses on Big Local communities and their residents, this has posed some risks to Big Local capital projects and impacting on the long-term planning of Local Trust's central budgets. Economic headwinds continue to create a difficult operating environment for many Big Locals.

However, we continue to plan for full spend-out of the £274.45m provided by the Big Local Trust endowment fund. We are required by our Trust Deed to spend a minimum of £220m by the end of

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the programme in 2026–27. We have already passed this important milestone in terms of committed funds and expect to pass it in cash spent during 2023-24. The vast majority of funds are now committed, and the focus of Local Trust activity in support of Big Local areas is increasingly now about ensuring effective spend-out against partnership's final plans.

As at April 2023, there was just under three years left to support Big Local areas to spend their funds and secure their local legacies. With this in mind, over 2022–23, we substantially revised and refreshed our operational approach, in order to provide each area with more tailored support. We launched the 'Make it Happen' campaign and a support centre on the Local Trust website, enabling areas to access direct support from experts in their priorities, with a particular focus on legacy themes. We moved from our historic model of Local Trust 'reps' to a smaller number of 'Area Advisors'; this system provides more customised support to reflect areas' needs, as well as allowing for greater accountability for outcomes. We have complemented this with an in-house team of Area Co-ordinators who will link Local Trust directly to areas during the final phase of the programme.

We also readied our core business systems for this final period, rolling out upgrades to our grant management and customer relations management (CRM) systems, internal management 'dashboard', IT security, and moving to a cloud-based finance system. We engaged a specialist human resources provider and commissioned a comprehensive review and update of our employment contracts and policies.

More broadly, over the last year both staff and trustees – working with external consultants – have been reviewing our approach to our final phase. We have developed three new strategies, outlining our high-level ambitions and key deliverables for the period 2023–27. These documents build on and replace our *Strategy Framework 2020–26* (published in March 2020), and have formed the basis of our 2023–24 Business Plan:

- our **Closure Strategy** outlines how we plan to wind up Local Trust by its current planned organisational end date of February 2027
- our **Equality, Diversity and Inclusion Strategy** captures the huge range of work championed by the Big Local programme, and our ambitions to embed diversity and inclusion within both the programme's final phase and legacy
- our **Legacy Strategy** defines our shared ambitions for long-term impact of Local Trust's work, beyond the end of the Big Local programme.

Our new Legacy Strategy restates our commitment to sharing our learning and insight as we approach the end of the Big Local programme. In 2022–23, we continued work on the Learning from Big Local project which seeks to capture and document the achievements and challenges of every Big Local partnership and the programme as a whole. We also facilitated significant collaborative work preparing for the final iteration of the Community Needs Index (CNI), created in conjunction with OCSI. We were pleased to see the Index being used by Government as part of the distribution criteria for its [Know Your Neighbourhood Fund](#) and for the input from government analysts to the next iteration of the CNI to be published in May 2023.

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Local Trust's wider impact as an organisation has only been possible because of the scale of the Big Local programme, the learning we draw from it, and the credibility we gain from our effective support for its delivery. The success and achievements of Big Local communities underpin everything that we do. Throughout the remainder of the programme, we will continue to ensure that Big Local areas are given the best possible support to make the most of their final spending period, including their plans beyond Big Local. We recognise that closure is not simply an administrative task: many of the decisions we make and the way we implement them will have emotional impact, whether on individuals or collectively on staff, trustees, partners or Big Locals. We will respond to this with the same seriousness we engage with financial and organisational challenges. Over the next twelve months, we will continue to review how our support programme needs to further adapt and change to reflect the changing needs and demands of Big Local areas as they enter the final phase of the programme.

Objects of Big Local Trust

The Big Local Trust deed was amended in 2018. The revised objects of the charity are laid out in the trust deed (paragraph 5), as follows:

5.1. The Objects of the charity are:

(a) the advancement of community development; and

(b) the relief of unemployment; for the benefit of the public, in particular, but without limitation, in the localities in each region specified in Schedule 6.

5.2. Objects 5.1(a) and 5.1(b) are to be achieved in particular, but without limitation, by:

(a) making Distributions to Recipients; and

(b) conducting research and disseminating the useful results of such research.

5.3. The Distributions referred to in clause 5.2 should be made so as to develop the capacity and skills of the members of socially and economically disadvantaged communities, for the benefit of the public, in such a way that they are better able:

(a) to identify, and help meet, their needs; and

(b) to participate more fully in society.

Our main activities are described below. All our activities focus on developing the capacity and skills of members of socially and economically, or socially disadvantaged, communities, as described in our objects, and are undertaken to further our charitable purposes for the public benefit.

The trustees confirm that they have referred to the Charity Commission's guidance on the Public Benefit requirement under the Charities Act 2011 when reviewing the Trust's aims, objectives, policies, in planning future activities and setting their grant-making policies.

Our areas of work

Local Trust is the corporate trustee of Big Local Trust, and the **Big Local programme** is at the centre of our work. The Big Local programme is funded from the Big Local Trust endowment created by the National Lottery Community Fund in 2012.

Big Local seeks to put power, resources and decision-making into the hands of local communities. Central to the design of the programme is a belief that when resources and decision-making are transferred to local communities, they have the most impact where they reflect the following key principles:

- **Long-term** – providing certainty and continuity, over a decade or more where possible
- **Resident-led** – building confidence and capacity among those wanting to make a difference to their community and their local area
- **Unconditional** – enabling residents to spend on their own terms and in their own time, on the projects they judge to be most important to them
- **Patient and non-judgemental** – giving communities the time and opportunity to learn, make mistakes, resolve disagreements and overcome challenges for themselves, on their way to achieving their ambitions
- **Accompanied by light-touch support** – to help communities to build the confidence and capability to make the most of the opportunities available to them, while not constraining their own ambition and initiative

One of the key legacy ambitions from the Big Local programme, reflecting the wishes of our Founder, the National Lottery Community Fund, is that others should benefit from the learning it generates. As a consequence, Local Trust is sharing insight and learning gained from Big Local as widely as possible to inform and influence policymakers, funders and other organisations working with communities. This includes learning around the design and delivery of the programme; insight generated from the data we collect and have access to; and, importantly, the experiences and voices of residents in Big Local areas themselves.

The four outcomes set by the National Lottery Community Fund for the Big Local programme are:

- communities will be better able to identify local needs and take action in response to them
- people will have increased skills and confidence so that they can continue to identify and respond to local needs in the future
- the community will make a difference to the needs it prioritises
- people will feel that their area is an even better place to live.

Our strategy

In March 2020, trustees approved a new Strategy Framework for 2020–26. This set ambitious long-term goals for the remainder of the Big Local programme, which concludes in 2025–26, and for Local Trust, which currently plans to close following the end of the Big Local programme towards the end of 2026-27.

The framework identified the following four overarching strategic goals:

1. The Big Local programme is successfully delivered and Local Trust provides the support necessary for Big Local partnerships to put in place their plans for legacy and sustainability.
2. The approach and principles that underpin Big Local – that funding for communities should be long-term, resident-led, patient, place-based, non-judgemental – are mainstream across civil society, private and public sectors.
3. There is a tangible improvement in the social and economic capacity of ‘left behind’ areas, as a result of new community-led investment in rebuilding social capital and civic infrastructure, alongside the increase in public investment to deliver economic change.
4. There is a structural change in our economy, society and politics, leading to greater devolution of power, with local people and communities having more control over resources and decision-making.

The framework was clear that Local Trust’s primary role in achieving these long-term goals is to successfully deliver the Big Local programme. Beyond the opportunity to achieve positive outcomes in 150 Big Local areas, the programme also offers a powerful example of a community-led approach operating at a large scale. Our intention to achieve wider systems-change rests on the scale of the current programme, the learning we draw from it, and the credibility it lends us as an organisation.

The Strategy Framework accepted that achieving its targets would not necessarily be straightforward. We committed to iteratively identifying and developing measures of progress as we moved forward. Clearly the three years since the framework was developed – marked by pandemic, political uncertainty and economic crisis – have been very different from what was expected. Nevertheless, it has provided a robust basis against which to plan, and we have stuck closely to its headline objectives as starting points for our Business Plans in 2020–21, 2021–22 and 2022–23. Over this last year, however, a planning process led by trustees has created new strategic documents – in particular our Legacy Strategy and Closure Strategy – which together are informed by but now supersede the 2020–26 framework. This Annual Review will therefore be the last to report directly back on progress against the current Strategy Framework.

Progress report 2022-23

Our Strategy Framework for 2020–26 set out a number of priorities for Local Trust, grouped into three broad levels:

- Level 1: **People and communities**

Providing practical and financial support to people and communities – reflecting the extent to which our work is rooted in our existing relationship with Big Local areas, although we will increasingly look to stretch and connect the impact of that work beyond Big Local.

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- Level 2: **Enablers of change**

Working on the enablers of change – building on and expanding our work to influence and inform, and investing resources into establishing Local Trust’s contribution to a much bigger shift in the place of communities in our society.

- Level 3: **Sustaining our impact into the longer term**

Exploring ways to support our impact beyond the end of the Big Local Trust Deed in 2026–27.

These priorities formed the basis of our 2022–23 Business Plan. We have reported annually against our Strategy Framework priorities to our trustees as part of our business planning process. For 2022–23, our progress is set out below. From 2023–24, our planning and review will be based on our new Closure, Legacy, and Equality, Diversity and Inclusion Strategies, which replace the framework.

People and communities

Priority 1: Ensure the effective delivery of Big Local through to its conclusion

We remain well on track to meet the overarching obligation in our founding Deed to spend £220m within the lifespan of the programme. Most funds are now committed: 105 out of 150 final Big Local area plans had been agreed by the end of 2022. The small annual increase is a reflection of a substantially revised approach towards an intensive two-year support programme, of which we are now halfway through. This ‘Make it Happen’ programme includes: direct support with areas’ priorities from expert partners; customised support from ‘Area Advisors’; and a team of ‘Area Co-ordinators’, linking Local Trust directly to Big Local areas. We also developed comprehensive guidance on planning for the end of a Big Local.

Priority 2: Support all our Big Local areas to build sustainable legacies

During 2022–23, Area Sustainability Plans were prepared for all 150 areas. Plans cover: local progress on sustainability and legacy; how Local Trust will support partnerships’ longer-term ambitions, and where partnerships will access such support post-Big Local. These plans were shared with the National Lottery Community Fund in early 2023, in accordance with the Trust Deed. The Make It Happen support programme also focuses on legacy issues around incorporation, asset ownership, fundraising, and future partnerships.

Priority 3: Support Big Local areas to strengthen links with each other at an individual and community level

We continued to support learning and networking within the Big Local programme. We maintained a blend of on-line and in-person events throughout 2022–23. Engagement at in-person events has been growing, with Big Local Connects remaining a highlight.

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Priority 4: Support Big Local areas to strengthen links with people, places and institutions not directly involved in the Big Local programme

We increasingly looked to support Big Local partnerships to join other networks and organisations as Local Trust support begins to scale down significantly. Our 2022 survey of partnership members found at least 75 per cent felt that: they are working with the right external partners; external partners engage with their community more because of Big Local; and their Big Local is taken seriously by others working in the area. We also continued to build international connections: we partnered with the BOND network of international development NGOs and undertook a study tour to the US.

Priority 5: Significantly increase the number of people and communities benefiting from our experience, capacity and learning

The past three years have seen us publish a significant volume of research, thought leadership and insight. During 2022-23, we published a number of reports including *Trusting local people: putting real power into the hands of communities*, *Building Systems of Community Connection and Control*; and *Towards Legacies for People and Places*. We also launched a new publication series called *Policy Spotlight*, with *How social infrastructure improves outcomes*. We also produced practical resources and guides, including a cost of living support page on our website and a community grants toolkit. We also launched our *Community Power* podcast, now into its second series, exploring what empowered communities can achieve.

Enablers of change

Priority 6: Promote a compelling narrative of thriving, powerful communities and use it to influence, shift mindsets and change behaviour

We continued to draw on voices, inspiration and evidence from Big Local areas to significantly increase our contribution to national debates on community and place. In 2022–23, this included our work with the APPG on *Left Behind Neighbourhoods*, our input into the *Levelling Up White Paper*, and our successful campaign (as a lead member of a large and broad alliance of organisations) for a *Community Wealth Fund*.

Priority 7: Actively connect Big Local areas and the programme as a whole to wider issues and campaigns, enabling local communities to demonstrate their relevance and impact, and achieve influence beyond their own boundaries

We continued to develop relationships with organisations that can support Big Locals to achieve broader impact. During 2022–23, representatives from Big Local areas addressed the APPG Inquiry into *Levelling Up*. Our ‘*Beyond the Food Bank*’ project (in partnership with the *Hunger and Hardship Coalition*, *FareShare*, *Trussell Trust*, *Corra Foundation* and *Rothschild Foundation*) brought together Big Locals, funders, food and poverty experts and other community groups. It developed guidance for funders and community groups on how to build for the future while still delivering emergency aid. We are fostering a peer network of Big Locals taking action on the climate emergency.

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Priority 8: Strengthen relationships with the people and organisations who are most critical in enabling an increase in community power

Our servicing and leadership of the Community Wealth Fund Alliance helped spread our narrative and priorities across an increasing range of organisations and decision makers, including local government. Our policy work enabled us to both influence the Levelling Up White Paper and develop our contacts with senior officials across Whitehall; we began a concerted programme taking officials to visit Big Local areas. We have also sought to develop relevant contacts across all major parties as general election manifesto policies begin to be drawn up.

Priority 9: Experiment with different ways to enable change, learn and continually improve our practice

As Big Local areas approach the end of their funding, we remain committed to deep and reflective learning to inform those seeking to work in and with local communities. Internally, through 2022–23 we convened a learning group to reflect on Big Local using a systems change lens. We are supporting Big Locals Together, a group of Big Local participants seeking to form a peer support network and offer knowledge and insight into resident-led community work.

Sustaining our impact into the long term

Priority 10: Make the case for major, long-term initiatives to shift power and resources to communities

As founding members of the Community Wealth Fund Alliance, we warmly welcomed the Government's announcement in March 2023 that dormant assets will be used to support community wealth funds. We have now closed our campaigning work on this, but are ready to contribute to consultation around delivery. We continued to advocate for party manifesto policies to commit long-term resources at a neighbourhood level in the run-up to the next general election.

Priority 11: Build a sustained body of research, practice and knowledge capable of influencing beyond the end of Big Local

We launched the next iteration of our research and evaluation plan, which will run to the end of the Big Local programme, following input from staff, trustees, Big Local communities and external stakeholders. The pillars of this plan are: evaluating support to people and communities; evidencing the enablers of change; and sustaining our impact in the long term. We remain committed to disseminating what we learn. In 2022-23, we also supported the updating of the indicators and methods behind the OCSI Community Needs Index which will be published early in 2023-24.

Plans for the future

Looking forward, we face a range of unknowns. Inflation is likely to ease but the economic outlook remains unpredictable, and we cannot precisely plot the progress towards departure from the Big Local programme by areas as they approach spend out. The political landscape is shifting as the country approaches the next general election.

However, Local Trust remains well-placed to deliver on our strategic objectives. We have long-term, secured funds in place to sustain our business through to the end of 2026–27. We have a talented and well-motivated staff team and a confident and forward-looking trustee group. Our external relationships – with Big Locals, delivery partners, and external stakeholders – are positive and value-generating. Together, these mean we enter the coming year with optimism, enthusiasm and confidence.

Priorities for 2023–24

Our approach is designed to ensure residents' time and energy are spent on the things that make a lasting difference in their community. Often this is as much about building relationships and locally led institutions that underpin long-term change as about individual projects. Our programme structure will maintain this core ethos, while ensuring appropriate systems and checks are in place to account for funding and to prepare at all levels for closure. We remain committed to seeing our legacy last well beyond the end of the Big Local Programme, and we are determined that the values and approaches embodied by Local Trust should not be lost on our closure.

Priority 1: Supporting Big Local areas and helping them achieve their legacies

The Area Sustainability Plans prepared for each set out the more tailored support we will be providing to the 150 Big Local areas over the remainder of the programme. We will move areas onto a 'closure support pathway', ensuring that they prepare for their own local legacies. We will prioritise support for those who still have the furthest to go, with contingencies for those at risk of not spending all their committed funding.

Priority 2: Securing Local Trust's own legacy

For the legacy of Local Trust's work to last, we need to use our rich and extensive body of evidence from the Big Local programme to influence policy and practice more widely. We will continue to invest in research and evaluation and seek partnerships to enable us to have the most impact, in particular, scoping opportunities to engage with a broader range of stakeholders in sectors such as health, local government and the private sector. We will work hard to ensure that our insight is seen as relevant across all the main political parties as they develop their pre-manifesto policies.

Priority 3: Creating legacy momentum

We want to see swift progress on our new Legacy Strategy. We are creating a new, time-limited role of Director of Legacy Projects with a small team to give strong initial momentum across four priority projects, including a final 'Big Local Connects', continuity options for the Community Leadership Academy, and initiatives to help Big Local partnership members and Local Trust staff prepare for life beyond the programme.

Priority 4: Preparing for successful closure

Based on our new Closure Strategy, we will develop a detailed Closure Plan, in collaboration with the staff team and trustees, and subjected to extensive consultation. Our Closure Plan will include a proactive programme of communication to keep stakeholders at all levels informed. We aim to have finalised this by the end of 2023.

Priority 5: Promoting inclusivity and diversity

The Big Local programme represents a fundamental transfer of power at the local level: we will seek to ensure that learning about the relationship between place-based approaches and Equality, Diversity and Inclusion is embedded in how we tell our story and how we support people to continue their journey. Our new Equality, Diversity and Inclusion Strategy is underpinned by an action plan, which threads throughout our 2023–24 Business Plan. Progress in implementing the strategy and action plan will be tracked consistently across the year, with an annual report to trustees.

Reviewing and reassessing plans

Over the next twelve months, we will continue to review how our support programme needs to further adapt and change to reflect the changing needs and demands of Big Local areas as they enter the final phase of the programme.

We have developed a simple scenarios model, to help us identify the key decisions we might need to make over the remainder of the programme. We will continue to periodically review where we stand in relation to these scenarios, and adjust our operational plans and budgets accordingly. This will include a full review of our budgeting assumptions at mid-year, in November 2023, following preparation of our Closure Plan. We will undertake a Governance Review early in 2023–24 to ensure that governance structures provide appropriate trustee engagement with and oversight of the Closure Plan and monitoring of its implementation. There will be a review of trustee skills and expertise relevant to closure and related issues, to identify if and where further recruitment of trustees would be of benefit to assist with overseeing the closure process.

Response to the Charity Governance Code

The Local Trust board chose to adopt and apply the Charity Governance Code published in December 2020. Local Trust continues to focus on good governance with its work supported by our independent Protector, Rosie Chapman, appointed in September 2018. Her role includes ensuring the integrity of the administration of the charity and the propriety of its procedures.

Local Trust is the corporate trustee for Big Local Trust and governs the Big Local programme. Over the last year, Local Trust has continued to address the seven key areas of governance outlined in the Charity Governance Code. Details of action undertaken during the year are outlined in the Local Trust group annual report and accounts for the year ended 31 March 2023.

Financial review

Overview of income and expenditure

Big Local Trust is funded through an expendable endowment from the National Lottery Community Fund. The Big Local Trust endowment is invested and income on the investment for the year was £1.6m (2022: £0.3m). There were net gains on investments of £778k (2022: losses of £66k).

The charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

Total expenditure during the year was £20.3m (2022: £25.1m). The increase in expenditure reflects a 27% decrease in direct funding committed to Big Local areas of £13.2m (2022: £18.0m). The cost of delivery to areas increased by 2% to £4.3m (2022: £4.2m) and the cost of learning to support the programme decreased by 3% to £3.0m (2022: £3.0m). A full list of the funding to Big Local areas is included in note 5.

The net decrease in funds for the year was £17.8m (2022: £24.8m) and total funds held at the year-end were £38.1m (2022: £55.9m).

Big Local Trust's investments

Investment strategy

Big Local Trust's original investment strategy objectives were:

- for the investment assets of the Big Local Trust (the fund) to provide the resources required by Big Local, and
- to manage the assets in a manner that maximises the impact of the funds to enable Big Local areas to extend the life of Big Local beyond 10 years and £1m for each area.

Making use of the scale and duration of Big Local, the original investment strategy aimed to provide a reasonable medium-term return while ensuring that at all times sufficient short-term funds were available to support spending.

After careful consideration, in November 2019, trustees agreed to change the implementation of the Big Local Trust investment strategy, from a focus on investment returns to focusing on controlling risks. This reflected the fact that the fund had achieved good investment returns in the years since it was established, enabling Big Local Trust to fulfil its original investment strategic objectives. The key driver for this decision was the need for financial certainty to allow Local Trust and Big Local areas to plan; and related to this was the ever-reducing amount of time for the fund to recover from the downsides of market volatility as Big Local moves towards the latter stages of the programme. However, the summer of 2020 and the consequent uncertainties and potential for further volatility led the Trustees to revisit the strategy in the summer, with the aim of ensuring as much certainty and stability as possible. This led to a shift from controlling to minimising risk, and the investment strategy became:

The trustees' wish to minimise risk as much as possible and to preserve the value of the investment (above generating returns), in order to have as much certainty as possible as Big Local spends out.

Investment management

CCLA is the investment manager for Big Local Trust and works with the Local Trust's finance audit and risks committee to manage investments in line with the investment strategy, as agreed by the board.

The committee formally reviews the investment strategy annually in line with the trust deed. The finance audit and risk committee have a voluntary co-opted member, Matthew Brumsen, who provides independent investment expertise to discussions.

Investment performance

Big Local Trust commenced the year with an investment portfolio of cash and near-cash assets. The total value of Big Local Trust's investments, including income, as at 31 March 2023 was £69.2m (2022: £90.8m). The performance benchmark of the fund was Sterling Overnight Index Average (UK SONIA) from 1 January 2021 onward. The benchmark for the year ended 31 March 2023 was +2.25% (2022: +0.14%), and the overall returns for the year were +2.10% (2022: +0.26%).

The financial year to 31 March 2023 started with much difficulty with poor performance across global investment markets. Inflation continued to rise, further compounded by continued unrest in the Ukraine and lockdown measures in China. In response to inflationary increases, The Bank of England increased the Official Bank Rate incrementally throughout the year, starting the year at 1.0% (inflation: 9.0%) and rising to a high of 4.25% by 31 March 2023 (inflation: 10.1%).

Throughout the year, our investment managers focussed on preserving the value of the investment, using segregated exposures in the money market to minimise risk whilst ensuring access to liquidity and creating scope to augment returns. They took advantage of the improvement in the rate environment as yields responded to tightening monetary policy, resulting in significant growth in investment returns, when compared to the previous financial year. These provided a buffer against increased non-grant costs due to increases in inflation. CCLA were able to protect the nominal value of our portfolio assets in line with our investment strategy, also making a reasonable return, just slightly below the benchmark.

Ethical and responsible investment

Trustees reviewed Big Local Trust's ethical and responsible investment policy in May 2023. Local Trust, acting as the corporate trustee of Big Local Trust, agreed to use CCLA's ethical investment policy in the management of its investments. This policy has been developed in accordance with Charity Commission guidance (CC14), and trustees believe it represents an appropriate balance between aligning Big Local Trust's investments with its purposes and the delivery of good investment returns.

As all our assets are now invested in cash deposits with banks and building societies, Big Local Trust has agreed to follow the responsible investment policy adopted by CCLA's COIF Charities Deposit Fund. This assesses the banks on a broad range of subjects including climate change, corporate governance and how they treat their workforce. CCLA also leads engagement with the banks to push for more responsible business practices where needed.

The finance and investment committee meet regularly with CCLA to assess their approach to managing the charity's money responsibly and review this policy annually.

Despite our holding of only cash and near-cash investment assets, Big Local Trust's finance and investment committee will still consider participation in appropriate CCLA ethical engagement programmes that may result in divestments on a case-by-case basis. As a responsible investor, Big

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Local Trust supports CCLA's wider stewardship work. Big Local Trust is keen to invest in accordance with the Principles for Responsible Investment, and expects its investment manager to be a signatory to these principles.

Distribution of returns on the investment

Under Big Local, 150 Big Local areas were each allocated £1m to spend over a 10-year period, based on each area's Big Local plan. The fund that provides these allocations and supports the delivery of the programme is managed centrally, with areas accessing funds over time as plans are delivered locally. Beyond providing £1m plan funding to each area, Local Trust has committed to ensure that each area will also receive a proportion of the net investment returns earned by the fund.

In September 2017, with several Big Local areas approaching full spend of their £1m, trustees made the decision to bring forward the distribution of that proportion of the returns that could be guaranteed at that date. Having considered the performance of the investment, trustees decided each Big Local area would receive an additional £105k from the returns generated from the original investment of £150m. This was added to the balance of each area's £1m. A further distribution of investment returns, of £50k per area, was agreed by the board in March 2020.

Grant-making policy

Each Big Local area draws down funding by presenting plans to Local Trust for endorsement, setting out how they intend to address priorities identified by people in the area. Big Local areas appoint a locally trusted organisation (LTO) to hold and be responsible for the funding. When planned funding is drawn down, LTOs receive an administration contribution of 5% of the grant.

Each grant we award is only to be used for the charitable purpose for which it is made, as described in each proposal or plan, and all grants are to help Big Local areas meet the Big Local outcomes. LTOs are required to record all Big Local grants in their accounts as restricted funds.

Each area will receive:

- £1 million plus a contribution towards partnership running costs or grant administration (5% of the total spend) available once their Big Local plan is endorsed
- a fair proportion of net investment returns earned by the fund (an additional £105k per area was agreed by trustees in September 2017 and £50k in March 2020)
- any underspent or unused grant funding from the funds we offered to areas in the early years of Big Local (called Getting People Involved/Getting Started, Creating your Big Local plan and Marketplace), now available through the plan funding process
- travel and carer costs for residents to attend networking and learning events.

Local Trust as a locally trusted organisation

Local Trust acted as the LTO for four Big Local areas that have been unable to identify a suitable organisation to fulfil this role during (or part of) the year to March 2023: Dartford, Distington, North Brixton and Wembley Central Big Locals.

Big Local Trust retains the administration contribution of 5% for Local Trust acting as the LTO, and in 2022-23 this totalled £0.8k (2022: £1.0k).

Social investments

Big Local areas are encouraged to be innovative in the ways they create positive social change and economic growth within their local areas through the use of social investment. Big Local partnerships

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team up with credit unions and other social investors within their local areas, opening up access to new funding for individuals and small organisations. These initiatives are presented as part of the Big Local partnership plans, and funding made available for delivery.

Big Local areas are encouraged to be innovative in the ways they create positive social change and economic growth within their local areas through the use of social investment. Big Local partnerships team up with credit unions and other social investors within their local areas, opening up access to new funding for individuals and small organisations. These initiatives are presented as part of the Big Local partnership plans, and funding made available for delivery.

During 2022-23, Big Local Trust made £147k (2022: £135k) available for social investment. These programme-related investments are listed under note 12 and disclosed as a separate line on the face of the balance sheet. We have reviewed all social investments held during 2022-23 and have found one of the loans held with Key Fund to be impaired. An estimated £14.6k impairment was recorded in the 2021-22 accounts, and a further £4.4k impairment recorded in the 2022-23 accounts. The £19k net impact of impairment has reduced the value of the social investments to £128k at 31 March 2023. After repayments in the period of £42k, and the discharge of a Key Fund residual investment of £22k. The value of the social investments at 31 March 2023 is therefore £64k.

Big Local Trust's social investments and impairment policy is reviewed on an annual basis. An assessment is undertaken at the end of each financial year to determine the extent, if any, to which Big Local Trust's social investments have been impaired (reduced in value), to ensure that their value has not been overstated.

Constructive obligations

A constructive obligation between Big Local Trust and a locally trusted organisation (LTO) is triggered when a grant (or other funding) offer letter is sent to an LTO to notify them that a specific amount of funding has been endorsed for a stated period of time.

We record these constructive obligations, or grant commitments as creditors in the balance sheet of these accounts.

Big Local Trust's constructive obligations decreased from £36.1m as at 31 March 2022 to £32.8m as at 31 March 2023. This reflects an increase in new grant funding commitments made during the year as Big Local area plans for delivery post-covid activities were approved.

Financial planning

We undertake annual reviews of the budget to inform Big Local development, how funding is allocated and how areas are supported. The budget to 2027 is updated each year with actual spend and income and re-forecasted annually. It includes estimates of constructive obligations (funding committed) to Big Local areas as we make funding available for delivery of Big Local plans.

The updated 15-year budget informs the investment strategy and a rolling two-year cash flow forecast is provided to CCLA to enable them to manage cashflow requirements of the programme. The cashflow proved to be accurate for 2022-23 as it has been every year since it was first prepared in 2012.

Reserves policy

Big Local Trust has an expendable endowment, received from the National Lottery Community Fund in 2012 and 2013, to be spent by 13 February 2027. All of Big Local Trust's funds are unrestricted. No funds had been designated or otherwise committed as at 31 March 2023 other than those identified elsewhere in the accounts.

Trustees consider that it is not necessary for Big Local Trust to specify a level of reserves beyond the significant level of funds held. The trust has processes in place to manage its funding over the period of the endowment, to ensure that the support costs, delivery costs and funding allocated to the 150 areas are spent in line with the requirements of the programme and the trust deed.

It is in the nature of an expendable endowment that funds are spent out over time. In the final years of Big Local, it may require a reserves policy to ensure sufficient funds are held to manage the close down of the programme in a managed and prudent way; however, this is not currently the case. As at 31 March 2023, Big Local Trust held total funds of £38.1m (2022: £55.9m). It has sufficient contingencies within this to cover any unforeseen costs; therefore, it is not currently appropriate for the trust to specify a reserves level.

Trustees review the Big Local Trust reserves policy annually.

Staff remuneration

Trustees consider remuneration, including the remuneration of the senior management team, annually. During 2022-23 trustees carried out a review of staff salaries, including the salaries of key management personnel, taking into consideration the organisation's financial health, what peer organisations are generally choosing to pay, and other factors in the pay policy. The pay policy was initially agreed in May 2019, and most recently reviewed in May 2023

Trustees consider a cost-of-living increase for existing salaries, on an annual basis, after reviewing the consumer price index (CPI), retail price index (RPI) and new CPIH index for the previous twelve months and applying a median. A cost-of-living increase of 6.65% was agreed for 2022-23.

Pensions and auto enrolment

Big Local Trust operates a group pension scheme with Scottish Widows and contributes the equivalent of 10% of salary for each member of staff into scheme. This is more than the minimum legal requirement under auto-enrolment. Staff are encouraged to make a voluntary personal contribution.

During 2022-23, all Big Local Trust staff were auto-enrolled in the group personal pension scheme.

Principal risks

Big Local Trust has a detailed risk register, which is reviewed on a quarterly basis by the board, and the Finance Audit and Risk committee. Significant new strategic and operational risks are brought to the attention of the Finance Audit and Risk committee and the board as necessary. Big Local Trust's risk register is also reviewed and updated by senior managers regularly during the year.

The business planning process carried out during the year to March 2023 identified the following major risks that would need to be monitored and managed over the year ahead:

The key risks

- **Significant number of Big Local partnerships fail or stall:** - There is a risk, in particular, that a continued high level of inflation may make some larger Big Local projects less viable and result in a reduction in total commitments, or cash spend where unforeseen additional fundraising is required. Cost of living pressures may also create risks around continued strong volunteer participation in the programme. We are in particular actively supporting Big Local areas with large projects (mostly related to capital assets) through our Make it Happen programme, and continue to monitor the wider impact of cost-of-living pressures on Big Local areas.
- **Planned resourcing of Big Local programmes and support is insufficient** - There is a risk of continued slow spend in Big Local that have significant balances yet to be spent and, in particular, "hang back" by areas that slow down end-stage spend to remain in the programme. We are developing plans to help "Close out" areas that are close to the end of the programme; focusing on supporting core delivery within slow spending areas, and developing alternative delivery plans where necessary to minimise risk of areas not spending out.
- **Significant organisational failure across the programme:** We continue to monitor the risk of organisational failures within the Big Local programme, including that: a significant number of legal entities created through Big Local fail; a significant number of physical assets created, purchased or invested in through Big Local fail; or that significant number of LTOs close or go into administration. All of these risks are enhanced by the current economic crisis. We cannot fully control this area of risk, but focus effort on identifying and acting on risk, and providing Big Local areas with the business planning support they need to make the most of their opportunities to take on assets and move towards incorporation.
- **Political instability during pre-election period:** We recognise that significant elements of our plans to share insight and learning to policy makers and politicians may be affected by changes in the political dynamic in the run up to the next election. We recognise that as an external risk and are working to ensure that our contributions to the public debate are seen as balanced and non-partisan, and where engagement becomes more difficult (for example in relation to the functioning of the APPG or other initiatives involving politicians), that we are able to focus effort in other areas of importance to the sharing of our message.

Governance and committees

Local Trust acts as the corporate trustee of Big Local Trust, in line with the Big Local Trust deed.

Local Trust was registered as a charity in England and Wales on 30 May 2012 (charity number 1147511). Local Trust is also registered as private limited company by guarantee (company number 07833396).

Local Trust's work is overseen by a board of trustees who meet on a quarterly basis. Our approach to governance is led by the chair of the Local Trust board and is based on:

- ensuring delivery of organisational purpose
- working effectively as individuals and as a team
- exercising effective control
- behaving with integrity
- being open and accountable.

Trustees receive regular, timely reports which provide updates on Local Trust programmes of work, and inform decision-making.

Trustees delegate responsibility for the day-to-day running of the charity to the chief executive.

Committees

Following a review of governance in 2020-21, a new board committee structure was introduced during 2021-22 which ensures trustees are able to continue to effectively exercise oversight of both Big Local Trust as an organisation and the programmes it delivers.

The four committees are: finance audit and risk; governance and remuneration; legacy and learning; and programme delivery. New terms of reference explaining the responsibilities of each committee were approved and will be periodically reviewed and updated to ensure continued effective oversight and decision making across all aspects of Local Trust's business.

- The purpose of the **Finance, Audit and Risk Committee** is to support the board in the overall management and monitoring of finance, investment, audit and risk matters at Local Trust. It does this by providing an appropriate level of scrutiny of finances, investment policies and procedures of Local Trust, as well as the audit process and outcome, and by supporting the board and management in managing risk effectively, prior to making recommendations on these matters to the trustees for their decision.
- The purpose of **Governance and Remuneration Committee** is to: ensure the effective governance of Local Trust. This includes oversight of systems and processes to ensure board effectiveness and performance; responsibility for leading work on recruitment and selection of trustees, chair and CEO; and CEO remuneration and performance management. In addition, the Committee has responsibility for overall staff remuneration policy (but not individual staff salaries other than the CEO) subject to affordability within the budget.
- The wishes of the Founder expressed in the Big Local Trust Deed are that Local Trust should promote learning from Big Local to policymakers, funders and communities involved in improving their areas. This is a key part of the organisational legacy that we will leave behind when Big Local comes to a close in 2027. The purpose of the **Legacy and Learning Committee** is to ensure that Local Trust shares insight and learning, both direct and indirect, from the Big Local programme in ways that maximise our influence and impact.

Big Local Trust annual report and financial statements 1 April 2022 - 31 March 2023

- The purpose of the **Programme Delivery Committee** is to oversee the management and monitoring of the Big Local programme by providing an appropriate level of scrutiny. Matters of policy and of significance will be recommended to the board for its decision.

The Protector

The Big Local Trust deed provides for the appointment of a Protector who has a fiduciary duty to ensure the integrity of the administration of the Big Local Trust and the propriety of its procedures, and if necessary, report matters of serious concern to the National Lottery Community Fund as the Founder or to the Charity Commission. Rosie Chapman has been the Protector since September 2018.

Trustees delegate responsibility for the day-to-day running of the charity to the chief executive.

Statement of trustee's responsibilities**In respect of the trustee's annual report and the financial statements****Focus of activities**

The trustee has given due consideration to Charity Commission guidance on the operation of the public benefit requirement and is satisfied that the work of Big Local Trust meets that requirement. Big Local Trust's work in the year to 31 March 2023 focused on supporting the 150 Big Local areas to identify their priorities and to develop and deliver plans to address these priorities.

Responsibilities of the corporate trustee

Local Trust is corporate trustee of Big Local Trust and is responsible for preparing the trustee annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) that gives a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the net income or expenditure, for the year. In preparing the financial statements, the corporate trustee is required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the charities Statement of Recommended Practice Charities SORP (FRS 102)
- make judgments and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the charity will continue in business.

The corporate trustee is responsible for keeping accounting records that disclose, with reasonable accuracy at any time, the financial position of the charity. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The corporate trustee is responsible for the maintenance and integrity of the financial information included on the charity website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

The trustee has confirmed that so far as it is aware, there is no relevant audit information of which the charity's auditors are unaware, and that it has taken all the steps that it ought to have taken as a trustee in order to make itself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

A resolution to appoint Moore Kingston Smith was proposed at the last annual general meeting.

Approved by the corporate trustee on 23 November 2023 and signed on their behalf by:

Signed  Date 08 December 2023

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Nicola Pollock
Vice-Chair

Independent auditor's report to the trustees of Big Local Trust

Opinion

We have audited the financial statements of Big Local Trust for the year ended 31 March 2023 which comprise Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement 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 FRS 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 charity's affairs as at 31 March 2023, 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 Charities Act 2011.

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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 charity'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.

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.

Big Local Trust annual report and financial statements 1 April 2022 - 31 March 2023

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 there is 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we required for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 21, the trustees 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 charity'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 charity 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 section 1442 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and

Big Local Trust annual report and financial statements 1 April 2022 - 31 March 2023

obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain 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 purposes of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charity.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charity and considered that the most significant are [the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council]
- We obtained an understanding of how the charity complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.

Big Local Trust annual report and financial statements 1 April 2022 - 31 March 2023

- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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 or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees 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 any party other than the charity and charity's trustees as a body, for our audit work, for this report, or for the opinion we have formed.

Moore Kingston Smith LLP
.....

11 December 2023

Statutory auditor

Date

6th Floor, 9 Appold Street

London

EC2A 2AP

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

Big Local Trust annual report and financial statements 1 April 2022 - 31 March 2023

Statement of financial activities
for the year ended 31 March 2023

		Restricted	Unrestricted	Total	Total
		2023	2023	2023	2022
	<u>Notes</u>	£000	£000	£000	£000
Income from:					
Investments	2	-	1,570	1,570	253
Reimbursements from Local Trust		-	139	139	122
Other sources	3	-	4	4	5
Total income		-	1,713	1,713	380
Expenditure on:					
Raising funds:					
Investment management charges		-	124	124	122
Charitable activities:					
Grants payable	5	-	13,194	13,194	18,002
Delivery to areas		-	4,268	4,268	4,188
Learning to support the programme		-	2,693	2,693	2,791
Total expenditure	4	-	20,279	20,279	25,103
Net operating expenditure	7	-	(18,566)	(18,566)	(24,749)
Net gains/(losses) on investments		-	778	778	(66)
Net income/ (expenditure)		-	(17,788)	(17,788)	(24,794)
Loss on disposal		-	-	-	(2)
Net movement in funds		-	(17,788)	(17,788)	(24,796)
Reconciliation of funds:					
Total funds brought forward 1 April 2022		-	55,857	55,857	80,653
Total funds carried forward 31 March 2023		-	38,069	38,069	55,857

All amounts are related to continuing activities.

All gains and losses recognised are included in the statement of financial activities.

The accompanying notes, on pages 28 to 44, form part of these financial statements.

*Big Local Trust annual report and financial statements 1 April 2022 - 31 March 2023***Balance sheet**

as at 31 March 2023

	Notes	2023 £000	2022 £000
Fixed assets			
Tangible assets	8	48	72
Intangible assets	9	240	128
Investments	10 & 11	69,241	90,813
Social Investments	12	64	112
		<hr/>	<hr/>
		69,593	91,125
Current assets			
Debtors	13	1,145	484
Investments		193	188
Cash at bank and in hand		627	1,190
		<hr/>	<hr/>
Total current assets		1,965	1,862
Liabilities			
Creditors: amounts falling due within one year	14	(25,005)	(24,004)
		<hr/>	<hr/>
Net current liabilities		(23,040)	(22,142)
		<hr/>	<hr/>
Creditors: amounts falling due after one year	15	(8,484)	(13,126)
		<hr/>	<hr/>
Net assets		38,069	55,857
Funds			
Restricted funds		-	-
Unrestricted funds		38,069	55,857
		<hr/>	<hr/>
Total funds		38,069	55,857
		<hr/>	<hr/>

The accompanying notes, on pages 28 to 45, form part of these financial statements.

Approved by the corporate trustee, authorised for issue on 23 November 2023 and signed on behalf of the trustee:

Signed  Date 08 December 2023

Nicola Pollock
Vice-Chair

Big Local Trust annual report and financial statements 1 April 2022 - 31 March 2023

Statement of cash flows

for the year to 31 March 2023

		2023	2022
Cash (outflow)/inflow from operating activities:	Notes	£000	£000
Net operating expenditure		(18,566)	(24,728)
Investment and other income received		(787)	(323)
Depreciation/amortisation of fixed assets		135	106
Increase in debtors		(661)	(17)
Increase in creditors		(3,641)	1,428
Investment management fees		(124)	(122)
Increase in investment management fee accrual		(8)	12
Net cash (used in) operating activities		<u>(23,652)</u>	<u>(23,644)</u>
Cash flows from investing activities:			
Investment and other income received		787	323
Investment management fees		124	122
Payments to acquire tangible fixed assets		(13)	(69)
Payments to acquire intangible fixed assets		(206)	(155)
Loss on disposal of tangible fixed assets		-	(2)
Payments to acquire social investments		(20)	(20)
Repayments of social investments		63	8
Payments to acquire fixed asset investments		(140,999)	(175,000)
Movements in investment cash balances		368	(204)
Receipts from sale of fixed asset investments		162,990	196,999
Net cash provided by investing activities		<u>23,094</u>	<u>22,002</u>
Change in cash and cash equivalents in the year		<u>(558)</u>	<u>(1,642)</u>
Change in cash and cash equivalents in the year		1,378	3,020
Cash and cash equivalents at 1 April 2022		<u>(558)</u>	<u>(1,642)</u>
Cash and cash equivalents at 31 March 2023	17	<u>820</u>	<u>1,378</u>

		2023	2022
Analysis of cash and cash equivalents:		£000	£000
Cash in hand		627	1,190
Notice deposits		193	188
		<u>820</u>	<u>1,378</u>

Notes to the accounts for year to 31 March 2023

1. Accounting policies

a) Administrative information

Big Local Trust is a public benefit entity registered as a charity in England and Wales on 15 February 2012 (charity number 1145916). The ultimate controlling party of Big Local Trust is Local Trust, corporate trustee. Local Trust is a registered company (number 07833396) and registered charity (number 1147511).

The charity was established under its trust deed dated 13 February 2012.

The registered office of Big Local Trust and Local Trust is: Canopi, 7 - 14 Great Dover Street, London SE1 4YR.

b) Basis of preparation

The financial statements are prepared on a going concern basis which assumes the charity will continue in operational existence for the foreseeable future. The trustees have considered the impact of the prevailing external environment on the financial position of the charity and are aware that the charity is able to draw down on its expendable endowment to provide an appropriate response to the additional needs resulting from the pandemic where necessary.

After reviewing the charity's forecast and projections, the trustees have a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

The financial statements have been prepared under the historical cost convention, except that fixed asset investments are stated at market value, and in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the 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).

The financial statements have been prepared to give a 'true and fair' view and departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved preparing accounts in accordance with FRS102 rather than SORP 2005 which has since been withdrawn.

c) Critical accounting judgements and key sources of estimation uncertainty

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

d) Income

Income is recognised in the period in which the charity is entitled to receipt, the amount can be measured reliably and receipt is probable. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

e) Expenditure

Expenditure is included on an accruals basis for charitable activities and expenditure on raising funds.

Expenditure is allocated to a particular activity where the cost relates directly to that activity.

Grants payable are accounted for in full as liabilities when approved and notified to locally trusted organisations and Big Local areas, because Big Local areas would have a valid expectation that they would receive the grant as offered and accepted.

f) Allocation of support costs

Support costs are those costs which enable the raising of funds and which enable charitable activities to be carried out. These costs include finance, human resources and information technology.

Support costs are allocated across grant expenditure directly to areas, delivery to areas, learning to support the programme and governance on the basis of staff time spent undertaking an activity.

Direct governance costs are allocated on the basis of staff time spent undertaking an activity. The direct staff cost allocation for the period to 31 March 2023 was across delivery to areas and learning to support the programme.

g) Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term to the statement of financial activities, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

h) Expenditure on raising funds

Expenditure on raising funds include investment management fees which are charged at 0.15% of the market value of the portfolio and are charged as they fall due to the statement of financial activities. The fee reduced from 0.20% to 0.15% from 1 July 2020.

i) Tangible fixed assets depreciation and intangible fixed assets amortisation

All assets costing more than £1,000 are capitalised. Depreciation on tangible fixed assets (IT equipment and office furniture), and amortisation of intangible fixed assets (website and grant management system development), is provided to write off assets on a straight-line basis over their estimated useful economic life (three years).

j) Investments

Investments are included at their bid-price at the year-end. Gains and losses arising on the disposal of investments and the revaluation to market value are charged or credited to the statement of financial activities in the year.

k) Social investments

Big Local Trust annual report and financial statements 1 April 2022 - 31 March 2023

Big Local Trust makes programme-related social investments on behalf of Big Local areas. Big Local Trust receives annual dividends from the credit unions on behalf of the Big Local areas, at the same rate as the annual dividend paid to other corporate members.

Social investments are initially recognised at cost and are assessed for impairment on an annual basis.

k) Pension

Local Trust operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charity to the fund. The charity has no liability under the scheme other than for the payment of those contributions.

l) Grants payable

A 'constructive obligation' between Big Local Trust and a locally trusted organisation is triggered when a grant (or funding) offer letter is sent to a locally trusted organisation to notify them that a specified amount of funding has been endorsed for a stated period of time. Big Local Trust records these constructive obligations, or grants payable, as creditors in these accounts.

m) Financial instruments

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument. Additionally, all financial assets and liabilities are classified according to the substance of the contractual arrangements entered into.

Financial assets and liabilities are initially measured at transaction price (including transaction cost) and are subsequently re-measured where applicable at amortised cost except for investments, which are subsequently measured at fair value with gains and losses recognised in the statement of financial activities. Assets and liabilities held in a foreign currency are translated to GBP at the balance sheet date at an appropriate year-end exchange rate. At 31 March 2023, revenue cash of USD 21,072 (equivalent GBP 17,042) was held within Big Local Trust's investment portfolio. This was the result of class action proceeds issued on previously held equities.

2. Investment income

	2023	2022
	£000	£000
Income on investments	1,329	203
Bank interest	217	36
Tax refunds	24	14
Total	1,570	253

3. Other income

	2023	2022
	£000	£000
Contribution to US fact finding trip	4	5
Total	4	5

Big Local Trust received no grant income during the year ended 31 March 2023.

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4. Expenditure

	Charitable activities						2022 Total £000
	Grant expenditure directly to areas £000	Delivery to areas £000	Learning to support the programme £000	Expenditure on raising funds £000	Governance £000	Support £000	
Direct costs							
Staff	-	1,465	963	-	-	857	3,285
Grants to areas							
Big Local funding	12,030	-	-	-	-	-	12,030
Community travel and childcare	74	-	-	-	-	-	74
Area admin contribution	597	-	-	-	-	-	597
Social Investment returns to areas	80	-	-	-	-	-	80
Area delivery costs	-	2,080	-	-	-	-	2,080
Programme development	-	-	832	-	-	-	832
Finance charges	-	-	-	124	-	-	124
Governance costs	-	-	-	-	26	-	26
Audit and financial advice	-	-	-	-	46	-	46
Legal and professional fees	-	-	-	-	105	-	105
Communications and marketing	-	-	-	-	-	187	187
IT and Consultancy	-	-	-	-	-	263	263
Rent and office costs (incl. recharged staff costs)	-	-	-	-	-	387	387
Grant bad debts/ impairment loss	32	-	-	-	-	-	32
Depreciation	-	-	-	-	-	131	131
Total costs	12,813	3,545	1,795	124	177	1,825	20,279
Allocated to charitable activities							
Support Costs	322	613	762	-	127	(1,825)	-
Governance costs (note 6)	59	110	136	-	(305)	-	-
Total expenditure 2023	13,194	4,268	2,693	124	-	-	20,279
Total expenditure 2022	18,002	4,193	2,791	122	-	-	25,108

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4. Expenditure (continued)

	Charitable activities							2021 Total £000
	Grant expenditure directly to areas £000	Delivery to areas £000	Learning to support the programme £000	Expenditure on raising funds £000	Governance £000	Support £000	2022 Total £000	
Prior-year comparative								
Direct costs								
Staff	-	1,178	855	-	-	690	2,723	2,271
Grants to areas								
Getting started	-	-	-	-	-	-	-	-
Big Local funding	16,791	-	-	-	-	-	16,791	13,970
Community travel and childcare	80	-	-	-	-	-	80	-
Area admin contribution	839	-	-	-	-	-	839	710
Reboot grants	-	-	-	-	-	-	-	30
MyCommunity website	-	-	-	-	-	-	-	50
Partnerships grants	-	-	-	-	-	-	-	37
Spirit of 2012	-	-	-	-	-	-	-	25
Area delivery costs	-	2,329	-	-	-	-	2,329	2,155
Programme development	-	-	1,172	-	-	-	1,172	945
Finance charges	-	-	-	122	-	-	122	154
Governance costs	-	-	-	-	73	-	73	32
Audit and financial advice	-	-	-	-	34	-	34	29
Legal and professional fees	-	-	-	-	33	-	33	14
Communications and marketing	-	-	-	-	-	210	210	124
IT and Consultancy	-	-	-	-	-	302	302	275
Rent and office costs (incl. recharged staff costs)	-	-	-	-	-	294	294	250
Grant bad debts/ Impairment loss	-	5	-	-	-	-	5	-
Depreciation	-	-	-	-	-	101	101	74
Total costs	17,710	3,512	2,027	122	140	1,597	25,108	21,145
Allocated to charitable activities								
Support Costs	247	575	645	-	130	(1,597)	-	-
Governance costs (note 6)	45	106	119	-	(270)	-	-	-
Total expenditure 2022	18,002	4,193	2,791	122	-	-	25,108	21,145
Total expenditure 2021	15,084	3,671	2,236	154	-	-	21,145	20,237

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5. Grants payable

Big Local area	Locally trusted organisation	New grants £000	Repayment of unspent grants £000	Closed grants £000	2023 Total £000	2022 Total £000
3 Together	Groundwork North East	565	-	-	565	-
Aberfeldy	Quaker Social Action	568	(1)	-	567	-
Allenton	Enthusiasm Trust	88	-	(38)	50	-
Arches Local (Central Chatham, Luton Arches)	Starlings Support CIC	386	-	-	386	140
Arley and Ansley	Warwickshire Community and Voluntary Action (WCAVA)	-	-	(402)	(402)	683
Barnfield	Greenwich Co-operative Devt Agency	-	(1)	-	(1)	308
Barrow Island	Barrow Island Community Sports Trust	33	-	-	33	9
Barrowcliff	Community First Credit Union Ltd	-	-	-	-	173
Beechwood, Ballantyne and Bidston Village	Community Foundation for Merseyside	-	(73)	-	(73)	430
Big Local Broad Green	CVS Broxbourne and East Herts	62	-	-	62	-
Big Local Broad Green	Asian Resource Centre	-	(8)	-	(8)	-
Birchfield	Birmingham Voluntary Service Council	306	-	-	306	-
Birchwood	Lincolnshire Cooperative Limited	608	(22)	(486)	100	-
Blackpool Revoe	Blackpool Coastal Housing	-	-	-	-	327
Blackpool Revoe	Blackpool FC Community Trust	-	-	-	-	(344)
Bountagu (Bounces-Montagu)	CVS Broxbourne and East Herts - Nigel Copping Community Building	270	-	-	270	-
Bountagu (Bounces-Montagu)	Community Alliance Broxbourne and East Herts (formerly CVSBEH)	-	(3)	(156)	(159)	-
Bourne Estate	Bournemouth Churches Housing Association (BCHA)	-	16	(16)	-	617
Bradley	Pendle Borough Council	142	(3)	(112)	27	-
Brereton	Brereton Big Local CIO	418	-	-	418	-
Brereton	Support Staffordshire Cannock Chase	-	(4)	(189)	(192)	-
Brinnington	Groundwork Manchester, Salford, Stockport and Trafford Limited	-	-	-	-	459
Brookside	Brookside Central CIO	227	-	-	227	109
Canvey Island Big Local	Canvey Island Town Council (CITC)	50	-	-	50	244
Cars Estate	Colebridge Trust	-	-	-	-	222
Central Boston	Age UK Lincoln & South Lincolnshire	198	-	-	198	-
Central Boston	Groundwork South and North Tyneside	-	-	-	-	(12)
Central Jarrow	Groundwork South Tyneside & Newcastle	22	(12)	(21)	(10)	265
Central Jarrow	Shared Assets Ltd	-	(1)	-	(1)	2
Chinbrook Est	Community Voluntary Services for Broxbourne & East Herts	-	-	-	-	371

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Chinbrook Est	Voluntary Services Association Ltd	-	-	-	-	-
Chinbrook Est	Voluntary Services Lewisham	-	-	-	-	4
Church Hill	Charles Lovell & Co Limited	48	-	-	48	284
Clapham Junction, West Battersea (Big Local SW11)	Providence House	-	-	(65)	(65)	651
Clarksfield, Greenacres and Littlemoor	Action Together CIO	106	-	-	106	(103)
Clubmoor	Liverpool CVS Charity and Voluntary Services	-	-	(178)	(178)	490
Collyhurst	Manchester Communication Academy	116	(1)	-	115	-
Conniburrow	SJ Mellish Accountancy Services Ltd	454	-	-	454	-
Conniburrow	Milton Keynes Community Foundation	-	(6)	(86)	(92)	75
Dartford	Community Links Bromley	25	-	-	25	-
Dartford	Local Trust	-	-	-	-	10
Dewsbury Moor	Local Trust	15	-	-	15	-
Distington	Groundwork North East	152	-	-	152	-
Distington	Local Trust	-	-	-	-	10
Dover Big Local	Dover Big Local CIC	99	-	-	99	-
Dover Big Local	Red Zebra Community Solutions	-	(7)	-	(7)	-
Dyke House	The Wharton Trust	763	-	(301)	461	-
East Cleveland Villages	Tees Valley Rural Comm	-	-	-	-	(144)
East Coseley	Dudley CVS	204	-	-	204	-
Eastern Sheppey	Swale Community and Voluntary Services	288	-	-	288	-
Elmton, Creswell and Hodthorpe	Bassetlaw Community and Voluntary Service (BCVS)	1	-	-	1	-
Elthorne Estates	Caxton House Community Centre	379	(4)	(16)	359	26
Ewanrigg	Cumbria CVS	243	-	-	243	1
Firs & Bromford	Worth Unlimited	-	-	-	-	528
Fratton	Community Action Hampshire	276	-	-	276	-
Gannow	Burnley, Pendle & Rossendale CVS	175	(17)	-	158	-
Gaunless Gateway	South Durham Enterprise Agency	-	-	-	-	629
Gateshead	St Chad's Community Project	-	-	-	-	-
Goldthorpe with Bolton-on-Deerne	The Snap Tin CIC	155	-	-	155	64
Grange Estate	CommUNITY Barnet	-	-	(253)	(253)	-
Grange Estate	Inclusion Barnet	-	-	-	-	309
Grassland Hasmoor	Grassland Hasmoor Futures Ltd	-	(10)	(116)	(127)	232
Greatfield	Probe (Hull) Ltd	440	-	(162)	278	-
Greenmoor	Better Communities Bradford	59	-	-	59	-
Hackney Wick	CREST Waltham Forest	-	(11)	(111)	(122)	513
Harefield, Midanbury and Townhill Park (Big Local SO18)	Salford CVS	-	-	-	-	64
Harefield, Midanbury and Townhill Park (Big Local SO18)	TWICS (Training for Work in Communities)	-	(13)	(164)	(177)	118
Hateley Heath	Sandwell Community Info & Participation Service (SCIPS)	-	-	-	-	610

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Hawksworth Wood Estate, the Abbeydales and the Vespers	Kirkstall Valley Development Trust	203	-	(102)	102	-
Hawksworth Wood Estate, the Abbeydales and the Vespers	The Cardigan Centre	-	(8)	(466)	(473)	(147)
Heart of Pitsea	Basildon, Billericay & Wickford CVS	-	-	-	-	196
Heart of Sidley	Rother Voluntary Action	125	-	-	125	(79)
Heath Big Local	Parochial Church Council of Uttoxeter	-	-	-	-	127
Heath Big Local	Uttoxeter Knights	-	(29)	(123)	(152)	(22)
Heston West	C-Change West London	274	-	-	274	-
Hill Top and Caldwell	Warwickshire Community and Voluntary Action (WCAVA)	490	-	(228)	262	-
Horsefair, Broadwaters and Greenhill (Big Local DY10)	PCC of Kidderminster East	-	(61)	(87)	(149)	297
Inner East Preston		-	-	(8)	(8)	-
Inner East Preston	University of Central Lancashire	72	-	-	72	-
Inner East Preston	Preston City Council	-	(7)	(135)	(143)	655
Inner East Preston	Groundwork Northamptonshire	-	(19)	-	(19)	-
Keighley Valley	Airedale Enterprise Services	-	-	-	-	447
Kingsbrook and Cauldwell	CVS Bedfordshire	561	-	(141)	420	-
Kingsbrook and Cauldwell	Community Voluntary Service Bedfordshire	-	(7)	-	(7)	-
Kingswood and Hazel Leys	Groundwork Northamptonshire	246	(57)	(56)	134	-
Kirk Hallam	Mansfield CVS	260	-	-	260	-
Kirk Hallam	Kirk Hallam Community Academy	-	(37)	(28)	(65)	-
Kirkholt	The Big Life Company	-	-	-	-	343
Langold, Costhorpe and Carlton	Hodsock Parish Council	166	-	-	166	30
Leecliffe	Clarion Futures (nee Affinity Sutton)	-	-	-	-	242
Leecliffe	Shared Assets Ltd	-	-	-	-	-
Leigh West	Leigh Neighbours Project CIO	214	(6)	(88)	120	-
Little Hulton	CommUNITY Little Hulton	91	(13)	(30)	48	-
Little Hulton	Salford CVS	-	-	-	-	(7)
Littlemoor	Dorset Community Action	-	(11)	(7)	(17)	319
Lynemouth	Cresswell	-	-	-	-	60
Mablethorpe, Trusthorpe and Sutton on Sea (Coastal Communities)	Lincolnshire Community Foundation	-	-	-	-	227
Mottingham	Community Links Bromley	-	-	-	-	287
Newington, Ramsgate	Starlings Support CIC	257	-	-	257	128
Noel Park Estate	Community Alliance Broxbourne and East Herts	792	-	-	792	-
North Brixton	Local Trust	10	-	-	10	-
North Cleethorpes	Voluntary Action North East Lincolnshire (VANEL)	155	(31)	-	123	-
North East Hastings	Hastings Voluntary Action	197	-	(99)	97	-
North Ormesby	North Ormesby Neighbourhood Development Trust	-	(3)	(19)	(22)	-
North West Ipswich	Castle Hill Community Centre Trust	-	-	-	-	200
Northfleet North	North West Kent Council for Voluntary Service	124	(4)	-	119	-
Northwood	Community Foundation for Merseyside	-	(8)	(22)	(30)	354

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Palfrey	One Walsall	-	-	-	-	430
Par Bay	Par Bay Community Trust	41	-	-	41	-
Par Bay	Eden Project campaigns Ltd	-	-	-	-	(27)
Par Bay	Shared Assets Ltd	-	-	-	-	-
Peabody Avenue and Churchill Gardens Estate (Big Local SW1)	Quaker Social Action	-	-	-	-	405
People's Empowerment Alliance of Custom House (PEACH)	Ascension Church Centre	265	-	-	265	-
Plaistow South	Rights and Equalities in Newham (REIN)	-	(11)	(344)	(355)	175
Podsmead	Blackbridge Charitable Community Benefit Society	82	-	-	82	-
Podsmead	GL Communities	-	-	-	-	-
Podsmead	Gloucestershire Credit Union	330	(2)	(477)	(150)	-
Prospect Estate	Rushmoor Borough Council	308	-	-	308	(82)
Radstock & Westfield	Bath & North East Somerset Carers' Centre	-	-	-	-	199
Radstock and Westfield	The Carers Centre	-	-	-	-	-
Ramsey	Shared Assets Ltd	-	-	-	-	2
Ravensthorpe and Westwood	Cross Keys Homes	166	-	-	166	-
Ridge Hill	Jigsaw Homes (formerly New Charter Housing Trust)	-	-	-	-	447
Riverside Community	Thurrock Lifestyle Solutions	-	-	-	-	330
Roseworth Ward	Catalyst Stockton on Tees	497	(18)	-	479	(68)
Rudheath & Witton	Groundwork CLM	-	-	-	-	(51)
Sale West	Irwell Valley Housing Association	-	-	(178)	(178)	476
Scotlands & Bushbury Hill	Bushbury Hill Estate Management Board	-	-	-	-	208
Selby Town	Selby District AVS	-	-	-	-	296
Shadsworth with Whitebirk	Blackburn with Darwen CVS	-	-	-	-	(61)
Shadsworth with Whitebirk	Blackburn with Darwen Healthy Living	-	-	-	-	252
Somers Town	CREST Waltham Forest	725	-	-	725	-
Somers Town	Working Mens College	34	-	-	34	-
Sompting	Community Works	423	(8)	-	415	246
South Bermondsey	United St Saviour's Charity	16	-	-	16	-
St James Street Area	CREST Waltham Forest	286	(5)	(328)	(47)	-
St Matthews Est	St Matthew's BL	-	-	-	-	(7)
St Oswald and Netherton (L30 Million Project)	Sefton Metropolitan Borough Council	-	(24)	(531)	(554)	452
St Oswald and Netherton (L30 Million Project)	Asian Resource Centre	-	-	(97)	(97)	-
St Peter's and the Moors	Cheltenham Borough Council	125	-	-	125	153
Stoke North	YMCA North Staffordshire	436	-	(67)	369	-
Tang Hall	Balance sheet check	-	(24)	-	(24)	(12)
Three Parishes - Gobowen, St Martins and Weston Rhyn	Oswestry Community Action	30	-	-	30	-
Thurcroft	Rotherham Federation of Communities Ltd	132	(10)	(117)	5	-
Thurnscoe	Station House Community Association Ltd	170	(46)	-	124	(27)
Toothill	Swindon Borough Council	671	-	(579)	92	69
W12 Together	CommUNITY Barnet	272	-	-	272	1
Wargrave	Torus Foundation	17	-	-	17	-
Warsop Parish	Mansfield CVS	-	-	-	-	48
Warwick Ahead	Nova Wakefield District	280	(4)	(430)	(153)	-

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Wecock Farm	Citizens Advice Havant	-	-	-	-	590
Welsh House Farm	Birmingham Voluntary Service Council	553	(2)	-	551	149
Welsh House Farm	Haven Community Project	-	-	-	-	(179)
Wembley Central	Community Alliance Broxbourne & East Hert	661	-	-	661	-
Wembley Central	CommUNITY Barnet	-	(2)	-	(2)	-
West End, Morecambe	Lancaster District CVS	788	-	(104)	684	-
Westfield Estate	Beighton Village Development Trust	294	-	-	294	-
Whitleigh	Whitleigh Primary and Sir John Hunt Community Sports College (CSC) Federation	-	(35)	(178)	(213)	252
Whitley	Whitley Community Development Association	40	-	-	40	160
Whitley	Berkshire Community Foundation	-	(1)	-	(1)	-
Whitley Bay	Whitley Bay Big Local	243	(119)	-	124	(29)
William Morris	CREST Waltham Forest	-	-	(208)	(208)	452
Winterton	Voluntary Action North Lincolnshire (VANL)	283	-	-	283	-
Woodlands Speaks	Woodlands Speaks	-	-	-	-	50
Woolavington Puriton	SHAL Housing Ltd	-	-	-	-	(586)
World's End Estate and Lots Road Area	CVS Broxbourne and East Herts	91	-	-	91	-
World's End Estate and Lots Road Area	Community Alliance Broxbourne and East Herts	508	-	-	508	-
World's End Estate and Lots Road Area	Quaker Social Action	-	-	-	-	43
World's End Estate and Lots Road Area	St Mary Abbots Rehabilitation and Training (SMART)	-	-	-	-	4
Wormley and Turnford	Community Alliance Broxbourne and East Herts	27	-	-	27	-
	Subtotal of Big Local grants	20,972	(793)	(8,149)	12,030	16,791

5. Grants payable (continued)

Subtotal of Big Local grants (carried forward)	12,030	16,791
Other grants		
Community travel and childcare	74	80
Area admin contribution	597	839
Social Investment returns to areas	80	-
Grant bad debts/ SI impairments	32	-
Support and governance costs	381	292
Total grants payable	13,194	18,002

In April 2019, Palfrey Community Association, the locally trusted organisation for Palfrey Big Local, went into administration while holding up to an estimated £75k cash of Big Local funds. In November 2019 this estimate was reduced to £38k upon receiving further spend information from Palfrey Community Association. Big Local Trust is an unsecured creditor for the funding and the administration process is ongoing.

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6. Governance costs

Total governance costs of £305k (2022: £270k) consist of direct governance costs of £177k (2022: £140k) and indirect costs of £128k (2022: £130k). Indirect governance costs are an apportionment of staffing and other support costs, calculated on the basis of staff time spent. This is in accordance with our accounting policies as outlined in note 1(f) to the accounts.

7. Net operating expenditure for the year

This is stated after charging:

	2023	2022
	£000	£000
Depreciation and amortisation	131	101
Impairment of social investments	4	5
Auditor's remuneration (including VAT):		
- in respect of current year audit	31	23
- in respect of current year non-audit	5	2
- in respect of prior year	4	-
Financial advice	6	9
Investment manager's fees	124	122
Legal and professional fees	105	33
Licence fees	152	149

8. Tangible fixed assets

			2023	2022
	Office refurbishment	IT equipment	Total	Total
	£000	£000	£000	£000
Cost				
Balance brought forward	83	180	263	203
Additions	2	11	13	69
Disposals	-	-	-	(9)
Balance carried forward	<u>85</u>	<u>191</u>	<u>276</u>	<u>263</u>
Depreciation				
Balance brought forward	32	159	191	174
Disposals	-	-	-	(9)
Charge for year	20	17	37	26
Balance carried forward	<u>52</u>	<u>176</u>	<u>228</u>	<u>191</u>
Net book value				
Brought forward	<u>51</u>	<u>21</u>	<u>72</u>	<u>29</u>
Carried forward	<u>33</u>	<u>15</u>	<u>48</u>	<u>72</u>

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9. Intangible fixed assets

	2023	2022
	Total	Total
	£000	£000
Cost		
Balance brought forward	300	342
Additions	206	155
Disposals	-	(197)
Balance carried forward	<u>506</u>	<u>300</u>
Amortisation		
Balance brought forward	172	292
Disposals	-	(195)
Charge for year	94	75
Balance carried forward	<u>266</u>	<u>172</u>
Net book value		
Brought forward	<u>128</u>	<u>50</u>
Carried forward	<u>240</u>	<u>128</u>

Intangible fixed assets include development of Big Local Trust's grant management system, finance system and Big Local Compendium website.

10. Investments

	2023	2022
	£000	£000
At 1 April 2022	90,088	112,163
Purchases at cost	141,999	174,000
Disposal proceeds	(162,990)	(196,999)
Movements in investment creditors	(1,000)	1,000
Accrued management charges	8	(10)
Net investment gains/(loss)	778	(67)
At 31 March 2023	<u>68,883</u>	<u>90,087</u>
Capital and revenue cash balance	358	726
Total	<u>69,241</u>	<u>90,813</u>

11. Investments by type and location of fund

	2023		2023	2022		2022
	UK	Overseas	Total	UK	Overseas	Total
	£000	£000	£000	£000	£000	£000
Cash	69,241	-	69,241	90,813	-	90,813
Total	<u>69,241</u>	<u>-</u>	<u>69,241</u>	<u>90,813</u>	<u>-</u>	<u>90,813</u>

The total book cost of investments held at 31 March 2023 was £68,331k (2020: £90,691k).

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12. Social investment assets

Big Local area	Credit union	Type of investment	Funds at 31 March 2022 £000	Additions £000	Repayments/ Discharges £000	Impairment £000	Funds at 31 March 2023 £000
2015-16							
East Coseley	Castle and Crystal Credit Union	Corporate deposit	15	-	-	-	15
North West Ipswich	Eastern Savings and Loans Credit Union	Subordinated Loan	20	-	-	-	20
Subtotal			35	-	-	-	35
2016-17							
Rudheath and Witton	Key Fund loan	Loan	-	-	-	-	-
St Oswald and Netherton	Knowsley Mutual Credit Union	Corporate deposit	13	-	-	-	13
Subtotal			13	-	-	-	13
2017-18							
Three Parishes (for Oswestry Station Trust)	Key Fund loan	Loan	29	-	(29)	-	-
Subtotal			29	-	(29)	-	-
2018-19							
Withernsea	Hull & East Yorkshire Credit Union	Subordinated Loan	30	-	(30)	-	-
Subtotal			30	-	(30)	-	-
2021-22							
Beechwood, Ballantyne and Bidston	Key Fund loan	Loan	5	-	(1)	(4)	-
Subtotal			5	-	(1)	(4)	-
2022-23							
Bourne Estate	Key Fund loan	Loan	-	20	(3)	-	(17)
Subtotal			-	20	(3)	-	(17)
Cumulative totals			112	20	(63)	(4)	64
Total Key Fund loan balance			34	20	(33)	(4)	17

13. Debtors

	2023 £000	2022 £000
Trade debtors	9	146
Other debtors	36	36
Amounts due from Local Trust	-	19
Prepayments	191	161
Accrued income	909	122
Total	1,145	484

Big Local Trust annual report and financial statements 1 April 2022 - 31 March 2023

14. Creditors: amounts falling due within one year

	2023	2022
	£000	£000
Grant commitments	24,293	23,933
Trade creditors	522	913
Accruals	66	53
Social security and other taxation	69	58
Pension payments due	30	47
Intercompany creditors	25	-
Total	25,005	24,004

15. Creditors: amounts falling due after one year

	2023	2022
	£000	£000
Grant commitments	8,484	13,126
Total	8,484	13,126

16. Grant commitments

	2023	2022
	£000	£000
Grant commitments b/fwd	36,059	34,167
New commitments in the year	20,973	21,854
Area admin contribution	597	839
Commitments settled in the year	(15,909)	(15,738)
Commitments reversed in the year	(8,943)	(5,063)
Grant commitments c/fwd	32,777	36,059

17. Analysis of changes in net debt

	At 31 March 2022	Cash flows	At 31 March 2023
	£000	£000	£000
Cash	1,190	(563)	627
Cash equivalents	188	5	193
Overdraft facility repayable on demand	-	-	-
Total	1,378	(558)	820

18. Operating leases

	2023	2022
	£000	£000
Land and buildings, due in less than 1 year	76	74
Land and buildings, due in 2 to 5 years	-	-
Land and buildings, due after 5 years	-	-

Big Local Trust annual report and financial statements 1 April 2022 - 31 March 2023

Big Local Trust has a licence to occupy office space at CAN Mezzanine, Borough. Future commitments in relation to this lease are noted above.

19. Staff costs and numbers

	2023	2022
	£000	£000
Wages and salaries	2,418	1,988
Social security and other taxes	233	196
Pension	350	284
Other staff costs	284	255
Total	3,285	2,723

Trustees are responsible for setting overall remuneration levels for staff, with recommendations being made to Board as part of the budget approval process.

Trustees recognise the importance of valuing staff that need to effectively and appropriately manage the endowment, the programme, grants and social investment into 150 areas and the contracts/grants of those delivering national support, research and evaluation.

Staff are jointly employed by Big Local Trust and Local Trust. The average number of employees during the year was 55 (2022: 50).

During the year, two roles were made redundant. Ex-gratia payments of £38k were made to the members of staff who both left during the year.

In line with NCVO's Inquiry into Senior Executive Pay (2014), we publish details of our senior management's pay and the ratio between the highest, median and lowest salaries as detailed below.

Eight employees, who were also the key management personnel, were remunerated over £60k in the year (2022: six employees); Matt Leach (Chief Executive), Margaret Bolton (Director of Policy), James Goodman (Director of partnerships and learning), Michelle Brissett (Head of finance and resources, Jayne Entwistle (Head of support to areas), Chris Falconer (Head of programme delivery) and Jayne Humm (Head of learning and research)

Senior salaries	Number of employees	
	2023	2022
£60,000 - £69,999	3	2
£70,000 - £79,999	4	2
£80,000 - £89,999	0	1
£100,000 - £109,999	0	1
£110,000 - £119,999	1	0

As at 31 March 2023, the median full time gross salary was £38k (2022: £37k) (ratio 3.2 to 1 between highest and median) and the lowest full-time salary was £22k (2022: £21k) (ratio 5.5 to 1 between highest and lowest).

Big Local Trust is a London Living Wage accredited employer, and all our staff and contractors are paid at least the London Living Wage.

20. Volunteers

Big Local relies on people getting involved in making their areas better places to live. Just under 1500 people directly participate as partnership members across the 150 Big Local areas. Partnership members include representatives from local organisations, councils and businesses however, a vast

Big Local Trust annual report and financial statements 1 April 2022 - 31 March 2023

majority are volunteer residents (74%) who give of their own time to help lead the Big Local programme in their local areas.

21. Pension

Staff are offered the opportunity to join a defined contribution Group Personal Pension Plan ('the scheme') and monthly contributions to the scheme are invested in the Scottish Widows personal pension plans. Big Local Trust's contribution to the scheme is based on 10% of the employee's basic annual salary, plus an amount equal to the saving Big Local Trust makes under the salary exchange system from the employer National Insurance contribution. There is no minimum contribution for staff although they are encouraged to contribute.

Pension contributions made by Big Local Trust to the scheme during the year were £269k (2022: £211k) for 60 employees (2022: 57). Employee contributions, made through our salary exchange scheme, were £81k (2022: £73k). As at 31 March 2023, Big Local Trust owed £30k (2022: £47k) to the scheme relating to March pension payments: the amount due was settled during April 2023.

22. Trustees' remuneration, benefits and expenses

Trustees received no remuneration. Trustees received £9k in reimbursements for travel costs (or provision of travel) during the period (2022: £9k). Trustee training expenses during the period were £nil (2022: £nil). Trustee recruitment costs during the period were £nil (2022: £35k). Governance review costs were £1k (2022: £15k).

23. Big Local Trust protector

Protector fees and expenses of £15k were payable during the period (2022: £14k).

24. Related party transactions

During the period April 2022 to March 2023, Local Trust paid Big Local Trust £139k for staff time and expenses spent on Local Trust activities, that were initially paid for through Big Local Trust (2022: 122k). There was no creditor balance at 31 March 2023 (2022: £19k). In addition, Big Local Trust made a contribution of £17k to Local Trust to cover surplus CCC closure costs, had an outstanding debtor balance with Local Trust of £17k as at 31 March 2023 (2022: nil).

David Warner is a trustee of Local Trust and an associate of IVAR. He undertook assignments during the year ended 31 March 2023, but not related to Local Trust. Local Trust contracted IVAR and Just Ideas to work on evaluation and learning support for the Community Leadership Academy, between April 2022 and March 2023, with a total contract value of £75k (2021-22: £179.6k). During the year to 31 March 2023, Big Local Trust paid IVAR £36k for evaluation and learning support during the period (2022: £63k).

Charlotte Pickles is a trustee of Local Trust and executive Director of Reform Research Trust. Reform Research Trust was commissioned, via a competitive tender, to be the policy partner for the APPG for Left Behind Neighbourhoods, funded by Big Local Trust. During the year to 31 March 2023, Big Local Trust paid Reform Research Trust £30k for APPG policy support during the period.

*Big Local Trust annual report and financial statements 1 April 2022 - 31 March 2023***25. Financial instruments**

Carrying values of financial assets and liabilities at 31 March:

	2023	2022
	£000	£000
Financial assets measured at amortised cost (a)	1,775	1,701
Financial assets measured at fair value (b)	69,304	90,925
Financial liabilities measured at amortised cost (c)	33,403	37,073

- (a) Financial assets measured at amortised cost include all debtors (excluding prepayments), cash in hand, and notice deposits.
- (b) Financial assets measured at fair value include all fixed asset investments (including social investments).
- (c) Financial liabilities measured at amortised cost include all liabilities excluding amounts due for tax and social security.
- (d) Interest recognised in the statement of financial activities on assets held at amortised cost during 2023 was £208k (2022: £36k). Dividends and interest recognised in the statement of financial activities on assets held at fair value was £565k (2022: £281k).

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Charity details

Big Local Trust

Big Local Trust is registered charity number 1145916.

Local Trust

Local Trust is the corporate trustee (parent entity) of Big Local Trust. Local Trust is registered company number 07833396 and registered charity number 1147511.

Copies of the consolidated accounts for Local Trust, including Big Local Trust, are available from the Local Trust website at <http://localtrust.org.uk/about-us/finance/>

Principal address of Big Local Trust and Local Trust

Canopi, 7-14 Great Dover Street, London SE1 4YR

All trustees of Local Trust are independent and non-executive.

The trustees of Local Trust are:

Matt Bell
Chris Catterall
Miatta Fahnbulleh (until 22 November 2022)
Sahil Khan
Jeannette Lichner (until 23 March 2023)
Caroline Macfarland
Patrick Melia
Charlotte Pickles
Nicola Pollock
David Warner (chair)
Rich Wilson

Finance audit and risk committee

Matt Bell
Matthew Brumsen (co-optee with investment expertise)
Chris Catterall (chair)
Sahil Khan
Serena Loudon (co-optee with investment expertise until 15 May 2023)
Caroline Macfarland
Patrick Melia
David Warner (ex officio member)

Governance and remuneration committee

Chris Catterall
Jeannette Lichner (until 23 March 2023)
Nicola Pollock (Chair)
David Warner

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Legacy and learning committee

Matt Bell

Miatta Fahnbulleh (until 22 November 2022)

Jeanette Lichner (until 23 March 2023)

Patrick Melia (chair),

Charlotte Pickles

Nicola Pollock

David Warner

Rich Wilson

Programme delivery committee

Sahil Khan (chair)

Caroline Macfarland

Charlotte Pickles

Nicola Pollock

David Warner

Chief executive of Local Trust

Matt Leach

Protector of Big Local Trust

Rosie Chapman

Big Local Trust annual report and financial statements 1 April 2022 - 31 March 2023

Advisors

Auditor

Moore Kingston Smith LLP
6th Floor
9 Appold Street
London
EC2A 2AP

Solicitor

Withers LLP
16 Old Bailey
London EC4M 7EG

Banker

National Westminster Bank PLC
250 Regent Street
London W1B 3BN

Investment manager

CCLA
One Angel Lane
London EC4R 3AB

Custodian

HSBC Bank Plc
8 Canada Square
London E14 5HQ

Annual statement by the Protector for Big Local Trust

Protector's Statement

Background

Big Local Trust (Big Local) is an unincorporated charity, established in 2012. Its founder is the National Lottery Community Fund (NLCF). NLCF invested £217m in setting up and endowing Big Local to commit over £1m to 150 neighbourhoods across England, with this funding provided on the basis that it was spent over 10 to 15 years at the communities' own chosen pace, and on their own plans and priorities.

Local Trust (the Trust) is the sole corporate trustee of Big Local, which is in turn controlled by a Board of directors (trustees). The Board delegates the day-to-day running of the Trust to the chief executive.

Big Local operates in accordance with a Trust Deed between the Fund and Local Trust, made originally in 2012 and subsequently amended, most recently in September 2021. (The Trust Deed was reviewed again in 2022-23 with no further amendments.)

The Trust Deed provides that Big Local must have a Protector with their appointment made in consultation with NLCF. Local Trust appointed me to this role in September 2018 and my current contract runs to September 2023.

Purpose and functions

The function of the Protector is set out in the Trust Deed. The Protector role is quite specific and limited – its primary purpose is to ensure that decisions taken by Big Local are within the scope of the Trust Deed and are reached in accordance with the principles of good governance.

Big Local is required to get the Protector's consent in some limited circumstances, which primarily relate to procurement limits and amendments to the Trust Deed.

While I receive papers for all Board and committee meetings and have a right to attend any of those meetings, I am not involved in Big Local's decision-making nor am I a trustee of either Big Local or Local Trust.

The role does require me to:

- report any matters of serious concern that I come across to NLCF or to the Charity Commission; and
- produce a statement each year in relation to my work for inclusion in the Trust's annual report. Where appropriate, this statement identifies any areas of administration which require improvement and the steps that might be taken by Big Local in response.

How I discharged the Protector function during the year

During the year I visited the following Big Local areas and associated organisations:

- East Finchley Big Local (London)
- Riverside Big Local (Grays, Essex)
- Ramsey Big Local (Cambridgeshire) with Local Trust's Board
- Walthamstow Big Local and St James Big Local (London) with Local Trust's Board
- Kirkstall Valley Development Trust (Leeds, Yorkshire), accompanying staff on a Financial Review visit
- St Matthew's Big Local (Leicester) with Local Trust's Board

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I also attended Big Local Connects, held in Nottingham in September 2022, observing a well-attended and engaging event focused on the various local areas' delivery of plans within their respective deadlines.

I received papers for all Board and committee meetings held during the period, reading and commenting on these papers either in person or in writing. Attendance included:

- three of the four Board meetings, and the Board away day;
- four meetings of the finance, audit and risk committee;
- three meetings of the programme delivery committee;
- three meetings of the governance and remuneration; and
- one legacy committee meeting.

I met Phil Chamberlain, NLCF's England Director in July. We discussed, amongst other things, the local area sustainability plans discussed below. I subsequently met with Vicki Smith one of NLCF's Funding Managers.

Clause 4.1 of the Big Local deed requires Local Trust in the eleventh year of the Trust Deed to identify "local area plans for sustainability" for approval by the Protector and NLCF. As the Deed does not describe the nature and format of the plans, I agreed with Local Trust its proposed approach and, specifically, for the plans to include the following features:

- information on what Big Local looks like in each area eleven years into the programme;
- details of what they have achieved so far;
- their vision and future as expressed in their own legacy statements and final plans; and
- the support Local Trust has and will put in place in each area to support the area achieve its ambitions, particularly regarding sustainability.

I subsequently approved each of the 150 individual plans, which were later approved by NLCF. The plans provide a stocktake on what each area has achieved and highlight potential challenges approaching the final phase of the programme.

The first Big Local partnership (CELL) held its spend out ceremony in June 2022, heralding a steady flow of local areas now on the closure pathway over the remaining years. I also noted Local Trust's:

- work to help ensure spend happens within the agreed time frames;
- proactiveness in identifying those Big Local areas that are risk of not spending out and adopting a variety of approaches for dealing with those areas; and, more specifically
- work which identified the challenges faced by some London Big Local areas, reflecting the nature of the local population, their transience and the higher relative cost of capital assets.

Generally, I am reassured that Local Trust's plans continue to place the Big Local funding programme and its legacy as central to the Trust's work, recognising that this is a critical phase in the programme's delivery.

Protector's consent

I was not asked to give specific consent to any changes to Big Local's articles in 2022-23.

During the year, in line with the procedures in Local Trust's Finance Manual, I was consulted on and gave my approval to the disapplication of competitive tendering to award a contract to a supplier to provide specialist research for an on-going project without going through a new tender exercise. I was also consulted on the appropriateness of proposed redundancy terms for a member of staff leaving the organisation.

I was asked about approaches to addressing the misuse of charitable funds by an organisation that received funding from a Big Local area, including its refusal to formally register as a charity. I agreed

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that it would be appropriate for Local Trust to support the area to ensure the money was properly used by asking the Charity Commission, as the relevant regulator, to intervene, and subsequently pleased to learn that they are now reviewing the case.

Governance and administration of the Big Local Trust

Local Trust had nine directors/trustees in post as of 1 July 2023. (During the year two trustees resigned.)

The Trust has commissioned work to undertake a governance review in 2023/24 to support the development of Big Local's closure strategy (see below). This work includes a trustee skills audit to identify whether additional or different skills are needed to support the next phase of the Big Local programme. It will also review whether the committee structure should evolve to remain a proportionate fit with the organisation's changing profile. This work is timely, as it complements the work undertaken in 2022/23 to design a closure strategy for the organisation, and I have been asked to provide advice and input.

Overall, from attending various meetings, regular discussion with the Chair, vice Chair and Chief Executive and from reading key documents my sense is that Big Local continues to be governed effectively. I have noted and seen that the Board is aware of its role, of the relationship between Local Trust and Big Local, and that it acts accordingly.

I am satisfied that Big Local has been administered in accordance with the terms of the Trust Deed in the period 1 April 2022 to 31 March 2023.

Future priorities

As the Big Local programme assumes completed spend by 2026/7, my primary focus will continue to be reviewing how Local Trust oversees the programme's delivery and close, including:

- agreement as to the criteria for what constitutes 'spend-out' in each area; and
- implementation of strategies for areas at risk of not spending out in time.

As areas to complete spend, I am interested to see the transparency of the Big Local legacy in individual areas, and each area's accountability to local people for how the Big Local money has been spent and the transparency of the Big Local legacy overall. As part of this work, I will be interested to see how the Big Local asset register that Local Trust has assembled is developed and displayed.

As well as the programme spending out, Local Trust is drawing up a closure strategy for the organisation, including governance, administrative and staffing issues. I will review and advise on the plans underpinning this strategy where they overlap with my role and function.

Finally, ongoing priorities include:

- Visits, including finance reviews, to Big Local areas,
- Reviewing complaints and concerns where relevant
- Continuing to oversee how the Trust manages, presents, and delineates Big Local and Local Trust's respective reputational and presentational risks.

Rosie Chapman

Protector, Big Local Trust

August 2023

Local Trust

T: 020 3588 0565

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Twitter: @LocalTrust #biglocal

The endowment for the Big Local programme is held by the Big Local Trust and overseen by Local Trust. The Big Local Trust was established by the National Lottery Community Fund with a National Lottery grant of £196,873,499.

Registered in England and Wales | Big Local Trust registered charity number 1145916

Local Trust registered company number 07833396, registered charity number 1147511

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BIG LOCAL TRUST

England & Wales - Charity number 1145916

Accounts

Big Local Trust

Annual report and financial statements

for 1 April 2021 to 31 March 2022

Registered charity number 1145916

Submitted by Local Trust as the corporate trustee for Big Local Trust



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Introduction

Local Trust was established in 2012 to deliver Big Local, a National Lottery Community Fund programme which committed more than £1m of grant funding to each of 150 communities and neighbourhoods across England.

The areas selected by the National Lottery Community Fund to benefit from Big Local funding were, typically, communities that were seen to have missed out on their 'fair share' of National Lottery and other funding. With a significant number of them located on the edges of towns and cities that themselves faced problems associated with long-term economic decline, many Big Local areas have much in common with places which current government policy initiatives are hoping to 'level up'.

The scale of the investment matched the challenge; the £217m originally provided to establish the Big Local programme is the biggest ever single-purpose National Lottery-funded endowment, and the largest ever investment by a UK grant-funder in place-based, resident-led change. Over the course of the programme, as a consequence of the growth delivered by the careful management of our endowment, some £270m will have been committed in support of our mission.

Matching the scale of that ambition, from the outset Big Local was designed to be radically different from other funding programmes. In contrast to conventional top-down, time-limited or project-led funding, the money awarded to each Big Local area is provided on a 'no strings' basis – there was no application process, and the funds can be spent over 10–15 years at communities' own chosen pace, and on their own plans and priorities. By effectively supporting local residents to take the lead in making decisions on how Big Local is delivered in their areas, Local Trust aims to build the confidence and skills of local people, strengthening local civic life and the social infrastructure that supports it.

Big Local sits at the heart of Local Trust's mission and is the major programme that we deliver as an organisation. Reflecting the Big Local Trust deed, our ambition extends beyond simply delivering the Big Local programme. Seeing how communities are using Big Local funding to make their neighbourhoods into better places to live, we aim to share learning from the programme, and promote a wider transformation in the way policymakers, funders and others engage with communities and place.

Overview of 2021–22

The past two years have demonstrated the remarkable resilience of local communities in the face of incredible challenge and disruption. Despite the Covid-19 crisis, most Big Local partnerships continued to operate successfully over this period, with many bouncing back significantly in 2021–22 as restrictions lifted. There continues to be a huge amount of enthusiasm and energy locally in Big Local areas.

As the first wave of Covid-19 hit, we shifted operations online. Over the past year, as disruption caused by the pandemic has gradually eased, we have again sought to reimagine how we support local people to deliver their Big Local ambitions. We have reviewed and refreshed our support to areas. This includes delivering additional bespoke support for areas needing it most; and a programme of direct support for areas seeking to relaunch and reboot following the end of lockdown. We have also sought to consolidate and further improve on changes to our model of programme delivery originally developed in response to the pandemic. During 2021–22, we moved to a model of hybrid working which mixes the newer online approaches, which have extended our reach, with

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a return to in-person meetings and events. We have refreshed how we monitor funding and have set up a new approach to partnership reviews, which better enables us to identify and respond to partnerships' support needs, now and in the future.

We also completed a Review of Board Governance in 2021 and have implemented its recommendations. This includes establishing a revised Committee structure, including new Committees on Legacy and Learning, Governance and Remuneration, and Finance Audit and Risks, alongside the Programme Delivery Committee which was already in place.

Consistent with the provision in our trust deed that Local Trust should promote learning and insight from Big Local to policymakers, funders and others involved in similar efforts to deliver community-led change at a local level, we continued to actively share research, policy perspectives and direct experience from Big Local communities to an increasing audience. Our research and evaluation work not only informs how we support Big Local areas, but also provides information and resources to a wider community of policymakers, funders and practitioners.

Key projects from this year include: Community Responses to Crisis, real-time research led by Third Sector Research Centre (TSRC) in 26 communities, seeking to capture and understand the hyperlocal impact of Covid-19; and Power in Big Local Partnerships, research by Kent University on the practice of decision making, power sharing and participation in Big Local areas.

We engaged brap, a charity which helps organisations think about diversity, to carry out research into how equality, diversity and inclusion is understood, defined and practised across Big Local areas. This has contributed to an ongoing, wider programme of support for Big Local areas on these issues. We continued to work actively with other funders and delivery agencies to share our ideas and approaches in a practical way, and build awareness of the potential of putting communities in control. This includes collaborations with Spirit of 2012 and UK Youth, the Design Council, Sport England, and Friends of the Earth. We continued to make the case that shifting decision-making power and resource to neighbourhood level is an essential component of our collective response to the climate crisis and to making communities more ready to face the climate emergency. Publication of *The Climate Commons*, a report with IPPR's Environmental Justice Commission, led to several events, including one at COP26 in Glasgow (November 2021). We continue to participate in conversations with other funders helping to integrate support for community-led change within climate strategy.

Objects of Big Local Trust

The Big Local Trust deed was amended in 2018. The revised objects of the charity are laid out in the trust deed (paragraph 5), as follows:

‘5.1. The Objects of the charity are:

- (a) the advancement of community development; and
- (b) the relief of unemployment; for the benefit of the public, in particular, but without limitation, in the localities in each region specified in Schedule 6.

5.2. Objects 5.1(a) and 5.1(b) are to be achieved in particular, but without limitation, by:

- (a) making Distributions to Recipients; and
- (b) conducting research and disseminating the useful results of such research.

5.3. The Distributions referred to in clause 5.2 should be made so as to develop the capacity and skills of the members of socially and economically disadvantaged communities, for the benefit of the public, in such a way that they are better able:

- (a) to identify, and help meet, their needs; and
- (b) to participate more fully in society.’

Our main activities are described below. All our activities focus on developing the capacity and skills of members of socially and economically, or socially disadvantaged, communities, as described in our objects, and are undertaken to further our charitable purposes for the public benefit.

The trustees confirm that they have referred to the Charity Commission’s guidance on the Public Benefit requirement under the Charities Act 2011 when reviewing the Trust’s aims and objectives and in planning future activities and setting their grant-making policies.

Our areas of work

Local Trust is the corporate trustee of Big Local Trust, and the **Big Local programme** is at the centre of our work. The Big Local programme is funded from the Big Local Trust endowment created by The National Lottery Community Fund in 2012.

Big Local seeks to put power, resources and decision-making into the hands of local communities. Central to the design of the programme is a belief that when resources and decision making are transferred to local communities, they have the most impact where they reflect the following key principles:

- **Long-term** – providing certainty and continuity, over a decade or more where possible
- **Resident-led** – building confidence and capacity among those wanting to make a difference to their community and their local area
- **Unconditional** – enabling residents to spend on their own terms and in their own time, on the projects they judge to be most important to them
- **Patient and non-judgemental** – giving communities with the time and opportunity to learn, make mistakes, resolve disagreements and overcome challenges for themselves, on their way to achieving their ambitions
- **Accompanied by light-touch support** – to help communities to build the confidence and capability to make the most of the opportunities available to them, while not constraining their own ambition and initiative

One of the key legacy ambitions from the Big Local programme, reflecting the wishes of our Founder, The National Lottery Community Fund, is that others should benefit from the learning it generates. As a consequence, Local Trust is sharing insight and learning gained from Big Local as widely as possible to inform and influence policymakers, funders and other organisations working with communities. This includes learning around the design and delivery of the programme; insight generated from the data we collect and have access to; and, importantly, the experiences and voices of residents in Big Local areas themselves.

The four outcomes set by The National Lottery Community Fund for the Big Local programme are:

- communities will be better able to identify local needs and take action in response to them
- people will have increased skills and confidence so that they can continue to identify and respond to local needs in the future
- the community will make a difference to the needs it prioritises
- people will feel that their area is an even better place to live.

Our strategy

In March 2020 a new Local Trust strategic plan for 2020–26 was approved by trustees. This set some ambitious long-term goals for the remainder of the Big Local programme, which concludes in 2025–26, and the Big Local Trust deed, which concludes in 2026–27.

The strategy identified the following four overarching strategic goals:

1. The Big Local programme is successfully delivered and Local Trust provides the support necessary for Big Local partnerships to put in place their plans for legacy and sustainability.
2. The approach and principles that underpin Big Local – that funding for communities should be long-term, resident-led, patient, place-based, non-judgemental – are mainstream across civil society, private and public sectors.
3. There is a tangible improvement in the social and economic capacity of ‘left behind’ areas, as a result of new community-led investment in rebuilding social capital and civic infrastructure, alongside the increase in public investment to deliver economic change.
4. There is a structural change in our economy, society and politics, leading to greater devolution of power, with local people and communities having more control over resources and decision-making.

The strategy is clear that Local Trust’s primary role in achieving these long-term goals is to successfully deliver the Big Local programme. Beyond the opportunity to achieve positive outcomes in 150 Big Local areas, the programme also offers a powerful example of a community-led approach operating at a large scale. Our intention to achieve wider systems-change rests on the scale of the current programme, the learning we draw from it, and the credibility it lends us as an organisation.

Progress report 2020–21

Our Strategic Plan for 2020–26 set out a number of priorities for Local Trust, grouped into three broad levels:

- **Level 1: People and communities**

Providing practical and financial support to people and communities – reflecting the extent to which our work is rooted in our existing relationship with Big Local areas, although we will increasingly look to stretch and connect the impact of that work beyond Big Local.

- **Level 2: Enablers of change**

Working on the enablers of change – building on and expanding our work to influence and inform, and investing resources into establishing Local Trust’s contribution to a much bigger shift in the place of communities in our society.

- **Level 3: Sustaining our impact into the longer term**

Exploring ways to support our impact beyond the end of the Big Local Trust Deed in 2026–27.

- We review and report against annually to our trustees as part of our business planning process. Our progress to date is set out below:

People and communities

Priority 1: Ensure the effective delivery of Big Local through to its conclusion

In 2021, we reviewed resource allocation and budgets over the remainder of the programme, and tested our assumptions and financial models. We are confident that: sufficient resources are allocated where they are needed; all areas remain on track to spend out by March 2026; and we are on track to meet the overarching obligation in our founding Deed to spend £220m within the lifespan of the programme.

Priority 2: Support all our Big Local areas to build sustainable legacies

All Big Locals with a functioning partnership submitted draft Legacy Statements in 2021–22. These will help inform Area Sustainability Plans we will put in place for all 150 areas to ensure they receive appropriate support to achieve their ambitions.

Priority 3: Support Big Local areas to strengthen links with each other at an individual and community level

We continued to support learning and networking within the Big Local programme through both online and in-person events as pandemic restrictions eased.

Priority 4: Support Big Local areas to strengthen links with people, places and institutions not directly involved in the Big Local programme

We continued to create opportunities for Big Local areas to connect with others outside of Big Local, both within and beyond their locality. We are placing even greater emphasis on supporting Big Local areas to build their own skills and capacity for collaboration. It remains our ambition to build international connections as we move toward the end of the programme.

Priority 5: Significantly increase the number of people and communities benefiting from our experience capacity and learning

We have published research and insight that has been picked up by opinion formers and people working beyond Big Local. The move to digital-only events during the pandemic widened our audience significantly; we have retained online events as part of our model. We have been able to open up opportunities to people from communities outside of the programme, notably through the Community Leadership Academy and our built environment network.

Enablers of change

Priority 6: Promote a compelling narrative of thriving, powerful communities and use it to influence, shift mindsets and change behaviour

We have increased our engagement with policymakers and opinion formers. Through our support for the APPG on Left Behind Neighbourhoods, we have provided a new platform for Big Local residents to engage directly with decision makers on a public stage.

Priority 7: Actively connect Big Local areas and the programme as a whole to wider issues and campaigns, enabling local communities to demonstrate their relevance and impact, and achieve influence beyond their own boundaries

Evidence sessions for the APPG on Left Behind Neighbourhoods enabled community representatives to present on and discuss the issues that most impact on their lives with parliamentarians, and to have their say on what government should be doing. During 2021–22, Big Local areas also fed into national discussions on issues including digital inclusion, the climate crisis, and local food systems.

Priority 8: Strengthen relationships with the people and organisations who are most critical in enabling an increase in community power

Our work on 'left behind' areas and our engagement with and support for the Community Wealth Fund has gained visibility and impact for these and related issues with the people and organisations that can enable wider change.

Priority 9: Experiment with different ways to enable change, learn and continually improve our practice

We comprehensively rethought our approach to managing the programme and supporting Big Local areas through the crisis of the pandemic. We continue to draw lessons and insights for our practice as Big Local areas have emerged from the pandemic, and will remain open to new ways of working accordingly.

Sustaining our impact into the long term

Priority 11: Build a sustained body of research, practice and knowledge capable of influencing beyond the end of Big Local

We are committed to disseminating what we learn from Big Local. We will launch the next iteration of our research and evaluation plan early in 2022–23.

Plans for the future

It is too early to be certain that the worst of the pandemic is over. However, we have written our 2022–23 Business Plan, and the budget that underpins it, in the expectation that this is the case; if it is not, we will adjust our plans, as we have over the last two years. However, we recognise that there are new sources of uncertainty. The state of the economy may have a significant impact on both Local Trust and Big Local areas' plans. Inflation and supply chain disruption may impact on the deliverability of some Big Local plans, particularly larger capital projects. The growing cost of living crisis is likely to affect many residents in Big Local areas, which are, in general, already more socially and economically deprived. War in eastern Europe may raise the prospect of threats that cannot yet be fully defined.

These pressures may lead to some Big Local areas choosing to further review and revise their existing plans and legacy ambitions; where that is the case, we will be ready to support them in doing so. Local Trust has reviewed its medium-term budget to ensure that, at time of writing, we remain confident of our ability to support Big Local areas effectively over the remainder of the programme.

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Over the next twelve months our intention is to focus energy and effort on providing local residents with the support and expertise they need to maximise their impact across all 150 neighbourhoods that make up the programme. In doing so we want to ensure that we help Big Local areas achieve their legacy ambitions for their areas; in the same way, by effectively sharing learning and insight from the programme, Big Local Trust aims to secure its own legacy through informing policy and practice across sectors long into the future.

Priorities for 2022–23

Over the course of 2022–23 we will be reviewing and updating our Strategic Plan to make sure it is fit for purpose in the run-up to the programme completion deadline of March 2026. The new Legacy and Learning Committee will take the lead in drafting a Legacy Strategy for organisation.

Looking forward over the coming year, our strategic direction will remain the same as in 2021–22. To achieve this, our Business Plan for 2022–23 focuses on the following priorities:

1. Supporting delivery of Big Local

The Big Local programme has been successfully delivered and Local Trust has provided the support necessary for Big Local partnerships to put in place their plans for legacy and sustainability.

- Priority 1: Continue to create energy and enthusiasm across the programme, both nationally and locally.
- Priority 2: Provide the support needed to ensure areas spend out by programme end in ways that reflect local communities' ambitions.
- Priority 3: Ensure all areas have a defined approach to legacy and clear plans to achieve it.

2. Building partnerships and sharing our learning

The approach and principles that underpin Big Local – that funding for communities should be long-term, resident-led, patient, place-based, non-judgemental – are mainstream across civil society, private and public sectors.

- Priority 4: Further develop our evidence base – building on our growing reputation as a source of knowledge and insight.
- Priority 5: Continue to invest in strengthening our core relationships/partnerships.
- Priority 6: Explore where we can use our growing profile as a source of evidence, insight and expertise to achieve even more long-term impact.

3. Extending our influence

There has been a tangible improvement in the social and economic capacity of 'left behind areas', as a result of new community-led investment in rebuilding social capital and civic infrastructure, alongside the increase in public investment to deliver economic change.

- Priority 7: Continue to strengthen and deepen political engagement across both main political parties.
- Priority 8: Focus efforts on achieving a positive outcome to the dormant assets consultation.

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- Priority 9: Engage positively to the development of Levelling Up White Paper policies, and start to prepare for policy development initiatives in the run up to expected 2024 elections.

Reviewing and reassessing plans

In drafting our Business Plan for 2022–23, we have continued to draw on the strategic objectives in our 2020–26 Strategy. Although the preparation of that strategy pre-dated the pandemic, it has provided a strong framework against which to set priorities during a period of considerable uncertainty. We recognise, however, that as we enter the final third of the programme we will need to review and revise our strategic approach, moving to a focus on defining our organisational legacy.

To support this, trustees have established a new Legacy and Learning Committee which will take the lead in drafting a Legacy Strategy for the organisation. This will set out what impact we hope to leave behind us after the Big Local programme is completed in 2026. That process will begin in Summer 2022, in time for it to inform the drafting of the revised Strategy and the Business Plan for 2023–24.

Response to the Charity Governance Code

The Local Trust board chose to adopt and apply the Charity Governance Code published in December 2020.

Local Trust is the corporate trustee for Big Local Trust and governs the Big Local programme. Over the last year, Local Trust has continued to address the seven key areas of governance outlined in the Charity Governance Code. Details of action undertaken during the year are outlined in the Local Trust group annual report and accounts for the year ended 31 March 2022.

Financial review

Overview of income and expenditure

Big Local Trust is funded through an expendable endowment from the National Lottery Community Fund. The Big Local Trust endowment is invested and income on the investment for the year was £0.3m (2021: £0.9m). There were net losses on investments of £66k (2021: £226k).

The charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

Total expenditure during the year was £25.1m (2021: £21.1m). The increase in expenditure reflects a 19% increase in direct funding committed to Big Local areas of £18.0m (2021: £15.1m). The cost of delivery to areas increased by 14% to £4.2m (2021: £3.7m) and the cost of learning to support the programme increased by 25% to £2.8m (2021: £2.2m). A full list of the funding to Big Local areas is included in note 5.

The net decrease in funds for the year was £24.8m (2021: £20.3m) and total funds held at the year-end were £55.9m (2021: £80.6m).

Big Local Trust's investments

Investment strategy

Big Local Trust's original investment strategy objectives were:

- for the investment assets of the Big Local Trust (the fund) to provide the resources required by Big Local, and
- to manage the assets in a manner that maximises the impact of the funds to enable Big Local areas to extend the life of Big Local beyond 10 years and £1m for each area.

Making use of the scale and duration of Big Local, the original investment strategy aimed to provide a reasonable medium-term return while ensuring that at all times sufficient short-term funds were available to support spending.

After careful consideration, in November 2019, trustees agreed to change the implementation of the Big Local Trust investment strategy, from a focus on investment returns to focusing on controlling risks. This reflected the fact that the fund had achieved good investment returns in the years since it was established, enabling Big Local Trust to fulfil its original investment strategic objectives. The key driver for this decision was the need for financial certainty to allow Local Trust and Big Local areas to plan; and related to this was the ever-reducing amount of time for the fund to recover from the downsides of market volatility as Big Local moves towards the latter stages of the programme. However, the summer of 2020 and the consequent uncertainties and potential for further volatility led the Trustees to revisit the strategy in the summer, with the aim of ensuring as much certainty and stability as possible. This led to a shift from controlling to minimising risk, and the investment strategy became:

The trustees' wish to minimise risk as much as possible and to preserve the value of the investment (above generating returns), in order to have as much certainty as possible as Big Local spends out.

Investment management

CCLA is the investment manager for Big Local Trust and works with the Local Trust's finance audit and risks committee to manage investments in line with the investment strategy, as agreed by the board.

The committee formally reviews the investment strategy annually in line with the trust deed. The finance audit and risks committee have two voluntary co-opted members, Serena Loudon and Matthew Brumsen, who provides independent investment expertise to discussions.

Investment performance

Big Local Trust commenced the year with an investment portfolio of cash and near-cash assets. The total value of Big Local Trust's investments, including income, as at 31 March 2022 was £90.8m (2021: £112.7m). The performance benchmark of the fund was Sterling Overnight Index Average (UK SONIA) from 1 January 2021 onward. The benchmark for the year ended 31 March 2022 was +0.14% (2021: LIBOR/ UK SONIA combined benchmark of -0.04%), and the overall returns for the year were +0.26% (2021: +1.01%).

At the start of the financial year to 31 March 2022, there was optimism in the investment market for global economic growth as the trend of recovery activity accelerated following an increasingly effective vaccination programme. The mood changed by the end of the second quarter as growth slowed and inflation rates rose. By the third quarter, inflation had risen far above expectations and the recovery experienced at the beginning of the year came under threat from another wave of infections.

In December 2021, in response to rising inflation, the Bank of England made the decision to increase the Official Bank Rate by 0.15% from 0.10% to 0.25%. Despite this, inflation continued to rise during the last quarter of the year. This was further compounded by unrest in Ukraine and its likely effect on economic activity in Europe and beyond. At the time of writing, inflation (CPI) had risen to 10.1% and the official bank rate stood at 3.0%. It is expected that interest rates will increase further in response to rising inflation.

Throughout the year, our investment managers focussed on preserving the value of the investment, using segregated exposures in the money market to minimise risk whilst ensuring access to liquidity and creating scope to augment returns. In the latter part of the year, they took advantage of the improvement in the rate environment as yields responded to tightening monetary policy. Despite a challenging year, CCLA were able to protect the nominal value of our portfolio assets in line with our investment strategy, also making a reasonable return above the benchmark.

Ethical and responsible investment

Trustees reviewed Big Local Trust's ethical and responsible investment policy in May 2022. Local Trust, acting as the corporate trustee of Big Local Trust, agreed to use CCLA's ethical investment policy in the management of its investments. This policy has been developed in accordance with Charity Commission guidance (CC14), and trustees believe it represents an appropriate balance between aligning Big Local Trust's investments with its purposes and the delivery of good investment returns.

As all our assets are now invested in cash deposits with banks and building societies, Big Local Trust has agreed to follow the responsible investment policy adopted by CCLA's COIF Charities Deposit Fund. This assesses the banks on a broad range of subjects including climate change, corporate governance and how they treat their workforce. CCLA also leads engagement with the banks to push for more responsible business practices where needed.

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The finance and investment committee meet regularly with CCLA to assess their approach to managing the charity's money responsibly and review this policy annually.

Despite our holding of only cash and near-cash investment assets, Big Local Trust's finance and investment committee will still consider participation in appropriate CCLA ethical engagement programmes that may result in divestments on a case-by-case basis. As a responsible investor, Big Local Trust supports CCLA's wider stewardship work. Big Local Trust is keen to invest in accordance with the UN Principles for Responsible Investment, and expects its investment manager to be a signatory to these principles.

Distribution of returns on the investment

Under Big Local, 150 Big Local areas were each allocated £1m to spend over a 10-year period, based on each area's Big Local plan. The fund that provides these allocations and supports the delivery of the programme is managed centrally, with areas accessing funds over time as plans are delivered locally. Beyond providing £1m plan funding to each area, Local Trust has committed to ensure that each area will also receive a proportion of the net investment returns earned by the fund.

In September 2017, with several Big Local areas approaching full spend of their £1m, trustees made the decision to bring forward the distribution of that proportion of the returns that could be guaranteed at that date. Having considered the performance of the investment, trustees decided each Big Local area would receive an additional £105k from the returns generated from the original investment of £150m. This was added to the balance of each area's £1m. A further distribution of investment returns, of £50k per area, was agreed by the board in March 2020.

Grant-making policy

Each Big Local area draws down funding by presenting plans to Local Trust for endorsement, setting out how they intend to address priorities identified by people in the area. Big Local areas appoint a locally trusted organisation (LTO) to hold and be responsible for the funding. When planned funding is drawn down, LTOs receive an administration contribution of 5% of the grant.

Each grant we award is only to be used for the charitable purpose for which it is made, as described in each proposal or plan, and all grants are to help Big Local areas meet the Big Local outcomes. LTOs are required to record all Big Local grants in their accounts as restricted funds.

Each area will receive:

- £1 million plus a contribution towards partnership running costs or grant administration (5% of the total spend) available once their Big Local plan is endorsed
- a fair proportion of net investment returns earned by the fund (an additional £105k per area was agreed by trustees in September 2017 and £50k in March 2020)
- any underspent or unused grant funding from the funds we offered to areas in the early years of Big Local (called Getting People Involved/Getting Started, Creating your Big Local plan and Marketplace), now available through the plan funding process
- travel and carer costs for residents to attend networking and learning events.

Local Trust as a locally trusted organisation

Local Trust acted as the LTO for two Big Local areas that have been unable to identify a suitable organisation to fulfil this role during (or part of) the year to March 2022: Dartford Big Local and Distinguon Big Local.

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Big Local Trust retains the administration contribution of 5% for Local Trust acting as the LTO, and in 2021–22 this totalled £1k (2021: £9k).

Social investments

Big Local areas are encouraged to be innovative in the ways they create positive social change and economic growth within their local areas through the use of social investment. Big Local partnerships team up with credit unions and other social investors within their local areas, opening up access to new funding for individuals and small organisations. These initiatives are presented as part of the Big Local partnership plans, and funding made available for delivery.

During 2021–22, Big Local Trust made £135k (2021: £115k) available for social investment. These programme-related investments are listed under note 12 and disclosed as a separate line on the face of the balance sheet. We have reviewed all social investments held during 2021-22 and have found one of the loans held with Key Fund to be impaired. An estimated £14.6k impairment was recorded in the accounts. In addition, one of the previously impaired social investments held by Eastern Savings and Loans Credit Union was found to be no longer impaired. The previously written off impairment value of £10k has been reversed in the accounts. The £5k net impact of impairment has reduced the value of the social investments to £120k at 31 March 2022. After repayments in the period of £8k, the value of the social investments as at 31 March 2022 is therefore £112k.

Big Local Trust's social investments and impairment policy is reviewed on an annual basis. An assessment is undertaken at the end of each financial year to determine the extent, if any, to which Big Local Trust's social investments have been impaired (reduced in value), to ensure that their value has not been overstated.

Constructive obligations

A constructive obligation between Big Local Trust and a locally trusted organisation (LTO) is triggered when a grant (or other funding) offer letter is sent to an LTO to notify them that a specific amount of funding has been endorsed for a stated period of time.

We record these constructive obligations, or grant commitments as creditors in the balance sheet of these accounts.

Big Local Trust's constructive obligations increased from £34.2m as at 31 March 2021 to £36.1m as at 31 March 2022. This reflects an increase in new grant funding commitments made during the year as Big Local area plans for delivery post-covid activities were approved.

Financial planning

We undertake annual reviews of the budget to inform Big Local development, how funding is allocated and how areas are supported. The budget to 2027 is updated each year with actual spend and income and reforecasted annually. It includes estimates of constructive obligations (funding committed) to Big Local areas as we make funding available for delivery of Big Local plans.

The updated 15-year budget informs the investment strategy and a rolling two-year cash flow forecast is provided to CCLA to enable them to manage cashflow requirements of the programme. The cashflow proved to be accurate for 2021–22 as it has been every year since it was first prepared in 2012.

Reserves policy

Big Local Trust has an expendable endowment, received from the National Lottery Community Fund in 2012 and 2013, to be spent by 13 February 2027. All of Big Local Trust's funds are unrestricted. No funds had been designated or otherwise committed as at 31 March 2022 other than those identified elsewhere in the accounts.

Trustees consider that it is not necessary for Big Local Trust to specify a level of reserves beyond the significant level of funds held. The trust has processes in place to manage its funding over the period of the endowment, to ensure that the support costs, delivery costs and funding allocated to the 150 areas are spent in line with the requirements of the programme and the trust deed.

It is in the nature of an expendable endowment that funds are spent out over time. In the final years of Big Local, it may require a reserves policy to ensure sufficient funds are held to manage the close down of the programme in a managed and prudent way; however, this is not currently the case. As at 31 March 2022, Big Local Trust held total funds of £55.9m (2021: £80.7m). It has sufficient contingencies within this to cover any unforeseen costs; therefore, it is not currently appropriate for the trust to specify a reserves level.

Trustees review the Big Local Trust reserves policy annually.

Staff remuneration

Trustees consider remuneration, including the remuneration of the senior management team, annually. During 2021–22 trustees carried out a review of staff salaries, including the salaries of key management personnel, taking into consideration the organisation's financial health, what peer organisations are generally choosing to pay, and other factors outlined in the pay policy agreed in May 2019.

Trustees consider a cost-of-living increase for existing salaries, on an annual basis, after reviewing the consumer price index (CPI), retail price index (RPI) and new CPIH index for the previous twelve months and applying a median. A cost-of-living increase of 0.9% was agreed for 2021–22.

Pensions and auto enrolment

Local Trust operates a group pension scheme with Scottish Widows and contributes the equivalent of 10% of salary for each member of staff into scheme. This is more than the minimum legal requirement under auto-enrolment. Staff are encouraged to make a voluntary personal contribution.

During 2021–22, all Big Local Trust staff were auto-enrolled in the group personal pension scheme. Two staff opted out of the scheme after auto-enrolment.

Principal risks

Big Local Trust has a detailed risk register, which is reviewed on a quarterly basis by the board, and the Finance Audit and Risk committee. Significant new strategic and operational risks are brought to the attention of the Finance Audit and Risk committee and the board as necessary. Big Local Trust's risk register is also reviewed and updated by senior managers regularly during the year.

The business planning process carried out in March 2022 identified the following major risks that would need to be monitored and managed over the year ahead:

The key risks

- Year on year funding slippage:** Budgets and cashflow continue to be planned on the basis of full spend-out of the £273m provided by the Big Local Trust endowment fund by 2026-27, with the intention that we should have a zero balance remaining at that point. This reflects the very limited scope for funding any extension of staffing or support for areas beyond 2026-27 out of remaining budgets. Big Local area plans are assessed to ensure they are deliverable before they are approved, and delivery and spend is carefully monitored by Local Trust to ensure that any problems are identified early and appropriate support measures put in place. Progress is regularly reported to the Programme Delivery Committee. Where significant problems are faced in a Big Local area, remediation plans are prepared and agreed with the partnership and are subject to regular review. In early 2022-23 Local Trust launched "Make It Happen", a significant new programme of activity aimed at providing a range of resources, advice and support to partnership to assist all Big Local areas with delivery of their ambitions over the final years of the programme.
- Turnover of key senior staff/posts and inability to recruit suitable replacements:** During 2021-22 recruitment was been a particular issue for Local Trust, particularly for some teams and at more senior levels of the organisation. Whilst this had eased somewhat by the end of the year, Local Trust is aware that as it approaches the end of Big Local Trust's trust deed it may face issues relating to recruitment and retention. In the longer term, Local Trust recognises that it may need to take action to mitigate the risk of not having the experience, organisational memory or skills within the organisation through to the end of the programme. To that end, in 2021-22 Local Trust commissioned a review of its approach to staff reward and retention, which included consideration of issues associated with retention over the final years of the programme, to inform any future work on approaches to retention in the future. An additional Director level post was created – the new Director of Delivery – to increase the capacity and resilience of the senior team responsible for programme delivery. Finally, advice has been commissioned on wider issues relating to managing the closedown of the Big Local, which will include consideration of key areas of the business which will need protecting through the closedown process.
- Rising inflation:** The original Big Local fifteen-year budget assumes an inflation rate of 3%. The mid-point of CPI and RPI at the time of the March 2022 business planning round was 6.35%, and an assumption of a period of 6% per annum inflation sustained for three years was built into the most recent Local Trust budgets. Inflation has since risen further, which may impact on the ability of Big Local partnerships to deliver as planned, as well as adding pressure to Local Trust central costs. Programme Delivery Committee regularly reviews risks to delivery in Big Local areas, including those posed by changes in the inflation rate. These include impacts on the affordability of Big Local plans and the delivery and fundability of large capital projects. Where necessary Local Trust provides support to Big Local partnerships in revising or changing delivery plans in the light of those pressures. The Finance and Audit Committee reviews the economic outlook regularly at its quarterly meetings and any impacts this may have on Local Trust's future budgeting decisions. The 2022-23 Business Plan included consideration of a range of possible planning scenarios set out in our Business Plan, including pressures arising from inflation, to assist trustees in assessing potential impacts on Local Trust's financial strength and delivery capacity.

- **Local delivery challenges:** It is possible that a significant number of Big Local partnerships may struggle to deliver all or some aspects of their plan, as a result of the challenges in terms of capacity, rising inflation affecting costs of activities and viability of plans, and/or changes to the circumstances of partner organisations which means they can no longer deliver as planned. As noted above, progress in Big Local areas is carefully monitored on the basis of direct engagement with areas, reports from reps, plan assessments and expenditure reports, and where significant issues occur, they are reported to the Programme Delivery Committee. Where significant problems are faced in a Big Local area, remediation plans are prepared and agreed with the partnership and are subject to regular review. In early 2022-23 Local Trust launched “Make It Happen”, a significant new programme of activity aimed at providing a range of resources, advice and support to partnerships to assist all Big Local areas with delivery of their ambitions over the final years of the programme.
- **LTO capacity:** Local Trust has successfully managed the risks relating to LTO financial viability over the two years associated with the pandemic, with no funds being lost to LTO failure during that period. While we believe the risk of LTOs running into financial difficulty is starting to diminish, we remain concerned about the capacity of LTOs to provide appropriate support to Big Local partnerships in all instances. By this we mean the amount of additional time many give to supporting partnerships; possible burn out of staff who have been delivering frontline services in the last two years; and managing increasing demands on their time and organisation in relation to other challenges. We commissioned research on LTOs which reported in early 2022-23, and continue to carefully monitor LTO performance, including regular assessment of their financial viability, including visits to review financial performance. Where necessary we are active in supporting Big Local partnerships in retendering for LTO services, as part of a continued focus on ensuring partnerships are getting the service that they commission and require from LTOs as key to supporting effective delivery of plans in many areas.
- **Changes to our local support model:** In order to meet the needs of Big Local partnerships as effectively as possible through to the end of the programme, Local Trust has changed the model through which it provides direct support to areas. This has included changes to contractual arrangements with “reps” – the locally based contractors providing light touch advice and support to areas – and the creation of new in-house resource to provide direct support to some partnerships. We know from previous changes to how we deliver the rep services to areas that these changes will need to be managed intensively and carefully to ensure that the disruption to both Big Local partnerships and Local Trust is minimal, that all partnerships continue to receive high quality support, and that the changes introduced create additional value and benefit to the programme. To ensure this is the case we have focused in particular on managing communications with reps through the process of change, and with Big Local areas that might see changes in their day-to-day contact with Local Trust as a result of those changes. We have also sought legal advice to ensure that any changes to contracting arrangement with reps are managed in a way which ensure an effective shift to new working arrangements and minimise any potential liabilities associated with that change.

Governance and committees

Local Trust acts as the corporate trustee of Big Local Trust, in line with the Big Local Trust deed.

Local Trust was registered as a charity in England and Wales on 30 May 2012 (charity number 1147511). Local Trust is also registered as private limited company by guarantee (company number 07833396).

Local Trust's work is overseen by a board of trustees who meet on a quarterly basis. Our approach to governance is led by the chair of the Local Trust board and is based on:

- ensuring delivery of organisational purpose
- working effectively as individuals and as a team
- exercising effective control
- behaving with integrity
- being open and accountable.

Trustees receive regular, timely reports which provide updates on Local Trust programmes of work, and inform decision-making.

Trustees delegate responsibility for the day-to-day running of the charity to the chief executive.

Committees

Following a review of governance in 2020-21, a new board committee structure was introduced during 2021-22 which ensures trustees are able to continue to effectively exercise oversight of both Big Local Trust as an organisation and the programmes it delivers.

The four committees are: finance, audit and risk; governance and remuneration; legacy and learning; and programme delivery. New terms of reference explaining the responsibilities of each committee were approved and will be periodically reviewed and updated to ensure continued effective oversight and decision making across all aspects of Local Trust's business.

The Protector

The Big Local Trust deed provides for the appointment of a Protector who has a fiduciary duty to ensure the integrity of the administration of the Big Local Trust and the propriety of its procedures, and if necessary report matters of serious concern to the National Lottery Community Fund as the Founder or to the Charity Commission. Rosie Chapman has been the Protector since September 2018.

Trustees delegate responsibility for the day-to-day running of the charity to the chief executive.

Governance review

During 2020–21 the Local Trust board commissioned a review of governance in the organisation. This concluded that governance of the organisation was good. Excellent governance was highlighted, in particular, in relation to oversight of the Big Local programme; oversight of financial and investment matters; the capability of the trustees individually and collectively; excellent diversity of skills and experience amongst trustees; the valued role of the Protector and her ongoing independent perspective; the quality of company secretary support; and strong fiduciary governance and engagement in shaping the strategic direction.

The review concluded that the committee structure is effective, providing adequate time and space for assurance related governance. However, it also made a number of recommendations for further

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improving governance within Local Trust, including but not limited to, the introduction of trustee appraisal, the creation of the post of vice-chair; the introduction of a legacy committee to support thinking and direction in this important area of focus; and the creation of a governance committee to support continued excellence in governance within the organisation. During 2021–22, the board implemented key elements of the review’s conclusions, with the aim that Local Trust continues to benefit from the highest quality standards of governance to underpin its work.

In parallel, work was initiated to support the executive team in ensuring that executive level governance arrangements were effective and complemented those being implemented by trustees. The recommendations of that review, which included updated terms of reference for meetings of the Senior Management Team and the creation of a new oversight group to coordinate cross-organisational support for the Big Local programme were implemented during 2021-22.

Statement of trustee's responsibilities**In respect of the trustee's annual report and the financial statements****Focus of activities**

The trustee has given due consideration to Charity Commission guidance on the operation of the public benefit requirement and is satisfied that the work of Big Local Trust meets that requirement. Big Local Trust's work in the year to 31 March 2021 focused on supporting the 150 Big Local areas to identify their priorities and to develop and deliver plans to address these priorities.

Responsibilities of the corporate trustee

Local Trust is corporate trustee of Big Local Trust and is responsible for preparing the trustee annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) that gives a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the net income or expenditure, for the year. In preparing the financial statements, the corporate trustee is required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the charities Statement of Recommended Practice Charities SORP (FRS 102)
- make judgments and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the charity will continue in business.

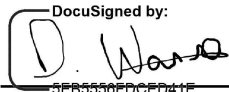
The corporate trustee is responsible for keeping accounting records that disclose, with reasonable accuracy at any time, the financial position of the charity. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The corporate trustee is responsible for the maintenance and integrity of the financial information included on the charity website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

The trustee has confirmed that so far as it is aware, there is no relevant audit information of which the charity's auditors are unaware, and that it has taken all the steps that it ought to have taken as a trustee in order to make itself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

A resolution to appoint Moore Kingston Smith was proposed at the last annual general meeting.

Approved by the corporate trustee on 23 November 2022 and signed on their behalf by:

Signed  Date 05 December 2022

David Warner
Chair

Independent auditor's report to the trustees of Big Local Trust

Opinion

We have audited the financial statements of Big Local Trust for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement 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 FRS 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 charity's affairs as at 31 March 2022, 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 Charities Act 2011.

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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 charity'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.

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.

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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 there is 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we required for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 19, the trustees 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 charity'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 charity 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 section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one

resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain 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 purposes of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charity.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charity and considered that the most significant are the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charity complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

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- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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 or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees 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 any party other than the charity and charity's trustees as a body, for our audit work, for this report, or for the opinion we have formed.

Moore Kingston Smith LLP

.....
Statutory auditor

Date: 6. December 2022
Devonshire House
6th Floor
9 Appold Street
London
EC2A 2AP

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

Big Local Trust annual report and financial statements 1 April 2021 - 31 March 2022

Statement of financial activities
for the year ended 31 March 2021

	Notes	Restricted 2022 £000	Unrestricted 2022 £000	Total 2022 £000	Total 2021 £000
Income from:					
Investments	2	-	253	253	911
Reimbursements from Local Trust		-	122	122	111
Other sources	3	5	-	5	-
Total income		5	375	380	1,022
Expenditure on:					
Raising funds:					
Investment management charges		-	122	122	154
Charitable activities:					
Grants payable	5	-	18,002	18,002	15,084
Delivery to areas		5	4,188	4,193	3,671
Learning to support the programme		-	2,791	2,791	2,236
Total expenditure	4	5	25,103	25,108	21,145
Net operating expenditure	7	-	(24,749)	(24,749)	(20,123)
Net gains/(losses) on investments		-	(66)	(66)	(226)
Net income/ (expenditure)		-	(24,794)	(24,794)	(20,349)
Loss on disposal		-	(2)	(2)	-
Net movement in funds		-	(24,796)	(24,796)	(20,349)
Reconciliation of funds:					
Total funds brought forward 1 April 2021		-	80,653	80,653	101,002
Total funds carried forward 31 March 2022		-	55,857	55,857	80,653

All amounts are related to continuing activities.

All gains and losses recognised are included in the statement of financial activities.

The accompanying notes, on pages 27 to 43, form part of these financial statements.

Big Local Trust annual report and financial statements 1 April 2021 - 31 March 2022

Balance sheet

as at 31 March 2022

	Notes	2022 £000	2021 £000
Fixed assets			
Tangible assets	8	72	29
Intangible assets	9	128	50
Investments	10 & 11	90,813	112,684
Social Investments	12	112	105
		<u>91,125</u>	<u>112,868</u>
Current assets			
Debtors	13	484	467
Investments		188	1,188
Cash at bank and in hand		1,190	1,832
Total current assets		<u>1,862</u>	<u>3,487</u>
Liabilities			
Creditors: amounts falling due within one year	14	(24,004)	(28,095)
Net current liabilities		<u>(22,142)</u>	<u>(24,608)</u>
Creditors: amounts falling due after one year	15	(13,126)	(7,607)
Net assets		<u>55,857</u>	<u>80,653</u>
Funds			
Restricted funds		-	-
Unrestricted funds		55,857	80,653
Total funds		<u>55,857</u>	<u>80,653</u>

The accompanying notes, on pages 27 to 44, form part of these financial statements.

Approved by the corporate trustee, authorised for issue on 23 November 2022 and signed on behalf of the trustee:

Signed  Date 05 December 2022

David Warner
Chair

Big Local Trust annual report and financial statements 1 April 2021 - 31 March 2022

Statement of cash flows

for the year to 31 March 2022

		2022	2021
Cash (outflow)/inflow from operating activities:	Notes	£000	£000
Net operating expenditure		(24,728)	(20,123)
Investment and other income received		(323)	(1,624)
Depreciation/amortisation of fixed assets		106	74
Increase in debtors		(17)	889
Increase in creditors		1,428	326
Investment management fees		(122)	(154)
Increase in investment management fee accrual		12	24
Net cash (used in) operating activities		(23,644)	(20,588)
Cash flows from investing activities:			
Investment and other income received		323	1,624
Investment management fees		122	154
Payments to acquire tangible fixed assets		(69)	(17)
Payments to acquire intangible fixed assets		(155)	(17)
Loss on disposal of tangible fixed assets		(2)	-
Payments to acquire social investments		(20)	-
Repayments of social investments		8	12
Payments to acquire fixed asset investments		(175,000)	(206,002)
Movements in investment cash balances		(204)	(32)
Receipts from sale of fixed asset investments		196,999	225,612
Net cash provided by investing activities		22,002	21,334
Change in cash and cash equivalents in the year		(1,642)	746
Change in cash and cash equivalents in the year		3,020	2,274
Cash and cash equivalents at 1 April 2021		(1,642)	746
Cash and cash equivalents at 31 March 2022	17	1,378	3,020
Analysis of cash and cash equivalents:		2022	2021
		£000	£000
Cash in hand		1,190	1,832
Notice deposits		188	1,188
		1,378	3,020

Notes to the accounts for year to 31 March 2022

1. Accounting policies

a) Administrative information

Big Local Trust is a public benefit entity registered as a charity in England and Wales on 15 February 2012 (charity number 1145916). The ultimate controlling party of Big Local Trust is Local Trust, corporate trustee. Local Trust is a registered company (number 07833396) and registered charity (number 1147511).

The charity was established under its trust deed dated 13 February 2012.

The registered office of Big Local Trust and Local Trust is: Canopi, 7 - 14 Great Dover Street, London SE1 4YR.

b) Basis of preparation

The financial statements are prepared on a going concern basis which assumes the charitable company will continue in operational existence for the foreseeable future. The trustees have considered the current cost of living crisis as well as the lasting impact of the Covid-19 pandemic on the financial position of the group and are aware that the group is able to draw down on its expendable endowment to provide an appropriate response to the additional needs resulting from the pandemic where necessary.

After reviewing the charity's forecast and projections, the trustees have a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

The financial statements have been prepared under the historical cost convention, except that fixed asset investments are stated at market value, and in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the 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).

The financial statements have been prepared to give a 'true and fair' view and departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved preparing accounts in accordance with FRS102 rather than SORP 2005 which has since been withdrawn.

c) Critical accounting judgements and key sources of estimation uncertainty

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

d) Income

Income is recognised in the period in which the charity is entitled to receipt, the amount can be measured reliably and receipt is probable. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

e) Expenditure

Expenditure is included on an accruals basis for charitable activities and expenditure on raising funds.

Expenditure is allocated to a particular activity where the cost relates directly to that activity.

Grants payable are accounted for in full as liabilities when approved and notified to locally trusted organisations and Big Local areas, because Big Local areas would have a valid expectation that they would receive the grant as offered and accepted.

f) Allocation of support costs

Support costs are those costs which enable the raising of funds and which enable charitable activities to be carried out. These costs include finance, human resources and information technology.

Support costs are allocated across grant expenditure directly to areas, delivery to areas, learning to support the programme and governance on the basis of staff time spent undertaking an activity.

Direct governance costs are allocated on the basis of staff time spent undertaking an activity. The direct staff cost allocation for the period to 31 March 2021 was across delivery to areas and learning to support the programme.

g) Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term to the statement of financial activities, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

h) Expenditure on raising funds

Expenditure on raising funds include investment management fees which are charged at 0.20% of the market value of the portfolio and are charged as they fall due to the statement of financial activities. The fee reduced to 0.15% from 1 July 2020.

i) Tangible fixed assets depreciation and intangible fixed assets amortisation

All assets costing more than £1,000 are capitalised. Depreciation on tangible fixed assets (IT equipment and office furniture), and amortisation on intangible fixed assets (website and grant management system development), is provided to write off assets on a straight-line basis over their estimated useful economic life (three years).

j) Investments

Investments are included at their bid-price at the year-end. Gains and losses arising on the disposal of investments and the revaluation to market value are charged or credited to the statement of financial activities in the year.

*Big Local Trust annual report and financial statements 1 April 2021 - 31 March 2022***k) Social investments**

Big Local Trust makes programme-related social investments on behalf of Big Local areas. Big Local Trust receives annual dividends from the credit unions on behalf of the Big Local areas, at the same rate as the annual dividend paid to other corporate members.

Social investments are initially recognised at cost and are assessed for impairment on an annual basis.

k) Pension

Local Trust operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charity to the fund. The charity has no liability under the scheme other than for the payment of those contributions.

l) Grants payable

A 'constructive obligation' between Big Local Trust and a locally trusted organisation is triggered when a grant (or funding) offer letter is sent to a locally trusted organisation to notify them that a specified amount of funding has been endorsed for a stated period of time. Big Local Trust records these constructive obligations, or grants payable, as creditors in these accounts.

m) Financial instruments

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument. Additionally, all financial assets and liabilities are classified according to the substance of the contractual arrangements entered into.

Financial assets and liabilities are initially measured at transaction price (including transaction cost) and are subsequently re-measured where applicable at amortised cost except for investments, which are subsequently measured at fair value with gains and losses recognised in the statement of financial activities. Assets and liabilities held in a foreign currency are translated to GBP at the balance sheet date at an appropriate year-end exchange rate. There were no assets or liabilities held in foreign currency at 31 March 2022.

2. Investment income

	2022	2021
	£000	£000
Income on investments	203	851
Bank interest	36	60
Tax refunds	14	-
Total	253	911

3. Other income

	2022	2021
	£000	£000
Contribution to Community Leadership Academy	5	-
Total	5	-

Big Local Trust received no grant income during the year ended 31 March 2022.

Big Local Trust annual report and financial statements 1 April 2021 - 31 March 2022

4. Expenditure

	Charitable activities						2022 Total	2021 Total
	Grant expenditure directly to areas	Delivery to areas	Learning to support the programme	Expenditure on raising funds	Governance	Support		
	£000	£000	£000	£000	£000	£000		
Direct costs								
Staff	-	1,178	855	-	-	690	2,723	2,271
Grants to areas								
Getting started	-	-	-	-	-	-	-	-
Big Local funding	16,791	-	-	-	-	-	16,791	13,970
Community travel and childcare	80	-	-	-	-	-	80	-
Area admin contribution	839	-	-	-	-	-	839	710
Reboot grants	-	-	-	-	-	-	-	30
MyCommunity website	-	-	-	-	-	-	-	50
Partnerships grants	-	-	-	-	-	-	-	37
Spirit of 2012	-	-	-	-	-	-	-	25
Area delivery costs	-	2,329	-	-	-	-	2,329	2,155
Programme development	-	-	1,172	-	-	-	1,172	945
Finance charges	-	-	-	122	-	-	122	154
Governance costs	-	-	-	-	73	-	73	32
Audit and financial advice	-	-	-	-	34	-	34	29
Legal and professional fees	-	-	-	-	33	-	33	14
Communications and marketing	-	-	-	-	-	210	210	124
IT and Consultancy	-	-	-	-	-	302	302	275
Rent and office costs (incl. recharged staff costs)	-	-	-	-	-	294	294	250
Grant bad debts/ Impairment loss	-	5	-	-	-	-	5	-
Depreciation	-	-	-	-	-	101	101	74
Total costs	17,710	3,512	2,027	122	140	1,597	25,108	21,145
Allocated to charitable activities								
Support Costs	247	575	645	-	130	(1,597)	-	-
Governance costs (note 6)	45	106	119	-	(270)	-	-	-
Total expenditure 2022	18,002	4,193	2,791	122	-	-	25,108	21,145
Total expenditure 2021	15,084	3,671	2,236	154	-	-	21,145	20,237

Big Local Trust annual report and financial statements 1 April 2021 - 31 March 2022

4. Expenditure (continued)

	Charitable activities						2021 Total	2020 Total
	Grant expenditure directly to areas	Delivery to areas	Learning to support the programme	Expenditure on raising funds	Governance	Support		
Prior-year comparative	£000	£000	£000	£000	£000	£000	£000	£000
Direct costs								
Staff (excluding recharges)	-	908	726	-	-	637	2,271	1,787
Grants to areas								
Getting started	-	-	-	-	-	-	-	(5)
Big Local funding	13,970	-	-	-	-	-	13,970	13,477
Community travel and childcare	-	-	-	-	-	-	-	118
Area admin contribution	710	-	-	-	-	-	710	684
Reboot grants	30	-	-	-	-	-	30	-
MyCommunity website	50	-	-	-	-	-	50	50
Partnerships grants	37	-	-	-	-	-	37	-
Spirit of 2012	25	-	-	-	-	-	25	-
Area delivery costs	-	2,155	-	-	-	-	2,155	2,507
Programme development	-	-	945	-	-	-	945	445
Finance charges	-	-	-	154	-	-	154	295
Governance costs	-	-	-	-	32	-	32	34
Audit and financial advice	-	-	-	-	29	-	29	31
Legal and professional fees	-	-	-	-	14	-	14	22
Communications and marketing	-	-	-	-	-	124	124	254
IT and Consultancy	-	-	-	-	-	275	275	246
Rent and office costs (incl. recharged staff costs)	-	-	-	-	-	250	250	322
Depreciation	-	-	-	-	-	74	74	80
<i>Total costs</i>	14,822	3,063	1,671	154	75	1,360	21,145	20,347
Allocated to charitable activities								
Support Costs	224	520	484	-	132	(1,360)	-	-
Governance costs (note 6)	38	88	81	-	(207)	-	-	-
Total expenditure 2021	15,084	3,671	2,236	154	-	-	21,145	20,347
Total expenditure 2020	14,625	3,850	1,577	295	-	-	20,237	32,530

Big Local Trust annual report and financial statements 1 April 2021 - 31 March 2022

5. Grants payable

Big Local area	Locally trusted organisation	New grants £000	Repayment of unspent grants £000	Closed grants £000	2022 Total £000	2021 Total £000
Arches Local	Starlings Support CIC	187	(8)	(39)	140	39
Arley and Ansley	WCAVA	692	(9)	-	683	-
Barnfield	Greenwich Cooperative Development Agency (GCDA)	429	(4)	(117)	308	-
Barnfield	Plumcroft Primary School	-	-	-	-	(5)
Barrow Island	Barrow Island Community Sports Trust Limited	9	-	-	9	-
Barrow Island	Cumbria CVS	-	-	-	-	-
Barrow Island	Local Trust	-	-	-	-	18
Barrowcliff	Community First Credit Union Ltd	201	(23)	(5)	173	95
Beechwood & Ballantyne	Community Foundations for Lancs & Merseyside	430	-	-	430	(1)
Birchfield	Birmingham Voluntary Service Council	-	-	-	-	(51)
Blackpool Revoe	Blackpool Coastal Housing	327	-	-	327	(2)
Blackpool Revoe	Blackpool FC Community Trust	-	-	(344)	(344)	-
Bourne Estate	Bournemouth Churches Housing Association	671	(54)	-	617	-
Brinnington	Groundwork Manchester, Salford, Stockport and Trafford Limited	467	(8)	-	459	-
Broad Green Big Local	Asian Resource Centre	-	-	-	-	332
Brookside	Stirchley & Brookside Parish Council	297	(24)	(164)	109	-
Canvey Island Big Lo	Canvey Island Youth Project	244	-	-	244	87
Canvey Island Big Local	Essex Boys and Girls Clubs	-	-	-	-	(75)
Cars Estate	Colebridge Trust	222	-	-	222	-
Catton Grove	Oak Grove Community Church	-	-	-	-	497
Central Boston	Groundwork South and North Tyneside	-	(12)	-	(12)	374
Central Jarrow	Groundwork South Tyneside & Newcastle	271	-	(6)	265	(42)
Central Jarrow	Shared Assets Ltd	2	-	-	2	-
Chinbrook Est	Community Voluntary Services for Broxbourne & East Herts	371	-	-	371	-
Chinbrook Est	Voluntary Services Association Ltd	-	-	-	-	-
Chinbrook Est	Voluntary Services Lewisham	4	-	-	4	-
Church Hill	Charles Lovell and Company Limited	284	-	-	284	-
Clapham Junction, West Battersea (Big Local SW11)	Providence House	651	-	-	651	-
Clarksfield Greenacres	Action Together CIO	-	(32)	(71)	(103)	463
Clubmoor	Liverpool CVS	490	-	-	490	(123)
Collyhurst	Manchester Communication Academy	-	-	-	-	59
Conniburrow Est	Milton Keynes Community Foundation	75	-	-	75	-
Dartford	Community Links Bromley	-	-	-	-	(1)
Dartford	Local Trust	10	-	-	10	-
Devonshire West	3VA	-	-	-	-	212

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Dewsbury Moor	Dewsbury Moor Rugby League Club	-	-	-	-	(315)
Dewsbury Moor	Local Trust	-	-	-	-	40
Distington	Distington Big Local Limited	-	-	-	-	264
Distington	Local Trust	10	-	-	10	-
Dover Big Local	Dover Big Local CIC	-	-	-	-	155
Dover Big Local	Red Zebra Solutions Limited	-	-	-	-	(92)
East Cleveland Villages	Tees Valley Rural Comm	-	-	(144)	(144)	211
East Coseley	Dudley Community Voluntary Service	-	-	-	-	(53)
Elmton, Creswell and Hodthorpe	Bassetlaw Community and Voluntary Service	-	-	-	-	234
Elthorne Estates	Caxton House Community Centre	26	-	-	26	-
Ewanrigg	Cumbria CVS (Ewanrigg)	-	-	-	-	(12)
Ewanrigg	Shared Assets Ltd	3	(2)	-	1	3
Farley Hill	Age Concern Luton	-	-	-	-	417
Firs & Bromford	Worth Unlimited	572	(44)	-	528	106
Gannow	Behavioural Insights Team	-	-	-	-	(9)
Gannow	Burnley, Pendle and Rossendale Community Voluntary Service	-	-	-	-	50
Gaunless Gateway	South Durham Enterprise Agency	644	(15)	-	629	-
Goldthorpe with Bolton on Dearne	Barnsley Community Build	-	-	-	-	(76)
Goldthorpe with Bolton-on-Dea	The Snap Tin CIC	64	-	-	64	48
Grace Mary to Lion Farm	Sandwell CVO	-	-	-	-	279
Grange Estate	Inclusion Barnet	309	-	-	309	274
Grassland Hasmo	Grassland Hasmoor Future Ltd	232	-	-	232	235
Grassland Hasmoor	North Eastern Derbyshire Business Devts Ltd	-	-	-	-	(206)
Greatfield	Probe Hull Limited	-	-	-	-	(113)
Greenmoor	Better Communities Bradford	-	-	-	-	125
Greenmoor	CNET - Bradford and District Community Empowerment Network Limited	-	-	-	-	(48)
Growing Together	Growing Together (Northampton)	-	-	-	-	63
Hackney Wick	Crest Waltham Forest	513	-	-	513	-
Harefield, Midanbury & Thill Pk	Salford CVS	64	-	-	64	-
Harefield, Midanbury & Thill Pk	Training for Work in communities (TWICS)	118	-	-	118	-
Hateley Heath	Sandwell Community Info & Participation Service (SCIPS)	633	(23)	-	610	-
Hawksworth Wood	Cardigan Centre	-	(14)	(133)	(147)	533
Heart of Pitsea	Basildon, Billericay & Wickford CVS	342	(1)	(145)	196	-
Heart of Sidley	Optivo	-	-	-	-	83
Heart of Sidley	Rother Voluntary Action	86	(11)	(154)	(79)	93
Heath	Parochial Church Council of Uttoxeter	175	(1)	(47)	127	59
Heath	Uttoxeter Knights	-	(22)	-	(22)	29
Heston West	Berkeley Academy	-	-	-	-	94
Horsefair, Broadwaters and Greenhill (DY10)	Parish of Kidderminster East	297	-	-	297	50
Inner East Preston	Preston City Council	655	-	-	655	-
Keighley Valley	Airedale Enterprise Services	481	(34)	-	447	-

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Kingswood & Hazel Leys	Groundwork Northamptonshire	-	-	-	-	154
Kirk Hallam	Nova Education Trust	-	-	-	-	169
Kirk Hallam	Street Games	-	-	-	-	10
Kirkholt	The Big Life Company	372	(29)	-	343	86
Langold, Costhorpe & Carlton	Hodsock Parish Council	30	-	-	30	50
Leecliffe	Media Trust	-	-	-	-	1
Leecliffe	Clarion Futures (nee Affinity Sutton)	533	(67)	(224)	242	-
Leecliffe	Shared Assets Ltd	-	-	-	-	-
Little Hulton	Salford CVS	-	(7)	-	(7)	116
Littlemoor	Dorset Community Action	319	-	-	319	-
Lynemouth	Cresswell	215	(20)	(135)	60	-
Mablethorpe, Trusthorpe and Sutton on Sea (Coastal Communities)	Lincolnshire Community Foundation	331	(43)	(61)	227	-
Marsh & Micklefield	Chiltern Rangers CIC	-	-	-	-	473
Mossley	One Walsall	-	-	-	-	272
Mottingham	Community Links Bromley	663	(22)	(354)	287	-
Newington, Ramsgate	Starlings Support CIC	147	(19)	-	128	70
North Brixton	Big Local Impact	-	-	-	-	46
North East Hastings	Hastings Voluntary Action	-	-	-	-	230
North meets South	CREST	-	-	-	-	318
North Ormesby	Middlebrough Environment City	-	-	-	-	348
North West Ipswich	Castle Hill Community Centre Trust	223	(23)	-	200	40
Northfleet North	Council for Voluntary Service North West Kent	-	-	-	-	208
Northwood	Community Foundations for Merseyside and Lancashire	422	(50)	(18)	354	-
Palfrey	Manor Farm Community Association	-	-	-	-	(81)
Palfrey	One Walsall	509	(9)	(70)	430	124
Par Bay	Par Bay Community Trust	-	-	-	-	80
Par Bay	Eden Project campaigns Ltd	-	(1)	(26)	(27)	50
Par Bay	Shared Assets Ltd	-	-	-	-	3
Peabody Avenue and Churchill Gardens Estate (Big Local SW1)	Quaker Social Action	409	(4)	-	405	40
Peabody Avenue and Churchill Gardens Estate (Big Local SW1)	Thamesbank Centre	-	-	-	-	(1)
PEACH	Custom House & Canning Town Renewal Project	-	-	-	-	(28)
PEACH	PEACH Inc	-	-	-	-	258
Plaistow South	Rights & Equalities in Newham	175	-	-	175	165
Podsmead	Gloucestershire Credit Union	-	-	-	-	(1)
Prospect Estate	Rushmoor Borough Council	-	(28)	(54)	(82)	265
Radstock & Westfield	Bath & North East Somerset Carers' Centre	330	(22)	(109)	199	-
Ramsey	Campaign for Better Transport	-	-	-	-	4
Ramsey	Ramsey Neighbourhoods Trust	-	-	-	-	41
Ramsey	Shared Assets Ltd	2	-	-	2	3
Rastrick	Community Foundation for Calderdale	-	-	-	-	(44)
Ravensthorpe and Westwood	Cross Keys Homes	-	-	-	-	(61)
Ridge Hill	Jigsaw Homes (formerly New Charter Housing Trust)	601	(43)	(111)	447	-

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Riverside Community	Thurrock Lifestyle Solutions	561	(8)	(223)	330	-
Roseworth Ward	Catalyst	130	(18)	(180)	(68)	-
Rudheath & Witton	Groundwork CLM	-	(7)	(44)	(51)	325
Sale West	Irwell Valley Housing Association	476	-	-	476	-
Scotlands & Bushbury Hill	Bushbury Hill Estate Management Board	211	(1)	(2)	208	-
Selby Town	Selby District AVS	296	-	-	296	69
Shadsworth with Whitebirk	Blackburn with Darwen CVS	-	(21)	(40)	(61)	-
Shadsworth with Whitebirk	Blackburn with Darwen Healthy Living	252	-	-	252	-
Slade Green	Bexley Voluntary Service Council	-	-	-	-	322
Slade Green	Howbury Friends	-	-	-	-	(1)
Sompting	Community Works	305	(59)	-	246	109
South Bermondsey	United St Saviour's Charity	-	-	-	-	92
St Matthews Est	St Matthew's BL	-	-	(7)	(7)	359
St Oswald & Netherton	Sefton Metropolitan Council	452	-	-	452	585
St Peters Moors	Cheltenham Borough Council	252	(79)	(20)	153	-
Tang Hall	Tang Hall BL CIO	-	-	(12)	(12)	456
Three Parishes	Oswestry Community Action	-	-	-	-	323
Thurcroft	Rotherham Federation of Communities Ltd	-	-	-	-	169
Thurnscoe	Barnsley Community Build	-	(27)	-	(27)	(10)
Toothill	Swindon Borough Council	69	-	-	69	-
W12 Together	CommUNITY Barnet	-	-	-	-	227
W12 Together	Local Trust	-	-	-	-	(18)
W12 Together	Media Trust	1	-	-	1	-
Warsop Parish	Mansfield CVS	105	(15)	(42)	48	246
Warwick Ahead	Campaign for Better Transport	-	-	-	-	4
Wecock Farm	Havant Borough council	-	-	-	-	(77)
Wecock Farm	Citizens Advice Havant	595	(5)	-	590	499
Welsh House Farm	Birmingham VSC	149	-	-	149	28
Welsh House Farm	Haven Community Project	-	(4)	(175)	(179)	254
Wembley Central	Community Barnet	-	-	-	-	134
Wembley Central	Local Trust	-	-	-	-	30
West End Morecambe	Lancaster CVS	-	-	-	-	(49)
Whiteleigh	Whiteleigh Primary and Sir John Hunt Community Sports College	252	-	-	252	-
Whitley	Whitley Community Development Association	160	-	-	160	-
Whitley Bay	New Prospects Association Ltd	193	(37)	(185)	(29)	-
William Morris	CREST Waltham Forest	452	-	-	452	-
Windmill Hill	Groundwork CLM	-	-	-	-	401
Withernsea	Shores Centre	-	-	-	-	386
Woodlands Speaks	Woodlands Speaks	50	-	-	50	-
Woolavington Puriton	SHAL Housing Ltd	-	(183)	(403)	(586)	522
World's End Estate and Lots Road Area	Quaker Social Action	50	(7)	-	43	-
World's End Estate and Lots Road Area	St Mary Abbots Rehabilitation and Training (SMART)	4	-	-	4	-
Worle	NSAH (Alliance Homes) Ltd	-	-	-	-	536
Wormley & Turnford	Community Voluntary Service for Broxbourne and East Herts	-	-	-	-	245
	Subtotal of Big Local grants	21,854	(1,199)	(3,864)	16,791	13,970

*Big Local Trust annual report and financial statements 1 April 2021 - 31 March 2022***5. Grants payable (continued)**

Subtotal of Big Local grants (carried forward)	16,791	13,970
Other grants		
Getting Started	-	-
Reboot grants	-	30
MyCommunity website	-	50
Other Partnership grants	-	37
Spirit of 2012	-	25
Community travel and childcare	80	-
Area admin contribution	840	710
Support and governance costs	292	262
Total grants payable	18,002	15,084

In April 2019, Palfrey Community Association, the locally trusted organisation for Palfrey Big Local, went into administration while holding up to an estimated £75k cash of Big Local funds. In November 2019 this estimate was reduced to £38k upon receiving further spend information from Palfrey Community Association. The liquidator's progress report of June 2022 stated that preferential creditors had been paid in full and non-preferential unsecured creditors may be paid a small dividend. Big Local Trust is an unsecured creditor for the funding and we await word from the liquidator on the dividend receivable.

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6. Governance costs

Total governance costs of £270k (2021: £207k) consist of direct governance costs of £140k (2021: £75k) and indirect costs of £130k (2021: £132k). Indirect governance costs are an apportionment of staffing and other support costs, calculated on the basis of staff time spent. This is in accordance with our accounting policies as outlined in note 1(f) to the accounts.

7. Net operating expenditure for the year

This is stated after charging:

	2022	2021
	£000	£000
Depreciation and amortisation	101	74
Impairment of social investments	5	-
Auditor's remuneration (including VAT):		
- <i>in respect of current year audit</i>	23	22
- <i>in respect of current year non-audit</i>	2	-
- <i>in respect of prior year</i>	-	5
Financial advice	9	2
Investment manager's fees	122	154
Legal and professional fees	33	14
Licence fees	149	149

8. Tangible fixed assets

			2022	2021
	Office refurbishment	IT equipment	Total	Total
	£000	£000	£000	£000
Cost				
Balance brought forward	25	178	203	186
Additions	58	11	69	17
Disposals	-	(9)	(9)	-
Balance carried forward	<u>83</u>	<u>180</u>	<u>263</u>	<u>203</u>
Depreciation				
Balance brought forward	22	152	174	156
Disposals	-	(9)	(9)	-
Charge for year	10	16	26	18
Balance carried forward	<u>32</u>	<u>159</u>	<u>191</u>	<u>174</u>
Net book value				
Brought forward	<u>3</u>	<u>26</u>	<u>29</u>	<u>30</u>
Carried forward	<u>51</u>	<u>21</u>	<u>72</u>	<u>29</u>

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9. Intangible fixed assets

	2022	2021
	Total	Total
	£000	£000
Cost		
Balance brought forward	342	325
Additions	155	17
Disposals	(197)	-
Balance carried forward	<u>300</u>	<u>342</u>
Amortisation		
Balance brought forward	292	236
Disposals	(195)	-
Charge for year	75	56
Balance carried forward	<u>172</u>	<u>292</u>
Net book value		
Brought forward	<u>50</u>	<u>89</u>
Carried forward	<u>128</u>	<u>50</u>

Intangible fixed assets include development of Big Local Trust's grant management system, website and area assessment tool.

10. Investments

	2022	2021
	£000	£000
At 1 April 2021	112,163	132,023
Purchases at cost	174,000	215,002
Disposal proceeds	(196,999)	(225,612)
Movements in investment creditors	1,000	(9,000)
Accrued management charges	(10)	(24)
Net investment gains/(loss)	(67)	(226)
At 31 March 2022	<u>90,087</u>	<u>112,163</u>
Capital and revenue cash balance	726	521
Total	<u>90,813</u>	<u>112,684</u>

11. Investments by type and location of fund

	2022			2021		
	UK	Overseas	Total	UK	Overseas	Total
	£000	£000	£000	£000	£000	£000
Cash	90,813	-	90,813	112,684	-	112,684
Total	<u>90,813</u>	<u>-</u>	<u>90,813</u>	<u>112,684</u>	<u>-</u>	<u>112,684</u>

The total book cost of investments held at 31 March 2022 was £90,691k (2020: £112,499k).

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12. Social investment assets

Big Local area	Credit union	Type of investment	Funds at 31 March 2021 £000	Additions £000	Repayments £000	Impairment £000	Funds at 31 March 2022 £000
2015–16							
East Coseley	Castle and Crystal Credit Union	Corporate deposit	15	-	-	-	15
North West Ipswich	Eastern Savings and Loans Credit Union	Subordinated Loan	10	-	-	10	20
Subtotal			25	-	-	-	35
2016–17							
Rudheath and Witton	Key Fund loan	Loan	-	-	-	-	-
St Oswald and Netherton	Knowsley Mutual Credit Union	Corporate deposit	13	-	-	-	13
Subtotal			13	-	-	-	13
2017–18							
Three Parishes (for Oswestry Station Trust)	Key Fund loan	Loan	37	-	(8)	-	29
Subtotal			37	-	(8)	-	29
2018–19							
Withernsea	Hull & East Yorkshire Credit Union	Subordinated Loan	30	-	-	-	30
Subtotal			30	-	-	-	30
2021–22							
Beechwood, Ballantyne and Bidston	Key Fund loan	Loan	-	20	-	(15)	5
Subtotal			-	20	-	(15)	5
Cumulative totals			105	20	(8)	(5)	112
Total Key Fund loan balance			37	20	(8)	(15)	34

13. Debtors

	2022 £000	2021 £000
Trade debtors	146	71
Other debtors	36	36
Amounts due from Local Trust	19	5
Prepayments	161	168
Accrued income	122	187
Total	484	467

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14. Creditors: amounts falling due within one year

	2022	2021
	£000	£000
Grant commitments	22,933	26,560
Trade creditors	913	1,411
Accruals	53	48
Social security and other taxation	58	52
Pension payments due	47	23
Total	24,004	28,094

15. Creditors: amounts falling due after one year

	2022	2021
	£000	£000
Grant commitments	13,126	7,607
Total	13,126	7,607

16. Grant commitments

	2022	2021
	£000	£000
Grant commitments b/fwd	34,167	34,392
New commitments in the year	21,854	19,501
Area admin contribution	839	710
Commitments settled in the year	(15,738)	(14,905)
Commitments reversed in the year	(5,063)	(5,531)
Grant commitments c/fwd	36,059	34,167

17. Analysis of changes in net debt

	At		At
	1 April 2021	Cash flows	31 March 2022
	£000	£000	£000
Cash	1,832	(642)	1,190
Cash equivalents	1,188	(1,000)	188
Overdraft facility repayable on demand	-	-	-
Total	3,020	(1,642)	1,378

18. Operating leases

	2022	2021
	£000	£000
Land and buildings, due in less than 1 year	74	74
Land and buildings, due in 2 to 5 years	-	-
Land and buildings, due after 5 years	-	-

Big Local Trust has a licence to occupy office space at CAN Mezzanine, Borough. Future commitments in relation to this lease are noted above.

19. Staff costs and numbers

	2022	2021
	£000	£000
Wages and salaries	1,988	1,729
Social security and other taxes	196	172
Pension	284	248
Other staff costs	255	122
Total	2,723	2,271

Trustees are responsible for setting overall remuneration levels for staff, with recommendations being made to Board as part of the budget approval process.

Trustees recognise the importance of valuing staff that need to effectively and appropriately manage the endowment, the programme, grants and social investment into 150 areas and the contracts/grants of those delivering national support, research and evaluation.

Staff are jointly employed by Big Local Trust and Local Trust. The average number of employees during the year was 50 (2021: 41).

In line with NCVO's Inquiry into Senior Executive Pay (2014), we publish details of our senior management's pay and the ratio between the highest, median and lowest salaries as detailed below.

Six employees, who were also the key management personnel, were remunerated over £60k in the year (2021: six employees); Matt Leach (Chief Executive), Rachel Rowney (Chief Operating Officer), Margaret Bolton (Director of Policy), James Goodman (Director of partnerships and learning), Jayne Entwistle (Head of area support), Chris Falconer (Head of programme delivery).

Senior salaries

	Number of employees	
	2022	2021
£60,000 - £69,999	2	2
£70,000 - £79,999	2	2
£80,000 - £89,999	1	1
£90,000 - £99,999	0	0
£100,000 - £110,000	1	1

As at 31 March 2022, aggregate remuneration and employer pension contributions of key management personnel was £462k (2021: £450k) and £66k (2021: 64k), respectively. The highest full time gross salary was £107k (2021: £106k), the median was £37k (2021: £35k) (ratio 2.9 to 1 between highest and median) and the lowest full-time salary was £21k (2020: £20k) (ratio 5.2 to 1 between highest and lowest).

Big Local Trust is a London Living Wage accredited employer, and all our staff and contractors are paid at least the London Living Wage.

20. Volunteers

Big Local relies on people getting involved in making their areas better places to live. Over 1500 people directly participate as partnership members across the 150 Big Local areas. Partnership members include representatives from local organisations, councils and businesses however, a vast majority are volunteer residents (74%) who give of their own time to help lead the Big Local programme in their local areas.

21. Pension

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Staff are offered the opportunity to join a defined contribution Group Personal Pension Plan ('the scheme') and monthly contributions to the scheme are invested in the Scottish Widows personal pension plans. Big Local Trust's contribution to the scheme is based on 10% of the employee's basic annual salary, plus an amount equal to the saving Big Local Trust makes under the salary exchange system from the employer National Insurance contribution. There is no minimum contribution for staff although they are encouraged to contribute.

Pension contributions made by Big Local Trust to the scheme during the year were £211k (2021: £182k) for 57 employees (2021: 48). Employee contributions, made through our salary exchange scheme, were £73k (2021: £64k). As at 31 March 2022, Big Local Trust owed £47k (2020: £23k) to the scheme relating to February and March pension payments: the amount due was settled during April 2022.

22. Trustees' remuneration, benefits and expenses

Trustees received no remuneration. Twelve trustees received £9k for travel and subsistence costs, either in reimbursements or paid directly to a third party on their behalf during the period (2021: £nil). Trustee training expenses during the period were £nil (2021: £nil). Trustee training expenses during the period were £nil (2021: £nil). Trustee recruitment costs during the period were £35k (2021: £nil). Governance review costs were £15k (2020: £19k).

23. Big Local Trust protector

Protector fees and expenses of £14k were payable during the period (2021: £12k).

24. Related party transactions

During the period April 2021 to March 2022, Local Trust paid Big Local Trust £122k for staff time and expenses spent on Local Trust activities, that were initially paid for through Big Local Trust (2020: 111k). Big Local Trust had an outstanding debtor balance with Local Trust of £19k as at 31 March 2022 (2021: £5k).

Caroline MacFarland is a trustee of Local Trust and an executive director of Common Vision UK, which is a delivery partner of Big Local Trust. During the year, Big Local Trust paid Common Vision £20k for carrying out research and stakeholder engagement as part of the 'Towards resilience' synthesis.

Peter Mills was a trustee of Local Trust during the period (until 25 November 2021) and is a director of Brand Ethos Limited which has contracts for work with Sheila McKechnie Foundation (SMK), which is delivery partner of Local Trust, although this activity is unrelated to his role as trustee at Local Trust. During the year ended 31 March 2022, Big Local Trust paid Sheila McKechnie Foundation £1.4k for Charing an APPG consultation event.

David Warner is a trustee of Local Trust and an associate of IVAR, but did not undertake any assignments during the year ended 31 March 2022. Local Trust contracted IVAR and Just Ideas to work on evaluation and learning support for the Community Leadership Academy, between October 2019 and April 2022, with a total contract value of £179.6k. During the year to 31 March 2022, Big Local Trust paid IVAR £63k for evaluation and learning support during the period (2021: £24k).

25. Financial instruments

Carrying values of financial assets and liabilities at 31 March:

	2022	2021
	£000	£000
Financial assets measured at amortised cost (a)	1,701	3,319
Financial assets measured at fair value (b)	90,925	112,789
Financial liabilities measured at amortised cost (c)	37,047	35,649

- (a) Financial assets measured at amortised cost include all debtors (excluding prepayments), cash in hand, and notice deposits.
- (b) Financial assets measured at fair value include all fixed asset investments (including social investments).
- (c) Financial liabilities measured at amortised cost include all liabilities excluding amounts due for tax and social security.
- (d) Interest recognised in the statement of financial activities on assets held at amortised cost during 2022 was £36k (2021: £58k). Dividends and interest recognised in the statement of financial activities on assets held at fair value was £281k (2021: £1.6m).

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Charity details

Big Local Trust

Big Local Trust is registered charity number 1145916.

Local Trust

Local Trust is the corporate trustee (parent entity) of Big Local Trust. Local Trust is registered company number 07833396 and registered charity number 1147511.

Copies of the consolidated accounts for Local Trust, including Big Local Trust, are available from the Local Trust website at <http://localtrust.org.uk/about-us/finance/>

Principal address of Big Local Trust and Local Trust

Canopi, 7-14 Great Dover Street, London SE1 4YR

The trustees of Local Trust are:

Matt Bell (from 25 November 2021)
Chris Catterall (from 25 November 2021)
Miatta Fahnbulleh
Sahil Khan
Jeannette Lichner
Caroline Macfarland
Karen Mellanby (until 26 January 2022)
Patrick Melia (from 25 November 2021)
Peter Mills (until 25 November 2021)
Charlotte Pickles (from 25 November 2021)
Nicola Pollock
Bob Thust (until 27 May 2021)
David Warner (chair)
Rich Wilson

Audit and risk committee (until 25 November 2021)

Jeannette Lichner (chair)
Peter Mills
David Warner (ex officio member)

Finance and investment committee (until 25 November 2021)

Matthew Brumsen (co-optee with investment expertise)
Serena Loudon (co-optee with investment expertise)
Nicola Pollock (chair)
Bob Thust (until 27 May 2021)
David Warner (ex officio member)
Richard Wilson

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Finance audit and risk committee (from 25 November 2021)

Matthew Brumsen (co-optee with investment expertise)

Serena Loudon (co-optee with investment expertise)

Chris Catterall (chair)

Sahil Khan

Caroline Macfarland

Patrick Melia

David Warner (ex officio member)

Governance and remuneration committee (from 25 November 2021)

Chris Catterall

Jeannette Lichner

Nicola Pollock (Chair)

David Warner

Legacy and learning committee (from 25 November 2021)

Matt Bell

Miatta Fahnbulleh

Jeanette Lichner

Patrick Melia (chair),

Charlotte Pickles

Nicola Pollock

David Warner

Rich Wilson

Nominations and remuneration committee members (until 25 November 2021)

Miatta Fahnbulleh

Jeannette Lichner

David Warner (chair)

Programme delivery committee

Sahil Khan (chair) (from 25 November 2021)

Karen Mellanby (until 26 January 2022)

Peter Mills (chair) (until 25 November 2021)

Caroline Macfarland

Charlotte Pickles (from 25 November 2021)

Nicola Pollock (from 25 November 2021)

David Warner (ex officio member)

Chief executive of Local Trust

Matt Leach

Protector of Big Local Trust

Rosie Chapman

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Advisors

Auditor

Moore Kingston Smith LLP
6th Floor
Appold Street
London
EC2A 2AP

Solicitor

Withers LLP
16 Old Bailey
London EC4M 7EG

Banker

National Westminster Bank PLC
250 Regent Street
London W1B 3BN

Investment manager

CCLA
Senator House
85 Queen Victoria Street
London EC4V 4ET

Custodian

HSBC Bank Plc
8 Canada Square
London E14 5HQ

Annual statement by the Protector for Big Local Trust

Protector's Statement

Background

Big Local Trust (Big Local) is an unincorporated charity, established in 2012. Its founder is the National Lottery Community Fund (NLCF). NLCF invested £217m in setting up and endowing Big Local to commit over £1m to 150 neighbourhoods across England, with this funding provided on the basis that it is spent over 10 to 15 years at the communities' own chosen pace, and on their own plans and priorities.

Local Trust (the Trust) is the sole corporate trustee of Big Local, which is in turn controlled by a Board of directors (trustees). The Board delegates the day-to-day running of the Trust to the chief executive.

Big Local operates in accordance with a Trust Deed between the Fund and Local Trust, made originally in 2012 and subsequently amended, most recently in July 2018.

The Trust Deed provides that Big Local must have a Protector with their appointment made in consultation with NLCF. Having been appointed by Local Trust to this role in September 2018 for an initial three-year period, my contract was extended in September 2021 for a further two years.

Purpose and functions

The function of the Protector is set out in the Trust Deed. The role's primary purpose is to ensure that decisions taken by Big Local are within the scope of the Trust Deed and are reached in accordance with the principles of good governance.

As Protector, I am not involved in Big Local's decision-making and I am not a trustee of either Big Local or Local Trust.

I receive papers for all Board and committee meetings, and I have a right to attend any of those meetings. I must report any matters of serious concern that I come across to the Fund or to the Charity Commission. Big Local are required to get the Protector's consent in some limited circumstances to proposed changes which primarily relate to procurement limits and amendments to the Trust Deed.

I am also asked to produce a statement each year in relation to my work for inclusion in the Trust's annual report. Where appropriate, this statement identifies any areas of administration, which require improvement and the steps that might be taken by Big Local in response.

How I discharged the Protector function during the year

As Covid restrictions eased during 2021/22 I was able to resume some visits to Big Local areas, namely:

- Collyhurst Big Local (Manchester) with Local Trust's Board
- Wormley and Turnford Big Local (Broxbourne) with Local Trust's Board
- Wembley Big Local (London)
- Bountagu Big Local (London)

I also attended the Big Local Connects event held in Nottingham in September 2021 which brought together people from amongst the 150 Big Local areas. As with previous years the event was expertly organised, inspiring, and productive.

I received papers for all of the Board and committee meetings held during the period. I commented on these papers either in person or in writing. I attended all four Board meetings and the Board away day. Committee meetings were held online during the year and I attended three meetings of,

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respectively, the finance and investment committee and programme delivery committee; two meetings of the audit and risk committee and governance and nominations committee; and one meeting of the legacy committee.

NLCF held a meeting of the various Protectors in early July. This was extremely helpful, and it was pleasing to hear NLCF's enthusiasm for convening such events on an annual basis. While there have since been various personnel changes at NLCF, I am optimistic that NLCF's new staff will engage with me regarding the review of Big Local's Trust Deed and more generally.

It was good to see Local Trust's strategy, business plan and work for the year focus on seeing the Big Local funding programmes as central to the Trust's work until the programme's conclusion and on ensuring the legacy of the Big Local programme.

As the pandemic abated and restrictions eased, I observed an increase in spend by Big Local areas. At the same time, I also welcomed Local Trust's approach to working with those Big Local areas that are risk of not spending out, accompanying Local Trust staff on a visit to one such area.

Protector's consent

Clause 4.1 of the Big Local deed states that "In the tenth year of the Trust Deed the Trustee will identify the local area plans for sustainability (as approved by the Protector and the Founder) and which may require the Trust Deed to be amended accordingly. As Protector, I was asked and gave consent to a change of date so that it is now the eleventh year (i.e., by February 2023) for identifying and approving such plans. During the year, I discussed with Local Trust's staff how they propose to go about this work and my role in that process. With the first Big Local partnership ending in 2022/23 that work is now imminent and I know that Local Trust will shortly be presenting their final approach for approval.

I was not asked to give specific consent to any changes to Big Local's articles during the period.

Just outside the year end, and in line with the procedures in Local Trust's Finance Manual, I was consulted on and gave my approval to varying a contract with a supplier without going through a new tender exercise.

Governance and administration of the Big Local Trust

Local Trust had 11 directors/trustees in post as of 1 July 2022. (During the year four new trustees were recruited and appointed in line with the earlier governance review's recommendations; one trustee's term of office came to an end; and two trustees resigned.) .

In line with the March 2021 governance review recommendations, Local Trust's Board established a new committee structure during the year. As part of my work providing additional assurance to support Local Trust manage the risks associated with the Big Local funding programme I reviewed the draft terms of reference for the existing and new committees and made various suggestions to ensure a consistency in approach. I also commented on the Local Trust's scheme of delegation and advised on changes to the conflicts of interest policy to clarify its application.

Overall, from attending various meetings, regular discussion with the Chair, vice Chair and Chief Executive and from reading key documents my sense is that Big Local is being governed effectively. I have noted and seen that the Board is aware of its role, of the relationship between Local Trust and Big Local, and that it acts accordingly.

I am satisfied that Big Local has been administered in accordance with the terms of the Trust Deed in the period 1 April 2021 to 31 March 2022.

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Future priorities

As the Big Local programme is scheduled to end in 2026/27, my primary focus continues to be on the delivery and close-out to the end of the programme, and on approving the local area sustainability plans as the Big Local partnerships approach the end of their funding. (Largely as a result of the pandemic-related delay only one area is now expected to spend out in 2022/23.) As part of this work, I am also interested in Local Trust's legacy plans, and archive arrangements for ensuring the legacy is retained and available.

I will continue to assess how Local Trust monitors and addresses the risk that a significant number of Big Local partnerships struggle to deliver all or some aspects of their plan, risk not spending out, and/or run out of momentum towards the end of the programme.

Following the amendments to the Trust Deed in 2018, there is now more scope for Big Local to engage in wider dissemination of research and learning and this is now reflected in its strategy. The Deed also provides that money spend outside of BL Trust's "areas of benefit" (i.e., Big Local areas) may only amount to what trustees reasonably consider might be "minor" when compared to – respectively – the total value of the fund and total income accrued to the fund. I will continue to review whether this requirement is being met as Local Trust carries out its work.

Related priorities are:

- Continuing a programme of visits, including finance reviews, to Big Local areas,
- Engaging with Local Trust and NLCF regarding the scheduled Deed review
- Building the relationship with the new NCLF staff
- Continuing to provide additional assurance work in supporting Local Trust manage the risks associated with the Big Local funding programme, and in its approach to winding down, particularly concerning the legacy of charitable assets (and in this regard I was pleased to see the work during 2021/22 to establish an assets register)
- Continuing to oversee how the Trust manages, presents, and delineates Big Local and Local Trust's respective reputational and presentational risks.

Rosie Chapman

Protector, Big Local Trust

August 2022

Local Trust

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The endowment for the Big Local programme is held by the Big Local Trust and overseen by Local Trust. The Big Local Trust was established by the National Lottery Community Fund with a National Lottery grant of £196,873,499.

Registered in England and Wales | Big Local Trust registered charity number 1145916

Local Trust registered company number 07833396, registered charity number 1147511

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BIG LOCAL TRUST

England & Wales - Charity number 1145916

Accounts

Big Local Trust

Annual report and financial statements

for 1 April 2020 to 31 March 2021

Registered charity number 1145916

Submitted by Local Trust as the corporate trustee for Big Local Trust



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Introduction

Local Trust was established in 2012 to deliver Big Local, a National Lottery Community Fund programme which committed more than £1m of grant funding to each of 150 communities and neighbourhoods across England.

The areas selected by the National Lottery Community Fund to benefit from Big Local funding were, typically, communities that were seen to have missed out on their 'fair share' of National Lottery and other funding. With a significant number of them located on the edges of towns and cities that themselves faced problems associated with long-term economic decline, many Big Local areas have much in common with places which current government policy initiatives are hoping to 'level up'.

The scale of the investment matched the challenge; the £217m originally provided to establish the Big Local programme is the biggest ever single-purpose National Lottery-funded endowment, and the largest ever investment by a UK grant-funder in place-based, resident-led change. Over the course of the programme, as a consequence of the growth delivered by the careful management of our endowment, some £270m will have been committed in support of our mission.

Matching the scale of that ambition, from the outset Big Local was designed to be radically different from other funding programmes. In contrast to conventional top-down, time-limited or project-led funding, the money awarded to each Big Local area is provided on a 'no strings' basis – there was no application process, and the funds can be spent over 10–15 years at communities' own chosen pace, and on their own plans and priorities. By effectively supporting local residents to take the lead in making decisions on how Big Local is delivered in their areas, Local Trust aims to build the confidence and skills of local people, strengthening local civic life and the social infrastructure that supports it.

Big Local sits at the heart of Local Trust's mission and is the major programme that we deliver as an organisation. Reflecting the Big Local Trust deed, our ambition extends beyond simply delivering the Big Local programme. Seeing how communities are using Big Local funding to make their neighbourhoods into better places to live, we aim to share learning from the programme, and promote a wider transformation in the way policymakers, funders and others engage with communities and place.

Overview of 2020–21

The Big Local programme continued to be successfully delivered through 2020–21, despite the pandemic. During the pandemic many of the Big Locals were exemplars of resilience, ingenuity and altruism and continued to operate in the face of all the challenges that COVID brought. Many partnerships were the focal point for community action to address the challenges of lockdown, helping organise volunteers, food deliveries, and connecting people across their neighbourhoods. Some Big Locals became involved in wider coordination work, working with local partners to plan both the immediate response to the crisis and start to define what comes next. During the year, our research and learning programme helped us build a strong understanding of how Big Local areas were responding to the challenges they faced, ensuring we were able to provide them with support and assistance throughout a difficult year.

At the start of the pandemic we commissioned a major research initiative led by Third Sector Research Centre (TSRC) to study close-up the impact of COVID-19 in 26 communities. The monthly briefings generated by that project, as well as longer term analysis, provided consistent

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and high-quality insight to help us support Big Local areas during different phases of the crisis and also helped Local Trust contribute to wider planning responses to COVID, including those led by other funders and government.

In 2020–21, £15m was drawn down by local areas, with a significant part of that funding supporting activities associated with local responses to COVID-19. The release in March 2020 of the final tranche of additional funds to areas from the growth of the Big Local endowment enabled Big Local communities to commit money without the need to significantly revise or reappraise their longer-term plans or commitments. Programme management and support activity was scaled up over the year to ensure funds continued to be effectively administered at a local level and Big Local grant agreements were complied with.

Big Local is not simply a funding programme. Alongside the funds committed to local areas, Big Local residents are able to access a wide range of networking, learning, coaching, partnering and mentoring activities. To maintain that level of support through a year of travel restrictions and limits on public meetings, we reimagined and redesigned the way we engage with and support Big Local partnerships and workers, creating an extensive new resource of online events, activities and networking opportunities for Big Local partnership members and workers.

Early in the pandemic, Local Trust published a set of possible scenarios for post-COVID futures aimed at providing a resource for Big Local areas to use to stimulate thinking around what they might need to plan and prepare for after the pandemic. However, at the time of writing this review, the long-term cost of the pandemic is still unknown, and the full impact may not become clear for some time.

We know that by the end of 2020–21 some Big Local partnerships that have contributed hugely to their local COVID response were exhausted, while others were thinking about how they might maintain the momentum and positivity that emerged in their communities at a time of crisis. Several areas have initiated work to adapt their plans to reflect changed circumstances or new opportunities, something we will continue to support them with during 2021–22.

Beyond COVID-19, a notable addition to our work this year has been supporting the establishment of the All-Party Parliamentary Group (APPG) for 'left behind' neighbourhoods, which was founded in July 2020. Through it we shared learning from our work with parliamentarians from across parties and provided new opportunities for Big Local residents to engage directly with decision-makers. Subjects discussed within the APPG included social infrastructure, jobs and skills, transport and the impact of COVID-19 on 'left behind' areas.

Objectives and activities for public benefit

Big Local Trust was established by Local Trust and the National Lottery Community Fund (formerly the Big Lottery Fund).

Big Local Trust is an unincorporated charity governed by a trust deed dated 13 February 2012 and deeds of amendment dated 5 June 2013 and 23 July 2018. Big Local Trust was registered with the Charity Commission on 15 February 2012.

The relationship between Big Local Trust, Local Trust and The National Lottery Community Fund

Local Trust is the corporate trustee of Big Local Trust. Big Local Trust funds the Big Local programme. All the activities of Big Local Trust are promoted under the Local Trust and Big Local brands.

Objects of Big Local Trust

The Big Local Trust deed was amended in 2018. The revised objects of the charity are laid out in the trust deed (paragraph 5), as follows:

‘5.1. The Objects of the charity are:

(a) the advancement of community development; and

(b) the relief of unemployment; for the benefit of the public, in particular, but without limitation, in the localities in each region specified in Schedule 6.

5.2. Objects 5.1(a) and 5.1(b) are to be achieved in particular, but without limitation, by:

(a) making Distributions to Recipients; and

(b) conducting research and disseminating the useful results of such research.

5.3. The Distributions referred to in clause 5.2 should be made so as to develop the capacity and skills of the members of socially and economically disadvantaged communities, for the benefit of the public, in such a way that they are better able:

(a) to identify, and help meet, their needs; and

(b) to participate more fully in society.’

Our main activities are described below. All our activities focus on developing the capacity and skills of members of socially and economically, or socially disadvantaged, communities, as described in our objects, and are undertaken to further our charitable purposes for the public benefit.

The trustees confirm that they have referred to the Charity Commission’s guidance on the Public Benefit requirement under the Charities Act 2011 when reviewing the Trust’s aims and objectives and in planning future activities and setting their grant-making policies.

Our areas of work

Local Trust is the corporate trustee of Big Local Trust, and the **Big Local programme** is at the centre of our work. The Big Local programme is funded from the Big Local Trust endowment created by The National Lottery Community Fund in 2012.

Big Local seeks to put power, resources and decision-making into the hands of local communities. Central to the design of the programme is a belief that when resources and decision making are transferred to local communities, they have the most impact where they reflect the following key principles:

- **Long-term** – providing certainty and continuity, over a decade or more where possible
- **Resident-led** – building confidence and capacity among those wanting to make a difference to their community and their local area
- **Unconditional** – enabling residents to spend on their own terms and in their own time, on the projects they judge to be most important to them
- **Patient and non-judgemental** – giving communities with the time and opportunity to learn, make mistakes, resolve disagreements and overcome challenges for themselves, on their way to achieving their ambitions
- **Accompanied by light-touch support** – to help communities to build the confidence and capability to make the most of the opportunities available to them, while not constraining their own ambition and initiative

One of the key legacy ambitions from the Big Local programme, reflecting the wishes of our Founder, The National Lottery Community Fund, is that others should benefit from the learning it generates. As a consequence, Local Trust is sharing insight and learning gained from Big Local as widely as possible to inform and influence policymakers, funders and other organisations working with communities. This includes learning around the design and delivery of the programme; insight generated from the data we collect and have access to; and, importantly, the experiences and voices of residents in Big Local areas themselves.

The four outcomes set by The National Lottery Community Fund for the Big Local programme are:

- communities will be better able to identify local needs and take action in response to them
- people will have increased skills and confidence so that they can continue to identify and respond to local needs in the future
- the community will make a difference to the needs it prioritises
- people will feel that their area is an even better place to live.

Our strategy

In March 2020 a new strategic plan for 2020–26 was approved by trustees. This set some ambitious long-term goals for the remainder of the Big Local programme, which concludes in 2025–26, and the Big Local Trust deed, which concludes in 2026–27.

The strategy identified the following **four overarching strategic goals**:

1. The Big Local programme is successfully delivered and Local Trust provides the support necessary for Big Local partnerships to put in place their plans for legacy and sustainability.
2. The approach and principles that underpin Big Local – that funding for communities should be long-term, resident-led, patient, place-based, non-judgmental – are mainstream across civil society, private and public sectors.
3. There is a tangible improvement in the social and economic capacity of ‘left behind’ areas, as a result of new community-led investment in rebuilding social capital and civic infrastructure, alongside the increase in public investment to deliver economic change.
4. There is a structural change in our economy, society and politics, leading to greater devolution of power, with local people and communities having more control over resources and decision-making.

The strategy is clear that Local Trust’s primary role in achieving these long-term goals is to successfully deliver the Big Local programme. Beyond the opportunity to achieve positive outcomes in 150 Big Local areas, the programme also offers a powerful example of a community-led approach operating at a large scale. Our intention to achieve wider systems-change rests on the scale of the current programme, the learning we draw from it, and the credibility it lends us as an organisation.

Achievements and performance 2020–21

The strategy sets out how, in working to achieve those goals, Big Local Trust would focus activity at **three levels** in 2020–21:

Level 1: Providing practical and financial support to people and communities

Recognising that our work is rooted in our existing relationship with Big Local areas, we are also seeking to connect the impact of that work beyond Big Local.

Level 2: Working on the enablers of change

Building on our previously small-scale work to influence and inform, we are investing resources in establishing Big Local Trust as an organisation seeking to shift power towards communities.

Level 3: Sustaining our impact into the long term

Committing ourselves to exploring ways to support our impact beyond the end of the Big Local Trust Deed in 2026–27.

Measures of success

Owing to the pandemic, our performance differed from the expectations we set out in our business plan for 2020–21. During the year we prioritised adapting our support to meet the needs of Big Local areas as they responded to the pandemic. At the same time, we recognised the importance of keeping track of our long-term and strategic objectives during a significant period of disruption and change for Big Local Trust and the communities it supports.

The strategic framework accepted that some of the measurements of progress would not necessarily be straightforward, and we committed to iteratively identifying and developing our measures of progress as we moved forward. This document seeks to report on our progress over the first year of our strategy period against the measures we set ourselves in March 2020, where possible highlighting measures of evidence where this is available.

Report on targets 2020–21**Level 1: People and communities****Target 1: Ensure the effective delivery of Big Local through to its conclusion**

While levels of spend were higher in 2020–21 than in the previous year, much of this reflected additional expenditure by areas to fund responses to the COVID pandemic. Delivery of previously planned activities was significantly disrupted in many Big Local areas; we will keep delivery of planned activities by Big Local areas closely under review over the coming years and take action to support areas where necessary. Despite the challenges, our survey of those involved in the Big Local programme carried out in summer 2020 showed that levels of confidence were high among partnership members, who are groups of local residents responsible for setting the direction of Big Local in an area:

- 87% are confident that they can identify what is needed to make their area feel like an even better place to live
- 84% feel confident that they will achieve their goals in the long term.

Target 2: Support all our Big Local areas to build sustainable legacies

The pandemic encouraged many areas to re-appraise their priorities and intended legacy and to challenge some assumptions. Our surveys showed that the majority of areas felt sufficiently supported to deliver their visions and legacy for Big Local. Our survey found that 77% thought they have received the kind of help and support they wanted from Local Trust.

Target 3: Support Big Local areas to strengthen links with each other at an individual and community level

During the year, we had to radically transform every aspect of the delivery of our work to respond to the challenges of the pandemic. Despite that, overall numbers of Big Local residents and workers participating in our online networking, training and other activities increased compared to attendance levels at face-to-face events in previous years and survey feedback indicated most partnership members felt better equipped than ever to deliver the Big Local outcomes and Big Local plan in their areas. Our survey of Big Local partnership members showed that 86% learned new things from people involved in their Big Local.

- We held six Zoom training sessions, with 261 attendees from Big Local areas
- Over three months we hosted weekly drop-in COVID conversations, with more than 100 people attending to access informal support and share experiences
- We moved our series of learning clusters online and ran multiple sessions on sports, mental health, loneliness, digital inclusion and environment. Together these provided regular, facilitated support to 178 participants.

Target 4: Support Big Local areas to strengthen links with people, places and institutions not directly involved in the Big Local programme

We significantly expanded the range of organisations we invited to support Big Local areas, and helped Big Local areas access more place-based collaborations. Our surveys showed partnership members broadly felt confident in their work and able to influence decision-making in their area.

- 89% said their partnership has a good understanding of who to work with to help them get things done
- 71% said their partnership is able to influence decision-making in their area

Target 5: Significantly increase the number of people and communities benefiting from our experience, capacity and learning

Much of our work this year focused on providing crisis support to Big Local areas. Nonetheless, Big Local areas reported feeling more connected with people and organisations in their communities beyond the programme. Notably, the shift to online working opened our workshops and seminars to wider audiences, with 568 signups to our first four online events (May–July 2020) aimed at our partner networks – significantly higher than in person events would allow. We also worked in partnership with other funders this year, building the next generation of community leaders through Community Leadership Academy (CLA), which provides support for the people making Big Local happen, helping them to develop and share skills and knowledge that can benefit the whole community. Activities during 2020–21 were delivered online.

Level 2: Enablers of change

Target 6: Promote a compelling narrative of thriving, powerful communities and use it to influence, shift mindsets and change behaviour

Over the last 12 months we significantly increased our engagement with policymakers and opinion-formers, grew our media coverage, and our publications had impact beyond our usual networks. The Big Local programme was recognised as a valuable example of community-led change and our wider research and partnership activities helped promote positive dialogue around the power and potential of local residents working to transform their communities.

Target 7. Actively connect Big Local areas and the programme as a whole to wider issues and campaigns, enabling local communities to demonstrate their relevance and impact, and achieve influence beyond their own boundaries

While ensuring that Big Local partnerships were supported through the pandemic, we also built relationships with organisations that can support Big Local areas to influence wider issues. These included partnering with the Good Things Foundation to help improve access to digital tools and

networks; working on community-led climate action in partnership with the Institute for Public Policy Research (IPPR); and making it possible for Big Local areas to contribute to various areas of policy development, such as helping the Food Farming and Countryside Commission (FFCC) make the case for community-led food activity as an important part of the UK's national food strategy.

Target 8. Strengthen relationships with the people and organisations who are most critical in enabling an increase in community power

We continued to grow a network of organisations and individuals who are engaged with and supportive of our work and the learning generated by it. Our work with the APPG for 'left behind' areas enabled discussion of community within parliament, whilst providing a platform for Big Local areas to share their experiences and ideas with policy and decision makers.

Target 9. Experiment with different ways to enable change, learn and continually improve our practice

The challenges posed by the pandemic required us to radically rethink our approach to delivering our work. While the bulk of our activity was focused on supporting Big Local areas through the immediate challenges of the crisis, we embraced a new online presence, broadened our external relationships, piloted new resource and support offers for areas, and significantly grew our audiences.

Level 3: Sustaining our impact into the long term

Target 10. Make the case for major, long-term initiatives to shift power and resources to communities

Government funding for communities continues to be a priority for us, and we remain committed to exploring the potential of major paradigm-shifting initiatives. Our work with the APPG for 'left behind' areas has been a core part of this in 2020–21. We also sought to engage with and provide support to departmental officials and policy advisors, as they developed plans to 'level up' communities, providing them with access to research, data and learning from our work to support policy development and programme design. More about this work is reported on in the Local Trust Annual Report 2020–21.

Target 11. Build a sustained body of research, practice and knowledge capable of influencing beyond the end of Big Local

We published 21 research reports in 2020–21, and 10 rapid research briefings with TSRC. Key research publications included:

- The *Power in our hands* series: 980 views, 446 downloads, 11,300 Twitter impressions.
- *Measuring change*
- Rapid research series into community responses COVID-19 (led by Third Sector Research Centre): 3300 views, 1300 downloads, 47,350 Twitter impressions.
- *Long crisis scenarios*
- *The future is ours*
- *Left behind? Understanding communities on the edge* (Update on 'left behind' areas): 4,000 views, 324 downloads, 4,000 Twitter impressions.

Plans for the future

We have kept the 2021–22 business plan relatively focused, recognising there may be a need for pragmatic adaptation over the course of the next 12 months as the pandemic continues to have an impact. In particular, we will look to prioritise supporting Big Local areas as they seek to restart, re-energise and in some cases reconnect with their communities.

To guide us over the coming year, we will continue to focus on the fundamental priorities and ambitions set out in our 2020–26 strategy, drawing in particular on the three of the four strategic goals we set ourselves; that:

1. The Big Local programme is successfully delivered and Local Trust provides the support necessary for Big Local partnerships to put in place their plans for legacy and sustainability.
2. The approach and principles that underpin Big Local – that funding for communities should be long-term, resident-led, patient, place-based, non-judgmental – are mainstream across civil society, private and public sectors.
3. There is a tangible improvement in the social and economic capacity of ‘left behind’ areas, as a result of new community-led investment in rebuilding social capital and civic infrastructure, alongside the increase in public investment to deliver economic change.

At the same time, we will not lose track of the fourth goal of our strategy – of helping achieve:

4. A structural change in our economy, society and politics, which leads to greater devolution of power, with local people and communities having more control over resources and decision-making.

Targets for 2021–22

1. Supporting delivery of Big Local

The Big Local programme is successfully delivered and Local Trust provides the support necessary for Big Local partnerships to put in place their plans for legacy and sustainability.

Target 1: Effectively managing our funding

Target 2: Updating our approach to Partnership and Plan reviews

Target 3: Supporting areas to plan their legacy

Target 4: Maintaining excellent rep support to all our areas

Target 5: Helping areas reboot post-COVID, with a particular focus on areas at risk of not spending out

Target 6: Providing a great learning, networking and support offer to Big Local areas

Target 7: Re-establish face-to-face contact with Big Local areas

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2. Building partnerships and sharing our learning

The approach and principles that underpin Big Local – that funding for communities should be long-term, resident-led, patient, place-based, non-judgemental – are mainstream across civil society, private and public sectors.

Target 8: Connect Big Local to national celebration events planned for 2022

Target 9: Continue to build on the success of the Community Leadership Academy

Target 10: Strengthen further links between Big Local areas and others who can provide insight, support and resources to help deliver change in their local areas

Target 11: Continue to actively connect Big Local areas and the programme as a whole to wider issues and campaigns

Target 12: Strengthen relationships with the people and organisations who are most critical in enabling an increase in community power

Target 13: Continue to successfully deliver Creative Civic Change (CCC), with increasing focus on maximising its long-term legacy. *Note: Local Trust is responsible for this area of work and this target is therefore reviewed in the Local Trust annual report.*

Target 14: Build a sustained body of research, practice and knowledge capable of influencing beyond the end of Big Local

Target 15: Support Big Local areas to demonstrate their own impact

3. Extending our influence

There has been a tangible improvement in the social and economic capacity of 'left behind' areas as a result of new community-led investment in rebuilding social capital and civic infrastructure, alongside the increase in public investment to deliver economic change.

Target 16: Develop our campaign for the Community Wealth Fund. *Note: this target does not apply to Big Local Trust and is therefore reviewed in the Local Trust annual report only.*

Target 17: Contribute effectively to policy development, building on learning from Big Local

Target 18: Raise awareness and promote the value and importance of community power

Target 19: Influence and inform government spending plans

Target 20: Continue to deliver the highest possible quality communications both inside and outside Big Local

Target 21: Successfully develop and implement new post pandemic working arrangements

Target 22: Ensure our funding, finance and other support systems are effective and fit for purpose

Target 23: Continue to demonstrate the highest quality standards of governance

Target 24: Ensure that principles of Equality, Diversity and Inclusion remain embedded in our work and practices

Reviewing and reassessing plans

While we are confident that we will successfully guide Big Local Trust and support Big Local areas through 2021–22, we will seek to make an early start on planning for a future beyond that. Halfway through the year to come, in September, trustees will embark on a significant review of the state of the programme, looking in particular at:

- post-COVID delivery, including early assessment of the effectiveness of efforts to support reboot and relaunch
- spend-out, including an in-depth assessment of how we support those areas at risk of not spending out by 2025–26
- legacy, focusing on how both local areas and the programme as a whole can leave an impact beyond the 15 years.

Our goal will be to ensure we are on track to support Big Local areas move on from the pandemic, and are continuing to support Big Local areas in the most effective way possible in the longer term. More generally – in a post-pandemic era – we will want to check that our strategy continues to provide a robust foundation to provide guidance and direction over the remainder of the trust deed period.

Response to the Charity Governance Code

An updated Charity Governance Code was published in December 2020. A review of the code has been undertaken and the Local Trust board have chosen to adopt and apply the code. Local Trust continues to focus on good governance. Its work in this area is also supported by our current independent Protector, Rosie Chapman, appointed in September 2018, whose role includes ensuring the integrity of the administration of the charity and the propriety of its procedures.

Local Trust is the corporate trustee for Big Local Trust and governs the Big Local programme. Over the last year, Local Trust has continued to address the seven key areas of governance outlined in the Charity Governance Code. Details of action undertaken during the year are outlined in the Local Trust group annual report and accounts for the year ended 31 March 2021.

Financial review

Overview of income and expenditure

Big Local Trust is funded through an expendable endowment from the National Lottery Community Fund. Big Local Trust's endowment is invested; income on the investment was £0.9m for the year (2020: £3.6m). There were net losses on investments of £0.2m (2020: net gains of £0.8m).

The charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

Total expenditure during the year was £21.1m (2020: £20.3m). The increase in expenditure reflects a 3% increase in direct funding committed to Big Local areas of £15.1m (2020: £14.6m). The cost of delivery to areas decreased by 5% to £3.7m (2020: £3.9m) and the cost of learning to support the programme increased by 42% to £2.2m (2020: £1.6m). A full list of the funding to Big Local areas is included in note 5.

The net decrease in funds for the year was £20.3m (2020: £15.9m). The total funds held at the year-end were £80.6m (2020: £101.0m).

Big Local Trust's investments

Investment strategy

Big Local Trust's original investment strategy objectives were:

- for the investment assets of the Big Local Trust (the fund) to provide the resources required by Big Local, and
- to manage the assets in a manner that maximises the impact of the funds to enable Big Local areas to extend the life of Big Local beyond 10 years and £1m for each area.

Making use of the scale and duration of Big Local, the original investment strategy aimed to provide a reasonable medium-term return while ensuring that at all times sufficient short-term funds were available to support spending.

After careful consideration, in November 2019, trustees agreed to change the implementation of the Big Local Trust investment strategy, from focusing on investment returns, to focusing on controlling risks. This reflected the fact that the fund had achieved good investment returns in the years since it was established, enabling Big Local Trust to fulfil its original investment strategy objectives. The key driver for this decision was the need for financial certainty to allow Local Trust and Big Local areas to plan; and related to was the ever reducing amount of time as Big Local moves towards the latter stages of the programme, for the fund to recover from the downsides of market volatility. However, the summer of 2020 and the consequent uncertainties and potential for further volatility led the Trustees to revisit the strategy in the summer, with the aim of ensuring as much certainty and stability as possible. This led to a shift from controlling to minimising risk, and the investment strategy became:

The trustees' wish to minimise risk as much as possible and to preserve the value of the investment (above generating returns), in order to have as much certainty as possible as Big Local spends out.

Investment management

CCLA is the investment manager for Big Local Trust and works with the Local Trust's finance and investment committee to manage investments in line with the investment strategy, as agreed by the board.

The committee formally reviews the investment strategy once a year in line with the trust deed. The finance and investment committee includes two voluntary co-opted members, Serena Loudon and Matthew Brumsen, who bring independent investment expertise to discussions.

Investment performance

Big Local Trust commenced the year with an investment portfolio of fixed interest and cash and near-cash assets. By the end of June 2020, in line with the revised investment strategy, the manager disinvested from fixed interest assets and the portfolio is now invested solely in cash and near-cash assets. The total value of Big Local Trust's investments, including income, as at 31 March 2021 was £112.5m (2020: £132.5m). The performance benchmark of the fund was seven-day LIBID until 31 December 2020. On 1 January 2021 this was changed to Sterling Overnight Index Average (UK SONIA), reflecting an early transition to the Bank of England's preferred replacement benchmark (in place of LIBID which comes to an end in December 2021). The combined benchmark for the year ended 31 March 2021 was -0.04% (2020: +1.42%), and the overall returns for the year were +1.01% (2020: +3.00%).

2021 proved to be a challenging year for the investment market overall. Multiple lock-downs as a result of the COVID-19 pandemic paired with indications from the Bank of England that it was reviewing the implications of the adoption of a negative interest rate regime, had a negative impact on the money markets, quickly eroding the premium income available on cash and near-cash deposits. Our investment managers focussed on preserving the value of the investment, taking advantage of any longer dated opportunities where they could to protect the returns from a lower rate environment. In the latter half of the year, investment markets became more optimistic, focussing not on the immediate challenges but instead on growth to come. Key factors were the apparent success of the vaccination programme and the election of a new US president. Despite a challenging year, CCLA were able to protect the nominal value of our portfolio assets in line with our investment strategy, also making a small return above the benchmark.

As fixed interest holdings were disinvested in the first quarter, returns figures for this asset class are not available for the full year. Full year returns figures for cash and near-cash were +1.01% (2020: +0.80%), and represented 100% of the investment portfolio (2020: 70.69% of portfolio)

In the three months to June 2020, fixed interest returns were +2.00% (June 2019: +0.80%), and represented 28.82% of the portfolio before they were sold (June 2019: 32.19% of portfolio).

Ethical and responsible investment

Trustees reviewed Big Local Trust's ethical and responsible investment policy in May 2021. Local Trust, acting as the corporate trustee of Big Local Trust, agreed to use CCLA's ethical investment policy in the management of its investments. This policy has been developed in accordance with Charity Commission guidance (CC14), and trustees believe it represents an appropriate balance between aligning Big Local Trust's investments with its purposes and the delivery of good investment returns.

As all our assets are now invested in cash deposits with banks and building societies, Big Local Trust has agreed to follow the responsible investment policy adopted by CCLA's COIF Charities

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Deposit Fund. This assesses the banks on a broad range of subjects including climate change, corporate governance and how they treat their workforce. CCLA also leads engagement with the banks to push for more responsible business practices where needed.

The finance and investment committee meet regularly with CCLA to assess their approach to managing the charity's money responsibly and review this policy annually.

Despite our holding of only cash and near-cash investment assets, Big Local Trust's finance and investment committee will still consider participation in appropriate CCLA ethical engagement programmes that may result in divestments on a case-by-case basis. As a responsible investor, Big Local Trust supports CCLA's wider stewardship work. Big Local Trust is keen to invest in accordance with the UN Principles for Responsible Investment, and expects its investment manager to be a signatory to these principles.

Distribution of returns on the investment

Under Big Local, 150 Big Local areas were each allocated £1m to spend over a 10-year period, based on each area's Big Local plan. The fund that provides these allocations and supports the delivery of the programme is managed centrally, with areas accessing funds over time as plans are delivered locally. Beyond providing £1m plan funding to each area, Local Trust has committed to ensure that each area will also receive a proportion of the net investment returns earned by the fund.

In September 2017, with several Big Local areas approaching full spend of their £1m, trustees made the decision to bring forward the distribution of that proportion of the returns that could be guaranteed at that date. Having considered the performance of the investment, trustees decided each Big Local area would receive an additional £105k from the returns generated from the original investment of £150m. This was added to the balance of each area's £1m. A further distribution of investment returns, of £50k per area, was agreed by the board in March 2020.

Grant-making policy

Each Big Local area draws down funding by presenting plans to Local Trust for endorsement, setting out how they intend to address priorities identified by people in the area. Big Local areas appoint a locally trusted organisation (LTO) to hold and be responsible for the funding. When plan funding is drawn down, LTOs receive an administration contribution of 5% of the grant.

Each grant we award is only to be used for the charitable purpose for which it is made, as described in each proposal or plan, and all grants are to help Big Local areas meet the Big Local outcomes. LTOs are required to record all Big Local grants in their accounts as restricted funds.

Each area will receive:

- £1 million plus a contribution towards partnership running costs or grant administration (5% of the total spend) available once their Big Local plan is endorsed
- a fair proportion of net investment returns earned by the fund (an additional £105k per area was agreed by trustees in September 2017 and £50k in March 2020)
- any underspent or unused grant funding from the funds we offered to areas in the early years of Big Local (called Getting People Involved/Getting Started, Creating your Big Local plan and Marketplace), now available through the plan funding process
- travel and carer costs for residents to attend networking and learning events.

Local Trust as a locally trusted organisation

Local Trust acted as the LTO for four Big Local areas that have been unable to identify a suitable organisation to fulfil this role during (or part of) the year to March 2021: Barrow Island, Dewsbury Moor, Wembley Central and W12 Together Palfrey.

Big Local Trust retains the administration contribution of 5% for Local Trust acting as the LTO, and in 2020–21 this totalled £0.9k (2020: £0.7k).

Social investments

Big Local areas are encouraged to be innovative in the ways they create positive social change and economic growth within their local areas through the use of social investment. Big Local partnerships team up with credit unions and other social investors within their local areas, opening up access to new funding for individuals and small organisations. These initiatives are presented as part of the Big Local partnership plans, and funding made available for delivery.

During 2020–21, Big Local Trust made £115k (2020: £127k) available for social investment. These programme-related investments are listed under note 12 and disclosed as a separate line on the face of the balance sheet. During 2019–20 one of the social investments held by Big Local Trust with Eastern Savings and Loans Credit Union, was found to be impaired. An estimated £10k impairment was recorded in the accounts, reducing the value of the social investments to £117k at 31 March 2020. We have reviewed all social investments held during 2020–21 and have found that the investment held with Eastern Savings and Loans remains impaired. After repayments in the period of £12k, the value of the social investments as at 31 March 2021 is therefore £105k.

Big Local Trust's social investments and impairment policy is reviewed on an annual basis. An assessment is undertaken at the end of each financial year to determine the extent, if any, to which Big Local Trust's social investments have been impaired (reduced in value), to ensure that their value has not been overstated.

Constructive obligations

A constructive obligation between Big Local Trust and a locally trusted organisation (LTO) is triggered when a grant (or other funding) offer letter is sent to an LTO to notify them that a specific amount of funding has been endorsed for a stated period of time.

We record these constructive obligations, or grant commitments as creditors in the balance sheet of these accounts.

Big Local Trust's constructive obligations decreased from £34.4m as at 31 March 2020 to £34.2m as at 31 March 2021. This reflects a decrease in new grant funding commitments made during the year as a result of the effects of the pandemic on area spending plans.

Financial planning

We undertake annual reviews of the budget to inform Big Local development, how funding is allocated and how areas are supported. The budget to 2027 is updated each year with actual spend and income and reforecasted annually. It includes estimates of constructive obligations (funding committed) to Big Local areas as we make funding available for delivery of Big Local plans.

The updated 15-year budget informs the investment strategy and a rolling two-year cash flow forecast is provided to CCLA to enable them to manage cashflow requirements of the programme. The cashflow proved to be accurate for 2020–21 as it has been every year since it was first prepared in 2012.

Reserves policy

Big Local Trust has an expendable endowment, received from the National Lottery Community Fund in 2012 and 2013, to be spent by 13 February 2027. All of Big Local Trust's funds are unrestricted. No funds had been designated or otherwise committed as at 31 March 2021 other than those identified elsewhere in the accounts.

Trustees consider that it is not necessary for Big Local Trust to specify a level of reserves beyond the significant level of funds held. The trust has processes in place to manage its funding over the period of the endowment, to ensure that the support costs, delivery costs and funding allocated to the 150 areas are spent in line with the requirements of the programme and the trust deed.

It is in the nature of an expendable endowment that funds are spent out over time. In the final years of Big Local, it may require a reserves policy to ensure sufficient funds are held to manage the close down of the programme in a managed and prudent way; however, this is not currently the case. As at 31 March 2021, Big Local Trust held total funds of £80.7m (2020: £101.0m). Within this, it has sufficient contingencies to cover any unforeseen costs; therefore, it is not currently appropriate for the trust to specify a reserves level.

Trustees review the Big Local Trust reserves policy annually.

Staff remuneration

Trustees consider remuneration, including the remuneration of the senior management team, annually. During 2019–20, Local Trust used an external consultancy to carry out benchmarking research, and to inform the pay policy approved in May 2019. During 2020–21 trustees used this information as part of a review of staff salaries, including the salaries of key management personnel.

Trustees consider a cost-of-living increase for existing salaries, on an annual basis, after reviewing the consumer price index (CPI), retail price index (RPI) and new CPIH index for the previous twelve months and applying a median. A cost-of-living increase of 2.25% was agreed for 2020–21.

Pensions and auto enrolment

During 2020–21, all Big Local Trust staff were enrolled in the group personal pension scheme.

Local Trust currently contributes the equivalent of 10% of salary for each member of staff, which is more than the minimum legal requirement under auto-enrolment. Staff are encouraged to make a voluntary personal contribution.

Principal risks

Big Local Trust has a detailed risk register, which is reviewed on a quarterly basis by the board, and every six months by the audit and risk committee. Significant new strategic and operational risks are brought to the attention of the audit and risk committee and the board as necessary.

Big Local Trust's risk register is also reviewed and updated by senior managers regularly during the year.

The risk assessment process identified the following major risks during the year:

The strategic risks

- **Year-on-year funding slippage:** Budgets and cashflow continue to be drafted on the basis of full spend-out of the £273m provided by the Big Local Trust endowment fund by 2026-27, with the intention that we should have a zero balance remaining at that point. This reflects the very limited scope for funding any extension of staffing or support for areas beyond 2026-27 out of remaining budgets. If we do not commit a significant proportion of our remaining resources to support areas to deliver over the next two to three years, we risk Big Local areas' plan delivery slipping further towards the end of the programme, at which point we will have less or no resource available to support them (or ensure proper stewardship of grant funding or compliance with grant terms and conditions). However, by committing additional funds to supporting areas now, we reduce the available resource to support areas (or other activities and priorities) in the last two years of the programme should that slippage in any event occur.
- **Long-term impact of the pandemic:** The long-term ramifications of the pandemic are still unknown. We will continue to monitor the impact of the pandemic and its aftermath, in particular the challenges facing Big Local areas and their residents – including the possibility of increased unemployment; health and wellbeing challenges, including mental health issues; and loss of community institutions and facilities. We will support them in understanding these risks and ensuring their plans take account of these as they prepare for the final five years of the Big Local programme.

Operational risks

- **Another lockdown:** Our assumption is that some face-to-face contact and engagement between Big Local Trust, our partners and Big Local areas can and will be able to resume by September 2021. Should we experience another wave of infections or further lockdown restrictions our ability to re-energise, reboot and support areas reflect and reconfigure their plans will be disrupted to such an extent that half of what we have planned would have to be redesigned in-year.
- **Local delivery:** We have also identified the risk that a significant number of Big Local partnerships will struggle to deliver all or some aspects of their plan, as Big Local areas run out of energy and/ or momentum, which will result in an increasing number of areas struggling to spend out by 2026 as planned. Additional capacity and support is being made available by Local Trust.
- **Locally trusted organisations (LTOs):** We are actively managing the risk that a significant number of LTOs close or go into administration, as the longer-term effects of the pandemic are felt by small community charities and organisations. Our scrutiny of and support for LTOs will continue.

Big Local Trust has measures in place to manage and monitor the likelihood of all risks identified, to minimise the financial and reputational impact they could have on Local Trust and Big Local Trust.

Governance and committees

Local Trust acts as the corporate trustee of Big Local Trust, in line with the Big Local Trust deed.

Local Trust was registered as a charity in England and Wales on 30 May 2012 (charity number 1147511). Local Trust is also registered as private limited company by guarantee (company number 07833396).

Local Trust's work is overseen by a board of trustees who meet on a quarterly basis. Our approach to governance is led by the chair of the Local Trust board and is based on:

- ensuring delivery of organisational purpose
- working effectively as individuals and as a team
- exercising effective control
- behaving with integrity
- being open and accountable.

Trustees receive regular, timely reports which provide updates on Local Trust programmes of work, and inform decision-making.

Trustees delegate responsibility for the day-to-day running of the charity to the chief executive.

Committees

During the year, we operated four trustee committees: finance and investment, audit and risk, programme delivery, and nominations and remuneration, to enable appropriate governance and oversight of these functions. For a period of time during the early stages of the pandemic a committee made up of the chairs of each of the committees of the board met regularly to receive reports on the management of the organisation's response to the crisis. In November 2020, the board agreed to disband the committee. Matters relating to Local Trust's COVID-19 response are now reported into regular board meetings.

The Protector

The Big Local Trust deed provides for the appointment of a Protector who has a fiduciary duty to ensure the integrity of the administration of the Big Local Trust and the propriety of its procedures, and if necessary report matters of serious concern to the National Lottery Community Fund as the Founder or to the Charity Commission. Rosie Chapman has been the Protector since September 2018.

Trustees delegate responsibility for the day-to-day running of the charity to the chief executive.

Governance review

During 2020–21 the Local Trust board commissioned a review of governance in the organisation. This concluded that governance of the organisation was good. Excellent governance was highlighted, in particular, in relation to oversight of the Big Local programme; oversight of financial and investment matters; the capability of the trustees individually and collectively; excellent diversity of skills and experience amongst trustees; the valued role of the Protector and her ongoing independent perspective; the quality of company secretary support; and strong fiduciary governance and engagement in shaping the strategic direction.

The review concluded that the committee structure is effective, providing adequate time and space for assurance related governance. However, it also made a number of recommendations for further

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improving governance within Local Trust, including but not limited to, the introduction of trustee appraisal, the creation of the post of vice-chair; the introduction of a legacy committee to support thinking and direction in this important area of focus; and the creation of a governance committee to support continued excellence in governance within the organisation.

During 2021–22, the board will take forward implementation of key elements of the review's conclusions, with the aim that Local Trust continues to benefit from the highest quality standards of governance to underpin its work. It will also recruit a number of new trustees to fill vacancies where they have arisen.

In parallel, work has been initiated to support the executive team in ensuring that executive level governance arrangements are effective and complement those being implemented by trustees. This work is likely to be concluded and implemented during 2021–22.

Statement of trustee's responsibilities

In respect of the trustee's annual report and the financial statements

Focus of activities

The trustee has given due consideration to Charity Commission guidance on the operation of the public benefit requirement and is satisfied that the work of Big Local Trust meets that requirement. Big Local Trust's work in the year to 31 March 2021 focused on supporting the 150 Big Local areas to identify their priorities and to develop and deliver plans to address these priorities.

Responsibilities of the corporate trustee

Local Trust is corporate trustee of Big Local Trust and is responsible for preparing the trustee annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) that gives a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the net income or expenditure, for the year. In preparing the financial statements, the corporate trustee is required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the charities Statement of Recommended Practice Charities SORP (FRS 102)
- make judgments and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the charity will continue in business.

The corporate trustee is responsible for keeping accounting records that disclose, with reasonable accuracy at any time, the financial position of the charity. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The corporate trustee is responsible for the maintenance and integrity of the financial information included on the charity website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

The trustee has confirmed that so far as it is aware, there is no relevant audit information of which the charity's auditors are unaware, and that it has taken all the steps that it ought to have taken as a trustee in order to make itself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

A resolution to appoint Moore Kingston Smith was proposed at the last annual general meeting.

Approved by the corporate trustee on 25 November 2021 and signed on their behalf by:

Signed  _____ Date 29 November 2021

David Warner
Chair

Independent auditor's report to the trustees of Big Local Trust

Opinion

We have audited the financial statements of Big Local Trust for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charity's affairs as at 31 March 2021, 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 Charities Act 2011.

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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 charity'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.

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. 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.

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we required for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 21, the trustees 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 charity'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 charity 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 section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charity.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charity and considered that the most significant are the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council
- We obtained an understanding of how the charity complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain 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 purposes of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability

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to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.

- Evaluate 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees 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 any party other than the charity and charity's trustees as a body, for our audit work, for this report, or for the opinion we have formed.

Moore Kingston Smith LLP

Statutory auditor

Date: 29 November 2021

Devonshire House
60 Goswell Road
London
EC1M 7AD

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

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Statement of financial activities
for the year ended 31 March 2021

	Notes	Restricted 2021 £000	Unrestricted 2021 £000	Total 2021 £000	Total 2020 £000
Income from:					
Investments	2	-	911	911	3,563
Grants	3	-	-	-	-
Reimbursements from Local Trust		-	111	111	66
Other sources		-	-	-	1
Total income		-	1,022	1,022	3,630
Expenditure on:					
Raising funds:					
investment management charges		-	154	154	295
Charitable activities:					
grants payable	5	-	15,084	15,084	14,625
delivery to areas		-	3,671	3,671	3,850
learning to support the programme		-	2,236	2,236	1,577
Total expenditure	4	-	21,145	21,145	20,347
Net operating expenditure	7	-	(20,123)	(20,123)	(16,717)
Net gains/(losses) on investments		-	(226)	(226)	810
Net income/ (expenditure)		-	(20,349)	(20,349)	(15,907)
Reconciliation of funds:					
Total funds brought forward 1 April 2020		-	101,002	101,002	116,909
Total funds carried forward 31 March 2021		-	80,653	80,653	101,002

All amounts are related to continuing activities.

All gains and losses recognised are included in the statement of financial activities.

The accompanying notes, on pages 28 to 46, form part of these financial statements.

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Balance sheet

as at 31 March 2021

	Notes	2021 £000	2020 £000
Fixed assets			
Tangible assets	8	29	30
Intangible assets	9	50	89
Investments	10 & 11	112,684	132,512
Social Investments	12	105	117
		<u>112,868</u>	<u>132,748</u>
Current assets			
Debtors	13	467	1,356
Investments		1,188	1,187
Cash at bank and in hand		1,832	1,087
Total current assets		<u>3,487</u>	<u>3,630</u>
Liabilities			
Creditors: amounts falling due within one year	14	(28,095)	(28,861)
Net current liabilities		<u>(24,608)</u>	<u>(25,231)</u>
Creditors: amounts falling due after one year	15	(7,607)	(6,515)
Net assets		<u>80,653</u>	<u>101,002</u>
Funds			
Restricted funds		-	-
Unrestricted funds		80,653	101,002
Total funds		<u>80,653</u>	<u>101,002</u>

The accompanying notes, on pages 28 to 46, form part of these financial statements.

Approved by the corporate trustee, authorised for issue on 25 November 2021 and signed on behalf of the trustee:

DocuSigned by:

 Signed _____ Date 29 November 2021

David Warner
Chair

Big Local Trust annual report and financial statements 1 April 2020 - 31 March 2021

Statement of cash flows

for the year to 31 March 2021

		2021	2020
Cash (outflow)/inflow from operating activities:	Notes	£000	£000
Net operating expenditure		(20,123)	(16,717)
Investment and other income received		(1,624)	(3,708)
Depreciation/amortisation of fixed assets		74	90
Decrease in debtors		889	466
Increase in creditors		326	(5,444)
Investment management fees		(154)	(295)
Increase in investment management fee accrual		24	-
Net cash (used in) operating activities		(20,588)	(25,608)
Cash flows from investing activities:			
Investment and other income received		1,624	3,708
Investment management fees		154	295
Payments to acquire tangible fixed assets		(17)	(17)
Payments to acquire intangible fixed assets		(17)	(42)
Repayments of social investments		12	12
Payments to acquire fixed asset investments		(206,002)	(223,210)
Movements in investment cash balances		(32)	1,415
Receipts from sale of fixed asset investments		225,612	244,393
Net cash provided by investing activities		21,334	26,554
Change in cash and cash equivalents in the year		746	946
Change in cash and cash equivalents in the year		2,274	1,328
Cash and cash equivalents at 1 April 2020		746	946
Cash and cash equivalents at 31 March 2021	17	3,020	2,274
Analysis of cash and cash equivalents:		£000	£000
Cash in hand		1,832	1,087
Notice deposits		1,188	1,187
		3,020	2,274

Notes to the accounts

for year to 31 March 2021

1. Accounting policies

a) Administrative information

Big Local Trust is a public benefit entity registered as a charity in England and Wales on 15 February 2012 (charity number 1145916). The ultimate controlling party of Big Local Trust is Local Trust, corporate trustee. Local Trust is a registered company (number 07833396) and registered charity (number 1147511).

The charity was established under its trust deed dated 13 February 2012.

The registered office of Big Local Trust and Local Trust is: CAN Mezzanine, 7 - 14 Great Dover Street, London SE1 4YR.

b) Basis of preparation

The financial statements are prepared on a going concern basis which assumes the charity will continue in operational existence for the foreseeable future. The trustees have considered the impact of the Covid-19 pandemic on the financial position of the charity and are aware that the charity is able to draw down on its expendable endowment to provide an appropriate response to the additional needs resulting from the pandemic where necessary.

After reviewing the charity's forecast and projections, the trustees have a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

The financial statements have been prepared under the historical cost convention, except that fixed asset investments are stated at market value, and in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the 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).

The financial statements have been prepared to give a 'true and fair' view and departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved preparing accounts in accordance with FRS102 rather than SORP 2005 which has since been withdrawn.

c) Critical accounting judgements and key sources of estimation uncertainty

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

d) Income

Income is recognised in the period in which the charity is entitled to receipt, the amount can be measured reliably and receipt is probable. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

e) Expenditure

Expenditure is included on an accruals basis for charitable activities and expenditure on raising funds.

Expenditure is allocated to a particular activity where the cost relates directly to that activity.

Grants payable are accounted for in full as liabilities when approved and notified to locally trusted organisations and Big Local areas, because Big Local areas would have a valid expectation that they would receive the grant as offered and accepted.

f) Allocation of support costs

Support costs are those costs which enable the raising of funds and which enable charitable activities to be carried out. These costs include finance, human resources and information technology.

Support costs are allocated across grant expenditure directly to areas, delivery to areas, learning to support the programme and governance on the basis of staff time spent undertaking an activity.

Direct governance costs are allocated on the basis of staff time spent undertaking an activity. The direct staff cost allocation for the period to 31 March 2021 was across delivery to areas and learning to support the programme.

g) Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term to the statement of financial activities, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

h) Expenditure on raising funds

Expenditure on raising funds include investment management fees which are charged at 0.20% of the market value of the portfolio and are charged as they fall due to the statement of financial activities. The fee reduced to 0.15% from 1 July 2020.

i) Tangible fixed assets depreciation and intangible fixed assets amortisation

All assets costing more than £1,000 are capitalised. Depreciation on tangible fixed assets (IT equipment and office furniture), and amortisation on intangible fixed assets (website and grant management system development), is provided to write off assets on a straight-line basis over their estimated useful economic life (three years).

j) Investments

Investments are included at their bid-price at the year-end. Gains and losses arising on the disposal of investments and the revaluation to market value are charged or credited to the statement of financial activities in the year.

k) Social investments

Big Local Trust makes programme-related social investments on behalf of Big Local areas. Big Local Trust receives annual dividends from the credit unions on behalf of the Big Local areas, at the same rate as the annual dividend paid to other corporate members.

Social investments are initially recognised at cost and are assessed for impairment on an annual basis.

l) Pension

Local Trust operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charity to the fund. The charity has no liability under the scheme other than for the payment of those contributions.

m) Grants payable

A 'constructive obligation' between Big Local Trust and a locally trusted organisation is triggered when a grant (or funding) offer letter is sent to a locally trusted organisation to notify them that a specified amount of funding has been endorsed for a stated period of time. Big Local Trust records these constructive obligations, or grants payable, as creditors in these accounts.

n) Financial instruments

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument. Additionally, all financial assets and liabilities are classified according to the substance of the contractual arrangements entered into.

Financial assets and liabilities are initially measured at transaction price (including transaction cost) and are subsequently re-measured where applicable at amortised cost except for investments, which are subsequently measured at fair value with gains and losses recognised in the statement of financial activities. Assets and liabilities held in a foreign currency are translated to GBP at the balance sheet date at an appropriate year-end exchange rate. There were no assets or liabilities held in foreign currency at 31 March 2021.

2. Investment income

	2021	2020
	£000	£000
Income on investments	851	3,438
Bank interest	60	99
Tax refunds	-	26
Total	911	3,563

3. Grant income

	2021	2020
	£000	£000
Total	-	-

Big Local Trust received no grant income during the year ended 31 March 2021.

Big Local Trust annual report and financial statements 1 April 2020 - 31 March 2021

4. Expenditure

	Charitable activities						2021 Total £000	2020 Total £000
	Grant expenditure directly to areas £000	Delivery to areas £000	Learning to support the programme £000	Expenditure on raising funds £000	Governance £000	Support £000		
Direct costs								
Staff (excluding recharges)	-	908	726	-	-	530	2,164	1,787
Grants to areas								
Getting started	-	-	-	-	-	-	-	(5)
Big Local funding	13,970	-	-	-	-	-	13,970	13,477
Community travel and childcare	-	-	-	-	-	-	-	118
Area admin contribution	710	-	-	-	-	-	710	684
Reboot grants	30	-	-	-	-	-	30	-
MyCommunity website	50	-	-	-	-	-	50	50
Partnerships grants	37	-	-	-	-	-	37	-
Spirit of 2012	25	-	-	-	-	-	25	-
Area delivery costs	-	2,155	-	-	-	-	2,155	2,507
Programme development	-	-	945	-	-	-	945	445
Finance charges	-	-	-	154	-	-	154	295
Governance costs	-	-	-	-	32	-	32	34
Audit and financial advice	-	-	-	-	29	-	29	31
Legal and professional fees	-	-	-	-	14	-	14	22
Communications and marketing	-	-	-	-	-	124	124	254
IT and Consultancy	-	-	-	-	-	275	275	246
Rent and office costs (incl. recharged staff costs)	-	-	-	-	-	357	357	322
Depreciation	-	-	-	-	-	74	74	80
Total costs	14,822	3,063	1,671	154	75	1,360	21,145	20,347
Allocated to charitable activities								
Support Costs	224	520	484	0	132	(1,360)	-	-
Governance costs (note 6)	38	88	81	0	(207)	-	-	-
Total expenditure 2021	15,084	3,671	2,236	154	-	-	21,145	20,347
Total expenditure 2020	14,625	3,850	1,577	295	-	-	20,237	32,530

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4. Expenditure (continued)

Prior-year comparative	Charitable activities						2019 Total £000
	Grant expenditure directly to areas £000	Delivery to areas £000	Learning to support the programme £000	Expenditure on raising funds £000	Governance £000	Support £000	
Direct costs							
Staff (excluding recharges)	-	735	550	-	-	502	1,787
Grants to areas							1,372
Getting started	(5)	-	-	-	-	-	(5)
Big Local funding	13,477	-	-	-	-	-	13,477
Community travel and childcare	118	-	-	-	-	-	118
Area admin contribution	684	-	-	-	-	-	684
MyCommunity website	50	-	-	-	-	-	50
Area delivery costs	-	2,507	-	-	-	-	2,507
Programme development	-	-	445	-	-	-	445
Finance charges	-	-	-	295	-	-	295
Governance costs	-	-	-	-	34	-	34
Audit and financial advice	-	-	-	-	31	-	31
Legal and professional fees	-	-	-	-	22	-	22
Communications and marketing	-	-	-	-	-	254	254
IT and Consultancy	-	-	-	-	-	246	246
Rent and office costs (incl. recharged staff costs)	-	-	-	-	-	322	322
Depreciation	-	-	-	-	-	80	80
Total costs	14,324	3,242	995	295	87	1,404	20,347
Allocated to charitable activities							32,530
Support Costs	253	512	490	-	149	(1,404)	-
Governance costs (note 6)	48	96	92	-	(236)	-	-
Total expenditure 2020	14,625	3,850	1,577	295	-	-	20,347
Total expenditure 2019	27,920	3,062	1,223	325	-	-	32,530

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5. Grants payable

Big Local area	Locally trusted organisation	New grants £000	Repayment of unspent grants £000	Closed grants £000	2021 Total £000	2020 Total £000
3 Together	Groundwork North East	-	-	-	-	-
Aberfeldy	Quaker Social Action	-	-	-	-	496
Allenton	Enthusiasm Trust	-	-	-	-	442
Ansley Village, New Arley and Old Arley (Leys Millionaires)	Warwickshire Community and Voluntary Action	-	-	-	-	-
Arches Local	Starlings Support CIC	187	(34)	(114)	39	280
	Red Zebra Community Solutions Limited	-	-	-	-	(91)
Barnfield	Greenwich Cooperative Development Agency (GCDA)	-	-	-	-	-
	Plumcroft Primary School	-	-	(5)	(5)	(191)
Barrow Island	Cumbria CVS	-	-	-	-	-
	Local Trust	18	-	-	18	-
Barrowcliff	Community First Credit Union	117	(22)	-	95	-
	UnLtd	-	-	-	-	-
	Groundwork North Yorkshire	-	-	-	-	(200)
Beechwood, Ballantyne and Bidston Village	Community Foundation for Lancashire and Merseyside	-	(1)	-	(1)	350
	Community Action Wirral	-	-	-	-	(62)
Birchfield	Birmingham Voluntary Service Council	-	(51)	-	(51)	302
	UnLtd	-	-	-	-	-
Birchwood	Lincolnshire Co-operative Ltd	-	-	-	-	-
Blackpool Revue	Blackpool FC Community Trust	-	(2)	-	(2)	470
Bountagu	Enfield Children & Young People Service	-	-	-	-	(7)
	CVS Broxbourne & East Herts	-	-	-	-	460
	UnLtd	-	-	-	-	-
Bourne Estate	Bournemouth Churches Housing Association	-	-	-	-	(105)
Bradley	Pendle Borough Council	-	-	-	-	-
Brereton	Support Staffordshire	-	-	-	-	-
Brinnington	Groundwork Manchester, Salford, Stockport and Trafford Limited	-	-	-	-	-
Broad Green Big Local	Asian Resource Centre	357	(25)	-	332	67
Brookside	Stirchley and Brookside Parish Council	-	-	-	-	-
Canvey Island Big Local	Essex Boys and Girls Clubs	-	-	(75)	(75)	(215)
	Canvey Island Youth Project	87	-	-	87	-
Cars Area	Colebridge Trust	-	-	-	-	264
Catton Grove	Oak Grove Community Church	512	(15)	-	497	-
	Voluntary Norfolk	-	-	-	-	(262)

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CELL - Lynemouth, Cresswell, Ellington and Linton	YMCA Northumberland	-	-	-	-	342
Central Boston	Age UK Lincoln & South Lincolnshire	374	-	-	374	(16)
Central Jarrow	Groundwork South and North Tyneside	-	(32)	(10)	(42)	124
	UnLtd	-	-	-	-	2
Chinbrook Estate	Voluntary Services Lewisham	-	-	-	-	192
	Lewisham Disability Coalition	-	-	-	-	(175)
	Local Trust	-	-	-	-	10
Church Hill	Charles Lovell and Company Limited	-	-	-	-	208
Clapham Junction, West Battersea (Big Local SW11)	Providence House	-	-	-	-	-
Clarksfield, Greenacres and Littlemoor	Action Together CIO	463	-	-	463	-
Clubmoor	Liverpool CVS	-	(23)	(100)	(123)	435
	St Andrew's Community Network	-	-	-	-	(56)
	Shared Assets Ltd	-	-	-	-	(6)
Collyhurst	Manchester Communication Academy	61	(2)	-	59	13
	UnLtd	-	-	-	-	-
Conniburrow Estate	Milton Keynes Community Foundation	-	-	-	-	(203)
Dartford	Community Links Bromley	-	(1)	-	(1)	44
	Red Zebra Community Solutions	-	-	-	-	(108)
	St Marys Greenhithe	-	-	-	-	75
Devonshire West	3VA	300	(39)	(49)	212	-
Dewsbury Moor	Dewsbury Moor Rugby League Club	-	-	(315)	(315)	(11)
	Local Trust	40	-	-	40	-
Distington	Distington Big Local Limited	428	-	(164)	264	50
Dover Big Local	Red Zebra Solutions Limited	-	-	(92)	(92)	-
	UnLtd	-	-	-	-	-
	Dover Big Local CIC	155	-	-	155	-
Dyke House	Wharton Trust	-	-	-	-	-
East Cleveland Villages	Tees Valley Rural Action	211	-	-	211	-
East Coseley	Dudley Community Voluntary Service	-	-	(53)	(53)	510
Eastern Sheppey	Swale Community and Voluntary Services	-	-	-	-	200
Elmton, Creswell and Hodthorpe	Bassetlaw Community and Voluntary Service	595	(32)	(329)	234	366
Elthorne Estates	Caxton House Community Centre	-	-	-	-	330
Ewanrigg	Cumbria CVS (Ewanrigg)	-	(12)	-	(12)	423
	Shared Assets Limited	3	-	-	3	-
Farley Hill	Age Concern Luton	769	(113)	(239)	417	-
Firs and Bromford	Worth Unlimited	122	(16)	-	106	73
Fratton	Community Action Hampshire	-	-	-	-	(61)

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Gannow	Burnley, Pendle and Rossendale Community Voluntary Service	50	-	-	50	375
	Behavioural Insights Team	-	-	(9)	(9)	-
Gateshead	St Chad's Community Project	-	-	-	-	197
Gaunless Gateway	South Durham Enterprise Agency	-	-	-	-	-
Goldthorpe with Bolton on Dearne	Barnsley Community Build	-	-	(76)	(76)	-
	The Snap Tin CIC	48	-	-	48	-
Grace Mary to Lion Farm	Sandwell CVO	430	(101)	(51)	278	-
Grange Estate	Community Barnet	463	(51)	(138)	274	-
Grassland Hasmoor	Grassland Hasmoor Futures Limited	235	-	-	235	338
	North Eastern Derbyshire Business Devts LTd	-	(2)	(204)	(206)	-
Greatfield	Probe Hull Limited	-	(2)	(111)	(113)	384
	UnLtd	-	-	-	-	-
	Begbie Traynor (Central) LLP	-	-	-	-	(1)
	Local Trust	-	-	-	-	(15)
Greenmoor	CNET - Bradford and District Community Empowerment Network Limited	140	-	(188)	(48)	-
	Better Communities Bradford	125	-	-	125	-
Growing Together	Growing Together (Northampton)	71	(8)	-	63	54
Hackney Wick	Crest Waltham Forest	-	-	-	-	-
	Hackney Community Voluntary Services	-	-	-	-	(357)
Hanwell, Copley Close	E.A.S.E (Empowering Action and Social Esteem) Limited	-	-	-	-	525
Harefield, Midanbury and Thornhill Park (SO18)	Training for Work in communities (TWICS)	-	-	-	-	-
	Southampton Voluntary Services	-	-	-	-	(86)
Hateley Heath	SCIPS Limited	-	-	-	-	-
Hawksworth Wood, Abbeydales, Vespers Area (HAVA)	Cardigan Centre	533	-	-	533	-
Heart of Pitsea	Basildon, Billericay & Wickford CVS	-	-	-	-	-
Heart of Sidley	Optivo	83	-	-	83	(35)
	Rother Voluntary Action	169	-	(76)	93	(105)
Heath Big Local	Uttoxeter Knights	29	-	-	29	-
	Parochial Church Council of Uttoxeter	59	-	-	59	-
Heston West	Berkeley Academy	163	(13)	(56)	94	226
	Groundwork South	-	-	-	-	(77)
Hill Top and Caldwell	Warwickshire CVA	-	-	-	-	505
Horsefair, Broadwaters and Greenhill (Big Local DY10)	PCC of Kidderminster East	50	-	-	50	478
Inner East Preston	Emmaus Preston	-	-	-	-	-
	Preston City Council	-	-	-	-	(30)
Keighley Valley	Airedale Enterprise Services	-	-	-	-	-
	UnLtd	-	-	-	-	-

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Kingsbrook & Cauldwell	Community Voluntary Service Bedfordshire	-	-	-	-	(136)
Kingswood & Hazel Leys	Groundwork Northamptonshire	315	(19)	(142)	154	-
Kirk Hallam	Nova Education Trust	281	(4)	(108)	169	-
	Street Games	10	-	-	10	-
Kirkholt	The Big Life Company	86	-	-	86	371
	Local Trust	-	-	-	-	(43)
Langold, Costhorpe & Carlton	Hodsock Parish council	50	-	-	50	-
Latch Ford	Groundwork CLM	-	-	-	-	635
	Torus 62	-	-	-	-	51
Lawrence Weston	Ambition Lawrence Weston	-	-	-	-	378
Leecliffe	Clarion Futures (formerly Affinity Sutton)	-	-	-	-	(63)
	Media Trust	1	-	-	1	-
	Shared Assets Limited	-	-	-	-	(4)
Leigh West	Leigh Neighbours Partnership Board	-	-	-	-	-
Little Hulton	Salford CVS	116	-	-	116	-
	UnLtd	-	-	-	-	-
	Shared Assets	-	-	-	-	2
Littlemoor	Dorset Community Action	-	-	-	-	(154)
	Groundwork South	-	-	-	-	(141)
Mablethorpe, Trusthorpe and Sutton on Sea (Coastal Comm	Lincolnshire Community Foundation	-	-	-	-	-
Marsh & Mickelfield	Chiltern Rangers CIC	571	(48)	(50)	473	-
	Buckinghamshire Community Foundation	-	-	-	-	(312)
Mossley	One Walsall	358	-	(86)	272	210
Mottingham	Community Links Bromley	-	-	-	-	-
Newington, Ramsgate	Starlings Support CIC	149	(27)	(52)	70	202
	Red Zebra Community Solutions	-	-	-	-	(83)
Noel Park Estate	Crest Waltham Forest	-	-	-	-	444
	Shared Assets	-	-	-	-	(4)
North Brixton	Big Local Impact	46	-	-	46	-
	London Community Foundation	-	-	-	-	(31)
North Cleethorpes	Voluntary Action NE Lincolnshire	-	-	-	-	418
North East Hastings	Hastings Voluntary Action	230	-	-	230	-
North meets South	CREST	431	(29)	(84)	318	-
	London Borough of Dagenham	-	-	-	-	(12)
North Ormesby	North Ormesby Development Company Limited	-	-	-	-	(8)
	Middlebrough Environment City	348	-	-	348	-
North West Ipswich	Community Action Suffolk	-	-	-	-	(109)
	Castle Hill Community Centre Trust	65	(25)	-	40	91
Northfleet North	Council for Voluntary Service North West Kent	208	-	-	208	(19)

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Northwood	Community Foundations for Merseyside and Lancashire	-	-	-	-	314
	Optivo	-	-	-	-	(105)
Palfrey	Manor Farm Community Association	-	(9)	(72)	(81)	145
	UnLtd	-	-	-	-	-
	One Walsall	200	(16)	(60)	124	93
	Local Trust	-	-	-	-	-
Par Bay	Eden Project campaigns Ltd	50	-	-	50	76
	UnLtd	-	-	-	-	-
	Shared Assets Limited	3	-	-	3	(4)
	Par Bay Community Trust	80	-	-	80	-
Peabody Avenue and Churchill Gardens Estate (Big Local SW1)	Quaker Social Action	40	-	-	40	93
	Thamesbank Centre	-	(1)	-	(1)	(276)
PEACH	Custom House & Canning Town Renewal Project	-	(25)	(3)	(28)	86
	PEACH Inc	258	-	-	258	-
Plaistow South	Rights & Equalities in Newham	165	-	-	165	-
Podsmead	GL Communities	-	-	-	-	108
	Gloucestershire Credit Union	-	(1)	-	(1)	241
Prospect Estate	Rushmoor Borough Council	265	-	-	265	277
Radstock and Westfield	Bath and North East Somerset Carers' Centre	-	-	-	-	48
Ramsey	Ramsey Neighbourhoods Trust	41	-	-	41	443
	Campaign for Better Transport	4	-	-	4	-
	Shared Assets Limited	3	-	-	3	-
Rastrick	Community Foundation for Calderdale	-	-	(44)	(44)	478
Ravensthorpe and Westwood	Cross Keys Homes	145	(4)	(202)	(61)	-
Ridge Hill	New Charter Housing Trust Group	-	-	-	-	-
Riverside Community	Thurrock Lifestyle Solutions	-	-	-	-	(37)
	UnLtd	-	-	-	-	-
Roseworth Ward	Catalyst Stockton	-	-	-	-	(44)
Rudheath and Witton	Groundwork CLM	325	-	-	325	-
Sale West	Irwell Valley Housing Association	-	-	-	-	280
	UnLtd	-	-	-	-	-
Scotlands and Bushbury Hill	Bushbury Hill Estate Management Board	-	-	-	-	-
Selby Town	Selby District AVS	162	(30)	(63)	69	(77)
Shadsworth with Whitebirk	Blackburn with Darwen Community Voluntary Service	-	-	-	-	-
	Blackburn with Darwen Healthy Living	-	-	-	-	(24)
Slade Green	Howbury Friends	-	(1)	-	(1)	21
	Bexley Voluntary Service Council	322	-	-	322	-
Somers Town	Working Men's College	-	-	-	-	-

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Sompting	Community Works	178	-	(69)	109	-
	Adur voluntary Action	-	-	-	-	(152)
South Bermondsey	United St Saviour's Charity	134	(42)	-	92	-
	UnLtd	-	-	-	-	-
St James St	Crest Waltham Forest	-	-	-	-	438
	UnLtd	-	-	-	-	-
St Matthews Estate	St Matthew's BL	484	(43)	(82)	359	-
St Oswald & Netherton	Sefton Metropolitan Council	648	(19)	(44)	585	-
St Peter's & the Moors	Cheltenham BC	-	-	-	-	-
	UnLtd	-	-	-	-	-
Stoke North	YMCA North Staffs	-	-	-	-	-
Tang Hall	Tang Hall Big Local CIO	456	-	-	456	-
	UnLtd	-	-	-	-	-
Three Parishes	Oswestry Community Action	353	(30)	-	323	87
Thurcroft	Rotherham Federation of Communities Ltd	234	(12)	(53)	169	-
Thurnscoe	Barnsley Community Build	-	(10)	-	(10)	(129)
	Station House Community Association Limited	-	-	-	-	464
Tonge with the Haulgh	Bolton at Home	-	-	-	-	-
Toothill	Swindon Borough Council	-	-	-	-	-
W12 Together	CommUNITY Barnet	227	-	-	227	212
	Local Trust	-	-	(18)	(18)	-
Wargrave	Helena Partnerships Limited	-	-	-	-	(54)
	Torus Foundation	-	-	-	-	357
Warsop Parish	Mansfield CVS	295	(28)	(21)	246	-
Warwick Ahead	Nova Wakefield District Limited	-	-	-	-	-
	Campaign for Better Transport	4	-	-	4	-
	Local Trust	-	-	-	-	2
Wecock Farm	Havant Borough council	-	-	(77)	(77)	-
	Citizens Advice Havant	499	-	-	499	-
Welsh House Farm	Haven Community Project	255	(1)	-	254	-
	Birmingham Voluntary Service Council	28	-	-	28	-
Wembley Central	Community Barnet	165	(8)	(23)	134	83
	Local Trust	30	-	-	30	10
	Landau Morley LLP	-	-	-	-	(79)
West End Morecambe	Lancaster CVS	-	-	(49)	(49)	283
Westfield Estate	Beighton Village Development Trust	-	-	-	-	-
Whitleigh	UnLtd	-	-	-	-	-
	Whitleigh Primary and Sir John Hunt Community Sports College	-	-	-	-	255
Whitley	Berkshire Community Foundation	-	-	-	-	(76)
Whitley Bay	New Prospects Association Ltd	-	-	-	-	462
William Morris	CREST Waltham Forest	-	-	-	-	-
	UnLtd	-	-	-	-	-
Windmill Hill	Groundwork CLM	412	(11)	-	401	(48)
Winterton	Voluntary Action North Lincolnshire	-	-	-	-	342

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Withernsea	Hull and East Yorkshire Credit Union	-	-	-	-	-
	Shores Centre	386	-	-	386	-
	Begbie Traynor (Central) LLP	-	-	-	-	(3)
	Local Trust	-	-	-	-	(35)
Woodlands Speaks	Woodlands Speaks	-	-	-	-	283
Woolavington and Puriton Villages Together	SHAL Housing Ltd	522	-	-	522	-
World's End Estate and Lots Road Area	Quaker Social Action	-	-	-	-	186
	St Mary Abbots Rehabilitation and Training (SMART)	-	-	-	-	(91)
Worle	NSAH (Alliance Homes) Ltd	766	-	(230)	536	-
Wormley & Turnford	Community Voluntary Service for Broxbourne and East Herts	650	(18)	(387)	245	(274)
	Subtotal of Big Local grants	19,501	(1,058)	(4,473)	13,970	13,477

Other grants

Getting Started	-	(5)
Reboot grants	30	-
MyCommunity website	50	50
Other Partnership grants	37	-
Spirit of 2012	25	-
Residents' travel and childcare	-	118
Area admin contributions	710	684
Support and governance costs	262	301
Total grants payable	15,084	14,625

In April 2019, Palfrey Community Association, the locally trusted organisation for Palfrey Big Local, went into administration while holding up to an estimated £75k cash of Big Local funds. In November 2019 this estimate was reduced to £38k upon receiving further spend information from Palfrey Community Association. Big Local Trust is an unsecured creditor for the funding and the administration process is ongoing.

6. Governance costs

Total governance costs of £207k (2020: £236k) consist of direct governance costs of £75k (2020: £87k) and indirect costs of £132k (2020: £149k). Indirect governance costs are an apportionment of staffing and other support costs, calculated on the basis of staff time spent. This is in accordance with our accounting policies as outlined in note 1(f) to the accounts.

7. Net operating expenditure for the year

This is stated after charging:

	2021	2020
	£000	£000
Depreciation and amortisation	74	80
Impairment of social investments	-	10
Auditor's remuneration (including VAT):		
- in respect of current year audit	22	19
- in respect of current year non-audit	-	-
- in respect of prior year	5	7
Financial advice	2	5
Investment manager's fees	154	295
Legal and professional fees	14	22
Licence fees	149	146

8. Tangible fixed assets

			2021	2020
	Office refurbishment	IT equipment	Total	Total
	£000	£000	£000	£000
Cost				
Balance brought forward	24	162	186	169
Additions	1	16	17	17
Balance carried forward	<u>25</u>	<u>178</u>	<u>203</u>	<u>186</u>
Depreciation				
Balance brought forward	18	138	156	137
Charge for year	4	14	18	19
Balance carried forward	<u>22</u>	<u>152</u>	<u>174</u>	<u>156</u>
Net book value				
Brought forward	<u>6</u>	<u>24</u>	<u>30</u>	<u>32</u>
Carried forward	<u>3</u>	<u>26</u>	<u>29</u>	<u>30</u>

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9. Intangible fixed assets

	2021	2020
	Total	Total
	£000	£000
Cost		
Balance brought forward	325	282
Additions	17	43
Balance carried forward	<u>342</u>	<u>325</u>
Amortisation		
Balance brought forward	236	175
Charge for year	56	61
Balance carried forward	<u>292</u>	<u>236</u>
Net book value		
Brought forward	89	107
Carried forward	<u>50</u>	<u>89</u>

Intangible fixed assets include development of Big Local Trust's grant management system, website and area assessment tool.

10. Investments

	2021	2020
	£000	£000
At 1 April 2020	132,023	152,395
Purchases at cost	215,002	223,210
Disposal proceeds	(225,612)	(244,393)
Amounts due at year end re settlement of purchases	(9,000)	-
Accrued management charges	(24)	1
Net investment gains/(loss)	(226)	809
At 31 March 2021	<u>112,163</u>	<u>132,022</u>
Capital and revenue cash balance	521	490
Total	<u>112,684</u>	<u>132,512</u>

11. Investments by type and location of fund

	2021	2021	2021	2020	2020	2020
	UK	Overseas	Total	UK	Overseas	Total
	£000	£000	£000	£000	£000	£000
Equity	-	-	-	-	-	-
Fixed interest	-	-	-	38,837	-	38,837
Property	-	-	-	-	-	-
Cash	112,684	-	112,684	93,675	-	93,675
Multi-asset fund	-	-	-	-	-	-
Total	<u>112,684</u>	<u>-</u>	<u>112,684</u>	<u>132,512</u>	<u>-</u>	<u>132,512</u>

The total book cost of investments held at 31 March 2021 was £112,499k (2020: £133,622k).

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12. Social investment assets

Big Local area	Credit union	Type of investment	Funds at 31 March 2020 £000	Repayments £000	Impairments £000	Funds at 31 March 2021 £000
2015–16						
East Coseley	Castle and Crystal Credit Union	Corporate deposit	15	-	-	15
North West Ipswich	Eastern Savings and Loans Credit Union	Subordinated Loan	10	-	-	10
Subtotal			25	-	-	25
2016–17						
Rudheath and Witton	Key Fund loan	Loan	1	(1)	-	-
St Oswald and Netherton	Knowsley Mutual Credit Union	Corporate deposit	13	-	-	13
Subtotal			14	(1)	-	13
2017–18						
Three Parishes (for Oswestry Station Trust)	Key Fund loan	Loan	48	(11)	-	37
Subtotal			48	(11)	-	37
2018–19						
Withernsea	Hull & East Yorkshire Credit Union	Subordinated Loan	30	-	-	30
Subtotal			30	-	-	30
			-	-	-	-
Cumulative totals			117	(12)	-	105
Total Key Fund loan balance			49	(12)	-	37

13. Debtors

	2021 £000	2020 £000
Trade debtors	71	259
Other debtors	36	36
Amounts due from Local Trust	5	6
Prepayments	168	155
Accrued income	187	900
Total	467	1,356

*Big Local Trust annual report and financial statements 1 April 2020 - 31 March 2021***14. Creditors: amounts falling due within one year**

	2021	2020
	£000	£000
Grant commitments	26,560	27,877
Trade creditors	1,411	833
Accruals	48	90
Social security and other taxation	52	44
Pension payments due	23	17
Total	28,094	28,861

15. Creditors: amounts falling due after one year

	2021	2020
	£000	£000
Grant commitments	7,607	6,515
Total	7,607	6,515

16. Grant commitments

	2021	2020
	£000	£000
Grant commitments b/fwd	34,392	39,902
New commitments in the year	19,501	22,006
Area admin contribution	710	684
Commitments settled in the year	(14,905)	(19,671)
Commitments reversed in the year	(5,531)	(8,529)
Grant commitments c/fwd	34,167	34,392

17. Analysis of changes in net debt

	At		At
	1 April 2020	Cash flows	31 March 2021
	£000	£000	£000
Cash	1,087	745	1,832
Cash equivalents	1,187	1	1,188
Overdraft facility repayable on demand	-	-	-
Total	2,274	746	3,020

18. Operating leases

	2021	2020
	£000	£000
Land and buildings, due in less than 1 year	74	74
Land and buildings, due in 2 to 5 years	-	-
Land and buildings, due after 5 years	-	-

Big Local Trust has a licence to occupy office space at CAN Mezzanine, Borough. Future commitments in relation to this lease are noted above.

*Big Local Trust annual report and financial statements 1 April 2020 - 31 March 2021***19. Staff costs and numbers**

	2021	2020
	£000	£000
Wages and salaries	1,729	1,308
Social security and other taxes	172	127
Pension	248	208
Other staff costs	122	199
Total	2,271	1,842

Trustees are responsible for setting overall remuneration levels for staff, with recommendations being made to Board as part of the budget approval process.

Trustees recognise the importance of valuing staff that need to effectively and appropriately manage the endowment, the programme, grants and social investment into 150 areas and the contracts/grants of those delivering national support, research and evaluation.

Staff are jointly employed by Big Local Trust and Local Trust. The average number of employees during the year was 41 (2020: 31).

In line with NCVO's Inquiry into Senior Executive Pay (2014), we publish details of our senior management's pay and the ratio between the highest, median and lowest salaries as detailed below.

Six employees, who were also the key management personnel, were remunerated over £60k in the year (2020: four employees); Matt Leach (chief executive), three directors and two heads of team.

Senior salaries	Annual salary	Total pay before tax	Total employer's National Insurance	Total employer's pension incl salary exchange	2021 Total cost
	£000	£000	£000	£000	£000
2021					
Margaret Bolton	79	72	9	17	98
Jayne Entwistle	61	63	8	6	77
Chris Falconer	60	61	7	6	74
James Goodman	70	72	9	7	88
Matt Leach	106	102	16	17	135
Rachel Rowney	83	80	10	11	101
		450	59	64	573
2020					
Margaret Bolton	77	69	8	17	94
Jayne Entwistle	59	61	7	7	75
James Goodman	77	71	9	7	87
Matt Leach	103	99	12	16	127
		300	36	47	383

As at 31 March 2021, the highest full time gross salary was £106k (2020: £103k), the median was £35k (2020: £36k) (ratio 2.4 to 1 between highest and median) and the lowest full-time salary was £20k (2020: £20k) (ratio 4.1 to 1 between highest and lowest).

Big Local Trust is a London Living Wage accredited employer, and all our staff and contractors are paid at least the London Living Wage.

20. Volunteers

Big Local relies on people getting involved in making their areas better places to live. Almost 1500 people directly participate as partnership members across the 150 Big Local areas. Partnership members include representatives from local organisations, councils and businesses but a vast majority are volunteer residents (73%) who give of their own time to help lead the Big Local programme in their local areas.

21. Pension

We offer staff the opportunity to join a defined contribution Group Personal Pension Plan ('the scheme'). Monthly contributions to the scheme are invested in personal pension plans with an insurance company (Scottish Widows). Big Local Trust's contribution to the scheme is based on 10% of the employee's basic annual salary, plus an amount equal to the saving Big Local Trust makes under the salary exchange system from the employer National Insurance contribution; there is no minimum contribution for staff although they are encouraged to contribute.

Pension contributions made by Big Local Trust to the scheme during the year were £173k (2020: £146k) for 48 employees (2020: 40). Employee contributions, made through our salary exchange scheme, were £64k (2020: £55k). As at 31 March 2021, Big Local Trust owed £23k (2020: £17k) to the scheme relating to March pension payments: the amount due was settled on time during April 2021

22. Trustees' remuneration, benefits and expenses

Trustees received no remuneration. No trustees received reimbursements for travel costs during the period (2020: 12 trustees received £15k). Trustee training expenses during the period were £nil (2020: £3k). Trustee recruitment costs during the period were nil (2020: £nil). Governance review costs were £19k (2020: £nil)

23. Big Local Trust protector

Protector fees and expenses of £12k were payable during the period (2020: £16k). Fees were lower during the year to 31 March 2021 due to reduced programme activity as a result of the COVID-19 pandemic.

24. Related party transactions

During the period April 2020 to March 2021, Local Trust paid Big Local Trust £111k for staff time and expenses spent on Local Trust activities, that were initially paid for through Big Local Trust (2020: £66k). Big Local Trust had an outstanding debtor balance with Local Trust of £5k as at 31 March 2021 (2020: £6k).

Bob Thust is a trustee of Local Trust and co-founder of Practical Governance. Practical Governance together with the Social Change Agency jointly formed the Losing Control network. During the year, Local Trust paid the Social Change Agency £2,400 (2020: £nil) as sponsorship for the Losing Control in Funding & Commissioning event hosted by the Losing Control network.

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David Warner is a trustee of Local Trust and an associate of IVAR. Local Trust has contracted IVAR and Just Ideas to work on evaluation and learning support for the Community Leadership Academy, between October 2019 and April 2022, with a total contract value of £179.6k. During the year to 31 March 2021, Big Local Trust paid IVAR £24k for evaluation and learning support during the period and owed IVAR a balance of £7k (2020: £12k) at the year end. David has worked as a consultant for the National Lottery Community Fund, which established Big Local Trust with its endowment. David is also a trustee of CaVCA in Scarborough, who have done some work for Selby Big Local during the reporting period. David is also a voluntary non-executive director of Toynbee Hall Trading Ltd. At the end of the year, Big Local Trust owed Toynbee Hall £1k (2020: £2k)

Peter Mills is a trustee of Local Trust and is a director of Brand Ethos Limited which has contracts for work with Sheila McKechnie Foundation (SMK), which is delivery partner of Local Trust, although this activity is unrelated to his role as trustee at Local Trust. Local Trust has a service agreement with SMK for £26k for the delivery of the first phase of a policy and advocacy panel, which is accounted for under the Local Trust company.

25. Financial instruments

Carrying values of financial assets and liabilities at 31 March:

	2021	2020
	£000	£000
Financial assets measured at amortised cost (a)	3,319	3,475
Financial assets measured at fair value (b)	112,789	132,630
Financial liabilities measured at amortised cost (c)	35,649	35,332

- (a) Financial assets measured at amortised cost include all debtors (excluding prepayments), cash in hand, and notice deposits.
- (b) Financial assets measured at fair value include all fixed asset investments (including social investments).
- (c) Financial liabilities measured at amortised cost include all liabilities excluding amounts due for tax and social security.
- (d) Interest recognised in the statement of financial activities on assets held at amortised cost during 2021 was £58k (2020: £90). Dividends and interest recognised in the statement of financial activities on assets held at fair value was £1.6m (2020: £3.5m).

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Charity details

Big Local Trust

Big Local Trust is registered charity number 1145916.

Local Trust

Local Trust is the corporate trustee (parent entity) of Big Local Trust. Local Trust is registered company number 07833396 and registered charity number 1147511.

Copies of the consolidated accounts for Local Trust, including Big Local Trust, are available from the Local Trust website at <http://localtrust.org.uk/about-us/finance/>

Principal address of Big Local Trust and Local Trust

CAN Mezzanine, 7-14 Great Dover Street, London SE1 4YR

The trustees of Local Trust are:

Miatta Fahnbulleh

Sahil Khan

Benjamin Lee (until 25 Nov 2020)

Jeannette Lichner

Caroline Macfarland

Karen Mellanby

Peter Mills

Nicola Pollock

John Kevin Sugrue (until 25 Nov 2020)

Bob Thust

David Warner (chair)

Rich Wilson

Programme delivery committee

Sahil Khan

Benjamin Lee (until 25 Nov 2020)

Karen Mellanby

Peter Mills (chair)

Caroline Macfarland

John Kevin Sugrue (ex officio member until 21 Nov 2019)

David Warner (ex officio member)

Finance and investment committee

Matthew Brumsen (co-optee with investment expertise)

Benjamin Lee (until 25 Nov 2020)

Serena Loudon (co-optee with investment expertise)

Nicola Pollock (chair)

John Kevin Sugrue (ex officio member until 21 Nov 2019)

Bob Thust

David Warner (ex officio member)

Richard Wilson

Audit and risk committee

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Jeannette Lichner (chair)
Peter Mills
David Warner (ex officio member)

Nominations and remuneration committee members

Miatta Fahnbulleh
Jeannette Lichner
John Kevin Sugrue (ex officio member to 21 November 2019)
David Warner (chair)

Chairs Covid-19 response committee (from March 2020 to 25 November 2020)

Jeannette Lichner
Peter Mills
Nicola Pollock
David Warner (chair)

Chief executive of Local Trust

Matt Leach

Protector of Big Local Trust

Rosie Chapman

Big Local Trust annual report and financial statements 1 April 2020 - 31 March 2021

Advisors

Auditor

Moore Kingston Smith LLP
Devonshire House
60 Goswell Road
London
EC1M 7AD

Solicitor

Withers LLP
16 Old Bailey
London EC4M 7EG

Banker

National Westminster Bank PLC
250 Regent Street
London W1B 3BN

Investment manager

CCLA
Senator House
85 Queen Victoria Street
London EC4V 4ET

Custodian

HSBC Bank Plc
8 Canada Square
London E14 5HQ

Annual statement by the Protector for Big Local Trust

Protector's Statement

Background

Big Local Trust (Big Local) is an unincorporated charity, established in 2012. Its founder is the National Lottery Community Fund (NLCF). The Fund invested £217m in setting up and endowing Big Local to commit over £1m to 150 neighbourhoods across England, and this funding was provided on the basis that it is spent over 10 to 15 years at the communities' own chosen pace, and on their own plans and priorities.

Local Trust (the Trust) is the sole corporate trustee of Big Local, which is in turn controlled by a Board of directors (trustees) who meet regularly. The Board delegates the day-to-day running of the Trust to the chief executive.

Big Local operates in accordance with a Trust Deed between the Fund and Local Trust made originally on 13 February 2012 (and subsequently amended, most recently on 23 July 2018).

The Trust Deed provides that Big Local must have a Protector. I was appointed by Local Trust to this role in September 2018, in consultation with NLCF, for an initial period of three years.

Purpose and functions

The function of the Protector is set out in the Trust Deed. The role's primary purpose is to ensure that decisions taken by Big Local are within the scope of the Trust Deed and are reached in accordance with the principles of good governance.

As Protector, I am not involved in Big Local's decision-making and I am not a trustee of either Big Local or Local Trust.

I receive papers for all Board and committee meetings, and I have a right to attend any of those meetings. I must report any matters of serious concern that I come across to the Fund or to the Charity Commission. Big Local are also required to get the Protector's consent, which can also be withheld, in some limited circumstances. Such circumstances primarily relate to procurement limits and amendments to the Trust Deed.

I am required to produce an annual statement in relation to the Protector's work each year in the Trust's annual report. Where appropriate, this statement identifies any areas of administration, which require improvement and the steps that might be taken by Big Local in response.

How I discharged the Protector function

This year, the COVID-19 pandemic continued to affect how I went about carrying out the role and it precluded any visits to Big Local areas. I hope to resume visits in early autumn 2021 as the restrictions ease.

All of Local Trust's meetings were held online in 2020–21. I received papers for all of the Board and committee meetings held during the period and, where appropriate, I commented on these papers either in person or in writing. I attended five Board meetings (giving apologies for one meeting) and the Board online away day. I also attended various committee meetings, including four meetings, respectively, of the finance and investment committee and programme delivery committee and three meetings of the audit and risk committee.

I was pleased to meet with Maggie Jones, a member of NLCF's England Committee and Elly De Decker, NLCF's England Director during the year to discuss NLCF's overall approach and its expected relationship with the various Protector roles. At the time of writing a meeting with fellow Protectors is due to take place in early July.

COVID-19

I have been impressed by the way in which Local Trust has planned for and dealt with COVID-19 in its operations and relationships with the Big Local areas. Local Trust's staff have risen to the challenges and are to be commended in maintaining their effectiveness, morale, and motivation.

The Trust implemented an effective COVID-19 response plan. For an initial period, it also convened a weekly meeting of the Committee Chairs to consider transitional organisational issues specifically related to the pandemic. The organisation provided a helpful detailed briefing regarding some 'high risk' partnerships. It also adapted the way in which it carried out financial reviews, given the cessation of on-site visits.

143 of 150 Big Local areas continued work to deliver Big Local in some form during the first lockdown, with many areas adapting their plans to provide specific support in response to the pandemic. COVID-19 did thwart or slow plans for other areas. I commended the Trust's systematic exercise to identify those Big Locals at risk of not spending out by the end of the funding programme in 2026–27 and identifying possible remedial action to address this.

Local Trust's strategy

Local Trust's current strategy runs from 2020 to 2026–27 and was largely drafted prior to COVID-19. It declares the Big Local funding programmes as central to the Trust's work until the programme's conclusion.

Protector's consent

Clause 4.1 of the Big Local deed states that "In the tenth year of the Trust Deed the Trustee will identify the *local area plans for sustainability* (as approved by the Protector and the Founder) and which may require the Trust Deed to be amended accordingly.

During the year, I agreed to Local Trust approaching the NLCF to make an amendment to the date in Big Local's Trust Deed, in effect changing the review of local area plans from 2021–22 to 2022–23, to take account of the delays caused by COVID-19 and work required to undertake the review.

I was not asked to give any other specific consents to changes to Big Local's articles or trust deed during the period.

Assessment of Local Trust's handling of formal complaints

In May 2020, Local Trust asked me to review how they had responded to formal complaints made by a Big Local area in May 2020 about the Trust's treatment of the Big Local and an associated company. Having reviewed the documentation I was satisfied that the Trust had acted appropriately in its dealings with the Big Local partnership and in line with its published approach to how it deals with complaints. In particular I saw evidence that the Trust:

- a. assigned members of its senior management team unconnected with the complaint to carry out a review of the complaint;
- b. spoke on various occasions to the individual(s) who made the complaint, and spoke to relevant other people such as the Locally Trusted Organisation, and the Big Local Rep; and.
- c. provided a written response to the various complaints within 20 working days.

I also noted that the complaint was labelled as a 'stage 2' complaint, even though the Trust's published process does not provide for any escalation 'stage' or appeal mechanisms if the individual or partnership concerned is not satisfied with how their complaint has been dealt with. I agree with the Trust that it would not be a proportionate use of resources to adopt an appeals mechanism. I have, however, recommended that the Trust clarifies in its complaints policy that

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there are no appeal or escalation arrangements in place. The Trust has accepted this recommendation and it has amended the policy accordingly. It has also amended its whistleblowing policy to set out the circumstances in which the Trust will take forward an anonymous concern.

Governance and administration of the Big Local Trust

Local Trust had nine directors (trustees) in post as of 1 July 2021. (Two of the trustees' terms came to an end in 2020–21 and a third trustee resigned after the year end.) .

During the year Local Trust commissioned an external governance review which concluded in March 2021. I was interviewed as part of that process. I concur with the review's conclusion that the governance of Local Trust is good, and I was assured by the review's comments commending the oversight of the Big Local Programme. As reported elsewhere, in Local Trust's Annual Report, the governance review recommended that the Trust update its trustee skills' audit. I fed into the subsequent exercise to implement the recommendation, which has also informed the current trustee recruitment exercise to fill the three vacancies. I have also noted that the review's other recommendations and suggestions are either being implemented or are timetabled for consideration during the year alongside other priorities.

Overall, from attending various meetings, regular discussion with the Chair and Chief Executive and from reading key documents my sense is that Big Local is being governed effectively. I have noted and seen that the Board is aware of its role, of the relationship between Local Trust and Big Local, and that it acts accordingly.

I am satisfied that Big Local has been administered in accordance with the terms of the Trust Deed in the period 1 April 2020 to 31 March 2021.

Future priorities

As the Big Local programme is scheduled to end in 2026–27 , my primary focus continues to be on the delivery and close-out to the end of the programme, and on approving partnerships individual legacy statements as they approach the end of their funding. Largely as a result of the pandemic related delay a reduced number of areas (now around five) will spend out in 2021–22.

I will continue to assess how Local Trust monitors and addresses the risk that a significant number of Big Local partnerships struggle to deliver all or some aspects of their plan (for example should Covid cases increase in a fourth wave of the pandemic), risk not spending out, and/or run out of momentum towards the end of the programme.

Following the amendments to the Trust Deed in 2018, there is now more scope for Big Local to engage in wider dissemination of research and learning and this is reflected in its current strategy. The current Deed also provides that money spend outside of BL Trust's "areas of benefit" (i.e. Big Local areas) may only amount to what trustees reasonably consider might be "minor" when compared to – respectively – the total value of the fund and total income accrued to the fund. I will review whether this requirement is being met as Local Trust delivers its strategy.

Related priorities are:

- Resuming visits to Big Local areas, particularly those at risk of not spending out.
- Building the relationship with NCLF, staying abreast of its preparations for its next triennial review¹

¹ The name for the process the in which the Government undertakes a substantive review of all Non-Departmental Public Bodies at least once every three years.

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- Exploring with Local Trust what additional assurance work the Protector role might fulfil in supporting Local Trust manage the risks associated with the Big Local funding programme
- Continuing to oversee how the Trust manages, presents and delineates Big Local and Local Trust's respective reputational and presentational risks.

Rosie Chapman

Protector, Big Local Trust

August 2021

Local Trust

T: 020 3588 0565

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W: www.localtrust.org.uk

Twitter: @LocalTrust #biglocal

The endowment for the Big Local programme is held by the Big Local Trust and overseen by Local Trust. The Big Local Trust was established by the National Lottery Community Fund with a National Lottery grant of £196,873,499.

Registered in England and Wales | Big Local Trust registered charity number 1145916

Local Trust registered company number 07833396, registered charity number 1147511

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