

LOCAL TRUST

England & Wales · Charity number 1147511

Details

Status Registered

Legal form Charitable company

Company number [07833396](#)

Registered 2012-05-30

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

Contact

Address Canopi
Unit A
Arc House
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Activities

Objects: THE OBJECTS OF THE COMPANY ARE TO UNDERTAKE, DO AND PERFORM ALL THINGS THE COMPANY SHALL CONSIDER EXPEDIENT TO DEVELOP THE CAPACITY AND SKILLS (INCLUDING THE ENTERPRISE SKILLS) OF MEMBERS OF SOCIALLY AND ECONOMICALLY OR SOCIALLY DISADVANTAGED COMMUNITIES IN THE UNITED KINGDOM IN SUCH A WAY THAT THEY ARE BETTER ABLE TO IDENTIFY, AND HELP MEET, THEIR NEEDS AS INDIVIDUALS AND TO IMPROVE THE COMMUNITIES IN WHICH THEY LIVE, IN PARTICULAR BY (BUT NOT LIMITED TO) LOCAL ACTION PROJECTS, RESEARCH, EVALUATION AND POLICY ANALYSIS, MAKING GRANTS AND SOCIAL INVESTMENTS TO INDIVIDUALS, LOCAL ENTERPRISES AND COMMUNITIES, THEREBY PROMOTING SHORT TERM AND LONG TERM CHANGE AND THE RELIEF OF UNEMPLOYMENT.

Activities: Local Trust will undertake activities to develop the capacity and skills (including the enterprise skills) of members of socially and economically disadvantaged communities in the United Kingdom in such a way that they are better able to identify, and help meet, their needs as individuals and to improve the communities in which they live.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Other Finance, Sponsors Or Undertakes Research
- **What:** Economic/community Development/employment
- **Who:** The General Public/mankind

Geography

- Throughout England And Wales

Finances

| Period end | Income | Expenditure | Assets | Employees |
|------------|------------|-------------|-------------|-----------|
| 2025-03-31 | £2,142,000 | £8,820,000 | £16,177,000 | 62 |
| 2024-03-31 | £2,901,000 | £17,480,000 | £24,177,000 | 63 |
| 2023-03-31 | £1,758,000 | £21,088,000 | £38,345,000 | 55 |
| 2022-03-31 | £556,000 | £26,201,000 | £56,897,000 | 50 |
| 2021-03-31 | £1,268,000 | £22,177,000 | £82,610,000 | 41 |

Trustees

| Name | Role | Appointed |
|-----------------------------------|-------|------------|
| DAVID TIMOTHY WARNER | Chair | 2018-03-22 |
| CAROLINE MACFARLAND | | 2019-11-21 |
| Chris Catterall | | 2021-11-25 |
| Kate Catherine Hainsworth-Staples | | 2023-11-23 |
| Matthew Bell | | 2021-11-25 |
| Mr Richard Wilson | | 2018-03-22 |
| Nicola Pollock | | 2018-03-22 |
| Patrick Melia | | 2021-11-25 |
| Stephen Aldridge CB | | 2023-11-23 |

LOCAL TRUST

England & Wales - Charity number 1147511

Accounts

Local Trust

Annual report and financial statements

for 1 April 2024 to 31 March 2025

Registered charity number 1147511



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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

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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 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 and activities for public benefit

Local Trust is a charitable company limited by guarantee. It is operated under the rules of its memorandum and articles of association dated 3 November 2011 and amended by written resolutions dated 27 March 2012 and 9 October 2014. It has no share capital and the liability of each member in the event of winding-up is limited to £1. Local Trust was registered with the Charity Commission on 30 May 2012.

The relationship between Big Local Trust, Local Trust and The National Lottery Community Fund

Local Trust is the corporate trustee of the Big Local Trust. Local Trust and the National Lottery Community Fund (formerly Big Lottery Fund) established Big Local Trust. 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. Big Local is Local Trust's first and major initiative. All the activities of Big Local Trust are promoted under the Local Trust and Big Local brands.

Objects of Local Trust

The objects as stipulated in Local Trust's articles of association are:

'to undertake, do and perform all things the company shall consider expedient to develop the capacity and skills (including the enterprise skills) of members of socially and economically or socially disadvantaged communities in the United Kingdom in such a way that they are better able to identify, and help meet, their needs as individuals and to improve the communities in which they live, in particular by (but not limited to) local action projects, research, evaluation and policy analysis, making grants and social investments to individuals, local enterprises and communities, thereby promoting short term and long term change and the relief of unemployment.'

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.'

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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.

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- 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. 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.

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- 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.
- 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.

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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.

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

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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 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

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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.
- 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.

Over the last year, Local Trust has continued to address the seven key areas of governance outlined in the Charity Governance Code.

Action undertaken includes:

1. Organisational purpose

The board is clear about the charity's aims and ensures that these are being delivered effectively and sustainably.

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Local Trust delivers the Big Local programme in accordance with the provisions of the Big Local Trust deed, of which it is sole corporate trustee, and which was last updated in July 2018 and September 2021. The Big Local Trust deed was reviewed in 2022 and no immediate need for further amendment was identified.

In March 2020, following a year-long review, trustees approved a Strategy Framework for the period leading up to the conclusion of the Big Local Trust deed in 2026–27. The three years since the Strategy Framework was developed were very different from what was expected when it was originally created. In 2023, a planning process led by Trustees helped create three new strategic documents that now replace the 2020-26 framework. These are: the Legacy Strategy, defining our ambitions for achieving long-term impact; the Closure Strategy, outlining our plans to wind up Local Trust by the current scheduled end date of February 2027 (with a more detailed Closure Plan, published in 2023); and the Equality, Diversity and Inclusion Strategy (and Action Plan), intended to underpin all our work.

The three Strategies, alongside the latest update of our Programme Delivery Framework, reflect changing priorities and increased focus on preparing for both organisational and programme close-down, as Local Trust moves into the last four years of Big Local. They will feed directly into our annual business planning process over the period 2023-27, and form the basis of our annual reports on progress.

Trustees receive regular briefings and information on the charity's work and on progress towards annual business plan targets and are able to demonstrate that the charity is effective in delivering its plans.

2. Leadership

Every charity is headed by an effective board that provides strategic leadership in line with the charity's aims and values.

The Local Trust board had an experienced chair in 2024-25 who provided leadership to the board. Board and committee meetings are well attended, and trustees participate actively.

During 2023-24, a governance review took place to ensure the Board is able to effectively fulfil its role. This included an audit of what skills and experience trustees might need as Local Trust approaches closure. This review led to the recruitment of three new trustees in 2023-24.

There are appropriate arrangements in place for the appointment, supervision, support and appraisal of the chief executive by the board (through the People and Culture Committee) and of staff, through the chief executive and senior management team.

3. Integrity

The board acts with integrity. It adopts values, applies ethical principles to decisions and creates a welcoming and supportive culture which helps achieve the charity's purposes. The board is aware of the significance of the public's confidence and trust in charities. It reflects the charity's ethics and values in everything it does. Trustees undertake their duties with this in mind.

Local Trust's trustees agree to abide by a code of conduct when they join the board.

Local Trust has a conflict-of-interest policy to ensure that potential conflicts of interest are declared and managed appropriately. Trustees declare any potential conflicts of interest at the start of each board and committee meeting, and these are recorded in the minutes.

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Local Trust has a gift and hospitality policy that explains what is acceptable and unacceptable, and there is a register where trustees and staff must declare any hospitality or gifts received. Trustees and the senior management team also complete related party declarations on an annual basis to declare any potential conflict of interest.

The board takes legal, financial and investment advice from suitably qualified professionals as appropriate.

4. Decision-making, risk and control

The board makes sure that its decision-making processes are informed, rigorous and timely and that effective delegation, control and risk assessment and management systems are set up and monitored.

There is a clear scheme of delegation for board decision-making which was reviewed and updated during 2022-23 to ensure it continued to be fit for purpose. Decisions and actions are appropriately recorded and followed up at subsequent meetings. All board-level decisions are shared on the Local Trust website.

Following a review of governance in 2023-24, a new board committee structure was introduced from April 2024 which ensures trustees are able to continue to effectively exercise oversight of both Local Trust as an organisation and the programmes it delivers. The two new committees are: Finance and Audit, and People and Culture. 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.

Risks are regularly reviewed and updated by the executive and reported on to the board, with scrutiny and oversight of risk reports taking place on a quarterly basis by the board. Further details of the committees' roles and responsibilities are outlined under the governance section of this report on page 28.

5. Board effectiveness

The board works as an effective team, using the appropriate balance of skills, experience, backgrounds and knowledge to make informed decisions.

The chair plans the board's work and meetings, with trustees and staff, making sure trustees have the information, time and space they need to explore key issues and reach well-considered decisions. The board regularly discusses the effectiveness of its meetings and makes changes where it believes improvements can be made.

New trustees are given comprehensive inductions into Local Trust, to enable them to be effective as possible. Trustees take advantage of a range of opportunities for training and development, including attendance at relevant conferences and networking events, and visits to Big Local areas. In January of each year, trustees attend an annual away-day to enable them to work together on issues that are of strategic importance to the charity.

Once a year, in addition to her contribution to the annual report, the Protector is invited to provide direct feedback to the board on her perceptions of its strengths and weaknesses, as a prompt to a collective discussion on improving its performance.

Regular assessment of Chair and trustee performance is carried out by the People and Culture committee to ensure the board continues to be fit for purpose. In 2023-24, an audit of trustee skills was carried out to assess whether further recruitment would be of benefit. This has led to the recruitment of three new trustees.

6. Equality, diversity and inclusion

The board has a clear, agreed and effective approach to supporting equality, diversity and inclusion throughout the organisation and in its own practice. This approach supports good governance and the delivery of the organisation's charitable purposes.

Local Trust is committed to ensuring that its work does not discriminate and offers equality of opportunity to all. It seeks through its approach to recruitment to ensure a diversity of skills, background and experience amongst trustees to enable the board to fulfil its role effectively.

Local Trust is committed to providing equal opportunities in employment and to avoiding unlawful discrimination. In 2022-23, Local Trust developed a new Equality, Diversity and Inclusion Strategy to inform future revisions of its strategic approach to these issues. The Strategy is underpinned by an Equality, Diversity and Inclusion Action Plan. Progress in implementing the strategy and action plan will be tracked across the year, with an annual report to Trustees. Equality, diversity and inclusion are defined in the business plan in the context of the EDI Strategy, delivery of the programme and aims of the charity. Local Trust's staff handbook includes our policy on equality and diversity in employment. Induction for new staff includes covering the EDI Strategy.

7. Openness and accountability

The board leads the organisation in being transparent and accountable. The charity is open in its work, unless there is good reason for it not to be.

Local Trust aims to be transparent and accountable in its work. There is regular communication with stakeholders through the Local Trust newsletter, website and events. Key policies and procedures are published on the charity's website.

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. Our current Protector was appointed in September 2018.

There is a clear, published process for making and handling complaints, to ensure that any complaints are handled constructively, impartially and effectively. Where necessary, Local Trust engages the services of mediators to help with the resolution of complaints that result from disputes within Big Local areas and partnerships. Where appropriate, the advice of Rosie Chapman, Protector of Big Local Trust, is sought to provide advice on the organisation's handling of issues to ensure that appropriate learning is gathered and, where appropriate, systems and processes improved.

Financial review

Local Trust's primary responsibility during the year to 31 March 2025 was to deliver Big Local using funds from the Big Local Trust.

Overview of income and expenditure

During the year, Local Trust continued to manage the activities of Big Local Trust, which is funded through an expendable endowment from the National Lottery Community Fund. Income on the investment was £1.9m for the year (2024: £2.9m). There were net losses on the investment of £1,322k (2024: net gains of £413k).

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

Consolidated expenditure for the year was £8.6m (2024: £17.5m). The decrease in expenditure reflects a 103% decrease in direct grant funding to -£0.3m (2024: £8.8m). All direct funding was to Big Local areas. The cost of delivery to areas decreased by 22% to £4.0m (2024: £5.1m) and the cost of learning activities increased by 37% to £4.8m (2024: £3.5m). A full list of the funding to Big Local areas is included in note 5.

In Local Trust's consolidated accounts, the net decrease in funds for the year was £8.0m (2024: £14.2m). The total funds held at the year-end were £16.2m (2024: £24.2m).

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.

In November 2019, the 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.

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

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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).

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

Financial planning for Local Trust incorporates planning for Big Local Trust as well as other Local Trust projects.

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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 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 policies

Local Trust was established as the corporate trustee for Big Local Trust and, in practice, undertakes limited activities apart from delivering Big Local. Staff are jointly employed by Local Trust and Big Local Trust. Big Local Trust pays all staff and overhead costs, and charges Local Trust for all costs associated with its activities. There were no separate activities other than Big Local during the reporting year.

Local Trust (the company) had net funds of £196k at 31 March 2024 (2024: £188k), of which £196k was unrestricted (2024: £188k). Local Trust maintains a reserve of £32,300 to cover any unexpected costs. Trustees judge that this is appropriate, given that Local Trust has no direct staff or overhead liabilities, no direct beneficiaries, and is able to tailor its expenditure to fit its circumstances.

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. 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 reserves policies annually.

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.

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.

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- **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.

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 trustees' responsibilities

In respect of the trustees' annual report and the financial statements

The trustees (who are also directors of Local Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

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

Auditors

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

Approved by the board 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 Local Trust

Opinion

We have audited the financial statements of Local Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2025 which comprise Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2025 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions 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 group's and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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 in 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.

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

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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the [strategic report and the] trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 31, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 group and parent charitable company'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 group and parent charitable company'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 group or parent charitable company 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

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

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

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 charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are [the Companies Act 2006, 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 charitable company 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.

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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters which 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 charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP
.....

Date: 8 December 2025.....

Samir Chandoo (Senior Statutory Auditor)

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

6th Floor, 9 Appold Street

London EC2A 2AP

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

Consolidated statement of financial activities
(incorporating an income and expenditure account) for the year ended
31 March 2025

| | | Group Restricted 2025 £000 | Group Designated 2025 £000 | Group Unrestricted 2025 £000 | Group 2025 £000 | Group 2024 £000 |
|---|--------------|-------------------------------------|-------------------------------------|---------------------------------------|-----------------------|-----------------------|
| | <u>Notes</u> | | | | | |
| Income from: | | | | | | |
| Investments | 2 | 1,863 | - | 9 | 1,872 | 2,898 |
| Other sources | 3 | 1 | - | - | 1 | 3 |
| Total income | | 1,864 | - | 9 | 1,873 | 2,901 |
| Expenditure on: | | | | | | |
| Raising funds: | | | | | | |
| investment management charges | | 15 | - | - | 15 | 85 |
| Charitable activities: | | | | | | |
| grants payable | 5 | (269) | - | - | (269) | 8,758 |
| delivery to areas learning to support the programme | | 3,962 | - | - | 3,962 | 5,107 |
| | | 4,551 | 291 | 1 | 4,843 | 3,530 |
| Total expenditure | 4 | 8,259 | 291 | 1 | 8,551 | 17,480 |
| Net operating expenditure | 7 | (6,395) | (291) | 8 | (6,678) | (14,579) |
| Net gains/(losses) on investments | | (1,322) | - | - | (1,322) | 413 |
| Net income/ (expenditure) | | (7,717) | (291) | 8 | (8,000) | (14,166) |
| Loss on disposal | | - | - | - | - | (2) |
| Transfers between funds | | (1,072) | 1,072 | - | - | 1,072 |
| Net movements between funds | | (8,789) | 781 | 8 | (8,000) | (14,168) |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward at 1 April 2024 | | 23,989 | - | 188 | 24,177 | 38,345 |
| Total funds carried forward at 31 March 2025 | 17 | 15,200 | 781 | 196 | 16,177 | 24,177 |

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

During the year, trustees designated £1,072k from restricted funds to be spent on delivering the Independent Commission on Neighbourhoods. Designated funds remaining at the end of the year were £781k

The accompanying notes, on pages 37 to 56, form part of these financial statements.

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

Consolidated and company balance sheets as at 31 March 2025

Company number: 07833396

| | | 2025 | 2025 | 2024 | 2024 |
|--|--------------|---------------|-------------|-----------------|-------------|
| | | Group | Local Trust | Group | Local Trust |
| | | £000 | £000 | £000 | £000 |
| | Notes | | | | |
| Fixed assets | | | | | |
| Tangible assets | 8 | 24 | - | 30 | - |
| Intangible assets | 9 | 69 | - | 132 | - |
| Investments | 10 & 11 | - | - | 46,018 | - |
| Social investments | 12 | 123 | - | 163 | - |
| | | 216 | - | 46,343 | - |
| Current assets | | | | | |
| Debtors | 13 | 437 | 1 | 1,545 | 2 |
| Investments | | 23,136 | 191 | 388 | 182 |
| Cash at bank and in hand | | 1,145 | 4 | 1,322 | 7 |
| Total current assets | | 24,718 | 196 | 3,255 | 191 |
| Liabilities | | | | | |
| Creditors: amounts falling due within one year | 14 | (8,757) | - | (22,322) | (3) |
| Net current (liabilities)/ assets | | 15,961 | 196 | (19,066) | 188 |
| Creditors: amounts falling due after one year | 15 | - | - | (3,099) | - |
| Net assets | 17 | 16,177 | 196 | 24,177 | 188 |
| Funds | | | | | |
| Restricted funds | | 15,200 | - | 23,989 | - |
| Designated funds | | 781 | - | - | - |
| Unrestricted funds | | 196 | 196 | 188 | 188 |
| Total funds | | 16,177 | 196 | 24,177 | 188 |

The accompanying notes, on pages 37 to 56, form part of these financial statements.

Local Trust generated a surplus of £8k (2024: -£88k) before consolidation within the group financial statements.

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

Signed  Date 05 December 2025

David Warner
Chair

Consolidated statement of cashflows for the year ended 31 March 2025

| | | 2025 | 2024 |
|---|--------------|-----------------|-----------------|
| Cash (outflow)/inflow from operating activities: | Notes | £000 | £000 |
| Net operating expenditure | | (6,678) | (14,577) |
| Investment and other income received | | (3,195) | (2,488) |
| Depreciation/amortisation of fixed assets | | 120 | 172 |
| Decrease/(Increase) in debtors | | 1,108 | (399) |
| Increase in creditors | | (16,664) | (8,045) |
| Investment management fees | | (15) | (85) |
| Increase in investment management fee accrual | | (17) | (9) |
| Net cash (used in) operating activities | | (25,341) | (25,431) |
| Cash flows from investing activities: | | | |
| Investment and other income received | | 3,195 | 2,488 |
| Investment management fees | | 15 | 85 |
| Payments to acquire tangible fixed assets | | (20) | (17) |
| Payments to acquire intangible fixed assets | | (31) | (24) |
| Payments to acquire social investments | | - | (2) |
| Repayments of social investments | | - | (120) |
| Payments to acquire fixed asset investments | | 39 | 22 |
| Net payments to acquire fixed asset investments | | 9,000 | (45,000) |
| Movements in investment cash balances | | 714 | (356) |
| Receipts from the sale of fixed asset investments | | 35,000 | 69,000 |
| | | 47,912 | 26,076 |
| Change in cash and cash equivalents in the year | | 22,571 | 645 |
| Change in cash and cash equivalents in the year | | 22,571 | 645 |
| Cash and cash equivalents at 1 April 2024 | | 1,710 | 1,065 |
| Cash and cash equivalents at 31 March 2025 | 19 | 24,281 | 1,710 |
| Analysis of cash and cash equivalents: | | 2025 | 2024 |
| | | £000 | £000 |
| Cash in hand | | 1,145 | 1,322 |
| Notice deposits | | 23,136 | 388 |
| | | 24,281 | 1,710 |

Notes to the accounts

for the year ended 31 March 2025

1. Accounting policies

a) Administrative information

Local Trust is a public benefit entity and the corporate trustee of Big Local Trust, registered charity number 1145916.

Local Trust is a charitable company limited by guarantee. It is operated under the rules of its memorandum and articles of association dated 3 November 2011 and amended by written resolution dated 27 March 2012 and 9 October 2014. It has no share capital and the liability of each member in the event of winding-up is limited to £1. Local Trust was registered with the Charity Commission on 30 May 2012.

| | | |
|--------------|---------------------------|----------|
| Local Trust: | registered company number | 07833396 |
| | registered charity number | 1147511 |

The registered office 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 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) – effective 1 January 2019.

The functional currency is Pound Sterling.

c) Group accounts

These financial statements consolidate the results of Local Trust (company limited by guarantee and charity), and Big Local Trust (charity) on a line-by-line basis. They are prepared on the basis that Local Trust will remain as sole corporate trustee of Big Local Trust in perpetuity. Should this change, the basis on which these financial statements are prepared will be reconsidered.

d) Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies trustees are required to make judgement, 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.

*Local Trust annual report and financial statements 1 April 2024 - 31 March 2025***e) Statement of financial activities**

Local Trust has taken exemption from presenting its unconsolidated statement of financial activities under section 408 of the Companies Act 2006.

f) 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.

g) Fund accounting

Restricted funds are funds that have been given for particular purposes and projects. Restricted funds must be used in accordance with the funders or donors' wishes.

h) 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.

i) 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.

j) 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.

k) 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.

l) 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).

*Local Trust annual report and financial statements 1 April 2024 - 31 March 2025***m) 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.

n) 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.

o) 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.

p) 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.

q) 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.

r) 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.

2. Investment income

| | 2025 | 2024 |
|-----------------------|--------------|--------------|
| | £000 | £000 |
| Income on investments | 655 | 2,360 |
| Bank interest | 1,217 | 529 |
| Tax refunds | - | 9 |
| Total | 1,872 | 2,898 |

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

3. Other income

| | 2025 | 2024 |
|-----------------------------|-------------|-------------|
| | £000 | £000 |
| Contribution to event costs | 1 | 3 |
| Total | 1 | 3 |

There was no grant income in the year ended 31 March 2025 (2024: £nil)

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

4. Expenditure

| Description | Charitable activities | | | | Expenditure on raising funds £000 | Support £000 | 2025 Group Total £000 | 2024 Group Total £000 |
|---|---|---------------------------|---|--------------------|--------------------------------------|-----------------|-----------------------------|-----------------------------|
| | Grant expenditure directly to areas £000 | Delivery to areas £000 | Learning to support the programme £000 | Governance £000 | | | | |
| Staff (note 21) | - | 1,754 | 1,614 | - | 1,058 | 4,426 | 4,204 | |
| Grants to Big Local areas | - | - | - | - | - | - | - | |
| Big Local plan funding | (680) | - | - | - | - | (680) | 7,841 | |
| Community travel and childcare | 44 | - | - | - | - | 44 | 112 | |
| Area admin contribution | (28) | - | - | - | - | (28) | 394 | |
| Creative Civic Change | - | - | - | - | - | - | - | |
| Social investment returns to areas | 72 | - | - | - | - | 72 | 37 | |
| Area delivery costs | - | 1,541 | - | - | - | 1,541 | 2,284 | |
| Programme development | - | - | 2,191 | - | - | 2,191 | 1,460 | |
| Finance charges | - | - | - | 15 | - | 15 | 85 | |
| Governance costs | - | - | - | - | 51 | 51 | 85 | |
| Audit and financial advice | - | - | - | - | 37 | 37 | 40 | |
| Professional fees | - | - | - | - | (8) | (8) | 9 | |
| Communications and marketing | - | - | - | - | 142 | 142 | 195 | |
| IT and Consultancy | - | - | - | - | 298 | 298 | 195 | |
| Rent and office costs | - | - | - | - | 329 | 329 | 367 | |
| Grant bad debts/impairment loss | 1 | - | - | - | - | 1 | - | |
| Depreciation | - | - | - | - | 120 | 120 | 172 | |
| Total costs | (591) | 3,295 | 3,805 | 15 | 1,947 | 8,551 | 17,480 | |
| Allocated to charitable activities | | | | | | | | |
| Support Costs | 288 | 598 | 929 | - | (1,947) | - | - | |
| Governance costs (note 6) | 34 | 69 | 109 | (212) | - | - | - | |
| Total expenditure 2025 | (269) | 3,962 | 4,843 | 15 | - | 8,551 | 17,480 | |
| Total expenditure 2024 | 8,758 | 5,107 | 3,530 | 85 | - | 17,480 | 21,088 | |

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

4. Expenditure (continued)

| Description | Charitable activities | | | | Expenditure on raising funds £000 | Support £000 | 2024 Group Total £000 | 2023 Group Total £000 |
|---|---|---------------------------|---|--------------------|--------------------------------------|-----------------|--------------------------|--------------------------|
| | Grant expenditure directly to areas £000 | Delivery to areas £000 | Learning to support the programme £000 | Governance £000 | | | | |
| Staff (note 21) | - | 2,022 | 1,100 | - | - | 1,082 | 4,204 | 3,290 |
| Grants to Big Local areas | | | | | | | | |
| Big Local plan funding | 7,841 | - | - | - | - | - | 7,841 | 12,030 |
| Community travel and childcare | 112 | - | - | - | - | - | 112 | 74 |
| Area admin contribution | 394 | - | - | - | - | - | 394 | 597 |
| Creative Civic Change | - | - | - | - | - | - | - | 371 |
| Social investment returns to areas | 37 | - | - | - | - | - | 37 | 80 |
| Area delivery costs | - | 2,284 | - | - | - | - | 2,284 | 2,241 |
| Programme development | - | - | 1,460 | - | - | - | 1,460 | 1,097 |
| Finance charges | - | - | - | 85 | - | - | 85 | 124 |
| Governance costs | - | - | - | - | 85 | - | 85 | 26 |
| Audit and financial advice | - | - | - | - | 40 | - | 40 | 46 |
| Professional fees | - | - | - | - | 9 | - | 9 | 105 |
| Communications and marketing | - | - | - | - | - | 195 | 195 | 187 |
| IT and Consultancy | - | - | - | - | - | 195 | 195 | 263 |
| Rent and office costs | - | - | - | - | - | 367 | 367 | 388 |
| Grant bad debts/Impairment loss | - | - | - | - | - | - | - | 32 |
| Depreciation | - | - | - | - | - | 172 | 172 | 137 |
| Total costs | 8,384 | 4,306 | 2,560 | 85 | 134 | 2,011 | 17,480 | 21,088 |
| Allocated to charitable activities | | | | | | | | |
| Support Costs | 330 | 707 | 857 | - | 117 | (2,011) | - | - |
| Governance costs (note 6) | 44 | 94 | 113 | - | (251) | - | - | - |
| Total expenditure 2024 | 8,758 | 5,107 | 3,530 | 85 | - | - | 17,480 | 21,088 |
| Total expenditure 2023 | 13,566 | 4,430 | 2,968 | 124 | - | - | 21,088 | 26,201 |

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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) |
| Dartford | Community Links Bromley | - | (2) | (5) | (7) | - |

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| | | | | | | |
|---|---|-----|---|-------|-------|-------|
| Dartford | Dartford Borough Council | 379 | - | - | 379 | - |
| 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) | - |
| Heart of Sidley | Optivo (form. AmicusHorizon) | - | - | - | - | (10) |
| Heart of Sidley | Rother Voluntary Action | - | 8 | (17) | (8) | 54 |
| Heart of Sidley | Southern Housing | - | - | - | - | 95 |

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| | | | | | | |
|---|--|------|------|-------|-------|-------|
| 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 |
| Leedcliffe (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 |
| Northfleet North | North West Kent Council for Voluntary Service | - | - | - | - | 4 |
| Northwood | Community Foundation for Merseyside | (61) | - | - | (61) | 61 |

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| | | | | | | |
|---|---|-----|------|-------|-------|-------|
| 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 |
| 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) | - |

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| | | | | | | |
|----------------------|---|-------|-------|---------|-------|-------|
| 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.

6. Governance Costs

Total governance costs of £212k (2024: £251k) consist of direct governance costs of £80k (2024: £134k) and indirect costs of £132k (2024: £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(i) to the accounts.

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7. Net income/expenditure for the year

This is stated after charging:

| | 2025 | 2024 |
|---|-------------|-------------|
| | £000 | £000 |
| Depreciation and amortisation | 120 | 172 |
| Grant bad debts | 1 | - |
| Auditor's remuneration (including VAT): | | |
| - in respect of current year audit | 32 | 31 |
| - in respect of current year non-audit | 1 | 1 |
| - in respect of prior year audit | - | 4 |
| Financial advice | 4 | 4 |
| Investment manager's fees | 15 | 85 |
| Legal and professional fees | (8) | 9 |
| Licence fees | 147 | 156 |

8. Group and company tangible fixed assets

| | 2025 | | |
|-------------------------|---------------------------------|---------------------|--------------|
| | Office refurbishment | IT equipment | Total |
| | £000 | £000 | £000 |
| Cost | | | |
| Balance brought forward | 85 | 184 | 269 |
| Additions | 4 | 16 | 20 |
| Disposals | - | (8) | (8) |
| Balance carried forward | <u>89</u> | <u>192</u> | <u>281</u> |
| Depreciation | | | |
| Balance brought forward | 72 | 167 | 239 |
| Disposals | - | (8) | (8) |
| Charge for year | 12 | 14 | 26 |
| Balance carried forward | <u>84</u> | <u>173</u> | <u>257</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> |

9. Group and company intangible fixed assets

| | 2025 |
|-------------------------|--------------|
| | Total |
| | £000 |
| Cost | |
| Balance brought forward | 541 |
| Additions | 31 |
| Disposal | - |
| Balance carried forward | <u>572</u> |
| Amortisation | |
| Balance brought forward | 409 |
| Disposal | - |
| Charge for year | 94 |
| Balance carried forward | <u>503</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. Group and company 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 | Additions | Repayments/ | Impairment | Funds at |
|-----------------------------|--|--------------------|------------------|-----------|-------------|------------|------------------|
| | | | 31 March 2024 | | Discharges | | 31 March 2025 |
| | | | £000 | £000 | £000 | £000 | £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 | - | (39) | - | 123 |
| Total Key Fund loan balance | | | 130 | - | (7) | - | 123 |

13. Debtors

| | 2025 | 2025 | 2024 | 2024 |
|----------------|------------|-------------|--------------|-------------|
| | Group | Local Trust | Group | Local Trust |
| | £000 | £000 | £000 | £000 |
| Trade debtors | 188 | 1 | 19 | 1 |
| Other debtors | 45 | - | 36 | - |
| Prepayments | 204 | - | 168 | 1 |
| Accrued income | - | - | 1,322 | - |
| Total | 437 | 1 | 1,545 | 2 |

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14. Creditors: amounts falling due within one year

| | 2025 | 2025 | 2024 | 2024 |
|------------------------------------|--------------|--------------------|---------------|--------------------|
| | Group | Local Trust | Group | Local Trust |
| | £000 | £000 | £000 | £000 |
| Trade creditors | 848 | - | 875 | - |
| Amounts due to Big Local Trust | - | - | - | 3 |
| Grant commitments | 7,761 | - | 21,259 | - |
| Social security and other taxation | 80 | - | 83 | - |
| Accruals | 68 | - | 68 | - |
| Pension payments due | - | - | 37 | - |
| Total | 8,757 | - | 22,322 | 3 |

15. Creditors: amounts falling due after one year

| | 2025 | 2025 | 2024 | 2024 |
|-------------------|--------------|--------------------|--------------|--------------------|
| | Group | Local Trust | Group | Local Trust |
| | £000 | £000 | £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 grant commitments: £67k)

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17. Movement in funds

| Local Trust Group | Balance at 31 March 2024 | Incoming resources | Outgoing resources | Transfers | Gains/ losses | Balance at 31 March 2025 |
|--|--------------------------------|-----------------------|-----------------------|----------------|------------------|--------------------------------|
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Restricted funds | | | | | | |
| National Lottery Community Fund (including investment income) | 23,959 | 1,863 | (8,259) | (1,072) | (1,322) | 15,169 |
| Big Local other income | 32 | 1 | - | - | - | 33 |
| Total restricted funds | 23,991 | 1,864 | (8,259) | (1,072) | (1,322) | 15,202 |
| Designated restricted funds | | | | | | |
| Independent Commission on Neighborhoods (ICON) | - | - | (291) | 1,072 | - | 781 |
| Total designated restricted funds | - | - | (291) | 1,072 | - | 781 |
| Designated unrestricted funds | | | | | | |
| Community Wealth Fund | 4 | - | (1) | (3) | - | - |
| Total designated funds | 4 | - | (1) | (3) | - | - |
| Unrestricted funds | | | | | | |
| Local Trust CDF legacy fund | 144 | - | - | 3 | - | 147 |
| Local Trust investment income | 38 | 9 | - | - | - | 47 |
| Total unrestricted funds | 182 | 9 | - | 3 | - | 194 |
| Total funds | 24,177 | 1,873 | (8,551) | - | (1,322) | 16,177 |

Restricted funds

In Local Trust's consolidated accounts, the net decrease in funds for the year was £8.0m (2024: £14.2m). Total funds held at the year-end were £16.2m (2024: £24.2m).

National Lottery Community Fund established Big Local Trust with a National Lottery grant of £196,873,499 in 2012. This is an expendable endowment to be spent by 13 February 2027. Funding of £8.3m (2024: £17.4m) was expended during the year, and £1.1m designated. Funds were used for delivery of Big Local Trust's charitable activities.

As mentioned above, during the year, trustees designated £1,072k from Big Local funds to be spent on delivery of the Independent Commission on Neighbourhoods (ICON). Designated funds remaining at the end of the year were £781k.

Big Local investment income is made up of returns on the Big Local Trust endowment, which until November 2024 was managed on behalf of Big Local Trust by charity fund managers, CCLA. In November 2024, the discretionary investment fund held with CCLA was terminated and funds of £31.4m transferred to a COIF Charity Deposit Fund, which is being managed in-house.

There were no projects delivered by Local Trust company during the year to 31 March 2025

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18. Analysis of net assets between funds

| Local Trust | Restricted funds | Designated funds | Unrestricted funds | Restricted funds | Unrestricted funds |
|--|------------------|------------------|--------------------|------------------|--------------------|
| | Mar-25 £000 | Mar-25 £000 | Mar-25 £000 | Mar-24 £000 | Mar-24 £000 |
| Fund balances as at 31 March 2025 are represented by: | | | | | |
| Tangible assets | 24 | - | - | 30 | - |
| Intangible assets | 69 | - | - | 132 | - |
| Investments | - | - | - | 46,018 | - |
| Social investments | 123 | - | - | 163 | - |
| Current assets | 23,741 | 781 | 196 | 3,067 | 188 |
| Current liabilities | (8,757) | - | - | (22,322) | - |
| Long-term liabilities | - | - | - | (3,099) | - |
| Net assets | 15,200 | 781 | 196 | 23,989 | 188 |

19. Analysis of changes in net debt

| | At 31 March 2024 £000 | Cash flows £000 | At 31 March 2025 £000 |
|--|--------------------------------|-----------------------|--------------------------------|
| Cash | 1,322 | (177) | 1,145 |
| Cash equivalents | 388 | 22,748 | 23,136 |
| Overdraft facility repayable on demand | - | - | - |
| Total | 1,710 | 22,571 | 24,281 |

20. Operating leases

| | 2025 £000 | 2024 £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 | - | - |

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

21. 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) (2023: 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).

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

22. 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.

23. 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.

24. 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).

25. Big Local Trust protector

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

26. 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 final 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.

*Local Trust annual report and financial statements 1 April 2024 - 31 March 2025***27. Financial instruments**

Carrying values of financial assets and liabilities at 31 March:

| | 2025 | 2024 |
|--|-------------|-------------|
| | £000 | £000 |
| Financial assets measured at amortised cost (a) | 24,515 | 3,087 |
| Financial assets measured at fair value (b) | 123 | 46,180 |
| Financial liabilities measured at amortised cost (c) | 8,678 | 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 £791k (2024: £504k). Dividends and interest recognised in the statement of financial activities on assets held at fair value was £1,955k (2024: £1,956k).

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Charity details

Local Trust registered company number

07833396

Local Trust registered charity number

1147511

Principal address

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

Local Trust is the corporate trustee of Big Local Trust, registered charity number 1145916.

Trustees

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

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

Bankers

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

Local Trust

T: 020 3588 0565

E: info@localtrust.org.uk

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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LOCAL TRUST

England & Wales - Charity number 1147511

Accounts

Local Trust

Annual report and financial statements

for 1 April 2023 to 31 March 2024

Registered charity number 1147511



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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 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.

Big Local sits at the heart of Local Trust's mission and is the major programme that we deliver as an organisation. However, alongside Big Local we also delivered an additional funding initiative. The Creative Civic Change (CCC) programme was a three-year fund which concluded in 2022, aimed at demonstrating the value of community-led creativity and arts-based activity to achieve change in local communities.

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, 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.

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 Local and our key legacy projects. We will therefore keep governance arrangements under review, with

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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 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 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

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 and activities for public benefit

Local Trust is a charitable company limited by guarantee. It is operated under the rules of its memorandum and articles of association dated 3 November 2011 and amended by written resolutions dated 27 March 2012 and 9 October 2014. It has no share capital and the liability of each member in the event of winding-up is limited to £1. Local Trust was registered with the Charity Commission on 30 May 2012.

The relationship between Big Local Trust, Local Trust and The National Lottery Community Fund

Local Trust is the corporate trustee of the Big Local Trust. Local Trust and the National Lottery Community Fund (formerly Big Lottery Fund) established Big Local Trust. 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. Big Local is Local Trust's first and major initiative. All the activities of Big Local Trust are promoted under the Local Trust and Big Local brands.

Objects of Local Trust

The objects as stipulated in Local Trust's articles of association are:

'to undertake, do and perform all things the company shall consider expedient to develop the capacity and skills (including the enterprise skills) of members of socially and economically or socially disadvantaged communities in the United Kingdom in such a way that they are better able to identify, and help meet, their needs as individuals and to improve the communities in which they live, in particular by (but not limited to) local action projects, research, evaluation and policy analysis, making grants and social investments to individuals, local enterprises and communities, thereby promoting short term and long term change and the relief of unemployment.'

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.

In addition to delivering Big Local, we have delivered two other projects:

- **Community Wealth Fund Alliance:** Funded by a coalition of trusts, foundations and civil society organisations, this made the case for a long-term endowment to support the development of community-led infrastructure in 'left behind' areas. Local Trust was a founding member and provided the secretariat to the Community Wealth Fund Alliance (CWFA). During 2023-24, the government confirmed that future use of dormant assets will include the creation of such a 'Community Wealth Fund', targeted at rebuilding the social fabric of deprived areas. Although our formal campaigning has now ended, we continue to feed into consultations on the design and delivery of the fund.
- **Creative Civic Change:** Created in partnership with and co-funded by the National Lottery Community Fund, Esmée Fairbairn Foundation, Calouste Gulbenkian Foundation and Big Local Trust, Creative Civic Change explored a new approach to funding community-driven projects to inspire others to use the arts and creativity to make positive local change. The programme provided grant funds and support to 15 Big Local and non-Big Local areas and was managed by Local Trust outside of the Big Local Trust. The programme ended in December 2022.

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.
- 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.

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- 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.

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- 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 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.

- In Autumn 2023, we reviewed how Local Trust would deliver the programme to March 2026 (including targets, objectives and risks). The review identified some necessary improvements, alongside an assessment of the roles, skills and capacity we will need to retain within our staff team.
- A Governance Review was carried out by external advisors in 2023-24, with a particular focus on ensuring that governance structures provide appropriate trustee engagement with and oversight of the Closure Plan, including monitoring of its implementation.
- As part of the broader review, an audit was conducted of trustee skills and expertise relevant to closure and related issues. This led to the recruitment of three new trustees in November 2023.
- In November 2023, we reprofiled our budgets to ensure successful closure, amending long-term staffing and increasing the resources available to support all remaining Big Local areas as they spend out.

Board Committee structures have been reviewed and updated, with committees reduced to two from March 2024 – Finance and Audit, and People and Culture. The board will focus in particular on issues related to programme delivery, risk and legacy, supported by the Senior Management Team.

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.

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

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- 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
- 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.

Over the last year, Local Trust has continued to address the seven key areas of governance outlined in the Charity Governance Code.

Action undertaken includes:

1. Organisational purpose

The board is clear about the charity's aims and ensures that these are being delivered effectively and sustainably.

Local Trust delivers the Big Local programme in accordance with the provisions of the Big Local Trust deed, of which it is sole corporate trustee, and which was last updated in July 2018 and September 2021. The Big Local Trust deed was reviewed in 2022 and no immediate need for further amendment was identified.

In March 2020, following a year-long review, trustees approved a Strategy Framework for the period leading up to the conclusion of the Big Local Trust deed in 2026–27. The three years since the Strategy Framework was developed have been very different from what was expected when it was originally created. Over the last year, a planning process led by Trustees has helped create three new strategic documents that now replace the 2020-26 framework. These are: the Legacy Strategy, defining our ambitions for achieving long-term impact; the Closure Strategy, outlining our plans to wind up Local Trust by the current scheduled end date of February 2027 (with a more detailed Closure Plan, published in 2023); and the Equality, Diversity and Inclusion Strategy (and Action Plan), intended to underpin all our work.

The three Strategies, alongside the latest update of our Programme Delivery Framework, reflect changing priorities and increased focus on preparing for both organisational and programme close-down, as Local Trust moves into the last four years of Big Local. They will feed directly into our annual business planning process over the period 2023-27, and form the basis of our annual reports on progress.

Trustees receive regular briefings and information on the charity's work and on progress towards annual business plan targets and are able to demonstrate that the charity is effective in delivering its plans.

2. Leadership

Every charity is headed by an effective board that provides strategic leadership in line with the charity's aims and values.

The Local Trust board had an experienced chair in 2023-24 who provided leadership to the board. Board and committee meetings are well attended, and trustees participate actively.

During 2023-24, a governance review took place to ensure the Board is able to effectively fulfil its role. This included an audit of what skills and experience trustees might need as Local Trust approaches closure. This review led to the recruitment of three new trustees in 2023-24.

There are appropriate arrangements in place for the appointment, supervision, support and appraisal of the chief executive by the board (through the People and Culture Committee) and of staff, through the chief executive and senior management team.

3. Integrity

The board acts with integrity. It adopts values, applies ethical principles to decisions and creates a welcoming and supportive culture which helps achieve the charity's purposes. The board is aware of the significance of the public's confidence and trust in charities. It reflects the charity's ethics and values in everything it does. Trustees undertake their duties with this in mind.

Local Trust's trustees agree to abide by a code of conduct when they join the board.

Local Trust has a conflict-of-interest policy to ensure that potential conflicts of interest are declared and managed appropriately. Trustees declare any potential conflicts of interest at the start of each board and committee meeting, and these are recorded in the minutes.

Local Trust has a gift and hospitality policy that explains what is acceptable and unacceptable, and there is a register where trustees and staff must declare any hospitality or gifts received. Trustees and the senior management team also complete related party declarations on an annual basis to declare any potential conflict of interest.

The board takes legal, financial and investment advice from suitably qualified professionals as appropriate.

4. Decision-making, risk and control

The board makes sure that its decision-making processes are informed, rigorous and timely and that effective delegation, control and risk assessment and management systems are set up and monitored.

There is a clear scheme of delegation for board decision-making which was reviewed and updated during 2022-23 to ensure it continued to be fit for purpose. Decisions and actions are appropriately recorded and followed up at subsequent meetings. All board-level decisions are shared on the Local Trust website.

Following a review of governance in 2023-24, a new board committee structure was introduced from April 2024 which ensures trustees are able to continue to effectively exercise oversight of both Local Trust as an organisation and the programmes it delivers. The two new committees are: Finance and Audit, and People and Culture. 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.

Risks are regularly reviewed and updated by the executive and reported on to the board, with scrutiny and oversight of risk reports taking place on a quarterly basis by the board.

Further details of the committees' roles and responsibilities are outlined under the governance section of this report on page 28.

5. Board effectiveness

The board works as an effective team, using the appropriate balance of skills, experience, backgrounds and knowledge to make informed decisions.

The chair plans the board's work and meetings, with trustees and staff, making sure trustees have the information, time and space they need to explore key issues and reach well-considered decisions. The board regularly discusses the effectiveness of its meetings and makes changes where it believes improvements can be made.

New trustees are given comprehensive inductions into Local Trust, to enable them to be effective as possible. Trustees take advantage of a range of opportunities for training and development, including attendance at relevant conferences and networking events, and visits to Big Local areas. In January of each year, trustees attend an annual away-day to enable them to work together on issues that are of strategic importance to the charity.

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Once a year, in addition to her contribution to the annual report, the Protector is invited to provide direct feedback to the board on her perceptions of its strengths and weaknesses, as a prompt to a collective discussion on improving its performance.

Regular assessment of Chair and trustee performance is carried out by the People and Culture committee to ensure the board continues to be fit for purpose. In 2023-24, an audit of trustee skills was carried out to assess whether further recruitment would be of benefit. This has led to the recruitment of three new trustees.

6. Equality, diversity and inclusion

The board has a clear, agreed and effective approach to supporting equality, diversity and inclusion throughout the organisation and in its own practice. This approach supports good governance and the delivery of the organisation's charitable purposes.

Local Trust is committed to ensuring that its work does not discriminate and offers equality of opportunity to all. It seeks through its approach to recruitment to ensure a diversity of skills, background and experience amongst trustees to enable the board to fulfil its role effectively.

Local Trust is committed to providing equal opportunities in employment and to avoiding unlawful discrimination. In 2022-23, Local Trust developed a new Equality, Diversity and Inclusion Strategy to inform future revisions of its strategic approach to these issues. The Strategy is underpinned by an Equality, Diversity and Inclusion Action Plan. Progress in implementing the strategy and action plan will be tracked across the year, with an annual report to Trustees. Equality, diversity and inclusion are defined in the business plan in the context of the EDI Strategy, delivery of the programme and aims of the charity. Local Trust's staff handbook includes our policy on equality and diversity in employment. Induction for new staff includes covering the EDI Strategy.

7. Openness and accountability

The board leads the organisation in being transparent and accountable. The charity is open in its work, unless there is good reason for it not to be.

Local Trust aims to be transparent and accountable in its work. There is regular communication with stakeholders through the Local Trust newsletter, website and events. Key policies and procedures are published on the charity's website.

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. Our current Protector was appointed in September 2018.

There is a clear, published process for making and handling complaints, to ensure that any complaints are handled constructively, impartially and effectively. Where necessary, Local Trust engages the services of mediators to help with the resolution of complaints that result from disputes within Big Local areas and partnerships. Where appropriate, the advice of Rosie Chapman, Protector of Big Local Trust, is sought to provide advice on the organisation's handling of issues to ensure that appropriate learning is gathered and, where appropriate, systems and processes improved.

Financial review

Local Trust's primary responsibility during the year to 31 March was to deliver Big Local using funds from the Big Local Trust.

Local Trust also delivered activity related to two additional projects:

- **Community Wealth Fund Alliance:** Local Trust has worked with a wide partnership of organisations to establish the Community Wealth Fund Alliance to promote long-term thinking about how best to support investment in communities that have suffered from economic decline and the withdrawal of public and social infrastructure.
- **Evidence base for investing in communities:** Local Trust received unsolicited funds from Lloyds Foundation in the prior year to develop an evidence base for investing in communities. This project was delivered in line with the funder's wishes during the year ended 31 March 2024.

Overview of income and expenditure

During the year, Local Trust continued to manage the activities of Big Local Trust, which is funded through an expendable endowment from the National Lottery Community Fund. Income on the investment was £2.9m for the year (2023: £1.6m). There were net gains on the investment of £413k (2023: net gains of £778k).

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

Consolidated expenditure for the year was £17.5m (2023: £21.0m). The increase in expenditure reflects a 35% decrease in direct grant funding to £8.8m (2023: £13.6m). All direct funding was to Big Local areas. The cost of delivery to areas increased by 15% to £5.1m (2023: £4.4m) and the cost of learning activities increased by 19% to £3.5m (2023: £3.0m). A full list of the funding to Big Local areas is included in note 5.

In Local Trust's consolidated accounts, the net decrease in funds for the year was £14.2m (2023: £18.5m). The total funds held at the year-end were £24.2m (2023: £38.4m).

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.

In November 2019, the 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

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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.

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 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 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

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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:

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- £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. Previous 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

Financial planning for Local Trust incorporates planning for Big Local Trust as well as other Local Trust projects.

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 policies

Local Trust was established as the corporate trustee for Big Local Trust and, in practice, undertakes limited activities apart from delivering Big Local. Local Trust currently manages the Community Wealth Fund projects which is funded through restricted funds. Staff are jointly employed by Local Trust and Big Local Trust. Big Local Trust pays all staff and overhead costs, and charges Local Trust for all costs associated with its activities.

Local Trust (the company) had net funds of £188k at 31 March 2024 (2023: £276k), of which £188k was unrestricted (2023: £171k). Local Trust maintains a reserve of £31,200 to cover any unexpected costs. Trustees judge that this is appropriate, given that Local Trust has no direct staff or overhead liabilities, no direct beneficiaries, and is able to tailor its expenditure to fit its circumstances.

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 restricted under Local Trust (group). 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.

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.

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.

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- **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.

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 during 2023-24 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 two committees are: finance and audit; and people and culture. 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 trustees' responsibilities

In respect of the trustees' annual report and the financial statements

The trustees (who are also directors of Local Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

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

Auditors

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

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

DocuSigned by:

 Signed _____ Date 16 December 2024
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David Warner
 Chair

Independent auditor's report to the trustees of Local Trust

Opinion

We have audited the financial statements of Local Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions 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 group's and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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 in 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.

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

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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the [strategic report and the] trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 31, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 group and parent charitable company'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 group and parent charitable company'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 group or parent charitable company 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

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

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

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 charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are [the Companies Act 2006, 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 charitable company 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.

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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters which 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 charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP
.....

Date: 16 December 2024....

Samir Chandoo (Senior Statutory Auditor)

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

6th Floor, 9 Appold Street

London EC2A 2AP

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

Consolidated statement of financial activities
(incorporating an income and expenditure account) for the year ended
31 March 2024

| | Notes | Group Restricted 2024 £000 | Group Unrestricted 2024 £000 | Group 2024 £000 | Group 2023 £000 |
|--|--------------|---|---|--------------------------------|--------------------------------|
| Income from: | | | | | |
| Investments | 2 | 2,888 | 10 | 2,898 | 1,579 |
| Grants | 3 | - | - | - | 175 |
| Other sources | | 3 | - | 3 | 4 |
| Total income | | 2,891 | 10 | 2,901 | 1,758 |
| Expenditure on: | | | | | |
| Raising funds | | | | | |
| investment management charges | | 85 | - | 85 | 124 |
| Charitable activities: | | | | | |
| grants payable | 5 | 8,758 | - | 8,758 | 13,566 |
| delivery to areas | | 5,107 | - | 5,107 | 4,430 |
| learning to support the programme | | 3,530 | - | 3,530 | 2,968 |
| Total expenditure | 4 | 17,480 | - | 17,480 | 21,088 |
| Net operating expenditure | 7 | (14,589) | 10 | (14,579) | (19,330) |
| Net gains/(losses) on investments | | 413 | - | 413 | 778 |
| Net income/ (expenditure) | | (14,176) | 10 | (14,166) | (18,552) |
| Loss on disposal | | (2) | - | (2) | - |
| Net movements between funds | | (14,178) | 10 | (14,168) | (18,552) |
| Reconciliation of funds: | | | | | |
| Total funds brought forward at 1 April 2023 | | 38,095 | 250 | 38,345 | 56,897 |
| Total funds carried forward at 31 March 2024 | 17 | 23,917 | 260 | 24,177 | 38,345 |

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

All funds presented in the statement of financial activities are restricted.

The accompanying notes, on pages 37 to 57, form part of these financial statements.

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

Consolidated and company balance sheets as at 31 March 2024

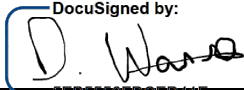
Company number: 07833396

| | | 2024 | 2024 | 2023 | 2023 |
|--|--------------|-----------------|--------------|-----------------|--------------|
| | | Group | Local | Group | Local |
| | | £000 | Trust | £000 | Trust |
| | Notes | | £000 | | £000 |
| Fixed assets | | | | | |
| Tangible assets | 8 | 30 | - | 49 | 1 |
| Intangible assets | 9 | 132 | - | 246 | 6 |
| Investments | 10 & 11 | 46,018 | - | 69,241 | - |
| Social investments | 12 | 163 | - | 64 | - |
| | | <u>46,343</u> | <u>-</u> | <u>69,600</u> | <u>7</u> |
| Current assets | | | | | |
| Debtors | 13 | 1,545 | 2 | 1,146 | 26 |
| Investments | | 388 | 182 | 380 | 187 |
| Cash at bank and in hand | | 1,322 | 7 | 685 | 58 |
| Total current assets | | <u>3,255</u> | <u>191</u> | <u>2,211</u> | <u>271</u> |
| Liabilities | | | | | |
| Creditors: amounts falling due within one year | 14 | (22,322) | (3) | (24,982) | (2) |
| Net current (liabilities)/ assets | | <u>(19,066)</u> | <u>188</u> | <u>(22,771)</u> | <u>269</u> |
| Creditors: amounts falling due after one year | 15 | (3,099) | - | (8,484) | - |
| Net assets | 17 | <u>24,177</u> | <u>188</u> | <u>38,345</u> | <u>276</u> |
| Funds | | | | | |
| Restricted funds | | 23,989 | - | 38,095 | 26 |
| Unrestricted funds | | 188 | 188 | 250 | 250 |
| Total funds | | <u>24,177</u> | <u>188</u> | <u>38,345</u> | <u>276</u> |

The accompanying notes, on pages 37 to 57, form part of these financial statements.

Local Trust generated a deficit of £0.8m (2023: £0.9m) before consolidation within the group financial statements.

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

Signed  Date 16 December 2024

David Warner
Chair

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

Consolidated statement of cashflows for the year ended 31 March 2024

| | | 2024 | 2023 |
|---|--------------|-----------------|-----------------|
| Cash (outflow)/inflow from operating activities: | Notes | £000 | £000 |
| Net operating expenditure | | (14,577) | (19,330) |
| Investment and other income received | | (2,488) | (969) |
| Depreciation/amortisation of fixed assets | | 172 | 142 |
| Decrease/(Increase) in debtors | | (399) | (610) |
| Increase in creditors | | (8,045) | (3,680) |
| Investment management fees | | (85) | (124) |
| Increase in investment management fee accrual | | (9) | (8) |
| Net cash (used in) operating activities | | (25,431) | (24,579) |
| Cash flows from investing activities: | | | |
| Investment and other income received | | 2,488 | 969 |
| Investment management fees | | 85 | 124 |
| Payments to acquire tangible fixed assets | | (17) | (13) |
| Payments to acquire intangible fixed assets | | (24) | (206) |
| Payments to acquire social investments | | (2) | - |
| Repayments of social investments | | (120) | (20) |
| Payments to acquire fixed asset investments | | 22 | 63 |
| Net payments to acquire fixed asset investments | | (45,000) | (140,999) |
| Movements in investment cash balances | | (356) | 368 |
| Receipts from the sale of fixed asset investments | | 69,000 | 162,990 |
| Net cash required by investing activities | | 26,076 | 23,276 |
| Change in cash and cash equivalents in the year | | 645 | (1,303) |
| Cash and cash equivalents at 1 April 2023 | | 1,065 | 2,368 |
| Cash and cash equivalents at 31 March 2024 | 19 | 1,710 | 1,065 |
| Analysis of cash and cash equivalents: | | 2024 | 2023 |
| | | £000 | £000 |
| Cash in hand | | 1,322 | 685 |
| Notice deposits | | 388 | 380 |
| | | 1,710 | 1,065 |

Notes to the accounts

for the year ended 31 March 2024

1. Accounting policies

a) Administrative information

Local Trust is a public benefit entity and the corporate trustee of Big Local Trust, registered charity number 1145916.

Local Trust is a charitable company limited by guarantee. It is operated under the rules of its memorandum and articles of association dated 3 November 2011 and amended by written resolution dated 27 March 2012 and 9 October 2014. It has no share capital and the liability of each member in the event of winding-up is limited to £1. Local Trust was registered with the Charity Commission on 30 May 2012.

| | | |
|--------------|---------------------------|----------|
| Local Trust: | registered company number | 07833396 |
| | registered charity number | 1147511 |

The registered office 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 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) – effective 1 January 2019.

The functional currency is Pound Sterling.

c) Group accounts

These financial statements consolidate the results of Local Trust (company limited by guarantee and charity), and Big Local Trust (charity) on a line-by-line basis. They are prepared on the basis that Local Trust will remain as sole corporate trustee of Big Local Trust in perpetuity. Should this change, the basis on which these financial statements are prepared will be reconsidered.

d) Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies trustees are required to make judgement, 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.

e) Statement of financial activities

Local Trust has taken exemption from presenting its unconsolidated statement of financial activities under section 408 of the Companies Act 2006.

f) 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.

g) Fund accounting

Restricted funds are funds that have been given for particular purposes and projects. Restricted funds must be used in accordance with the funders or donors' wishes.

h) 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.

i) 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.

j) 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.

k) 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.

l) 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).

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

m) 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.

n) 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.

o) 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.

p) 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.

q) 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 USD 3,416 (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.

r) 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.

2. Investment income

| | 2024 | 2023 |
|-----------------------|-------------|-------------|
| | £000 | £000 |
| Income on investments | 2,360 | 1,328 |
| Bank interest | 529 | 226 |
| Tax refunds | 9 | 25 |
| Total | 2,898 | 1,579 |

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

3. Grant income

| | 2024 | 2023 |
|----------------------------|-------------|-------------|
| | £000 | £000 |
| Barrow Cadbury Trust | - | - |
| Big Local Trust | - | 77 |
| Esmée Fairbairn Foundation | - | 60 |
| John Ellerman Foundation | - | 13 |
| Lloyds Bank Foundation | - | 25 |
| Total | - | 175 |

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4. Expenditure

| Description | Charitable activities | | | | Expenditure on raising funds £000 | Governance £000 | Support £000 | 2024 Group Total £000 | 2023 Group Total £000 |
|---|---|---------------------------|---|------------|--------------------------------------|--------------------|-----------------|-----------------------------|-----------------------------|
| | Grant expenditure directly to areas £000 | Delivery to areas £000 | Learning to support the programme £000 | | | | | | |
| Staff (note 21) | - | 2,022 | 1,100 | - | - | - | 1,082 | 4,204 | 3,290 |
| Grants to Big Local areas | | | | | | | | | |
| Big Local plan funding | 7,841 | - | - | - | - | - | - | 7,841 | 12,030 |
| Community travel and childcare | 112 | - | - | - | - | - | - | 112 | 74 |
| Area admin contribution | 394 | - | - | - | - | - | - | 394 | 597 |
| Creative Civic Change | - | - | - | - | - | - | - | - | 371 |
| Social investment returns to areas | 37 | - | - | - | - | - | - | 37 | 80 |
| Area delivery costs | - | 2,284 | - | - | - | - | - | 2,284 | 2,241 |
| Programme development | - | - | 1,460 | - | - | - | - | 1,460 | 1,097 |
| Finance charges | - | - | - | 85 | - | - | - | 85 | 124 |
| Governance costs | - | - | - | - | 85 | - | - | 85 | 26 |
| Audit and financial advice | - | - | - | - | 40 | - | - | 40 | 46 |
| Professional fees | - | - | - | - | 9 | - | - | 9 | 105 |
| Communications and marketing | - | - | - | - | - | - | 195 | 195 | 187 |
| IT and Consultancy | - | - | - | - | - | - | 195 | 195 | 263 |
| Rent and office costs | - | - | - | - | - | - | 367 | 367 | 388 |
| Grant bad debts/Impairment loss | - | - | - | - | - | - | - | - | 32 |
| Depreciation | - | - | - | - | - | - | 172 | 172 | 137 |
| Total costs | 8,384 | 4,306 | 2,560 | 85 | 134 | 2,011 | 17,480 | 21,088 | |
| Allocated to charitable activities | | | | | | | | | |
| Support Costs | 330 | 707 | 857 | - | 117 | (2,011) | - | - | - |
| Governance costs (note 6) | 44 | 94 | 113 | - | (251) | - | - | - | - |
| Total expenditure 2024 | 8,758 | 5,107 | 3,530 | 85 | - | - | 17,480 | 21,088 | |
| Total expenditure 2023 | 13,566 | 4,430 | 2,968 | 124 | - | - | 21,088 | 26,201 | |

Note: Programme development includes a £100k research grant payable to NHS Confederation (2023: £nil)

4. Expenditure (continued)

| Description | Charitable activities | | | | | | 2023 Group Total | 2022 Group 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 | £000 | |
| Staff (note 21) | - | 1,465 | 968 | - | - | 857 | 2,739 | |
| Grants to Big Local areas | | | | | | | | |
| Big Local plan funding | 12,030 | - | - | - | - | - | 16,791 | |
| Community travel and childcare | 74 | - | - | - | - | - | 80 | |
| Area admin contribution | 597 | - | - | - | - | - | 839 | |
| Creative Civic Change | 371 | - | - | - | - | - | 942 | |
| Social investment returns to areas | 80 | - | - | - | - | - | - | |
| Area delivery costs | - | 2,241 | - | - | - | - | 2,412 | |
| Programme development | - | - | 1,097 | - | - | - | 1,241 | |
| Finance charges | - | - | - | 124 | - | - | 122 | |
| Governance costs | - | - | - | - | 26 | - | 73 | |
| Audit and financial advice | - | - | - | - | 46 | - | 34 | |
| Professional fees | - | - | - | - | 105 | - | 33 | |
| Communications and marketing | - | - | - | - | - | 187 | 210 | |
| IT and Consultancy | - | - | - | - | - | 263 | 302 | |
| Rent and office costs | - | - | - | - | - | 388 | 270 | |
| Grant bad debts/Impairment loss | 32 | - | - | - | - | - | 5 | |
| Depreciation | - | - | - | - | - | 137 | 108 | |
| Total costs | 13,184 | 3,706 | 2,065 | 124 | 177 | 1,832 | 26,201 | |
| Allocated to charitable activities | | | | | | | | |
| Support Costs | 324 | 614 | 766 | - | 128 | (1,832) | - | |
| Governance costs (note 6) | 58 | 110 | 137 | - | (305) | - | - | |
| Total expenditure 2023 | 13,566 | 4,430 | 2,968 | 124 | - | - | 26,201 | |
| Total expenditure 2022 | 18,956 | 4,255 | 2,868 | 122 | - | - | 22,177 | |

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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 |

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| | | | | | | |
|---|---|-----|-------|-------|-------|-------|
| Greenmoor | Better Communities Bradford | - | - | - | - | 59 |
| 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 | - |
| Leedliffe (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 |

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| | | | | | | |
|---|---|-----|------|-------|-------|-------|
| North meets South | CREST Waltham Forest | 151 | (1) | - | 150 | - |
| 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 |
| Whitleigh | Whitleigh 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 |

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(i) to the accounts.

7. Net income/expenditure for the year

This is stated after charging:

| | 2024 | 2023 |
|---|-------------|-------------|
| | £000 | £000 |
| Depreciation and amortisation | 172 | 137 |
| 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 audit</i> | 4 | 4 |
| Financial advice | 4 | 6 |
| Investment manager's fees | 85 | 124 |
| Legal and professional fees | 9 | 105 |
| Licence fees | 156 | 152 |

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

8. Group and company tangible fixed assets

| | | | 2024 | 2023 |
|-------------------------|-------------------------|--------------|-------|-------|
| | Office refurbishment | IT equipment | Total | Total |
| Cost | £000 | £000 | £000 | £000 |
| Balance brought forward | 85 | 194 | 279 | 266 |
| Additions | - | 17 | 17 | 13 |
| Disposals | - | (27) | (27) | - |
| Balance carried forward | 85 | 184 | 269 | 279 |
| Depreciation | | | | |
| Balance brought forward | 52 | 178 | 230 | 193 |
| Disposals | - | (26) | (26) | - |
| Charge for year | 20 | 15 | 35 | 37 |
| Balance carried forward | 72 | 167 | 239 | 230 |
| Net book value | | | | |
| Brought forward | 33 | 16 | 49 | 73 |
| Carried forward | 13 | 17 | 30 | 49 |

Included in these amounts is £nil (2023: £1k) in IT equipment relating to Local Trust.

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

9. Group and company intangible fixed assets

| | 2024 | 2023 |
|-------------------------|--------------|--------------|
| | Total | Total |
| | £000 | £000 |
| Cost | | |
| Balance brought forward | 529 | 323 |
| Additions | 24 | 206 |
| Disposal | (12) | - |
| Balance carried forward | <u>541</u> | <u>529</u> |
| Amortisation | | |
| Balance brought forward | 283 | 183 |
| Disposal | (11) | - |
| Charge for year | 137 | 100 |
| Balance carried forward | <u>409</u> | <u>283</u> |
| Net book value | | |
| Brought forward | <u>246</u> | <u>140</u> |
| Carried forward | <u>132</u> | <u>246</u> |

Intangible fixed assets include the development of Big Local Trust's grant management system, website and area assessment tool; included in the net book value carried forward is £nil (2023: £6k) relating to Local Trust.

10. Group and company 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 | | | 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 | Additions | Repayments/ Discharges | Impairment | Funds at |
|---------------------------------------|--|----------------------|------------------|-----------|---------------------------|------------|------------------|
| | | | 31 March 2023 | | | | 31 March 2024 |
| | | | £000 | £000 | £000 | £000 | £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 Subtotal | Key Fund loan | Loan | (17) | - | (7) | - | 10 |
| 2023-24 | | | | | | | |
| Radstock and Westfield Subtotal | Key Fund loan | Loan | - | 120 | - | - | 120 |
| | Cumulative totals | | 64 | 120 | (22) | - | 163 |
| | Total Key Fund loan balance | | 17 | - | (7) | - | 130 |

13. Debtors

| | 2024 | 2024 | 2023 | 2023 |
|---------------------|--------------|-------------|--------------|-------------|
| | Group | Local Trust | Group | Local Trust |
| | £000 | £000 | £000 | £000 |
| Trade debtors | 19 | 1 | 10 | 1 |
| Other debtors | 36 | - | 36 | - |
| Intercompany debtor | - | - | - | 25 |
| Prepayments | 168 | 1 | 191 | - |
| Accrued income | 1,322 | - | 909 | - |
| Total | 1,545 | 2 | 1,146 | 26 |

14. Creditors: amounts falling due within one year

| | 2024 | 2024 | 2023 | 2023 |
|------------------------------------|---------------|--------------------|---------------|--------------------|
| | Group | Local Trust | Group | Local Trust |
| | £000 | £000 | £000 | £000 |
| Trade creditors | 875 | - | 524 | 2 |
| Amounts due to Big Local Trust | - | 3 | - | - |
| Grant commitments | 21,259 | - | 24,293 | - |
| Social security and other taxation | 83 | - | 69 | - |
| Accruals | 68 | - | 66 | - |
| Pension payments due | 37 | - | 30 | - |
| Total | 22,322 | 3 | 24,982 | 2 |

15. Creditors: amounts falling due after one year

| | 2024 | 2024 | 2023 | 2023 |
|-------------------|--------------|--------------------|--------------|--------------------|
| | Group | Local Trust | Group | Local Trust |
| | £000 | £000 | £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 | 21,356 |
| Area admin contribution | 394 | 597 |
| Commitments settled in the year | (16,654) | (16,280) |
| Commitments reversed in the year | (7,237) | (8,955) |
| 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)

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17. Movement in funds

| Local Trust Group | Balance at 31 March 2023 | Incoming resources | Outgoing resources | Transfers | Gains/ losses | Balance at 31 March 2024 |
|--|--------------------------------|-----------------------|-----------------------|-----------|------------------|--------------------------------|
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Restricted funds | | | | | | |
| National Lottery Community Fund (including investment income) | 38,040 | 2,888 | (17,380) | - | 411 | 23,969 |
| Big Local other income | 29 | 3 | - | - | - | 32 |
| Evidence base for investing in communities | 25 | - | (25) | - | - | - |
| Community Wealth Building | 1 | - | (1) | - | - | - |
| Total restricted funds | 38,095 | 2,891 | (17,406) | - | 411 | 23,991 |
| Unrestricted funds | | | | | | |
| Local Trust CDF legacy fund | 144 | - | - | - | - | 144 |
| Local Trust investment income | 28 | 10 | - | - | - | 38 |
| Total unrestricted funds | 172 | 10 | - | - | - | 182 |
| Designated funds | | | | | | |
| Community Wealth Fund | 78 | - | (74) | - | - | 4 |
| Total designated funds | 78 | - | (74) | - | - | 4 |
| Total funds | 38,345 | 2,901 | (17,480) | - | 411 | 24,177 |

Restricted funds

In Local Trust's consolidated accounts, the net decrease in funds for the year was £14.2m (2023: £18.5m). Total funds held at the year-end were £24.2m (2023: £38.3m).

National Lottery Community Fund established Big Local Trust with a National Lottery grant of £196,873,499 in 2012. This is an expendable endowment to be spent by 13 February 2027. Funding of £17.4m (2023: £20.1m) was expended during the year, and was used for delivery of Big Local Trust's charitable activities.

Big Local investment income is made up of returns on the Big Local Trust endowment, which is managed on behalf of Big Local Trust by charity fund managers, CCLA.

During the year ended 31 March 2024, Local Trust delivered the following projects:

- The **Community Wealth Fund** was funded by a consortium of funders including Local Trust. During the year £75k was spent from match funding designated by the Board in previous periods (2023: £154k) for delivery of the CWF Alliance campaign. The campaign was wound down by the end of the year.
- Local Trust also held unsolicited funds of £25k from Lloyds Foundation in the prior year to develop an **evidence base for investing in communities**. These funds were fully spent in line with the funder's wishes during the year ended 31 March 2024.

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18. Analysis of net assets between funds

| Local Trust | Restricted funds | Unrestricted funds | Restricted funds | Unrestricted funds |
|--|-------------------------|---------------------------|-------------------------|---------------------------|
| | Mar-24 | Mar-24 | Mar-23 | Mar-23 |
| | £000 | £000 | £000 | £000 |
| Fund balances as at 31 March 2021 are represented by: | | | | |
| Tangible assets | 30 | - | 49 | - |
| Intangible assets | 132 | - | 246 | - |
| Investments | 46,018 | - | 69,241 | - |
| Social investments | 163 | - | 64 | - |
| Current assets | 3,067 | 188 | 1,961 | 250 |
| Current liabilities | (22,322) | - | (24,982) | - |
| Long-term liabilities | (3,099) | - | (8,484) | - |
| Net assets | 23,989 | 188 | 38,095 | 250 |

19. Analysis of changes in net debt

| | At | Cash | At |
|--|-----------------|--------------|-----------------|
| | 31 March | flows | 31 March |
| | 2023 | £000 | 2024 |
| | £000 | £000 | £000 |
| Cash | 685 | 637 | 1,322 |
| Cash equivalents | 380 | 9 | 389 |
| Overdraft facility repayable on demand | - | - | - |
| Total | 1,065 | 646 | 1,711 |

20. 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 | - | - |

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

21. 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 | 289 |
| Total | 4,204 | 3,290 |

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

22. 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.

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23. 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.

24. Trustees' remuneration, benefits and expenses

Trustees received no remuneration. Trustees received £10k in reimbursements for travel costs (or provision of travel) during the period (2023: £9k). Trustee training expenses during the period were £9k (2023: £nil). Trustee recruitment costs during the period were £32k (2023: £nil). Governance review costs were £19k (2023: £1k).

25. Big Local Trust protector

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

26. 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.

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27. Financial instruments

Carrying values of financial assets and liabilities at 31 March:

| | 2024 | 2023 |
|--|-------------|-------------|
| | £000 | £000 |
| Financial assets measured at amortised cost (a) | 3,087 | 2,021 |
| 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 2023 was £504k (2023: £217k). Dividends and interest recognised in the statement of financial activities on assets held at fair value was £1,956k (2023: £565m).

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Charity details

Local Trust registered company number

07833396

Local Trust registered charity number

1147511

Principal address

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

Local Trust is the corporate trustee of Big Local Trust, registered charity number 1145916.

Trustees

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

Legacy and learning committee (to 31 March 2024)

Matt Bell

Patrick Melia (chair)

Charlotte Pickles

David Warner

Rich Wilson

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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

Advisors

Auditor

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

Solicitor

Withers LLP
16 Old Bailey
London EC4M 7EG

Bankers

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

Local Trust

T: 020 3588 0565

E: info@localtrust.org.uk

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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LOCAL TRUST

England & Wales - Charity number 1147511

Accounts

Local Trust

Annual report and financial statements

for 1 April 2022 to 31 March 2023

Registered charity number 1147511



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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.

Alongside Big Local, we have delivered two related but independent initiatives. The Creative Civic Change (CCC) programme was a three-year fund which concluded in 2022, aimed at demonstrating the value of community-led creativity and arts-based activity to achieve change in local communities. We also hosted the Community Wealth Fund Alliance (CWFA) a cross-sectoral campaign which successfully made the case to government for substantial new investment in rebuilding the social infrastructure of 'left behind' communities, making use of a new wave of dormant assets to be released by financial institutions, following passage of new legislation in the course of last year.

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.

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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 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 ambition has always been for our legacy to last well beyond formal closure. In the past year, a notable impact here has been the success of the Community Wealth Fund Alliance (CWFA) campaign. The CWFA was inspired by (but resourced independently from) Big Local; Local Trust was a founding member and has acted as co-ordinator and host of the campaign. The CWFA has been advocating for patient, long-term investment made directly to disadvantaged and ‘left behind’ neighbourhoods and funded through dormant assets. In March 2023, we were delighted that the Government announced its intention to establish such funding. We have therefore wound up our campaigning work on this, but remain ready to contribute to government consultation on the design and delivery of ‘community wealth funds’. We also continued to support the work of the All-Party Parliamentary Group on Left Behind Neighbourhoods, which has focused on issues of interest to, and benefited from significant input and insight from, residents of Big Local areas.

Our work on the Creative Civic Change (CCC) programme also concluded in this year, with a successful finale event in December 2022. This innovative programme – jointly funded by the National Lottery Community Fund, Esmée Fairbairn and the Calouste Gulbenkian Foundation, and delivered

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by Local Trust – showcased the value of creativity and the arts in transforming communities across 15 neighbourhoods in England. The final evaluation found that the programme was transformative for people, places, artists and funders. It demonstrated that creativity is not just a ‘nice to have’, but a vital tool for communities to problem-solve and imagine a better future. Extensive learning, evaluation and influencing material remains available on the [CCC website](#).

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.

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

Local Trust is a charitable company limited by guarantee. It is operated under the rules of its memorandum and articles of association dated 3 November 2011 and amended by written resolution dated 27 March 2012 and 9 October 2014. It has no share capital and the liability of each member in the event of winding-up is limited to £1. Local Trust was registered with the Charity Commission on 30 May 2012.

The relationship between Big Local Trust, Local Trust and the National Lottery Community Fund

Local Trust is the corporate trustee of the Big Local Trust. Local Trust and the National Lottery Community Fund (formerly Big Lottery Fund) established Big Local Trust. 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. Big Local is Local Trust's first and major initiative. All the activities of Big Local Trust are promoted under the Local Trust and Big Local brands.

Objects of Local Trust

The objects as stipulated in Local Trust's articles of association are:

'to undertake, do and perform all things the company shall consider expedient to develop the capacity and skills (including the enterprise skills) of members of socially and economically or socially disadvantaged communities in the United Kingdom in such a way that they are better able to identify, and help meet, their needs as individuals and to improve the communities in which they live, in particular by (but not limited to) local action projects, research, evaluation and policy analysis, making grants and social investments to individuals, local enterprises and communities, thereby promoting short term and long term change and the relief of unemployment.'

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.'

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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.

In addition to delivering Big Local, we have delivered two other projects during 2022-23.

- **Community Wealth Fund Alliance:** This makes the case for a 'community wealth fund' – a long-term endowment to support the development of community-led infrastructure in 'left behind' areas. The CWFA is funded by a coalition of trusts, foundations and civil society organisations. Local Trust is a founding member and provided the secretariat to Community Wealth Fund Alliance (CWFA).
- **Creative Civic Change:** Created in partnership with and co-funded by the National Lottery Community Fund, Esmée Fairbairn Foundation, Calouste Gulbenkian Foundation and Big Local Trust, Creative Civic Change explored a new approach to funding community-driven projects to inspire others to use the arts and creativity to make positive local change. The programme provided grant funds and support to 15 Big Local and non-Big Local areas and was managed by Local Trust outside of the Big Local Trust. This programme came to an end in December 2022.

This annual review for Local Trust reports on all three areas of work.

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.

- 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

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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.

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.

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

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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

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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

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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.

Over the last year, Local Trust has continued to address the seven key areas of governance outlined in the Charity Governance Code.

Action undertaken includes:

1. Organisational purpose

The board is clear about the charity's aims and ensures that these are being delivered effectively and sustainably.

Local Trust delivers the Big Local programme in accordance with the provisions of the Big Local Trust deed, of which it is sole corporate trustee, and which was last updated in July 2018 and September 2021. The Big Local Deed was reviewed in 2022 and no immediate need for further amendment was identified.

In March 2020, following a year-long review, trustees approved a Strategy Framework for the period leading up to the conclusion of the Big Local Trust deed in 2026–27. This included a fundamental review of purpose and priorities and consideration of range of future scenarios.

The three years since the Strategy Framework was developed have been very different from what was expected when it was originally created. Over the last year, a planning process led by the trustees has helped create three new strategic documents which now replace the 2020–26 framework. These are: the Legacy Strategy, defining our ambitions for achieving long-term impact; the Closure Strategy, outlining our plans to wind up Local Trust by the current scheduled end date of February 2027 (and which will inform a more detailed Closure Plan, to be prepared during Summer 2023); and the Equality, Diversity and Inclusion Strategy, intended to underpin all our work.

The three new Strategies reflect changing priorities and increased focus on preparing for both organisational and programme close-down, as Local Trust moves into the last four years of the Big Local programme. They will feed directly into our annual business planning process over the period 2023–27, and form the basis of our annual reports on progress.

Trustees receive regular briefings and information on the charity's work and on progress towards annual business plan targets and are able to demonstrate that the charity is effective in delivering its plans.

2. Leadership

Every charity is headed by an effective board that provides strategic leadership in line with the charity's aims and values.

The Local Trust board had an experienced chair in 2022-23 who provided leadership to the board. Board and committee meetings are well attended, and trustees participate actively.

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During the year, two trustees retired from the board of trustees due to pressure of other work commitments - one at the AGM in November 2022 having served since 2019; and one resigned in March 2023, having served since 2018.

The Board has commissioned a governance review to take place in early 2023-24 to ensure it is able to effectively fulfil its role, including consideration of the skills and experience it might need as it approaches closure, ahead of any new trustee recruitment taking place.

There are appropriate arrangements in place for the appointment, supervision, support and appraisal of the chief executive by the board (through the governance and remuneration committee) and of staff, through the chief executive and senior management team.

3. Integrity

The board acts with integrity. It adopts values, applies ethical principles to decisions and creates a welcoming and supportive culture which helps achieve the charity's purposes. The board is aware of the significance of the public's confidence and trust in charities. It reflects the charity's ethics and values in everything it does. Trustees undertake their duties with this in mind.

Local Trust's trustees agree to abide by a code of conduct when they join the board.

Local Trust has a conflict-of-interest policy to ensure that potential conflicts of interest are declared and managed appropriately. Trustees declare any potential conflicts of interest at the start of each board and committee meeting, and these are recorded in the minutes.

Local Trust has a gift and hospitality policy that explains what is acceptable and unacceptable, and there is a register where trustees and staff must declare any hospitality or gifts received. Trustees and the senior management team also complete related party declarations on an annual basis to declare any potential conflict of interest.

The board takes legal, financial and investment advice from suitably qualified professionals as appropriate.

4. Decision-making, risk and control

The board makes sure that its decision-making processes are informed, rigorous and timely and that effective delegation, control and risk assessment and management systems are set up and monitored.

There is a clear scheme of delegation for board decision-making which was reviewed and updated during 2022-23 to ensure it continued to be fit for purpose. Decisions and actions are appropriately recorded and followed up at subsequent meetings. All board-level decisions are shared on the Local Trust website.

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 Local Trust as an organisation and the programmes it delivers.

The four committees are: programme delivery; finance, audit and risk; legacy and learning; and 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 Local Trust's business.

Strategic and operational risks are regularly reviewed and updated by the executive and report on to board, with detailed scrutiny of risk reports taking place on a quarterly basis in the finance, audit and risk committee.

Further details of the committees' roles and responsibilities are outlined under the governance section of this report on page 28 and 29.

5. Board effectiveness

The board works as an effective team, using the appropriate balance of skills, experience, backgrounds and knowledge to make informed decisions.

The chair plans the board's work and meetings, with trustees and staff, ensuring trustees have the information, time and space they need to explore key issues and reach well-considered decisions. The board regularly discusses the effectiveness of its meetings and makes changes where it believes improvements can be made.

New trustees are given comprehensive inductions into Local Trust, to enable them to be effective as possible. Trustees take advantage of a range of opportunities for training and development, including attendance at relevant conferences and networking events, and visits to Big Local areas. In January of each year, trustees attend an annual away-day to enable them to work together on issues that are of strategic importance to the charity.

Annual assessment of Chair and trustee performance is carried out by the governance and remuneration committee to ensure the board continues to be fit for purpose. The last audit of trustees' skills was completed in 2020–21, prior to the recruitment of three new trustees. The next skills audit is planned for early 2023–24, as part of a wider externally commissioned governance review, to identify whether further recruitment of trustees would be of benefit to assist with overseeing the Big Local and Local Trust closure process.

6. Equality, diversity and inclusion

The board has a clear, agreed and effective approach to supporting equality, diversity and inclusion throughout the organisation and in its own practice. This approach supports good governance and the delivery of the organisation's charitable purposes.

Local Trust is committed to ensuring that its work does not discriminate and offers equality of opportunity to all. It seeks through its approach to recruitment to ensure a diversity of skills, background and experience amongst trustees to enable the board to fulfil its role effectively.

Local Trust is committed to providing equal opportunities in employment and to avoiding unlawful discrimination. Equality, diversity and inclusion are defined in the business plan in the context of delivery of the programme and aims of the charity. Local Trust's staff handbook includes our policy on equality and diversity in employment.

In 2022–23, Local Trust developed a new Equality, Diversity and Inclusion Strategy to inform future revisions of its strategic approach to these issues. The Strategy is underpinned by an Equality, Diversity and Inclusion Action Plan. Progress in implementing the strategy and the action plan will be tracked across the year, with an annual report to trustees.

7. Openness and accountability

The board leads the organisation in being transparent and accountable. The charity is open in its work, unless there is good reason for it not to be.

Local Trust aims to be transparent and accountable in its work. There is regular communication with stakeholders through the Local Trust newsletter, website and events. Key policies and procedures are published on the charity's website.

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,

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and, if necessary, report matters of serious concern to the National Lottery Community Fund as the Founder or to the Charity Commission. Our current Protector was appointed in September 2018.

There is a clear, published process for making and handling complaints, to ensure that any complaints are handled constructively, impartially and effectively. Where necessary, Local Trust engages the services of mediators to help with the resolution of complaints that result from disputes within Big Local areas and partnerships. Where appropriate, the advice of Rosie Chapman, Protector of Big Local Trust, is sought to provide advice on the organisation's handling of issues to ensure that appropriate learning is gathered and, where appropriate, systems and processes improved.

Financial review

During the year ended 31 March 2023, Local Trust's primary responsibility was to deliver Big Local using funds from the Big Local Trust.

Local Trust also delivered activity related to two additional projects:

- **Creative Civic Change:** A place-based programme created in partnership with and co-funded by the National Lottery Community Fund, the Esmée Fairbairn Foundation and the Calouste Gulbenkian Foundation.
- **Community Wealth Fund Alliance:** Local Trust has worked with a wide partnership of organisations to establish the Community Wealth Fund Alliance to promote long-term thinking about how best to support investment in communities that have suffered from economic decline and the withdrawal of public and social infrastructure.

Overview of income and expenditure

During the period, Local Trust continued to manage the activities of Big Local Trust, which is funded through an expendable endowment from the National Lottery Community Fund. Income on the investment was £1.6m for the year (2022: £0.3m). There were net gains on the investment of £778k (2022: net gains of £66k).

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

Consolidated expenditure during the year was £21.0m (2022: £26.2m). The increase in expenditure reflects a 28% decrease in direct funding to £13.6m (2022: £19.0m). This includes £12.8m in direct funding to Big Local areas and £0.4m to CCC programme partnerships. The cost of delivery to areas increased by 4% to £4.4m (2022: £4.3m) and the cost of learning activities increased by 3% to £3.0m (2022: £2.9m). A full list of the funding to Big Local areas is included in note 5.

In Local Trust's consolidated accounts, the net decrease in funds for the year was £18.5m (2022: £25.7m). The total funds held at the year-end were £38.4m (2022: £56.9m).

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.

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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 risk 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 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

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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, audit and risk 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, audit and risk 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

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 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 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

Financial planning for Local Trust incorporates planning for Big Local Trust as well as other Local Trust projects.

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 policies

Local Trust was established as the corporate trustee for Big Local Trust and, in practice, undertakes limited activities apart from delivering Big Local. During the year Local Trust managed two projects funded through restricted funds: the Creative Civic Change programme which ended in December 2022 and the Community Wealth Fund Alliance. Staff were jointly employed by Local Trust and Big Local Trust. Big Local Trust pays all staff and overhead costs, and charges Local Trust for all costs associated with its activities.

Local Trust (the company) had net funds of £276k at 31 March 2023 (2022: £1.0m), of which £171k was unrestricted (2022: £319k). There has been no change to the previous policy that a reserve of £30k should be retained to cover any unexpected costs. Trustees judge that this is appropriate, given that Local Trust has no direct staff or overhead liabilities, no direct beneficiaries, and is able to tailor its expenditure to fit its circumstances.

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 restricted under Local Trust (group). 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

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organisations are generally choosing to pay, and other factors outlined in the pay policy. The pay policy was reviewed and agreed in July 2022, and most recently updated 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

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

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. 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 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. This is an external risk and are working to ensure that our contributions to the public debate are seen as balanced and

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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 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 is 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.

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- 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 committee typically meets three times per year.
- The Local Trust Board and Committees each typically meet three-to-four times per year. Records of attendance are noted in the minutes of each meeting.

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.

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Statement of trustees' responsibilities

In respect of the trustees' annual report and the financial statements

The trustees (who are also directors of Local Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

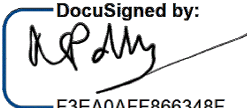
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Auditors

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

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

Signed  E3EA0AEF866348F

Date 08 December 2023

Nicola Pollock
Vice-Chair

Independent auditor's report to the trustees of Local Trust

Opinion

We have audited the financial statements of Local Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2023 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions 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 group's and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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 in 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the [strategic report and the] trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 31, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 group and parent charitable company'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 group and parent charitable company'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 group or parent charitable company 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

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

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

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 charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are [the Companies Act 2006, 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 charitable company 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.

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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters which 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 charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP
.....

Date: *..11 December 2023...*

Andrew Stickland (Senior Statutory Auditor)

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

6th Floor, 9 Appold Street

London EC2A 2AP

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

Consolidated statement of financial activities
(incorporating an income and expenditure account) for the year ended
31 March 2023

| | | Group Restricted 2023 £000 | Group Unrestricted 2023 £000 | Group 2023 £000 | Group 2022 £000 |
|--|--------------|-------------------------------------|---------------------------------------|-----------------------|-----------------------|
| | <u>Notes</u> | | | | |
| Income from: | | | | | |
| Investments | 2 | 1,570 | 9 | 1,579 | 256 |
| Grants | 3 | 175 | - | 175 | 295 |
| Other sources | | 4 | - | 4 | 5 |
| Total income | | 1,749 | 9 | 1,758 | 556 |
| Expenditure on: | | | | | |
| Raising funds | | | | | |
| investment management charges | | 124 | - | 124 | 122 |
| Charitable activities: | | | | | |
| grants payable | 5 | 13,566 | - | 13,566 | 18,956 |
| delivery to areas | | 4,430 | - | 4,430 | 4,255 |
| learning to support the programme | | 2,890 | 78 | 2,968 | 2,868 |
| Total expenditure | 4 | 21,010 | 78 | 21,088 | 26,201 |
| Net operating expenditure | 7 | (19,261) | (69) | (19,330) | (25,645) |
| Net gains/(losses) on investments | | 778 | - | 778 | (66) |
| Net income/ (expenditure) | | (18,483) | (69) | (18,552) | (25,711) |
| Loss on disposal | | - | - | - | (2) |
| Net movements between funds | | (18,483) | (69) | (18,552) | (25,713) |
| Reconciliation of funds: | | | | | |
| Total funds brought forward at 1 April 2022 | | 56,578 | 319 | 56,897 | 82,610 |
| Total funds carried forward at 31 March 2023 | 17 | 38,095 | 250 | 38,345 | 56,897 |

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

All funds presented in the statement of financial activities are restricted.

The accompanying notes, on pages 37 to 57, form part of these financial statements.

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

Consolidated and company balance sheets

as at 31 March 2023

Company number: 07833396

| | | 2023 | 2023 | 2022 | 2022 |
|--|--------------|-----------------|------------|-----------------|--------------|
| | | Group | Local | Group | Local |
| | | £000 | Trust | £000 | Trust |
| | <u>Notes</u> | | £000 | | £000 |
| Fixed assets | | | | | |
| Tangible assets | 8 | 49 | 1 | 73 | 1 |
| Intangible assets | 9 | 246 | 6 | 140 | 12 |
| Investments | 10 & 11 | 69,241 | - | 90,813 | - |
| Social investments | 12 | 64 | - | 112 | - |
| | | <u>69,600</u> | <u>7</u> | <u>91,138</u> | <u>13</u> |
| Current assets | | | | | |
| Debtors | 13 | 1,146 | 26 | 536 | 70 |
| Investments | | 380 | 187 | 968 | 780 |
| Cash at bank and in hand | | 685 | 58 | 1,401 | 211 |
| Total current assets | | <u>2,211</u> | <u>271</u> | <u>2,905</u> | <u>1,061</u> |
| Liabilities | | | | | |
| Creditors: amounts falling due within one year | 14 | (24,982) | (2) | (24,020) | (34) |
| Net current (liabilities)/ assets | | <u>(22,771)</u> | <u>269</u> | <u>(21,115)</u> | <u>1,027</u> |
| Creditors: amounts falling due after one year | 15 | (8,484) | - | (13,126) | - |
| Net assets | 17 | <u>38,345</u> | <u>276</u> | <u>56,897</u> | <u>1,040</u> |
| Funds | | | | | |
| Restricted funds | | 38,095 | 26 | 56,897 | 721 |
| Unrestricted funds | | 250 | 250 | 319 | 319 |
| Total funds | | <u>38,345</u> | <u>276</u> | <u>56,897</u> | <u>1,040</u> |

The accompanying notes, on pages 37 to 57, form part of these financial statements.

Local Trust generated a deficit of £0.8m (2022: £0.9m) before consolidation within the group financial statements.

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

Signed  Date 08 December 2023

Nicola Pollock
Vice-Chair

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

Consolidated statement of cashflows

for the year ended 31 March 2023

| | | 2023 | 2022 |
|---|--------------|-----------------|-----------------|
| Cash (outflow)/inflow from operating activities: | Notes | £000 | £000 |
| Net operating expenditure | | (19,330) | (25,645) |
| Investment and other income received | | (969) | (621) |
| Depreciation/amortisation of fixed assets | | 142 | 113 |
| Decrease/(Increase) in debtors | | (610) | 404 |
| Increase in creditors | | (3,680) | 1,404 |
| Investment management fees | | (124) | (122) |
| Increase in investment management fee accrual | | (8) | 12 |
| Net cash (used in) operating activities | | (24,579) | (24,455) |
| Cash flows from investing activities: | | | |
| Investment and other income received | | 969 | 621 |
| Investment management fees | | 124 | 122 |
| Payments to acquire tangible fixed assets | | (13) | (70) |
| Payments to acquire intangible fixed assets | | (206) | (166) |
| Payments to acquire social investments | | - | (2) |
| Repayments of social investments | | (20) | (20) |
| Payments to acquire fixed asset investments | | 63 | 8 |
| Net payments to acquire fixed asset investments | | (140,999) | (175,000) |
| Movements in investment cash balances | | 368 | (204) |
| Receipts from the sale of fixed asset investments | | 162,990 | 196,999 |
| Net cash required by investing activities | | 23,276 | 22,288 |
| Change in cash and cash equivalents in the year | | (1,303) | (2,167) |
| Cash and cash equivalents at 1 April 2022 | | 2,368 | 4,535 |
| Cash and cash equivalents at 31 March 2023 | 19 | 1,065 | 2,368 |
| Analysis of cash and cash equivalents: | | 2023 | 2022 |
| | | £000 | £000 |
| Cash in hand | | 685 | 1,401 |
| Notice deposits | | 380 | 967 |
| | | 1,065 | 2,368 |

Notes to the accounts

for the year ended 31 March 2023

1. Accounting policies

a) Administrative information

Local Trust is a public benefit entity and the corporate trustee of Big Local Trust, registered charity number 1145916.

Local Trust is a charitable company limited by guarantee. It is operated under the rules of its memorandum and articles of association dated 3 November 2011 and amended by written resolution dated 27 March 2012 and 9 October 2014. It has no share capital and the liability of each member in the event of winding-up is limited to £1. Local Trust was registered with the Charity Commission on 30 May 2012.

| | |
|--|----------|
| Local Trust: registered company number | 07833396 |
| registered charity number | 1147511 |

The registered office 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 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) – effective 1 January 2019.

The functional currency is Pound Sterling.

c) Group accounts

These financial statements consolidate the results of Local Trust (company limited by guarantee and charity), and Big Local Trust (charity) on a line-by-line basis. They are prepared on the basis that Local Trust will remain as sole corporate trustee of Big Local Trust in perpetuity. Should this change, the basis on which these financial statements are prepared will be reconsidered.

d) Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies trustees are required to make judgement, 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.

e) Statement of financial activities

Local Trust has taken exemption from presenting its unconsolidated statement of financial activities under section 408 of the Companies Act 2006.

f) 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.

g) Fund accounting

Restricted funds are funds that have been given for particular purposes and projects. Restricted funds must be used in accordance with the funders or donors' wishes.

h) 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.

i) 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.

j) 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.

k) 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.

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

l) 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).

m) 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.

n) 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.

o) 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.

p) 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.

q) 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 | 1,328 | 203 |
| Bank interest | 226 | 39 |
| Tax refunds | 25 | 14 |
| Total | 1,579 | 256 |

*Local Trust annual report and financial statements 1 April 2022 - 31 March 2023***3. Grant income**

| | 2023 | 2022 |
|----------------------------|-------------|-------------|
| | £000 | £000 |
| Barrow Cadbury Trust | - | 30 |
| Big Local Trust | 77 | - |
| Esmée Fairbairn Foundation | 60 | 220 |
| John Ellerman Foundation | 13 | - |
| Lloyds Bank Foundation | 25 | 25 |
| Paul Hamlyn Foundation | - | 20 |
| Total | <hr/> 175 | <hr/> 295 |

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

4. Expenditure

| Description | Charitable activities | | | | | Expenditure on raising funds £000 | Governance £000 | Support £000 | 2023 Group Total £000 | 2022 Group Total £000 |
|---|---|---------------------------|---|------------|------------|--------------------------------------|--------------------|-----------------|-----------------------------|--------------------------------|
| | Grant expenditure directly to areas £000 | Delivery to areas £000 | Learning to support the programme £000 | | | | | | | |
| Staff (note 21) | - | 1,465 | 968 | - | - | - | 857 | 3,290 | 2,739 | |
| Grants to Big Local areas | | | | | | | | | | |
| Big Local plan funding | 12,030 | | | | | | | 12,030 | 16,791 | |
| Community travel and childcare | 74 | | | | | | | 74 | 80 | |
| Area admin contribution | 597 | | | | | | | 597 | 839 | |
| Creative Civic Change | 371 | | | | | | | 371 | 942 | |
| Social investment returns to areas | 80 | | | | | | | 80 | - | |
| Area delivery costs | - | 2,241 | | | | | | 2,241 | 2,412 | |
| Programme development | - | | 1,097 | | | | | 1,097 | 1,241 | |
| Finance charges | - | | | 124 | | | | 124 | 122 | |
| Governance costs | - | | | | | 26 | | 26 | 73 | |
| Audit and financial advice | - | | | | | 46 | | 46 | 34 | |
| Professional fees | - | | | | | 105 | | 105 | 33 | |
| Communications and marketing | - | | | | | | 187 | 187 | 210 | |
| IT and Consultancy | - | | | | | | 263 | 263 | 302 | |
| Rent and office costs | - | | | | | | 388 | 388 | 270 | |
| Grant bad debts/Impairment loss | 32 | | | | | | | 32 | 5 | |
| Depreciation | - | | | | | | 137 | 137 | 108 | |
| Total costs | 13,184 | 3,706 | 2,065 | 124 | 177 | 1,832 | 21,088 | 26,201 | 26,201 | |
| Allocated to charitable activities | | | | | | | | | | |
| Support Costs | 324 | 614 | 766 | - | 128 | (1,832) | - | - | - | |
| Governance costs (note 6) | 58 | 110 | 137 | - | (305) | - | - | - | - | |
| Total expenditure 2023 | 13,566 | 4,430 | 2,968 | 124 | - | - | 21,088 | 26,201 | 26,201 | |
| Total expenditure 2022 | 18,956 | 4,255 | 2,868 | 122 | - | - | 26,201 | 22,177 | 22,177 | |

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

4. Expenditure (continued)

| Description | Charitable activities | | | | | | 2022 Group Total £000 | 2021 Group 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 | | |
| Staff | - | 1,185 | 863 | - | - | 675 | 2,739 | 2,271 |
| Grants to Big Local areas | - | - | - | - | - | - | - | - |
| Getting Started | - | - | - | - | - | - | - | - |
| Big Local plan 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 |
| Creative Civic Change | 942 | - | - | - | - | - | 942 | 818 |
| Area delivery costs | - | 2,412 | - | - | - | - | 2,412 | 2,197 |
| Programme development | - | - | 1,241 | - | - | - | 1,241 | 1,121 |
| Finance charges | - | - | - | 122 | - | - | 122 | 154 |
| Governance costs | - | - | - | - | 73 | - | 73 | 31 |
| 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 | - | - | - | - | - | 270 | 270 | - |
| Grant bad debts/ Impairment loss | - | 5 | - | - | - | - | 5 | 246 |
| Depreciation | - | - | - | - | - | 108 | 108 | 75 |
| Total costs | 18,652 | 3,602 | 2,104 | 122 | 140 | 1,581 | 26,201 | 22,177 |
| Allocated to charitable activities | | | | | | | | |
| Support Costs | 248 | 566 | 641 | - | 126 | (1,581) | - | - |
| Governance costs (note 6) | 56 | 87 | 123 | - | (266) | - | - | - |
| Total expenditure 2022 | 18,956 | 4,255 | 2,868 | 122 | 26,201 | 22,177 | 26,201 | 22,177 |
| Total expenditure 2021 | 15,884 | 3,708 | 2,431 | 154 | 22,177 | 21,460 | 22,177 | 21,460 |

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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-Dearne | 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 |
| Hawksworth Wood Estate, the Abbeydales and the Vespers | Kirkstall Valley Development Trust | 203 | - | (102) | 102 | - |

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| | | | | | | |
|---|---|-----|------|-------|-------|-------|
| 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 |
| Palfrey | One Walsall | - | - | - | - | 430 |
| Par Bay | Par Bay Community Trust | 41 | - | - | 41 | - |
| Par Bay | Eden Project campaigns Ltd | - | - | - | - | (27) |

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| | | | | | | |
|---|---|-----|------|-------|-------|------|
| 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) | - |
| Wecock Farm | Citizens Advice Havant | - | - | - | - | 590 |
| Welsh House Farm | Birmingham Voluntary Service Council | 553 | (2) | - | 551 | 149 |

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| | | | | | | |
|--|---|--------|-------|---------|--------|--------|
| 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 |

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| Creative Civic Change | Locally trusted organisation | New grants £000 | Repayment of unspent grants £000 | Closed grants £000 | 2023 Total £000 | 2022 Total £000 |
|---|---|--------------------|---|--------------------------|-----------------------|-----------------------|
| Blackwell Parish | Platform Thirty1 Limited | 11 | - | - | 11 | 88 |
| Creative Newington | Starlings Support CIC | 20 | - | - | 20 | 68 |
| Creative West End CCC | Lancaster District CVS | 74 | - | - | 74 | 35 |
| REMAKe (Revolutionary East Marsh Arts) | East Marsh United | - | - | - | - | 60 |
| Filwood Centre CCC Partnership | Community in Partnership Knowle West | - | - | - | - | 31 |
| Hard Times Require Furious Dancing CCC Partnership | Haven Community Project | - | - | - | - | - |
| Hard Times Require Furious Dancing CCC Partnership | Birmingham Voluntary Service Council | 59 | (13) | - | 46 | 38 |
| St Leonards Civic Action Group (STCAG) | Home Live Art | 36 | - | - | 36 | 97 |
| Kensington Vision CCC Partnership | Kensington Vision CIC | 34 | - | - | 34 | 34 |
| Don't get any ideas (Corby) | Groundwork Northamptonshire | 38 | - | - | 38 | 78 |
| Newington Big Local | Starlings Support CIC | - | - | - | - | - |
| Nudge Community Builders CCC Partnership | Nudge Community Builders Limited | - | - | - | - | 58 |
| Par Bay Big Local | Par Bay Community Trust | 7 | - | - | 7 | 76 |
| Peckham Platform CCC Partnership | Peckham Platform Ltd | 28 | - | - | 28 | 69 |
| Platform Thirty1 CCC Partnership | Platform Thirty1 Limited | - | - | - | - | - |
| Portland Inn Project CCC Partnership | Portland Inn Project CIC | 32 | - | - | 32 | 64 |
| Tees Valley Arts CCC Partnership | Tees Valley Arts | - | - | - | - | - |
| Whitley Bay Big Local | Whitley Bay Big Local | - | - | - | - | 58 |
| Urban By Nature | Crest Waltham Forest | 45 | - | - | 45 | 88 |
| | Subtotal of CCC grants | 384 | (13) | - | 371 | 942 |
| | Grants to local areas | 21,356 | (806) | (8,149) | 12,401 | 17,733 |
| 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 | | | | 382 | 304 |
| | Total grants payable | | | | 13,566 | 18,956 |

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: £266k) consist of direct governance costs of £177k (2022: £140k) and indirect costs of £128k (2022: £126k). 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(i) to the accounts.

7. Net income/expenditure for the year

This is stated after charging:

| | 2023 | 2022 |
|---|-------------|-------------|
| | £000 | £000 |
| Depreciation and amortisation | 137 | 108 |
| 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 audit | 4 | 0 |
| Financial advice | 6 | 9 |
| Investment manager's fees | 124 | 122 |
| Legal and professional fees | 105 | 33 |
| Licence fees | 152 | 149 |

8. Group and company tangible fixed assets

| | | | 2023 | 2022 |
|-------------------------|---------------------------------|---------------------|--------------|--------------|
| | Office refurbishment | IT equipment | Total | Total |
| | £000 | £000 | £000 | £000 |
| Cost | | | | |
| Balance brought forward | 83 | 183 | 266 | 206 |
| Additions | 2 | 11 | 13 | 69 |
| Disposals | - | - | - | (9) |
| Balance carried forward | <u>85</u> | <u>194</u> | <u>279</u> | <u>266</u> |
| Depreciation | | | | |
| Balance brought forward | 32 | 161 | 193 | 175 |
| Disposals | - | - | - | (9) |
| Charge for year | 20 | 17 | 37 | 27 |
| Balance carried forward | <u>52</u> | <u>178</u> | <u>230</u> | <u>193</u> |
| Net book value | | | | |
| Brought forward | 51 | 22 | 73 | 31 |
| Carried forward | <u>33</u> | <u>16</u> | <u>49</u> | <u>73</u> |

Included in these amounts is £1k (2022: £1k) in IT equipment relating to Local Trust.

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9. Group and company intangible fixed assets

| | 2023 | 2022 |
|-------------------------|--------------|--------------|
| | Total | Total |
| | £000 | £000 |
| Cost | | |
| Balance brought forward | 323 | 354 |
| Additions | 206 | 166 |
| Disposal | - | (197) |
| Balance carried forward | <u>529</u> | <u>323</u> |
| Amortisation | | |
| Balance brought forward | 183 | 297 |
| Disposal | - | (195) |
| Charge for year | 100 | 81 |
| Balance carried forward | <u>283</u> | <u>183</u> |
| Net book value | | |
| Brought forward | 140 | 57 |
| Carried forward | <u>246</u> | <u>140</u> |

Intangible fixed assets include the development of Big Local Trust's grant management system, website and area assessment tool; included in the net book value carried forward is £6k (2022: £12k) relating to Local Trust.

10. Group and company 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 | | | 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 (2022: £90,691k).

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12. Social investment assets

| Big Local area | Credit union | Type of investment | Funds at | Additions | Repayments/ Discharges | Impairment | Funds at |
|---|--|--------------------|------------------|-----------|---------------------------|------------|------------------|
| | | | 31 March 2022 | | | | 31 March 2023 |
| | | | £000 | £000 | £000 | £000 | £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 | 2023 | 2022 | 2022 |
|---------------------|-------|-------------|-------|-------------|
| | Group | Local Trust | Group | Local Trust |
| | £000 | £000 | £000 | £000 |
| Trade debtors | 10 | 1 | 216 | 70 |
| Other debtors | 36 | - | 36 | - |
| Intercompany debtor | - | 25 | - | - |
| Prepayments | 191 | - | 162 | - |
| Accrued income | 909 | - | 122 | - |
| Total | 1,146 | 26 | 536 | 70 |

*Local Trust annual report and financial statements 1 April 2022 - 31 March 2023***14. Creditors: amounts falling due within one year**

| | 2023 | 2023 | 2022 | 2022 |
|------------------------------------|---------------|--------------------|---------------|--------------------|
| | Group | Local Trust | Group | Local Trust |
| | £000 | £000 | £000 | £000 |
| Trade creditors | 524 | 2 | 929 | 16 |
| Amounts due to Big Local Trust | - | - | | |
| Grant commitments | 24,293 | - | 22,933 | 18 |
| Social security and other taxation | 69 | - | 58 | - |
| Accruals | 66 | - | 53 | - |
| Pension payments due | 30 | - | 47 | - |
| Total | 24,982 | 2 | 24,020 | 34 |

15. Creditors: amounts falling due after one year

| | 2023 | 2023 | 2022 | 2022 |
|-------------------|--------------|--------------------|---------------|--------------------|
| | Group | Local Trust | Group | Local Trust |
| | £000 | £000 | £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 | 21,356 | 22,796 |
| Area admin contribution | 597 | 839 |
| Commitments settled in the year | (16,280) | (16,680) |
| Commitments reversed in the year | (8,955) | (5,063) |
| Grant commitments c/fwd | 32,777 | 36,059 |

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17. Movement in funds

| Local Trust Group | Balance at 31 March 2022 | Incoming resources | Outgoing resources | Transfers | Gains/ losses | Balance at 31 March 2023 |
|--|--------------------------------|-----------------------|-----------------------|------------|------------------|--------------------------------|
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Restricted funds | | | | | | |
| National Lottery Community Fund (including investment income) | 55,832 | 1,570 | (20,140) | - | 778 | 38,040 |
| Big Local other income | 25 | 4 | - | - | - | 29 |
| Creative Civic Change | 657 | 137 | (794) | - | - | - |
| Community Wealth Fund | 63 | 13 | (76) | - | - | - |
| Evidence base for investing in communities | - | 25 | - | - | - | 25 |
| Community Wealth Building | 1 | - | - | - | - | 1 |
| Total restricted funds | 56,578 | 1,749 | (21,010) | - | 778 | 38,095 |
| Unrestricted funds | | | | | | |
| Local Trust CDF legacy fund | 244 | - | - | (100) | - | 144 |
| Local Trust investment income | 19 | 9 | - | - | - | 28 |
| Total unrestricted funds | 263 | 9 | - | - | - | 172 |
| Designated funds | | | | | | |
| Community Wealth Fund | 56 | - | (78) | 100 | - | 78 |
| Total designated funds | 56 | - | (78) | 100 | - | 78 |
| Total funds | 56,897 | 1,758 | (21,088) | - | 778 | 38,345 |

Restricted funds

In Local Trust's consolidated accounts, the net decrease in funds for the year was £18.5m (2022: £25.7m). Total funds held at the year-end were £38.3m (2022: £56.9m).

National Lottery Community Fund established Big Local Trust with a National Lottery grant of £196,873,499 in 2012. This is an expendable endowment to be spent by 13 February 2027. Funding of £20.1m (2022: £25.0m) was expended during the year, and was used for delivery of Big Local Trust's charitable activities.

Big Local investment income is made up of returns on the Big Local Trust endowment, which is managed on behalf of Big Local Trust by charity fund managers, CCLA.

During the year ended 31 March 2023, Local Trust delivered the following projects:

- **Creative Civic Change** which was funded by the Creative Civic Change Partnership, consisting of the National Lottery Community Fund, Calouste Gulbenkian Foundation, Esmée Fairbairn and Big Local Trust. £137k (2022: £220k) was received during the year for work on the Creative Civic Change programme. All remaining funds of £794k were spend, and the programme wound down in December 2022.
- The **Community Wealth Fund** was funded by a consortium of funders including Local Trust. During the year, restricted funds were received from John Ellerman in the sum of £12.5k (2022: £75k). During the year £76k was spent from restricted funds (2022: 94k) and £77k from match funding designated by the Board in previous periods (2022: £nil) for delivery of the CWF Alliance campaign. It is anticipated that designated funds will be fully spent by 31 March 2024.

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- Local Trust also received unsolicited funds of £25k from Lloyds Foundation to develop an **evidence base for investing in communities**. It is anticipated that these funds will be fully spent by 31 March 2024.

18. Analysis of net assets between funds

| Local Trust | Restricted funds Mar-23 £000 | Unrestricted funds Mar-23 £000 | Restricted funds Mar-22 £000 | Unrestricted funds Mar-22 £000 |
|--|---|---|---|---|
| Fund balances as at 31 March 2021 are represented by: | | | | |
| Tangible assets | 49 | - | 73 | - |
| Intangible assets | 246 | - | 140 | - |
| Investments | 69,241 | - | 90,813 | - |
| Social investments | 64 | - | 112 | - |
| Current assets | 1,961 | 250 | 2,585 | 319 |
| Current liabilities | (24,982) | - | (24,533) | - |
| Long-term liabilities | (8,484) | - | (12,612) | - |
| Net assets | 38,095 | 250 | 56,578 | 319 |

19. Analysis of changes in net debt

| | At 31 March 2022 £000 | Cash flows £000 | At 31 March 2023 £000 |
|--|--|--------------------------------|--|
| Cash | 1,401 | (716) | 685 |
| Cash equivalents | 967 | (587) | 380 |
| Overdraft facility repayable on demand | - | - | - |
| Total | 2,368 | (1,303) | 1,065 |

20. Operating leases

| | 2023 £000 | 2022 £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 | - | - |

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

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| | 2023 | 2022 |
|---------------------------------|--------------|--------------|
| | £000 | £000 |
| Wages and salaries | 2,418 | 1,988 |
| Social security and other taxes | 233 | 196 |
| Pension | 350 | 284 |
| Other staff costs | 289 | 255 |
| Total | 3,290 | 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.

22. 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 majority are volunteer residents (74%) who give of their own time to help lead the Big Local programme in their local areas.

23. 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.

24. 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).

25. Big Local Trust protector

Protector fees and expenses of £15k were payable during the period (2022: £14k).

26. 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.

27. 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 | 2,742 |
| Financial assets measured at fair value (b) | 69,304 | 90,925 |
| Financial liabilities measured at amortised cost (c) | 33,403 | 37,088 |

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- (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 £208k (2022: £39k). Dividends and interest recognised in the statement of financial activities on assets held at fair value was £565k (2022: £281m).

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Charity details

Local Trust registered company number

07833396

Local Trust registered charity number

1147511

Principal address

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

Local Trust is the corporate trustee of Big Local Trust, registered charity number 1145916.

Trustees

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

Governance and remuneration committee

Chris Catterall

Jeannette Lichner (until 23 March 2023)

Nicola Pollock (Chair)

David Warner

Legacy and learning committee

Matt Bell

Miatta Fahnbulleh (until 22 November 2022)

Jeanette Lichner (until 23 March 2023)

Patrick Melia (chair)

Charlotte Pickles

David Warner

Rich Wilson

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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

Advisors

Auditor

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

Solicitor

Withers LLP
16 Old Bailey
London EC4M 7EG

Bankers

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

Local Trust

T: 020 3588 0565

E: info@localtrust.org.uk

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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LOCAL TRUST

England & Wales - Charity number 1147511

Accounts

Local Trust

Annual report and financial statements

for 1 April 2022 to 31 March 2023

Registered charity number 1147511



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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.

Alongside Big Local, we have delivered two related but independent initiatives. The Creative Civic Change (CCC) programme was a three-year fund which concluded in 2022, aimed at demonstrating the value of community-led creativity and arts-based activity to achieve change in local communities. We also hosted the Community Wealth Fund Alliance (CWFA) a cross-sectoral campaign which successfully made the case to government for substantial new investment in rebuilding the social infrastructure of 'left behind' communities, making use of a new wave of dormant assets to be released by financial institutions, following passage of new legislation in the course of last year.

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.

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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 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 ambition has always been for our legacy to last well beyond formal closure. In the past year, a notable impact here has been the success of the Community Wealth Fund Alliance (CWFA) campaign. The CWFA was inspired by (but resourced independently from) Big Local; Local Trust was a founding member and has acted as co-ordinator and host of the campaign. The CWFA has been advocating for patient, long-term investment made directly to disadvantaged and 'left behind' neighbourhoods and funded through dormant assets. In March 2023, we were delighted that the Government announced its intention to establish such funding. We have therefore wound up our campaigning work on this, but remain ready to contribute to government consultation on the design and delivery of 'community wealth funds'. We also continued to support the work of the All-Party Parliamentary Group on Left Behind Neighbourhoods, which has focused on issues of interest to, and benefited from significant input and insight from, residents of Big Local areas.

Our work on the Creative Civic Change (CCC) programme also concluded in this year, with a successful finale event in December 2022. This innovative programme – jointly funded by the National Lottery Community Fund, Esmée Fairbairn and the Calouste Gulbenkian Foundation, and delivered

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by Local Trust – showcased the value of creativity and the arts in transforming communities across 15 neighbourhoods in England. The final evaluation found that the programme was transformative for people, places, artists and funders. It demonstrated that creativity is not just a ‘nice to have’, but a vital tool for communities to problem-solve and imagine a better future. Extensive learning, evaluation and influencing material remains available on the [CCC website](#).

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.

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

Local Trust is a charitable company limited by guarantee. It is operated under the rules of its memorandum and articles of association dated 3 November 2011 and amended by written resolution dated 27 March 2012 and 9 October 2014. It has no share capital and the liability of each member in the event of winding-up is limited to £1. Local Trust was registered with the Charity Commission on 30 May 2012.

The relationship between Big Local Trust, Local Trust and the National Lottery Community Fund

Local Trust is the corporate trustee of the Big Local Trust. Local Trust and the National Lottery Community Fund (formerly Big Lottery Fund) established Big Local Trust. 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. Big Local is Local Trust's first and major initiative. All the activities of Big Local Trust are promoted under the Local Trust and Big Local brands.

Objects of Local Trust

The objects as stipulated in Local Trust's articles of association are:

'to undertake, do and perform all things the company shall consider expedient to develop the capacity and skills (including the enterprise skills) of members of socially and economically or socially disadvantaged communities in the United Kingdom in such a way that they are better able to identify, and help meet, their needs as individuals and to improve the communities in which they live, in particular by (but not limited to) local action projects, research, evaluation and policy analysis, making grants and social investments to individuals, local enterprises and communities, thereby promoting short term and long term change and the relief of unemployment.'

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.'

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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.

In addition to delivering Big Local, we have delivered two other projects during 2022-23.

- **Community Wealth Fund Alliance:** This makes the case for a ‘community wealth fund’ – a long-term endowment to support the development of community-led infrastructure in ‘left behind’ areas. The CWFA is funded by a coalition of trusts, foundations and civil society organisations. Local Trust is a founding member and provided the secretariat to Community Wealth Fund Alliance (CWFA).
- **Creative Civic Change:** Created in partnership with and co-funded by the National Lottery Community Fund, Esmée Fairbairn Foundation, Calouste Gulbenkian Foundation and Big Local Trust, Creative Civic Change explored a new approach to funding community-driven projects to inspire others to use the arts and creativity to make positive local change. The programme provided grant funds and support to 15 Big Local and non-Big Local areas and was managed by Local Trust outside of the Big Local Trust. This programme came to an end in December 2022.

This annual review for Local Trust reports on all three areas of work.

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.

- 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

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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.

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.

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

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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

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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

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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.

Over the last year, Local Trust has continued to address the seven key areas of governance outlined in the Charity Governance Code.

Action undertaken includes:

1. Organisational purpose

The board is clear about the charity's aims and ensures that these are being delivered effectively and sustainably.

Local Trust delivers the Big Local programme in accordance with the provisions of the Big Local Trust deed, of which it is sole corporate trustee, and which was last updated in July 2018 and September 2021. The Big Local Deed was reviewed in 2022 and no immediate need for further amendment was identified.

In March 2020, following a year-long review, trustees approved a Strategy Framework for the period leading up to the conclusion of the Big Local Trust deed in 2026–27. This included a fundamental review of purpose and priorities and consideration of range of future scenarios.

The three years since the Strategy Framework was developed have been very different from what was expected when it was originally created. Over the last year, a planning process led by the trustees has helped create three new strategic documents which now replace the 2020–26 framework. These are: the Legacy Strategy, defining our ambitions for achieving long-term impact; the Closure Strategy, outlining our plans to wind up Local Trust by the current scheduled end date of February 2027 (and which will inform a more detailed Closure Plan, to be prepared during Summer 2023); and the Equality, Diversity and Inclusion Strategy, intended to underpin all our work.

The three new Strategies reflect changing priorities and increased focus on preparing for both organisational and programme close-down, as Local Trust moves into the last four years of the Big Local programme. They will feed directly into our annual business planning process over the period 2023–27, and form the basis of our annual reports on progress.

Trustees receive regular briefings and information on the charity's work and on progress towards annual business plan targets and are able to demonstrate that the charity is effective in delivering its plans.

2. Leadership

Every charity is headed by an effective board that provides strategic leadership in line with the charity's aims and values.

The Local Trust board had an experienced chair in 2022-23 who provided leadership to the board. Board and committee meetings are well attended, and trustees participate actively.

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During the year, two trustees retired from the board of trustees due to pressure of other work commitments - one at the AGM in November 2022 having served since 2019; and one resigned in March 2023, having served since 2018.

The Board has commissioned a governance review to take place in early 2023-24 to ensure it is able to effectively fulfil its role, including consideration of the skills and experience it might need as it approaches closure, ahead of any new trustee recruitment taking place.

There are appropriate arrangements in place for the appointment, supervision, support and appraisal of the chief executive by the board (through the governance and remuneration committee) and of staff, through the chief executive and senior management team.

3. Integrity

The board acts with integrity. It adopts values, applies ethical principles to decisions and creates a welcoming and supportive culture which helps achieve the charity's purposes. The board is aware of the significance of the public's confidence and trust in charities. It reflects the charity's ethics and values in everything it does. Trustees undertake their duties with this in mind.

Local Trust's trustees agree to abide by a code of conduct when they join the board.

Local Trust has a conflict-of-interest policy to ensure that potential conflicts of interest are declared and managed appropriately. Trustees declare any potential conflicts of interest at the start of each board and committee meeting, and these are recorded in the minutes.

Local Trust has a gift and hospitality policy that explains what is acceptable and unacceptable, and there is a register where trustees and staff must declare any hospitality or gifts received. Trustees and the senior management team also complete related party declarations on an annual basis to declare any potential conflict of interest.

The board takes legal, financial and investment advice from suitably qualified professionals as appropriate.

4. Decision-making, risk and control

The board makes sure that its decision-making processes are informed, rigorous and timely and that effective delegation, control and risk assessment and management systems are set up and monitored.

There is a clear scheme of delegation for board decision-making which was reviewed and updated during 2022-23 to ensure it continued to be fit for purpose. Decisions and actions are appropriately recorded and followed up at subsequent meetings. All board-level decisions are shared on the Local Trust website.

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 Local Trust as an organisation and the programmes it delivers.

The four committees are: programme delivery; finance, audit and risk; legacy and learning; and 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 Local Trust's business.

Strategic and operational risks are regularly reviewed and updated by the executive and report on to board, with detailed scrutiny of risk reports taking place on a quarterly basis in the finance, audit and risk committee.

Further details of the committees' roles and responsibilities are outlined under the governance section of this report on page 28 and 29.

5. Board effectiveness

The board works as an effective team, using the appropriate balance of skills, experience, backgrounds and knowledge to make informed decisions.

The chair plans the board's work and meetings, with trustees and staff, ensuring trustees have the information, time and space they need to explore key issues and reach well-considered decisions. The board regularly discusses the effectiveness of its meetings and makes changes where it believes improvements can be made.

New trustees are given comprehensive inductions into Local Trust, to enable them to be effective as possible. Trustees take advantage of a range of opportunities for training and development, including attendance at relevant conferences and networking events, and visits to Big Local areas. In January of each year, trustees attend an annual away-day to enable them to work together on issues that are of strategic importance to the charity.

Annual assessment of Chair and trustee performance is carried out by the governance and remuneration committee to ensure the board continues to be fit for purpose. The last audit of trustees' skills was completed in 2020–21, prior to the recruitment of three new trustees. The next skills audit is planned for early 2023–24, as part of a wider externally commissioned governance review, to identify whether further recruitment of trustees would be of benefit to assist with overseeing the Big Local and Local Trust closure process.

6. Equality, diversity and inclusion

The board has a clear, agreed and effective approach to supporting equality, diversity and inclusion throughout the organisation and in its own practice. This approach supports good governance and the delivery of the organisation's charitable purposes.

Local Trust is committed to ensuring that its work does not discriminate and offers equality of opportunity to all. It seeks through its approach to recruitment to ensure a diversity of skills, background and experience amongst trustees to enable the board to fulfil its role effectively.

Local Trust is committed to providing equal opportunities in employment and to avoiding unlawful discrimination. Equality, diversity and inclusion are defined in the business plan in the context of delivery of the programme and aims of the charity. Local Trust's staff handbook includes our policy on equality and diversity in employment.

In 2022–23, Local Trust developed a new Equality, Diversity and Inclusion Strategy to inform future revisions of its strategic approach to these issues. The Strategy is underpinned by an Equality, Diversity and Inclusion Action Plan. Progress in implementing the strategy and the action plan will be tracked across the year, with an annual report to trustees.

7. Openness and accountability

The board leads the organisation in being transparent and accountable. The charity is open in its work, unless there is good reason for it not to be.

Local Trust aims to be transparent and accountable in its work. There is regular communication with stakeholders through the Local Trust newsletter, website and events. Key policies and procedures are published on the charity's website.

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,

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and, if necessary, report matters of serious concern to the National Lottery Community Fund as the Founder or to the Charity Commission. Our current Protector was appointed in September 2018.

There is a clear, published process for making and handling complaints, to ensure that any complaints are handled constructively, impartially and effectively. Where necessary, Local Trust engages the services of mediators to help with the resolution of complaints that result from disputes within Big Local areas and partnerships. Where appropriate, the advice of Rosie Chapman, Protector of Big Local Trust, is sought to provide advice on the organisation's handling of issues to ensure that appropriate learning is gathered and, where appropriate, systems and processes improved.

Financial review

During the year ended 31 March 2023, Local Trust's primary responsibility was to deliver Big Local using funds from the Big Local Trust.

Local Trust also delivered activity related to two additional projects:

- **Creative Civic Change:** A place-based programme created in partnership with and co-funded by the National Lottery Community Fund, the Esmée Fairbairn Foundation and the Calouste Gulbenkian Foundation.
- **Community Wealth Fund Alliance:** Local Trust has worked with a wide partnership of organisations to establish the Community Wealth Fund Alliance to promote long-term thinking about how best to support investment in communities that have suffered from economic decline and the withdrawal of public and social infrastructure.

Overview of income and expenditure

During the period, Local Trust continued to manage the activities of Big Local Trust, which is funded through an expendable endowment from the National Lottery Community Fund. Income on the investment was £1.6m for the year (2022: £0.3m). There were net gains on the investment of £778k (2022: net gains of £66k).

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

Consolidated expenditure during the year was £21.0m (2022: £26.2m). The increase in expenditure reflects a 28% decrease in direct funding to £13.6m (2022: £19.0m). This includes £12.8m in direct funding to Big Local areas and £0.4m to CCC programme partnerships. The cost of delivery to areas increased by 4% to £4.4m (2022: £4.3m) and the cost of learning activities increased by 3% to £3.0m (2022: £2.9m). A full list of the funding to Big Local areas is included in note 5.

In Local Trust's consolidated accounts, the net decrease in funds for the year was £18.5m (2022: £25.7m). The total funds held at the year-end were £38.4m (2022: £56.9m).

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.

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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 risk 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 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

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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, audit and risk 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, audit and risk 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

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 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 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

Financial planning for Local Trust incorporates planning for Big Local Trust as well as other Local Trust projects.

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 policies

Local Trust was established as the corporate trustee for Big Local Trust and, in practice, undertakes limited activities apart from delivering Big Local. During the year Local Trust managed two projects funded through restricted funds: the Creative Civic Change programme which ended in December 2022 and the Community Wealth Fund Alliance. Staff were jointly employed by Local Trust and Big Local Trust. Big Local Trust pays all staff and overhead costs, and charges Local Trust for all costs associated with its activities.

Local Trust (the company) had net funds of £276k at 31 March 2023 (2022: £1.0m), of which £171k was unrestricted (2022: £319k). There has been no change to the previous policy that a reserve of £30k should be retained to cover any unexpected costs. Trustees judge that this is appropriate, given that Local Trust has no direct staff or overhead liabilities, no direct beneficiaries, and is able to tailor its expenditure to fit its circumstances.

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 restricted under Local Trust (group). 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

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organisations are generally choosing to pay, and other factors outlined in the pay policy. The pay policy was reviewed and agreed in July 2022, and most recently updated 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

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

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. 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 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. This is an external risk and are working to ensure that our contributions to the public debate are seen as balanced and

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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 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 is 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.

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 committee typically meets three times per year.
- The Local Trust Board and Committees each typically meet three-to-four times per year. Records of attendance are noted in the minutes of each meeting.

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.

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

Statement of trustees' responsibilities

In respect of the trustees' annual report and the financial statements

The trustees (who are also directors of Local Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

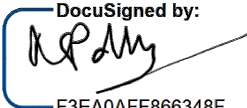
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Auditors

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

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

Signed  E3EA0AEF866348F

Date 08 December 2023

Nicola Pollock
Vice-Chair

Independent auditor's report to the trustees of Local Trust

Opinion

We have audited the financial statements of Local Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2023 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions 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 group's and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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 in 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.

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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the [strategic report and the] trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 31, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 group and parent charitable company'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 group and parent charitable company'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 group or parent charitable company 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

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

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

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 charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are [the Companies Act 2006, 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 charitable company 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.

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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters which 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 charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP
.....

Date: *..11 December 2023...*

Andrew Stickland (Senior Statutory Auditor)

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

6th Floor, 9 Appold Street

London EC2A 2AP

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

Consolidated statement of financial activities
(incorporating an income and expenditure account) for the year ended
31 March 2023

| | <u>Notes</u> | Group Restricted 2023 £000 | Group Unrestricted 2023 £000 | Group 2023 £000 | Group 2022 £000 |
|--|--------------|---|---|--------------------------------|--------------------------------|
| Income from: | | | | | |
| Investments | 2 | 1,570 | 9 | 1,579 | 256 |
| Grants | 3 | 175 | - | 175 | 295 |
| Other sources | | 4 | - | 4 | 5 |
| Total income | | 1,749 | 9 | 1,758 | 556 |
| Expenditure on: | | | | | |
| Raising funds | | | | | |
| investment management charges | | 124 | - | 124 | 122 |
| Charitable activities: | | | | | |
| grants payable | 5 | 13,566 | - | 13,566 | 18,956 |
| delivery to areas | | 4,430 | - | 4,430 | 4,255 |
| learning to support the programme | | 2,890 | 78 | 2,968 | 2,868 |
| Total expenditure | 4 | 21,010 | 78 | 21,088 | 26,201 |
| Net operating expenditure | 7 | (19,261) | (69) | (19,330) | (25,645) |
| Net gains/(losses) on investments | | 778 | - | 778 | (66) |
| Net income/ (expenditure) | | (18,483) | (69) | (18,552) | (25,711) |
| Loss on disposal | | - | - | - | (2) |
| Net movements between funds | | (18,483) | (69) | (18,552) | (25,713) |
| Reconciliation of funds: | | | | | |
| Total funds brought forward at 1 April 2022 | | 56,578 | 319 | 56,897 | 82,610 |
| Total funds carried forward at 31 March 2023 | 17 | 38,095 | 250 | 38,345 | 56,897 |

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

All funds presented in the statement of financial activities are restricted.

The accompanying notes, on pages 37 to 57, form part of these financial statements.

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

Consolidated and company balance sheets

as at 31 March 2023

Company number: 07833396

| | | 2023 | 2023 | 2022 | 2022 |
|--|--------------|-----------------|------------|-----------------|--------------|
| | | Group | Local | Group | Local |
| | | £000 | Trust | £000 | Trust |
| | <u>Notes</u> | | £000 | | £000 |
| Fixed assets | | | | | |
| Tangible assets | 8 | 49 | 1 | 73 | 1 |
| Intangible assets | 9 | 246 | 6 | 140 | 12 |
| Investments | 10 & 11 | 69,241 | - | 90,813 | - |
| Social investments | 12 | 64 | - | 112 | - |
| | | <u>69,600</u> | <u>7</u> | <u>91,138</u> | <u>13</u> |
| Current assets | | | | | |
| Debtors | 13 | 1,146 | 26 | 536 | 70 |
| Investments | | 380 | 187 | 968 | 780 |
| Cash at bank and in hand | | 685 | 58 | 1,401 | 211 |
| Total current assets | | <u>2,211</u> | <u>271</u> | <u>2,905</u> | <u>1,061</u> |
| Liabilities | | | | | |
| Creditors: amounts falling due within one year | 14 | (24,982) | (2) | (24,020) | (34) |
| Net current (liabilities)/ assets | | <u>(22,771)</u> | <u>269</u> | <u>(21,115)</u> | <u>1,027</u> |
| Creditors: amounts falling due after one year | 15 | (8,484) | - | (13,126) | - |
| Net assets | 17 | <u>38,345</u> | <u>276</u> | <u>56,897</u> | <u>1,040</u> |
| Funds | | | | | |
| Restricted funds | | 38,095 | 26 | 56,897 | 721 |
| Unrestricted funds | | 250 | 250 | 319 | 319 |
| Total funds | | <u>38,345</u> | <u>276</u> | <u>56,897</u> | <u>1,040</u> |

The accompanying notes, on pages 37 to 57, form part of these financial statements.

Local Trust generated a deficit of £0.8m (2022: £0.9m) before consolidation within the group financial statements.

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

Signed  Date 08 December 2023

Nicola Pollock
Vice-Chair

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

Consolidated statement of cashflows

for the year ended 31 March 2023

| | | 2023 | 2022 |
|---|--------------|-----------------|-----------------|
| Cash (outflow)/inflow from operating activities: | Notes | £000 | £000 |
| Net operating expenditure | | (19,330) | (25,645) |
| Investment and other income received | | (969) | (621) |
| Depreciation/amortisation of fixed assets | | 142 | 113 |
| Decrease/(Increase) in debtors | | (610) | 404 |
| Increase in creditors | | (3,680) | 1,404 |
| Investment management fees | | (124) | (122) |
| Increase in investment management fee accrual | | (8) | 12 |
| Net cash (used in) operating activities | | (24,579) | (24,455) |
| Cash flows from investing activities: | | | |
| Investment and other income received | | 969 | 621 |
| Investment management fees | | 124 | 122 |
| Payments to acquire tangible fixed assets | | (13) | (70) |
| Payments to acquire intangible fixed assets | | (206) | (166) |
| Payments to acquire social investments | | - | (2) |
| Repayments of social investments | | (20) | (20) |
| Payments to acquire fixed asset investments | | 63 | 8 |
| Net payments to acquire fixed asset investments | | (140,999) | (175,000) |
| Movements in investment cash balances | | 368 | (204) |
| Receipts from the sale of fixed asset investments | | 162,990 | 196,999 |
| Net cash required by investing activities | | 23,276 | 22,288 |
| Change in cash and cash equivalents in the year | | (1,303) | (2,167) |
| Cash and cash equivalents at 1 April 2022 | | 2,368 | 4,535 |
| Cash and cash equivalents at 31 March 2023 | 19 | 1,065 | 2,368 |
| Analysis of cash and cash equivalents: | | 2023 | 2022 |
| | | £000 | £000 |
| Cash in hand | | 685 | 1,401 |
| Notice deposits | | 380 | 967 |
| | | 1,065 | 2,368 |

Notes to the accounts

for the year ended 31 March 2023

1. Accounting policies

a) Administrative information

Local Trust is a public benefit entity and the corporate trustee of Big Local Trust, registered charity number 1145916.

Local Trust is a charitable company limited by guarantee. It is operated under the rules of its memorandum and articles of association dated 3 November 2011 and amended by written resolution dated 27 March 2012 and 9 October 2014. It has no share capital and the liability of each member in the event of winding-up is limited to £1. Local Trust was registered with the Charity Commission on 30 May 2012.

| | | |
|--------------|---------------------------|----------|
| Local Trust: | registered company number | 07833396 |
| | registered charity number | 1147511 |

The registered office 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 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) – effective 1 January 2019.

The functional currency is Pound Sterling.

c) Group accounts

These financial statements consolidate the results of Local Trust (company limited by guarantee and charity), and Big Local Trust (charity) on a line-by-line basis. They are prepared on the basis that Local Trust will remain as sole corporate trustee of Big Local Trust in perpetuity. Should this change, the basis on which these financial statements are prepared will be reconsidered.

d) Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies trustees are required to make judgement, 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.

e) Statement of financial activities

Local Trust has taken exemption from presenting its unconsolidated statement of financial activities under section 408 of the Companies Act 2006.

f) 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.

g) Fund accounting

Restricted funds are funds that have been given for particular purposes and projects. Restricted funds must be used in accordance with the funders or donors' wishes.

h) 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.

i) 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.

j) 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.

k) 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.

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

l) 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).

m) 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.

n) 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.

o) 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.

p) 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.

q) 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 | 1,328 | 203 |
| Bank interest | 226 | 39 |
| Tax refunds | 25 | 14 |
| Total | 1,579 | 256 |

*Local Trust annual report and financial statements 1 April 2022 - 31 March 2023***3. Grant income**

| | 2023 | 2022 |
|----------------------------|-------------|-------------|
| | £000 | £000 |
| Barrow Cadbury Trust | - | 30 |
| Big Local Trust | 77 | - |
| Esmée Fairbairn Foundation | 60 | 220 |
| John Ellerman Foundation | 13 | - |
| Lloyds Bank Foundation | 25 | 25 |
| Paul Hamlyn Foundation | - | 20 |
| Total | <hr/> 175 | <hr/> 295 |

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

4. Expenditure

| Description | Charitable activities | | | | | Expenditure on raising funds £000 | Governance £000 | Support £000 | 2023 Group Total £000 | 2022 Group Total £000 |
|---|---|---------------------------|---|------------|------------|--------------------------------------|--------------------|-----------------|-----------------------------|--------------------------------|
| | Grant expenditure directly to areas £000 | Delivery to areas £000 | Learning to support the programme £000 | | | | | | | |
| Staff (note 21) | - | 1,465 | 968 | - | - | - | 857 | 3,290 | 2,739 | |
| Grants to Big Local areas | | | | | | | | | | |
| Big Local plan funding | 12,030 | | | | | | | 12,030 | 16,791 | |
| Community travel and childcare | 74 | | | | | | | 74 | 80 | |
| Area admin contribution | 597 | | | | | | | 597 | 839 | |
| Creative Civic Change | 371 | | | | | | | 371 | 942 | |
| Social investment returns to areas | 80 | | | | | | | 80 | - | |
| Area delivery costs | - | 2,241 | | | | | | 2,241 | 2,412 | |
| Programme development | - | | 1,097 | | | | | 1,097 | 1,241 | |
| Finance charges | - | | | 124 | | | | 124 | 122 | |
| Governance costs | - | | | | | 26 | | 26 | 73 | |
| Audit and financial advice | - | | | | | 46 | | 46 | 34 | |
| Professional fees | - | | | | | 105 | | 105 | 33 | |
| Communications and marketing | - | | | | | | 187 | 187 | 210 | |
| IT and Consultancy | - | | | | | | 263 | 263 | 302 | |
| Rent and office costs | - | | | | | | 388 | 388 | 270 | |
| Grant bad debts/Impairment loss | 32 | | | | | | | 32 | 5 | |
| Depreciation | - | | | | | | 137 | 137 | 108 | |
| Total costs | 13,184 | 3,706 | 2,065 | 124 | 177 | 1,832 | 21,088 | 26,201 | | |
| Allocated to charitable activities | | | | | | | | | | |
| Support Costs | 324 | 614 | 766 | - | 128 | (1,832) | - | - | - | |
| Governance costs (note 6) | 58 | 110 | 137 | - | (305) | - | - | - | - | |
| Total expenditure 2023 | 13,566 | 4,430 | 2,968 | 124 | - | - | 21,088 | 26,201 | | |
| Total expenditure 2022 | 18,956 | 4,255 | 2,868 | 122 | - | - | 26,201 | 22,177 | | |

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4. Expenditure (continued)

| Description | Charitable activities | | | | | Expenditure on raising funds £000 | 2022 Group Total £000 | 2021 Group Total £000 |
|---|---|---------------------------|---|--------------------|-----------------|--------------------------------------|--------------------------|--------------------------|
| | Grant expenditure directly to areas £000 | Delivery to areas £000 | Learning to support the programme £000 | Governance £000 | Support £000 | | | |
| Staff | - | 1,185 | 863 | - | - | 675 | 2,739 | 2,271 |
| Grants to Big Local areas | - | - | - | - | - | - | - | - |
| Getting Started | - | - | - | - | - | - | - | - |
| Big Local plan 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 |
| Creative Civic Change | 942 | - | - | - | - | - | 942 | 818 |
| Area delivery costs | - | 2,412 | - | - | - | - | 2,412 | 2,197 |
| Programme development | - | - | 1,241 | - | - | - | 1,241 | 1,121 |
| Finance charges | - | - | - | 122 | - | - | 122 | 154 |
| Governance costs | - | - | - | - | 73 | - | 73 | 31 |
| 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 | - | - | - | - | - | 270 | 270 | - |
| Grant bad debts/ Impairment loss | - | 5 | - | - | - | - | 5 | 246 |
| Depreciation | - | - | - | - | - | 108 | 108 | 75 |
| Total costs | 18,652 | 3,602 | 2,104 | 122 | 140 | 1,581 | 26,201 | 22,177 |
| Allocated to charitable activities | | | | | | | | |
| Support Costs | 248 | 566 | 641 | - | 126 | (1,581) | - | - |
| Governance costs (note 6) | 56 | 87 | 123 | - | (266) | - | - | - |
| Total expenditure 2022 | 18,956 | 4,255 | 2,868 | 122 | 26,201 | 22,177 | 26,201 | 22,177 |
| Total expenditure 2021 | 15,884 | 3,708 | 2,431 | 154 | 22,177 | 21,460 | 22,177 | 21,460 |

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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-Dearne | 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 |
| Hawksworth Wood Estate, the Abbeydales and the Vespers | Kirkstall Valley Development Trust | 203 | - | (102) | 102 | - |

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| | | | | | | |
|---|---|-----|------|-------|-------|-------|
| 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 |
| Palfrey | One Walsall | - | - | - | - | 430 |
| Par Bay | Par Bay Community Trust | 41 | - | - | 41 | - |
| Par Bay | Eden Project campaigns Ltd | - | - | - | - | (27) |

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| | | | | | | |
|---|---|-----|------|-------|-------|------|
| 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) | - |
| Wecock Farm | Citizens Advice Havant | - | - | - | - | 590 |
| Welsh House Farm | Birmingham Voluntary Service Council | 553 | (2) | - | 551 | 149 |

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| | | | | | | |
|--|---|--------|-------|---------|--------|--------|
| 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 |

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| Creative Civic Change | Locally trusted organisation | New grants £000 | Repayment of unspent grants £000 | Closed grants £000 | 2023 Total £000 | 2022 Total £000 |
|---|---|--------------------|---|--------------------------|-----------------------|-----------------------|
| Blackwell Parish | Platform Thirty1 Limited | 11 | - | - | 11 | 88 |
| Creative Newington | Starlings Support CIC | 20 | - | - | 20 | 68 |
| Creative West End CCC | Lancaster District CVS | 74 | - | - | 74 | 35 |
| REMAKe (Revolutionary East Marsh Arts) | East Marsh United | - | - | - | - | 60 |
| Filwood Centre CCC Partnership | Community in Partnership Knowle West | - | - | - | - | 31 |
| Hard Times Require Furious Dancing CCC Partnership | Haven Community Project | - | - | - | - | - |
| Hard Times Require Furious Dancing CCC Partnership | Birmingham Voluntary Service Council | 59 | (13) | - | 46 | 38 |
| St Leonards Civic Action Group (STCAG) | Home Live Art | 36 | - | - | 36 | 97 |
| Kensington Vision CCC Partnership | Kensington Vision CIC | 34 | - | - | 34 | 34 |
| Don't get any ideas (Corby) | Groundwork Northamptonshire | 38 | - | - | 38 | 78 |
| Newington Big Local | Starlings Support CIC | - | - | - | - | - |
| Nudge Community Builders CCC Partnership | Nudge Community Builders Limited | - | - | - | - | 58 |
| Par Bay Big Local | Par Bay Community Trust | 7 | - | - | 7 | 76 |
| Peckham Platform CCC Partnership | Peckham Platform Ltd | 28 | - | - | 28 | 69 |
| Platform Thirty1 CCC Partnership | Platform Thirty1 Limited | - | - | - | - | - |
| Portland Inn Project CCC Partnership | Portland Inn Project CIC | 32 | - | - | 32 | 64 |
| Tees Valley Arts CCC Partnership | Tees Valley Arts | - | - | - | - | - |
| Whitley Bay Big Local | Whitley Bay Big Local | - | - | - | - | 58 |
| Urban By Nature | Crest Waltham Forest | 45 | - | - | 45 | 88 |
| | Subtotal of CCC grants | 384 | (13) | - | 371 | 942 |
| | Grants to local areas | 21,356 | (806) | (8,149) | 12,401 | 17,733 |
| 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 | | | | 382 | 304 |
| | Total grants payable | | | | 13,566 | 18,956 |

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: £266k) consist of direct governance costs of £177k (2022: £140k) and indirect costs of £128k (2022: £126k). 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(i) to the accounts.

7. Net income/expenditure for the year

This is stated after charging:

| | 2023 | 2022 |
|---|-------------|-------------|
| | £000 | £000 |
| Depreciation and amortisation | 137 | 108 |
| Impairment of social investments | 4 | 5 |
| Auditor's remuneration (including VAT): | | |
| - <i>in respect of current year audit</i> | 31 | 23 |
| - <i>in respect of current year non-audit</i> | 5 | 2 |
| - <i>in respect of prior year audit</i> | 4 | 0 |
| Financial advice | 6 | 9 |
| Investment manager's fees | 124 | 122 |
| Legal and professional fees | 105 | 33 |
| Licence fees | 152 | 149 |

8. Group and company tangible fixed assets

| | | | 2023 | 2022 |
|-------------------------|---------------------------------|---------------------|--------------|--------------|
| | Office refurbishment | IT equipment | Total | Total |
| | £000 | £000 | £000 | £000 |
| Cost | | | | |
| Balance brought forward | 83 | 183 | 266 | 206 |
| Additions | 2 | 11 | 13 | 69 |
| Disposals | - | - | - | (9) |
| Balance carried forward | <u>85</u> | <u>194</u> | <u>279</u> | <u>266</u> |
| Depreciation | | | | |
| Balance brought forward | 32 | 161 | 193 | 175 |
| Disposals | - | - | - | (9) |
| Charge for year | 20 | 17 | 37 | 27 |
| Balance carried forward | <u>52</u> | <u>178</u> | <u>230</u> | <u>193</u> |
| Net book value | | | | |
| Brought forward | 51 | 22 | 73 | 31 |
| Carried forward | <u>33</u> | <u>16</u> | <u>49</u> | <u>73</u> |

Included in these amounts is £1k (2022: £1k) in IT equipment relating to Local Trust.

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9. Group and company intangible fixed assets

| | 2023 | 2022 |
|-------------------------|--------------|--------------|
| | Total | Total |
| | £000 | £000 |
| Cost | | |
| Balance brought forward | 323 | 354 |
| Additions | 206 | 166 |
| Disposal | - | (197) |
| Balance carried forward | <u>529</u> | <u>323</u> |
| Amortisation | | |
| Balance brought forward | 183 | 297 |
| Disposal | - | (195) |
| Charge for year | 100 | 81 |
| Balance carried forward | <u>283</u> | <u>183</u> |
| Net book value | | |
| Brought forward | 140 | 57 |
| Carried forward | <u>246</u> | <u>140</u> |

Intangible fixed assets include the development of Big Local Trust's grant management system, website and area assessment tool; included in the net book value carried forward is £6k (2022: £12k) relating to Local Trust.

10. Group and company 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 | | | 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 (2022: £90,691k).

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12. Social investment assets

| Big Local area | Credit union | Type of investment | Funds at | Additions | Repayments/ Discharges | Impairment | Funds at |
|---|--|--------------------|------------------|-----------|---------------------------|------------|------------------|
| | | | 31 March 2022 | | | | 31 March 2023 |
| | | | £000 | £000 | £000 | £000 | £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 | 2023 | 2022 | 2022 |
|---------------------|-------|-------------|-------|-------------|
| | Group | Local Trust | Group | Local Trust |
| | £000 | £000 | £000 | £000 |
| Trade debtors | 10 | 1 | 216 | 70 |
| Other debtors | 36 | - | 36 | - |
| Intercompany debtor | - | 25 | - | - |
| Prepayments | 191 | - | 162 | - |
| Accrued income | 909 | - | 122 | - |
| Total | 1,146 | 26 | 536 | 70 |

*Local Trust annual report and financial statements 1 April 2022 - 31 March 2023***14. Creditors: amounts falling due within one year**

| | 2023 | 2023 | 2022 | 2022 |
|------------------------------------|---------------|--------------------|---------------|--------------------|
| | Group | Local Trust | Group | Local Trust |
| | £000 | £000 | £000 | £000 |
| Trade creditors | 524 | 2 | 929 | 16 |
| Amounts due to Big Local Trust | - | - | | |
| Grant commitments | 24,293 | - | 22,933 | 18 |
| Social security and other taxation | 69 | - | 58 | - |
| Accruals | 66 | - | 53 | - |
| Pension payments due | 30 | - | 47 | - |
| Total | 24,982 | 2 | 24,020 | 34 |

15. Creditors: amounts falling due after one year

| | 2023 | 2023 | 2022 | 2022 |
|-------------------|--------------|--------------------|---------------|--------------------|
| | Group | Local Trust | Group | Local Trust |
| | £000 | £000 | £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 | 21,356 | 22,796 |
| Area admin contribution | 597 | 839 |
| Commitments settled in the year | (16,280) | (16,680) |
| Commitments reversed in the year | (8,955) | (5,063) |
| Grant commitments c/fwd | 32,777 | 36,059 |

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17. Movement in funds

| Local Trust Group | Balance at 31 March 2022 | Incoming resources | Outgoing resources | Transfers | Gains/ losses | Balance at 31 March 2023 |
|--|--------------------------------|-----------------------|-----------------------|------------|------------------|--------------------------------|
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Restricted funds | | | | | | |
| National Lottery Community Fund (including investment income) | 55,832 | 1,570 | (20,140) | - | 778 | 38,040 |
| Big Local other income | 25 | 4 | - | - | - | 29 |
| Creative Civic Change | 657 | 137 | (794) | - | - | - |
| Community Wealth Fund | 63 | 13 | (76) | - | - | - |
| Evidence base for investing in communities | - | 25 | - | - | - | 25 |
| Community Wealth Building | 1 | - | - | - | - | 1 |
| Total restricted funds | 56,578 | 1,749 | (21,010) | - | 778 | 38,095 |
| Unrestricted funds | | | | | | |
| Local Trust CDF legacy fund | 244 | - | - | (100) | - | 144 |
| Local Trust investment income | 19 | 9 | - | - | - | 28 |
| Total unrestricted funds | 263 | 9 | - | - | - | 172 |
| Designated funds | | | | | | |
| Community Wealth Fund | 56 | - | (78) | 100 | - | 78 |
| Total designated funds | 56 | - | (78) | 100 | - | 78 |
| Total funds | 56,897 | 1,758 | (21,088) | - | 778 | 38,345 |

Restricted funds

In Local Trust's consolidated accounts, the net decrease in funds for the year was £18.5m (2022: £25.7m). Total funds held at the year-end were £38.3m (2022: £56.9m).

National Lottery Community Fund established Big Local Trust with a National Lottery grant of £196,873,499 in 2012. This is an expendable endowment to be spent by 13 February 2027. Funding of £20.1m (2022: £25.0m) was expended during the year, and was used for delivery of Big Local Trust's charitable activities.

Big Local investment income is made up of returns on the Big Local Trust endowment, which is managed on behalf of Big Local Trust by charity fund managers, CCLA.

During the year ended 31 March 2023, Local Trust delivered the following projects:

- **Creative Civic Change** which was funded by the Creative Civic Change Partnership, consisting of the National Lottery Community Fund, Calouste Gulbenkian Foundation, Esmée Fairbairn and Big Local Trust. £137k (2022: £220k) was received during the year for work on the Creative Civic Change programme. All remaining funds of £794k were spend, and the programme wound down in December 2022.
- The **Community Wealth Fund** was funded by a consortium of funders including Local Trust. During the year, restricted funds were received from John Ellerman in the sum of £12.5k (2022: £75k). During the year £76k was spent from restricted funds (2022: 94k) and £77k from match funding designated by the Board in previous periods (2022: £nil) for delivery of the CWF Alliance campaign. It is anticipated that designated funds will be fully spent by 31 March 2024.

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- Local Trust also received unsolicited funds of £25k from Lloyds Foundation to develop an **evidence base for investing in communities**. It is anticipated that these funds will be fully spent by 31 March 2024.

18. Analysis of net assets between funds

| Local Trust | Restricted funds Mar-23 £000 | Unrestricted funds Mar-23 £000 | Restricted funds Mar-22 £000 | Unrestricted funds Mar-22 £000 |
|--|---------------------------------------|---|---------------------------------------|---|
| Fund balances as at 31 March 2021 are represented by: | | | | |
| Tangible assets | 49 | - | 73 | - |
| Intangible assets | 246 | - | 140 | - |
| Investments | 69,241 | - | 90,813 | - |
| Social investments | 64 | - | 112 | - |
| Current assets | 1,961 | 250 | 2,585 | 319 |
| Current liabilities | (24,982) | - | (24,533) | - |
| Long-term liabilities | (8,484) | - | (12,612) | - |
| Net assets | 38,095 | 250 | 56,578 | 319 |

19. Analysis of changes in net debt

| | At 31 March 2022 £000 | Cash flows £000 | At 31 March 2023 £000 |
|--|--------------------------------|-----------------------|--------------------------------|
| Cash | 1,401 | (716) | 685 |
| Cash equivalents | 967 | (587) | 380 |
| Overdraft facility repayable on demand | - | - | - |
| Total | 2,368 | (1,303) | 1,065 |

20. Operating leases

| | 2023 £000 | 2022 £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 | - | - |

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

*Local Trust annual report and financial statements 1 April 2022 - 31 March 2023***21. 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 | 289 | 255 |
| Total | 3,290 | 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.

22. 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 majority are volunteer residents (74%) who give of their own time to help lead the Big Local programme in their local areas.

23. 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.

24. 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).

25. Big Local Trust protector

Protector fees and expenses of £15k were payable during the period (2022: £14k).

26. 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.

27. 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 | 2,742 |
| Financial assets measured at fair value (b) | 69,304 | 90,925 |
| Financial liabilities measured at amortised cost (c) | 33,403 | 37,088 |

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- (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 £208k (2022: £39k). Dividends and interest recognised in the statement of financial activities on assets held at fair value was £565k (2022: £281m).

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Charity details

Local Trust registered company number

07833396

Local Trust registered charity number

1147511

Principal address

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

Local Trust is the corporate trustee of Big Local Trust, registered charity number 1145916.

Trustees

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

Governance and remuneration committee

Chris Catterall

Jeannette Lichner (until 23 March 2023)

Nicola Pollock (Chair)

David Warner

Legacy and learning committee

Matt Bell

Miatta Fahnbulleh (until 22 November 2022)

Jeanette Lichner (until 23 March 2023)

Patrick Melia (chair)

Charlotte Pickles

David Warner

Rich Wilson

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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

Advisors

Auditor

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

Solicitor

Withers LLP
16 Old Bailey
London EC4M 7EG

Bankers

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

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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LOCAL TRUST

England & Wales - Charity number 1147511

Accounts

Local Trust

Annual report and financial statements

for 1 April 2020 to 31 March 2021

Registered charity number 1147511



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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.

Alongside Big Local we deliver the Creative Civic Change (CCC) programme – a fund aimed at demonstrating the value of community-led creativity and arts-based activity to achieve change in local communities. Local Trust is a founding member of and hosts the Community Wealth Fund Alliance (CWFA), a cross-sectoral alliance calling for substantial new investment in rebuilding the social infrastructure of 'left behind' communities, making use of the new wave of dormant assets released by financial institutions.

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.

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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 in 26 communities. The monthly briefings generated by that project, as well as longer term analysis, provided consistent 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 and CCC 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

Local Trust is a charitable company limited by guarantee. It is operated under the rules of its memorandum and articles of association dated 3 November 2011 and amended by written resolution dated 27 March 2012 and 9 October 2014. It has no share capital and the liability of each member in the event of winding-up is limited to £1. Local Trust was registered with the Charity Commission on 30 May 2012.

The relationship between Big Local Trust, Local Trust and The National Lottery Community Fund

Local Trust is the corporate trustee of the Big Local Trust. Local Trust and the National Lottery Community Fund (formerly Big Lottery Fund) established Big Local Trust. 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. Big Local is Local Trust's first and major initiative. All the activities of Big Local Trust are promoted under the Local Trust and Big Local brands.

Objects of Local Trust

The objects as stipulated in Local Trust's articles of association are:

'to undertake, do and perform all things the company shall consider expedient to develop the capacity and skills (including the enterprise skills) of members of socially and economically or socially disadvantaged communities in the United Kingdom in such a way that they are better able to identify, and help meet, their needs as individuals and to improve the communities in which they live, in particular by (but not limited to) local action projects, research, evaluation and policy analysis, making grants and social investments to individuals, local enterprises and communities, thereby promoting short term and long term change and the relief of unemployment.'

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.

In addition to delivering Big Local, we delivered two other projects during 2020–21.

Community Wealth Fund Alliance: Local Trust is a founding member and provides the secretariat to Community Wealth Fund Alliance (CWFA), which makes the case for the creation of a Community Wealth Fund (CWF) – a long-term endowment to support the development of

community-led infrastructure in 'left behind' areas. The CWFA is funded by a coalition of trusts, foundations and civil society organisations.

Creative Civic Change: Creative Civic Change (CCC) is a place-based programme created in partnership with and co-funded by The National Lottery Community Fund, Esmée Fairbairn Foundation, Calouste Gulbenkian Foundation and Big Local Trust. Launched in July 2018, it is a response to the Inquiry into the Civic Role of Arts Organisations and aims to explore a new approach to funding community-driven projects and share experience and learning to inspire others to use the arts and creativity to make positive local change. The programme provides grant funds and support to 15 Big Local and non-Big Local areas and is managed by Local Trust outside of the Big Local Trust.

This annual review for Local Trust reports on all three areas of work.

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-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, 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

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Building on our previously small-scale work to influence and inform, we are investing resources in establishing 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 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.

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.

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. Our support for the Community Wealth Fund campaign also helped us engage positively with an increasing range of organisations and decision-makers, and broadened conversations about the power and potential of local communities.

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

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

We continued to work with partners to make the case for a Community Wealth Fund (CWF) and made significant steps towards mainstreaming the proposal and growing the CWF Alliance membership this year, resulting in 370 organisational members by year end. Alongside this we 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.

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): 3,300 views, 1,300 downloads, 47,350 Twitter impressions.
- *Long crisis scenarios*
- *The future is ours*
- *Preparing the ground* (CCC)
- *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

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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

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

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

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 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.

Over the last year, Local Trust has continued to address the seven key areas of governance outlined in the Charity Governance Code and the board intend to publish more detailed information on Local Trust's response to the code on the website over the course of 2021–22.

Action already undertaken during the year includes:

1. Organisational purpose

The board is clear about the charity's aims and ensures that these are being delivered effectively and sustainably.

Local Trust delivers the Big Local programme in accordance with the provisions of the Big Local Trust deed, of which it is sole corporate trustee, and which was last updated in July 2018. Consistent with the provisions of the deed, the next review of the Big Local Trust deed is expected to be undertaken in partnership with The National Lottery Community Fund during 2022.

In March 2020, following a year-long review, trustees approved a strategic framework for the period leading up to the conclusion of the Big Local Trust deed in 2026–27. This included a fundamental review of purpose and priorities and consideration of range of future scenarios. The framework was reviewed again by trustees in spring 2020 following the emergence of the COVID-19 crisis, who were content that it continued to provide a robust basis for Local Trust's business planning.

Local Trust's strategic framework feeds directly into its annual business planning process. Trustees receive regular briefings and information on the charity's work and on progress towards annual business plan targets and are able to demonstrate that the charity is effective in delivering its plans.

During the current COVID-19 crisis, governance arrangements have been enhanced to provide trustees with additional oversight of organisational performance, including regular reporting against our COVID-19 response plan, setting out how Local Trust is managing its work during the crisis. A chairs' COVID-19 response committee was set up in March 2020.

2. Leadership

Every charity is headed by an effective board that provides strategic leadership in line with the charity's aims and values.

The Local Trust board had an experienced chair in 2020–21 who provided leadership to the board. Board and committee meetings are well attended, and trustees participate actively.

In November 2020 two trustees, one being a former chair, retired from the board of trustees having served since 2011. Recruitment for new trustees is taking place in 2021.

There are appropriate arrangements in place for the appointment, supervision, support and appraisal of the chief executive by the board (through the nominations and remuneration committee) and of staff, through the chief executive and senior management team. The arrangements for supervision, support and appraisal were reviewed and changes will be implemented to this process in the future.

A revised delegation scheme introduced during 2018-19 has strengthened and consolidated a board committee structure which provides trustees with the capacity needed to exercise oversight of both Local Trust as an organisation and the programmes it delivers.

3. Integrity

The board acts with integrity. It adopts values, applies ethical principles to decisions and creates a welcoming and supportive culture which helps achieve the charity's purposes. The board is aware of the significance of the public's confidence and trust in charities. It reflects the charity's ethics and values in everything it does. Trustees undertake their duties with this in mind.

Local Trust's trustees agree to abide by a code of conduct when they join the board.

Local Trust has a conflict-of-interest policy to ensure that potential conflicts of interest are declared and managed appropriately. Trustees declare any potential conflicts of interest at the start of each board and committee meeting, and these are recorded in the minutes.

Local Trust has a gift and hospitality policy that explains what is acceptable and unacceptable, and there is a register where trustees and staff must declare any hospitality or gifts received. Trustees and the senior management team also complete related party declarations on an annual basis to declare any potential conflict of interest.

The board takes legal, financial and investment advice from suitably qualified professionals as appropriate.

4. Decision-making, risk and control

The board makes sure that its decision-making processes are informed, rigorous and timely and that effective delegation, control and risk assessment and management systems are set up and monitored.

There is a clear scheme of delegation for board decision-making. Decisions and actions are appropriately recorded and followed up at subsequent meetings. All board-level decisions are shared on the Local Trust website.

As part of the governance review that took place in 2017-18, a new committee structure was established, so that committees have appropriate opportunities to scrutinise reports in detail, enabling the board to focus on strategic decision-making and risk management. To ensure this structure remains fit for purpose to oversee the organisation and programmes to their completion in 2026, Local Trust undertook a governance review in 2020-21 and recommendations will be implemented in 2021-22.

The four committees are: programme delivery, finance and investment, audit and risk, and nominations and remuneration. Terms of reference explaining the responsibilities of each committee are periodically reviewed and updated to ensure continued effective oversight and decision making across all aspects of Local Trust's business.

Additional changes to governance made during 2020-21 included the temporary establishment of a new committee made up of the chairs of each board committee, which supported the organisation in its management of its response to the crisis arising from the COVID-19 pandemic.

A policy sounding board was established so that trustees could feed into and support the development of work in this relatively new area of the business.

In October 2020 the trustees agreed a special resolution to amend the articles of association to ensure that governance operations could continue to function as required within the ongoing remote environment created as a response to COVID-19.

5. Board effectiveness

The board works as an effective team, using the appropriate balance of skills, experience, backgrounds and knowledge to make informed decisions.

The chair plans the board's work and meetings, with trustees and staff, making sure trustees have the information, time and space they need to explore key issues and reach well-considered decisions. The board regularly discusses the effectiveness of its meetings and makes changes where it believes improvements can be made.

New trustees are given comprehensive inductions into Local Trust, to enable them to be effective as possible. Trustees take advantage of a range of opportunities for training and development, including attendance at relevant conferences and networking events, and visits to Big Local areas. In January of each year, trustees attend an annual away-day to enable them to work together on issues that are of strategic importance to the charity.

Once a year, in addition to her contribution to the annual report, the Protector is invited to provide direct feedback to the board on her perceptions of its strengths and weaknesses, as a prompt to a collective discussion on improving its performance.

As part of the governance review in 2020–21 trustees completed a skills audit, the results of which would feed into trustee recruitment in 2021, ensuring the board remains balanced with a diverse range of expertise and experience.

6. Equality, diversity and inclusion

The board has a clear, agreed and effective approach to supporting equality, diversity and inclusion throughout the organisation and in its own practice. This approach supports good governance and the delivery of the organisation's charitable purposes.

Local Trust is committed to ensuring that its work does not discriminate and offers equality of opportunity to all.

Local Trust's governance review undertaken in 2017 included consideration of issues of diversity, including the need to ensure a diversity of skills, background and experience on the board to enable the board to fulfil its role effectively. This has been reflected in our approach to board recruitment, which has led to a trustee group that is now more diverse than at the time of the review.

Local Trust is committed to providing equal opportunities in employment and to avoiding unlawful discrimination. Local Trust's staff handbook includes our policy on equality and diversity in employment. An updated version of our equality and diversity policy was published during 2019-20 and matters of equality, diversity and inclusion are defined in the business plan in the context of delivery of the programme and aims of the charity.

7. Openness and accountability

The board leads the organisation in being transparent and accountable. The charity is open in its work, unless there is good reason for it not to be.

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Local Trust aims to be transparent and accountable in its work. There is regular communication with stakeholders through the Local Trust newsletter, website and events. Key policies and procedures are published on the charity's website.

There is a clear, published process for making and handling complaints, to ensure that any complaints are handled constructively, impartially and effectively. Local Trust has engaged the services of mediators to help with the resolution of complaints that result from disputes within Big Local areas and partnerships. This policy has been further reviewed and updated during 2019-20 with the support of Rosie Chapman, Protector of Big Local Trust.

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. Our current Protector was appointed in September 2018.

The board carried out an extensive stakeholder mapping exercise as part of 2020-26 strategy development, and all major activities taken forward by Local Trust include consideration of stakeholders and beneficiaries and, wherever possible, we include them in co-design and delivery.

Financial review

During the year ended 31 March 2021, Local Trust's primary responsibility was to deliver Big Local using funds from the Big Local Trust.

Local Trust also delivered activity related to two additional projects:

- **Creative Civic Change:** A place-based programme created in partnership with and co-funded by the National Lottery Community Fund, the Esmée Fairbairn Foundation and the Calouste Gulbenkian Foundation.
- **Community Wealth Fund Alliance:** Local Trust has worked with a wide partnership of groups to establish the Community Wealth Fund Alliance to promote long-term thinking about how best to support investment in communities that have suffered from economic decline and the withdrawal of public and social infrastructure.

Overview of income and expenditure

During the period, Local Trust continued to manage the activities of Big Local Trust, which is funded through an expendable endowment from the National Lottery Community Fund. Income on the investment was £0.9m for the year (2020: £3.6m). There were net losses on the investment of £0.2m (2020: net gains of £0.8m).

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

Consolidated expenditure during the year was £22.2m (2020: £21.5m). The increase in expenditure reflects a 2% increase in direct funding to £15.9m (2020: £15.6m). This includes £15.1m in direct funding to Big Local areas and £0.8m to CCC programme partnerships. The cost of delivery to areas decreased by 5% to £3.7m (2020: £3.9m) and the cost of learning activities increased by 42% to £2.4m (2020: £1.7m). A full list of the funding to Big Local areas is included in note 5.

In Local Trust's consolidated accounts, the net decrease in funds for the year was £21.1m (2020: £16.7m). The total funds held at the year-end were £82.6m (2020: £103.7m).

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 this 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 lockdowns 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, focusing 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 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.

Local Trust is a founding signatory of the Funder Commitment on Climate Change, which aligns with our values. The manifesto includes a commitment to report annually on our progress against five goals: educate and learn; commit resources; integrate; steward our investments for a post-carbon future; and decarbonise our operations.

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

Financial planning for Local Trust incorporates planning for Big Local Trust as well as other Local Trust projects.

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 2020–21 as it has been every year since it was first prepared in 2012.

Reserves policies

Local Trust was established as the corporate trustee for Big Local Trust and, in practice, undertakes limited activities apart from delivering Big Local. Local Trust currently manages projects funded through restricted funds: these are the Creative Civic Change and the Community Wealth Fund. Staff are jointly employed by Local Trust and Big Local Trust. Big Local Trust pays all staff and overhead costs, and charges Local Trust for all costs associated with its activities.

Local Trust (the company) had net funds of £2.0m at 31 March 2021 (2020: £2.7m), of which £316k was unrestricted (2020: £438k). There has been no change to the previous policy that a reserve of £25k should be retained to cover any unexpected costs. Trustees judge that this is appropriate, given that Local Trust has no direct staff or overhead liabilities, no direct beneficiaries, and is able to tailor its expenditure to fit its circumstances.

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 restricted under Local Trust (group). 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 closedown 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 £82.6m (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 Local Trust and the Big Local Trust reserves policies 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 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

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. 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 area plans 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 money 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 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):** 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.

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

Local Trust annual report and financial statements 1 April 2020 - 31 March 2021

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 trustees' responsibilities

In respect of the trustees' annual report and the financial statements

The trustees (who are also directors of Local Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

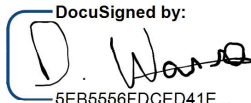
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Auditors

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

Approved by the board on 25 November 2021 and signed on their behalf by:

Signed  5EB556EDCED41E

Date 29 November 2021

David Warner
Chair

Independent auditor's report to the trustees of Local Trust

Opinion

We have audited the financial statements of Local Trust for the year ended 31 March 2021 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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.

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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or trustees' annual report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 31, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, 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 charitable company 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 group and parent charitable company'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 group and parent charitable company'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.

Local Trust annual report and financial statements 1 April 2020 - 31 March 2021

However, future events or conditions may cause the group or parent charitable company 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters which 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 charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Andrew Stickland (Senior Statutory Auditor)

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Date: 29 November 2021

Devonshire House

60 Goswell Road

London

EC1M 7AD

Local Trust annual report and financial statements 1 April 2020 - 31 March 2021

Consolidated statement of financial activities

(incorporating an income and expenditure account) for the year ended 31 March 2021

| | | Group Restricted 2021 £000 | Group Unrestricted 2021 £000 | Group 2021 £000 | Group 2020 £000 |
|---|---------------------|---|---|--------------------------------|--------------------------------|
| | <u>Notes</u> | | | | |
| Income from: | | | | | |
| Investments | 2 | 911 | 4 | 915 | 3,566 |
| Grants | 3 | 353 | - | 353 | 344 |
| Other sources | | - | - | - | 1 |
| Total income | | 1,264 | 4 | 1,268 | 3,911 |
| Expenditure on: | | | | | |
| Raising funds | | | | | |
| investment management charges | | 154 | - | 154 | 295 |
| Charitable activities: | | | | | |
| grants payable | 5 | 15,884 | - | 15,884 | 15,552 |
| delivery to areas learning to support the programme | | 3,708 | - | 3,708 | 3,904 |
| | | 2,314 | 117 | 2,431 | 1,709 |
| Total expenditure | 4 | 22,060 | 117 | 22,177 | 21,460 |
| Net operating expenditure | 7 | (20,796) | (113) | (20,909) | (17,549) |
| Net gains/(losses) on investments | | (226) | - | (226) | 810 |
| Net income/ (expenditure) | | (21,022) | (113) | (21,135) | (16,739) |
| Transfers between funds | 17 | 9 | (9) | - | - |
| Net movement in funds | | (21,013) | (122) | (21,135) | (16,739) |
| Reconciliation of funds: | | | | | |
| Total funds brought forward at 1 April 2020 | | 103,307 | 438 | 103,745 | 120,484 |
| Total funds carried forward at 31 March 2021 | 17 | 82,294 | 316 | 82,610 | 103,745 |

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

All funds presented in the statement of financial activities are restricted.

The accompanying notes, on pages 38 to 60, form part of these financial statements.

Local Trust annual report and financial statements 1 April 2020 - 31 March 2021

Consolidated and company balance sheets as at 31 March 2021

Company number: 07833396

| | | 2021 | 2021 | 2020 | 2020 |
|--|--------------|-----------------|--------------|-----------------|--------------|
| | | Group | Local | Group | Local |
| | | £000 | Trust | £000 | Trust |
| | Notes | | £000 | | £000 |
| Fixed assets | | | | | |
| Tangible assets | 8 | 31 | 2 | 30 | - |
| Intangible assets | 9 | 57 | 7 | 89 | - |
| Investments | 10 & 11 | 112,684 | - | 132,512 | - |
| Social investments | 12 | 105 | - | 117 | - |
| | | 112,877 | 9 | 132,748 | - |
| Current assets | | | | | |
| Debtors | 13 | 940 | 477 | 2,901 | 1,550 |
| Investments | | 2,564 | 1,376 | 1,659 | 472 |
| Cash at bank and in hand | | 1,971 | 140 | 1,856 | 770 |
| Total current assets | | 5,475 | 1,993 | 6,416 | 2,792 |
| Liabilities | | | | | |
| Creditors: amounts falling due within one year | 14 | (28,135) | (45) | (28,904) | (49) |
| Net current (liabilities)/ assets | | (22,660) | 1,948 | (22,488) | 2,743 |
| Creditors: amounts falling due after one year | 15 | (7,607) | - | (6,515) | - |
| Net assets | 17 | 82,610 | 1,957 | 103,745 | 2,743 |
| Funds | | | | | |
| Restricted funds | | 82,294 | 1,641 | 103,307 | 2,305 |
| Unrestricted funds | | 316 | 316 | 438 | 438 |
| Total funds | | 82,610 | 1,957 | 103,745 | 2,743 |

The accompanying notes, on pages 38 to 60, form part of these financial statements.

Local Trust generated a deficit of £0.8m (2020: £0.8m) before consolidation within the group financial statements.

Approved by the trustees, authorised for issue on 25 November 2021 and signed on behalf of the board of trustees:

Signed  Date 29 November 2021

David Warner
Chair

Local Trust annual report and financial statements 1 April 2020 - 31 March 2021

Consolidated statement of cashflows

for the year ended 31 March 2021

| | | 2021 | 2020 |
|---|--------------|-----------------|-----------------|
| Cash (outflow)/inflow from operating activities: | Notes | £000 | £000 |
| Net operating expenditure | | (20,909) | (17,549) |
| Investment and other income received | | (1,981) | (4,056) |
| Depreciation/amortisation of fixed assets | | 75 | 92 |
| Decrease/(Increase) in debtors | | 1,961 | 1,673 |
| Increase in creditors | | 323 | (5,424) |
| Investment management fees | | (154) | (295) |
| Increase in investment management fee accrual | | 24 | - |
| Net cash (used in) operating activities | | (20,661) | (25,559) |
| Cash flows from investing activities: | | | |
| Investment and other income received | | 1,981 | 4,056 |
| Investment management fees | | 154 | 295 |
| Payments to acquire tangible fixed assets | | (20) | (17) |
| Payments to acquire intangible fixed assets | | (24) | (42) |
| Payments to acquire social investments | | - | - |
| 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 the sale of fixed asset investments | | 225,612 | 244,393 |
| Net cash required by investing activities | | 21,681 | 26,902 |
| Change in cash and cash equivalents in the year | | 1,020 | 1,343 |
| Change in cash and cash equivalents in the year | | 1,020 | 1,343 |
| Cash and cash equivalents at 1 April 2020 | | 3,515 | 2,172 |
| Cash and cash equivalents at 31 March 2021 | 19 | 4,535 | 3,515 |
| Analysis of cash and cash equivalents: | | | |
| | | 2021 | 2020 |
| | | £000 | £000 |
| Cash in hand | | 1,971 | 1,856 |
| Notice deposits | | 2,564 | 1,659 |
| | | 4,535 | 3,515 |

Local Trust annual report and financial statements 1 April 2020 - 31 March 2021

Notes to the accounts

for the year ended 31 March 2021

1. Accounting policies

a) Administrative information

Local Trust is a public benefit entity and the corporate trustee of Big Local Trust, registered charity number 1145916.

Local Trust is a charitable company limited by guarantee. It is operated under the rules of its memorandum and articles of association dated 3 November 2011 and amended by written resolution dated 27 March 2012 and 9 October 2014. It has no share capital and the liability of each member in the event of winding-up is limited to £1. Local Trust was registered with the Charity Commission on 30 May 2012.

| | | |
|--------------|---------------------------|----------|
| Local Trust: | registered company number | 07833396 |
| | registered charity number | 1147511 |

The registered office 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 charitable company 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 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 group'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) – effective 1 January 2019.

The functional currency is Pound Sterling.

c) Group accounts

These financial statements consolidate the results of Local Trust (company limited by guarantee and charity), and Big Local Trust (charity) on a line-by-line basis. They are prepared on the basis that Local Trust will remain as sole corporate trustee of Big Local Trust in perpetuity. Should this change, the basis on which these financial statements are prepared will be reconsidered.

d) Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies trustees are required to make judgement, 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.

Local Trust annual report and financial statements 1 April 2020 - 31 March 2021

e) Statement of financial activities

Local Trust has taken exemption from presenting its unconsolidated statement of financial activities under section 408 of the Companies Act 2006.

f) 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.

g) Fund accounting

Restricted funds are funds that have been given for particular purposes and projects. Restricted funds must be used in accordance with the funders or donors' wishes.

h) 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.

i) 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.

j) 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.

k) 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 July 2020.

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l) 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).

m) 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.

n) 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.

o) 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.

p) 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.

q) 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 | 64 | 102 |
| Tax refunds | - | 26 |
| Total | 915 | 3,566 |

*Local Trust annual report and financial statements 1 April 2020 - 31 March 2021***3. Grant income**

| | 2021 | 2020 |
|------------------------------|-------------|-------------|
| | £000 | £000 |
| Barrow Cadbury Trust | - | 6 |
| Big Local Trust | - | 281 |
| Esmée Fairbairn Foundation | 220 | 20 |
| Friends Provident Foundation | 15 | 5 |
| John Ellerman Foundation | 13 | 10 |
| Joseph Rowntree Foundation | - | 3 |
| Lloyds Bank Foundation | 15 | - |
| NCVO | - | 5 |
| Open Society Foundation | - | 4 |
| People's Health Trust | - | 5 |
| Power to Change | - | 5 |
| Tudor Trust | 90 | - |
| Total | 353 | 344 |

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4. Expenditure

| Description | Charitable activities | | | | | | 2021 Group Total £000 | 2020 Group 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 | | |
| Staff | - | 949 | 781 | - | - | 541 | 2,271 | 1,842 |
| Grants to Big Local areas | - | - | - | - | - | - | - | - |
| Getting Started | - | - | - | - | - | - | - | (5) |
| Big Local plan 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 | - |
| Creative Civic Change | 818 | - | - | - | - | - | 818 | 939 |
| Area delivery costs | - | 2,197 | - | - | - | - | 2,197 | 2,540 |
| Programme development | - | - | 1,121 | - | - | - | 1,121 | 588 |
| Finance charges | - | - | - | 154 | - | - | 154 | 295 |
| Governance costs | - | - | - | - | 31 | - | 31 | 34 |
| Audit and financial advice | - | - | - | - | 29 | - | 29 | 31 |
| Professional fees | - | - | - | - | 14 | - | 14 | 22 |
| Communications and marketing | - | - | - | - | - | 124 | 124 | 262 |
| IT and Consultancy | - | - | - | - | - | 275 | 275 | 246 |
| Rent and office costs | - | - | - | - | - | 246 | 246 | 255 |
| Depreciation | - | - | - | - | - | 75 | 75 | 82 |
| Total costs | 15,640 | 3,146 | 1,902 | 154 | 74 | 1,261 | 22,177 | 21,460 |
| Allocated to charitable activities | | | | | | | | |
| Support Costs | 208 | 479 | 452 | - | 122 | (1,261) | | |
| Governance costs (note 6) | 36 | 83 | 77 | - | (196) | - | | |
| Total expenditure 2021 | 15,884 | 3,708 | 2,431 | 154 | - | - | 22,177 | 21,460 |
| Total expenditure 2020 | 15,552 | 3,904 | 1,709 | 295 | - | - | 21,460 | 32,777 |

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4. Expenditure (continued)

| Description | Prior year comparative | Charitable activities | | | | | Expenditure on raising funds | Governance | Support | 2020 Group Total | 2019 Group Total |
|---|------------------------|-------------------------------------|-------------------|-----------------------------------|-----------|---------------|------------------------------|---------------|----------|------------------|------------------|
| | | Grant expenditure directly to areas | Delivery to areas | Learning to support the programme | £000 | £000 | | | | | |
| Staff | - | 774 | - | 561 | - | - | - | 507 | 1,842 | 1,399 | |
| Grants to Big Local areas | - | - | - | - | - | - | - | - | - | - | |
| Getting Started | (5) | - | - | - | - | - | - | - | (5) | - | |
| Big Local plan funding | 13,477 | - | - | - | - | - | - | - | 13,477 | 26,142 | |
| Community travel and childcare | 118 | - | - | - | - | - | - | - | 118 | 179 | |
| Area admin contribution | 684 | - | - | - | - | - | - | - | 684 | 1,303 | |
| MyCommunity website | 50 | - | - | - | - | - | - | - | 50 | - | |
| Creative Civic Change | 939 | - | - | - | - | - | - | - | 939 | 151 | |
| Area delivery costs | - | 2,540 | - | - | - | - | - | - | 2,540 | 2,058 | |
| Programme development | - | - | 588 | - | - | - | - | - | 588 | 376 | |
| Finance charges | - | - | - | - | 295 | - | - | - | 295 | 325 | |
| Governance costs | - | - | - | - | - | 34 | - | - | 34 | 34 | |
| Audit and financial advice | - | - | - | - | - | 31 | - | - | 31 | 20 | |
| Professional fees | - | - | - | - | - | 22 | - | - | 22 | 25 | |
| Communications and marketing | - | - | - | - | - | - | 262 | - | 262 | 265 | |
| IT and Consultancy | - | - | - | - | - | - | 246 | - | 246 | 219 | |
| Rent and office costs | - | - | - | - | - | - | 255 | - | 255 | 225 | |
| Depreciation | - | - | - | - | - | - | 82 | - | 82 | 57 | |
| Total costs | 15,263 | 3,314 | 1,149 | 295 | 87 | 1,352 | 21,460 | 32,778 | | | |
| Allocated to charitable activities | | | | | | | | | | | |
| Support Costs | 243 | 497 | 470 | - | 142 | (1,352) | - | - | - | - | |
| Governance costs (note 6) | 46 | 93 | 90 | - | (229) | - | - | - | - | - | |
| Total expenditure 2020 | 15,552 | 3,904 | 1,709 | 295 | - | 21,460 | - | - | - | - | |
| Total expenditure 2019 | 28,064 | 3,148 | 1,241 | 325 | - | 32,778 | - | - | - | 32,778 | |

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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 | Enthusiam Trust | - | - | - | - | 442 |
| Ansley Village, New Arley and Old Arley (Leys Millionnaires) | 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 Revove | 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) |
| 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 |

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| | | | | | | |
|---|--|-----|-------|-------|-------|-------|
| 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) |
| Gannow | Burnley, Pendle and Rossendale Community Voluntary Service | 50 | - | - | 50 | 375 |
| | Behavioural Insights Team | - | - | (9) | (9) | - |
| | 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 | - |

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| | | | | | | |
|---|--|-----|------|-------|-------|-------|
| 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 | - | - | - | - | - |
| 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 | - |

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| | | | | | | |
|---|---|-----|------|------|------|-------|
| | 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 & Micklefield | 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) |
| 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 | - |

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| | | | | | | |
|-----------------------------|---|-----|------|-------|------|-------|
| 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 | - | - | - | - | - |
| 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) |

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| | | | | | | |
|--|--|--------|---------|---------|--------|--------|
| | Torus Foundation | - | - | - | - | 357 |
| Warsop Parish | Mansfield CVS | 295 | (28) | (21) | 246 | - |
| Warwick Ahead | Nova Wakefield District Limited | - | - | - | - | - |
| | Campaign for Better Transport Local Trust | 4 | - | - | 4 | - |
| 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 |
| 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 |

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| Creative Civic Change | Locally trusted organisation | New grants £000 | Repayment of unspent grants £000 | Closed grants £000 | 2021 Total £000 | 2020 Total £000 |
|---|---|--------------------|---|--------------------------|-----------------------|-----------------------|
| Hard Times Require Furious Dancing CCC Partnership | Haven Community Project | 56 | (2) | - | 54 | 29 |
| | Birmingham Voluntary Service Council | 37 | - | - | 37 | - |
| East Marsh United CCC Partnership | East Marsh United | 61 | - | - | 61 | 84 |
| Filwood Centre CCC Partnership | Community in Partnership Knowle West | 73 | - | - | 73 | 101 |
| Home Live Art CCC Partnership | Home Live Art | 68 | - | - | 68 | 2 |
| Kensington Vision CCC Partnership | Kensington Vision CIC | 68 | - | - | 68 | 69 |
| Kingswood and Hazel Leys Big Local | Groundwork Northamptonshire | 31 | - | - | 31 | 59 |
| Newington Big Local | Starlings Support CIC | 40 | - | - | 40 | 77 |
| Nudge Community Builders CCC Partnership | Nudge Community Builders Limited | 81 | - | - | 81 | 65 |
| Par Bay Big Local | Par Bay Community Trust | 52 | - | - | 52 | 70 |
| Peckham Platform CCC Partnership | Peckham Platform Ltd | 37 | - | - | 37 | 71 |
| Platform Thirty1 CCC Partnership | Platform Thirty1 Limited | 50 | - | - | 50 | 55 |
| Portland Inn Project CCC Partnership | Portland Inn Project CIC | 32 | - | - | 32 | 77 |
| Tees Valley Arts CCC Partnership | Tees Valley Arts | - | - | - | - | - |
| Creative West End CCC | Lancaster District CVS | 58 | - | - | 58 | 38 |
| Whitley Bay Big Local | Whitley Bay Big Local | 76 | - | - | 76 | 71 |
| Woods Street Wall and William Morris Big Local | Crest Waltham Forest | - | - | - | - | 70 |
| | Subtotal of CCC grants | 820 | (2) | - | 818 | 938 |
| | Grants to local areas | 20,321 | (1,060) | (4,473) | 14,788 | 14,415 |
| | 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 | | | | 244 | 290 |
| | Total grants payable | | | | 15,884 | 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.

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6. Governance Costs

Total governance costs of £196k (2020: £229k) consist of direct governance costs of £74k (2020: £87k) and indirect costs of £122k (2020: £142k). 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(i) to the accounts.

7. Net income/expenditure for the year

This is stated after charging:

| | 2021 | 2020 |
|---|-------------|-------------|
| | £000 | £000 |
| Depreciation and amortisation | 75 | 82 |
| 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 audit | 5 | 7 |
| Financial advice | 2 | 5 |
| Investment manager's fees | 154 | 295 |
| Legal and professional fees | 14 | 22 |
| Licence fees | 149 | 146 |

8. Group and company 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 | 19 | 20 | 17 |
| Disposals | - | - | - | - |
| Balance carried forward | <u>25</u> | <u>181</u> | <u>206</u> | <u>186</u> |
| Depreciation | | | | |
| Balance brought forward | 18 | 138 | 156 | 137 |
| Disposals | - | - | - | - |
| Charge for year | 4 | 15 | 19 | 19 |
| Balance carried forward | <u>22</u> | <u>153</u> | <u>175</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>28</u> | <u>31</u> | <u>30</u> |

Included in these amounts is £2k (2020: £nil) in IT equipment relating to Local Trust.

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9. Group and company intangible fixed assets

| | 2021 | 2020 |
|-------------------------|--------------|--------------|
| | Total | Total |
| | £000 | £000 |
| Cost | | |
| Balance brought forward | 330 | 287 |
| Additions | 24 | 43 |
| Balance carried forward | <u>354</u> | <u>330</u> |
| Amortisation | | |
| Balance brought forward | 241 | 178 |
| Charge for year | 56 | 63 |
| Balance carried forward | <u>297</u> | <u>241</u> |
| Net book value | | |
| Brought forward | 89 | 109 |
| Carried forward | <u>57</u> | <u>89</u> |

Intangible fixed assets include the development of Big Local Trust's grant management system, website and area assessment tool; included in these amounts is £7k (2020: £nil) relating to Local Trust.

10. Group and company 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: £133,662k).

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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 Group £000 | 2021 Local Trust £000 | 2020 Group £000 | 2020 Local Trust £000 |
|----------------|-----------------------|-----------------------------|-----------------------|-----------------------------|
| Trade debtors | 549 | 477 | 1,780 | 1,520 |
| Other debtors | 36 | - | 36 | - |
| Prepayments | 168 | - | 185 | 30 |
| Accrued income | 187 | - | 900 | - |
| Total | 940 | 477 | 2,901 | 1,550 |

*Local Trust annual report and financial statements 1 April 2020 - 31 March 2021***14. Creditors: amounts falling due within one year**

| | 2021 | 2021 | 2020 | 2020 |
|------------------------------------|---------------|--------------------|---------------|--------------------|
| | Group | Local Trust | Group | Local Trust |
| | £000 | £000 | £000 | £000 |
| Trade creditors | 1,451 | 39 | 876 | 43 |
| Amounts due to Big Local Trust | - | 5 | - | 6 |
| Grant commitments | 26,560 | - | 27,877 | - |
| Social security and other taxation | 52 | - | 44 | - |
| Accruals | 49 | 1 | 90 | - |
| Pension payments due | 23 | - | 17 | - |
| Total | 28,135 | 45 | 28,904 | 49 |

15. Creditors: amounts falling due after one year

| | 2021 | 2021 | 2020 | 2020 |
|-------------------|--------------|--------------------|--------------|--------------------|
| | Group | Local Trust | Group | Local Trust |
| | £000 | £000 | £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 | 20,321 | 22,944 |
| Area admin contribution | 710 | 684 |
| Commitments settled in the year | (15,723) | (20,609) |
| Commitments reversed in the year | (5,533) | (8,529) |
| Grant commitments c/fwd | 34,167 | 34,392 |

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17. Movement in funds

| Local Trust Group | Balance at 31 March 2020 £000 | Incoming resources £000 | Outgoing resources £000 | Transfers £000 | Gains/ losses £000 | Balance at 31 March 2021 £000 |
|---------------------------------|--|-------------------------------|-------------------------------|-------------------|--------------------------|--|
| Restricted funds | | | | | | |
| National Lottery Community Fund | 44,981 | - | (20,879) | 32 | - | 24,134 |
| Big Local investment income | 55,963 | 911 | (154) | - | (226) | 56,494 |
| Big Local other income | 25 | - | - | - | - | 25 |
| Creative Civic Change | 2,309 | 220 | (948) | (23) | - | 1,558 |
| Community Wealth Fund | 17 | 133 | (68) | - | - | 82 |
| Community Wealth Building | 12 | - | (11) | - | - | 1 |
| Total restricted funds | 103,307 | 1,264 | (22,060) | 9 | (226) | 82,294 |
| Unrestricted funds | | | | | | |
| Local Trust CDF legacy fund | 253 | - | - | (9) | - | 244 |
| Local Trust investment income | 12 | 4 | - | - | - | 16 |
| Total unrestricted funds | 265 | 4 | - | (9) | - | 260 |
| Designated funds | | | | | | |
| Policy fund | 91 | - | (80) | - | - | 11 |
| Community Wealth Fund | 82 | - | (37) | - | - | 45 |
| Total designated funds | 173 | - | (117) | - | - | 56 |
| Total funds | 103,745 | 1,268 | (22,177) | - | (226) | 82,610 |

Restricted funds

In Local Trust's consolidated accounts, the net decrease in funds for the year was £21.1m (2020: £16.7m). Total funds held at the year-end were £82.6m (2020: £103.7m).

National Lottery Community Fund established Big Local Trust with a National Lottery grant of £196,873,499 in 2012. This is an expendable endowment to be spent by 13 February 2027. Funding of £20.9m (2020: £20.0m) was expended during the year, and was used for delivery of Big Local Trust's charitable activities.

Big Local investment income is made up of returns on the Big Local Trust endowment, which is managed on behalf of Big Local Trust by charity fund managers, CCLA.

During the year ended 31 March 2021, Local Trust delivered the following projects:

- **Creative Civic Change** which was funded by the Creative Civic Change Partnership, consisting of the National Lottery Community Fund, Calouste Gulbenkian Foundation, Esmée Fairbairn and Big Local Trust. £0.2m (2020: £0.3m) was received during the year for work on the Creative Civic Change programme.
- The **Community Wealth Fund** was funded by a consortium of funders including Local Trust. During the year, restricted funds were received from John Ellerman Foundation, Lloyds Bank Foundation and the Tudor Trust in the sum of £133k (2020: £20k). During the year £68k was spent from restricted funds (2020: £5k) and £37k from match funding designated by the Board in November 2019 (2020: £8k) on delivery of the CWF Alliance campaign. It is anticipated that designated funds will be fully spent by 31 March 2022.
- The **Community Wealth Building** tour of events was funded by a consortium of funders. The Community Wealth Fund tour of events ended in November 2019, and residual funds of £12k

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were carried forward in accordance with the funders' wishes. During the year to 31 March 2021, £111k of the residual funds were spent to develop and implement a community led strategy for Community Wealth Building in Morecambe.

- **Policy Fund** – During the year ended 31 March 2021 £80k (2020: £67k) was spent to deliver policy and influencing work that extends beyond the Big Local programme. This was funded from unrestricted funds designated by trustees for this purpose. It is anticipated that these designated funds will be fully spent by 31 March 2022.

18. Analysis of net assets between funds

| Local Trust | Restricted funds | Unrestricted funds | Restricted funds | Unrestricted funds |
|--|------------------|--------------------|------------------|--------------------|
| | Mar-21 £000 | Mar-21 £000 | Mar-20 £000 | Mar-20 £000 |
| Fund balances as at 31 March 2021 are represented by: | | | | |
| Tangible assets | 31 | - | 30 | - |
| Intangible assets | 57 | - | 89 | - |
| Investments | 112,684 | - | 132,512 | - |
| Social investments | 105 | - | 117 | - |
| Current assets | 5,144 | 331 | 5,944 | 472 |
| Current liabilities | (28,120) | (15) | (28,870) | (34) |
| Long-term liabilities | (7,607) | - | (6,515) | - |
| Net assets | 82,294 | 316 | 103,307 | 438 |

19. Analysis of changes in net debt

| | At 1 April 2020 £000 | Cash flows £000 | At 31 March 2021 £000 |
|--|-------------------------------|-----------------------|--------------------------------|
| Cash | 1,856 | 115 | 1,971 |
| Cash equivalents | 1,659 | 905 | 2,564 |
| Overdraft facility repayable on demand | - | - | - |
| Total | 3,515 | 1,020 | 4,535 |

20. Operating leases

| | 2021 £000 | 2020 £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 | - | - |

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

21. 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 remuneration levels for staff, making informed judgments in line with governing documents each year, via the nominations and remuneration committee who make recommendations to the board.

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.

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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 £000 | Total pay before tax £000 | Total employer's National Insurance £000 | Total employer's pension incl salary exchange £000 | 2021 Total cost £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).

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

22. Volunteers

Local Trust relies on people getting involved in making their areas better places to live. Almost 1,500 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.

23. 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). Local Trust group'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 Local Trust (group) to the scheme during the year were £182k (2020: £150k) for 51 employees (2020:40). Employee contributions, made through our salary exchange scheme, were £66k (2020: £57k). As at 31 March 2021, Local Trust (group) owed £33k (2020: £17k)

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to the scheme relating to March pension payments: the amount due was settled on time during April 2021.

24. 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)

25. 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.

26. 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.

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. During the year ended 31 March 2021 £26k was paid to SMK (2020: £13k).

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27. Financial instruments

Carrying values of financial assets and liabilities at 31 March:

| | 2021 | 2020 |
|--|-------------|-------------|
| | £000 | £000 |
| Financial assets measured at amortised cost (a) | 5,307 | 6,231 |
| Financial assets measured at fair value (b) | 112,789 | 132,630 |
| Financial liabilities measured at amortised cost (c) | 35,688 | 35,375 |

- (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 £62k (2020: £93k). Dividends and interest recognised in the statement of financial activities on assets held at fair value was £1.6 m (2020: £3.5m).

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Charity details

Local Trust registered company number

07833396

Local Trust registered charity number

1147511

Principal address

CAN Mezzanine - Borough, 7-14 Great Dover Street, London SE1 4YR

Local Trust is the corporate trustee of Big Local Trust, registered charity number 1145916.

Trustees

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

Jeannette Lichner (chair)

Peter Mills

David Warner (ex officio member)

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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 25 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

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Advisors

Auditor

Moore Kingston Smith LLP
Devonshire House
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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.

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