

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

government. Our policy work enabled us to both influence the Levelling Up White Paper and develop our contacts with senior officials across Whitehall; we began a concerted programme taking officials to visit Big Local areas. We have also sought to develop relevant contacts across all major parties as general election manifesto policies begin to be drawn up.

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

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

Sustaining our impact into the long term

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

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

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

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

Plans for the future

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

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

Priorities for 2023–24

Our approach is designed to ensure residents' time and energy are spent on the things that make a lasting difference in their community. Often this is as much about building relationships and locally led

institutions that underpin long-term change as about individual projects. Our programme structure will maintain this core ethos, while ensuring appropriate systems and checks are in place to account for funding and to prepare at all levels for closure. We remain committed to seeing our legacy last well beyond the end of the Big Local Programme, and we are determined that the values and approaches embodied by Local Trust should not be lost on our closure.

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

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

Priority 2: Securing Local Trust’s own legacy

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

Priority 3: Creating legacy momentum

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

Priority 4: Preparing for successful closure

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

Priority 5: Promoting inclusivity and diversity

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

Reviewing and reassessing plans

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

We have developed a simple scenarios model, to help us identify the key decisions we might need to make over the remainder of the programme. We will continue to periodically review where we stand in relation to these scenarios, and adjust our operational plans and budgets accordingly. This will

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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.

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:

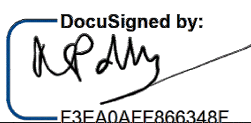
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

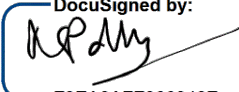
Company number: 07833396

		2023	2023	2022	2022
		Group	Local	Group	Local
		£000	Trust	£000	Trust
	Notes		£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	-
		69,600	7	91,138	13
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		2,211	271	2,905	1,061
Liabilities					
Creditors: amounts falling due within one year	14	(24,982)	(2)	(24,020)	(34)
Net current (liabilities)/ assets		(22,771)	269	(21,115)	1,027
Creditors: amounts falling due after one year	15	(8,484)	-	(13,126)	-
Net assets	17	38,345	276	56,897	1,040
Funds					
Restricted funds		38,095	26	56,897	721
Unrestricted funds		250	250	319	319
Total funds		38,345	276	56,897	1,040

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.

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	<u>1,579</u>	<u>256</u>

*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	175	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	80
Area admin contribution	597					597			839	839
Creative Civic Change	371					371			942	942
Social investment returns to areas	80					80			-	-
Area delivery costs	-	2,241					2,241			2,412
Programme development	-			1,097				1,097		
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		

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

4. Expenditure (continued)

Description	Charitable activities						Expenditure on raising funds £000	Governance £000	Support £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								
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				
Total expenditure 2021	15,884	3,708	2,431	154	22,177		21,460				

*Local Trust annual report and financial statements 1 April 2022 - 31 March 2023***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 Revue	Blackpool Coastal Housing	-	-	-	-	327
Blackpool Revue	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
Hawthornthwaite Wood Estate, the Abbeydales and the Vespers	Kirkstall Valley Development Trust	203	-	(102)	102	-

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

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.

*Local Trust annual report and financial statements 1 April 2022 - 31 March 2023***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
	Total	Total
	£000	£000
Cost		
Balance brought forward	83	206
Additions	2	69
Disposals	-	(9)
Balance carried forward	85	266
Depreciation		
Balance brought forward	32	175
Disposals	-	(9)
Charge for year	20	27
Balance carried forward	52	193
Net book value		
Brought forward	51	31
Carried forward	33	73

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

*Local Trust annual report and financial statements 1 April 2022 - 31 March 2023***9. Group and company intangible fixed assets**

	2023	2022
	Total	Total
Cost	£000	£000
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	2023	2023	2022	2022	2022
	UK	Overseas	Total	UK	Overseas	Total
	£000	£000	£000	£000	£000	£000
Cash	69,241	-	69,241	90,813	-	90,813
Total	<u>69,241</u>	<u>-</u>	<u>69,241</u>	<u>90,813</u>	<u>-</u>	<u>90,813</u>

The total book cost of investments held at 31 March 2023 was £68,331k (2022: £90,691k).

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12. Social investment assets

Big Local area	Credit union	Type of investment	Funds at 31 March 2022 £000	Additions £000	Repayments/ Discharges £000	Impairment £000	Funds at 31 March 2023 £000
2015–16							
East Coseley	Castle and Crystal Credit Union	Corporate deposit	15	-	-	-	15
North West Ipswich	Eastern Savings and Loans Credit Union	Subordinated Loan	20	-	-	-	20
Subtotal			35	-	-	-	35
2016–17							
Rudheath and Witton	Key Fund loan	Loan	-	-	-	-	-
St Oswald and Netherton	Knowsley Mutual Credit Union	Corporate deposit	13	-	-	-	13
Subtotal			13	-	-	-	13
2017–18							
Three Parishes (for Oswestry Station Trust)	Key Fund loan	Loan	29	-	(29)	-	-
Subtotal			29	-	(29)	-	-
2018–19							
Withernsea	Hull & East Yorkshire Credit Union	Subordinated Loan	30	-	(30)	-	-
Subtotal			30	-	(30)	-	-
2021–22							
Beechwood, Ballantyne and Bidston	Key Fund loan	Loan	5	-	(1)	(4)	-
Subtotal			5	-	(1)	(4)	-
2022-23							
Bourne Estate	Key Fund loan	Loan	-	20	(3)	-	(17)
Subtotal							
Cumulative totals			112	20	(63)	(4)	64
Total Key Fund loan balance			34	20	(33)	(4)	17

13. Debtors

	2023 Group £000	2023 Local Trust £000	2022 Group £000	2022 Local Trust £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

*Local Trust annual report and financial statements 1 April 2022 - 31 March 2023***17. Movement in funds**

	Balance at 31 March 2022	Incoming resources	Outgoing resources	Transfers	Gains/ losses	Balance at 31 March 2023
Local Trust Group	£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 spent, 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	Unrestricted funds	Restricted funds	Unrestricted funds
	Mar-23	Mar-23	Mar-22	Mar-22
	£000	£000	£000	£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.

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

Pension contributions made by Big Local Trust to the scheme during the year were £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).

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

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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