

Local Trust

Annual report and financial statements

for 1 April 2023 to 31 March 2024

Registered charity number 1147511



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Introduction

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

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

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

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

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

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

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

Overview of 2023-24

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

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

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

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

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

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

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

the aim of ensuring that throughout our remaining period of operation we continue to demonstrate best practice in everything that we do.

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

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

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

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

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

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

Objects and activities for public benefit

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

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

Local Trust is the corporate trustee of the Big Local Trust. Local Trust and the National Lottery Community Fund (formerly Big Lottery Fund) established Big Local Trust. Big Local Trust is an unincorporated charity governed by a trust deed dated 13 February 2012 and deeds of amendment dated 5 June 2013 and 23 July 2018. Big Local Trust was registered with the Charity Commission on 15 February 2012. Big Local is Local Trust's first and major initiative. All the activities of Big Local Trust are promoted under the Local Trust and Big Local brands.

Objects of Local Trust

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

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

Objects of Big Local Trust

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

'5.1. The Objects of the charity are:

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

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

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

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

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

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

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

Our areas of work

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

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

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

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

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

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

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

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

Our strategy

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

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

supporting Big Local areas to achieve their ambitions

securing a sustainable legacy for both Local Trust and Big Local areas

achieving a successful closure.

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

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

Our **Closure Strategy** sets out how we plan to wind up Local Trust by the scheduled end date of 13 February 2027. It is supported by a detailed Closure Plan, approved by Trustees in November 2023. In closing Local Trust, we will be guided by eight core principles. Closure will be: well-planned and

managed; transparent and clearly communicated; fair, equitable and inclusive; delivering on our promises to others; responsive, pragmatic and reflective; aligned with our other strategies and plans; focused on the future; and recognising that closure is not simply an administrative task, but has an emotional impact. Our planning for closure will focus on: governance; financial management; programme delivery; staffing; and communications.

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

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

Progress report 2023–24

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

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

Supporting Big Local areas and helping them achieve their legacies

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

communities to help them achieve their ambitions and exit from the formal programme in a well-managed way.

- In Summer 2023, we introduced a new approach to help Big Locals manage moving on from the programme. This approach: supports Big Local partnerships to deliver the final parts of their plan and formally 'close out'; reduces the administrative and reporting burden; and, frees up time and resource for partnerships to prepare for what comes next. Where necessary, it provides for:
 - direct support from an identified local Area Coordinator or Advisor
 - additional support in following our closure planning guidance
 - signposting to 'next steps', including brokering bespoke legacy support and continued advice from Local Trust's delivery partners
 - highlighting opportunities for participating in ongoing Local Trust legacy and support programmes, even after closing out, and
 - capturing key achievements and experiences for inclusion in our Learning from Big Local project.
- Increasingly, we are offering tailored support to enable Big Locals to achieve their legacy ambitions. This includes: setting up and running legacy bodies; fundraising to sustain and maintain activities, projects and services; and, asset ownership and management.
- During 2023-24, just over 50 areas entered the 'close out' phase, and more than 30 areas had left the programme. We expect another 40 to enter the close out phase during 2024-25. At the end of January 2024, only four Big Local areas had more than £100k of their allocation uncommitted. However, 35 Big Local areas had over £300k and a further 42 between £150-£300k to spend before March 2026.
- In 2023-24, Trustees approved a framework for initiating alternative approaches in areas judged to be at risk of not spending out. We will actively engage with these areas to agree action plans, with clear milestones, to meet their expenditure targets. Agreed actions might include amending plans, taking up additional delivery support, or resolving any points of dispute.

Securing Local Trust's own legacy

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

- Made significant new investment in storytelling, website content, podcasts and other vehicles to showcase the achievements of Big Local areas and the residents leading this work.
- Extended the scope of the Learning from Big Local project, which seeks to document the achievements and challenges of every Big Local partnership and the programme as a whole. This now includes practical content aimed at funders/statutory agencies and community groups. The first three 'How to' guides were published by March 2024; over 20 more are in the pipeline.
- Supported a range of campaigns promoting the potential and power of community, including the successful conclusion of our campaign for a Community Wealth Fund.
- Continued to support the All-Party Parliamentary Group (APPG) for 'left behind' neighbourhoods. In October 2023, the APPG published its major Inquiry into Levelling Up report, which benefited from significant input from Big Local residents.

- Produced a range of submissions, case studies and research reports, including publication of the methodology for the latest iteration of the Community Needs Index created in collaboration with OCSI.
- Participated in bids from consortiums seeking to deliver the new ESRC Centre In Community Participation and Social Connectedness. (A decision is due in May 2024.)
- Piloted a 3NI a network-based initiative sharing relevant learning within and across local government.
- Launched Local Trusters, a network to maintain connections between Local Trust staff, both before and after Local Trust finishes its work. We will continue to support the group's growth and development.
- Facilitated the launch of Amazing Communities Together, a network led by Big Local workers and partnership members to support one another and reach out to other communities. Over 130 people from 55 Big Locals signed up at the launch event in March 2024. We have appointed a Development Manager to support this group.

Preparing for a successful closure

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

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

Promoting inclusivity and diversity

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

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

Navigating uncertainty and risk

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

- In 2022-23, we developed a simple scenarios model, to help us navigate changes in our operating environment as we move towards closure. Entering 2024-25, our assessment is that we are securely operating within the lowest risk scenario.
- The chief programme delivery risk would see low spending Big Locals fall further behind on targets. This could challenge our ability to deliver Big Local by March 2026. We are closely monitoring this. A review of the 30 lowest spending areas, identifying actions at area and programme level, has informed our 2024-25 business plan. We have moved to a more bespoke and intensive approach to supporting these areas, including additional Area Co-Ordinator coverage, and ensuring advisor and expert support partners have relevant skills.
- A strategic legacy risk would be reduced policy impact after the July 2024 UK general election. In January 2024, trustees agreed to further extend the policy function within Local Trust to the end of 2026. We continue to highlight the importance of community-led neighbourhood regeneration. We have increased our engagement with policymakers and opinion formers in Westminster and Whitehall and across political parties. We have also placed greater focus on the local public sector as a means of influencing national as well as local policy.

Governance and organisation

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

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

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

Plans for the future

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

Supporting Big Local areas

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

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

Our Big Local delivery targets for 2024-25 are:

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

Securing Local Trust's legacy

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

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

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

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

Our legacy targets for 2024-25 are:

- expand our local authority network, recruiting to it 12 local authorities seeking to build stronger communities in their areas, by the end of 2024/25
- develop and roll out a programme of work to influence the NHS to support community-led initiatives, by the end of 2024/25
- commission an evidence synthesis examining how we create/maintain strong communities in the most deprived areas by October 2024
- soft launch the Learning from Big Local website in November 2024, alongside a broader initiative to promote awareness of our large stock of research, evaluation and other learning

- Brief prospective parliamentary candidates and new MPs representing seats with Big Locals or 'left behind' neighbourhoods; build links with a new cohort of MPs, particularly Ministers; and start to implement a plan to influence the next government's policy programme, by the end of 2024/25
- scope new projects for consideration by trustees, including: a national inquiry into neighbourhoods and a larger scale project with local authorities, by July 2024; and a review of 'carrying the flame' options, by September 2024.

Preparing for a successful closure

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

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

Our targets on closure for 2024-25 are:

- prepare a revised stakeholder communications plan by July 2024
- update staff on plans for closure twice during 2024-25 so that they understand the strategy, their role now, and implications moving forward
- agree – in principle – which organisations will be responsible for residuary functions following the closure of Local Trust, and the budget (if any) required to facilitate this, by March 2025.

Promoting inclusion and diversity

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

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

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

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

Response to the Charity Governance Code

The Local Trust board chose to adopt and apply the Charity Governance Code published in December 2020.

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

Action undertaken includes:

1. Organisational purpose

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

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

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

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

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

2. Leadership

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

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

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

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

3. Integrity

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

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

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

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

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

4. Decision-making, risk and control

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

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

Following a review of governance in 2023-24, a new board committee structure was introduced from April 2024 which ensures trustees are able to continue to effectively exercise oversight of both Local Trust as an organisation and the programmes it delivers. The two new committees are: Finance and Audit, and People and Culture. New terms of reference explaining the responsibilities of each committee were approved and will be periodically reviewed and updated to ensure continued effective oversight and decision making across all aspects of Local Trust's business.

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

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

5. Board effectiveness

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

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

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

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

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

6. Equality, diversity and inclusion

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

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

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

7. Openness and accountability

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

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

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

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

Financial review

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

Local Trust also delivered activity related to two additional projects:

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

Overview of income and expenditure

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

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

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

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

Big Local Trust's investments

Investment strategy

Big Local Trust's original investment strategy objectives were:

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

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

In November 2019, the trustees agreed to change the implementation of the Big Local Trust investment strategy, from a focus on investment returns to focusing on controlling risks. This reflected the fact that the fund had achieved good investment returns in the years since it was established, enabling Big Local Trust to fulfil its original investment strategic objectives. The key driver for this decision was the need for financial certainty to allow Local Trust and Big Local areas to plan; and related to this was the ever-reducing amount of time for the fund to recover from the downsides of

market volatility as Big Local moves towards the latter stages of the programme. However, the summer of 2020 and the consequent uncertainties and potential for further volatility led the Trustees to revisit the strategy in the summer, with the aim of ensuring as much certainty and stability as possible. This led to a shift from controlling to minimising risk, and the investment strategy became:

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

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

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

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

Investment management

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

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

Investment performance

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

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

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

Ethical and responsible investment

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

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

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

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

Distribution of returns on the investment

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

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

Grant-making policy

As part of the accounts, the trustees' annual report must explain any policy for grant making. The policy reads as follows:

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

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

Each area will receive:

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

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

Local Trust as a locally trusted organisation

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

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

Social investments

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

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

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

Constructive obligations

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

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

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

Financial planning

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

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

The updated 15-year budget informs the investment strategy and a rolling two-year cash flow forecast is provided to CCLA to enable them to manage cashflow requirements of the programme. The cashflow proved to be accurate for 2023-24 as it has been every year since it was first prepared in 2012.

Reserves policies

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

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

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

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

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

Trustees review the Big Local Trust reserves policy annually.

Structure, governance and management

Staffing

Staff remuneration

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

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

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

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

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

Pensions and auto enrolment

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

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

Volunteers

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

Principal risks

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

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

The key risks

- **Failure of low spend areas to meet spend forecast:** This would result in these areas falling further behind targets and in capacity challenges (both intensity and overall timeline) and could challenge our ability to deliver Big Local by March 2026. A review of the 30 lowest spending areas was carried out during the year, identifying actions at area and programme level and outlined in the 2024-25 Business Plan. We have moved to a more bespoke and intensive approach to supporting these areas, including additional Area Co-Ordinator coverage, and ensuring Advisor and expert support partners have relevant skills.
- **Risk of Lower spend by a majority of Big Local areas remaining in the programme than expected.** This would also result in capacity challenges, including our ability to focus on lower spending areas. In response we regularly review programme data to assess level of risks; including ensuring monitoring of progress and challenges in areas with more moderate balances, and visits and touch points between Local Trust staff and areas. The revised approach to area close-out is significantly reducing this risk, freeing up resources to deploy in lower spend areas; whilst moving to alternative delivery approach in some areas also reduces the risk.
- **Risk that areas close to spend out (holding less than £150k) exit the programme slowly than expected:** This would divert resources away from areas with high needs and put a strain on capacity. We are ensuring focus on maintaining momentum with close-outs in team workplans and will look to improve and adapt the close out process based on early learning.
- **Local Trust support fails to effectively address needs and requirements of areas at greatest risk:** This could result in areas not spending out by 2026 in a timely and effective manner; require changes in how Local Trust supports Big Local areas and manages the closure of the programme, additional funding and staff changes. We are tracking the impact of support by area with regular reviews, including a renegotiation of expert support contracts which focuses on the support that will most likely assist in accelerating effective spend. We are also ensuring clearer internal responsibilities for leading on each BL area.
- **Significant number of individually small negative media stories around low spend/challenging BL area leads to questioning of Local Trust competency and the Big Local model:** This could lead to reputational damage, and impact on our credibility and influence. A dedicated press risk register is regularly reviewed, with leadership from the Head of External Affairs and reviewed monthly by the Senior Management Team and quarterly by the trustees. We are improving management information on areas: whilst increased in-house provision of support to areas enables problems to be surfaced/exposed, and responsive action implemented, more quickly.

- **Failure to influence the next government:** We recognise that a failure to share insight and leaving to policy makers and politicians and could result in reduced policy impact post-election which erodes our legacy potential. We will continue to invest in policy and influencing to highlight the importance of community led neighbourhood regeneration. A programme of work is in place to influence the Labour party to promote the importance of community/neighbourhoods, alongside greater focus on the local public sector as a means of influencing national as well as local policy.
- **Delays in implementing legacy projects:** This could lead to a lack of impact, with Local Trust failing to achieve optimal outcomes from remaining time and resources. Initial trustee decisions made in January 2024 have resulted in clear positive action to initiate work on key projects, and allocation of resources in the business plan. Trustees will receive reports on progress against that initial wave of projects in March 2024; with larger project scoped by the summer; and 'carrying the flame' options appraised in September.
- **A breakdown of relationship with leadership of NLCF and/or key senior officials/ministers within government:** Resulting in criticism of Bing Local programme and/or tensions over CWF implementation affecting our relationships and reputation. This is mitigated by a concerted focus on strong relationships built up with officials in key departments, and prompt responses to MPs where concerns are raised. We are increasing our focus on 'good news' story outputs.
- **Loss of key staff, and challenges in recruiting talented staff, as we get closer to the proposed end date of the organisation:** A resultant lack of capacity and skills in the organisation to deliver strategy and business. Local Trust has reviewed remuneration in this context, implementing a new policy, and is putting increased emphasis on secondments. Our resourcing priorities are reviewed every 6 months as part of the closure plan.
- **Failure to adequately plan organisational closure:** This could result in poor administration of Local Trust and Big Local during final years, low staff morale, loss of efficiency, and challenges in resourcing closure effectively. Critical in addressing this risk is the published Closure Strategy, and associated Closure Plan. The forward budget has been updated to take account of closure costs, and Trustees receive regular reports on progress.

Governance and committees

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

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

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

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

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

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

Committees

Following a review of governance in 2022-23, a new board committee structure was introduced during 2023-24 which ensures trustees are able to continue to effectively exercise oversight of both Big Local Trust as an organisation and the programmes it delivers.

The two committees are: finance and audit; and people and culture. New terms of reference explaining the responsibilities of each committee were approved and will be periodically reviewed and updated to ensure continued effective oversight and decision making across all aspects of Big Local Trust's business.

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

The Protector

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

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

Statement of trustees' responsibilities

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

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

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

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

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

In so far as the trustees are aware:

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

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

Auditors

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

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

Signed  Date 16 December 2024
5EB5556EDCED41E

David Warner
Chair

Independent auditor's report to the trustees of Local Trust

Opinion

We have audited the financial statements of Local Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained in the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the

financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

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

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

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence

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

regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are [the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council]
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

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

Moore Kingston Smith LLP
.....

Date: 16 December 2024....

Samir Chandoo (Senior Statutory Auditor)

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

6th Floor, 9 Appold Street

London EC2A 2AP

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

Consolidated statement of financial activities

(incorporating an income and expenditure account) for the year ended
31 March 2024

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

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

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

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

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

Consolidated and company balance sheets as at 31 March 2024

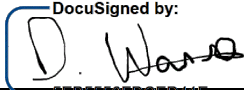
Company number: 07833396

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

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

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

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

Signed  Date 16 December 2024

David Warner
Chair

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

Consolidated statement of cashflows

for the year ended 31 March 2024

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

Notes to the accounts

for the year ended 31 March 2024

1. Accounting policies

a) Administrative information

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

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

Local Trust: registered company number 07833396

registered charity number 1147511

The registered office is: CAN Mezzanine, 7 - 14 Great Dover Street, London SE1 4YR.

b) Basis of preparation

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

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

The financial statements have been prepared under the historical cost convention, except that fixed asset investments are stated at market value, and in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – effective 1 January 2019.

The functional currency is Pound Sterling.

c) Group accounts

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

d) Critical accounting judgements and key sources of estimation uncertainty

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

e) Statement of financial activities

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

f) Income

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

g) Fund accounting

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

h) Expenditure

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

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

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

i) Allocation of support costs

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

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

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

j) Operating leases

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

k) Expenditure on raising funds

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

l) Tangible fixed assets depreciation and intangible fixed assets amortisation

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

m) Investments

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

n) Social investments

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

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

o) Pension

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

p) Grants payable

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

q) Financial instruments

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

Financial assets and liabilities are initially measured at transaction price (including transaction cost) and are subsequently re-measured where applicable at amortised cost except for investments which are subsequently measured at fair value with gains and losses recognised in the Statement of Financial Activities. Assets and liabilities held in a foreign currency are translated to GBP at the balance sheet date at an appropriate year end exchange rate. At 31 March 2024, revenue cash of USD 3,416 (equivalent GBP 2,704) was held within Big Local Trust’s investment portfolio. This was the result of class action proceeds issued on previously held equities.

r) Cash

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

2. Investment income

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

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

3. Grant income

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

4. Expenditure

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

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

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

4. Expenditure (continued)

Description	Charitable activities				Expenditure on raising funds	Governance	Support	2023 Group Total	2022 Group Total
	Grant expenditure directly to areas	Delivery to areas	Learning to support the programme						
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Staff (note 21)	-	1,465	968	-	-	-	857	3,290	2,739
Grants to Big Local areas									-
Big Local plan funding	12,030	-	-	-	-	-	-	12,030	16,791
Community travel and childcare	74	-	-	-	-	-	-	74	80
Area admin contribution	597	-	-	-	-	-	-	597	839
Creative Civic Change	371	-	-	-	-	-	-	371	942
Social investment returns to areas	80	-	-	-	-	-	-	80	-
Area delivery costs	-	2,241	-	-	-	-	-	2,241	2,412
Programme development	-	-	1,097	-	-	-	-	1,097	1,241
Finance charges	-	-	-	124	-	-	-	124	122
Governance costs	-	-	-	-	-	26	-	26	73
Audit and financial advice	-	-	-	-	-	46	-	46	34
Professional fees	-	-	-	-	-	105	-	105	33
Communications and marketing	-	-	-	-	-	-	187	187	210
IT and Consultancy	-	-	-	-	-	-	263	263	302
Rent and office costs	-	-	-	-	-	-	388	388	270
Grant bad debts/Impairment loss	32	-	-	-	-	-	-	32	5
Depreciation	-	-	-	-	-	-	137	137	108
Total costs	13,184	3,706	2,065	124	177	1,832	21,088	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 2023 - 31 March 2024

5. Grants payable

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

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

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Greenmoor	Better Communities Bradford	-	-	-	-	59
Growing Together (Northampton East)	Growing Together (Northampton)	-	-	-	-	-
Hackney Wick	CREST Waltham Forest	-	-	(27)	(27)	(122)
Harefield, Midanbury and Townhill Park (Big Local SO18)	Salford CVS	-	-	-	-	-
Harefield, Midanbury and Townhill Park (Big Local SO18)	TWICS (Training for Work in Communities)	141	-	(14)	127	(177)
Hateley Cross (Hateley Heath and Stone Cross)	Sandwell Community Info & Participation Service (SCIPS)	-	-	(35)	(35)	-
Hawthornthwaite Wood Estate, the Abbeydales and the Vespers	Kirkstall Valley Development Trust	393	(3)	(24)	366	102
Hawthornthwaite Wood Estate, the Abbeydales and the Vespers	The Cardigan Centre	-	-	-	-	(473)
Heart of Sidley	Optivo (form. AmicusHorizon)	-	(10)	-	(10)	-
Heart of Sidley	Rother Voluntary Action	266	(125)	(88)	54	125
Heart of Sidley	Southern Housing	95	-	-	95	-
Heath Big Local	Parochial Church Council of Uttoxeter	174	(15)	(101)	58	-
Heath Big Local	Uttoxeter Knights	-	-	-	-	(152)
Heston West	Berkeley Academy	-	(1)	(45)	(46)	-
Heston West	C-Change West London	-	-	(160)	(160)	274
Hill Top and Caldwell	Warwickshire Community and Voluntary Action (WCAVA)	-	-	-	-	262
Horsefair, Broadwaters and Greenhill (Big Local DY10)	Parish of Kidderminster East	-	-	(8)	(8)	(149)
Inner East Preston		-	-	-	-	(8)
Inner East Preston	University of Central Lancashire	-	-	-	-	72
Inner East Preston	Preston City Council	-	-	-	-	(143)
Inner East Preston	Groundwork Northamptonshire	-	-	-	-	(19)
Keighley Valley	Airedale Enterprise Services	-	-	(21)	(21)	-
Kingsbrook and Cauldwell	CVS Bedfordshire	-	-	-	-	420
Kingsbrook and Cauldwell	Community Voluntary Service Bedfordshire	-	-	-	-	(7)
Kingswood and Hazel Leys	Groundwork Northamptonshire	-	-	(41)	(41)	134
Kirk Hallam	Mansfield CVS	-	-	-	-	260
Kirk Hallam	Kirk Hallam Community Academy	-	-	-	-	(65)
Langold, Costhorpe and Carlton	Hodsock Parish Council	2	(5)	(25)	(28)	166
Lawrence Weston	Ambition Lawrence Weston	70	-	-	70	-
Leedcliffe (Leeming and Aycliffe)	Clarion Futures	439	-	-	439	-
Leigh West	Leigh Neighbours Project CIO	-	-	-	-	120
Little Hulton	CommUNITY Little Hulton	177	-	-	177	48
Little Hulton	Salford CVS	-	-	-	-	-
Littlemoor	Dorset Community Action	385	-	-	385	(17)
Mossley	One Walsall	55	-	(48)	7	-
Mottingham	Community Links Bromley	344	-	-	344	-
Newington, Ramsgate	Starlings Support CIC	-	(8)	(17)	(25)	257
Noel Park Estate	CREST Waltham Forest	-	(6)	(141)	(147)	-
Noel Park Estate	Community Alliance Broxbourne and East Herts	-	-	-	-	792
North Brixton	Big Local Impact	-	(3)	-	(3)	-
North Cleethorpes	Voluntary Action North East Lincolnshire (VANEL)	51	-	-	51	123
North East Hastings	Hastings Voluntary Action	-	-	-	-	97

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North meets South	CREST Waltham Forest	151	(1)	-	150	-
North Ormesby	North Ormesby Neighbourhood Development Trust	-	-	-	-	(22)
North West Ipswich	Castle Hill Community Centre Trust	-	(1)	(138)	(139)	-
North West Ipswich	Eastern Region Training Ltd	91	-	(91)	-	-
North West Ipswich	Local Trust	20	-	-	20	-
North West Ipswich	Rural Community Council of Essex	91	-	-	91	-
Northfleet North	North West Kent Council for Voluntary Service	4	-	-	4	119
Northwood	Community Foundation for Merseyside	61	-	-	61	(30)
Northwood	Community Foundations for Lancashire and Merseyside	13	-	(3)	10	-
Palfrey	One Walsall	-	-	(240)	(240)	-
Palfrey	Walsall Council	458	-	-	458	-
Par Bay	Par Bay Community Trust	-	-	(10)	(10)	41
Peabody Avenue and Churchill Gardens Estate (Big Local SW1)	Quaker Social Action	440	-	(92)	348	-
People's Empowerment Alliance of Custom House (PEACH)	Ascension Church Centre	-	-	-	-	265
Plaistow South	Quaker Social Action	328	(3)	(24)	302	-
Plaistow South	Rights and Equalities in Newham (REIN)	-	-	-	-	(355)
Podsmead	Blackbridge Charitable Community Benefit Society	228	-	-	228	82
Podsmead	GL Communities	-	-	-	-	-
Podsmead	Gloucestershire Credit Union	-	-	-	-	(150)
Prospect Estate	Rushmoor Borough Council	-	(17)	(63)	(80)	308
Radstock and Westfield	Radstock and Westfield Big Local CIC	222	-	-	222	-
Radstock and Westfield	The Carers Centre	-	(32)	(178)	(210)	-
Rastrick	Community Foundation for Calderdale	335	-	-	335	-
Ravensthorpe and Westwood	Cross Keys Homes	-	-	-	-	166
Roseworth Ward	Catalyst Stockton on Tees	-	1	(29)	(28)	479
Rudheath and Witton	Groundwork CLM	1	-	-	1	-
Sale West	Irwell Valley Housing Association	-	-	-	-	(178)
Selby Town	Selby District AVS	-	-	-	-	-
Selby Town	Up For Yorkshire (previously Selby District AVS)	115	-	-	115	-
Shadsworth with Whitebirk	Blackburn with Darwen Healthy Living	-	-	(81)	(81)	-
Shadsworth with Whitebirk	The Big Local Community Shop Ltd	84	-	-	84	-
Slade Green	Bexley Voluntary Service Council	15	-	-	15	-
Somers Town	CREST Waltham Forest	-	-	-	-	725
Somers Town	Working Mens College	-	-	-	-	34
Sompting	Community Works	-	-	(174)	(174)	415
South Bermondsey	United St Saviour's Charity	-	-	-	-	16
St James Street Area	CREST Waltham Forest	-	-	-	-	(47)
St Oswald and Netherton (L30 Million Project)	Sefton Metropolitan Borough Council	-	-	-	-	(554)
St Oswald and Netherton (L30 Million Project)	Asian Resource Centre	-	-	-	-	(97)

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

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

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

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

6. Governance Costs

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

7. Net income/expenditure for the year

This is stated after charging:

	2024	2023
	£000	£000
Depreciation and amortisation	172	137
Impairment of social investments	-	4
Auditor's remuneration (including VAT):		
- <i>in respect of current year audit</i>	31	31
- <i>in respect of current year non-audit</i>	1	5
- <i>in respect of prior year audit</i>	4	4
Financial advice	4	6
Investment manager's fees	85	124
Legal and professional fees	9	105
Licence fees	156	152

*Local Trust annual report and financial statements 1 April 2023 - 31 March 2024***8. Group and company tangible fixed assets**

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

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

*Local Trust annual report and financial statements 1 April 2023 - 31 March 2024***9. Group and company intangible fixed assets**

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

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

10. Group and company investments

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

11. Investments by type and location of fund

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

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

*Local Trust annual report and financial statements 1 April 2023 - 31 March 2024***12. Social investment assets**

Big Local area	Credit union	Type of investment	Funds at 31 March 2023 £000	Additions £000	Repayments/ Discharges £000	Impairment £000	Funds at 31 March 2024 £000
2015–16							
East Coseley	Castle and Crystal Credit Union	Corporate deposit	15	-	(15)	-	-
North West Ipswich	Eastern Savings and Loans Credit Union	Subordinated Loan	20	-	-	-	20
Subtotal			35	-	(15)	-	20
2016–17							
St Oswald and Netherton	Knowsley Mutual Credit Union	Corporate deposit	13	-	-	-	13
Subtotal			13	-	-	-	13
2023-23							
Bourne Estate	Key Fund loan	Loan	(17)	-	(7)	-	10
Subtotal							
2023-24							
Radstock and Westfield	Key Fund loan	Loan	-	120	-	-	120
Subtotal							
	Cumulative totals		64	120	(22)	-	163
	Total Key Fund loan balance		17	-	(7)	-	130

13. Debtors

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

*Local Trust annual report and financial statements 1 April 2023 - 31 March 2024***14. Creditors: amounts falling due within one year**

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

15. Creditors: amounts falling due after one year

	2024	2024	2023	2023
	Group	Local Trust	Group	Local Trust
	£000	£000	£000	£000
Grant commitments	3,099	-	8,484	-
Total	3,099	-	8,484	-

16. Grant commitments

	2024	2023
	£000	£000
Grant commitments b/fwd	32,777	36,059
New commitments in the year	15,078	21,356
Area admin contribution	394	597
Commitments settled in the year	(16,654)	(16,280)
Commitments reversed in the year	(7,237)	(8,955)
Grant commitments c/fwd	24,358	32,777

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

*Local Trust annual report and financial statements 1 April 2023 - 31 March 2024***17. Movement in funds**

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

Restricted funds

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

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

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

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

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

*Local Trust annual report and financial statements 1 April 2023 - 31 March 2024***18. Analysis of net assets between funds**

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

19. Analysis of changes in net debt

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

20. Operating leases

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

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

21. Staff costs and numbers

	2024	2023
	£000	£000
Wages and salaries	3,032	2,418
Social security and other taxes	315	233
Pension	454	350
Other staff costs	402	289
Total	4,204	3,290

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

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

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

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

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

Senior salaries

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

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

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

22. Volunteers

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

23. Pension

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

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

24. Trustees' remuneration, benefits and expenses

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

25. Big Local Trust protector

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

26. Related party transactions

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

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

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

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

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

27. Financial instruments

Carrying values of financial assets and liabilities at 31 March:

	2024	2023
	£000	£000
Financial assets measured at amortised cost (a)	3,087	2,021
Financial assets measured at fair value (b)	46,180	69,304
Financial liabilities measured at amortised cost (c)	25,338	33,403

- (a) Financial assets measured at amortised cost include all debtors (excluding prepayments), cash in hand, and notice deposits.
- (b) Financial assets measured at fair value include all fixed asset investments (including social investments).
- (c) Financial liabilities measured at amortised cost include all liabilities excluding amounts due for tax and social security.
- (d) Interest recognised in the statement of financial activities on assets held at amortised cost during 2023 was £504k (2023: £217k). Dividends and interest recognised in the statement of financial activities on assets held at fair value was £1,956k (2023: £565m).

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Charity details

Local Trust registered company number

07833396

Local Trust registered charity number

1147511

Principal address

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

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

Trustees

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

Stephen Aldridge (from November 2023)

Matt Bell

Chris Catterall

Kate Hainsworth (from November 2023)

Sahil Khan

Caroline Macfarland

Patrick Melia

Charlotte Pickles (until January 2024)

Nicola Pollock

Jessica Studdert (from November 2023)

David Warner (chair)

Rich Wilson

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

Matt Bell

Matthew Brumsen (co-optee with investment expertise)

Chris Catterall (chair)

Sahil Khan (until 31 March 2024)

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

Caroline Macfarland (until 31 March 2024)

Patrick Melia

Jess Studdert (from 1 April 2024)

David Warner (Ex officio as board chair)

People and Culture committee (formerly Governance and remuneration committee)

Chris Catterall

Kate Hainsworth (from 1 April 2024)

Caroline Macfarland (Chair from 1 April 2024)

Nicola Pollock (Chair until 31 March 2024)

David Warner (Ex officio as board chair)

Legacy and learning committee (to 31 March 2024)

Matt Bell

Patrick Melia (chair)

Charlotte Pickles

David Warner

Rich Wilson

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Programme delivery committee (to 31 March 2024)

Sahil Khan (chair)
Caroline Macfarland
Charlotte Pickles
Nicola Pollock
David Warner

Chief executive of Local Trust

Matt Leach

Protector of Big Local Trust

Rosie Chapman

Advisors

Auditor

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

Solicitor

Withers LLP
16 Old Bailey
London EC4M 7EG

Bankers

National Westminster Bank plc
250 Regent Street
London W1B 3BN

Investment manager

CCLA
One Angel Lane
London EC4R 3AB

Custodian

HSBC Bank Plc
8 Canada Square
London E14 5HQ

Local Trust

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Twitter: @LocalTrust #biglocal

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

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

Local Trust registered company number 07833396, registered charity number 1147511

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