

# Big Local

Big Local Trust

## Annual report and financial statements

for 1 April 2014 – 31 March 2015

Registered charity number 1145916

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





# Table of Contents

Introduction .....	2
Overview of Big Local.....	2
Highlights of progress towards our objectives: achievements and performance .....	3
Plans for the future .....	19
Financial review .....	21
Principal risks and opportunities .....	27
Governance and committees.....	29
Statement of trustees' responsibilities .....	30
Independent auditor's report to the trustees of Big Local Trust.....	31
Statement of financial activities .....	33
Balance sheet for the year to 31 March 2015 .....	34
Cash flow statement for the year to 31 March 2015.....	35
Notes to the accounts for year to 31 March 2015 .....	36
Charity details .....	51
Advisors .....	53
Big Local Trust ('BLT') 2015 annual statement by the Protector .....	54
Our history and background .....	55

## Introduction

We present here an overview of what has happened at Big Local Trust during 2014-15, reporting on achievements, and outlining plans for the future. Big Local Trust was established by Local Trust and the Big Lottery Fund with a National Lottery grant of £196,873,499. The grant is an endowment, which has to be spent by December 2026. 2014-15 was the third full year of our Big Local delivery.

## Overview of Big Local

Big Local is an exciting long-term opportunity for residents in 150 areas around England to use at least £1m each to make a massive and lasting positive difference to their communities. Funded by the Big Lottery Fund and managed by Local Trust, Big Local brings together all the local talent, ambitions, skills and energy from individuals, groups and organisations who want to make their area an even better place to live.

The aim of Big Local is to ensure that people are connected, people have choice, and people are supported to achieve lasting change in the place where they live. Underpinning this is our commitment to support residents over the long term to learn skills and gain the confidence to make decisions in their communities to bring about transformational change.

The four outcomes for Big Local 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.



## Highlights of progress towards our objectives: achievements and performance

We are particularly enthused when we speak to, have contact with and meet those involved in Big Local in each of the 150 areas around England. Being involved directly and hearing their progress and stories is fantastic, even if sometimes there are challenges and difficulties to overcome. As one person said:

**‘Big Local is making all the difference in the world. I feel different about the (area) – I feel more supported, feel more part of the community, I feel as though there are so many new learning areas ahead, I should be sitting in a rocking chair but I have too much to do, it’s exciting!’ (Big Local resident and partnership member)**

Our achievements and performance reported below are aligned to the four objectives in our strategy, which enable us to help 150 Big Local areas achieve the four Big Local outcomes.

**Objective 1:** By March 2017, we will deliver Big Local really well in a clear, collaborative way to establish our community-led, positive approach in all Big Local areas

**Objective 2:** By March 2017, we will use rigorous research, evaluation and story-telling to learn and develop Big Local to help Big Local areas achieve impact and enable people to make their areas even better places in which to live

**Objective 3:** By March 2017, we will position Big Local as an innovative way to transform communities; and influence others working in communities to follow the Big Local approach

**Objective 4:** By March 2017, we will ensure Local Trust continues to run effectively, efficiently and adopts good practice in the management of Big Local

## Objective 1

By March 2017, we will deliver Big Local really well in a clear, collaborative way to establish our community-led, positive approach in all Big Local areas

**'Collaboration is at the heart of the partnership and every one of our processes. The key driver is the old saying about if you want to go quickly, go alone: but if you want to go far you should go together. We believe the investment we have made in collaborative working and involving everyone will pay us dividends in the long run.'**  
(Big Local partnership member)

### Grants

Core to our work at Local Trust is the assessment and payment of grants.

During 2014-15, £13.3m of new grant funding was committed to 114 areas via 144 locally trusted organisations as a result of us receiving and assessing 296 funding proposals.

123 proposals related to Big Local plan funding: 62 for new plans and 61 for variations to endorsed plans or reviews of plans at the end of the year: 24 areas completed and submitted plan reviews (self-evaluation). 54% of plans took longer than a month to endorse due to the availability of the assessor and the people involved in Big Local to meet and have a conversation about the plan; a requirement of Big Local plan assessment to bring the written words to life.

During the year, 241 grant agreements were closed after satisfactory reporting was completed, including the return of any underspends. The remaining agreements coming to an end either had their timelines extended, or their reports were still outstanding at the year-end.

Locally, Big Local areas identify and work with a range of organisations to support their activities; many of who receive funding direct from us in line with the proposals and plans. These organisations are listed on pages 40 to 45.

### Big Local partnerships

We endorsed 55 Big Local partnerships during the year; the group of people in each area that agree the vision and direction of Big Local. By 31 March 2015, the total number of endorsed partnerships was 118 and we expect the others to come in by March 2016.

### Big Local reps

A Big Local rep is allocated to each Big Local area to help them achieve their vision for Big Local through support, advice and appropriate challenge. Rep support includes guiding each area through the Big Local process, often working through the Big Local partnership. The rep also represents Local Trust in each area and report to Local Trust and partners to ensure we use experiences from areas to improve how the programme operates.

### Social investment

Based on the endorsed plans from two Big Local areas we sent social investment agreements to two credit unions to enable them to work with their Big Local area to provide financial services. This work was aided by Small Change and social investment reps helping partnerships understand they can benefit from a combination of loans, shares and deposits as well as grants.

## **Big Local and the local economy**

We work with partners, reps and Big Local areas to inspire them about enterprising approaches; generating and keeping money within their communities including using social investment. Small Change and social investment reps identified the top five themes coming out of their work with areas as:

- predatory lending (unscrupulous lending with terms that are abusive, unfair, or deceptive)
- social investment
- financial literacy
- community land and buildings
- local enterprise.

141 Big Local areas were involved in these types of discussions during the year and areas often tackle these issues together. For example, predatory lending coincides with financial literacy; local enterprise coincides with financial literacy and social investment.

## **Star People**

Star People operates within Big Local areas and provides community entrepreneurs (Star People) with awards and support. It continues to unleash the energies of people to transform the Big Local areas that they live in. As the co-funder, UnLtd had a grant agreement in place for finding and supporting Star People and community enterprise in Big Local areas. 19 organisations (Star Partners) worked with UnLtd to help deliver this. In the year to March 2015, UnLtd distributed £580,000 in awards from Big Local Trust and UnLtd.

<b>Award</b>	<b>Value</b>	<b>Purpose</b>	<b>Number awarded</b>
Try-it awards	Up to £500	For individuals to try out ideas to improve their area	65
Do-it awards	Up to £5,000	For people to develop their project or take forward an idea that has some project planning already in place	105
Build-it awards	Up to £15,000	To individuals who have an established social venture or community project or who have the potential to develop one rapidly	12



## **Intensive support for Big Local areas from UnLtd**

**‘New projects run by and for local people are making others realise that something is actually happening. The enterprise-focused people are definitely starting to make changes and also change themselves.’ (Big Local rep)**

In collaboration with us, UnLtd offered intensive social entrepreneurship support to 12 Big Local areas following an open recruitment process to all Big Local areas offering extra time and attention to help Big Local partnerships achieve more and make a bigger difference in their area. The areas receiving support were:

- Northfleet North
- South Bermondsey
- Bountagu
- Whitley Bay
- My Clubmoor
- Dover Town
- Birchfield
- West End Morecambe
- Dewsbury Moor
- Tang Hall
- Three Parishes (Gobowen, St Martins and Weston Rhyn)
- Thurcroft.

UnLtd produced case studies to share learning and promote the approach. In 2015-16, another group of areas will be offered this intensive support.

## **Adjusting the programme based on our learning**

**‘Areas are scared by blank sheets of paper and look for direction which can be hard to resist. Some guidelines or a stronger framework might be helpful.’ (Big Local rep)**

The programme has been adjusted throughout the year as findings are fed back to improve performance, including from the research and evaluation described later in this report.

Examples of adjustments include:

- **Building a culture of enterprise and entrepreneurship:** including how partnerships support their local economy, making money stick, building a culture of enterprise and entrepreneurship. UnLtd worked with 12 areas to explore this further.
- **Marketplace funding:** £22,500 per area added to plan funding (if not already drawn down) in response to areas saying they wanted access to funding simplified.
- **Annual review of partnerships between September and December:** to ensure partnership meets Local Trust criteria and follows locally agreed policies and procedures; depending on how partnerships choose to operate.
- **Funding agreement timelines:** amended to match timeline of plan with six-monthly reporting by locally trusted organisation.
- **Plan reviews:** Big Local partnerships choose the time and frequency for when they review their Big Local plan, answering nine questions.

- **Follow-on or revised plans:** for assessment against an assessment rubric created by partnerships.

We also updated all our programme guidance to share after the 2015 spring events. For example: guidance on what Big Local is, the support and funding available, Big Local partnerships, Big Local plans, the role of locally trusted organisations, delivering Big Local, sample templates for reviewing plans, partnership documents (conflict of interest, code of conduct).

More general guidance was updated and drafted as well: safeguarding, volunteering insurance, VAT, political activity, dealing with concerns and complaints, social investment, supporting the local economy, project planning and an open information policy for Local Trust.

We also made amendments to rep assignments so reps support the activity outlined above and ensure relationships between the partnership, locally trusted organisation and Local Trust are working, whilst also maintaining an overview of Big Local, managing any local conflicts or complaints and provide appropriate challenge and support locally.

### **Helping people gain skills and confidence**

**‘I’ve had excellent feedback from the network and learning events and this continues to get stronger every year.’ (Big Local rep)**

We worked with people in Big Local areas, the National Association for Neighbourhood Management, partners and Big Local reps to design and deliver a range of networking and learning activities to help people in Big Local areas gain skills, knowledge and confidence. We held nine spring events, nine thematic events, two action learning sets and twenty-one rep organised events.

355 people attended the 2014 spring events from 75 Big Local areas, including speakers but excluding the event team. The two most popular aspects of the day were the workshops and the opportunity to share ideas and network with others. Feedback showed that 93% of people mostly or completely got what they wanted out of the event, taking back lots of ideas and information. People also said they gained contacts, knowledge, understanding, enthusiasm, confidence and inspiration.

Topics for the national thematic events included young people, money matters webinar, working with public services and reviewing plans.

One action learning set focused around chairs of Big Local partnerships and the other focused on shops, hubs and empty buildings.

The themes for the rep organised events included:

- how you complement your Big Local million with external funding and matched resources
- guiding a community hub to reality
- roles and responsibilities: working together at a local level
- digital inclusion
- fuel poverty and social investment.

Satisfaction immediately after events is high. Attendees enjoy the events and find them very useful. Two-thirds (67%) of those who responded to the evaluation said that they found Big Local networking and learning events helpful or very helpful.



We recognised the need to provide skills training and appointed three training providers in October 2014. Talk Action, Directory of Social Change and Northern College advertised 19 events as part of the national training programme from March 2015 until June 2016, two training events ran in March 2015, one on leadership and team skills and the other on public speaking and presentation skills.

Living Space Project provided a free telephone helpline offering advice and information during April 2014, in response to Big Local area's interest in improving their local environment, places and spaces. Living Space Project found key priorities for areas were around:

- maintenance improvements
- making spaces more accessible
- cleaner and safer
- growing food
- improving buildings and streets
- looking at how an area can buy or run a building or a piece of land.

Key findings for areas who want to do something in response to their environment were to have lots of ideas, work together, have some quick wins, and create realistic plans and budgets.

## Objective 2

By March 2017, we will use rigorous research, evaluation and story-telling to learn and develop Big Local to help Big Local areas achieve impact and enable people to make their areas even better places in which to live

**'... (previous programmes) targeted work was carried out to achieve more of a quick fix. Big Local is more drawn out, a greater commitment and a much slower process. With a greater end result too.'** (Big Local partnership member)

### Evaluation framework

Towards the end of the financial year we agreed an evaluation framework and plan for our future research and evaluation activities. Measures of success for Big Local fall under five broad headings to create our overarching evaluation framework (below). Elements 1, 4 and 5 relate to how we (Local Trust) run Big Local, our desire for lasting change and our wish to influence policy and practice. Elements 2 and 3 are the more traditional aspects you measure for a programme evaluation related to delivery and outcomes. We have developed measures, indicators and methods for each element and a revised theory of change.

Element 1	Element 2	Element 3	Element 4	Element 5
Approach	Delivery	Outcomes	Impact	Influence
<p>Local Trust takes the following approach to delivering Big Local:</p> <ul style="list-style-type: none"> <li>• resident-led</li> <li>• asset based</li> <li>• community pace</li> <li>• opportunities for reflection</li> <li>• light touch support</li> <li>• willing to take risks.</li> </ul>	<p>The programme is well-managed and delivered in line with expectations of Local Trust's trustees and the trust deed.</p>	<p>The programme outcomes are achieved as set out in the theory of change.</p>	<p>The programme contributes to lasting and sustainable change in Big Local areas.</p>	<p>The programme has a policy and practice impact.</p>
Doing things differently	Delivering to meet programme objectives	Achieving programme results	Creating lasting change	Influencing others

### Advisory group

Trustees agreed to establish an advisory group to guide the development of the Big Local evaluation; to offer advice on key elements of the research process; to help us identify and address potential issues or challenges; to help us test the approach, analysis and findings and to help us sustain the quality and robustness of all stages of the research.

## **Big Local: the early years**

Our most significant research and evaluation this year was Big Local: the early years; by the National Council for Voluntary Organisations and supported by the Institute for Volunteering Research and the Office for Public Management. Their evaluation showed grounds for optimism for Big Local because they saw evidence of:

- **Local visions:** areas embrace the notion that Big Local is about more than £1million and focus on working together and making the best of what they have to bring about change.
- **New connections:** Big Local is acting as a catalyst to bring together people and organisations, many of whom have not worked together before, and it enables them to work better together.
- **Changes in places:** very tangible changes can be seen in many Big Local areas as places change and more people get involved.
- **Changes in people:** the number who point to things they are doing now that they didn't know they could do; growing in confidence, learning new things, sharing what they know and making a difference to others.

The evaluation highlighted that many of those most actively involved believe that Big Local will achieve lasting change. 88% of the steering group/partnership members surveyed said they felt confident their group would achieve its goals in the longer term, with many strongly connecting this to a belief that the change would be lasting.

Local stakeholders credit their confidence to the following:

- Big Local is taking its time
- Big Local is focused on what is needed
- Big Local is being led by residents so there is more investment in sustaining it
- A sense of ownership is developing that will increase levels of engagement and bring a level of respect for the things being done.

The evaluators noted that Local Trust, national partners, and Big Local reps have a clear commitment to and enthusiasm for the programme and its values, and for learning and improving for the benefit of local communities.

## **Influences on progress in Big Local areas**

The Community Development Foundation conducted research on the Big Local journey of 15 areas involved in previous research conducted in 2013. They focused on how distinctive roles are developing within Big Local partnerships, identifying 'team roles' needed for the partnership to operate effectively including:

- strategic thinker: keeping an eye on the bigger picture and ensuring activities relate to desired outcomes
- doer: making things happen, commonly the worker
- catalyst: sparking new ideas and ways of doing things
- connector: bringing together different people and groups across the area
- advisor: providing expert advice and support
- coach: supporting the development of residents, often someone who is slightly removed such as a rep, worker or locally trusted organisation.

The top five types of activities for areas were reported as:

- community events
- research and consultation
- forming relationships with other local groups
- information campaign
- small grants programme.

### **Turning plans into action**

The Community Development Foundation explored how five Big Local areas are turning their plans into action to understand the realities of resident-led Big Local partnerships delivering their ideas on the ground. This research is due to be published later this year.

### **Match-funding and in-kind support**

The Community Development Foundation completed an analysis of Getting Started proposals for 28 wave three areas in May 2014. These areas were expecting to attract match-funding and in-kind support from a number of sources including national and local charities, community organisations, local authorities and housing associations. The analysis shows £177,184 in match-funding (an average of £6,328 added to their £20,000 Getting Started money). In-kind match funding examples included:

- materials ranging from prizes such as iPads and gym passes to the materials needed to build a new football stand worth £54,000
- meeting space including desk space for workers, space for meetings and venues for community days
- in-kind support from local organisations to co-ordinate Big Local, run sessions for young people, provide community development and engagement support, help areas develop their plans and supervise local staff involved in Big Local
- donated services - experts in specific fields offering services including training, profiling, marketing, filming of events and support with financial management.

### **Annual learning review**

The Institute for Voluntary Action Research completed our 2013-14 annual learning review, gathering together the data from areas, partners and our own systems.

### **Local Trust funding model**

The Institute for Voluntary Action Research completed an analysis of our funding model to be published during 2015. Their analysis identified four key features from our core principle of resident control.

1. Time and pace: Big Local is about consistently funding an area for at least ten years and they know that we won't take it away from them.
2. Willingness to take risks: Big Local is built on relationships and trust, not rules and regulations.
3. 'Light touch' and flexible support: small team at the centre, outreach through reps, and specialist providers.



4. Sustainability through making investments and maximising assets: the important thing is to get things done and provide solutions for things to get done. Money is a catalyst – it is a means to an end.

### **Building on assets**

The Institute for Voluntary Action Research started a small-scale study to test and then elaborate on our approach to building on assets. The study will consider what is meant by asset based in theory, how it plays out in practice and where it sits within the wider field of community development. We will publish the report during 2015.

### **Our Bigger Story**

We commissioned a consortium led by the Third Sector Research Centre at the University of Birmingham to deliver the first wave of the longitudinal multimedia project. The purpose is to measure and present progress over time in a number of Big Local areas through film, photography and audio. The study will measure progress against the four programme outcomes, our theory of change and our ethos of taking a community development approach to delivering Big Local. The research will follow individuals, families, communities, organisations and the physical changes in the areas. Through participation in the project residents will gain skills using film and photography for self-evaluation.

### **Communities in Control study**

This research has been commissioned and funded by the National Institute for Health Research, School for Public Health Research. It looks at whether resident-led approaches to neighbourhood improvement can reduce inequalities in health. The School for Public Health Research are exploring the ways in which residents are able to influence local decisions, as well as learning more about plans and activities. During the year, they completed two waves of fieldwork in 10 Big Local areas and completed research with national delivery partners. They also provided us with statistical data on each Big Local area and have given research skills development opportunities to a network of residents in areas.

### **Story-telling and peer learning**

**'Big Local is a rollercoaster. You take big steps forward but every now and then steps back too. That's normal and all part of the learning. Areas shouldn't expect a smooth ride all the way through. Also remember you have 10 years so don't rush!'**  
(Big Local partnership member)

Our approach continues to be to spot, support and publicise individuals or groups that make good things happen in their community, in order to learn from them and to inspire and encourage further activity. We use case studies and storytelling to demonstrate, inspire and share progress with Big Local areas and to inspire external stakeholders.

To this end we shared more than 200 examples on social media, 60 examples across our learning and networking events and via 72 workshops at the nine spring events. We and our partners produced 26 case studies on a range of topics including: community hubs, play parks, tackling unemployment and community energy.



We published 42 blogs covering a wide range of topics relevant to the activities of Big Local areas including:

- blogs which celebrate some of the achievements and successes of Big Local areas and inspire others, for example, our blog on the popular community choir in Worle Big Local, and the 'jumble trail' organised by St James Big Local
- blogs from residents, for example, a resident in Mottingham Big Local wrote about her experience of organising a music and food festival
- blogs from partners, for example, the National Council for Voluntary Organisations wrote a blog on measuring success.

We published ten themed newsletters on topics that matter to Big Local areas including:

- young people: using examples from Big Local areas from youth parliaments and youth forums, to team event days for all ages and how one Big Local area is working closely with a local college
- increasing skills and supporting employment opportunities: sharing stories including Just Straight Talk, a social enterprise in East Coseley Big Local which received Star People funding to support young people into training, education, voluntary work and employment; how Wormholt and White City Big Local is working with local employers, including Sainsbury's
- we started a new quarterly newsletter for locally trusted organisations on topics relevant to them.

## Objective 3

By March 2017, we will position Big Local as an innovative way to transform communities; and influence others working in communities to follow the Big Local approach

**'I feel confident we have understood what's needed .... Local people told us what they wanted in it, local people wrote it, and it will be local people who deliver what's in it.'** (Big local partnership member)

We have spent the past year increasing our profile and that of the programme.

### **Funders, government, charities**

Staff contributed to a range of conferences, meetings and events including those hosted by the Community Investment Coalition, Joseph Rowntree Foundation, Transforming Finance Network, Woburn Place Collaborative, Rural Services Network, Philanthropy Impact, other trusts established by the Big Lottery Fund and the Big Lottery Fund.

We contributed to research by Aleron Partners and the Centre for Social Justice; developed collaboration with the Rayne Foundation, Arts Council England and North East Hastings Big Local area.

During our 2014 spring events, we invited twelve external organisations to host workshops on topics relevant to Big Local areas.

We had briefings and networking opportunities with the School for Social Entrepreneurs, Tree Shepherd, Institute of Development Studies, Time to Change and Mind, Step up to Serve, ACRE, Sheila McKechnie Foundation, Community Shops, Spacehive, Camelot, Economic and Social Research Council and the British Academy, ResPublica, Social Market Foundation, and the Global Social Entrepreneurship Network.

We had direct contact with twelve MPs and the Minister for Civil Society about Big Local. Many more MPs are in regular contact with their Big Local area and we plan to increase this activity over the coming year.

### **Businesses**

We provided links with Sainsbury's to identify how stores might support Big Local, which developed into direct support for Noel Park and Bountagu Big Local areas.

We have an ongoing relationship with BT through their employee volunteering scheme, which several areas have taken up.

Many Big Local areas develop relationships with the private sector. Examples include:

- In North West Ipswich, Asda is represented as an advisory member on their partnership, and provided meeting space and refreshments.
- Latch Ford in Warrington is working with a range of partners including United Utilities, Eddie Stobart and Mickledoor Consulting, which are supporting the partnership and residents with business skills. Support included project management training from Eddie Stobart; United Utilities via their hardship manager is helping people to reduce their water debts.

- In Leigh West, B&Q provided fencing for an alleyway that the Big Local area was refurbishing.
- South Bermondsey has worked with Asda and Tesco, which gave items for raffles and projects, and supplied staff at event days. The area also connected with Royal Bank of Scotland, and Ernst & Young who provided management teams to assist with green projects.
- Windmill Hill engaged with Business in the Community where members work together to tackle a wide range of issues essential to building a fairer society and more sustainable future. Through this programme Windmill Hill forged valuable links with O2, NatWest and Fujitsu, who are offering the partnership in-kind support including training, expertise and use of their facilities.

### **Areas having a voice on the issues that matter most to them**

With Big Local reps and partners, we have encouraged areas to have a voice on the issues that matter most to them. Examples include:

- People's Empowerment Alliance for Custom House (PEACH) worked on behalf of local traders, in negotiation with councillors to draw up a shopkeeper's charter to safeguard the local economy from developers.
- Residents from the Luton Arches area in Chatham expressed concerns about the licence application for a new supermarket and have been campaigning against this.
- In Fratton, Portsmouth a resident was approached to create a democracy digital arts project to celebrate the 2015 Magna Carta anniversary at the Houses of Parliament.
- North Ormesby fed directly into consultations for a big Sainsbury's development adjacent to the area. Developers engaged directly with the group and Big Local secured funding from Sainsbury's to use in the area.
- We supported Whitely Bay to respond to Department for Communities and Local Government's call for evidence on My Community Rights and Our Place programmes.
- We created a video with Eastern Sheppey about financial exclusion which was used to support the work of the Community Investment Coalition.
- DY10, East Coseley, Three Parishes and Kirk Hallam Big Local areas supported us with evidence and thoughts that were submitted to Communities and Local Government's committee inquiry into the operation of Community Rights.

### **Promoting our learning and key messages**

We used findings from our early years evaluation to communicate key messages from our research and to showcase the distinctiveness of our approach. Coverage included Civil Society and GovToday along with coverage on our website and that of our partners.

We engaged Forster Communications in January 2015 to help us with strategic communications, PR and marketing. Our long-term communications objectives are:

- To raise the profile of Local Trust and Big Local among policy makers, funders, local authorities and others in the sector to help them understand the value of putting communities in control.
- For major policy and decision makers to know about our work and to consider new approaches to funding and supporting communities.

- To establish a reputation for being ground-breaking in approach to funding and supporting communities, and prove that the model works by demonstrating the difference communities can make when they are empowered.

We promoted the new idea of volunteer Big Local ambassadors at our spring events. These ambassadors will act as a voice for Big Local, getting involved with our media work and helping us to bring resident voices to the fore of our national communications.

### **Website and social media**

In January 2015, we launched our new website, developed by Knight Studios. The new site includes a search function and an interactive map of Big Local areas. Area pages now draw data from our funding system to display the amount of funding awarded and partnerships and plans that have been endorsed.

We continue to use social media and electronic newsletters.

- Our website had 58,947 visits/sessions with 37,319 people using the site, 61% of whom were visiting for the first time. In 2013–14 we recorded 60,009 visits/sessions with 36,865 people using the site, 59% visiting for the first time. This is very close data year-on-year, illustrating a smooth transition across websites and consistently high usage.
- By March 2015, we had 1,718 Twitter followers. This is an increase of approximately 14% from September 2014.
- Our YouTube channel received 7,133 views and estimated 9,065 minutes watched. Compared to 2013-14 this represents an increase of 16% and 26% respectively.
- Over 3,000 people receive each electronic newsletter we send.

In September 2014, a sample of 129 Big Local areas showed: 70% have their own website, 78% have their own Facebook page, 65% use Twitter and 6% don't use any of these platforms.



## Objective 4

By March 2017, we will ensure Local Trust continues to run effectively, efficiently and adopts good practice in the management of Big Local

### Finance

As demonstrated in the annual accounts, our total expenditure during the year was £16.4m of which over £13.3m was direct funding to areas. This represents a significant increase from the previous year as areas begin to deliver their plans and drawdown funding from their £1million. We continue to ensure Local Trust continues to run effectively and follows good practice having received a good audit findings report last year. Two developments, in response to the audit findings report last year, are that we now carry out a more detailed monthly bank reconciliation process and also monthly reconciliations between grant payments recorded on our funding management system and Iris Exchequer.

### Staff

We have a small, committed and enthusiastic staff team who particularly value the work they do directly with areas, helping people make a difference in their communities. Through a staff survey, our staff also said some of the best things about working at Local Trust are the relaxed atmosphere and friendly staff; the learning culture which gives a chance to change and improve and the varied work.

### Partners

In line with our strategy, the majority of activities nationally and locally are delivered through suitably experienced organisations, working collaboratively in line with our ethos and approach as the list below illustrates. In line with our collaborative approach, we hold quarterly meetings with our research and delivery partners and we host six-monthly meetings with Big Local reps to share feedback, updates and learning from Big Local.

71 Big Local reps by June 2015: supporting 150 Big Local areas

Renaissi: management and quality assurance of reps

UnLtd: co-funders and support to Star People

Small Change: social investment advice

National Association for Neighbourhood Management: learning and networking events

Living Space Project: support to environmental projects

Talk Action, Directory of Social Change and Northern College: training providers

Community Development Foundation and Institute for Voluntary Action Research: research

School for Public Health Research: funders and researchers for Communities in Control study

Third Sector Research Centre at the University of Birmingham working with Mandy Wilson, Creative Media and Paul Morgan: Our Bigger Story longitudinal, multimedia research

National Council for Voluntary Organisations supported by the Institute for Volunteering Research and the Office for Public Management: Big Local; the early years evaluation

CCLA: Big Local Trust investment manager



Crowe Clarke Whitehill LLP: auditors

Withers LLP: solicitors

Tank Consulting: HR and governance support

Team AD: IT support

Fluent Technology: Big Local Community

Knight Studios, Co-operative Web: Local Trust websites

Forster Communications: communications support

## Plans for the future

### Long-term strategy

Our long-term strategy to achieve the Big Local outcomes is to:

- give residents greater control, skills and confidence to make a difference to the things that matter most to them in their communities
- use rigorous research, evaluation and story-telling to learn and develop Big Local to help Big Local areas achieve greater impact, make resources go further and enable joined up solutions to complex issues
- position Big Local to influence the approach of others working in communities including: funders, government, charities and businesses, with Big Local seen as a leading approach to transforming communities
- create widespread change so that residents and those supporting them in Big Local areas have greater involvement and control over the things that matter most to them.

### Key objectives for next two years

Our key objectives for the next two years, to March 2017 are to:

- deliver Big Local really well in a clear, collaborative way to establish our resident and community led, positive approach in all Big Local areas
- use rigorous research, evaluation and story-telling to learn and develop Big Local to help Big Local areas achieve impact and enable people to make their areas even better places in which to live
- position Big Local as an innovative way to transform communities; and influence others working in communities to follow the Big Local approach
- ensure Local Trust continues to run effectively, efficiently and adopts good practice in the management of Big Local.

We will continue to work with Big Local areas, reps and partners to look for new opportunities to provide additional resources into Big Local. We aim to be enterprising and transformational while learning from our experience and staying true to the Big Local approach.

### Evaluation findings for future action

In the evaluation, the National Council for Voluntary Organisations and their partners identified many good news stories and considerable grounds for optimism for the future of Big Local; they also identified a number of challenges and questions as we move forward. The future challenges summarised below have already informed our programme development activities and will continue to do so over coming years.

<b>Choices</b>	1	What to deliver for lasting change
	2	How to deliver and who should deliver
<b>Ownership</b>	3	How to ensure genuine ownership
	4	How to remain accountable in the long term
<b>Capacity</b>	5	How people can avoid burnout and fallout and enable 'spreading out' to involve more people

	6	How to strengthen and/or share leadership
<b>Delivery</b>	7	How to develop a less fragile 'core'
	8	How to do delivery well and be unafraid to try new things
<b>Support</b>	9	How to ensure good local support – councils and others
	10	How to make the most of the national support offer
<b>Impact</b>	11	How to define what matters most and who changes are for
	12	How to measure and communicate success

The researchers recognised that some of the questions and issues raised are far from easy to resolve, but the list will inform us, our partners, reps and those involved in Big Local areas in our future plans.

# Financial review

## Overview of income and expenditure

Big Local Trust received £6,345,618 income from its investments in the year to 31 March 2015 (2014: £5,317,400) including £443,119 in interest from cash instruments and £199,435 from bank interest. Total expenditure during the year was £16,377,695 (2014: £10,668,017), of which £13,252,290 was direct funding to areas (2014: £7,402,316), and £1,880,048 was delivery to areas (2014: £2,007,066).

Net outgoing resources for the year to 31 March 2015 were £10,030,413 (2014: £5,350,617) before gains and losses. The total net surplus after investment gains in the year was £1,929,429 (2014: £8,539,010 deficit).

## Big Local Trust's investments

### Investment manager

CCLA is Big Local Trust's investment manager. CCLA works with the investment sub-committee and manages investments in line with the investment strategy as agreed by the board. Annually the sub-committee review the performance of the investment manager in line with the trust deed requirement and make recommendations to the board. CCLA were reappointed as investment managers in 2014 and 2015.

### Investment strategy

The objectives of the investment strategy, agreed annually, are:

- 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 each.

For reasons of cost, efficiency, security, governance and risk management the fund is managed as a single pool of assets ensuring funding is available when required. By making use of the scale and duration of Big Local, the investment strategy provides a good long-term return while ensuring that at all times sufficient short-term funds are available to support spending. This will be achieved by investing a high proportion of the fund in cash, fixed income and similar securities, with a smaller portion invested in equities and similar securities in the UK and overseas that are expected to provide a higher return over the longer term.

The investment strategy is implemented in a controlled way to ensure that risks are appropriately managed and consistent with the objectives of Big Local.

### Changes to the investment strategy

There were some important changes to the investment strategy during the year; the first of these related to the treatment of income. Previously, the income generated by the investments was retained in cash. However, with cash interest rates low and likely to stay low for some time, we decided that it would benefit overall returns for the income to be invested in a broad range of assets as part of the investment portfolio.



The other changes in the investment strategy related to asset allocation. The first of these was to increase the maximum allocation to property from 5% to 10%. The increased tolerance to property allows the weighting to real assets to be maintained at times when our fund manager has a cautious view of equity market prospects.

The second change related to the maximum weighting to real assets – equities and property – in the portfolio. The previous restriction was that no new investment could be made in assets of this type if they represented 30% or more of the total fund. The maximum exposure was 33%, to allow leeway against fluctuations in investment market values. The restriction that no investment can be made if this category of assets is 30% or more of the total is retained but the maximum permitted exposure has been increased to 40%. This is to prevent the need for forced, premature disposals due to rising markets at a time when assets of this sort are still an appropriate and attractive holding for the Trust.

### **Performance benchmark**

The performance benchmark of the fund is Bank of England's Official Rate +1% p.a.

### **Fund performance**

The total value of Big Local Trust's investments, including income, as at 31 March 2015 was £210,480,565. The returns on the portfolio and its performance benchmark are as follows:

Period	Fund	Benchmark
Quarter to 30 June 2014	+1.08%	+0.37%
Quarter to 30 September 2014	+2.00%	+0.38%
Quarter to 31 December 2014	+3.35%	+0.38%
Quarter to 31 March 2015	+2.53%	+0.37%
Year to 31 March 2015	+9.25%	+1.51%

2014-15 was a positive year for investment markets, one in which all major asset classes achieved positive returns. There was a background of economic growth in the UK and US and signs of improvement in Europe. Interest rates remained low throughout the period and so too did inflation, where falling fuel prices and intense competition between food retailers meant that the Consumer Price Index was 0% in the year to 31 March 2015.

Within the portfolio, cash holdings have been managed with a primary focus on capital security, whilst ensuring that the funds required to meet Big Local Trust's grant commitments to areas are always available as required. In an environment of very low interest rates, the portfolio has benefited from active management of the deposit profile, taking advantage of higher rates as they have occurred over the period.

The fixed income portfolio has been invested in government securities and in bonds issued by companies.

The equity investments have been in good quality companies with robust balance sheets and which enjoy high levels of free cash flow. The holdings are diversified by company, sector and geography to keep risks under proper control.



The property investment has been in UK commercial property, a sector that had lagged in comparison to the returns achieved on other asset categories in recent years, and so offered attractive recovery potential.

Over the year, the key source of the over-performance relative to the benchmark has been the asset allocation and in particular the holdings in real assets such as equities and property, which gave total returns of +20.1% and +19.0% respectively.

### **Formal restrictions and controls**

Reflecting our investment strategy, there are formal restrictions and controls on the investments that can be held within the fund. The restrictions and controls in place at 31 March 2015 are summarised below. These restrictions are as currently agreed and can be altered should the trustee wish to make amendments to the investment strategy.

**Cash and near cash assets:** the minimum allocation is 18 months forward cash requirement for the programme as provided to CCLA from time to time by Big Local Trust. Near cash can include fixed interest instruments maturing within two years. There is no maximum cash or near cash allocation. The current target asset allocation for cash and near cash is 25%.

In terms of individual counterparties, there is no limit to the amount which can be placed with a deposit fund rated AAA by a recognised rating agency.

Deposits with any individual counterparty however must not exceed 10% of the fund. All counterparties will be approved by the trustee.

**Fixed interest and similar securities:** the maximum asset allocation is the entire fund, less the cash requirement noted above. There is no minimum fixed interest asset allocation. The current target asset allocation for fixed interest and similar securities is 45%.

The minimum credit rating for fixed interest or similar securities is BBB by a recognised rating agency. The fixed interest or similar securities issued by a single counterparty (other than securities issued or guaranteed by the UK Government where there is no limit) should not be more than 5% of the total funds under management at the date of purchase for securities rated A- and above, and 1% of the total funds under management at the date of purchase for securities rated BBB.

**Real assets:** the maximum asset allocation is 40% of the total funds under management. No new money can be invested in real assets if they account for more than 30% of the total funds under management. There is no minimum asset allocation to real assets. The equity holdings will be diversified on a geographical and industry basis.

No new money can be invested in equities and similar securities if they represent more than 25% of the total funds under management. No equity or similar security should be more than 1% of the total funds under management at the time of purchase. No new money can be invested in COIF Charities Property Fund if it represents more than 10% of the total funds under management.

### **Ethical and responsible investment**

Local Trust, acting as the corporate trustee of Big Local Trust agreed to use CCLA's default ethical investment policy as developed with Charity Commission guidance (CC14) in mind, in response to CCLA's three yearly charity client consultations. We agreed to review this policy annually and to

develop it over time with input from a range of stakeholders. This policy (as used by CCLA's COIF Charities Investment Fund) avoids investment in companies:

- producing landmines or cluster bombs
- with significant (>33%) turnover relating to:
  - tobacco
  - online gambling
  - production of pornography

Remaining companies that continue, after persistent engagement, to violate international and/or industry norms in relation to the following will be excluded:

- UK public health minimum standards (alcohol abuse and obesity)
- international norms (human rights, core employment standards and climate change disclosure) In addition to this, we follow:
  - the Church of England's bespoke screen for high interest rate lending
  - CCLA's COIF Charities Ethical Investment Fund's 2013-15 Living Wage engage/divest programme relating to the FTSE100 financial and pharmaceutical companies.

In addition, we expect our fund managers to be signatories to the UN Principles for Responsible Investment, and review their approach to responsible investment annually.

During 2014-15, we published a response to the UK Stewardship Code for asset owners on our website and on the Financial Reporting Council website. The UK Stewardship Code, prepared by the Financial Reporting Council, sets out the principles of effective ownership by institutional investors (like Big Local Trust) to the benefit of the company and the investor. Big Local Trust's response to the UK Stewardship Code summarises our approach to corporate governance and compliance with the Code.

## **Reporting**

CCLA reports to the investment sub-committee on a quarterly basis and the sub-committee reports to each quarterly board meeting and makes any appropriate recommendations. The sub-committee formally reviews the investment strategy once a year in line with the trust deed, and makes recommendations to the board.

The investment sub-committee includes two voluntary, co-opted members, Chris Wigley and Serena Loudon, who bring independent investment expertise to investment sub-committee discussions.

## **Change of custodian**

During 2014-15, CCLA made the decision to change the custodian it uses, from Northern Trust to HSBC. (The custodian is the independent financial institution that holds Big Local Trust's funds, and trades as instructed by CCLA, the investment manager.) The board formally reviewed and agreed this proposal, so that the custodian for Big Local Trust's funds will become HSBC. Local Trust took additional legal advice from its solicitor Withers, and tax advice from PwC, on the completion of the associated account opening forms and power of attorney letters, which were completed in March 2015. The final transfer to HSBC took place in June 2015.

## Grant making policy

Big Local Trust grant making policies are set in accordance with the trust deed and explained below.

Each Big Local area draws down funding by providing proposals or plans to be endorsed, setting out how they plan to work to address priorities identified by people in the area. Big Local areas are asked to identify organisation(s) to hold and be responsible for the funding. We call these locally trusted organisations, and they are mostly voluntary and community organisations working in the area. However, we accept proposals from other organisations, for example, statutory bodies, such as schools and councils, or organisations from outside the area, where the area agrees this is most likely to help achieve the outcomes of Big Local.

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'.

Our monitoring of grants is proportionate to the size of the award, for example, for Getting Started awards of £20,000 we ask for a short grant expenditure report, and for Big Local plan funding we require expenditure reports and a plan review.

## Local Trust as a locally trusted organisation

Local Trust has acted as the locally trusted organisation for a small number of Big Local areas that have been unable to identify a suitable organisation to fulfil this role. During this year these areas were William Morris, Conniburrow, Littlemoor, Palfrey, Firs and Bromford, Noel Park Estate and Chinbrook. When plan funding is drawn down, locally trusted organisations receive an administration contribution of 5% of the grant. We reflect the equivalent administration contribution for Local Trust acting as the locally trusted organisation, and in 2014-15 this totalled £2,051 for plan funds drawn down by William Morris and Firs and Bromford.

## Social investment policy

A social investment is a loan or other financial investment that aims to make a positive economic, social or environmental impact in a community, as well as earning income. Within Big Local, social investments are available to people and organisations who cannot borrow money from traditional banks and who can contribute to the area achieving their Big Local plan. If a person, a business or a voluntary or community organisation can get an affordable loan from a high street bank, they should do this in the first instance because if someone else will finance the activity, at an interest rate that is affordable, then Big Local money can be accessed by people, businesses and organisations that cannot get access to fair credit elsewhere.

There are different types of social investment, but the following are most useful to Big Local in the context of meeting the priorities in Big Local plans and within the context of the trust deed:

- personal lending: loans to people that traditional banks would not lend to
- microfinance: small loans for self-employed people and very small businesses
- small and medium enterprises: loans to help local businesses
- social enterprise loans: loans to charities, community organisations and social enterprises.



The decision to make social investments with Big Local money is made by the Big Local partnership, as part of achieving their Big Local plan and the vision within it. If an area wants to use social investment, Local Trust will provide advice through Small Change and our social investment reps and help find a suitable community finance organisation to manage the loans, for example a credit union or a community development finance institution. Social investments can be risky and partnerships must be clear about how much risk they are willing to take and how they, and we, will monitor the results of investments and how to improve them.

## Policy on reserves

Big Local Trust held total funds of £207,085,084 as at 31 March 2015; this is an expendable endowment to be spent by 13 February 2027. In order to achieve this, we have a detailed indicative budget to February 2027, to ensure that there is funding to cover Big Local Trust's day-to-day costs and long term objectives during that time. The budget to February 2027 is based on the following principles and assumptions:

### Principles

Each area receives what has been promised to them:

- Getting People Involved funding for wave 1 areas (£30,000) and Getting Started funding for wave 2 and 3 areas (£20,000)
- plan preparation funding (£2,000)
- £1 million, plus a fair proportion of net investment returns earned by the fund
- a contribution towards partnership running costs or grant administration (5% of the total spend) available once plan is endorsed
- an administration fee for loan giving based on a per loan rate
- 'Marketplace' funding (£22,500 per area), available once each area's plan is signed off
- travel and carer costs for residents to attend networking and learning events
- support for community entrepreneurs (Star People awards).

## Constructive obligations

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 specific amount of funding has been endorsed for a stated period of time. We record these constructive obligations, or grant commitments, as creditors in these accounts. Big Local Trust's constructive obligations increased from £2,939,195 in 2013-14 to £6,659,981 in 2014-15, reflecting the increase in the number of Big Local areas which have been offered plan funding. This increase is also reflected in the grants payable figure in the statement of financial activities.

## Financial planning

We undertake annual reviews of the budget to inform Big Local development, how funding is allocated and how areas are supported. The budget to 2027 is updated each year with actual spend and income and reforecast annually. It includes estimates of constructive obligations (e.g. funding committed) to areas as we deliver plan funding.

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.



# Principal risks and opportunities

## Our approach

**'I do feel it is really empowering for the community that Local Trust is open to them trying new ideas/initiatives and making mistakes or ventures, failing as long as they learn from them and move forward. Brilliant move!' (Big Local partnership member)**

We developed our 'rewarded risk' approach in response to recommendations from our audit findings report 2013-14. In reviewing our approach the finance and audit sub-committee asked us to focus on risks and opportunities so that it was clear that 'rewarded risks' are in fact opportunities. Our March 2015 risk and opportunity map and process document take this into account.

We manage risks and opportunities proportionally and recognise the importance of mitigating and controlling risks and spending time on opportunities that can give positive returns and benefits. We know that risks can be about value protection, for example, if we fail to comply with the law there are significant consequences, but there is no extra credit for being even more compliant. Opportunities are about the upside, for example, developing a resident-led approach to supporting communities. The primary reason for taking opportunities is to add value to what we are doing and what we want to achieve. Although they might have a downside, the potential upside is greater.

We group risks and opportunities into clusters around principal risks or opportunities with both specific risks and opportunities listed within that cluster. Actions to mitigate or strengthen the situation and actions to control or enable the situation are recorded similarly for each principal risk or opportunity.

## Examples

### **Principal risk or opportunity: resident led approach to funding and supporting areas**

**Risk:** Current economic climate means locally trusted organisations, delivery partners or other sub-contractors are not viable and close/go into administration. We manage and mitigate these risks via open dialogue with organisations, local intelligence from Big Local reps, contracts and grant agreements.

**Opportunity:** Decision-making is local, we endorse and support rather than decide and control. Residents make decisions about Big Local to build the skills and confidence of people to make a difference themselves; this might mean the programme is slower to deliver but it will be more embedded.

### **Principal risk or opportunity: investment**

**Risk:** The investment fails to keep pace with inflation and/or we lose some of the investment. We review the investment strategy each year to maximise returns and to minimise the risk of losses. Big Local areas are not promised any specific returns or that the investment will keep pace with inflation.

**Opportunity:** Our investment strategy allows up to 40% of funds to be held in equity and property. Equity and property expose the funds to greater potential gains as well as losses so all funds need

to be invested to achieve an optimum balance between risk and return given the cash flow requirements of the programme.

**Principal risk or opportunity: Local Trust operations**

**Risk:** Inappropriate finance systems and/or procedures in place at Local Trust could lead to misappropriation of funds, loss of money and a poor audit so we carefully manage our systems and procedures to ensure appropriate use of funding, following advice from auditors.

**Opportunity:** We need to develop knowledge management systems to ensure effective programme management and programme evaluation from 150 areas plus reps, partners and staff. We plan to develop and maximise the use of data collected to the benefit of the programme and all involved in line with the agreed evaluation framework.

We have found a risk and opportunity approach to be refreshing and invigorating as it gives us permission to explore different ways of working and explore the potential returns from taking opportunities, whilst also identifying risks and taking appropriate action.

## Governance and committees

### Governance

Governance is about the board ensuring that Local Trust and Big Local Trust run effectively and follow good practice. 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.

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

During the year we ran an open recruitment process for additional members to the Local Trust board. In October 2014 we appointed four new members, taking the total number to 13 due to the quality of applicants. We amended our articles to allow a temporary increase in numbers with agreement of the protector, although one recently appointed trustee stood down in June 2015 taking the number of trustees back to 12.

Trustees receive clear, high quality reports and information in time to inform decision-making in line with governing documents. We organised a number of activities to ensure that we maximise the contribution that trustees make.

### Board review

During autumn 2014, the chair and chief executive met individually with the eight longer serving trustees to gain feedback on board effectiveness and prepared a report as a result of those meetings. Overall trustees reported their view that the board was stronger as a result of their work in the past year including the ability of the board to be coherent and cohesive; conflicts of interest being minimised; excellent attendance; honesty; good balance of input around the table; an enabling environment and clear board papers. In addition some members completed a survey of charitable boards from Dr Stuart Farquhar from the University of Wolverhampton to review effectiveness.

### Development work

Trustees spent time during the year focusing on key topics including:

- strategies for Local Trust and Big Local, published on our website and used with stakeholders
- challenge role of trustees particularly in relation to the progress of Big Local
- evaluation framework and Big Local success measures/indicators
- approach to risks and opportunities.

### Sub-committees

During the year, we operated two sub-committees: a finance and audit sub-committee which met twice, and an investment sub-committee which met quarterly, to enable appropriate governance and oversight of these functions. Four board members sat on each sub-committee and in addition, two independent people with relevant experience sat on the investment sub-committee.



## Statement of trustees' responsibilities

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

#### Focus of activities

The corporate trustee has given due consideration to Charity Commission guidance on the operation of the public benefit requirement and is satisfied that the work of Big Local Trust meets that requirement. Big Local Trust's work in the year to 31 March 2015 focused on supporting the 150 Big Local areas to identify their priorities and to begin to develop and deliver plans to address these priorities.

#### Responsibilities of the trustee

The corporate trustee of Big Local Trust is responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

The law applicable to charities in England and Wales requires the trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustee is required to:

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

The trustee is responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the charity's constitution. The trustee is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees has confirmed that so far as he/she is aware, there is no relevant audit information of which the charity's auditors are unaware, and that he/she has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

#### Auditors

A resolution to appoint Crowe Clark Whitehill LLP was proposed and agreed at the last annual general meeting. Approved by the trustees on 15 October 2015 and signed on their behalf by:

Signed J. K. Sugrue Date 15/10/2015  
John Kevin Sugrue, Chair



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

We have audited the financial statements of Big Local Trust for the year ended 31 March 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 19.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 144 (*145 if the Charity is below the audit threshold and hence the audit is voluntary*) of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report and any other surround information to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2015 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

## **Matters on which we are required to report by exception**

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

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

*Crowe Clark Whitehill LLP*

**Crowe Clark Whitehill LLP**

Statutory Auditor

London

15 October 2015

Crowe Clark Whitehill LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

## Statement of financial activities

(incorporating an income and expenditure account) for the year ended 31 March 2015

	<u>Notes</u>	<b>Unrestricted funds</b> £	<b>Total 2015</b> £	<b>Total 2014</b> £
<b>Incoming resources from generated funds</b>				
Investment income	2	6,345,618	6,345,618	5,317,400
Other		1,664	1,664	-
<b>Total incoming resources</b>		<b>6,347,282</b>	<b>6,347,282</b>	<b>5,317,400</b>
<b>Resources expended</b>				
Cost of generating funds		582,866	582,866	655,077
Charitable expenditure:	3 & 4			
grants payable		13,252,290	13,252,290	7,402,316
delivery to areas		1,880,048	1,880,048	2,007,066
learning to support the programme		501,545	501,545	371,357
Governance	5	160,946	160,946	232,201
<b>Total resources expended</b>	3	<b>16,377,695</b>	<b>16,377,695</b>	<b>10,668,017</b>
<b>Net (outgoing) resources before other recognised gains and losses</b>		<b>(10,030,413)</b>	<b>(10,030,413)</b>	<b>(5,350,617)</b>
Unrealised gains/(losses) on investments	8	11,959,842	11,959,842	(3,188,393)
<b>Net incoming/(outgoing) resources for the year</b>		<b>1,929,429</b>	<b>1,929,429</b>	<b>(8,539,010)</b>
<b>Net movement in funds</b>				
Balance at 31 March 2014		205,155,655	205,155,655	213,694,665
Balance at 31 March 2015		207,085,084	207,085,084	205,155,655

All amounts related to continuing activities.

All charitable activities are in relation to the Big Local programme.

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

The accompanying notes on pages 36 to 50 form part of these financial statements.

# Balance sheet for the year to 31 March 2015

	Notes	2015 £	2014 £
Fixed assets			
Tangible assets	7	119,175	162,548
Investments	8 & 9	210,480,565	206,059,608
		<u>210,599,740</u>	<u>206,222,156</u>
Current assets			
Cash at bank and in hand		2,172,497	1,159,549
Debtors	11	1,799,371	1,350,442
Total current assets		<u>3,971,868</u>	<u>2,509,991</u>
Liabilities			
Creditors: amounts falling due within one year	12	<u>(7,400,931)</u>	<u>(3,576,492)</u>
Net current assets		<u>(3,429,063)</u>	<u>(1,066,501)</u>
Creditors: amounts falling due after one year	13	(85,593)	-
Net assets		<u>207,085,084</u>	<u>205,155,655</u>
Funds			
Unrestricted funds		207,085,084	205,155,655
<b>Total funds</b>		<u>207,085,084</u>	<u>205,155,655</u>

Approved by the corporate trustee, authorised for issue on 15 October 2015 and signed on behalf of the trustee:

Signed J. K. Sugrue Date 15/10/2015

John Kevin Sugrue

Chair



## Cash flow statement for the year to 31 March 2015

	2015	2014
	£	£
<b>Cash (outflow) from operating activities</b>		
Net (outgoing) resources	(10,030,413)	(5,350,617)
Investment income earned	(6,345,618)	(5,317,400)
Depreciation of tangible fixed assets	80,632	48,511
(Increase) in debtors	(448,929)	(234,326)
Increase in creditors	3,910,032	2,470,437
Investment management fees	582,866	655,077
<b>Net cash (outflow) from operating activities</b>	<b>(12,251,430)</b>	<b>(7,728,318)</b>
 <b>Returns on investments and investment management</b>		
Investment income received	6,345,618	5,317,400
Investment management fees	(582,866)	(655,077)
	<b>5,762,752</b>	<b>4,662,323</b>
 <b>Capital expenditure and financial investment</b>		
Cash transferred into investment portfolio	-	(4,805,013)
Decrease in cash held on deposit	3,183,221	-
Payments to acquire tangible fixed assets	(37,260)	(153,917)
Payments to acquire fixed asset investments	(8,644,335)	-
Receipts from the sale of fixed asset investments	13,000,000	7,500,000
	<b>7,501,626</b>	<b>2,541,070</b>
 <b>Net cash inflow/(outflow) before financing</b>	<b>1,012,948</b>	<b>(524,925)</b>
Increase/(decrease) in cash in the year	<b>1,012,948</b>	<b>(524,925)</b>
 <b>Analysis of changes in net funds</b>		
Cash at bank and in hand at 31 March 2014:	1,159,549	1,684,474
Increase/(decrease) in the period	1,012,948	(524,925)
Cash at bank and in hand at 31 March 2015:	<b>2,172,497</b>	<b>1,159,549</b>

# Notes to the accounts for year to 31 March 2015

## 1. Accounting policies

### Introduction

The financial statements of the charity have been prepared in accordance with accounting standards, the Charities Act 2011 and the Statement of Recommended Practice 'Accounting and Reporting by Charities' (Charities SORP). These financial statements are drawn up on the historical cost accounting basis except that investment assets are carried at market value.

### Incoming resources

Incoming resources are recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. 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.

### Fund accounting

Unrestricted funds comprise those funds that the trustee is free to use in accordance with the charitable objects. 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.

### Resources expended

Expenditure is included on an accruals basis for charitable activities, cost of generating funds and governance.

Resources expended are 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.

The cost of staff whose responsibility was the direct management and administration of an activity are apportioned based on time spent in undertaking that activity. The direct staff cost allocation for the period to 31 March 2015 was:

- delivery to areas: 59% (2014: 58%)
- learning to support the programme: 28% (2014: 28%)
- governance: 13% (2014: 14%)

### Allocation of support costs

Support costs are those costs which enable the generation of funds and which enable charitable activities to be carried out. These costs include finance, human resources and information technology. Support costs are re-allocated to each of the activities based on an estimate of support staff time attributable to each activity. The support staff cost allocation for the period to 31 March 2015 was:

- grant expenditure directly to areas: 42% (2014: 34%)
- delivery to areas: 19% (2014: 24%)
- learning to support the programme: 24% (2014: 27%)
- governance: 15% (2014: 15%).

### **Operating leases**

Rentals payable under operating leases are charged to the statement of financial activities (SOFA) on a straight line basis over the life of the lease.

### **Costs of generating funds**

Costs of generating funds are the investment management fees charged by CCLA for managing the investment portfolio. Fees were based on 0.3% of the value of the portfolio calculated on a monthly basis. Investment fees include VAT which cannot be recovered.

### **Governance costs**

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities. Governance costs include an element of staff time based on the proportional allocation described under the 'resources expended' policy above.

### **Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised. Land is not depreciated. Depreciation on website development, IT equipment and office furniture is provided to write off assets on a straight-line basis over their estimated useful economic life (three years).

### **Investments**

Investments are included at their mid-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.

### **Pension**

The charity 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.

### **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 £x 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.

## **2. Investment income**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Interest earned on cash and cash instruments	199,435	833,617
Fixed interest from bonds	3,752,010	2,514,033
Dividends from equities	1,951,054	1,723,583
Bank interest	443,119	246,167
<b>Total</b>	<b>6,345,618</b>	<b>5,317,400</b>



### 3. Resources expended

	Charitable activities					2015 Total £	2014 Total £
	Grant expenditure directly to areas £	Delivery to areas £	Learning to support the programme £	Cost of generating funds £	Governance £		
<b>Direct costs</b>							
Staff		251,930	119,603		53,440	424,973	332,754
Grants to areas							
GPI 2	(41,327)					(41,327)	23,226
Getting started	41,226					41,226	1,126,844
Creating plan	84,770					84,770	70,987
Marketplace	9,600					9,600	3,540
Pathway funding	502,737					502,737	480,563
Big Local plan funding	11,108,413					11,108,413	4,151,757
Community travel and childcare	27,330					27,330	20,816
Area admin contribution	539,969					539,969	197,419
Grant funding for Star People	818,637					818,637	1,131,097
Area delivery costs		1,554,724				1,554,724	1,670,732
Programme development			290,862			290,862	118,208
Direct governance costs					52,682	52,682	99,919
Finance charges				582,866		582,866	655,077
<b>Total direct costs</b>	<b>13,091,355</b>	<b>1,806,654</b>	<b>410,465</b>	<b>582,866</b>	<b>106,122</b>	<b>15,997,462</b>	<b>10,082,939</b>
<b>Support costs</b>							
Staff	57,086	26,033	32,306		19,447	134,872	258,595
Communication and marketing	6,153	2,807	3,484		2,096	14,538	61,913
IT and consultancy	27,803	12,679	15,735		9,471	65,688	108,842
Rent and office costs	35,766	16,311	20,241		12,184	84,503	107,217
Depreciation	34,128	15,564	19,314		11,626	80,632	48,511
<b>Total support costs</b>	<b>160,935</b>	<b>73,394</b>	<b>91,080</b>		<b>54,824</b>	<b>380,233</b>	<b>585,078</b>
<b>Total expenditure</b>	<b>13,252,290</b>	<b>1,880,048</b>	<b>501,545</b>	<b>582,866</b>	<b>160,946</b>	<b>16,377,695</b>	<b>10,668,017</b>

#### 4 Grants payable

Big Local area	Locally trusted organisation	New grants £	Repayment of unspent grants £	Closed grants £	2015 Total £
Aberfeldy	Poplar HARCA	20,000	-	-	20,000
Allenton	Enthusiasm Trust	-	(2,202)	-	(2,202)
Arches Local	All Saints Community Project	5,000	-	-	5,000
Barnfield	Greenwich Co-operative Development Agency	81,587	-	-	81,587
	Plumcroft Primary School	5,742	-	(81,587)	(75,845)
	Barrow Borough Council	1,693	-	(50,264)	(48,571)
Barrow Island	Barrow Borough Sports Council	15,863	-	-	15,863
	Barrow Island Community Sports Trust	20,999	-	-	20,999
	Cumbria CVS	9,450	-	-	9,450
Barrowcliff	Groundwork North Yorkshire	483,215	-	-	483,215
Beechwood & Ballantyne & Bidston Village	Voluntary and Community Action Wirral	88,725	(962)	-	87,763
Birchfield	Birchfield Neighbourhood Forum	-	(1,000)	-	(1,000)
	Birmingham Voluntary Services Council	-	-	(41,826)	(41,826)
Birchwood	Learning Communities	20,000	-	-	20,000
Blackpool Revue	Blackpool, Wyre and Fylde Council for Voluntary Services	11,676	-	-	11,676
Bountagu	Enfield Children & Young Person's Services	196,804	-	-	196,804
Bourne Estate	Bourne Valley Action Group	2,000	-	-	2,000
Bradley	Pendle Borough Council	109,625	-	-	109,625
Brereton	Brereton and Ravenhill Parish Council	14,500	(14,072)	-	428
	Support Staffordshire	165,375	-	-	165,375
Brinnington	Groundwork MSSTT	132,286	-	-	132,286
	Rising Stars North West	11,015	-	-	11,015
Brookside	Accord Housing Association Ltd	3,858	-	-	3,858
	Stirchley & Brookside Parish Council	18,000	-	-	18,000
	Telford & Wrekin Council for Voluntary Services	-	(1,658)	-	(1,658)
Canvey	Essex Boys & Girls Clubs	11,017	-	-	11,017
Cars Estate	Colebridge Trust, Solihull SUSTAIN	16,635	-	-	16,635
Calton Grove	People Shaped Solution CIC	155,942	(3,522)	(81,030)	71,390
CELL - Cresswell, Ellington, Lynemouth & Linton	Lynemouth Community Trust	201,875	-	-	201,875
Central Boston	TAYLORITEX CIC	2,600	-	-	2,600
Central Jarrow	Groundwork South Tyneside and Newcastle	134,927	(9,182)	-	125,745

Big Local area	Locally trusted organisation	New grants £	Repayment of unspent grants £	Closed grants £	2015 Total £
Chinbrook	Community Links Bromley	9,900	-	-	9,900
	Local Trust as LTO	374	-	-	374
Church Hill	Bromsgrove and Redditch Network	175,483	-	-	175,483
Clarksfield, Greenacres & Littlemoor	Greenacres Community Association	100,674	-	-	100,674
Clubmoor	Liverpool Charity and Voluntary Services	36,750	-	-	36,750
Collyhurst	Manchester Communication Academy	192,675	(3,627)	(4,500)	184,548
	Local Trust as LTO	2,000	-	(3,467)	(1,467)
Conniburrow	Milton Keynes Community Foundation	249,764	-	-	249,764
Devonshire West	3VA	167,100	(9,231)	-	157,869
Distington	Cumbria CVS	135,975	-	-	135,975
	Distington Parish Council	19,700	-	-	19,700
Dover Town	The Dover Society	197,763	(80,782)	(78,881)	38,100
East Cleveland Rural Villages	Tees Valley Rural Community Council	-	(7,599)	-	(7,599)
East Coseley	Dudley Council for Voluntary Services	-	(93)	-	(93)
Eastern Sheppey	Swale Community & Voluntary Services	110,830	-	-	110,830
Elmton, Creswell & Hodthorpe	Community Voluntary Partners	96,133	-	-	96,133
Elthorne Estates	Caxton House Community Centre	10,000	-	-	10,000
Farley Hill	Age Concern Luton	120,750	-	-	120,750
Fratton	Action Hampshire	113,022	-	-	113,022
	Fratton Community Association	-	(983)	-	(983)
Gannow	Burnley, Pendle & Rossendale CVS	92,626	-	-	92,626
Gateshead	GVOC	-	-	(27,980)	(27,980)
Goldthorpe with Bolton-on-Deerne	Voluntary Action Barnsley	18,000	-	-	18,000
Grace Mary to Lion Farm	Sandwell Council of Voluntary Organisations	89,900	-	-	89,900
Grassmoor & Hasland	Links, Chesterfield & NE Derbyshire VS	175,202	-	-	175,202
	North Eastern Derbyshire Business Development	2,200	-	-	2,200
Greatfield	Hull & East Yorkshire Community Foundation	79,132	(468)	-	78,664
	Hull and East Yorkshire Credit Union	6,300	-	-	6,300
	PROBE	9,450	-	-	9,450
Growing Together	Blackthorn Good Neighbours	633,172	(98,600)	-	534,572
Hackney Wick	East End Community Foundation	133,875	-	-	133,875

Big Local area	Locally trusted organisation	New grants £	Repayment of unspent grants £	Closed grants £	2015 Total £
Hanwell, Copley Close	E.A.S.E. Empowering Action and Social	161,750	-	-	161,750
Harefield, Midanbury & Thornhill Park (Big Local SO18)	Southampton Voluntary Services	54,637	-	-	54,637
	TWICS	64,997	(4,244)	-	60,753
Hateley Heath	Sandwell Community Information & Participation Services	18,000	-	-	18,000
Hawksworth Wood Estate, the Abbeydales & the Vespers (HAVA)	Cardigan Centre	105,248	-	-	105,248
	Hawksworth Wood Older People's Support Services Limited	-	(9,690)	-	(9,690)
Heart of Pitsea	Basildon, Billericay & Wickford CVS	26,250	(16,397)	-	9,853
Heart of Sidley	Amicus Horizon Ltd	49,178	-	-	49,178
	Rother Voluntary Action	58,207	-	-	58,207
Heath Big Local	Uttoxeter Knights	444,653	(1,600)	-	443,053
Hill Top & Cauldwell	Warwickshire Community and Voluntary	2,000	-	-	2,000
Horsefair, Broadwaters & Greenhill (DY10)	Compass Community Partnerships	3,500	-	-	3,500
	Vestia Community Trust	102,000	(1,500)	-	100,500
Inner East Preston	Fishwick Rangers	2,000	-	-	2,000
Keighley Village	Airedale Enterprise Services	18,000	-	-	18,000
Kingsbrook and Cauldwell	Mid and North Bedfordshire CVS	52,500	-	-	52,500
Kingswood & Hazel Leys	CVS Northamptonshire	178,590	-	(52,475)	126,115
Kirk Hallam	Kirk Hallam Community Technology & Sports College	107,100	(3,609)	-	103,491
Kirkholt	Council for Voluntary Services Rochdale	128,625	-	-	128,625
Langold, Costhorpe & Carlton	Rural Community Action Nottinghamshire	92,400	(700)	-	91,700
Latch Ford	Golden Gates Housing Trust Ltd	97,576	-	-	97,576
Lawrence Weston	Ambition Lawrence Weston	2,250	-	-	2,250
Leecliffe	Community Action Hertsmere	-	(13,365)	(44,074)	(57,439)
Leigh West	Leigh Neighbours Project	60,439	(4,646)	-	55,793
Little Hulton	Salford City College	107,363	-	-	107,363
Littlemoor	Local Trust as LTO	-	-	(1,559)	(1,559)
	Rotary Club of Melcombe Regis	20,000	-	-	20,000
London Road area of Broad Green	Croydon Voluntary Action	11,000	-	-	11,000
Mablethorpe, Trusthorpe & Sutton on Sea	Lincolnshire Community Foundation	212,187	(3,087)	-	209,100
Marks Gate	London Community Foundation	13,466	-	-	13,466
Marsh & Micklefield	Buckinghamshire Community Foundation	-	(2,319)	-	(2,319)



Big Local area	Locally trusted organisation	New grants £	Repayment of unspent grants £	Closed grants £	2015 Total £
NE Hastings	Orbit South Housing Association	133,251	(2,525)	-	130,726
New Arley & Ansley (The Leys)	WCAVA	18,000	-	-	18,000
Newington, Ramsgate	Diocese of Canterbury	51,075	-	-	51,075
	East Kent Voluntary Action Support	141,015	-	-	141,015
	Newington Road Surgery Ltd	23,361	-	-	23,361
Noel Park Estate	Haringey Association of Voluntary & Community Organisations	2,000	-	-	2,000
	Local Trust as LTO	15,125			15,125
North Brixton	London Community Foundation	341,918	-	-	341,918
North Cleethorpe	Voluntary Action North East Lincolnshire	149,462	-	-	149,462
North Ormesby	North Ormesby Development Trust	188,900	-	-	188,900
Northfleet North	Council for Voluntary Service North West Kent	187,034	-	-	187,034
Northwood	Community Foundation for Merseyside	-	-	(58,643)	(58,643)
	Knowsley Housing Trust	-	(11,427)	-	(11,427)
NW Ipswich	Community Action Suffolk	96,075	(124,950)	-	(28,875)
	Ipswich Borough Council	100,000	-	-	100,000
Palfrey	Local Trust as LTO	1,200	-	-	1,200
	Palfrey Community Association	13,391	-	-	13,391
Par Bay	Eden Project Campaigns Ltd	403,005	-	(83,864)	319,141
People's Empowerment Alliance of Custom House (PEACH)	Custom House & Canning Town Community Renewal	149,839	-	(22,473)	127,366
Plaistow South	Rights And Equalities In Newham	107,935	(7,665)	-	100,270
Podsmead	GL Communities	46,130	(3,324)	(13,065)	29,741
Prospect Estate	First Wessex	13,550	-	-	13,550
	Rushmoor Borough Council	124,229	-	-	124,229
Radstock & Westfield	Curo Places (Somer Community Housing)	-	(14,151)	-	(14,151)
	Somer Valley Community Radio Ltd	6,825	-	-	6,825
	Westfield Parish Council	115,266	-	-	115,266
Ramsey	Cambridgeshire ACRE	126,939	-	-	126,939
	Ramsey Initiative	1,050	-	-	1,050
	Ramsey Neighbourhoods Trust	103,257	-	-	103,257
	The Guild Social Economy Services CIC	2,250	-	-	2,250
Rastrick	Community Foundation for Calderdale	107,250	-	-	107,250

Big Local area	Locally trusted organisation	New grants £	Repayment of unspent grants £	Closed grants £	2015 Total £
Ravensthorpe & Westwood	Cross Keys Homes	20,000	-	-	20,000
Ridge Hill	New Charter Housing Trust Group	108,339	-	-	108,339
	Tameside Metropolitan Borough Council	-	(4,755)	-	(4,755)
Roseworth Ward	Catalyst Stockton on Tees Ltd	240,915	-	-	240,915
Rudheath & Witton	Groundwork Cheshire	103,555	-	-	103,555
Scotlands & Bushbury Hill	Bushbury Hill Estate Management Board	178,988	-	-	178,988
Selby Town	Selby District Association of Voluntary Services	26,680	-	-	26,680
Shadsworth with Whitebirk	Blackburn with Darwen Council for Voluntary Services	19,845	-	-	19,845
	Blackburn with Darwen Healthy Living	121,347	-	(8,846)	112,501
Slade Green	Howbury Friends	204,089	-	(24,675)	179,414
Somers Town	Somers Town Community Association	-	(12,155)	-	(12,155)
Sompting	Adur Voluntary Action	118,700	-	-	118,700
South Bermondsey	United St Saviour's Charity	66,886	-	(21,606)	45,280
St Matthew's Estate	The Contact Project	129,561	-	-	129,561
St Oswald & Netherton	Sefton Metropolitan Borough Council	122,123	-	-	122,123
St Peter's & the Moors	Cheltenham Borough Council	95,891	-	-	95,891
Stoke North	Staffordshire Housing Association	121,910	-	-	121,910
Three Parishes	Oswestry Community Action	157,596	-	-	157,596
Thurcroft	Rotherham Federation of Tenants and Residents	53,588	-	-	53,588
Thurnscoe	Voluntary Action Barnsley	62,425	-	-	62,425
Tonge with the Haulgh	Bolton at Home Ltd	20,000	-	-	20,000
Toothill	Swindon Borough Council	113,400	-	-	113,400
Tree Estate	Healthy Living Centre Dartford	-	(1,626)	-	(1,626)
Wargrave	Helena Partnerships Ltd	2,000	-	-	2,000
Warsop Parish	Mansfield Community and Voluntary Services	42,000	-	(21,368)	20,632
Warwick Ahead	Leeds City Credit Union	30,181	-	-	30,181
	Leeds Mind	26,698	-	-	26,698
	Nova Wakefield District Ltd	32,208	-	-	32,208
	One to One Development Trust	20,055	-	-	20,055
	Osgoldcross Forum Ltd	51,481	-	-	51,481
	The Old Quarry Adventure Playground	99,521	-	-	99,521
	Warwick Community Group	7,770	-	-	7,770
	Warwick Neighbourhood Watch	11,535	-	-	11,535

Big Local area	Locally trusted organisation	New grants £	Repayment of unspent grants £	Closed grants £	2015 Total £
Wecock Farm	HCCS Community Action	107,000	-	-	107,000
Wembley Central	CVS Brent	18,000	-	-	18,000
Westfield Estate	Westfield Learning Community Trust	4,200	-	-	4,200
Whitleigh	Whitleigh Big Local	11,104	-	-	11,104
	Woodview Learning Community	182,085	-	-	182,085
Whitley	Aspire2	2,000	-	-	2,000
Whitley Bay	New Prospects Association Ltd	155,715	-	-	155,715
	North Tyneside VODA	-	-	(38,697)	(38,697)
William Morris	Local Trust as LTO	-	-	(10,411)	(10,411)
Windmill Hill	Groundwork Cheshire	93,450	-	-	93,450
	Liverpool Housing Trust	20,000	-	-	20,000
Winterton	Voluntary Action North Lincolnshire	226,384	(227)	-	226,157
Woolavington & Puriton	Voluntary Sector Training Alliance (Vista)	-	(947)	-	(947)
	Woolavington Parish Council	11,500	-	-	11,500
World's End & Lots Road	Chelsea Theatre Ltd	7,915	-	-	7,915
Worle	NSAH (Alliance Homes) Limited	128,310	(215)	-	128,095
Wormley & Turnford	CVS for Broxbourne & East Herts (CVSB)	237,666	(3,242)	-	234,424
Subtotal of grants to local areas		13,497,023	(482,347)	(771,291)	12,243,385
					<b>2015 Total £</b>
<b>Other grants</b>					
Residents' travel and childcare					27,330
Grant to UnLtd for Star People					818,637
Other amendments to grants					2,003
Total grants payable					13,091,355

Note: The total grants payable figure in the statement of financial activities on page 33 includes support costs of £160,935.



## 5 Governance costs

	2015	2014
	£	£
Staff costs	53,440	45,952
Financial advice	1,980	5,280
Audit fees	15,300	17,400
Solicitor's fees	10,091	52,162
Protector's fees	15,413	15,553
Protector's legal fees	-	-
Trustees' expenses	6,558	6,060
Trustees' recruitment	-	43
Trustees' training	3,178	768
Other	162	2,653
Allocation of support costs	54,824	86,330
Total governance	160,946	232,201

## 6 Net outgoing resources

Net outgoing resources are stated after charging:

	2015	2014
	£	£
Depreciation	80,632	48,511
Auditor's remuneration:		
-audit	15,300	16,200
-non-audit (tax returns)	1,980	1,800
Investment manager's fees	582,866	655,077
Legal and professional fees	10,091	52,162
Operating lease charges	38,120	38,200

## 7 Tangible fixed assets

				2015	2014
	Website	Office	IT	Total	Total
	development	refurbishment	equipment		
	£	£	£	£	£
Cost					
Balance brought forward	42,000	42,965	142,006	226,971	73,054
Additions	37,260	-	-	37,260	153,917
Disposals	-	-	-	-	-
Balance carried forward	79,260	42,965	142,006	264,231	226,971
Depreciation					
Balance brought forward	1,167	9,548	53,709	64,424	15,912
Disposals	-	-	-	-	-
Charge for year	19,270	14,322	47,040	80,632	48,511
Balance carried forward	20,437	23,870	100,749	145,056	64,423
Net book value					
Brought forward	40,833	33,417	88,298	162,548	57,142
Carried forward	58,823	19,095	41,257	119,175	162,548

Fixed asset additions for 2014-15 included work on further development of Big Local Community, our funding management system (listed under IT equipment), and work to integrate information from Big Local Community into the new website.

## 8 Investments

	2015	2014
	£	£
Market value brought forward	201,254,595	211,942,988
Investment additions	8,644,335	-
Investment income drawdown	(13,000,000)	(7,500,000)
Realised gain/loss on disposal	2,129,810	2,601,494
Unrealised gain on investments	9,830,032	(5,789,887)
Net gains/(losses) on investment	11,959,842	(3,188,393)
Market value carried forward	208,858,772	201,254,595
Cash held on deposit	1,621,793	4,805,013
Total investments	210,480,565	206,059,608

## 9 Investments by type and location of fund

	2015 UK £	2015 Overseas £	2014 UK £	2014 Overseas £
Equity	19,148,112	25,014,467	22,676,210	26,689,502
Fixed interest	92,596,675	-	85,607,439	-
Property	18,027,250	-	10,384,435	-
Cash	55,694,061	-	60,702,022	-
Total	185,466,098	25,014,467	179,370,106	26,689,502

The total book cost of investments held at 31 March 2015 was £200,988,220 (2014: £203,235,184).

There were no individual holdings in excess of 5% of the total portfolio valuation at 31 March 2015 (2014: nil).

## 10 Consolidated movements in funds

	Balance at 31 March 2014	Incoming resources	Outgoing resources	Gains/ (losses)	Balance at 31 March 2015
Big Lottery Fund	198,355,345	-	(15,794,829)	-	182,560,516
Investment income	6,800,310	6,345,618	(582,866)	11,959,842	24,522,904
Other income	-	1,664	-	-	1,664
Total	205,155,655	6,347,282	(16,377,695)	11,959,842	207,085,084

## 11 Debtors

	2015 £	2014 £
Debtors	155,542	5,664
Amounts due from Local Trust	1,664	2,977
Prepayments	38,159	20,837
Accrued income	1,604,006	1,320,964
Total	1,799,371	1,350,442



## 12 Creditors: amounts falling due within one year

	2015	2014
	£	£
Trade creditors	545,266	451,406
Grant commitments	6,659,981	2,939,195
Social security and other taxation	12,812	12,437
Accruals	178,464	173,454
Pension payments due	4,408	-
Total	7,400,931	3,576,492

## 13 Creditors: amounts falling due after one year

	2015	2014
	£	£
Grant commitments	85,593	-
Total	85,593	-

## 14 Operating leases

	2015	2014
Land and buildings, due in 2 to 5 years	38,120	38,120

## 15 Staff costs and numbers

	2015	2014
	£	£
Wages and salaries	439,596	397,311
Social security and other taxes	46,920	42,932
Pension	40,352	35,119
Total	526,868	475,362

Trustees are responsible for setting remuneration levels for staff, making informed judgments in line with governing documents each year, via the finance and audit sub-committee who make recommendations to the board. Trustees recognise the importance of valuing staff that need to effectively and appropriately manage the endowment, the programme, grants and social investment into 150 areas and the contracts/grants of those delivering national support, research and evaluation. Tank Consulting have market tested salaries against national partner and voluntary and community sector organisations and independent trusts and foundations and trustees consider pay increases annually. Trustees recognise our approach might change in future as the organisation and staff team matures and as external factors change.

Staff are jointly employed between Big Local Trust and Local Trust. The monthly average full-time equivalent number of employees during the year was 10.75. Only one employee during the period earned between £80,000 and £90,000 per annum. In line with NCVO's Inquiry into Senior Executive Pay (April 2014), we publish details of our chief executive's pay and the ratio between the highest, median and lowest salaries in our annual report and accounts.

The gross salary of our chief executive, Debbie Ladds, in 2014-15 was £88,001 and the employer contributions to her pension fund totalled £9,394. As at 31 March 2015, the highest full time gross

salary was £88,001, the median was £34,165 (ratio 2.6 to 1 between highest and median) and the lowest was £25,883 (ratio 3.4 to 1 between highest and lowest).

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

## **16 Pension**

We offer staff the opportunity to join a defined contribution Group Personal Pension Plan ('the scheme'). Monthly contributions to the scheme are invested in personal pension plans with an insurance company (Scottish Widows). Big Local Trust's contribution to the scheme is based on 10% of the employee's basic annual salary plus an amount equal to the saving Big Local Trust makes under the salary exchange system from the employer National Insurance contribution; the minimum employee contribution to the scheme is 3.5%.

Pension contributions made by Big Local Trust to the scheme during the year were £40,352 (2014: £35,119) for nine employees. As at 31 March 2015, Big Local Trust owed £4,408 (2014: £7,082) to the scheme relating to March salary payments: the amount due was settled on time during April 2015.

## **17 Trustees' remuneration, benefits and expenses**

Trustees received no remuneration. Six trustees received reimbursements for travel costs during the period including travel related to trustee recruitment totalling £6,558, (2014: £6,060). Trustee recruitment costs during the period were £0 (2014: £43).

## **18 Big Local Trust Protector**

Protector fees and expenses of £15,413 were payable (2014: £15,553).

## **19 Related party transactions**

Alison Seabrooke is chief executive of the Community Development Foundation and a trustee at Local Trust (corporate trustee of Big Local Trust). Andrew Robinson is a trustee at the Community Development Foundation and at Local Trust. During the period, Big Local Trust paid the Community Development Foundation £50,829 for research activities (2014: £69,300 for research activities). As at 31 March 2015, Big Local Trust owed Community Development Foundation £19,860 (2014: £19,770).

Andrew Robinson is a director at CCLA. CCLA manage the Big Local Trust investment portfolio. Big Local Trust paid CCLA £582,866 in investment management charges during the year (2014: £653,513). At 31 March 2015, Big Local Trust owed CCLA a balance of £146,813 (2014: £158,246).

Benjamin Lee is a director of the National Association for Neighbourhood Management. Big Local Trust paid the National Association for Neighbourhood Management £80,808 (2014: £199,478) for delivery of learning and networking events during the period. At 31 March 2015, Big Local Trust owed the National Association for Neighbourhood Management a balance of £28,080 (2014: £46,248).

## Charity details

**Big Local Trust registered charity number** 1145916

**Principal address**

Unit D  
15-18 White Lion Street  
London  
N1 9PD

<b>Corporate trustee</b>	Local Trust:	registered company number	7833396
		registered charity number	1147511

Local Trust is the corporate trustee of Big Local Trust.

The trustees of Local Trust are:

**Directors and board members**

Alice Casey (appointed October 2014)  
Daniel Goodwin (appointed October 2014)  
Kathryn Kane  
Benjamin Lee  
Peter Mills  
Karen Riches (appointed October 2014)  
Andrew Robinson  
Shazad Sarwar (appointed October 2014, resigned June 2015)  
Alison Seabrooke  
Penelope Shepherd  
John Kevin Sugrue (chair)  
Jonathan Taylor  
John Whitton

**Investment sub-committee members**

Benjamin Lee  
Serena Loudon (co-optee)  
Peter Mills  
Alison Seabrooke  
Penelope Shepherd (chair)  
John Kevin Sugrue (ex-officio member from June 2014)  
Chris Wigley (co-optee)



**Finance and audit sub-committee members**

Kathryn Kane

Andrew Robinson

John Kevin Sugrue (chair until June 2014, then ex-officio member from June 2014)

Jonathan Taylor (chair from June 2014)

**Chief executive of Local Trust:** Debbie Ladds

**Protector of Big Local Trust:** Peter Thurston

## Advisors

### **Auditor**

Crowe Clark Whitehill LLP  
St Bride's House  
10 Salisbury Square  
London EC4Y 8EH

### **Solicitor**

Withers LLP  
16 Old Bailey  
London EC4M 7EG

### **Bankers**

The Co-operative Bank plc (accounts closed September 2014)  
1 Islington High Street  
London N1 9TR

National Westminster Bank plc  
250 Regent Street  
London W1B 3BN

### **Investment manager**

CCLA  
Senator House  
85 Queen Victoria Street  
London EC4V 4ET

### **Custodian**

Northern Trust (to June 2015)  
50 Bank Street  
Canary Wharf  
London E14 5NT

HSBC Bank Ltd (from June 2015)  
8 Canada Square  
London E14 5HQ

## Big Local Trust ('BLT') 2015 annual statement by the Protector

The Big Lottery Fund appointed Peter Thurston BA FCA as Protector in 2011. The appointment is for a maximum term of five years and the Protector may serve for an unlimited number of terms. The Protector can receive from Big Local Trust an annual remuneration of £15,000 and reasonable out of pocket expenses incurred in carrying out the role.

### **The function of the Protector**

Big Local Trust is a UK registered charity with one corporate trustee controlling its affairs. The Trustee is Local Trust Limited, which is in turn controlled by a board of directors who meet quarterly, and by its Chief Executive to whom the board delegate the day-to-day running of Big Local Trust.

The Trust Deed defines the role of the Protector as ... "to ensure the integrity of the administration of the Charity and the propriety of its procedures".

The role does not include decision-taking at any level, although the deed does grant powers of approval in certain specified situations.

During 2014-15, I have attended all Board meetings, meetings of the Investment sub-committee, and meetings with the Big Lottery Fund.

### **Protector's report**

I have now met with the teams working in three of the 150 areas. I have been impressed with the progress being made, and the commitment of the people driving the plans forward. I have asked the executive team to provide more support and guidance to all the areas in respect of the internal controls they adopt and enforce.

My next planned visit is to Par Bay in September, and I will continue to hold meetings with selected Areas over the course of the next year.

During the past twelve months, the Trustees and the Chief Executive have spent a great deal of time and effort on increasing and developing the way in which the lessons and experiences arising from the programme are captured and shared. This has my complete support and is a key objective for the Trust as set out in the Trust Deed.

Steps have also been taken to increase the profile of the Trust in the wider community, which is an important part of the overall programme and which also has my full support.

I have been kept informed of the changes in the investment strategy, and will continue to emphasise the importance of prudence in this area.

The Board of Trustees and the executive team have benefited from stability of personnel during the past twelve months and continue to operate effectively and with the interests of the areas at the forefront of their thinking.

Peter Thurston, Protector, Big Local Trust  
August 2015



## Our history and background

Big Local Trust was established by Local Trust and the Big Lottery Fund. Big Local Trust is an unincorporated charity governed by a trust deed dated 13 February 2012 and deed of amendment dated 5 June 2013. Big Local Trust was registered with the Charity Commission on 15 February 2012. Local Trust is the corporate trustee of Big Local Trust. Big Local Trust funds the Big Local programme. All the activities of Big Local Trust are promoted under the Local Trust and Big Local brands.

### **Big Local**

Big Local is an exciting opportunity for residents in 150 areas around England to use at least £1m each to make a massive and lasting positive difference to their communities. Big Local brings together all the local talent, ambitions, skills and energy from individuals, groups and organisations who want to make their area an even better place to live.

The aim of Big Local is to ensure that people are connected, people have choice, and people are supported to achieve lasting change in the place where they live. Underpinning this is our commitment to support residents over the long term to learn skills and gain the confidence to make decisions in their communities to bring about transformational change.

Our community and resident-led approach is informed by our learning from past community-based programmes (Big Local: What's new and different, Institute for Voluntary Action Research, July 2013) which indicate that the things that matter most are:

- pace of development
- starting with assets not deficits
- willingness to take risks
- light-touch support
- peer support and opportunities for reflection.

We believe that a community and resident-led approach to creating lasting change:

- develops the skills and confidence of the people involved and enables them to work with others to the benefit of their community
- builds on the opportunities and assets available in each community
- creates lasting, long-term solutions.

Underlying this approach is a belief that residents have a capacity and desire to drive change, and can achieve lasting and positive results when supported by those they trust and respect thereby building skills, confidence, networks, relationships and expertise in each community.

### **Selection of Big Local areas**

The Big Lottery Fund selected the areas based on the amount of Big Lottery Fund and other Lottery funding to each local authority area compared to population and deprivation levels; rural versus urban spread; geographic spread across the region; and the absence of substantial non-Lottery funding. Their selection of areas included discussions with people and organisations in each area from the local authority and the local voluntary and community sector.



## **Objects of Big Local Trust**

In shaping our objectives for the year and planning our activities, the Trustees have considered the Charity Commission's guidance on public benefit.

The objects as stipulated in the trust deed of Big Local Trust are:

'to advance community development and the relief of unemployment for the benefit of the public in the localities in each region specified .... by making Distributions to the Recipients 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 to identify and help meet their needs and to participate more fully in society.'

## **Big Local outcomes**

The four outcomes set by the Big Lottery Fund for Big Local 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.

## Local Trust

020 3588 0565

[info@localtrust.org.uk](mailto:info@localtrust.org.uk)

[www.localtrust.org.uk](http://www.localtrust.org.uk)

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 Big Lottery Fund with a National Lottery grant of £196,873,499.

Local Trust registered company number 7833396, registered charity number 1147511

Big Local Trust registered charity number 1145916

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