

Big Local Trust

Annual report and financial statements

for 1 April 2016 – 31 March 2017

Registered charity number 1145916

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



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Introduction

Big Local is the largest place-based investment programme in England. Funded by the Big Lottery Fund and managed by Local Trust, it is a unique initiative that puts residents in 150 areas across the country in control of decisions about their own neighbourhoods. With over £1m of long-term funding committed to each area to spend over 10 years, and an intensive programme of training and support, Big Local offers local residents the opportunity to work together to transform their communities.

Big Local is not driven by top-down priorities, rigid outcome targets or pre-defined delivery models, and it is not run to timetables that prioritise spending money over sustainability. Residents identify the issues that matter most to them, build partnerships, develop their own plans, and work with those they trust to deliver local solutions, tackling everything from unemployment and poor-quality housing to low levels of community cohesion and lack of opportunities for young people.

We are proud to support the incredible people who are embracing the challenges and rewards of transforming their communities. We are also excited by the opportunities to learn from their experience and influence future thinking on support to disadvantaged communities and successful investment in place.

This report sets out what has been achieved across the Big Local programme over the last year, and in particular the incredible energy, resourcefulness and imagination that has characterised the work of Big Local areas from the outset of the programme.

Overview of Big Local

Big Local is an exciting long-term opportunity for residents in 150 areas across England to use £1m each to make a lasting positive difference to their communities. Each area will also access a fair share of the net returns on the Big Local investment. Funded by the Big Lottery Fund and managed by Local Trust (the sole corporate trustee of the programme), Big Local was launched in 2012.

Focused on 150 areas identified at the start of the programme as having not historically benefited from a fair share of lottery and other funding, the aim is to bring together all the local talent, ambitions, skills and energy from individuals, groups and organisations who want to make those areas even better places and communities in which to live.

Big Local partnerships are local steering groups that bring together residents to lead Big Local in each area. More people than ever before are involved in Big Local in this way – over 1,900 people across England were involved in Big Local partnerships during 2016-17.

Local Trust provides light-touch support to each partnership through locally-based 'reps', community development professionals who provide advice, support and mentoring to local partnerships. Each area chooses a locally trusted organisation that helps them deliver their plan, manage their funding, and act as an agent on their behalf in matters relating to employment of staff.

Four clear outcomes were established at the start of Big Local:

- 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.

Alongside these core objectives, Local Trust is investing in research and evaluation to capture learning from Big Local areas and from the Big Local programme nationally, to help inform the continued development of the programme and help others learn from our experience. With increasing interest in local communities in these times of economic and social change, we believe that the lessons learned from Big Local can help those designing and delivering future area based programmes achieve even more impact from their work.

Objectives and activities for public benefit

As stated in the trust deed, the objects 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 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.'

The regions specified in the trust deed are the 150 Big Local areas, originally identified by the Big Lottery Fund. This review looks at what we achieved and the outcomes of our work in furtherance of our objects over the past 12 months. Our main activities are described below.

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

Highlights of progress towards our objectives: achievements and performance

In the following pages, we report on our progress against the objectives laid out in our three-year strategy to 31 March 2017. This year marks the last year of the 2014-17 strategy. In the 'Plans for the future' section, we set out a new set of objectives for 2017-20 which outline how we intend to help 150 Big Local areas continue to transform their areas, as they move from the first phase of the Big Local programme, which was largely about start-up, into the main delivery phase.

"I've watched ordinary people work their hearts out. In fact, I don't think ordinary is the right word any more. They are introducing themselves as 'just a resident' but it is incredible to watch what these people have done. So many people have given time and energy and they're local people and they're anything but ordinary."

Big Local rep, March 2017

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

We awarded £28.9m in grants to Big Local areas

All 150 areas had access to grant funding in 2016-17, with many areas submitting new or revised plans. Local Trust assessed plans submitted throughout the year, working with partnerships and their locally trusted organisations to ensure that funding was accessed and areas were able to deliver their planned activities.

2016-17 headline figures	
Total grant funding awarded	£28.9m
Number of areas to whom funding was committed	129
Number of proposals assessed	159

We enabled Big Local areas to deliver bigger and longer-term plans than ever before

By May 2016, all 150 areas had at least one endorsed plan in place that lasted at least a year. Many areas are now moving to longer term plans and requesting larger amounts of funding. This reflects a shift from programme setup phase into the main delivery years of Big Local.

Largest single grant amount awarded this year	£633,475	To Plaistow South Big Local, in Newham, London, for three years' funding. The grant will support diverse projects including a youth market, a financial advice service, community arts and local history projects and a £100K development of a community hub.
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As well as providing funding, we supported Big Local areas by offering guidance through phone, email, visits and meetings and learning and networking events. We also shared information through the Local Trust website. This year we published new 'how to' guides on completing spend reports and on partnering with research organisations.

We supported others to carry out their roles in supporting Big Local areas

We provided guidance to locally trusted organisations, workers and partnership chairs through two dedicated events and disseminated key information and news through a quarterly online newsletter for locally trusted organisations. We maintained relationships with reps through three 'reps and partners' days, emails, phone calls and discussions through an online forum.

Big Local enables communities to take on ambitious projects that may have previously felt out of reach. *In Thurcroft Big Local, a former mining community near Rotherham, a neglected cricket pavilion was replaced with a new community hub that will host indoor sports and events and provide changing facilities for football and cricket. Over half a million pounds of Big Local funding went into the project. The hub opening in March 2017 drew a huge community turn out. At the launch, one person commented: "This is going to be about sports, about health, and it's going to be about transforming lives in Thurcroft."* <http://localtrust.org.uk/library/blogs/thurcroft-hub>

We provided more than 70 free events to help residents gain skills and confidence to transform their area - including accredited training and bespoke training tailored to individual areas' needs

We reviewed our training provision and implemented a new training programme offering accredited training courses open to all Big Local areas.

Overall, our free events for residents this year included:

- **7 national training courses** run by our partners, 4 of which were accredited courses, on topics including managing volunteers, leadership and team skills and practical project management.
- **20 learning and networking events** run by Big Local reps across the country, held to respond to areas' needs and interests, for example, supporting thriving high streets and managing buildings and community hubs.
- **22 bespoke training courses** delivered by our partners for individual areas on topics of the area's choice, delivered locally.
- **3 action learning groups** for chairs of Big Local partnerships, organised by our partner, each meeting 4 times.
- **5 Spring Events**, our biggest networking events for Big Local areas, attended by 348 people from 102 Big Local areas. 98% of those completing an evaluation form said their event was 'good' or 'excellent'

Big Local develops residents' skills, confidence and networks. *Residents are learning from each other, from paid workers, from Big Local training and networking events, from people in Big Local areas and simply by doing things they haven't done before. Our five 'Spring Events' across the country were a chance for residents from across the Big Local areas to meet, share experiences and ideas – and have fun! One participant in Sheffield Spring Event told us, "My first visit to Spring Events today has been brilliant. Yes, you listen to the presentations but you also talk to people over coffee, over lunch, and you think, wow that was a brilliant idea, and you make notes and go back to your own Big Local with the idea.... My advice: get there, join in, because it's brilliant!"* <http://localtrust.org.uk/news/newsletters/learning-from-each-other>

We worked to improve the experience of areas that have faced challenges

We recognise that where we receive complaints from or about Big Local areas, they are often about a difference of opinion between individuals in a community, which can best be dealt with at a local level. We reviewed our complaints policy and tendered for conflict and dispute resolution providers to provide mediation support to areas where this would help people resolve their differences and work more effectively together.

We recognise that Big Local can be a challenge for areas that have limited existing social infrastructure, or where the area includes communities who have not historically engaged or worked effectively together. We also recognise that in a big programme like Big Local, there will always be areas that hit problems or need help to maintain momentum. In areas where delivery has proved difficult to get going or sustain, we introduced a range of options available to support them in moving forward positively, including: additional rep support, changing their Big Local rep or locally trusted organisation, bespoke training to address skills gaps, partner organisation reviews, and Local Trust acting as a locally trusted organisation for a limited period.

We made it easier for areas to understand and report the status of their grant funding

We continued to develop our online funding portal, Big Local Community, to give areas greater access and control over their budgets and spend reporting. Areas can now submit 6 monthly budgets with their plan proposals and access and submit spend reports online.

We are in the process of fully integrating Big Local Community with our accounting software, which will result in efficiency savings and make information about payments more accessible to all areas.

Areas reported a lack of understanding locally about what Big Local funding had been spent/committed, so we wrote to all partnership chairs in November with a breakdown of spend to July 2016.

We supported 12 Big Local partnerships to be more entrepreneurial, and planned new ways to support entrepreneurs

Big Local connects communities to a flexible range of specialist support when they need it.

'Art saved my life,' says Sam Delaney, founder of Creative Start. Now, he's set up a social enterprise that is supporting recovering drug and alcohol users in Grimsby and Cleethorpes through art therapy. Sam is just one of the hundreds of residents with great ideas who has been supported by a Big Local Star People award to try out or grow an entrepreneurial solution to a social issue in their Big Local area. <http://localtrust.org.uk/library/blogs/art-and-recovery>

2016-17 was our final year of running Star People in partnership with UnLtd, a programme which identified, developed and funded social entrepreneurs. Across the six years of the programme, £3.4m has been distributed through 1,042 Star People awards, developing nearly 300 social leaders across 133 Big Local areas. During the year, 12 Big Local partnerships were also supported by UnLtd to integrate thinking about the local economy into their plan and vision for the area. We have been working with UnLtd to revise their support offer for local social entrepreneurs. The new approach has been captured in the 2017-20 strategic plan.

We issued funding as social investments

We made another four social investments this year, at the request of Big Local areas, three to credit unions and one through Key Fund, an experienced social investment intermediary. There are now six social investment agreements in place.

We commissioned our partner Small Change to provide both in-depth and light-touch support to areas and reps on the topic of social investments, and we know that at least 15 areas are working with credit unions or other organisations that provide financial support and advice to people in Big Local areas to support them with community finance.

Objective 2

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

We commissioned research projects to help us learn and better support the Big Local programme

Key findings included:

- Collaboration with communities is helping health agencies improve **health and wellbeing** locally. Health agencies can gain from working with Big Local areas because of the structure and support provided by Local Trust, and the tangible offer Big Local areas bring to the table in terms of resources and time (IVAR, 2016, 'Engaging with health agencies').
- **Community engagement** in Big Local is not easy and needs ongoing attention, volunteers should not be overburdened, Big Local volunteers keeping up communication with other residents is paramount, and patience is needed to build engagement over the ten or more years of Big Local (NCVO, 2016, 'Community engagement within Big Local').
- 95% of Big Local areas report that their area is receiving some form of **additional resources**: either in-kind resources, volunteer time, or additional financial resources.

All our research reports mentioned can be found in [our online library](http://localtrust.org.uk/library) (localtrust.org.uk/library) and all the findings continue to feed into our future programme development and communications.

We continued to support long term research projects that will help us better understand the impact of Big Local and the learning that can be drawn from it

We have tagged 150 Big Local area plans according to the kind of priorities being addressed, the ways of engaging communities that are being used, and more. This work will enable us to analyse what we've found and understand areas' plans better.

SPHR's Communities in Control study (Phase 1 completed in 2015-16) has now turned to consider the ways that collective action taken by Big Local communities to improve their neighbourhoods develops over time and to what effect for their health and wellbeing.

We commissioned Our Bigger Story (led by University of Birmingham), a long-term evaluation of Big Local. Our Bigger Story is using film, podcasting and other media to record learning, progress and insights from 15 Big Local areas. We hosted a Film Festival in July 2017 to showcase progress to date.

We surveyed people involved in all 150 Big Local areas for the first time

There were 862 completed submissions to the first ever partnership member survey (about a 50% response rate). 80% of partnership members who responded agreed that residents are leading Big Local in their area, and 78% strongly agreed that Big Local is giving residents more control over what is happening in their area.

Our second partnership review was also completed and the findings analysed. We found that there was an overall increase of partnership members from 1,648 to 1,928.

We inspired Big Local areas through story-telling and peer learning

We published 63 blogs on our website, of which 20 were stories from areas and six were written by residents themselves. We also published 7 case studies and 10 video case studies. We shared all of these through social media.

At the five Spring Events in 2016, there were 23 workshops where Big Local areas shared what they were doing and 23 by external community groups or organisations who offered good ideas Big Local areas could use. A further 23 sessions were training or on topics to help with the practicalities of running Big Local.

Big Local helps people tackle the issues that matter most to them, in collaboration with those they trust. *In December 2016, Goldthorpe and Bolton on Dearne Big Local completed refurbishment of a long-term empty property in their area, one of four homes they are renovating with local partner Barnsley Community Build. The project is creating new construction apprenticeships and the homes will be let at an affordable rent. At the launch, local MP John Healey said: "It's not just a renovation; it's not just a project providing someone with a decent home; it's giving young people skills and experience. 14 are now in full time employment. It's a great example of what can be done - no one should underestimate the effort behind this!"*
<http://localtrust.org.uk/library/blogs/community-led-housing-scheme-opens-doors>

We supported Big Local areas to learn from their experiences and monitor their impact

Big Local areas send in reviews of each plan they complete. We sent personalised feedback on these plan reviews to 78 Big Local chairs, providing advice and guidance on evaluation and tools and resources that areas can use to evaluate their work.

We used new and existing approaches to share our learning with Big Local areas

As in previous years, findings from research activities this year were shared with people in Big Local areas through blogs, inclusion in the newsletter, Spring Event sessions, rep training events and conferences. Research providers also shared more detail of their findings with those areas that had directly participated in the research, for example through workshops.

In addition, new ways of sharing this year included:

- Alongside publishing the 'Community engagement' research by NCVO, we ran a week-long social media campaign supported by a range of digital content such as a blog, case studies, images and the research report, and connected by the hashtag #EngageInspire. This sought to encourage Big Local areas to contribute and exchange knowledge and experiences of community engagement and included Local Trust's first Twitter chat. This 'Engagement Week' campaign achieved a significant boost in our online engagement and reach.
- We set up the 'Big Local research' Facebook group (153 members) and the 'Working on Big Local' Facebook group (146 members) and research is shared in these groups.
- IVAR produced resources for Big Local areas based on their health research. This included a template to present health inequality data in a striking, easy to understand format.

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

We equipped Big Local partnerships to gain more local support

We have helped Big Local areas to gain more local support in the following ways:

- Published a new **booklet** titled, 'What's happening in Big Local?' 39 Big Local areas requested print copies of the booklet to use locally and we offered the PDF as a download. This was the most-viewed blog on our website for 2016-17.
- Published new **videos** about what Big Local is. These were for Big Local areas to utilise as well as for Local Trust to use centrally. We provided USB sticks preloaded with the video at Spring Events, and added a guide on using the video that was also available on our website. In the first two weeks from launch, the two- minute cut of video had almost 1,500 views across Facebook and YouTube.

Big Local areas are free to deliver their plans in a mixture of ways, including

commissioning new services to benefit their area. *It was the evening of possibly the hottest day of 2016 when filmmakers arrived at a youth club near Derby to start creating our new video about Big Local. But the heat wasn't slowing down the young people, who were playing racing games in the church hall venue. They told us the difference this club makes – there was no youth club in the area before Allenton Big Local commissioned it from the youth organisation the Enthusiasm Trust. <http://localtrust.org.uk/library/blogs/behind-the-scenes>*

- Published a '**how-to guide**' to **contacting MPs and councillors** and other resources for areas following on from our research into how areas are working with MPs and councillors
- Our '**Engagement Week**' online campaign featuring our very first Twitter chat, helped areas to engage more with local residents. The campaign drew on and shared case studies and findings from NCVO's latest research on community engagement.
- Made suggestions to improve **areas' press releases** when requested by areas.

We influenced local authorities and public services to collaborate with residents and communities

Our community collaboration campaign has continued from last year and this year included:

- We delivered two fringe events on community collaboration and devolution at the **LGA conference 2016**. Collaborating in the presentation with elected representatives at national and local level, attendees debated devolving more power to residents. 50 delegates attended, with whom we have remained engaged.
- Sponsored **Community Collaborator award** at LGiU Councillor Awards (15 entries), to recognise a councillor who has supported a resident-led project. The event was attended by over 200 local government council leaders, council cabinet members, senior local government figures and MPs. The award was presented by Big Local ambassador Anna.
- Achieved Local Government News and LGiU C'llr magazine **press coverage and guest blog** publication on LGiU and Renaisi websites.

- Our chief executive attended the **Vibrant Economies roundtable** run by Grant Thornton and attended by senior local government leaders.
- **Ran a joint roundtable on collaboration with LGiU**, attended by 15 councillors, which was followed by an LGiU report featuring collaboration case studies.
- Our staff spoke at the Society of Local Council Clerks (**SLCC**) **conference** with Big Local ambassador Barbara Arrandale, speaking about the benefits of collaboration between residents and parish councils.
- Issued a **press release** on the research we commissioned from IVAR that shows communities can help health agencies deliver on health and wellbeing.

We increased audience engagement with our website, newsletter and social media

- **Website:** We published a similar number of blogs in 2016-17 (63 compared to 58 in 15-16). We made some changes to the website to improve ease of navigation and search. Website sessions and website unique users in each quarter of 2016-17 were up compared to the equivalent quarter of 2015-16. We made improvements to Google Analytics tracking so we can monitor engagement in more detail in the future.
- **Newsletter:** We adopted an updated newsletter template that performs better on mobile and that can integrate video content. We sent more newsletters this year (eight compared to six in 15-16) and our average open and click through rates were both higher than last year. (Open rate 29.98% versus 25.99% in 2015-16 and click through rate 22.39% versus 19.27% in 2015-16.)
- **Social media:** Engagement with our Facebook and Twitter varied month to month with some of our highest performing months ever and other months tracking 2015-16 levels. Our Engagement Week social media focus in October 2016 led to a peak in Twitter and Facebook engagement.

We showcased our learning about local economies in key sector opportunities

We hosted a local economies roundtable with six organisations who are supporting communities in a variety of ways. The meeting allowed us to update each other on what has been learned so far and identify opportunities for closer working practices.

We made a submission to the RSA Inclusive Growth commission, arguing that blending economic and social capital is core to creating lasting economic engagement.

We developed some of our relationships with other organisations into fruitful partnerships, to deliver increased profile for the Big Local approach and benefits for our Big Local areas

During this year, our former chief executive, Debbie Ladds, interim chief executive, Ben Hughes and current chief executive, Matt Leach established new contacts and maintained existing relationships with a range of stakeholders including voluntary and community sector organisations, relevant professional bodies and funders. Active collaborations have resulted and we are better placed to contribute to share our knowledge from the Big Local programme at a national level.

The following organisations invited us to present at flagship events attended by their membership, wrote blogs for our website and agreed to present their offer at Spring Events:

- NALC (National Association of Local Councils), which is now offering areas support with developing new community councils as a Big Local legacy

- CSPN (Community Sports Partnerships Network), which is now offering areas support and funding for developing health and wellbeing

In 2016-17 we developed relationships with other funders including Locality, Lankelly Chase, Collaborate and Power to Change, in particular through networking at ACF (Association of Charitable Foundations) conference. This led to us co-hosting a well-attended cross-sector event on place-based funding ('Power of Place') in April 2017.

We developed our ability to influence others in the future

We commissioned Britain Thinks to complete a stakeholder perception audit, to help us to understand our current position and future potential role better. The audit included one-to-one interviews with leaders in the community sector, and sought to explore how Local Trust and the Big Local programme is perceived, how Local Trust could evolve its public role and share learning from Big Local more widely, and the value of this to the sector. The findings will inform the new communications strategy that is due in 2017-18.

We increased our communications capacity by recruiting a new permanent head of communications.

New commissions were made that will help communicate about Big Local in fresh ways in 2017-18, including photography, video and an essay by writer and thinker David Boyle.

Objective 4

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

We demonstrated efficient financial and funding processes, and developed them to ensure potential weaknesses were identified and mitigated

A positive audit, with no significant concerns, was achieved for 2015-16. We have continued to keep our financial and funding processes under review to ensure that potential weaknesses are identified and mitigated.

- We ran training for reps on their role in monitoring Big Local funding, with the assistance of our auditors.
- We ran training for Big Local plan assessors in reading charity accounts, to ensure that they know what checks to make in terms of due diligence on locally trusted organisations.
- We moved our accounting systems to a cloud-hosted platform, which offers increased security and backups.

Big Local puts residents in control at every stage. *Residents choose a local organisation to be matched with, a 'locally trusted organisation', which can support them with financial management and reporting for their Big Local grant. Alongside many other measures, our regular in-person training days for locally trusted organisations allow us to ensure that the money is properly overseen.* <http://localtrust.org.uk/library/programme-guidance/locally-trusted-organisations/>

We maintained an enthusiastic staff team

A staff survey was carried out by an external consultancy in February 2015, and a benchmarking exercise on staff salaries, terms and conditions was completed. In response to the recommendations from this consultancy:

- There were salary increases for most staff from April 2016.
- Two additional staff benefits were introduced during 2016-17; death in service insurance and employee assistance (a free and confidential advice and support service).

Appropriate policies and procedures are in place to ensure a suitable and safe working environment, including health and safety policy, lone working and personal safety policy and business continuity plan and these are reviewed and updated regularly, as appropriate.

We ensured that we delivered our activities through experienced organisations who act in line with our ethos and approach

During 2016-17, Local Trust delivered the majority of its activities through contracts with experienced organisations, in line with our ethos and approach. Tender documents for all new contracts include criteria on our ethos and approach, and these criteria form part of our decision-making process. When we review the contracts of existing partners, we ask them to tell us how they contribute to Big Local's ethos and approach.

We used trustees' expertise effectively

Trustees receive clear reports and information on time to inform their decision-making in line with governing documents. The content and the format of reports continues to be developed to ensure that trustees have appropriate and clearly presented information for decision-making.

We organised a trustee away day in January 2017. Individual trustees continued to contribute to areas of our work relevant to their own specialisms, including learning, communications, finance, investment and knowledge management.

The risk map was reviewed with trustees during the year. A revised risk map was adopted in June 2017, with a more user-friendly format.

We improved our information management systems, digital technology and security

We moved Local Trust's IT services to the cloud in summer 2016, using Microsoft SharePoint and the cloud-hosted version of our accounting software Exchequer, which offers more reliable backups and security. Staff are working well in the new cloud hosted services, and more training is planned to ensure that we have the skills to make the most of these services.

We effectively managed the Big Local Trust endowment

During 2016-17, the investment achieved an overall return of 6.96% overall, against a benchmark of 1.33%. There were no changes to our investment strategy during the year. We undertook our annual review of CCLA as Big Local Trust's investment manager in June 2016, and following this the board agreed to continue using CCLA.

Plans for the future

Our former chief executive, Debbie Ladds, secured a firm foundation for Local Trust and for Big Local, supporting us since inception. After a period in 2016 under interim chief executive Ben Hughes, our new chief executive, Matt Leach is now leading us forward; embedding our resident led approach, learning from what we do and promoting our approach to a wider audience.

Big Local funding can be spent over 10-15 years, allowing residents to invest in long-term projects that can leave a lasting legacy. *East Cleveland Big Local in Yorkshire is sponsoring an elite cycling race for 3 years to engage the community and kick start a tourism strategy. In 2017, 130 riders started the international race season on a tough route that took them through the East Cleveland villages for the first time. On the day, thousands of local people came out onto the streets to lend their support and decorate the route and the feedback was fantastic: "It's really happening, it's happening for us. Who would ever have thought a huge bike race would come through little East Cleveland? Everyone is coming together and I absolutely believe after the race, this will continue, because we've got that spark back."* <https://storify.com/LocalTrust/klondike>

Work done by trustees and staff at the January 2017 away day informed the development of the new strategic plan for Big Local Trust and Local Trust for 2017-20. Increased staffing is required to fulfil the new strategic plans. During 2016-17, work was done to identify appropriate office space to accommodate an expanded staff team of 21 (by summer 2017), and in August 2017 the charity moved to a new office at CAN Mezzanine in Borough.

Strategy for the next three years

We are now entering the main delivery phase of the Big Local programme. Between 2012 and 2017, Local Trust spent some £55m supporting locally-led change. Over the next five years we expect to spend some £150m as Big Local areas accelerate their delivery ambitions.

Over the next three years, Local Trust has set the following six priorities for itself and Big Local:

1. Ensuring Local Trust is geared up to support Big Local as it moves from start-up to delivery
2. Responding to the diversifying needs of our areas
3. Increasing collaboration and partnership – both nationally and locally
4. Becoming more proactive and challenging – encouraging innovation; accepting risk; challenging and questioning ourselves constantly; and effectively challenging all Big Local areas to achieve their full potential
5. Looking to the future – starting to address legacy issues, both of our Big Local areas, and of the programme as a whole

Whilst we deliver our strategy over the next three years, Local Trust and Big Local will continue to grow and adapt. We won't be changing the core of our programme – the £1m pledged to each of our Big Local areas or the terms on which it has been awarded, the long-term nature of our funding and the commitment to support our areas in achieving their ambitions. And we will not shift from our vision of empowered, resilient, dynamic, asset-rich, resident-led communities. But we will be adapting and responding to a changing operating environment, new opportunities and emerging challenges as Big Local enters its main delivery phase.

Financial review

Overview of income and expenditure

Big Local Trust is funded through an expendable endowment from the Big Lottery Fund. Big Local Trust's endowment is invested; income on the investment was £5.9m for the year (2016: £6.6m). There were net gains on the investment of £7.2m (2016: £0.8m losses).

Total expenditure during the year was £34.7m (2016: £21.9m). The increase in expenditure reflects a 67% increase in direct funding to Big Local areas to £31.6m (2016: £18.9m). The cost of delivery to areas increased by 5% to £2.0m (2016: £1.9m). A full list of the funding to Big Local areas is included in note 4.

Net decrease in funds for the year was £21.6m (2016: £16.1m). The total funds held at the year-end were £169.3m (2016: £191.0m).

Big Local Trust's investments

Investment strategy

Big Local Trust's investment strategy objectives 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 for each area.

Making use of the scale and duration of Big Local, the investment strategy aims to provide a reasonable medium-term return while ensuring that at all times sufficient short-term funds are available to support spending. The investment strategy is implemented in a controlled way to ensure that risks are appropriately managed and consistent with the objectives of Big Local.

There were no changes to Big Local Trust's investment strategy during 2016-17.

Investment management

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

The sub-committee formally reviews the investment strategy once a year in line with the trust deed. The investment sub-committee includes two voluntary co-opted members, Chris Wigley and Serena Loudon, who bring independent investment expertise to discussions.

Additionally, during 2016-17 trustees commissioned an independent review of Big Local Trust's investment management by CCLA, which confirmed that CCLA are appropriate investment managers and recommended no changes at this time.

Investment performance

The total value of Big Local Trust's investments, including income, as at 31 March 2017 was £188.6m (2016: £196.9m). The performance benchmark of the fund is Bank of England's Official Rate plus 1% per annum, so was +1.33% for 2016-17 (2016: +1.5%), and the overall returns for the year were +6.96% (2016: +2.11%). Equities performed particularly well with returns of +24.14% (2016: +0.19%), property returns were +2.47% (2016: +12.22%), fixed interest returns were +4.28% (2016: +1.89%), and cash and near cash were +0.86% (2016: +0.83%).

Ethical and responsible investment

Trustees reviewed Big Local Trust's ethical and responsible investment policy in February 2017. Local Trust, acting as the corporate trustee of Big Local Trust, agreed to use CCLA's default ethical investment policy in the management of its investments. This policy has been developed in accordance with Charity Commission guidance (CC14), and trustees believe it represents an appropriate balance between aligning Big Local Trust's investments with its purposes and the delivery of good investment returns.

Our policy (as used by CCLA's COIF Charities Investment Fund) is to avoid investment in companies:

- producing landmines or cluster bombs
- with significant (more than 33%) of their turnover relating to:
 - tobacco
 - online gambling
 - the production of pornography.

Companies that continue, after persistent engagement, to violate international norms with regards to human rights, core employment standards and climate change disclosure will also be excluded.

In addition, and in accordance with our charitable purpose, Big Local Trust will not invest in companies that generate more than 10% of their turnover from high interest rate lending.

Big Local Trust's investment sub-committee will consider participation in appropriate CCLA ethical engagement programmes that may result in divestments on a case-by-case basis.

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

Big Local Trust supports the UK Stewardship Code of the Financial Reporting Council which sets out the principles of effective ownership by institutional investors. Big Local Trust's response to the UK Stewardship Code for asset owners is also available on its website.

Local Trust, acting as the corporate trustee of Big Local Trust, reviews this policy annually.

Distribution of returns on the investment

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

With several Big Local areas approaching full spend of their £1m, in September 2017 trustees made the decision to bring forward the distribution of that proportion of the returns that could be guaranteed at that date. Having considered the performance of the investment, trustees decided each Big Local area will receive an additional £105k from the returns generated from the original investment of £150m, and that this will be added to the balance of each area's £1m.

Grant making policy

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

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

Each area will receive:

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

Local Trust as a locally trusted organisation

Local Trust acted as the 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 Clarksfield, Greenacres and Littlemoor, Gaunless Gateway, Noel Park Estate, Sompting, Tang Hall, and William Morris.

Big Local Trust retains the administration contribution of 5% for Local Trust acting as the locally trusted organisation, and in 2016-17 this totalled £5k (2016: £3k).

Social investments

Big Local areas are encouraged to be innovative in the ways they create positive social change and economic growth within their local areas through the use of social investment. Big Local partnerships team up with credit unions and other social investors within their local areas, opening up access to funding for individuals and small organisations which would otherwise not have access. These initiatives are presented as part of the Big Local partnership plans, and funding made available for delivery.

During 2016-17, Big Local Trust made £52.5k available for social investment. These programme-related investments are listed under note 11 and disclosed as a separate line on the face of the balance sheet.

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

It is our view that there is no need for an impairment to be provided on the social investments made during 2016-17.

Constructive obligations

A 'constructive obligation' between Big Local Trust and a locally trusted organisation is triggered when a grant (or other 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 the balance sheet of these accounts.

Big Local Trust's constructive obligations increased from £10.1m in 2015-16 to £23.2m in 2016-17, reflecting the increase in funding provided to the 150 Big Local areas that have been offered plan funding.

This increase is also reflected in the grants payable figure in the statement of financial activities on page 26.

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 (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. The cashflow proved to be accurate for 2016-17 as it has been every year since first prepared in 2012.

Reserves policy

Big Local Trust has an expendable endowment, received from the Big Lottery Fund in 2012 and 2013, to be spent by 13 February 2027. All of Big Local Trust's funds are unrestricted. No funds had been designated or otherwise committed as at 31 March 2017, other than those identified elsewhere in the accounts.

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

It is in the nature of an expendable endowment that funds are spent out over time. In the final years of Big Local, it may require a reserves policy to ensure sufficient funds are held to manage the close down of the programme in a managed and prudent way; however, this is not currently the case. As at 31 March 2017, Big Local Trust held total funds of £169.3m (2016: £191.0m). Within this, it has sufficient contingencies to cover any unforeseen costs; therefore, it is not currently appropriate for the trust to specify a reserves level.

Trustees review the Big Local Trust reserves policy annually.

Staff remuneration

Local Trust benchmarks staff salaries against national partner and voluntary and community sector organisations and independent trusts and foundations. Tank Consulting carried out benchmarking research during 2015-16, and trustees used this information as part of a review of staff salaries, including the salary of the chief executive, considered to be the sole member of key management personnel. Trustees consider remuneration annually. Trustees recognise our approach to staff remuneration might change in future as the organisation and staff team matures and as external factors change.

Pensions and auto enrolment

During 2016-17, all Local Trust staff were enrolled onto our group personal pension scheme. Local Trust currently contributes the equivalent of 10% of salary for each member of staff, which is more than the minimum legal requirement (currently 2%, rising to 5% in April 2018 and 8% in April 2019). Staff are also encouraged to make a personal contribution, but this is not compulsory.

Under the Pensions Act 2008, every employer in the UK must put certain staff into a pension scheme and contribute towards it; this is called 'automatic enrolment'. Because of the way the pension scheme is set up, Local Trust was not required to make any changes to comply with auto enrolment, and this was completed in May 2017.

Principal risks

Big Local Trust's approach to identifying managing and mitigating risk has been reviewed and refreshed in 2017. Trustees have identified and reviewed the major strategic, business and operational risks and opportunities faced by Big Local Trust and are satisfied that reasonable steps are being taken to mitigate exposure and impact. We identify, manage and mitigate risks through our planning processes and we maintain a risk register which is reviewed and updated by senior managers and trustees during the year. The finance and audit and investment sub-committees review in detail those risks which relate to their responsibilities. The Board also reviews the full register on a regular basis.

Major risks, potential impacts and associated mitigation/control plans are:

Risk	Potential impact	Mitigation or control
Lack of effective oversight or understanding of programme given number of areas and wide range of activities	Lack of ability to assess overall shape of programme reduces ability to identify areas of risk/opportunity and make effective decisions for future	Improvements in programme management systems increasing quality of and accessibility of information held within the organisation
Slow spend by some Big Local partnerships	Rush to spend out towards 2027 reduces impact; endowment not spent by 2027; breach of trust deed	Active monitoring of spend plans; work to ensure that local and national stakeholders locally and nationally understand the reasons for 'slow spend'; continued focus on supporting areas to spend within time frame
Funds not managed effectively by locally trusted organisations	Loss of funds; risk of fraud; reputational risk	Guidance, training, and support for Big Local reps, partnerships and locally trusted organisations; monitoring of funding; assessment visits to proportion of locally trusted organisations, due diligence carried out and accounts checked annually.
Cuts to public funding may mean that charities that Big Local works with as locally trusted organisations may close or go into administration	Loss of Big Local funds; reputational risk; disruption to areas' delivery	Due diligence checks on potential locally trusted organisations; visits and checks on proportion of locally trusted organisations annually, including those considered at risk; processes in place to support smooth transition from one locally trusted organisation to another
Big Local investment losses due to economic recession/political uncertainty/Brexit	Unable to deliver on funding commitments and/or wider ambitions	Cautious and diversified investment strategy reviewed annually; retention of an agreed proportion of investment returns to mitigate impact of potential future losses
Loss of data, extortion or fraud due to cyber crime	Reputational damage; regulatory censure; impact on administration of charity	Improved, cloud-based IT systems; regular staff training; continue to keep IT security under review; use of specialist IT/cyber-security advice; disaster recovery plan in place and regularly reviewed

Governance and committees

Local Trust acts as the corporate trustee of Big Local Trust, in line with the Big Local Trust deed. Big Local Trust was registered as a charity in England and Wales on 15 February 2012 (charity number 1145916).

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

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

There were 11 trustees during 2016-17; there were no trustee appointments and no resignations during the year. However, four trustees have indicated their intention to step down at or following the next Local Trust AGM in December 2017. Recruitment is currently underway for replacements who will take up post from February 2018.

Trustees receive regular, timely reports which update on progress with Local Trust programmes of work, and inform decision-making.

Lead trustees for specific areas of work are: John Whitton on learning, Karen Riches and Peter Mills on communications and branding, Alice Casey on knowledge management, Penny Shepherd on investment and Jonathan Taylor on finance and audit.

Trustees spent time during the year focusing on topics including:

- strategic planning for Big Local
- recruitment of a new chief executive to lead the future development of Big Local
- increasing capacity to manage extra workload during the main delivery phase of Big Local.

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

Sub-committees

During the year, we operated two sub-committees: a finance and audit sub-committee and an investment sub-committee to enable appropriate governance and oversight of these functions:

- The investment sub-committee meets on a quarterly basis to oversee the management of the Big Local Trust investment, and reports to the board.
- The finance and audit sub-committee meets twice a year, once to discuss the annual budget and review the 15-year budget, and once to review the annual audited accounts and the audit findings report.

Neither sub-committee have delegated decision-making responsibilities.

Trustee induction and training

All new trustees are taken through a structured induction programme. Trustees take advantage of a range opportunities for training and development, including attendance at relevant conferences and networking events, and visits to Big Local areas. We also have an annual trustee away day, which trustees use to consider the strategic and long-term development of Big Local Trust.

The protector

Big Local Trust has a ‘protector’ who has a fiduciary duty to ensure the integrity of the administration of the Big Local Trust and the propriety of its procedures, and if necessary report matters of serious concern to the Big Lottery Fund as the founder or to the Charity Commission. The Big Lottery Fund appointed Peter Thurston as protector in 2011, and he tendered his resignation in September 2017, effective from 13 December 2017. In accordance with best practice, Local Trust submitted a serious incident report to the Charity Commission to alert them to his resignation. A new protector has not yet been appointed.

Statement of trustees' responsibilities

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

Focus of activities

The trustees have 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 2017 focused on supporting the 150 Big Local areas to identify their priorities and to develop and deliver plans to address these priorities.

Responsibilities of the corporate trustee

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

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

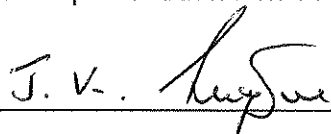
The corporate trustee is responsible for keeping accounting records that disclose, with reasonable accuracy at any time, the financial position of the charity. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud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

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 corporate trustee on 14 December 2017 and signed on their behalf by:

Signed



Date

14/12/2017

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 2017 which comprise as the statement of financial activities, the balance sheet, statement of cash flows, and the related notes numbered 1 to 24.

The financial reporting framework that has been applied in their preparation is applicable law and FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 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 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 2017 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland; 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

Date 15/12/17

Statement of financial activities

(incorporating an income and expenditure account) for the year ended 31 March 2017

	<u>Notes</u>	Total 2017 £000	Total 2016 £000
Income from:			
Investment income	2	5,865	6,601
Reimbursements from Local Trust		24	12
Other		12	12
Total income		5,901	6,625
Expenditure on:			
Raising funds:			
investment management charges		409	534
Charitable activities:			
grants payable	4	31,609	18,898
delivery to areas		2,007	1,881
learning to support the programme		635	589
Total expenditure	3	34,660	21,902
Net operating expenditure		(28,759)	(15,277)
 Net (losses)/gains on investments		 7,174	 (825)
 Net movement in funds		 (21,585)	 (16,102)
Reconciliation of funds:			
Total funds brought forward at 1 April 2016		190,983	207,085
Total funds carried forward at 1 April 2017		169,398	190,983

All amounts are related to continuing activities.

All income and expenditure is unrestricted.

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

The accompanying notes, on pages 29 to 43, form part of these financial statements.

Balance sheet

for the year to 31 March 2017

	Notes	2017 £000	2016 £000
Fixed assets			
Tangible assets	7	2	17
Intangible assets	8	46	63
Investments	9 & 10	188,589	196,933
Social Investments	11	87	35
		<hr/> 188,724	<hr/> 197,048
Current assets			
Debtors	12	2,210	2,361
Investments		1,170	2,165
Cash at bank and in hand		933	84
Total current assets		<hr/> 4,313	<hr/> 4,610
Liabilities			
Creditors: amounts falling due within one year	13	<hr/> 17,083	<hr/> 8,547
Net current assets		<hr/> (12,770)	<hr/> (3,937)
Creditors: amounts falling due after one year	14	<hr/> 6,556	<hr/> 2,128
Net assets		<hr/> 169,398	<hr/> 190,983
Unrestricted funds		<hr/> 169,398	<hr/> 190,983
Total funds		<hr/> 169,398	<hr/> 190,983

The accompanying notes, on pages 29 to 43, form part of these financial statements.

Approved by the corporate trustee, authorised for issue on 14 December 2017 and signed on behalf of the trustee:

Signed J. V. Sugrue Date 14/12/2017
 John Kevin Sugrue
 Chair

Statement of cash flows

for the year to 31 March 2017

	2017	2016
	£000	£000
Cash (outflow)/inflow from operating activities:		
Net (outgoing) resources	(28,759)	(15,277)
Investment income received	(5,922)	(6,601)
Depreciation/amortisation of fixed assets	54	77
Decrease/(increase) in debtors	151	(561)
Increase in creditors	12,964	3,189
Investment management fees	409	534
Net cash (used in) operating activities	(21,103)	(18,639)
Cash flows from investing activities:		
Investment income received	5,922	6,601
Investment management fees	(409)	(534)
Payments to acquire tangible fixed assets	(22)	(39)
Payments to acquire social investments	(52)	(35)
Net payments to acquire fixed asset investments	(5,482)	(6,277)
Receipts from sale of fixed asset investments	21,000	19,000
Net cash provided by investing activities	20,957	18,716
Change in cash and cash equivalents in the year	(146)	77
Change in cash and cash equivalents in the year	(146)	77
Cash and cash equivalents at 1 April 2016	2,249	2,172
Cash and cash equivalents at 31 March 2017	2,103	2,249

	2017	2016
	£000	£000
Analysis of cash and cash equivalents:		
Cash in hand	933	84
Notice deposits	1,170	2,165
	2,103	2,249

Notes to the accounts

for year to 31 March 2017

1. Accounting policies

a) Administrative information

Big Local Trust is a public benefit entity registered as a charity in England and Wales on 15 February 2012 (charity number 1145916).

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

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

b) Basis of preparation

The financial statements have been prepared under the historical cost convention, except that fixed asset investments are stated at market value, and in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – effective 1 January 2015.

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

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

c) Critical accounting judgements and key sources of estimation uncertainty

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

d) 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 probability. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

e) Fund accounting

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

f) Resources expended

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

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.

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

Direct governance costs are allocated on the basis of staff time spent undertaking an activity. The direct staff cost allocation for the period to 31 March 2017 was across delivery to areas and learning to support the programme.

h) Operating leases

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

i) Expenditure on raising funds

Expenditure on raising funds include investment management fees which are charged at 0.25% of the market value of the portfolio, and are charged as they fall due to the Statement of Financial Activities.

j) Tangible fixed assets depreciation and intangible fixed assets amortisation

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

k) 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.

l) Social investments

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

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

m) Pension

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

n) Grants payable

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

o) Financial instruments

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

Financial assets and liabilities are initially measured at transaction price (including transaction cost) and are subsequently re-measured where applicable at amortised cost except for investments, which are subsequently measured at fair value with gains and losses recognised in the Statement of Financial Activities. Assets and liabilities held in a foreign currency are translated to GBP at the balance sheet date at an appropriate year-end exchange rate.

2. Investment income

	2017	2016
	£000	£000
Interest on cash and cash instruments	225	200
Interest on bonds	3,427	3,811
Dividends from real assets	2,132	2,274
Bank interest	81	316
Total	5,865	6,601

3. Resources expended

	Charitable activities					
	Grant expenditure directly to areas	Delivery to areas	Learning to support the programme	Expenditure on raising funds	2017 Total	2016 Total
	£000	£000	£000	£000	£000	£000
Direct costs						
Staff	-	308	211	-	519	432
Grants to areas	-	-	-	-	-	-
Big Local funding	28,891	-	-	-	28,891	16,904
Community travel and childcare	40	-	-	-	40	33
Area admin contribution	1,442	-	-	-	1,442	834
Grant funding for Star People	772	-	-	-	772	740
Area delivery costs	-	1,540	-	-	1,540	1,488
Programme development	-	-	182	-	182	191
Investment management charges	-	-	-	409	409	534
Total direct costs	31,145	1,848	393	409	33,795	21,156
Support costs						
Staff	143	57	92	-	292	214
Communication and marketing	29	12	19	-	60	33
IT and consultancy	127	51	81	-	259	280
Rent and office costs	47	19	30	-	96	91
Governance costs (see note 5)	91	9	3	-	103	51
Depreciation and amortisation	27	11	17	-	55	77
Total support costs	464	159	242	-	865	746
Total expenditure	31,609	2,007	635	409	34,660	21,902

4. Grants payable

Big Local area	Locally trusted organisation	New grants £000	Repayment of unspent grants £000	Closed grants £000	2017 Total £000
Aberfeldy	Poplar HARCA	71	(59)	(35)	(23)
Allenton	Enthusiasm Trust	539	-	-	539
Arches Local (Central Chatham, Luton Arches)	Red Zebra Community Solutions	294	(81)	(69)	144
Barnfield	Greenwich Co-operative Development Agency	103	-	-	103
Barrow Island	Barrow Sports Council	-	(1)	-	(1)
Barrowcliff	Groundwork North Yorkshire	159	(1)	-	158
Beechwood, Ballantyne and Bidston Village	Community Action Wirral	292	(6)	-	286
Birchfield	Birmingham VSC	278	(18)	-	260
Birchwood	Learning Communities	-	(2)	-	(2)
Bountagu (Bounces-Montagu)	Enfield Children and Young People Service (ECYPS)	464	(77)	-	387
Bourne Estate	Bournemouth Churches Housing Association	65	(15)	(22)	28
Bradley	Pendle Borough Council	544	-	(51)	493
Brereton	Support Staffordshire	261	(103)	-	158
Brinnington	Groundwork MSSTT	225	-	-	225
Brookside	Stirchley and Brookside Parish Council	418	(53)	-	365
Canvey's Big Local £1 Million	Essex Boys and Girls Clubs	333	(45)	-	288
Cars Area, Smith's Wood, Solihull	Colebridge Trust	119	(1)	-	118
Catton Grove	Voluntary Norfolk	136	(10)	(34)	92
CELL - Lynemouth, Cresswell, Ellington and Linton	Lynemouth Community Trust	132	(61)	-	71
Central Boston	Age UK Boston and South Holland	121	(9)	-	112
Central Jarrow	Groundwork South Tyneside and Newcastle	294	-	-	294
Chinbrook Estate	Volunteer Centre Lewisham	-	(44)	-	(44)
	Lewisham Disability Coalition	65	-	-	65
Church Hill	Bromsgrove and Redditch Network	-	(58)	(276)	(334)
	Charles Lovell and Co Limited	277	-	-	277
Clapham Junction, West Battersea (Big Local SW11)	Providence House	124	(17)	-	107
Clarksfield, Greenacres and Littlemoor	Action Together CIO	229	-	-	229
	Local Trust	8	-	-	8
	Greenacres Community Centre	-	(9)	-	(9)
Clubmoor	Liverpool CVS	55	(40)	-	15

Big Local area	Locally trusted organisation	New grants £000	Repayment of unspent grants £000	Closed grants £000	2017 Total £000
	St Andrew's Community Network	139	-	-	139
Collyhurst	Manchester Communication Academy	789	(7)	-	782
Conniburrow	Milton Keynes Community Foundation	491	(103)	(40)	348
Devonshire West	3VA	626	(41)	-	585
Dewsbury Moor	Dewsbury Moor Rugby League Club	96	-	-	96
Distington	Cumbria CVS	359	(52)	-	307
Dover Town	Red Zebra Community Solutions	248	-	-	248
East Cleveland Villages	Tees Valley Rural Community Council	210	(35)	-	175
East Coseley	Dudley CVS	502	(1)	(80)	421
Eastern Sheppey	Swale CVS	209	(63)	-	146
Elmton, Creswell and Hodthorpe	Community Voluntary Partners	226	-	(63)	163
Ewanrigg	Cumbria CVS	411	(18)	-	393
Firs and Bromford	Worth Unlimited	103	(18)	-	85
Fratton	Community Action Hampshire	417	-	-	417
Gannow	Bury, Pendle and Rossendale CVS	560	(45)	(24)	491
Gaunless Gateway	Local Trust	-	-	-	-
	South Durham Enterprise Agency	218	-	-	218
Goldthorpe with Bolton-on-Deane	Voluntary Action Barnsley	-	(24)	(91)	(115)
	Barnsley Community Build	482	-	-	482
Grace Mary to Lion Farm	6Towns Credit Union Ltd	30	-	-	30
	Sandwell CVO	579	(51)	-	528
Grange	Community Barnet	-	(2)	-	(2)
Grassmoor and Hasland	Links, Chesterfield and NE Derbyshire VSA	330	(42)	(60)	228
Greatfield	Probe (Hull) Ltd	53	(11)	-	42
	Hull and East Yorkshire Credit Union	8	(1)	-	7
	Hull and East Yorkshire Community Foundation	-	(38)	-	(38)
Greenmoor	Bradford and District CNET	393	(12)	(40)	341
Growing Together (Northampton East)	Blackthorn Good Neighbours	320	-	-	320
Hackney Wick	Hackney CVS	146	-	-	146
Hanwell, Copley Close	Empowering Action and Social Esteem	231	(26)	-	205
Harefield, Midanbury and Townhill Park (Big Local SO18)	Southampton Voluntary Services	242	(15)	-	227
	TWICS (Training for Work in Communities)	289	(6)	-	283

Big Local area	Locally trusted organisation	New grants £000	Repayment of unspent grants £000	Closed grants £000	2017 Total £000
Hawksworth Wood Estate, the Abbeydales and the Vespers	Cardigan Centre	-	(28)	-	(28)
Heart of Pitsea	Basildon, Billericay and Wickford CVS	164	(48)	-	116
Heart of Sidley	Amicus Horizon	131	(2)	-	129
	Rother Voluntary Action	252	(18)	(50)	184
Heath Big Local	Uttoxeter Knights	478	(67)	-	411
Heston West	Groundwork South	153	-	(21)	132
Horsefair, Broadwaters and Greenhill (Big Local DY10)	Vestia Community Trust	381	-	-	381
Inner East Preston	Emmaus Preston	70	-	-	70
	Preston City Council	103	-	(65)	38
Kingsbrook and Cauldwell	Community Voluntary Service Bedfordshire	315	(2)	-	313
Kingswood and Hazel Leys	Groundwork Northamptonshire	392	(6)	(89)	297
Kirk Hallam	Kirk Hallam Community Technology and Sports College	341	(8)	(67)	266
Kirkholt	CVS Rochdale	103	-	-	103
Latch Ford	Golden Gates Housing Trust	428	(1)	-	427
Lawrence Weston	Ambition Lawrence Weston	455	(57)	-	398
Leecliffe (Leeming and Aycliffe)	Affinity Sutton	253	(29)	-	224
Leigh West	Leigh Neighbours Partnership Board	284	(42)	(28)	214
Little Hulton	Salford City College	-	(19)	(27)	(46)
	Salford CVS	238	-	-	238
Littlemoor	Groundwork South	154	-	-	154
London Road area of Broad Green	Croydon Voluntary Action	130	-	-	130
Mablethorpe, Trusthorpe and Sutton on Sea (Coastal Communities Challenge)	Lincolnshire Community Foundation	149	-	-	149
Marks Gate	London Community Foundation	641	(36)	-	605
Marsh and Micklefield	Buckinghamshire Community Foundation	82	(21)	-	61
Mossley	Sneyd Community Association	265	(55)	(30)	180
Newington, Ramsgate	Diocese of Canterbury	3	(4)	-	(1)
	Red Zebra Community Solutions	180	-	-	180
Noel Park Estate	Local Trust	5	-	(5)	-
	Haringey ACVO	-	(26)	(48)	(74)
North Brixton	London Community Foundation	170	(2)	(119)	49
North Cleethorpes	Voluntary Action North East Lincolnshire	213	(2)	-	211

Big Local area	Locally trusted organisation	New grants £000	Repayment of unspent grants £000	Closed grants £000	2017 Total £000
North East Hastings	Orbit Housing Association	157	(86)	-	71
North Ormesby	North Ormesby Development Trust	521	(78)	-	443
Northfleet North	North West Kent CVS	140	(30)	-	110
Northwood	Community Foundation for Merseyside	498	(34)	-	464
Palfrey	Palfrey Community Association	141	-	-	141
Peabody Avenue and Churchill Gardens Estate (Big Local SW1)	Thamesbank Centre	75	-	-	75
People's Empowerment Alliance of Custom House (PEACH)	Custom House and Canning Town Renewal Project	345	(35)	-	310
Plaistow South	Rights and Equalities in Newham	633	(26)	-	607
Podsmead	Gloucestershire Credit Union	275	(65)	(95)	115
	GL Communities	90	-	-	90
Prospect Estate	Rushmoor Borough Council	300	-	-	300
Radstock and Westfield	Westfield Parish Council	264	(3)	-	261
Ramsey	Ramsey Neighbourhoods Trust	279	(24)	-	255
Rastrick	Community Foundation for Calderdale	107	(27)	(19)	61
Ravensthorpe and Westwood	Cross Keys Homes	20	-	-	20
Riverside Community	Thurrock Lifestyle Solutions	300	(60)	(17)	223
Roseworth Ward	Catalyst	232	-	-	232
Rudheath and Witton	Groundwork CLM	274	(13)	-	261
Sale West	Irwell Valley Housing Association	-	(27)	(91)	(118)
Scotlands and Bushbury Hill	Bushbury Hill Estate Management Board	342	(71)	-	271
Sompting	Adur Voluntary Action	349	(39)	(20)	290
	Local Trust	27	-	(1)	26
South Bermondsey	United St Saviour's Charity	138	-	-	138
St James Street Area	Crest Waltham Forest	526	-	-	526
St Matthew's Estate	Voluntary Action Leicester	-	(48)	-	(48)
	St Matthew's Big Local	160	-	-	160
St Oswald and Netherton (L30 Million Project)	Knowsley Mutual Credit Union	18	-	-	18
	Sefton Metropolitan Borough Council	385	-	-	385
Stoke North	Staffordshire Housing Association	330	-	(21)	309
Tang Hall	Local Trust	68	-	-	68
	Tang Hall Primary School	-	(49)	(42)	(91)
Three Parishes - Gobowen, St Martins and Weston Rhyn	Oswestry Community Action	486	(19)	-	467
Thurcroft	Rotherham Federation of Communities Ltd	83	(26)	-	57

Big Local area	Locally trusted organisation	New grants £000	Repayment of unspent grants £000	Closed grants £000	2017 Total £000
	Thurcroft Institute and Recreation Ground	105	-	-	105
Thurnscoe	Barnsley Community Build	745	(105)	-	640
	Voluntary Action Barnsley	-	(18)	(51)	(69)
Tonge with the Haulgh	Bolton at Home	-	(28)	-	(28)
Tree Estate and part of Town Ward	Healthy Living Centre Dartford	13	(3)	-	10
Wargrave	Helena Partnership Ltd	229	(11)	(44)	174
Warsop Parish	Mansfield CVS	188	(10)	-	178
Warwick Ahead	Conservation Volunteers	-	(2)	-	(2)
	Old Quarry Adventure Playground	-	(36)	-	(36)
	Warwick Community Group	-	-	-	-
	Warwick Neighbourhood Watch	-	-	-	-
	Nova Wakefield District	94	-	-	94
Wecock Farm	Community Action Hampshire	110	-	(12)	98
Welsh House Farm	Haven Community Project	139	-	-	139
Wembley Central	Landau Morley LLP	200	-	-	200
Westfield Estate	Beighton Village Development Trust	180	(19)	(13)	148
Whitleigh	Whitleigh Primary and Sir John Hunt Community Sports College (CSC) Federation	616	(2)	-	614
Whitley	Berkshire Community Foundation	327	(13)	-	314
Whitley Bay	New Prospects Association Ltd	483	-	-	483
William Morris	Local Trust	-	-	(63)	(63)
	Crest Waltham Forest	139	-	-	139
Windmill Hill	Groundwork CLM	143	(30)	-	113
Winterton	Voluntary Action North Lincolnshire	-	(92)	(69)	(161)
Withernsea	Shores Centre	277	-	-	277
Woodlands Speaks	Woodlands Speaks CIO	195	(48)	-	147
Woolavington and Puriton Villages Together	SHAL Housing Ltd	213	(28)	(46)	139
World's End Estate and Lots Road Area	St Mary Abbots Rehabilitation and Training	112	(20)	-	92
Worle	NSAH (Alliance Homes Ltd)	575	(5)	-	570
Wormholt and White City	White City Enterprise	120	-	-	120
Wormley and Turnford	CVS for Broxbourne and East Herts	421	(20)	(60)	341
	Subtotal of grants to local areas	34,033	(3,044)	(2,098)	28,891

Other grants	
Residents' travel and childcare	40
Area admin contributions	1,442
Grant to UnLtd for Star People	772
Support and governance costs	464
Total grants payable	31,609

Hull and East Yorkshire Community Foundation went into voluntary liquidation in December 2015. At the time, it was the locally trusted organisation for Withernsea and Greatfield Big Local areas, and it was holding an estimated £99,785 of Big Local funding. To date, Big Local Trust has recovered £38,441 on behalf of Greatfield Big Local. The liquidators have yet to conclude their business, and the charity remains an unsecured creditor for the remainder of the funding held by Hull and East Yorkshire Community Foundation. An update received in September 2017 advised that administration of the liquidation is still ongoing and the next progress report will be sent to creditors within 2 months following the anniversary of the liquidation.

5. Governance costs

Total governance costs of £203k (2016: £143k) consist of direct governance costs of £103k and indirect costs of £100k. Indirect governance costs are an apportionment of staffing and other support costs, calculated on the basis of staff time spent. This is in accordance with our accounting policies as outlined in note 1g to the accounts.

6. Net income/expenditure for the year

This is stated after charging:

	2017	2016
	£000	£000
Depreciation and amortisation	54	77
Auditor's remuneration (including VAT):		
-audit	17	29
-non-audit	4	9
Investment manager's fees	409	534
Legal and professional fees	39	4
Operating lease charges	38	38

Big Local Trust audit fees for 2016-17 are estimated at £17k. Non-audit fees of £4k were for finance-related training for Big Local reps and partnerships during 2016-17.

7. Tangible fixed assets

			2017	2016
	Office refurbishment	IT equipment	Total	Total
Cost	£000	£000	£000	£000
Balance brought forward	44	131	175	171
Additions	-	-	-	4
Disposals	-	-	-	-
Balance carried forward	44	131	175	175
Depreciation				
Balance brought forward	38	120	158	116
Disposals	-	-	-	-
Charge for year	5	10	15	42
Balance carried forward	43	130	173	158
Net book value				
Brought forward	6	11	17	55
Carried forward	1	1	2	17

8. Intangible fixed assets

	2017	2016
	Total	Total
Cost	£000	£000
Balance brought forward	127	93
Additions	22	34
Balance carried forward	149	127
Amortisation		
Balance brought forward	64	29
Charge for year	39	35
Balance carried forward	103	64
Net book value		
Brought forward	63	64
Carried forward	46	63

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

9. Investments

	2017 £000	2016 £000
Market value brought forward	196,933	208,859
Transfer from cash held on deposit	-	1,622
Investment additions	5,482	6,277
Investment income drawdown	(21,000)	(19,000)
Net (loss)/gains on investment	7,174	(825)
Cash held on deposit	-	-
Total investments	188,589	196,933

10. Investments by type and location of fund

	2017 UK £000	2017 Overseas £000	2017 Total £000	2016 UK £000	2016 Overseas £000	2016 Total £000
Equity	11,563	28,757	40,320	13,681	26,120	39,801
Fixed interest	80,999	-	80,999	87,425	-	87,425
Property	14,830	-	14,830	19,139	-	19,139
Cash	52,440	-	52,440	50,568	-	50,568
Total	159,832	28,757	188,589	170,813	26,120	196,933

The total book cost of investments held at 31 March 2017 was £176,598k (2016: £187,366k).

11. Social investment assets

Big Local area	Credit union	Amount £000	Dividends £000	Repayments £000	Funds at 31 March 2017 £000
2015-16					
East Coseley	Castle and Crystal Credit Union	15	-	-	15
North West Ipswich	Eastern Savings and Loans Credit Union	20	-	-	20
Total 2015-16		35	-	-	35
2016-17					
Goldthorpe with Bolton on Dearne	South Yorkshire Credit Union	20	-	-	20
Grace Mary to Lion Farm	6 Towns Credit Union	15	-	-	15
Rudheath and Witton	Key Fund loan	5	-	1	4
St Oswald and Netherton	Knowsley Mutual Credit Union	13	-	-	13
Total 2016-17		53	-	1	52
Total social investments		88	-	1	87

Currently it is our view that there is no need for an impairment to be provided on the social investments made during 2016-17.

12. Debtors

	2017	2016
	£000	£000
Trade debtors	841	904
Amounts due from Local Trust	12	12
Prepayments	49	80
Accrued income	1,308	1,365
Total	2,210	2,361

13. Creditors: amounts falling due within one year

	2017	2016
	£000	£000
Grant commitments	16,661	7,998
Trade creditors	269	333
Accruals	127	195
Social security and other taxation	18	15
Pension payments due	8	6
Total	17,083	8,547

14. Creditors: amounts falling due after one year

	2017	2016
	£000	£000
Grant commitments	6,556	2,128
Total	6,556	2,128

15. Grant commitments

	2017	2016
	£000	£000
Grant commitments b/fwd	10,126	6,746
New commitments in the year	34,033	20,241
Commitments settled in the year	(15,799)	(13,524)
Commitments reversed in the year	(5,142)	(3,337)
Grant commitments c/fwd	23,218	10,126

16. Operating leases

	2017	2016
	£000	£000
Land and buildings, due in less than 1 year	54	38
Land and buildings, due in 2 to 5 years	-	152
Land and buildings, due after 5 years	-	157

On 12 August 2017, Big Local Trust entered a licence to occupy office space at CAN Mezzanine, Borough. Future commitments in relation to this lease are noted above.

Operating lease commitments in 2016 related to the old White Lion Street lease. Big Local Trust paid amounts totalling £40k to the previous Landlord at White Lion Street in order to break the lease on 31 August 2017. No further liabilities in relation to this lease remain at the date of approval of these financial statements.

17. Staff costs and numbers

	2017 £000	2016 £
Wages and salaries	565	506
Social security and other taxes	57	53
Pension	59	49
Total	681	608

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.

Staff are jointly employed by Big Local Trust and Local Trust. The average number of employees during the year was 13.5 (2016: 12.2).

In line with NCVO's Inquiry into Senior Executive Pay (2014), we publish details of our chief executive's pay and the ratio between the highest, median and lowest salaries as detailed below.

One employee earned between £80k and £90k per annum (2016: one). Debbie Ladds was chief executive to August 2016, and Matt Leach took over from January 2017 onwards. Ben Hughes was interim chief executive between September 2016 and January 2017, but not a salaried member of staff.

Chief executive salaries	Annual salary £000	Total pay before tax £000	Total employer's National Insurance £000	Total employer's pension £000	Total cost £000
2017					
Matt Leach (from 2 January 2017)	90	23	3	2	28
Debbie Ladds (to 31 August 2016)	90	37	4	4	45
		60	7	6	73
2016					
Debbie Ladds (1 April 2016 to 31 March 2017)	90	90	11	10	111

Ben Hughes was paid on a consultancy basis as Local Trust's interim chief executive, between September and December 2016. His total fees were £23k.

As at 31 March 2017, the highest full time gross salary was £90k, the median was £37k (ratio 2.4 to 1 between highest and median) and the lowest was £28k (ratio 3.2 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.

18. Volunteers

Big Local relies on people getting involved in making their areas better places to live. Over 1,900 people directly participate as partnership members across the 150 Big Local areas. Partnership members include representatives from local organisations, councils and businesses but a vast majority are volunteer residents (67%) who give of their own time to help lead Big Local in their area. More than a third (38%) of volunteer residents contribute over five hours a week to their Big Local. 14 of our volunteers are also trained as Big Local ambassadors and help us promote Big Local nationally.

19. Pension

We offer staff the opportunity to join a defined contribution Group Personal Pension Plan ('the scheme'). Monthly contributions to the scheme are invested in personal pension plans with an insurance company (Scottish Widows). Big Local Trust's contribution to the scheme is based on 10% of the employee's basic annual salary plus an amount equal to the saving Big Local Trust makes under the salary exchange system from the employer National Insurance contribution; there is no minimum contribution for staff although they are encouraged to make a contribution.

Pension contributions made by Big Local Trust to the scheme during the year were £59k (2016: £49k) for 15 employees. As at 31 March 2017, Big Local Trust owed £8k (2016: £6k) to the scheme relating to March salary payments: the amount due was settled on time during April 2016.

20. Trustees' remuneration, benefits and expenses

Trustees received no remuneration. Three trustees received reimbursements for travel costs during the period including travel related to trustee recruitment totalling £5k (2016: £5k). Trustee training expenses during the period were £3k (2016: £2k). Trustee recruitment costs during the period were £nil (2016: £nil).

21. Big Local Trust protector

Protector fees and expenses of £19k were payable during the period (2016: £16k).

22. Related party transactions

During the period April 2016 to March 2017, Local Trust paid Big Local Trust £24k for staff time and expenses spent on Local Trust activities (2016: £12k), but initially paid for through Big Local Trust. Big Local Trust had an outstanding debtor balance with Local Trust of £12k as at 31 March 2017 (2016: £12k).

Andrew Robinson is trustee of Local Trust and a director at CCLA. CCLA manage the Big Local Trust investment portfolio. Big Local Trust paid CCLA £409k in investment management charges during the year (2016: £534k). At 31 March 2017, Big Local Trust owed CCLA a balance of £104k (2016: £126k).

Benjamin Lee is trustee of Local Trust and a director of the National Association for Neighbourhood Management. Big Local Trust paid the National Association for Neighbourhood Management £66k (2016: £41k) for delivery of learning and networking events during the period. At 31 March 2017, Big Local Trust owed the National Association for Neighbourhood Management a balance of £17k (2016: £nil).

23. Post balance sheet events

There were no post balance sheet events that affected the financial information shown in the accounts.

24. Financial instruments

Carrying values of financial assets and liabilities at 31 March:

	2017	2016
	£000	£000
Financial assets measured at amortised cost (a)	4,352	4,565
Financial assets measured at fair value (b)	188,589	196,933
Financial liabilities measured at amortised cost (c)	23,622	10,661

(a) Financial assets measured at amortised cost include all debtors (excluding prepayments), cash in hand, notice deposits and social investments.

(b) Financial assets measured at fair value include all fixed asset investments (excluding social investments).

(c) Financial liabilities measured at amortised cost include all liabilities excluding amounts due for tax and social security.

Charity details

Big Local Trust

Big Local Trust is registered charity number 1145916.

Local Trust

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

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

Principal address of Big Local Trust and Local Trust

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

Trustees

The trustees of Local Trust are:

Alice Casey
Daniel Goodwin
Kathryn Kane OBE
Benjamin Lee
Peter Mills
Karen Riches
Andrew Robinson MBE
Penelope Shepherd MBE
John Kevin Sugrue (chair)
Jonathan Taylor
Dr John Whitton

Investment sub-committee members

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

Finance and audit sub-committee members

Kathryn Kane
Andrew Robinson MBE
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 (until 31 August 2016)

Ben Hughes (interim chief executive from 1 September 2016 to 4 January 2017)

Matt Leach (from 2 January 2017)

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

Banker

National Westminster Bank PLC

250 Regent Street

London W1B 3BN

Investment manager

CCLA

Senator House

85 Queen Victoria Street

London EC4V 4ET

Custodian

HSBC Bank Plc

8 Canada Square

London E14 5HQ

History and background

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

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.

Objects of Local Trust

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

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

Objects of Big Local Trust

The 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.'

About the Big Local programme

Big Local Trust carries out its objects through the Big Local programme.

The Big Local programme 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.

Big Local outcomes

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

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

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.

Local Trust

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

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