

Local Trust
creating
lasting
change

Local Trust

Annual report and financial statements

for 1 April 2015 - 31 March 2016



Registered company number 7833396

Registered charity number 1147511

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Introduction

Local Trust is a unique organisation supporting resident- and community-led solutions to create lasting change throughout England. We use a community development approach to resident- and community-led regeneration of areas. We believe that those who make up the community know best what's needed and are the most likely to come up with the solutions to make a lasting positive difference to the places where they live, work and socialise. We also believe that we can help them to make that happen.

Our vision of the future is that each community we work with is resilient and confident and their area is a good place to live. Our mission is to enable residents to make their communities and their areas even better places in which to live.

We take a collaborative approach to all that we do; building alliances and relationships to the benefit of each community we support because we know that this makes the best use of the skills of others, growing and building the capacity of all those we work with while also achieving our vision and mission. In communities, we support organisations that are trusted locally and selected by the community. We are flexible and do our best to be responsive and friendly in all that we do. We are keen to share our experiences and influence others to use a resident- and community-led approach to creating lasting change. To that end we place importance on learning what works, and we share this knowledge so that others can use it to enhance their support to communities too.

Our areas of work

There were three projects at Local Trust this year.

Big Local: Our main activity is running the Big Local programme through the Big Local Trust, of which we are the sole corporate trustee. Big Local is an exciting opportunity for residents in 150 areas around England to use at least £1m each to make a lasting positive difference to their communities. The programme is funded by the Big Lottery Fund. The Big Local Trust annual report and accounts is published as a separate document.

What is Big Local?



Resident-led
programme

150 areas
across
England



15 years
of consistent
funding and
support

£1m
funding to
each area



Community Investment Coalition: as members we bring a local perspective and provide a voice from communities on fair finance issues to contribute to the work of the Community Investment Coalition and access to fair finance.

Community Development Foundation legacy funding: During the year we were informed about legacy funding from the Community Development Foundation to advance, advocate and promote community development. We have begun to plan how to use this.

Objectives and activities for public benefit

As stated in the articles of association, the objects of Local Trust 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.”

This strategic review looks at what we achieved and the outcomes of our work in the previous 12 months. Our main activities are described below. All of our activities focus promoting on the capacity and skills of members of socially and economically, or socially disadvantaged, communities, as described in our objects, and are undertaken to further our charitable purposes for the public benefit.

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

Strategic review

Our achievements and performance are reported under the four objectives in our strategy.

Objective 1: By March 2017, we will deliver our work really well in a clear, collaborative way to establish our community-led, positive approach so residents gain greater control, skills and confidence to make a difference to the things that matter most to them in their communities

Objective 2: By March 2017, we will show via rigorous research, evaluation and story-telling that our approach is starting to have impact; levers in resources; enables joined up solutions to complex issues; and enables people to make their areas and communities even better places to live

Objective 3: By March 2017, we will position Local Trust and those we support to influence the approach of others working in communities including: funders, government, charities and businesses – with Local Trust seen as a leading innovator in transforming communities

Objective 4: By March 2017, we will ensure Local Trust runs effectively and follows good practice.

Objective 1

By March 2017, we will deliver our work really well in a clear, collaborative way to establish our community-led, positive approach so residents gain greater control, skills and confidence to make a difference to the things that matter most to them in their communities

We supported all 150 Big Local areas to begin delivering their first Big Local plan

Big Local partnerships are the majority resident groups that guide the development of Big Local in their area. This year we endorsed the final 31 Big Local partnerships, bringing the total to 150, and by 31 March we had endorsed plans for 145 areas, with the remaining five in assessment, (all endorsed by 20 May 2016). This means all Big Local areas are now delivering activities and spending down their main £1m fund. They are addressing a range of issues important to them. The top 10 priorities gathered from Big Local areas' first plans are shown below.

Residents' top 10 priorities



1 Environment



2 Community cohesion



3 Jobs and economy



4 Youth



5 Health and wellbeing



6 Training and skills



7 Community facilities



8 Crime prevention



9 Financial inclusion



10 Older people

(Source: Big Local area plans)

We awarded £18.9m in grants to Big Local areas

We assessed and awarded grants and social investments to enable partnerships to deliver their activities through locally trusted organisations selected by Big Local partnerships:

2015-16 headline figures	
Total new grant funding	£18.9m
Total new social investments	£35,000
Number of areas to whom funding was committed	132
Number of locally trusted organisations funded	173
Number of proposals assessed	186

We improved the guidance we provide to Big Local areas

Alongside funding we provide guidance – on our website, over the telephone, during visits, through newsletters and at events. This year we updated our guidance on managing, administering and accounting for Big Local funding to ensure partnerships and locally trusted organisations understand what is needed. Based on feedback from partnerships and reps we also updated our guidance on Big Local partnerships becoming their own locally trusted organisation; and ways to handle differences of opinion and conflicts within a Big Local partnership.

We supported 12 Big Local partnerships to be more entrepreneurial and supported 133 new social entrepreneurs

With our partner UnLtd, we co-fund additional support for entrepreneurship in Big Local areas. This year 12 Big Local partnerships were supported by UnLtd to develop an entrepreneurial approach to Big Local, think about their local economy and integrate this thinking into their plan and vision for the area. In addition, Star People (a programme supporting individuals to test their entrepreneurial ideas and grow social enterprises) continues to unleash the energies of people to transform their Big Local area. In the year to March 2016, UnLtd made 133 Star People awards, distributing £448,790 in total (of a total grant of £740,248 to UnLtd for Star People).

We ran 50 events to help residents gain skills and confidence to transform their area

Spring Events are our biggest events. 432 people attended the six 2015 Spring Events from 94 Big Local areas, including speakers but excluding the event team. 98% of those completing an evaluation form said the event was 'good' or 'excellent'. 66% said it was 'excellent'. People said they gained contacts, knowledge, understanding, enthusiasm, confidence and inspiration.

By the end of January 2016, 56 out of 150 Big Local areas had sent someone to one of our 13 training courses on topics including leading meetings, co-ordinating volunteers and presentation skills. We also held thematic events like our green spaces networking day, rep-organised events and bespoke training for groups of residents on topics specific to their needs.

Objective 2

By March 2017, we will show via rigorous research, evaluation and story-telling that our approach is starting to have impact; levers in resources; enables joined up solutions to complex issues; and enables people to make their areas and communities even better places to live

We established an evaluation advisory group to help ensure the quality of our research

We established an advisory group to guide the development of the Big Local evaluation in line with our [evaluation framework](http://localtrust.org.uk/library/research-and-evaluation/big-local-evaluation-plan) (localtrust.org.uk/library/research-and-evaluation/big-local-evaluation-plan). We invited nine experts to join the group and they all accepted.

We commissioned six new research projects and saw early results from our two long term research projects

We commissioned six independent research projects during the year from our research providers to enable us to learn and better support the programme. Many of the research themes were chosen to build insights that can help us address the challenges of choice, ownership, capacity, delivery, support and impact that were identified in NCVO's February 2015 'Big Local early years evaluation'.

Key findings included:

- Residents are using four methods to get their plans into action: commissioning, co-working, co-creating and bidding processes (Community Development Foundation, 2015, 'From plans to action').
- In the 20 areas whose plans were among the first that we endorsed, there has been a wide range of individual and community/collective benefits. A challenge is how areas can track and measure their impact over time (Resources for Change, 2016, 'Impact of Big Local'). The researchers produced blogs and examples to help areas do this.

Initial reports were also published from the two long-term research projects on Big Local:

- First stage findings of NIHR SPHR's Communities in Control study reveal how 'collective control' is emerging among groups of Big Local residents – the ability to take action together and influence change.
- Our Bigger Story is a long-term evaluation of Big Local using film, podcasting and other media to record learning, progress and insights from 15 Big Local areas and the report on the first year includes links to videos from the areas.

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

We inspired others through story-telling and peer learning

We shared more than 200 examples of community activity from inside and outside Big Local on social media and at our Spring Events for Big Local residents. At the Spring Events 2015 there were 21 workshops run by Big Local areas and 17 by external community groups or organisations. We published 31 case studies.

Objective 3

By March 2017, we will position Local Trust and those we support to influence the approach of others working in communities including: funders, government, charities and businesses – with Local Trust seen as a leading innovator in transforming communities

We published an overview booklet for external audiences about the progress of Big Local to date

Our [booklet](#) 'What's happening in Big Local?' uses facts and examples to explain what the Big Local programme is and how residents have been taking action since the first Big Local areas were announced in 2010 (localtrust.org.uk/news/blogs/whats-happening-in-big-local).

We highlighted residents' willingness and ability to be involved in decisions about their community

In Volunteers' Week 2015 we ran a survey and convened our first roundtable event at the RSA to drive debate on strengthening residents' involvement with their communities. We generated nine pieces of sector coverage from these activities, promoting the willingness and ability of residents to be active members of their community when given appropriate support.

We influenced local authorities and public services to put residents in the lead

We hosted a second roundtable in November 2015, this time on the opportunities and challenges of communities and public services working together. The event was attended by representatives from Big Local areas, the Big Lottery Fund, DCLG, council representatives, academics and others. We partnered with New Start magazine to gather views about collaboration from local authorities, charities and volunteers. The event and survey led to 11 pieces of press coverage on the theme of collaboration.

We are continuing to develop this theme in 2016-17. Through the support of CCLA, our investment manager, we held two well-attended fringe events at the LGA conference 2016 to debate devolving more power to residents. We are sponsoring a new category of 'Community Collaborator' in the Local Government Information Unit's 'LGIU & CCLA C'llr Achievement Awards', that will recognise a councillor who has supported a resident-led project.

We recruited and trained 16 Big Local ambassadors to advocate for the Big Local approach

In order to feature resident voices in our national communications, and help strengthen the ability of areas to raise their profile locally, we successfully recruited and trained 16 Big Local ambassadors from among the volunteers involved in Big Local.

We sponsored the Sheila McKechnie Foundation's Local Campaigner Award and Big Local ambassador Ellen Burns-Pearce spoke and presented the award at the awards ceremony in the House of Lords. Big Local ambassador Ralph Rudden represented Local Trust at Understanding Society/ESRC 'Social capital' event, Big Local ambassador Lianne McGinnes represented residents' views at our first roundtable event and Big Local ambassador Sue Miller represented residents' views at our second roundtable event, discussed below.

Three Big Local ambassadors wrote blogs for our website and two wrote blogs on external sites, sharing their experience of Big Local.

Our senior staff attended key meetings and presentations with funders, government departments and charities

Debbie Ladds, our chief executive, attended meetings to discuss our approach with:

- Centre for Social Action (Cabinet Office) and DCLG
- voluntary and community sector organisations such as Woburn Place Collaborative, Locality, Community Organisers Ltd, New Local Government Network, the RSA, Centre for Enterprise, Markets and Ethics and Community Matters
- funders and funders' groups such as London Funders, Big Lottery Fund, Lankelly Chase Foundation, strategic learning event for funders run by IVAR, Esmée Fairbairn Foundation, Power to Change, Building Communities Trust, The Prince's Foundation and chief executives of other trusts established by the Big Lottery Fund.

We presented our approach at three sector events: Understanding Society/ESRC 'Social capital' event; 'Learning from Big Local' event held by London Funders; and a 'Health Beyond Healthcare' event (run by Guy's and St Thomas' Charity) that was attended by a range of voluntary and community sector organisations, statutory organisations and funders.

We learned more about how to influence others in the future

In order to develop our understanding of our audiences and to develop a more effective framework for our communications in the future we commissioned Britain Thinks to complete a stakeholder perception audit, to be completed in June 2016. The audit included one-to-one interviews with anonymised leaders in the community sector, and sought to explore how Local Trust could develop a more public, influential role, and the potential value to others. We also took steps to increase our communications capacity by starting the recruitment process for a new post to lead our communications in 2016/17.

We showcased Big Local success stories in the national media

We secured Daily Mirror coverage of Collyhurst Big Local's debt advice service, and Guardian coverage of Goldthorpe and Bolton on Dearne's innovative housing project. This housing project also earned the area a place in Nesta's '50 Radicals' list 2016.

We funded a film and a research project to support the CIC's campaign for disclosure of bank lending data in the UK

We are members of the Community Investment Coalition. This year, through a grant from the Community Development Foundation, we funded a video that promoted the disclosure of bank lending data in the UK.

We also funded a research paper to be published by the Centre for Responsible Finance: 'The Distribution of Consumer Credit Debt in Leicester'. This work analyses bank lending patterns and estimates the debt burden at the local level across Leicestershire, with a focus on the Big Local area in St Matthews ward, Leicester. The project provides a template that can be followed in other areas, and findings that engage local stakeholders with the Community Investment Coalition's campaign.

We secured a substantial fund to scope the future application of community development and grow our work

We were informed about legacy funding of £586k from the Community Development Foundation to advance, advocate and promote community development, including £25k to lead a project to capture the contemporary value and future application of community development.

We see this project as an opportunity for those who work with communities to reflect on progress and shape the future of community development. We also see it as a guide in how we best use the rest of the funding. We're committed to using the money wisely to think and act strategically about community development, over the long term.

Objective 4

By March 2017, we will ensure Local Trust runs effectively and follows good practice

We improved how we work with locally trusted organisations to manage Big Local funding

During the year we have taken greater interest in how locally trusted organisations and Big Local partnerships are managing Big Local funding. We have more direct contact with locally trusted organisations, including dedicated events to help clarify roles and responsibilities. We provided further guidance for locally trusted organisations on managing Big Local funding. Working with Crowe Clark Whitehill we have initiated visits to a small sample of locally trusted organisations to better understand how they are managing Big Local funding.

We use these reviews to:

- help us make sure that locally trusted organisations have appropriate finance processes in place for Big Local funding, and are following them, in line with our funding agreements
- support good financial management in locally trusted organisations
- highlight any strengths, good practice, challenges or concerns to the locally trusted organisation, the Big Local partnership, the Big Local rep and Local Trust.

Peter Thurston is our 'protector'. His role is to ensure the integrity of the administration of the Big Local Trust and the safeguarding of public money. As part of his responsibilities, he has visited a small sample of areas to see how the funding is being managed. On these visits, he discusses how the Big Local funding has been drawn down and how it is being spent and managed. He usually meets the person in the locally trusted organisation who deals with the finance for the partnership, plus often either the chair of the partnership and/or their worker and their Big Local rep.

We maintained an enthusiastic staff team

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

Specific actions that trustees agreed during 2015-16, following on from staff feedback, included a review/benchmarking of staff salaries and terms and conditions

In May 2016, Debbie Ladds, our chief executive announced that she was standing down due to personal commitments. Our trustees appointed an interim chief executive, Ben Hughes, who started in September 2016. In October 2016 they appointed a new permanent chief executive to take us forward: Matt Leach, who will be starting in early 2017.

We worked with experienced partners and reps; investing in good communication with them

During 2015-16, we delivered the majority of activities through experienced organisations in line with our ethos and approach; ensuring we held relevant rep and partner meetings throughout the year.

We used trustees' expertise effectively

We organised a number of activities to maximise the contribution that trustees make, including an away day in January 2016 and we used individual trustees' experience to contribute to specialist areas of our work. The risk and opportunity map was reviewed and updated with trustees during the year and staff managed the risks and opportunities.

We improved our information management systems, digital technology and security

We contracted IT consultants to support the development of our knowledge management, including working with the team and our current suppliers to ensure that Big Local Community (our online grant management system), the Local Trust website and our internal IT systems are integrated and used optimally.

We responded to our auditor's recommendations

In addition to the unmodified audit report, our auditor provided an audit findings report on matters identified during the audit. In response to this report we made the following changes:

- put in place more thorough processes for identifying outstanding grants that we can close, to ensure that grant commitments are as accurate as possible
- briefed reps on their role as our 'eyes and ears' in the area to ensure Big Local operates appropriately, including being aware of the responsibilities of locally trusted organisations, the activities being carried out in an area and the associated funding
- produced revised guidance documents and ran training sessions for locally trusted organisations to support the financial management of Big Local funding
- started to pilot finance review visits of locally trusted organisations.

Plans for the future

Our first chief executive, Debbie Ladds, secured a firm foundation for Local Trust and for Big Local, supporting us since inception. We are now looking forward to welcoming our new chief executive, Matt Leach, who will lead us forward, embedding our resident-led approach, learning from what we do and promoting our approach to a wide audience. He is due to take up his appointment in early 2017.

Long-term strategy

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

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



88% of local steering group members feel confident their group will achieve their goals in the longer term

Key objectives for next year

Our key objectives to March 2017 are to:

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

We will continue to work with Big Local areas, reps and partners to look for new opportunities to provide additional resources into Big Local. We aim to be enterprising and transformational while learning from our experience and staying true to the Big Local approach. Once our new chief executive is in post we will prepare a new strategy to take us forward.

Financial review

During 2015-16, Local Trust's primary responsibility was to deliver Big Local using funds from the Big Local Trust. During the year, Local Trust was informed about legacy funding of £586k from Community Development Foundation to advance, advocate and promote community development; this was received in summer 2016.

Overview of income and expenditure

Total expenditure during the year for the group, including Big Local Trust, was £21.9m (2015: £16.4m). The increase in expenditure reflects the fact that direct funding to Big Local areas increased to £18.9m (2015: £13.4m). The cost of delivery to areas decreased slightly to £1.9m (2015: £1.9m). A full list of the funding to Big Local areas is included in note 4.

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 £6.6m for the year (2015: £6.3m). There were net losses on the investment of £0.8m (2015: £12.0m gains).

The total expenditure of Local Trust (the company) during the year was £16.6k (2015: £5.3k).

Net group expenditure for the year, was £14.7m (2015: £10.0m). The total funds held at the year-end were £191.6m (2015: £207.1m).

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 good long-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 2015-16.

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 voluntaries, co-opted members, Chris Wigley and Serena Loudon, who bring independent investment expertise to discussions.

Investment performance

The total value of Big Local Trust's investments, including income, as at 31 March 2016 was £196.9m. The performance benchmark of the fund is Bank of England's Official Rate plus 1% per annum, so +1.5% for 2015-16, and the overall returns for the year were +2.11%. Property performed particularly well with returns of +12.22%, fixed interest returns were +1.89%, cash and near cash +0.83% and equities +0.19%.

Ethical and responsible investment

Local Trust, acting as the corporate trustee of Big Local Trust, agreed to use CCLA's default ethical investment policy as developed with Charity Commission guidance (CC14) in mind, in response to CCLA's three yearly charity client consultations. We agreed to review this policy annually and to develop it over time with input from a range of stakeholders. This policy (as used by CCLA's COIF Ethical Investment Fund) avoids investment in companies:

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

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

- UK public health minimum standards (alcohol abuse and obesity)
- international norms (human rights, core employment standards and climate change disclosure).

We also follow:

- the Church of England's bespoke screen for high interest rate lending
- CCLA's COIF Charities Ethical Investment Fund's 2013-15 Living Wage engage/divest programme relating to the FTSE100 financial and pharmaceutical companies.

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

Big Local Trust's response to the UK Stewardship Code is published on our website and on the Financial Reporting Council website. The UK Stewardship Code, prepared by the Financial Reporting Council, sets out the principles of effective ownership by institutional investors (like Big Local Trust) to the benefit of the company and the investor.

Change of custodian

In June 2015, CCLA implemented the agreed change of custodian, from Northern Trust to HSBC. The custodian is the independent financial institution that holds Big Local Trust's funds, and makes transactions as instructed by CCLA, the investment manager. This change had been formally agreed by trustees during 2014-15.

Distribution of returns on the investment

In summer 2015, Local Trust reviewed its policy on the allocation of investment returns to Big Local areas. Under Big Local, £1m is allocated to 150 Big Local areas 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. Each Big Local area will spend its £1m allocation at different rates, and Local Trust maintains records to ensure that each area will receive a fair proportion of the net investment returns earned by the fund.

Trustees considered the allocation of investment returns to Big Local areas in summer 2015, along with the rate at which areas are spending. Trustees concluded that it is in the best interests of Big Local areas to continue reinvesting returns and to issue another statement on the distribution of the returns on the investment in the summer of 2018.

Grant making policy

Each Big Local area draws down funding by providing plans to be endorsed, setting out how they plan to work to address priorities identified by people in the area. Big Local areas identify 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 William Morris, Conniburrow, Greatfield, Noel Park estate, Firs and Bromford, Somers Town and Wecock Farm.

Big Local Trust retains the administration contribution of 5% for Local Trust acting as the locally trusted organisation, and in 2015-16 this totalled £60,316 for plan funds drawn down by William Morris, Greatfield, Wecock Farm and Firs and Bromford (2015: £2,051).

Social investments

Big Local Trust makes programme-related social investments on behalf of Big Local areas. To date, these social investments have been corporate deposits made to credit unions on behalf of Big Local areas, so that the credit unions can support residents in the relevant Big Local area, through providing accounts, loans, and budgeting/financial literacy support. The social investments are made alongside grants that support the credit unions to provide these services. 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.

The decision to make social investments with Big Local money is made by the Big Local partnership, as part of achieving their Big Local plan and the vision within it.

During 2015-16, Big Local Trust made its first two social investments:

- £20,000 with Eastern Savings and Loan Credit Union on behalf of the Big Local area in North West Ipswich
- £15,000 with Castle and Crystal Credit Union on behalf of Big Local East Coseley.

These programme related investments are disclosed as a separate line on the face of the balance sheet.

Constructive obligations

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

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

Big Local Trust's constructive obligations increased from £6.7m in 2014-15 to £10.1m in 2015-16, reflecting the increase in funding provided to the 150 Big Local areas which have been offered plan funding.

This increase is also reflected in the grants payable figure in the consolidated statement of financial activities on page 24.

Financial planning

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

During 2016-17, Local Trust will undertake a research project, as part of the Community Development Foundation legacy project, that will inform its future plans and budget. In the interim, the majority of the Community Development Foundation legacy funding, received in May 2016, is invested in CCLA's COIF Charities Deposit Fund.

We undertake annual reviews of the Big Local budget to inform its 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 (eg funding committed) to areas as we deliver plan funding.

The updated Big Local Trust 15-year budget informs the investment strategy and a rolling two-year cash flow forecast is provided to CCLA to enable them to manage the cashflow requirements of the programme. The cashflow proved to be accurate for 2015-16.

Reserves policies

Local Trust (the company) has not previously had a reserves policy, as it has not had any substantial income or expenditure. During 2015-16, all contracts and grants were entered into by Local Trust in its capacity as trustee for Big Local Trust. All staff are employed jointly by Local Trust and Big Local Trust.

Local Trust (the company) had net restricted funds of £593.0k at 31 March 2016 (2015: £3.6k), which included £586k legacy funding from Community Development Foundation, which had not yet been received. The Community Development Foundation legacy funding significantly changes Local Trust's financial position (as distinct from that of Big Local Trust). Trustees are in the process of putting together long-term plans for Local Trust, and as part of that of that will agree a reserves policy.

Big Local Trust held total funds of £191.0m as at 31 March 2016 (2015: £207.1m); this is an expendable endowment to be spent by 13 February 2027. All of the Big Local Trust funds held are unrestricted. No funds had been designated or otherwise committed as at 31 March 2016, other than those identified elsewhere in the accounts.

Trustees consider that it is not necessary for Big Local Trust to have a reserves policy. The trust has processes in place to manage its funding over the period of the endowment to ensure that the central costs, support costs and funding allocated to the 150 areas are spent in line with the requirements of the programme and the trust deed. Within this, it has sufficient contingencies to cover any unforeseen costs.

Staff remuneration

Local Trust benchmarks staff salaries against national partner, 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 chief executive, considered to be the sole member of key management personnel. Trustees review remuneration annually. Trustees recognise our approach might change in future as the organisation and staff team matures and as external factors change.

Principal risks and opportunities

Our approach

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 and opportunity map which is reviewed and updated by senior managers and trustees updated during the year.

We developed our 'rewarded risk' approach in response to recommendations from our audit findings report 2014-15. We group risks and opportunities into clusters around principal risks or opportunities with both specific risks and opportunities listed within that cluster. Actions to mitigate or strengthen the situation and actions to control or enable the situation are similar for each principal risk or opportunity. This approach continues to give us permission to explore different ways of working and explore the potential returns from taking opportunities, while also identifying risks and taking appropriate action.

Plans

Major risks and opportunities and associated mitigation plans are:

	Risk/opportunity	Mitigation/enabler
Resident-led approach to funding and supporting areas	The current economic climate means that locally trusted organisations, partners or other sub-contractors are not viable and close/go into administration.	Open dialogue with organisations, training and support for Big Local partnerships, local intelligence from Big Local reps, relevant contracts and grant agreements.
Resident-led approach to funding and supporting areas	Decision-making is local, we endorse and support rather than decide and control. Residents make decisions about Big Local to build the skills and confidence of people to make a difference themselves; this might mean the programme is slower to deliver but the results will be more sustainable.	We enable this by working to ensure that external stakeholders locally and nationally understand the reasons for 'slow spend'.
Investment	Our investment strategy allows up to 40% of funds to be held in equity and property. Equity and property expose the funds to greater potential gains as well as losses.	We invest to achieve an optimum balance between risk and return given the cash flow requirements of the programme.

	Risk/opportunity	Mitigation/enabler
Investment	The investment fails to keep pace with inflation and/or we lose some of the investment.	Big Local areas are not promised any specific returns or that the investment keeps pace with inflation, and we mitigate the risk of investment losses by having a cautious and diversified investment strategy. We review the investment strategy each year to maximise returns and reduce losses.
Local Trust operations	Inappropriate finance systems and/or procedures in place at Local Trust could lead to misappropriation of funds, loss of money or a poor audit.	We carefully manage our systems and procedures to ensure appropriate use of funding, and follow the advice of our auditors. We provide support and training for reps, assessors and locally trusted organisations, and carry out finance review visits to a small number of locally trusted organisations every year.
Local Trust operations	The use of appropriate knowledge management systems will help us to ensure effective programme management and programme evaluation from 150 areas plus reps, partners and staff.	We develop and maximise the use of data collected to the benefit of the programme and all involved in line with the agreed evaluation framework.
Local Trust operations	Our reliance on IT to manage all of our day-to-day business, and the increasing incidence of cyber-crime, means a continued threat from external parties trying to gain access to our systems and data.	We have reviewed and enhanced our IT systems to mitigate the risk of future cyber-attack and data loss. We will continue to keep our IT security under review, and respond to the recommendations of our specialist advisers.

Governance and committees

Governance

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

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.

During the year, one trustee stood down in June 2015 (Shazad Sarwar) and a long-serving trustee (Alison Seabrooke) stood down in March 2016.

Trustees receive clear, high quality reports and information in time to inform decision-making in line with governing documents.

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, Jonathan Taylor on finance and audit.

Trustees spent time during the year focusing on topics including:

- the ambassadorial role of trustees
- lessons for governance and new practical advice following the closure of Kids Company
- Big Local over the next decade
- Community Development Foundation legacy funding and its relationship to Big Local.

Sub-committees

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

Trustee induction and training

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

Statement of trustees' responsibilities

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

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 8 December 2016 and signed on their behalf by:

Signed J. K. Sugrue Date 19/12/2016

John Kevin Sugrue
Chair

Independent auditor's report to the members and trustees of Local Trust

We have the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated Statement of Cash flows and the related notes numbered 1 to 28.

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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the charitable company'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 charitable company's members and 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 charitable company, the charitable company's members as a body and the charitable company'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 (who are also the directors of the charitable company for the purpose of company law) 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 151 of the Charities Act 2011 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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 charitable company'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 group's and the charitable company's affairs as at 31 March 2016 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with 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 Companies Act 2006 and the Charities Act 2011.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustees Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- the parent charitable company has not kept adequate accounting records; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Trustees Annual Report.

Signed N. Hashemi Date 22 December 2016

Naziar Hashemi, Senior Statutory Auditor

For and on behalf of **Crowe Clark Whitehill LLP**

Statutory Auditor

London

Consolidated statement of financial activities

(incorporating an income and expenditure account) for the year ended 31 March 2016

	<u>Notes</u>	Total 2016 £	Total 2015 £
Income from:			
Investment income	2	6,600,733	6,345,618
Community Development Foundation grants	3	606,205	-
Contracts		12,301	-
Reimbursements		-	1,664
Total income		7,219,239	6,347,282
Expenditure on:			
Raising funds		534,107	582,866
investment management charges			
Charitable activities:			
grants payable	5	18,897,733	13,394,631
delivery to areas		1,886,172	1,897,875
learning to support the programme		588,739	505,978
Total expenditure	4	21,906,751	16,381,350
Net operating expenditure		(14,687,512)	(10,034,068)
Net (losses)/gains on investments		(825,260)	11,959,842
Net movement in funds		(15,512,772)	1,925,774
Reconciliation of funds:			
Total funds brought forward at 1 April 2015		207,088,695	205,162,921
Total funds carried forward at 1 April 2016		191,575,923	207,088,695

All amounts are restricted and relate to continuing activities.

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

The accompanying notes, on pages 27 to 48, form part of these financial statements.

Consolidated and company balance sheets as at 31 March 2016

Company number: 07833396

		2016 Group £	2016 Local Trust £	2015 Group £	2015 Local Trust £
	<u>Notes</u>				
Fixed assets					
Tangible assets	8	17,465	-	55,399	-
Intangible assets	9	63,215		63,776	
Investments	10 & 11	196,932,285	-	210,480,565	-
Social investments	12	35,000	-	-	-
		<u>197,047,965</u>	<u>-</u>	<u>210,599,740</u>	<u>-</u>
Current assets					
Cash at bank and in hand		102,995	18,828	2,177,772	5,275
Investments		2,165,337			
Debtors	13	<u>2,934,815</u>	<u>586,205</u>	<u>1,797,707</u>	<u>-</u>
Total current assets		<u>5,203,147</u>	<u>605,033</u>	<u>3,975,479</u>	<u>5,275</u>
Liabilities					
Creditors: amounts falling due within one year	14	(8,546,748)	(11,899)	(7,400,931)	(1,664)
Net current assets		<u>(3,343,601)</u>	<u>593,134</u>	<u>(3,425,452)</u>	<u>3,611</u>
Creditors: amounts falling due after one year	15	(2,128,441)	-	(85,593)	-
Net assets		<u>191,575,923</u>	<u>593,134</u>	<u>207,088,695</u>	<u>3,611</u>
Funds					
Restricted funds		<u>191,575,923</u>	<u>593,134</u>	<u>207,088,695</u>	<u>3,611</u>
Total funds		<u>191,575,923</u>	<u>593,134</u>	<u>207,088,695</u>	<u>3,611</u>

The accompanying notes, on pages 29 to 46, form part of these financial statements.

Approved by the trustees, authorised for issue on 8 December 2016 and signed on behalf of the board of trustees:

Signed J. K. Sugrue Date 19/12/2016

John Kevin Sugrue
Chair

Consolidated statement of cashflows for the year ended 31 March 2016

	2016 £	2015 £
Cash (outflow)/inflow from operating activities:		
Net (outgoing) resources	(14,687,512)	(10,034,067)
Investment income earned	(6,600,733)	(6,345,618)
Depreciation/amortisation of fixed assets	77,012	80,632
(Increase) in debtors	(1,137,108)	(450,242)
Increase in creditors	3,188,665	3,910,032
Investment management fees	534,107	582,866
Net cash (used in) operating activities	(18,625,569)	(12,256,397)
Cash flows from investing activities:		
Investment income received	6,600,733	6,345,618
Investment management fees	(534,107)	(582,866)
Increase in cash held on deposit	-	3,183,220
Payments to acquire tangible fixed assets	(38,517)	(37,260)
Payments to acquire social investments	(35,000)	(8,644,335)
Transfer from investment income	(6,276,980)	-
Receipts from the sale of fixed asset investments	19,000,000	13,000,000
Net cash required by investing activities	18,716,129	13,264,377
Change in cash and cash equivalents in the year	90,560	1,007,980
Change in cash and cash equivalents in the year	90,560	1,007,980
Cash and cash equivalents at 1 April 2015	2,177,772	1,169,792
Cash and cash equivalents at 31 March 2016	2,268,332	2,177,772

	2016 £	2015 £
Analysis of cash and cash equivalents:		
Cash in hand	102,995	10,030
Notice deposits	2,165,337	2,167,742
	2,268,332	2,177,772

Notes to the accounts for the year ended 31 March 2016

1. Accounting policies

a) Administrative information

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

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

Local Trust:	registered company number	07833396
	registered charity number	1147511

The registered office is: Unit D, 15-18 White Lion Street, London, N1 9PD.

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 date of transition to FRS102 was 1st April 2014 and in preparing the financial statements, the trustees have considered whether the accounting policies required by the standard require restatement of comparative information.

No adjustments have arisen on transition to FRS102 and the new SORP.

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) Group accounts

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

d) Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historic experience

and other factors that are considered to be relevant. Actual results may differ from these estimates.

e) 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.

f) 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.

g) 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.

h) 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 2016 was across delivery to areas and learning to support the programme.

i) 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.

j) Expenditure on raising funds

Expenditure on raising funds include investment management fees which are charged at 0.3% of the market value of the portfolio, and are charged as they fall due to the Statement of Financial Activities.

k) 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).

l) 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.

m) 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.

Big Local Trust has a policy for social investments and impairment, which is reviewed on an annual basis. An annual assessment is undertaken each year (as at 31 March) to determine the extent, if any, to which Big Local Trust's social investments have been impaired (eg reduced in value), to ensure that their value has not been overstated.

These programme-related investments are disclosed as a separate line on the face of the balance sheet.

n) 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.

o) 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.

p) 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

	2016	2015
	£	£
Interest on cash & cash instruments	200,418	199,435
Interest on bonds	3,810,773	3,752,010
Dividends from real estates	2,273,931	1,951,054
Bank interest	315,611	443,119
Total	6,600,733	6,345,618

3. Grant income from Community Development Foundation

	2016	2015
	£	£
Legacy funding	586,205	-
Grant for work on potential transfer of assets	10,000	-
Grant for work with the Community Investment Coalition	10,000	-
Total	606,205	-

As required by the funding deed, Local Trust undertakes to hold £50k of the Community Development Foundation legacy funding, to cover any residual liabilities not already discharged.

The Community Development Foundation grant for work with the Community Investment Coalition is restricted funding to undertake research into community development approaches towards financial literacy.

4. Resources expended

	Charitable activities						
	Local Trust £	Grant expenditure directly to areas £	Delivery to areas £	Learning to support the programme £	Expenditure on raising funds £	2016 Total £	2015 Total £
Direct costs							
Staff	-	-	253,231	178,749	-	431,980	371,531
Grants to areas	-	-	-	-	-	-	-
GPI 2	-	(20,016)	-	-	-	(20,016)	(41,327)
Getting started	-	(30,676)	-	-	-	(30,676)	41,226
Creating plan	-	19,429	-	-	-	19,429	84,770
Marketplace	-	5,581	-	-	-	5,581	9,600
Pathway funding	-	82,899	-	-	-	82,899	502,737
Big Local plan funding	-	16,846,830	-	-	-	16,846,830	11,108,413
Community travel and childcare	-	33,380	-	-	-	33,380	27,330
Area admin contribution	-	834,000	-	-	-	834,000	539,969
Grant funding for Star People	-	740,248	-	-	-	740,248	818,637
Area delivery costs	-	-	1,487,595	-	-	1,487,595	1,556,319
Programme development	-	-	-	190,506	-	190,506	290,862
Finance charges	-	-	-	-	534,107	534,107	582,866
Total direct costs	-	18,511,675	1,740,826	369,255	534,107	21,155,863	15,892,933
Support costs							
Staff	-	104,679	41,810	67,020	-	213,509	188,311
Communication and marketing	4,690	15,998	6,390	10,242	-	37,320	16,509
IT and consultancy	-	137,550	54,941	88,067	-	280,558	65,688
Rent and office costs	-	44,616	17,820	28,565	-	91,001	84,594
Governance	93	45,459	4,521	1,416	-	51,489	52,683
Depreciation	-	37,756	15,081	24,174	-	77,011	80,632
Total support costs	4,783	386,058	140,563	219,484	-	750,888	488,417
Total expenditure	4,783	18,897,733	1,881,389	588,739	534,107	21,906,751	16,381,350

5. Grants payable

Big Local area	Locally trusted organisation	New grants £	Repayment of unspent grants £	Closed grants £	2016 Total £
Aberfeldy	Poplar HARCA	95,847	-	-	95,847
Allenton	Enthusiasm Trust	180,551	(28,269)	(109,401)	42,881
Ansley Village, New Arley and Old Arley (Leys Millionaires	WCAVA	344,716	(802)	-	343,914
Arches Local	All Saints Community Project	-	(1,410)	-	(1,410)
	East Kent Voluntary Action Support	260,400	-	-	260,400
Barnfield	Greenwich Co-operative Development Agency	91,882	-	-	91,882
Barrow Island	Barrow Borough Council	15,320	-	-	15,320
	Barrow Borough Sports Council	6,000	(1,236)	-	4,764
	Cumbria CVS	196,400	(3,700)	-	192,700
Barrowcliff	Groundwork North Yorkshire	18,688	-	-	18,688
Beechwood, Ballantyne & Bidston Village	Voluntary and Community Action Wirral	171,606	(2,079)	-	169,527
Birchfield	Birchfield Neighbourhood Forum	-	-	(41,249)	(41,249)
	Birmingham Voluntary Services Council	253,820	(34,146)	-	219,674
Birchwood	Lincolnshire Co-operative Limited	265,815	-	-	265,815
Blackpool Revue	Blackpool, Wyre and Fylde Council for Voluntary Services	247,709	(863)	-	246,846
Bountagu	Enfield Children & Young Person's Services	84,748	-	(38,048)	46,700
Bourne Estate	Bourne Valley Action Group	11,000	(1,963)	-	9,037
	Bournemouth Churches Housing Association	230,741	-	-	230,741
Brereton	Support Staffordshire	80,000	-	-	80,000
Brinnington	Rising Stars NW CIC	-	(5,569)	-	(5,569)
	Stirchley & Brookside Parish Council	98,500	(1,929)	-	96,571
Canvey's Big Local £1million	Essex Boys & Girls Clubs	103,010	(913)	(3,000)	99,097
Cars area, Smith's Wood, Solihull	Colebridge Trust, Solihull SUSTAIN	129,333	-	-	129,333
Catton Grove	People Shaped Solution CIC	-	(24,506)	-	(24,506)
	Voluntary Norfolk	144,759	-	-	144,759
Central Boston	Age UK Boston & South Holland	99,276	(25,504)	(44,443)	29,329
	TaylorITEX CIC	107,870	(57,211)	-	50,659
Central Jarrow	Groundwork South Tyneside and Newcastle	-	(33,335)	-	(33,335)
Chinbrook Estate	Grove Park Community Group	-	(800)	-	(800)
	Voluntary Action Lewisham	131,000	-	-	131,000
Church Hill	Bromsgrove and Redditch Network	379,952	(12,063)	(22,298)	345,591
Clapham Junction, West Battersea (BIG Local SW11)	Providence House Youth Club	81,460	-	-	81,460
Clarksfield, Greenacres & Littlemoor	Greenacres Community Association	30,000	-	-	30,000

Big Local area	Locally trusted organisation	New grants £	Repayment of unspent grants £	Closed grants £	2016 Total £
Clubmoor	Liverpool Charity and Voluntary Services	60,000	-	-	60,000
	St. Andrew's Community Network	66,000	-	-	66,000
Collyhurst	Manchester Communication Academy	-	-	(38,068)	(38,068)
Conniburrow	Milton Keynes Community Foundation	221,958	(54,559)	(25,000)	142,399
Devonshire West	3VA	288,000	(28,612)	(41,750)	217,638
Dewsbury Moor	Voluntary Action Kirklees	--	(4,294)	-	(4,294)
Distington	Cumbria CVS	79,881	(17,218)	-	62,663
Dover Town	East Kent Voluntary Action Support	141,533	(26,316)	-	115,217
Dyke House	The Wharton Trust	162,500	-	-	162,500
East Cleveland Villages	Tees Valley Rural Community Council	67,963	(20,630)	(122,500)	(75,167)
East Coseley	Dudley Council for Voluntary Services	157,000	(3,754)	-	153,246
Eastern Sheppey	Swale Community & Voluntary Services	190,000	(274)	-	189,726
Elmton, Creswell & Hodthorpe	Community Voluntary Partners	160,880	(17,732)	-	143,148
Elthorne Estates	Caxton House Community Centre	451,780	(6,219)	-	445,561
Ewanrigg	Cumbria Council for Voluntary Services	100,161	(103)	-	100,058
Farley Hill	Age Concern Luton	249,700	(26,990)	(55,000)	167,710
Firs and Bromford	Local Trust as LTO	-	-	(8,763)	(8,763)
	Worth Unlimited	108,870	-	-	108,870
Gateshead	St Chad's Community	210,452	(7,218)	-	203,234
	Gateshead Voluntary Organisation Council	-	(19,366)	-	(19,366)
Gaunless Gateway	Durham County Council	-	(1,896)	-	(1,896)
Goldthorpe with Bolton-on-Dearne	Barnsley Community Build	200,000	-	-	200,000
	Voluntary Action Barnsley	219,850	(1,435)	-	218,415
Grace Mary to Lion Farm	Sandwell Council of Voluntary Organisations	127,000	(479)	-	126,521
Grange Big Local	Community Action Barnet	299,000	(2,721)	-	296,279
	Martin Primary School	-	(800)	-	(800)
Greatfield	Hull & East Yorkshire Community Foundation	71,882	-	(33,441)	38,441
	Local Trust as LTO	133	-	-	133
	PROBE	34,107	-	-	34,107
Greenmoor Big Local	Bradford and District Community Empowerment Network Limited	160,000	-	-	160,000
Growing Together	Blackthorn Good Neighbours	-	(75,217)	-	(75,217)
Hackney Wick	East End Community Foundation	15,000	(13,951)	-	1,049
Hanwell, Copley Close	E.A.S.E. Empowering Action and Social	158,580	(1,422)	(62,150)	95,008
Harefield, Midanbury & Townhill Park (Big Local SO18)	Southampton Voluntary Services	68,440	-	(17,110)	51,330
	TWICS	70,511	-	(18,048)	52,463
Hateley Cross	Sandwell Community Information & Participation Services	207,000	(1,500)	-	205,500

Big Local area	Locally trusted organisation	New grants £	Repayment of unspent grants £	Closed grants £	2016 Total £
Hawksworth Wood Estate, the Abbeydales & the Vespers (HAVA)	Cardigan Centre	185,000	-	-	185,000
Heart of Pitsea	Basildon, Billericay & Wickford CVS	98,000	(572)	-	97,428
Heart of Sidley	Amicus Horizon Ltd	49,860	(16,006)	-	33,854
	Rother Voluntary Action	125,440	(12,385)	-	113,055
Heath Big Local	Uttoxeter Knights	222,000	-	(114,255)	107,745
Heston West	Groundwork South	185,520	(5,518)	-	180,002
Hill Top & Cauldwell	Warwickshire Community and Voluntary	211,713	-	-	211,713
Horsefair, Broadwaters & Greenhill (DY10)	Compass Community Partnerships	-	(708)	-	(708)
	Vestia Community Trust	-	(32,281)	-	(32,281)
Inner East Preston	Preston City Council	130,000			130,000
Keighley Village	Airedale Enterprise Services	197,032	-	-	197,032
Kingsbrook and Cauldwell	Mid and North Bedfordshire CVS	170,000	-	(77,750)	92,250
Kingswood & Hazel Leys	CVS Northamptonshire	-	(67,311)	-	(67,311)
	Groundwork Northamptonshire	178,935	-	-	178,935
Kirk Hallam	Kirk Hallam Community Technology & Sports College	133,820	-	(26,375)	107,445
Kirkholt	Council for Voluntary Services Rochdale	-	(33,058)	-	(33,058)
	Rochdale Boroughwide Housing Ltd	-	(6,051)	-	(6,051)
Langold, Costhorpe & Carlton	Rural Community Action Nottinghamshire	318,857	(475)	-	318,382
Latch Ford	Golden Gates Housing Trust Ltd	-	(4,000)	(23,637)	(27,637)
Lawrence Weston	Ambition Lawrence Weston	221,050	(15,238)	-	205,812
Leecliffe	Affinity Sutton Community Foundation	55,600	-	-	55,600
Leigh West	Leigh Neighbours Project	208,419	-	-	208,419
	Rotary Club of Melcombe Regis	4,000	-	-	4,000
London Road area of Broad Green	Croydon Voluntary Action	7,250	-	-	7,250
Mablethorpe, Trusthorpe & Sutton on Sea (Coastal Communities Challenge)	Lincolnshire Community Foundation	-	(9,410)	(80,667)	(90,077)
Marks Gate	London Community Foundation	103,784	(21,094)	-	82,690
Marsh & Micklefield	Buckinghamshire Community Foundation	137,500	(1,301)	-	136,199
Moorsley and Easington Lane	Groundwork NE and Cumbria	317,000	-	-	317,000
Mossley	Sneyd Community Association	120,000	(5,547)	-	114,453
Mottingham	Community Links Bromley	1,000		-	1,000
NE Hastings	Orbit South Housing Association	156,617	(20,278)	-	136,339
Newington, Ramsgate	Diocese of Canterbury	-	(13,944)	-	(13,944)
	Red Zebra Community Solutions	31,500	(14,533)	(10,500)	6,467
Noel Park Estate	Haringey Association of Voluntary & Community Organisations	132,732	-	-	132,732
	Local Trust as LTO	-	-	(1,682)	(1,682)

Big Local area	Locally trusted organisation	New grants £	Repayment of unspent grants £	Closed grants £	2016 Total £
North Brixton	London Community Foundation	351,850	(7,437)	(187,780)	156,633
North Cleethorpes	Voluntary Action North East Lincolnshire	775	-	-	775
Northfleet North	Council for Voluntary Service North West Kent	19,995	(45,318)	-	(25,323)
Northwood	Community Foundation for Merseyside	153,450	(17,510)	-	135,940
NW Ipswich	Community Action Suffolk	432,000	(5,091)	-	426,909
Palfrey	Palfrey Community Association	4,500	(2,465)	-	2,035
Par Bay	Eden Project Campaigns Ltd	325,000	(2,690)	-	322,310
People's Empowerment Alliance of Custom House (PEACH)	Custom House & Canning Town Community Renewal	153,080	(11,130)	(75,261)	66,689
Plaistow South	Rights and Equalities in Newham	169,650	(5,672)	-	163,978
Podsmead	Gloucester Credit Union	277,678	(4,665)	-	273,013
Prospect Estate	First Wessex	-	(2,246)	-	(2,246)
	Rushmoor Borough Council	115,417	(34,633)	-	80,784
Radstock & Westfield	Westfield Parish Council	-	-	(4,690)	(4,690)
Ramsey	Ramsey Neighbourhood Trust	39,000	-	(15,073)	23,927
Rastrick	Community Foundation for Calderdale	108,500	(967)	-	107,533
Ravensthorpe & Westwood	Cross Keys Homes	486,570	-	-	486,570
Ridge Hill	New Charter Housing Trust Group	274,500	(1,921)	(25,795)	246,784
Riverside Community	Thurrock Lifestyle Solutions CIC	98,300	(6,122)	-	92,178
Roseworth Ward	Catalyst Stockton on Tees Ltd	-	(25,794)	-	(25,794)
Rudheath & Witton	Groundwork Cheshire	-	(5,411)	-	(5,411)
Sale West	Inwell Valley Housing Association	203,000	-	-	203,000
	Sale West Community Urban Trust	2,000	(3,165)	-	(1,165)
Scotlands & Bushbury Hill	Bushbury Hill Estate Management Board	-	-	(41,381)	(41,381)
Selby Town	Selby District Association of Voluntary Services	303,565	-	-	303,565
Shadsworth with Whitebirk	Blackburn with Darwen Healthy Living	389,047	(5,689)	(55,956)	327,402
	Blackburn with Darwen Council for Voluntary Services	60,000	-	-	60,000
Slade Green	Howbury Friends	315,500	(28,861)	-	286,639
Somers Town	Local Trust as LTO	146,514	-	(1,534)	144,980
	Voluntary Action Camden	95,091	-	-	95,091
Sompting	Adur Voluntary Action	122,200	(7,459)	(35,865)	78,876
South Bermondsey	United St Saviour's Charity	87,500	-	-	87,500
St James Street Area	Crest Waltham Forest	9,600	(129)	-	9,471
St Matthew's Estate	The Contact Project	153,374	(94,367)	-	59,007
	Voluntary Action Leicester	77,310	-	-	77,310
St Peter's & the Moors	Cheltenham Borough Council	148,500	(19,374)	(22,025)	107,101
Tang Hall	Tang Hall Primary School	142,500	(563)	-	141,937

Big Local area	Locally trusted organisation	New grants £	Repayment of unspent grants £	Closed grants £	2016 Total £
Three Parishes – Gobowen, St Martins and Weston Ryhn	Oswestry Community Action	112,283	(6,755)	(66,014)	39,514
Thurcroft	Rotherham Federation of Tenants and Residents	587,546	(13,863)	-	573,683
Thurnscoe	Voluntary Action Barnsley	100,520	(4,092)	(9,000)	87,428
Tonge with the Haulgh	Bolton at Home Ltd	117,100	(757)	-	116,343
Toothill	Swindon Borough Council	-	(2,920)	-	(2,920)
Tree Estate and part of Town Ward	Healthy Living Centre Dartford	92,235	(6,454)	(13,866)	71,915
Wargrave	Helena Partnerships Ltd	110,000	-	-	110,000
Warsop Parish	Mansfield Community and Voluntary Services	202,773	-	-	202,773
Warwick Ahead	One to One Development Trust	21,430	-	-	21,430
	Osgoldcross Forum Ltd	-	(7,772)	-	(7,772)
	The Old Quarry Adventure Playground	87,550	-	-	87,550
	Warwick Community Group	8,890	-	(7,400)	1,490
	Warwick Neighbourhood Watch	26,600	-	-	26,600
Wecock Farm	HCCS Community Action	-	-	(50,000)	(50,000)
	Local Trust as LTO	50,000	-	-	50,000
Welsh House Farm	Haven Community Centre	18,000	(6,055)	-	11,945
West End, Morecambe	CEEP	2,000	-	-	2,000
	More Music	140,000	(1,338)	-	138,662
Westfield Estate	Bighton Village Development Trust	109,250	-	-	109,250
	Westfield School	-	(412)	-	(412)
Whitley	Berkshire Community Foundation	144,000	-	-	144,000
Whitley Bay	New Prospects Association Ltd	-	(28,500)	-	(28,500)
Windmill Hill	Liverpool Housing Trust	-	(2,270)	-	(2,270)
Winterton	Voluntary Action North Lincolnshire	262,533	(62,552)	(105,302)	94,679
Withernsea	Hull and East Yorkshire Community Foundation	212,050	-	(171,025)	41,025
	Southern Holderness Resource Centre	39,415	-	-	39,415
Woodlands Speaks	North Doncaster Development Trust	-	(4,235)	-	(4,235)
	Woodlands Speaks CIO	166,800	(224)	-	166,576
Woolavington & Puriton	SHAL Housing Ltd	92,850	-	-	92,850
	Woolavington Parish Council	2,947	(1,407)	-	1,540
World's End & Lots Road area	Chelsea Theatre Ltd	11,915	-	-	11,915
	St Mary Abbots Rehabilitation & Training	88,545	(1,409)	-	87,136
Wormholt and White City	White City Enterprise	256,299	(40,162)	(54,991)	161,146
Subtotal of grants to local areas		20,240,710	(1,378,570)	(1,958,093)	16,904,047

Other grants	
Residents' travel and childcare	33,380
Area admin contributions	834,000
Grant to UnLtd for Star People	740,248
Support and governance costs	386,058
Total grants payable	18,897,733

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. As such, it was holding an estimated £99,785 of Big Local funding. We have worked with our solicitors, Withers, to help us to recover the funds. As well as supporting the two areas through this and reviewing our own procedures, we reported the incident to the Charity Commission.

The liquidators have yet to conclude their business and we do not yet know the final outcome for Big Local, but anticipate that we will recover at least some of the funding.

6. Governance Costs

Total governance costs included in support costs, including apportioned staffing costs and other support costs were £142,760 (2015: £160,946).

7. Net outgoing resources

Net outgoing resources are stated after charging:

	2016	2015
	£	£
Depreciation and amortisation	77,012	80,632
Auditor's remuneration:		
-audit	29,000	12,750
-non-audit	8,500	1,650
Investment manager's fees	534,107	582,866
Legal and professional fees	3,783	10,091
Operating lease charges	38,120	38,120

Big Local Trust paid audit fees of £16,500; additional audit fees of £12,500 for 2015-16 were identified in December 2016, and will be included in costs for 2016-17. Other fees of £8,500, for finance review visits to locally trusted organisations and training during 2015-16.

8. Group and company tangible fixed assets

			2016	2015
	Office refurbishment	IT equipment	Total	Total
Cost	£	£	£	£
Balance brought forward	42,966	127,985	170,951	170,951
Additions	1,198	3,299	4,497	-
Disposals	-	-	-	-
Balance carried forward	44,164	131,284	175,448	170,951
Depreciation				
Balance brought forward	23,870	91,682	115,552	58,863
Disposals	-	-	-	-
Charge for year	14,597	27,834	42,431	56,689
Balance carried forward	38,467	119,516	157,983	115,552
Net book value				
Brought forward	19,096	36,303	55,399	112,088
Carried forward	5,697	11,768	17,465	55,399

9. Group and company intangible fixed assets

	2016	2015
	Total	Total
Cost	£	£
Balance brought forward	93,280	56,020
Additions	34,020	37,260
Balance carried forward	127,300	93,280
Amortisation		
Balance brought forward	29,504	5,561
Charge for year	34,581	23,943
Balance carried forward	64,085	29,504
Net book value	-	-
Brought forward	63,776	50,459
Carried forward	63,215	63,776

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

10. Group and company investments

	2016 £	2015 £
Market value brought forward	208,858,772	201,254,595
Transfer from cash held on deposit	1,621,793	-
Investment additions	6,276,980	8,644,335
Investment income drawdown	(19,000,000)	(13,000,000)
Net (loss)/gains on investment	(825,260)	11,959,842
Cash held on deposit	-	1,621,793
Total investments	196,932,285	210,480,565

11. Investments by type and location of fund

	2016 UK £	2016 Overseas £	2015 UK £	2015 Overseas £
Equity	13,681,476	26,119,479	19,148,112	25,014,467
Fixed interest	87,424,775	-	92,596,675	-
Property	19,138,747	-	18,027,250	-
Cash	50,567,808	-	55,694,061	-
	170,812,806	26,119,479	185,466,098	25,014,467

The total book cost of investments held at 31 March 2016 was £187,366,438 (2015: £200,988,220).

12. Social investment assets

	2016 £	2015 £
Social investment assets as at 1 April 2015	-	-
Programme related investments		
Castle and Crystal Credit Union	15,000	-
Eastern Savings and Loans Credit Union	20,000	-
Social investment assets as at 31 March 2016	35,000	-

The social investment agreed with Castle and Crystal Credit Union relates to the Big Local area at East Coseley. The social investment agreed with Eastern Savings and Loans Credit Union relates to the Big Local area in North West Ipswich.

It is our view that there is no need for an impairment to be provided on the social investments made during 2015-16.

13. Debtors

	2016 Group £	2016 Local Trust £	2015 Group £	2015 Local Trust £
Trade Debtors	1,490,287	586,205	155,542	-
Prepayments	79,593	-	38,159	-
Accrued income	1,364,935	-	1,604,006	-
Total	2,934,815	586,205	1,797,707	-

14. Creditors: amounts falling due within one year

	2016 Group £	2016 Local Trust £	2015 Group £	2015 Local Trust £
Trade creditors	333,500	-	545,266	-
Amounts due to Big Local Trust	-	11,899	-	1,664
Grant commitments	7,997,576	-	6,659,981	-
Social security and other taxation	14,575	-	12,812	-
Accruals	195,034	-	178,464	-
Pension payments due	6,063	-	4,408	-
Total	8,546,748	11,899	7,400,931	1,664

15. Creditors: amounts falling due after one year

	2016 Group £	2016 Local Trust £	2015 Group £	2015 Local Trust £
Grant commitments	2,128,441	-	85,593	-
Total	2,128,441	-	85,593	-

16. Movement in funds

Local Trust	Balance at 31 March 2015	Incoming resources	Outgoing resources	Gains/ losses	Balance at 31 March 2016
Community Development Foundation	3,611	606,205	(4,783)	-	605,033
Big Lottery Fund	182,562,179	-	(21,367,860)	-	161,194,319
Investment income	24,522,904	6,600,733	(534,107)	(825,260)	29,764,270
Other income	-	12,301	-	-	12,301
Total restricted funds	207,088,695	7,219,239	(21,906,751)	(825,260)	191,575,923

Incoming resources from the Community Development Foundation funding are made up of the £586k legacy funding, plus £10k of grant funding for work on the potential transfer of assets, and £10k for work with the Community Investment Coalition, as listed in note 3 on page 30.

Big Lottery Fund established Big Local Trust with a National Lottery grant of £196,873,499 in 2012. This is an expendable endowment to be spent by 13 February 2027 (see note 2 on page 30).

Investment income is the returns on the Big Local Trust endowment, which is managed on behalf of Big Local Trust by investment manager CCLA (see Big Local Trust's investments on page 13.)

Other income is earned income, including the reimbursement of the salary cost of a member of staff who was seconded to Community Development Foundation during 2015-16.

17. Operating leases

The total committed amount remaining on the operating lease (expiry date 13 May 2025) relating to Unit D, 15-18 White Lion Street as at 31 March 2016 is:

	2016	2015
Land and buildings, due in less than 1 year	38,120	38,120
Land and buildings, due in 2 to 5 years	152,480	152,480
Land and buildings, due after 5 years	156,866	190,660

18. Staff costs and numbers

	2016 £	2015 £
Wages and salaries	505,529	439,596
Social security and other taxes	53,375	46,920
Pension	49,379	40,352
	<u>608,283</u>	<u>526,868</u>

Trustees are responsible for setting remuneration levels for staff, making informed judgments in line with governing documents each year, via the finance and audit sub-committee who make recommendations to the board.

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

Tank Consulting have market tested salaries against national partner and voluntary and community sector organisations and independent trusts and foundations and trustees consider review remuneration annually. Trustees recognise our approach might change in future as the organisation and staff team matures and as external factors change.

Staff are jointly employed between Big Local Trust and Local Trust. The average number of employees during the year was 12.16 (2015: 10.75).

Only one employee during the period earned between £80,000 and £90,000 per annum (2015: one). In line with NCVO's Inquiry into Senior Executive Pay (April 2014), we publish details of our chief executive's pay and the ratio between the highest, median and lowest salaries as detailed below.

The chief executive, Debbie Ladds was considered the sole key member key of management personnel (as per the SORP definition).

The gross salary of our chief executive, Debbie Ladds, in 2015-16 was £89,761 (2015: £88,001) and the employer contributions to her pension fund totalled £9,595 (2015: £9,394). As at 31 March 2016, the highest full time gross salary was £89,761, the median was £34,848 (ratio 2.6 to 1 between highest and median) and the lowest was £26,401 (ratio 3.4 to 1 between highest and lowest).

The total aggregate employee benefits received by Debbie Ladds in 2015/16 was £99,356 (2015: £97,395).

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

19. Volunteers

Big Local relies on people getting involved in making their areas better places to live; these volunteers work in their areas and not directly for Big Local Trust. Sixteen local volunteers were successfully recruited and trained as Big Local ambassadors, during 2015-16, so that they could help promote Big Local nationally and locally.

20. Pension

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

Pension contributions made by Big Local Trust to the scheme during the year were £49,379 (2015: £40,352) for 13 employees. As at 31 March 2016, Big Local Trust owed £6,063 (2015: £4,408) to the scheme relating to March salary payments: the amount due was settled on time during April 2016.

21. Trustees' remuneration, benefits and expenses

Trustees received no remuneration.

Six trustees received reimbursements for travel costs during the period including travel related to trustee recruitment totalling £4,833 (2015: £6,558). Trustee training expenses during the period were £2,030 (2015: £3,128). Trustee recruitment costs during the period were £nil (2015: £nil).

22. Big Local Trust protector

Protector fees and expenses of £16,143 were payable during the period (2015: £15,413).

23. Related party transactions

Local Trust had an outstanding £11,899 creditor balance with Big Local Trust at 31 March 2016. Big Local Trust had an outstanding £11,899 debtor balance with Local Trust at 31 March 2016.

Alison Seabrooke is chief executive of the Community Development Foundation and was a trustee at Local Trust (corporate trustee of Big Local Trust) between April 2015 and 17 March 2016 when she resigned.

Andrew Robinson is a trustee at the Community Development Foundation and at Local Trust. During the period, Big Local Trust paid the Community Development Foundation £nil for research activities (2015: £50,829 for research activities). As at 31 March 2016, Big Local Trust owed Community Development Foundation £nil (2015: £19,860). During the year Local Trust was informed about legacy funding of £586k from Community Development Foundation to advance, advocate and promote community development; this was received in summer 2016.

Andrew Robinson is a director at CCLA. CCLA manage the Big Local Trust investment portfolio. Big Local Trust paid CCLA £534,107 in investment management charges during the year (2015: £582,866). At 31 March 2016, Big Local Trust owed CCLA a balance of £126,372 (2015: £146,813).

Benjamin Lee is a director of the National Association for Neighbourhood Management. Big Local Trust paid the National Association for Neighbourhood Management £41,148 (2015: £80,808) for delivery of learning and networking events during the period. At 31 March 2016, Big Local Trust owed the National Association for Neighbourhood Management a balance of £nil (2015: £28,080).

24. Post balance sheet events

A ransomware attack on Local Trust's server in April 2016 resulted in the encryption of Big Local Trust's data, including its financial management data up to and including 31 March 2016. We reported the attack to the police via Action Fraud; to the Charity Commission and to the Information Commissioner's Office. We took appropriate measures to secure and preserve the

information we hold, and to ensure that we acted in compliance with our charitable regulations and organisational obligations. Data encrypted in the ransomware attack, including the financial accounts for 2015-16, has subsequently been recreated.

In response to the ransomware attack, Local Trust brought forward its planned move of its IT system to the 'cloud' in summer 2016, because it provides the charity with greater flexibility and security.

25. Financial instruments

Carrying values of financial assets and liabilities at 31 March:

	2016	2015
	£	£
Financial assets measured at amortised cost	5,123,554	3,937,320
Financial assets measured at fair value	196,967,285	210,480,565
Financial liabilities measured at amortised cost	10,660,614	7,473,712

Financial assets measured at amortised cost include all debtors excluding prepayments, cash at bank and cash held for investments.

Financial assets measured at fair value Include all fixed asset investments.

Financial liabilities measured at amortised cost Include all liabilities excluding amounts due for tax and social security.

26. Charity details

Local Trust registered company number

07833396

Local Trust registered charity number

1147511

Principal address

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

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

The trustees of Local Trust are:

Alice Casey

Daniel Goodwin

Kathryn Kane OBE

Benjamin Lee

Peter Mills

Karen Riches

Andrew Robinson MBE

Shazad Sarwar (appointed 9 October 2014, resigned 18 June 2015)

Alison Seabrooke (resigned 17 March 2016)

Penelope Shepherd MBE

John Kevin Sugrue (chair)

Jonathan Taylor

Dr John Whitton

Investment sub-committee members

Benjamin Lee

Serena Loudon (co-optee)

Peter Mills

Alison Seabrooke (resigned 17 March 2016)

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)

Protector of Big Local Trust

Peter Thurston

27. Advisors

Auditor

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

Solicitor

Withers LLP
16 Old Bailey
London EC4M 7EG

Bankers

National Westminster Bank plc
250 Regent Street
London W1B 3BN

Investment manager

CCLA
Senator House
85 Queen Victoria Street
London EC4V 4ET

Custodian

Northern Trust (to 1 June 2015)
50 Bank Street
Canary Wharf
London E14 5NT

HSBC Bank Plc (from 1 June 2015)
8 Canada Square
London E14 5HQ

28. History and background

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

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

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

Further details about the Big Local Trust and the Big Local programme can be found in the annual report and accounts of Big Local Trust and on the Local Trust website.

Our approach

Our resident- and community-led approach is both a philosophy and a methodology and 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 resident- and community-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 our 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.

We realise this approach won't suit everyone or every situation but we are passionate about it because we believe it provides more embedded and lasting change. We have a dynamic and evolving approach based on what we and others are learning and we are not afraid to take risks, experiment or fail as we learn from our own experiences and those of the people we are supporting.

Objects of Local Trust

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

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

Objects of Big Local Trust

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

'to advance community development and the relief of unemployment for the benefit of the public in the localities in each region specified (...) by making distributions to the recipients so as to develop the capacity and skills of the members of socially and economically disadvantaged communities for the benefit of the public in such a way that they are better able to identify and help meet their needs and to participate more fully in society.'

Big Local outcomes

The four outcomes set by the Big Lottery Fund for 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.

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

Big Local Trust

2016 annual statement by the protector

The function of the protector

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

The trust deed defines the role of the protector as ... 'to ensure the integrity of the administration of the charity and the propriety of its procedures'.

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

During 2015-16, I attended all Board meetings, meetings of the investment sub-committee, and meetings with the Big Lottery Fund.

Protector's report

During 2015-16, I visited four Big Local areas to gain an understanding of how Big Local Trust is making progress. Two things stand out from these visits. Firstly, the extraordinary efforts being made by a small number of the members of each community to make a difference and achieve the objectives set by Big Local Trust. Secondly, the diversity of the approaches being taken to achieve those objectives. I intend to continue with these visits during 2016-17.

In my last report, I touched upon the benefits Big Local Trust had gained from the stability amongst the professional staff and the trustees. Two recent developments have challenged this stability and each will require my attention.

During the year, the Trustee (Local Trust) of Big Local Trust applied for and received a legacy fund of approximately £550,000 from the Community Development Foundation, on its closure in summer 2016. This fund is not part of Big Local Trust, but is to be administered by the same staff, who to date, have been working exclusively on Big Local Trust affairs. The professional staff will now have to account separately for their time spent on Big Local Trust business and the 'new fund' business, and all costs and overheads will have to be similarly accounted for. This will require a certain amount of diligence, but should not prove to be an issue.

My concern is the extent to which this distracts both the staff and the directors of the Trustee from the management of Big Local Trust. My role as protector is limited to Big Local Trust and the 'new

fund' is therefore outside of my remit. Its impact on Big Local Trust is however likely to become a key issue for me.

The second challenge to stability comes from the change of chief executive. Since the start of the Big Local Trust project, Debbie Ladds has been at the helm. There is no doubt in my mind that the success of the start-up phase, and the achievements to date are largely due to her influence, hard work and vision.

At the time of writing this report, I have had one introductory meeting with her successor, Matt Leach. I look forward to working with him.

The changes detailed above have also caused the trustee to start thinking about its legacy and its future outside of the Big Local Trust programme.

I will be encouraging the trustee to take legal advice on whether the Big Local Trust deed does allow for some form of legacy construction. In the meantime, my role is to keep the focus on Big Local Trust and the objectives set out in the deed, namely 'to advance community development and the relief of unemployment for the benefit of the public in the localities in each region specified'.

In summary, 2016 has been a year of change for the organisation running Big Local Trust, but out in the areas, it would seem to be a year of progress and achievement. The former should in no way overshadow the latter.

Peter Thurston
Protector – Big Local Trust
November 2016

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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