

Local Trust

**Annual report and financial statements**

for 1 April 2019 to 31 March 2020

Registered company number 07833396

Registered charity number 1147511



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## Introduction

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

The areas selected to benefit from Big Local funding were, typically, communities that had missed out their “fair share” of National Lottery and other funding. With a significant number of them located on the edges of towns and cities that themselves faced problems associated with long-term economic decline, Big Local areas share characteristics with many other areas which are currently the focus of government policy initiatives to help them “level up”.

The scale of the investment matched the challenge; the £217m originally provided to establish the Big Local programme is the biggest ever single-purpose National Lottery-funded endowment, and the largest ever investment by a UK grant-funder in place-based, resident-led change. Over the course of the programme, as a consequence of the growth delivered by the careful management of our endowment, some £270m will have been committed in support of our mission.

Matching the scale of that ambition, from the outset Big Local has been designed to be radically different from other funding programmes. In contrast to conventional top down, time-limited or project-led funding, the money awarded to each Big Local area is provided on a “no-strings” basis, there is no application process, and the funds can be spent over 10–15 years at communities’ own chosen pace, and on their own plans and priorities. By effectively supporting local residents to achieve their ambitions through the Big Local programme, Local Trust aims to build the resilience and confidence of local people, putting them in a strong position to continue to lead change in their communities after the programme has concluded.

Big Local sits at the heart of Local Trust’s mission and is the major programme that we deliver as an organisation. However, our ambition extends beyond simply delivering the Big Local programme. Having seen what can be achieved by Big Local in communities across the country, we aim to share learning from the programme, and promote a wider transformation in the way government and other funders engage with communities and place.

## Learning

One of our key priorities is that others should benefit from the learning generated by the Big Local programme. We are sharing insight and learning gained from Big Local as widely as possible, in particular, the experiences and voices of residents in Big Local areas themselves.

Our learning from Big Local, and subsequent research on the characteristics of other “left-behind” areas has highlighted the importance of the following as critically important assets in the success of every community:

- places to meet
- an active and engaged community, and
- strong connections to other areas

We have seen first hand how those areas lacking these key assets can find it harder than those that do have them, to take advantage of the opportunities offered without significant long-term support. The research we have published on this during 2019–20 has had a significant impact on the policy debate within and outside of government, and we intend to continue to build on this work over the coming years.

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The Covid-19 pandemic has shown the importance of active, powerful communities. When the crisis first struck, and well before national and local government mobilised, it was often local communities who were the first responders, providing vital help and support to vulnerable people, and putting in place support networks and services. Where they existed, Big Local areas were frequently at the heart of that local community response. But the crisis has also exposed the extent to which the infrastructure that supports that action – the places where people meet, and the often small community based organisations that bring them together – are themselves often fragile and under resourced.

This is a critical time for Local Trust, Big Local areas and the Big Local programme as a whole. As we emerge from the Covid-19 crisis, place, identity and community are likely to become an increasingly important part of the UK recovery story. Even before the crisis, addressing the needs of areas that have missed out on the benefits of the success of the UK economy had become a critically important shared challenge; it is more important now. Big Local areas themselves are at peak activity and spend, with many of them now embarked on major initiatives in their areas and growing in confidence, impact and local presence. We want to ensure that, by the end of the Big Local programme in March 2026, it has achieved a legacy, influence and impact well beyond the money committed, both in local areas and as an inspiration to those seeking to effect change in other areas across the country.

## Our areas of work

In addition to the delivery of Big Local through Big Local Trust, of which Local Trust is the corporate trustee, there were two other projects at Local Trust this year.

**Community Wealth Fund Alliance:** Over the last year Local Trust has continued to engage extensively with a range of opinion formers, decision makers, funders and practitioners across central and local government, trusts and foundations, community organisations and more widely, focusing in particular on building links to those with an interest in community, place-based change, local economic development and localism. The alliance now has some 200 members, spanning the private, public and community sectors, working together to promote long-term thinking about how best to support investment in communities that have suffered from economic decline and the withdrawal of public and social infrastructure, and to promote our long term, patient, resident-led approach to tackling these issues drawing heavily on our experiences, learning and insight from Big Local.

**Creative Civic Change:** This is a place-based programme created in partnership with and co-funded by the National Lottery Community Fund, the Esmée Fairbairn Foundation, the Calouste Gulbenkian Foundation and Big Local Trust. Launched in July 2018, it is a response to the Inquiry into the Civic Role of the Arts Organisations and aims to explore a new approach to funding community-driven projects and share experience and learning to inspire others to use the arts and creativity to make positive local change. The programme provides grant funds and support to Big Local and non- Big Local areas and is managed by Local Trust outside of the Big Local Trust.

## 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

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

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

## Strategic review

In our Strategic Plan 2018–21, we committed to the following overarching strategic objectives:

- supporting Big Local partnerships to achieve brilliant things in their areas
- influencing and informing policy and practice on the future of local communities, drawing on evidence and learning from our work.

We explained how Local Trust’s ambition extends well beyond simply delivering the Big Local programme. Having seen what can be achieved by Big Local in communities across the country, we wanted to promote a wider transformation in the way government and other funders engage with communities and place and decided we needed to revisit our strategic objectives. Guiding our review was our strong belief that:

*There is a need to put more power, resources and decision-making into the hands of local communities, to enable them to transform and improve their lives and the places in which they live.*

In March 2019, we amended our strategic objectives for 2019–20 to reflect our current thinking about Local Trust’s impact now and its legacy for the future. We wanted to ensure that our objectives are clear and well-articulated: to provide focus to our day to day work; clarity and certainty to Big Local areas and delivery partners; and to explain our work more effectively to others.

For the first time we also set out an overarching purpose for the organisation, building on the beliefs set out above. We set out the following aim:

*To demonstrate the value of long term, unconditional, resident-led funding through our work supporting local communities make their areas better places to live, and to draw on the learning from our work to promote a wider transformation in the way policymakers, funders and others engage with communities and place.*

This provided a frame for our three strategic priorities for 2019–20:

1. supporting Big Local partnerships to achieve their ambitions
2. delivering and commissioning great research, evaluation, analysis and storytelling from Big Local, and using this to influence and inform policy and practice nationally and locally
3. developing new ways to achieve a transformation in the way policymakers, funders and others engage with communities and place.

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The first two priorities were drawn from our strategic plan; the third was added to reflect our commitment to growing our capacity to achieve wider impact and change, and included the development of a new Strategic Plan for 2021–26, which is reported in full in Plans for the Future (below).

In line with these priorities, we also took steps to support Big Local communities in their response to the initial phase of the Covid-19 pandemic. We brought forward the announcement of the £50k of additional funding to each Big Local area in March 2020 to allow them to further support their communities. Additional actions are reported below.

**Priority 1: Supporting Big Local partnerships to achieve their ambitions**

We have focused on providing the highest quality support to areas so they can make the most of the opportunities offered to them by Big Local, including high quality direct support, positive and engaged delivery partners, effective learning support and access to appropriate resources.

In particular:

- We primarily support Big Local areas through “reps” – locally based freelancers who are contracted to provide “light touch” mentoring and support to Big Local partnerships. Prior to April 2019 management of this resource was outsourced. During 2019–20, we brought the management of rep contracts in-house, to provide better oversight of contract performance and support to areas, to ensure all Big Local partnerships have access to reps with skills and experience that are relevant to their needs.
- We provide additional help to areas through a programme of support that includes thematic and role-based events, opportunities for networking and peer-based learning. A new programme was launched in 2019–20 and has attracted high levels of attendance, with 71% of Big Local areas taking part in over the year. In March 2020, these events and meetups were moved online, alongside the rapid rollout of a programme of digital support and training in response to Covid-19.
- Our major national event, Big Local Connects, was delivered in September 2019. Over two days, residents from across 121 Big Local areas shared ideas and experiences, and took part in wide range of activities and learning. Ninety-eight per cent of those attending rated the event positively (87% “excellent” and 11% “good”).
- We launched Measuring Change with Big Local, a new series of courses helping Big Local areas learn how to measure change in their community, which more than half of Big Local areas attended over the year. Building on this, 19 areas have accessed additional support to help them undertake community-led research and develop evaluation plans.

Over the past year, we have continued to work to improve our internal systems, processes and ways of working to ensure they meet the needs of Big Local areas whilst maintaining the highest quality standards of grant management, assurance and controls. This has included:

- A review of our grant management system and an enhanced approach to managing and monitoring financial risk in relation to Locally Trusted Organisations (the intermediary organisations that hold funds at a local level on behalf of Big Local partnerships), with more frequent checks in place, and amended data gathering and sharing systems in place.
- We have designed new processes to ensure all new plans submitted by Big Local areas consider how they plan to progress to spend-out of their allocation by 2025-26 or earlier. Our aim has been to promote longer-term planning in Big Local areas, and to help partnerships focus on defining the legacy they want to leave locally as a result of their activities.
- A decision by trustees to change the Big Local Trust investment strategy to focus on minimising risk, resulting in a move out of equities, property and the CCLA Diversified Income Fund, so that by 31 March 2020 all of the remaining funds were held in fixed income investments and cash/near cash.

***Priority 2: Delivering and commissioning great research, evaluation, analysis and storytelling from the Big Local programme, and using that to influence and inform policy and practice, both nationally and locally***

In 2018–19, Local Trust put in place a research strategy, action plan and learning framework setting out how our research, evaluation and analysis supported our work, that of Big Local areas and, increasingly, that of others benefiting from the insights and learning we share. Over the last year, we have focused on delivery of the following priorities:

- Increasing our understanding of how Big Local areas are performing and the delivery challenges they face, including a national survey of workers employed by Big Local partnerships which explored the vital role that they play alongside volunteers.
- Compiling an overview of what we have learned from the Big Local programme called ‘The halfway point’.
- Publishing research on key areas of interest including the financial viability of community hubs, community-commissioning of public services and an evidence review of 40 years of economic regeneration policies.
- Commissioning important new research drawing on learning from Big Local to help identify the factors that lead to areas becoming “left behind”.
- Hosting the first major conference in over 30 years focused on bringing together residents, organisations and academics involved in community-led research
- Commissioning rapid research in March 2020 about how communities were responding to Covid-19 and actions that may be needed to help them recover.

We have also developed and grown our externally-focused communications activity. We have continued to invest in communicating the achievements of Big Local areas, and the insights we gain from our work with them, to the widest possible audiences, both within and outside Big Local.

Highlights include:

- We redesigned our website to provide better access to information and resources, including strengthening the provision of resources and guidance for Big Local areas and new and compelling content for external audiences. The website now provides significantly greater visibility to our policy work, blogs, news, research and podcasts.
- Whenever possible we included residents’ perspectives in our communications. We have created a number of initiatives under the theme of Voices of Big Local including a storytelling mentoring programme and a series of how-to guides called Adaptables. For a second year we commissioned a journalist-at-large to discover compelling stories hidden in Big Local areas and share them with wider audiences via media coverage.
- We continued to expand our essay series, with independent authors exploring how Big Local areas engage with relevant themes such as arts and creativity, intergenerational relationships, sports, democratic power and personal obstacles

With the support of Community Development Foundation funding, we have explored a number of ways to increase the extent to which learning from our work influences policy and practice. This funding was announced in March 2016 and given to us to advance, advocate and promote community development.

We have influenced key government papers, with our Left Behind Areas research and underpinning principles referenced in the MHCLG Communities Framework and the Stronger Towns Fund Prospectus.



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- We have drawn in a broader range of policy makers and influencers by holding a series of events including co-curating the Communities Tent at the Big Tent Ideas Festival and several smaller events focused on community wealth building including in Westminster and a residential at St George's House, Windsor.
- We have supported the growth of the Community Wealth Fund Alliance (CWFA), which campaigns for new dormant asset resources to be allocated to support investment in community infrastructure. The alliance now has some 200 members, spanning the private, public and community sectors.
- We have shared our learning with government officials, ministers and MPs from across the political spectrum, including supporting the development of a new APPG on 'left behind' areas, which was launched in July 2020.

***Priority 3: Developing new ways to achieve a transformation in the way policymakers, funders and others engage with communities and place.***

We have looked outward to develop more partnerships and collaborations, providing new opportunities for Big Local areas and increasing the scope for others to learn from the Big Local model as a way of transforming communities. Examples include:

- We launched new partnerships to provide support to Big Local areas with five organisations: Street Games, Shared Assets, Campaign for Better Transport, Media Trust and Hamlett Films.
- We launched the Community Leadership Academy in partnership with Koreo, Northern Soul and the Young Foundation aimed at increasing the confidence and skills of local residents seeking to provide leadership in their communities. We drew on the expertise of Big Local areas to shape the programme and piloted it with a small number of volunteers. The first full cohort was recruited in February 2020 with over 100 applicants for 40 places.
- We have started to reach out to more partners from across a wider range of sectors. This included working with the Green Building Council to launch Developing Potential, a research report with companion how-to guide seeking to bridge the divide between local residents and development organisations leading large-scale regeneration projects.
- We are continuing to co-fund the Creative Civic Change programme, which is managed by Local Trust and delivered in partnership with the National Lottery Community Fund, Calouste Gulbenkian Foundation (UK Branch) and the Esmée Fairbairn Foundation. It was successfully launched in 2019–20 with funding awarded to 16 areas, including eight Big Local areas, and a high-quality support programme was established.
- In November 2019, Local Trust became a founding signatory of the Funder Commitment on Climate Change, which aligns with our values. The manifesto includes a commitment to report annually on our progress against five goals: educate and learn; commit resources; integrate; steward our investments for a post-carbon future; and decarbonise our operations.

**Responding to Covid-19**

In early March, it became clear that the UK was likely to face significant disruption as a result of the approaching Covid-19 pandemic. Local Trust responded quickly, preparing an initial Covid-19 response plan setting out how we would implement new systems and processes to allow staff to carry on working, and to effectively support our Big Local areas throughout the pandemic period. As a consequence, Local Trust faced minimal disruption to its business as a result of the crisis.

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In creating our initial plan, we considered how government policies to contain, delay or mitigate the impact of the pandemic could lead to a requirement for social distancing; work-from-home policies in all organisations; travel restrictions; closure of schools; and restrictions on events and meetings. We also considered the potential for the virus to directly affect individuals including staff members and those involved in Big Local at a local level.

Our aim was to ensure that staff, partners and Big Local areas were supported appropriately, and that disruption to our business was kept to a minimum. In general, our assumptions were well founded, and the initial decisions made mostly stood the test of the first eight weeks of implementation.

We have continued to review our response to the crisis and updated and developed our approach where appropriate, taking into account:

- our assessment of the initial impact of the crisis on Big Local areas, and growing understanding of the changing support needs they will have during this period
- other impacts, including on key elements of our supply/support chain, in particular LTOs and reps, and our inability to visit areas due to government restrictions
- the impact of the crisis on our staff team, both in terms of changing workloads within the business, but also their welfare and wellbeing
- any further changes to systems and processes that might be necessary to ensure the continued effective functioning of the business.

We have also started to consider:

- the likely needs of Big Local areas as we move forward through this crisis, as the longer-term effects are unknown
- the need to provide new momentum and energy across our Big Local areas at the end of the initial crisis period (particularly those that might have slowed or stalled)
- how we provide wider leadership through this crisis period and beyond.

While the crisis persists we will continue to prioritise:

- taking a precautionary approach to minimise risk to staff, partners in our supply/delivery chain and residents of Big Local areas
- protecting our systems and processes
- ensuring that we can continue to support Big Local areas deliver their programmes and respond to the challenges posed by Covid-19 in their local areas.

Responsibility for managing the response to any emergency or crisis resides with Local Trust's senior management team. During the period of the crisis it has reported regularly to trustees, through the new Chairs Covid-19 response committee and to the board as necessary. In June 2020 the committee agreed to only meet as and when required.

## Plans for the future

The Big Local Programme concludes in 2025-26 and the Big Local Trust Deed concludes the year after. To ensure that we achieve maximum impact over the remainder of our operatiwork was initiated on a new strategy framework for Local Trust 2020–26, to replace the existing strategy due to come to an end at the end of 2020–21.

At the beginning of the strategic review process in May 2019, trustees agreed that Local Trust's strategy framework should:

- build on Local Trust's strengths and assets
- secure the legacy of Big Local
- maximise our impact through catalysing and making the case for hyper-local, resident-led change, and
- provide a basis for deciding how to allocate surplus capital in support of these objectives.

In June 2019, trustees explored the strengths that Local Trust can build on for our 2026 strategy, and the stress points that might arise over time if no action is taken. They then commissioned a number of learning reports to develop a fuller understanding of our external operating environment and feed strategic discussion. These were used to inform a two-day away-day involving trustees and executive team members in January 2020, which led to a new Strategic Plan for 2021–26 being approved in March 2020.

### **Programme delivery framework**

Since 2017 we have focused resource on ensuring that there is enough capacity within the organisation to ensure that we are able to deliver our core mission – supporting the Big Local programme to the highest possible standard.

We now have more information on the likely spend profiles for areas, the types of support that they value and what they might require for the remainder of the programme. This includes understanding that Big Local areas are likely to spend a larger proportion of their grant towards the end of the programme, with implications for how we support areas and draw out learning from them, as well as administer and account for the funding.

To help ensure that we are able to effectively support Big Local areas through to the end of the programme, the programme delivery committee of the board took forward work on a new Programme Delivery Framework which seeks to provide a stable but adaptable basis for secure planning of our support to areas through to 2026. The framework, approved by trustees in March 2020, will inform our resource planning for the remainder of the programme. This includes making a range of essential changes, including further investment in the programme of support to build confidence and capacity of residents, maintaining the current level of rep support and ensuring that our staff team, particularly finance and grant-funding, resourced to support areas until the end of the programme.

**Strategic learning**

This year marked the final year of the 2018-20 research strategy and saw the delivery of many new projects.

We organised our first research conference on 26 November 2019 to showcase the results of our research and link with developments in the community research sector. The conference was a great success and was oversubscribed within weeks of launching.

Research projects published during 2019-20 included;

- **Community hubs:** Local Trust, together with a Power to Change, commissioned research and guidance on the business models associated with the financial sustainability of community hubs. The research, conducted by Steve Wyler, Neal Trup and David Carrington, found that the community hubs they researched were generally well managed, with good controls over their finances and with the capacity to identify and manage business risk and opportunity – these were the hubs that had so far survived the impacts of austerity. However, the hubs were also operating on tight margins with low surpluses and reserves, and concerns were highlighted in relation to the quality of their accounts and the support received from external accountants and examiners.

No single business model was identified as being primary to financial success but the factors associated with financially successful hubs were: owning the building; surviving for at least 10 years; ability to successfully win income from contracts and grants and; ability to manage staff and building costs in line with their income.

- **Community Commissioning:** We worked with the New Local Government Network (NLGN) to explore the case for a more radical approach to commissioning that offers service users and the wider community control over the commissioning process. Emerging evidence from Big Local demonstrates the merits of handing over a budget directly to a community and enabling them to commission what service or support they decide is best for their area.

In the context of reducing resources, many discretionary services are being pared back, and therefore there is an opportunity to understand more fully how existing resources can be spent on the things that matter for people – and give them a greater role in determining what this is. This project sets out the principles that could underpin a more radical approach as well as the trade-offs involved in adopting a different model.

- **Transience and new populations:** This project explored how Big Locals work with “new” and transient communities in their areas. Following an action research approach, it introduced areas to new ways of working and engaging with communities that may be faster, and more effective, than more traditional community development methods. The project also looked at the implication of formal structures and processes, adopted by some Big Local areas and partnerships, and how these can influence their engagement with the wider community. The research was conducted in the spring of 2019 by Just Ideas.

Research projects undertaken during the year were;

- **Testing the Big Local hypothesis:**
  - Left Behind Areas research
  - Under the Radar Organisations research (spanned 2 financial years)
  - Community Leadership Academy evaluation
  - Community hubs research and guidance
  - Community Commissioning

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- Programme support:
  - Area assessment tool
  - Typology of Big Local areas
  - Not going to plan research
  - Risk of not spending out research
  - Incorporation scoping paper
  - Analysis of plan reviews
  - Rep research
  - Transient communities
- Support to areas:
  - Measuring change support and training
  - Local Insight support and training
- External evaluation:
  - Our Bigger Story
  - Communities in Control

**Goals and objectives**

The strategic framework 2020–26, approved by trustees in March 2020, set out the following goals for Local Trust over that period, whilst recognising that we can only play a part in their achievement:

1. The Big Local programme has been successfully delivered and Local Trust has provided the support necessary for Big Local partnerships to put in place their plans for legacy and sustainability.
2. The approach and principles that underpin Big Local – that funding for communities should be long-term, resident-led, patient, place-based, non-judgmental – are mainstream across civil society, private and public sectors.
3. There has been a structural change in our economy, society and politics, which leads to greater devolution of power, with local people and communities having more control over resources and decision-making.
4. There has been a tangible improvement in the social and economic capacity of ‘left-behind areas’, as a result of new community-led investment in rebuilding social capital and civic infrastructure, alongside the increase in public investment to deliver economic change.

It explained how we would achieve these by focusing our work at three main levels:

1. Providing practical and financial support to people and communities - will be rooted in our existing work with Big Local, although we will increasingly look to stretch and connect the impact of that work beyond Big Local.
2. Working on the enablers of change – represents a new and bigger challenge for Local Trust. It will see us building on our small-scale work to influence and inform, establishing Local Trust as a key player working towards a much bigger shift in the place of communities in society.
3. Sustaining our impact into the long term – will see us exploring ways to support our impact beyond the Big Local Trust deadline of 2026.

## **Business plan 2020–21**

Our business plan set out the following main targets for the organisation in 2020–21. These targets were established prior to the Covid-19 pandemic, and may be revised over the course of the year as the impact of the pandemic on delivery both nationally and locally becomes clearer. The broader strategic objectives underpinning them will, however, continue to remain in place.

### **People and communities**

Target 1: Ensure the effective delivery of Big Local through to its conclusion.

Target 2: Support all our Big Local areas to build sustainable legacies.

Target 3: Support Big Local areas to strengthen links with each other at an individual and community level.

Target 4: Support Big Local areas to strengthen links with people, places and institutions not directly involved in the Big Local programme.

Target 5: Significantly increase the number of people and communities benefiting from our experience, capacity and learning.

### **The enablers of change**

Target 6: Promote a compelling narrative of thriving, powerful communities and use it to influence, shift mindsets and change behaviour.

Target 7: Actively connect Big Local areas and the programme as a whole to wider issues and campaigns, enabling local communities to demonstrate their relevance and impact, and achieve influence beyond their own boundaries.

Target 8: Strengthen relationships with the people and organisations who are most critical in enabling an increase in community power.

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

### **Sustaining our impact in the long term**

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

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

Target 12: Ensure our governance and finance continue to be fit for purpose and operate effectively.

Target 13: Embed an outward looking and partnership oriented approach to our work by building new collaborations and partnerships.

## Response to the Charity Governance Code

The revised Charity Governance Code was published in July 2017. A review of the code has been undertaken and the Local Trust board have chosen to adopt and apply the code. Local Trust's continues to focus on good governance. Its work in this area is supported by an independent protector, appointed in September 2018, whose role includes ensuring the integrity of the administration of the charity and the propriety of its procedures.

Over the last year, Local Trust has continued to address the seven key areas of governance outlined in the Charity Governance Code. Action already undertaken during the year includes:

### 1. Organisational purpose

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

Local Trust reviewed the Big Local Trust deed in 2017–18 to ensure that it was fit for purpose. Following consultation with the National Lottery Community Fund and the Charity Commission, in July 2018 we completed amendments which clarified elements of the trust deed relating to sharing knowledge and learning from the programme, and ambiguities around the geographical focus of expenditure under the deed. Trustees are content that it now provides a solid framework against which to deliver Local Trust's core mission.

During 2019–20 trustees embarked on a year-long review of Local Trust's strategy for the period leading up to the conclusion of the Big Local Trust deed in 2026–27. This included a fundamental review of purpose and priorities and consideration of range of future scenarios. This work contributed to the preparation of a new strategic framework for the organisation which was approved in March 2020.

Local Trust's organisational strategy feeds directly into its business planning process. Trustees receive regular briefings and information on the charity's work and on progress towards annual business plan targets and are able to demonstrate that the charity is effective in delivering its plans. During the current Covid-19 crisis, governance arrangements have been enhanced to provide trustees with additional oversight of organisational performance, including regular reporting against our Covid-19 Response Plan, setting out how Local Trust is managing its work during the crisis. A Chairs Covid-19 Response committee was set-up in March 2020.

### 2. Leadership

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

The Local Trust board had two experienced chairs in 2019–20 that have provided leadership to the board. Board and committee meetings are well attended and trustees actively participate.

Local Trust appointed seven new trustees during 2018–19. A further three new trustees joined in 2019–20. Together they provide a range of appropriate skills, experience and knowledge to the Local Trust board that are relevant to the effective delivery of its redefined role, including strategic insight, financial management and operational delivery.

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

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A revised delegation scheme introduced during 2018–19 has strengthened and consolidated a board committee structure which provides trustees with the capacity needed to exercise oversight of both Local Trust as an organisation and the programmes it delivers.

### **3. Integrity**

*The board acts with integrity, adopting values and creating a culture which helps achieve the organisation's charitable purposes. The board is aware of the importance of the public's confidence and trust in charities, and trustees undertake their duties accordingly.*

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

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

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

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

### **4. Decision making, risk and control**

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

There is a clear scheme of delegation for board decision-making. Decisions and actions are appropriately recorded and followed up at subsequent meetings.

As part of the governance review that took place in 2017–18, a new committee structure was established, so that committees have appropriate opportunities to scrutinise reports in detail, enabling the board to focus on strategic decision-making and risk management.

The four committees were: programme delivery, finance and investment, audit and risk, and nominations and remuneration. Terms of reference explaining the responsibilities of each committee are periodically reviewed and updated to ensure continued effective oversight and decision making across all aspects of Local Trust's business.

Additional changes to governance made during 2019–20 included the establishment of a new committee made up of the chairs of each board committee, which supported the organisation in its management of its response to the crisis arising from the Covid-19 pandemic. The committee now only meets as and when it is necessary.

Local Trust will be reviewing its governance arrangements during 2020–21.

### **5. Board effectiveness**

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

The chair plans the board's work and meetings, with trustees and staff, making sure trustees have the information, time and space they need to explore key issues and reach well-considered



decisions. The board regularly discusses the effectiveness of its meetings and makes changes where it believes improvements can be made.

New trustees are given comprehensive inductions to Local Trust, to enable them to be effective as possible. In January of each year, trustees attend an annual away-day to enable them to work together on issues that are of strategic importance to the charity.

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

## **6. Diversity**

*The board's approach to diversity supports its effectiveness, leadership and decision-making.*

Local Trust is committed to ensuring that its work does not discriminate and offers equality of opportunity to all.

Local Trust's governance review undertaken in 2017, included consideration of issues of diversity, including the need to ensure a diversity of skills, background and experience on the board to enable the board to fulfil its role effectively. This has been reflected in our approach to board recruitment, which has led to a trustee group which is now more diverse than at the time of the review.

Local Trust is committed to providing equal opportunities in employment and to avoiding unlawful discrimination. Local Trust's staff handbook includes our policy on equality and diversity in employment. Our equality and diversity policy was reviewed during 2018–19, and an updated version published during 2019–20.

## **7. Openness and accountability**

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

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

There is a clear, published process for making and handling complaints, to ensure that any complaints are handled constructively, impartially and effectively. Local Trust has engaged the services of mediators to help with the resolution of complaints that result from disputes within Big Local areas and partnerships. This policy has been further reviewed and updated during 2019–20 with the support of Rosie Chapman, protector of Big Local Trust.

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

## Financial review

During 2019–20, Local Trust's primary responsibility was to deliver Big Local using funds from the Big Local Trust.

Local Trust also delivered activity related to two additional projects:

- Creative Civic Change: a new place-based programme created in partnership with and co-funded by the National Lottery Community Fund, the Esmée Fairbairn Foundation and the Calouste Gulbenkian Foundation.
- Community Wealth Fund Alliance: Local Trust has worked with a wide partnership of groups to establish the Community Wealth Fund Alliance to promote long-term thinking about how best to support investment in communities that have suffered from economic decline and the withdrawal of public and social infrastructure.

## Overview of income and expenditure

During 2019–20, Local Trust continued to manage the activities of Big Local Trust, which is funded through an expendable endowment from the National Lottery Community Fund. Income on the investment was £3.6m for the year (2019: £4.5m). There were net gains on the investment of £0.8m (2019: net gains of £2.5m).

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

Consolidated expenditure during the year was £21.5m (2019: £32.8m). The decrease in expenditure reflects a 45% decrease in direct funding to Big Local areas to £15.6m (2019: £28.1m). The cost of delivery to areas increased by 24% to £3.9m (2019: £3.1m). A full list of the funding to Big Local areas is included in note 5.

In Local Trust's consolidated accounts, the net decrease in funds for the year was £16.7m (2019: £22.3m). The total funds held at the year-end were £103.7m (2019: £120.5m).

## Big Local Trust's investments

### Investment strategy

Big Local Trust's original 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 original investment strategy aimed to provide a reasonable medium-term return while ensuring that at all times sufficient short-term funds were available to support spending.

After careful consideration, in November 2019, trustees agreed to change the implementation of the Big Local Trust investment strategy, from focusing on investment returns, to focusing based on controlling risks.

This reflects the fact that the fund had achieved good investment returns in the years since it was established, enabling Big Local Trust to fulfil its original investment strategy objectives. In addition, as Big Local Trust moves towards the latter stages of the programme there is less time for the fund to recover from any market volatility. This is paired with the importance of financial certainty to the organisation and areas, to enable confident planning to the end. The primary investment objective

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now is to control investment risk to a level consistent with that necessary to achieve the returns available from good quality cash and near cash investments.

According to its trust deed, Big Local Trust is due to spend-out its endowment by February 2027. During the final years of its operation, a focus on controlling risk aims to ensure that the fund is protected from potential losses from higher-risk investment assets (which it might now have insufficient time to recover from), and that Big Local Trust has the ability to plan effectively, to make the most of the funds available for the benefit of Big Local areas and in line with the Big Local Trust deed.

### **Investment management**

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

The committee formally reviews the investment strategy once a year in line with the trust deed. The finance and investment committee includes two voluntary co-opted members, Serena Loudon and Matthew Brumsen (from 23 May 2019), who bring independent investment expertise to discussions.

### **Investment performance**

The total value of Big Local Trust's investments, including income, as at 31 March 2020 was £132.5m (2019: £154.3m). The performance benchmark of the fund is Bank of England's Official Rate plus 1% per annum, so was +1.42% for 2019–20 (2019: +1.67%), and the overall returns for the year were +3.00% (2019: +4.50%). Investment performance for the year was in line with expectations.

Because of the change to the investment strategy in the third quarter, returns figures are not available for the full year for all investment assets. Full year returns figures for fixed interest were +0.43% (2019: +2.09%) and for cash and near cash were +0.80% (2019: +0.84%).

In the nine months to 31 December 2019, equities performed particularly well with returns of +23.34% (2019: +15.33%), property returns were +0.22% (2019: +6.82%), and returns on the CCLA Diversified Income Fund were +10.43% (2019: +6.49%).

### **Ethical and responsible investment**

Trustees reviewed Big Local Trust's ethical and responsible investment policy in November 2019. Local Trust, acting as the corporate trustee of Big Local Trust, agreed to use CCLA's default ethical investment policy in the management of its investments. This policy has been developed in accordance with Charity Commission guidance (CC14), and trustees believe it represents an appropriate balance between aligning Big Local Trust's investments with its purposes and the delivery of good investment returns.

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

- producing landmines, cluster bombs and/or chemical or biological weapons
- classified as a tobacco producer (by MSCI, the global investment data provider)
- with significant (more than 10%) turnover relating to online gambling, the production of pornography or high interest rate lending.

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

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

In November 2019, Local Trust became a founding signatory of the Funder Commitment on Climate Change, which aligns with our values. The manifesto includes a commitment to report annually on our progress against five goals: educate and learn; commit resources; integrate; steward our investments for a post-carbon future; and decarbonise our operations.

### **Distribution of returns on the investment**

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

In September 2017, with several Big Local areas approaching full spend of their £1m, trustees made the decision to bring forward the distribution of that proportion of the returns that could be guaranteed at that date. Having considered the performance of the investment, trustees decided each Big Local area would receive an additional £105k from the returns generated from the original investment of £150m. This was added to the balance of each area's £1m. A further distribution of investment returns, of £50k per area, was agreed by the board in March 2019.

### **Grant making policy**

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

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

Each area will receive:

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

## Local Trust as a locally trusted organisation

Local Trust acted as the locally trusted organisation for two Big Local areas that have been unable to identify a suitable organisation to fulfil this role during 2019–20; Chinbrook Estate, Palfrey, Warwick Ahead and Wembley Central.

Big Local Trust retains the administration contribution of 5% for Local Trust acting as the locally trusted organisation, and in the year ended 31 March 2020 this totalled £0.7k (2019: £0.2k).

## Social investments

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

During 2019–20, Big Local Trust made £127k (2019: £140k) available for social investment. These programme-related investments are listed under note 11 and disclosed as a separate line on the face of the balance sheet. One of the social investments held by Big Local Trust, with Eastern Savings and Loans Credit Union, was found to be impaired, and an estimated £10k impairment has been recorded in these accounts, reducing the value of the social investments to £117k at the year end.

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

## Constructive obligations

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

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

Big Local Trust's constructive obligations decreased from £39.9m in as at 31 March 2019 to £34.4m as at 31 March 2020, reflecting a decrease in funding provided to the 150 Big Local areas that have been offered plan funding.

This decrease is also reflected in the grants payable figure in the statement of financial activities on page 27.

## Financial planning

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

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

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The updated 15-year budget informs the investment strategy and a rolling two-year cash flow forecast is provided to CCLA to enable them to manage cashflow requirements of the programme. The cashflow proved to be accurate for 2019–20 as it has been every year since it was first prepared in 2012.

## Reserves policies

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

Local Trust (the company) had net funds of £2.7m at 31 March 2020 (2019: £3.6m), of which £438k was unrestricted (2019: £500k). During the year, trustees designated £100k of unrestricted funds to further policy and influencing work within Local Trust. Within this designation, £90k was allocated to further development of the Community Wealth Fund. There has been no change to the previous policy that that a reserve of £25k should be retained to cover any unexpected costs. Trustees judge that this is appropriate, given that Local Trust has no direct staff or overhead liabilities, no direct beneficiaries, and is able to tailor its expenditure to fit its circumstances.

Big Local Trust has an expendable endowment, received from the National Lottery Community Fund in 2012 and 2013, to be spent by 13 February 2027. All of Big Local Trust's funds are unrestricted. No funds had been designated or otherwise committed as at 31 March 2019, other than those identified elsewhere in the accounts.

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

It is in the nature of an expendable endowment that funds are spent out over time. In the final years of Big Local, it may require a reserves policy to ensure sufficient funds are held to manage the close down of the programme in a managed and prudent way; however, this is not currently the case. As at 31 March 2020, Big Local Trust held total funds of £101.9m (2019: £116.9m). Within this, it has sufficient contingencies to cover any unforeseen costs; therefore, it is not currently appropriate for the trust to specify a reserves level.

Trustees review the Local Trust and the Big Local Trust reserves policies annually.

Trustees consider remuneration, including the remuneration of the senior management team, annually. During 2019–20, Local Trust used an external consultancy to carry out benchmarking research, and trustees used this information as part of a review of staff salaries, including the salaries of key management personnel.

Trustees consider a cost of living increase for existing salaries, on an annual basis, after reviewing the consumer price index (CPI), retail price index (RPI) and new CPIH index for the previous twelve months and applying a median. A cost of living increase of 2.1% was agreed for 2019–20.

## Pensions and auto enrolment

During 2019–20, all Local Trust staff were enrolled in the group personal pension scheme.

Local Trust currently contributes the equivalent of 10% of salary for each member of staff, which is more than the minimum legal requirement under auto-enrolment. Staff are encouraged to make a personal contribution, but this is not compulsory.

## Principal risks

Local Trust has a detailed risk register, which is reviewed on a quarterly basis by the board, and every six months by the audit and risk committee. Significant new strategic, business and operational risks are brought to the attention of the audit and risk committee and the board as necessary.

Local Trust's risk register is reviewed and updated by senior managers regularly during the year.

The risk assessment process identified the following major risks during the year:

- Covid-19 pandemic significantly disrupts public life and the ability of Big Local areas to deliver Big Local programme
- Decisions on organisational future and legacy overtaken by Covid-19 pandemic
- Significant number of LTOs close or go into administration, enhanced by Covid-19 pandemic
- Significant number of Big Local partnerships fail or stall as pressures increase on delivery side and/or areas run out of energy/momentum

Local Trust put measures in place to manage and monitor the likelihood of these risks, to minimise the financial and reputational impact they could have on Local Trust and Big Local Trust.

## Governance and committees

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

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

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

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

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

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

## Committees

During the year, we operated four trustee committees: finance and investment, audit and risk, programme delivery, and nominations and remuneration, to enable appropriate governance and oversight of these functions. For a period of time during the early stages of the pandemic a committee made up of the chairs of each of the formal committees of the board met regularly to receive reports on the management of the organisation's response to the crisis, and now only meets as and when required.

## Trustee induction and training

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

## The protector

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



## Statement of trustees' responsibilities

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

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

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

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

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

In so far as the trustees are aware:

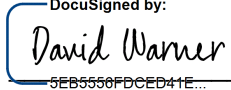
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

### Auditors

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

Approved by the board on 25 November 2020 and signed on their behalf by:

Signed  Date 27 November 2020

David Warner  
Chair

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

### Opinion

We have audited the financial statements of Local Trust for the year ended 31 March 2020 which comprise the Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

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

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

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

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

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

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

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 23, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

**Use of our report**

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

*Moore Kingston Smith LLP*

Date: 30 November 2020

Andrew Stickland (Senior Statutory Auditor)

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

Devonshire House

60 Goswell Road

London EC1M 7AD

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## Consolidated statement of financial activities

(incorporating an income and expenditure account) for the year ended 31 March 2020

	<u>Notes</u>	<b>Group Restricted 2020 £000</b>	<b>Group Unrestricted 2020 £000</b>	<b>Group 2020 £000</b>	<b>Group 2019 £000</b>
<b>Income from:</b>					
Investments	2	3,563	3	3,566	4,524
Grants	3	344	-	344	3,369
Other sources		1	-	1	16
<b>Total income</b>		<b>3,908</b>	<b>3</b>	<b>3,911</b>	<b>7,909</b>
<b>Expenditure on:</b>					
Raising funds		295	-	295	325
investment management charges					
Charitable activities:					
grants payable	5	15,552	-	15,552	28,064
delivery to areas		3,904	-	3,904	3,148
learning to support the programme		1,632	77	1,709	1,241
<b>Total expenditure</b>	4	<b>21,383</b>	<b>77</b>	<b>21,460</b>	<b>32,778</b>
Net operating expenditure	7	(17,475)	(74)	(17,549)	(24,869)
Net gains/(losses) on investments		810	-	810	2,539
<b>Net income/ (expenditure)</b>		<b>(16,665)</b>	<b>(74)</b>	<b>(16,739)</b>	<b>(22,330)</b>
Transfers between funds	17	(12)	12	-	-
<b>Net movement in funds</b>		<b>(16,677)</b>	<b>(62)</b>	<b>(16,739)</b>	<b>(22,330)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward at 1 April 2019		119,984	500	120,484	142,814
Total funds carried forward at 31 March 2020	17	103,307	438	103,745	120,484

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

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

The accompanying notes, on pages 30 to 52, form part of these financial statements.

## Local Trust annual report and financial statements 1 April 2019 - 31 March 2020

## Consolidated and company balance sheets

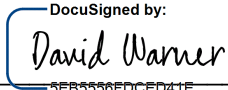
as at 31 March 2020

Company number: 07833396		2020	2020	2019	2019
		Group	Local Trust	Group	Local Trust
		£000	£000	£000	£000
	<u>Notes</u>				
<b>Fixed assets</b>					
Tangible assets	8	30	-	32	-
Intangible assets	9	89	-	109	2
Investments	10 & 11	132,512	-	154,300	-
Social investments	12	117	-	140	-
		<u>132,748</u>	<u>-</u>	<u>154,581</u>	<u>2</u>
<b>Current assets</b>					
Debtors	13	2,901	1,550	4,574	2,756
Investments		1,659	472	1,649	469
Cash at bank and in hand		1,856	770	523	375
<b>Total current assets</b>		<u>6,416</u>	<u>2,792</u>	<u>6,746</u>	<u>3,600</u>
<b>Liabilities</b>					
Creditors: amounts falling due within one year	14	(28,904)	(49)	(32,192)	(27)
<b>Net current (liabilities)/ assets</b>		<u>(22,488)</u>	<u>2,743</u>	<u>(25,446)</u>	<u>3,573</u>
Creditors: amounts falling due after one year	15	(6,515)	-	(8,651)	-
<b>Net assets</b>	17	<u>103,745</u>	<u>2,743</u>	<u>120,484</u>	<u>3,575</u>
<b>Funds</b>					
Restricted funds		103,307	2,305	119,984	3,075
Unrestricted funds		438	438	500	500
<b>Total funds</b>		<u>103,745</u>	<u>2,743</u>	<u>120,484</u>	<u>3,575</u>

The accompanying notes, on pages 30 to 52, form part of these financial statements.

Local Trust generated a deficit of £0.8m (2019: surplus of £3.0m) before consolidation within the group financial statements.

Approved by the trustees, authorised for issue on 25 November 2020 and signed on behalf of the board of trustees:

Signed  Date 27 November 2020

David Warner  
Chair

Local Trust annual report and financial statements 1 April 2019 - 31 March 2020

## Consolidated statement of cashflows

### for the year ended 31 March 2020

		<b>2020</b>	<b>2019</b>
<b>Cash (outflow)/inflow from operating activities:</b>	<b>Notes</b>	<b>£000</b>	<b>£000</b>
Net operating expenditure		(17,549)	(24,869)
Investment and other income received		(4,056)	(8,084)
Depreciation/amortisation of fixed assets		92	57
Decrease/(Increase) in debtors		1,673	(2,586)
Increase in creditors		(5,424)	8,759
Investment management fees		(295)	(325)
<b>Net cash (used in) operating activities</b>		<b>(25,559)</b>	<b>(27,048)</b>
<b>Cash flows from investing activities:</b>			
Investment and other income received		4,056	8,084
Investment management fees		295	325
Payments to acquire tangible fixed assets		-	(123)
Payments to acquire intangible fixed assets		(59)	-
Payments to acquire social investments		-	(30)
Receipts from sale of social investments		12	32
Payments to acquire fixed asset investments		(223,210)	(73,981)
Movements in investment cash balances		1,415	(512)
Receipts from the sale of fixed asset investments		244,393	92,148
<b>Net cash required by investing activities</b>		<b>26,902</b>	<b>25,943</b>
<b>Change in cash and cash equivalents in the year</b>		<b>1,343</b>	<b>(1,105)</b>
Change in cash and cash equivalents in the year		1,343	(1,105)
Cash and cash equivalents at 1 April 2019		2,172	3,277
<b>Cash and cash equivalents at 31 March 2020</b>	19	<b>3,515</b>	<b>2,172</b>
<b>Analysis of cash and cash equivalents:</b>		<b>£000</b>	<b>£000</b>
Cash in hand		1,856	523
Notice deposits		1,659	1,649
		<b>3,515</b>	<b>2,172</b>

*Local Trust annual report and financial statements 1 April 2019 - 31 March 2020*

## Notes to the accounts for the year ended 31 March 2020

### 1. Accounting policies

#### a) Administrative information

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

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

Local Trust:	registered company number	07833396
	registered charity number	1147511

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

#### b) Basis of preparation

The financial statements are prepared on a going concern basis which assumes the charitable company will continue in operational existence for the foreseeable future. The trustees have considered the likely impact of the Covid-19 pandemic on the financial position of the charity and are aware that the charity is able to draw down on its expendable endowment to provide an appropriate response to the additional needs resulting from the pandemic where necessary.

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

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

The functional currency is Pound Sterling.

#### c) Group accounts

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

#### d) Critical accounting judgements and key sources of estimation uncertainty

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



*Local Trust annual report and financial statements 1 April 2019 - 31 March 2020*

**e) Statement of financial activities**

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

**f) Income**

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

**g) Fund accounting**

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

**h) Expenditure**

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

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

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

**i) Allocation of support costs**

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

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

Direct governance costs are allocated on the basis of staff time spent undertaking an activity. The direct staff cost allocation for the period to 31 March 2020 was across delivery to areas and learning to support the programme.

**j) Operating leases**

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

**k) Expenditure on raising funds**

Expenditure on raising funds include investment management fees which are charged at 0.25% of the market value of the portfolio, and are charged as they fall due to the statement of financial activities. The fee reduced to 0.20% from January 2020.

*Local Trust annual report and financial statements 1 April 2019 - 31 March 2020*

### **l) Tangible fixed assets depreciation and intangible fixed assets amortisation**

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

### **m) Investments**

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

### **n) Social investments**

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

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

### **o) Pension**

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

### **p) Grants payable**

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

### **q) Financial instruments**

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

Financial assets and liabilities are initially measured at transaction price (including transaction cost) and are subsequently re-measured where applicable at amortised cost except for investments which are subsequently measured at fair value with gains and losses recognised in the Statement of Financial Activities. Assets and liabilities held in a foreign currency are translated to GBP at the balance sheet date at an appropriate year end exchange rate. There were no assets or liabilities held in foreign currency at 31 March 2020.

## **2. Investment income**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Income on investments	3,438	4,433
Bank interest	102	67
Tax refunds	26	24
Total	3,566	4,524

*Local Trust annual report and financial statements 1 April 2019 - 31 March 2020***3. Grant income**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Barrow Cadbury Trust	6	2
Big Local Trust	281	19
Calouste Gulbenkian Foundation	-	600
Church Urban Fund	-	2
City Bridge Trust	-	2
Esmée Fairbairn Foundation	20	200
Friends Provident Foundation	5	-
John Ellerman Foundation	10	-
Joseph Rowntree Foundation	3	5
Lloyds Bank Foundation	-	2
National Lottery Community Fund	-	2,500
NCVO	5	5
Open Society Foundation	4	-
Paul Hamlyn Foundation	-	2
People's Health Trust	5	-
Power to Change	5	30
Total	344	3,369

## Local Trust annual report and financial statements 1 April 2019 - 31 March 2020

**4. Expenditure**

Description	Charitable activities			Expenditure on raising funds £000	Governance £000	Support £000	2020 Group Total £000	2019 Group Total £000
	Grant expenditure directly to areas £000	Delivery to areas £000	Learning to support the programme £000					
Staff	-	774	561	-	-	507	1,842	1,399
Grants to Big Local areas	-	-	-	-	-	-	-	-
Getting Started	(5)	-	-	-	-	-	(5)	-
Big Local plan funding	13,477	-	-	-	-	-	13,477	26,142
Community travel and childcare	118	-	-	-	-	-	118	179
Area admin contribution	684	-	-	-	-	-	684	1,303
MyCommunity website	50	-	-	-	-	-	50	-
Creative Civic Change	939	-	-	-	-	-	939	151
Area delivery costs	-	2,540	-	-	-	-	2,540	2,058
Programme development	-	-	588	-	-	-	588	376
Finance charges	-	-	-	295	-	-	295	325
Governance costs	-	-	-	-	34	-	34	34
Audit and financial advice	-	-	-	-	31	-	31	20
Professional fees	-	-	-	-	22	-	22	25
Communications and marketing	-	-	-	-	-	262	262	265
IT and Consultancy	-	-	-	-	-	246	246	219
Rent and office costs	-	-	-	-	-	255	255	225
Depreciation	-	-	-	-	-	82	82	57
<b>Total costs</b>	<b>15,263</b>	<b>3,314</b>	<b>1,149</b>	<b>295</b>	<b>87</b>	<b>1,352</b>	<b>21,460</b>	<b>32,778</b>
<b>Allocated to charitable activities</b>								
Support Costs	243	497	470	-	142	(1,352)	-	-
Governance costs (note 6)	46	93	90	-	(229)	-	-	-
<b>Total expenditure 2020</b>	<b>15,552</b>	<b>3,904</b>	<b>1,709</b>	<b>295</b>	<b>-</b>	<b>-</b>	<b>21,460</b>	<b>-</b>
<b>Total expenditure 2019</b>	<b>28,064</b>	<b>3,148</b>	<b>1,241</b>	<b>325</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,778</b>

## Local Trust annual report and financial statements 1 April 2019 - 31 March 2020

## 4. Expenditure (continued)

Prior year comparative	Charitable activities			Expenditure on raising funds	Governance	Support	2019 Group Total	2018 Group Total
	Grant expenditure directly to areas	Delivery to areas	Learning to support the programme					
Description	£000	£000	£000	£000	£000	£000	£000	£000
Staff	-	631	369	-	-	399	1,399	1,003
Grants to Big Local areas	-	-	-	-	-	-	-	-
Big Local plan funding	26,142	-	-	-	-	-	26,142	24,055
Community travel and childcare	179	-	-	-	-	-	179	67
Area admin contribution	1,303	-	-	-	-	-	1,303	1,166
Grant funding for Star People	-	-	-	-	-	-	-	278
Grant Funding for Enterprising Communities	-	-	-	-	-	-	-	950
Creative Civic Change	151	-	-	-	-	-	151	-
Area delivery costs	-	2,058	-	-	-	-	2,058	1,521
Programme development	-	-	376	-	-	-	376	111
Finance charges	-	-	-	325	-	-	325	381
Governance costs	-	-	-	-	34	-	34	76
Audit	-	-	-	-	20	-	20	24
Professional fees	-	-	-	-	25	-	25	100
Communications and marketing	-	-	-	-	-	265	265	150
IT and Consultancy	-	-	-	-	-	219	219	163
Rent and office costs	-	-	-	-	-	225	225	226
Depreciation	-	-	-	-	-	57	57	42
<b>Total costs</b>	<b>27,775</b>	<b>2,689</b>	<b>745</b>	<b>325</b>	<b>79</b>	<b>1,165</b>	<b>32,778</b>	<b>30,313</b>
<b>Allocated to charitable activities</b>								
Support Costs	243	386	417	-	119	(1,165)	-	-
Governance costs (note 6)	46	73	79	-	(198)	-	-	-
<b>Total expenditure 2019</b>	<b>28,064</b>	<b>3,148</b>	<b>1,241</b>	<b>325</b>	<b>-</b>	<b>-</b>	<b>32,778</b>	<b>-</b>
<b>Total expenditure 2018</b>	<b>26,805</b>	<b>2,169</b>	<b>958</b>	<b>381</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,313</b>

## Local Trust annual report and financial statements 1 April 2019 - 31 March 2020

## 5. Grants payable

Big Local area	Locally trusted organisation	New grants £000	Repayment of unspent grants £000	Closed grants £000	2020 Total £000	2019 Total £000
3 Together	Groundwork North East	-	-	-	-	485
Aberfeldy	Quaker Social Action	520	-	(24)	496	-
	Poplar Harca	-	-	-	-	73
Allenton	Enthusiasm Trust	442	-	-	442	-
Ansley Village, New Arley and Old Arley (Leys Millionaires)	Warwickshire Community and Voluntary Action	-	-	-	-	537
Arches Local	Red Zebra Community Solutions	-	(33)	(58)	(91)	-
	Starlings Support CIC	280	-	-	280	-
Barnfield	Plumcroft Primary School	-	-	(191)	(191)	-
	Greenwich Cooperative Development Agency (GCDA)	-	-	-	-	277
Barrow Island	Barrow Island Community Sports Trust	-	-	-	-	106
	Cumbria CVS	-	-	-	-	16
Barrowcliff	Groundwork North Yorkshire	-	(18)	(182)	(200)	220
	Community First Credit Union	-	-	-	-	196
Beechwood, Ballantyne and Bidston Village	Community Action Wirral	-	(40)	(22)	(62)	-
	Community Foundation for Lancashire and Merseyside	350	-	-	350	119
Birchfield	Birmingham Voluntary Service Council	302	-	-	302	-
Blackpool Revue	Blackpool FC Community Trust	470	-	-	470	-
Bountagu	Enfield Children & Young People Service	-	(7)	-	(7)	(242)
	Community Voluntary Service for Broxbourne and East Herts	460	-	-	460	40
	Local Trust	-	-	-	-	(6)
Bourne Estate	Bournemouth Churches Housing Association	129	(76)	(158)	(105)	-
Bradley	Pendle Borough Council	-	-	-	-	462
Brereton	Support Staffordshire	-	-	-	-	414
Brinnington	Groundwork Manchester, Salford, Stockport and Trafford Limited	-	-	-	-	353
Broad Green Big Local	Asian Resource Centre	108	(41)	-	67	-
Brookside	Stirchley and Brookside Parish Council	-	-	-	-	387
Canvey Island Big Local	Essex Boys and Girls Clubs	-	(53)	(162)	(215)	201
Cars Estate	Colebridge Trust	270	(6)	-	264	-
Catton Grove	Voluntary Norfolk	-	(23)	(239)	(262)	-
	Oak Grove Community Church	-	-	-	-	268

## Local Trust annual report and financial statements 1 April 2019 - 31 March 2020

Big Local area	Locally trusted organisation	New grants £000	Repayment of unspent grants £000	Closed grants £000	2020 Total £000	2019 Total £000
CELL - Lynemouth, Cresswell, Ellington and Linton	YMCA Northumberland	533	(3)	(188)	342	-
Central Boston	Age UK Lincoln & South Lincolnshire	-	(16)	-	(16)	259
Central Jarrow	Shared Assets Ltd	2	-	-	2	-
	Groundwork South and North Tyneside	124	-	-	124	-
Chinbrook Estate	Voluntary Services Association Ltd	206	(14)	-	192	148
	Lewisham Disability Coalition	-	-	(175)	(175)	(45)
	Local Trust	10	-	-	10	-
Church Hill	Charles Lovell and Company Limited	208	-	-	208	100
Clapham Junction, West Battersea (Big Local SW11)	Providence House	-	-	-	-	325
Clarksfield, Greenacres and Littlemoor	Action Together CIO	-	-	-	-	262
Clubmoor	Liverpool CVS	435	-	-	435	150
	St Andrew's Community Network	-	(56)	-	(56)	92
	Shared Assets Ltd	-	-	(6)	(6)	6
Collyhurst	Manchester Communication Academy	13	-	-	13	-
Conniburrow Estate	Milton Keynes Community Foundation	-	(47)	(156)	(203)	290
Dartford	Red Zebra Community Solutions	-	(108)	-	(108)	381
	St Marys Greenhithe	75	-	-	75	190
	Community Links Bromley	44	-	-	44	-
	Healthy Living Centre Dartford	-	-	-	-	(73)
Dewsbury Moor	Dewsbury Moor Rugby League Club	-	(11)	-	(11)	876
Distington	Distington Big Local Limited	50	-	-	50	-
Dover Big Local	Red Zebra Solutions Limited	-	-	-	-	390
East Coseley	Dudley Community Voluntary Service	510	-	-	510	-
Eastern Sheppey	Swale Community and Voluntary Services	200	-	-	200	473
Elmton, Creswell and Hodthorpe	Bassetlaw Community and Voluntary Service	366	-	-	366	42
Elthorne Estates	Caxton House Community Centre	330	-	-	330	-
Ewanrigg	Cumbria CVS (Ewanrigg)	524	-	(101)	423	(17)
Farley Hill	Age Concern Luton	-	-	-	-	(8)
Firs and Bromford	Worth Unlimited	117	(44)	-	73	110
Fratton	Community Action Hampshire	-	(61)	-	(61)	303

## Local Trust annual report and financial statements 1 April 2019 - 31 March 2020

Big Local area	Locally trusted organisation	New grants £000	Repayment of unspent grants £000	Closed grants £000	2020 Total £000	2019 Total £000
Gannow	Burnley, Pendle and Rossendale Community Voluntary Service	375	-	-	375	-
	Behavioural Insights Team	-	-	-	-	9
Gateshead	St Chad's Community Project	417	-	(220)	197	317
Gaunless Gateway	South Durham Enterprise Agency	-	-	-	-	334
Grassland Hasmoor	Grassland Hasmoor Futures Limited	338	-	-	338	-
Greatfield	Probe Hull Limited	384	-	-	384	-
	Begbie Traynor (Central) LLP	-	(1)	-	(1)	-
	Local Trust	-	(15)	-	(15)	-
	Hull and East Yorkshire Credit Union	-	-	-	-	(3)
Greenmoor	CNET - Bradford and District Community Empowerment Network Limited	-	-	-	-	466
Growing Together	Growing Together (Northampton)	67	(13)	-	54	-
Hackney Wick	Hackney Community Voluntary Services	-	-	(357)	(357)	-
	Crest Waltham Forest	-	-	-	-	457
Hanwell, Copley Close	E.A.S.E (Empowering Action and Social Esteem) Limited	600	(75)	-	525	-
Harefield, Midanbury and Thornhill Park (SO18)	Southampton Voluntary Services	-	(2)	(84)	(86)	-
	Training for Work in communities (TWICS)	-	-	-	-	370
Hateley Heath	SCIPS Limited	-	-	-	-	358
Heart of Pitsea	Basildon, Billericay & Wickford CVS	-	-	-	-	179
Heart of Sidley	Optivo	-	(35)	-	(35)	79
	Rother Voluntary Action	-	(37)	(68)	(105)	325
Heath Big Local	Uttoxeter Knights	-	-	-	-	154
Heston West	Groundwork South	-	-	(77)	(77)	-
	Berkeley Academy	226	-	-	226	237
Hill Top and Caldwell	Warwickshire CVA	582	(39)	(38)	505	-
Horsefair, Broadwaters and Greenhill (Big Local DY10)	PCC of Kidderminster East	544	(34)	(32)	478	131
	Vestia Community Trust	-	-	-	-	(67)
Inner East Preston	Preston City Council	-	-	(30)	(30)	323
	Emmaus Preston	-	-	-	-	73
Kingsbrook & Cauldwell	Community Voluntary Service Bedfordshire	-	(15)	(121)	(136)	408
Kirk Hallam	Kirk Hallam Community Technology & Sports College	-	-	-	-	83
	Nova Education Trust	-	-	-	-	255
Kirkholt	The Big Life Company	436	(65)	-	371	-
	Local Trust	-	(43)	-	(43)	-
Latch Ford	Torus 62	1,266	(44)	(536)	686	-
Lawrence Weston	Ambition Lawrence Weston	389	(11)	-	378	(12)



## Local Trust annual report and financial statements 1 April 2019 - 31 March 2020

Big Local area	Locally trusted organisation	New grants £000	Repayment of unspent grants £000	Closed grants £000	2020 Total £000	2019 Total £000
Leecliffe	Shared Assets Ltd	1	-	(5)	(4)	5
	Clarion Futures	-	(63)	-	(63)	461
Leigh West	Leigh Neighbours Partnership Board	-	-	-	-	569
Little Hulton	Shared Assets Ltd	2	-	-	2	-
Littlemoor	Dorset Community Action	255	(3)	(406)	(154)	543
	Groundwork South	-	(18)	(123)	(141)	-
London Road area of Broad Green	Asian Resource Centre	-	-	-	-	144
Mablethorpe, Trusthorpe and Sutton on Sea	Lincolnshire Community Foundation	-	-	-	-	486
Marsh & Micklefield	Buckinghamshire Community Foundation	-	(54)	(258)	(312)	-
	Chiltern Rangers CIC	-	-	-	-	281
Mossley	One Walsall	210	-	-	210	435
	Sneyd Community Association	-	-	-	-	(41)
Newington, Ramsgate	Red Zebra Community Solutions	-	-	(83)	(83)	80
	Starlings Support CIC	202	-	-	202	-
Noel Park Estate	Crest Waltham Forest	458	(14)	-	444	-
	Shared Assets Ltd	-	-	(4)	(4)	4
North Brixton	London Community Foundation	-	(31)	-	(31)	-
	Big Local Impact	-	-	-	-	177
North Cleethorpes	Voluntary Action North East Lincolnshire	434	(16)	-	418	-
North meets South	London Borough of Dagenham	-	-	(12)	(12)	-
North Ormesby	North Ormesby Development Company Limited	-	(8)	-	(8)	216
North West Ipswich	Community Action Suffolk	-	(18)	(91)	(109)	-
	Castle Hill Community Centre Trust	91	-	-	91	35
Northfleet North	Council for Voluntary Service North West Kent	-	(19)	-	(19)	317
Northwood	Community Foundations for Merseyside and Lancashire	314	-	-	314	-
	Optivo	-	(32)	(73)	(105)	-
Palfrey	Local Trust	5	-	(5)	-	-
	Manor Farm Community Association	145	-	-	145	-
	One Walsall	93	-	-	93	-
	Palfrey Community Association	-	-	-	-	55
Par Bay	Eden Project Campaigns Ltd	222	(76)	(70)	76	159
	Shared Assets Ltd	3	-	(7)	(4)	7
Peabody Avenue	Thamesbank Centre	-	(10)	(266)	(276)	344
	Quaker Social Action	93	-	-	93	-
PEACH	Custom House & Canning Town Renewal Project	92	(6)	-	86	-

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Big Local area	Locally trusted organisation	New grants £000	Repayment of unspent grants £000	Closed grants £000	2020 Total £000	2019 Total £000
Podsmead	Gloucestershire Credit Union	391	(56)	(94)	241	-
	GL Communities	108	-	-	108	-
Prospect Estate	Rushmoor Borough Council	389	(39)	(73)	277	-
Radstock and Westfield	Bath and North East Somerset Carers' Centre	48	-	-	48	529
	Westfield Parish Council	-	-	-	-	(138)
Ramsey	Ramsey Neighbourhoods Trust	484	(41)	-	443	-
Rastrick	Community Foundation for Calderdale	522	(44)	-	478	327
Ravensthorpe and Westwood	Cross Keys Homes	-	-	-	-	398
Ridge Hill	New Charter Housing Trust Group	-	-	-	-	362
Riverside Community	Thurrock Lifestyle Solutions	-	(37)	-	(37)	517
Roseworth Ward	Catalyst Stockton	-	-	(44)	(44)	395
Rudheath and Witton	Groundwork CLM	-	-	-	-	417
Sale West	Irwell Valley Housing Association	407	(23)	(104)	280	-
Scotlands and Bushbury Hill	Bushbury Hill Estate Management Board	-	-	-	-	269
Selby Town	Selby District AVS	-	(77)	-	(77)	240
Shadsworth with Whitebirk	Blackburn with Darwen Healthy Living	30	-	(54)	(24)	342
	Blackburn with Darwen Community Voluntary Service	-	-	-	-	42
Slade Green	Howbury Friends	21	-	-	21	-
Somers Town	Voluntary Action Camden	-	-	-	-	(24)
	Working Men's College	-	-	-	-	224
Sompting	Adur Voluntary Action	-	-	(152)	(152)	-
	Community Works	-	-	-	-	201
South Bermondsey	United St Saviour's Charity	-	-	-	-	281
St James St	Crest Waltham Forest	598	(21)	(139)	438	-
St Matthews Estate	Street Games	-	-	-	-	(5)
Stoke North	YMCA North Staffordshire	-	-	-	-	-
Three Parishes	Oswestry Community Action	175	(5)	(83)	87	456
Thurcroft	Rotherham Federation of Communities Ltd	-	-	-	-	201
Thurnscoe	Station House Community Association Limited	464	-	-	464	-
	Barnsley Community Build	-	-	(129)	(129)	-
Toothill	Swindon Borough Council	-	-	-	-	766
W12 Together	CommUNITY Barnet	212	-	-	212	-
Wargrave	Helena Partnerships Limited	-	-	(54)	(54)	(59)
	Torus Foundation	357	-	-	357	-
Warsop Parish	Mansfield CVS	-	-	-	-	360
Warwick Ahead	Local Trust	2	-	-	2	-
	Nova Wakefield District Limited	-	-	-	-	295
Wecock Farm	Havant Borough Council	-	-	-	-	35

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Big Local area	Locally trusted organisation	New grants £000	Repayment of unspent grants £000	Closed grants £000	2020 Total £000	2019 Total £000
Wembley Central	Landau Morley LLP	-	(1)	(78)	(79)	123
	Local Trust	10	-	-	10	-
	CommUNITY Barnet	83	-	-	83	-
West End Morecambe	Lancaster CVS	283	-	-	283	132
Westfield Estate	Beighton Village Development Trust	-	-	-	-	635
Whitleigh	Whitleigh Primary and Sir John Hunt Community Sports College	516	(71)	(190)	255	-
Whitley	Berkshire Community Foundation	-	-	(76)	(76)	277
Whitley Bay	New Prospects Association Ltd	462	-	-	462	(50)
William Morris	Crest Waltham Forest	-	-	-	-	(38)
Windmill Hill	Groundwork CLM	-	(7)	(41)	(48)	293
Winterton	Voluntary Action North Lincolnshire	464	(20)	(102)	342	-
Withernsea	Begbie Traynor (Central) LLP	-	(3)	-	(3)	-
	Local Trust	-	(35)	-	(35)	-
	Hull and East Yorkshire Credit Union	-	-	-	-	69
Woodlands Speaks	Woodlands Speaks	472	-	(189)	283	-
Woolavington and Puriton Villages Together	SHAL Housing Ltd	-	-	-	-	597
World's End Estate and Lots Road Area	St Mary Abbots Rehabilitation and Training (SMART)	-	-	(91)	(91)	124
	Quaker Social Action	186	-	-	186	-
Wormholt and White City	Local Trust	-	-	-	-	18
Wormley & Turnford	Community Voluntary Service for Broxbourne and East Herts	-	-	(274)	(274)	618
	Subtotal of Big Local grants	22,006	(1,934)	(6,595)	13,477	26,142

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Creative Civic Change	Locally trusted organisation	New grants £000	Repayment of unspent grants £000	Closed grants £000	2020 Total £000	2019 Total £000
Birchfield BL/ Welsh House Farm BL	Haven Community Project	29	-	-	29	10
East Marsh United CCC Partnership	East Marsh United	84	-	-	84	8
Filwood Centre CCC Partnership	Community in Partnership Knowle West	101	-	-	101	10
Home Live Art CCC Partnership	Home Live Art	2	-	-	2	10
Kensington Vision CCC Partnership	Kensington Vision CIC	69	-	-	69	10
Kingswood and Hazel Leys Big Local	Groundwork Northamptonshire	59	-	-	59	7
Newington Big Local	Starlings Support CIC	77	-	-	77	10
Nudge Community Builders CCC Partnership	Nudge Community Builders Limited	65	-	-	65	10
Par Bay Big Local	Par Bay Community Trust	70	-	-	70	10
Peckham Platform CCC Partnership	Peckham Platform Ltd	71	-	-	71	10
Platform Thirty1 CCC Partnership	Platform Thirty1 Limited	55	-	-	55	10
Portland Inn Project CCC Partnership	Portland Inn Project CIC	77	-	-	77	10
Tees Valley Arts CCC Partnership	Tees Valley Arts	-	-	-	-	8
West End Million Big Local	Lancaster District CVS	38	-	-	38	10
Whitley Bay Big Local	Whitley Bay Big Local	71	-	-	71	8
Woods Street Wall and William Morris Big Local	Crest Waltham Forest	70	-	-	70	10
	Subtotal of CCC grants	938	-	-	938	151
	Grants to local areas	22,944	(1,934)	(6,595)	14,415	26,293
	Other grants					
	Getting Started				(5)	-
	MyCommunity website				50	-
	Residents' travel and childcare				118	179
	Area admin contributions				684	1,303
	Support and governance costs				290	289
	<b>Total grants payable</b>				<b>15,552</b>	<b>28,064</b>

In January 2020, the insolvency of Hull and East Yorkshire Community Foundation (HEYCF), which had gone into administration in December 2015, was finalised. HEYCF was the locally trusted organisation for two Big Local areas, Greatfield and Withernsea. A final dividend of £4k was received in January 2020, leaving £55k to be covered by funds set aside by Big Local Trust (insolvency provision budget).

In April 2019, Palfrey Community Association, the locally trusted organisation for Palfrey Big Local, went into administration while holding up to an estimated £75k cash of Big Local funds. Big Local Trust is an unsecured creditor for the funding and the administration process is ongoing.

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**6. Governance Costs**

Total governance costs of £229k (2019: £198k) consist of direct governance costs of £87k (2019: £79k) and indirect costs of £142k (2019: £119k). Indirect governance costs are an apportionment of staffing and other support costs, calculated on the basis of staff time spent. This is in accordance with our accounting policies as outlined in note 1(i) to the accounts.

**7. Net income/expenditure for the year**

This is stated after charging:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Depreciation and amortisation	82	57
Impairment of social investments	10	-
Auditor's remuneration (including VAT):		
- <i>in respect of current year audit</i>	19	19
- <i>in respect of current year non-audit</i>	-	1
- <i>in respect of prior year audit</i>	7	-
Financial advice	5	-
Investment manager's fees	295	325
Legal and professional fees	22	25
Licence fees	146	96

**8. Group and company tangible fixed assets**

			<b>2020</b>	<b>2019</b>
	<b>Office refurbishment</b>	<b>IT equipment</b>	<b>Total</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Cost				
Balance brought forward	24	145	169	147
Additions	-	17	17	22
Disposals	-	-	-	-
Balance carried forward	<u>24</u>	<u>162</u>	<u>186</u>	<u>169</u>
Depreciation				
Balance brought forward	10	127	137	123
Disposals	-	-	-	-
Charge for year	8	11	19	14
Balance carried forward	<u>18</u>	<u>138</u>	<u>156</u>	<u>137</u>
Net book value				
Brought forward	14	18	32	24
Carried forward	<u>6</u>	<u>24</u>	<u>30</u>	<u>32</u>

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**9. Group and company intangible fixed assets**

	<b>2020</b>	<b>2019</b>
	<b>Total</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>
Cost		
Balance brought forward	287	186
Additions	43	101
Balance carried forward	<u>330</u>	<u>287</u>
Amortisation		
Balance brought forward	178	136
Charge for year	63	43
Balance carried forward	<u>241</u>	<u>178</u>
Net book value		
Brought forward	109	50
Carried forward	<u>89</u>	<u>109</u>

Intangible fixed assets include the development of Big Local Trust's grant management system, website and area assessment tool; amounts related to Local Trust have been fully depreciated, bringing the value to £nil (2019: £2k) relating to Local Trust.

**10. Group and company investments**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
At 1 April 2019	152,395	168,023
Purchases at cost	223,210	73,981
Disposal proceeds	(244,393)	(92,148)
Net investment gains/(loss)	810	2,539
At 31 March 2020	<u>132,022</u>	<u>152,395</u>
Capital and revenue cash balance	490	1,905
Total	<u>132,512</u>	<u>154,300</u>

**11. Investments by type and location of fund**

	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>
	<b>UK</b>	<b>Overseas</b>	<b>Total</b>	<b>UK</b>	<b>Overseas</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Equity	-	-	-	5,604	22,479	28,083
Fixed interest	38,837	-	38,837	55,406	-	55,406
Property	-	-	-	15,115	-	15,115
Cash	93,675	-	93,675	52,199	-	52,199
Multi-asset fund	-	-	-	3,497	-	3,497
Total	<u>132,512</u>	<u>-</u>	<u>132,512</u>	<u>131,821</u>	<u>22,479</u>	<u>154,300</u>

The total book cost of investments held at 31 March 2020 was £133,662k (2019: £146,112k).

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**12. Social investment assets**

Big Local area	Credit union	Original amount	Additional investments during year	Repayments	Impairments	Funds at 31 March 2020
<b>2015–16</b>						
East Coseley	Castle and Crystal Credit Union	15	-	-	-	15
North West Ipswich	Eastern Savings and Loans Credit Union	20	-	-	(10)	10
Subtotal		35	-	-	(10)	25
<b>2016–17</b>						
Rudheath and Witton	Key Fund loan	2	-	(1)	-	1
Goldthorpe with Bolton on Dearne	South Yorkshire Credit Union	-	-	-	-	-
St Oswald and Netherton	Knowsley Mutual Credit Union	13	-	-	-	13
Grace Mary to Lion Farm	6Towns Credit Union	-	-	-	-	-
Subtotal		15	-	(1)	-	14
<b>2017–18</b>						
Three Parishes (for Oswestry Station Trust)	Key Fund loan	60	-	(12)	-	48
Subtotal		60	-	(12)	-	48
<b>2018–19</b>						
Withernsea	Hull & East Yorkshire Credit Union	30	-	-	-	30
Subtotal		30	-	-	-	30
Cumulative totals		140	-	(13)	(10)	117
Total Key Fund loan balance		62	-	(13)	-	49

**13. Debtors**

	2020 Group £000	2020 Local Trust £000	2019 Group £000	2019 Local Trust £000
Trade debtors	1,816	1,520	3,414	2,756
Prepayments	185	30	116	-
Accrued income	900	-	1,044	-
Total	2,901	1,550	4,574	2,756

Debtors as at 31 March 2020 include £50k in amounts due after more than one year, being prepayment of venue hire for the annual Big Local Connects event which will take place to July 2021.

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	<b>2020</b>	<b>2020</b>	<b>2019</b>	<b>2019</b>
	<b>Group</b>	<b>Local Trust</b>	<b>Group</b>	<b>Local Trust</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Trade creditors	876	43	808	22
Amounts due to Big Local Trust	-	6	-	5
Grant commitments	27,877	-	31,251	-
Social security and other taxation	44	-	27	-
Accruals	90	-	91	-
Pension payments due	17	-	15	-
<b>Total</b>	<b>28,904</b>	<b>49</b>	<b>32,192</b>	<b>27</b>

**15. Creditors: amounts falling due after one year**

	<b>2020</b>	<b>2020</b>	<b>2019</b>	<b>2019</b>
	<b>Group</b>	<b>Local Trust</b>	<b>Group</b>	<b>Local Trust</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Grant commitments	6,515	-	8,651	-
<b>Total</b>	<b>6,515</b>	<b>-</b>	<b>8,651</b>	<b>-</b>

**16. Grant commitments**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Grant commitments b/fwd	39,902	31,685
New commitments in the year	22,944	30,265
Area admin contribution	684	1,303
Commitments settled in the year	(20,609)	(19,379)
Commitments reversed in the year	(8,529)	(3,972)
<b>Grant commitments c/fwd</b>	<b>34,392</b>	<b>39,902</b>



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**17. Movement in funds**

Local Trust Group	Balance at 31 March 2019 £000	Incoming resources £000	Outgoing resources £000	Transfers £000	Gains/ losses £000	Balance at 31 March 2020 £000
<b>Restricted funds</b>						
National Lottery Community Fund	64,952	-	(19,971)	-	-	44,981
Big Local investment income	51,885	3,563	(295)	-	810	55,963
Big Local other income	25	1	(1)	-	-	25
Creative Civic Change	3,093	301	(1,085)	-	-	2,309
Community Wealth Fund	4	20	(5)	(2)	-	17
Sustainable Community Hubs						
- Power to Change	15	-	(15)	-	-	-
Community Wealth Building	-	23	(11)	-	-	12
Community Investment Coalition project (CDF)	10	-	-	(10)	-	-
<b>Total restricted funds</b>	<b>119,984</b>	<b>3,908</b>	<b>(21,383)</b>	<b>(12)</b>	<b>810</b>	<b>103,307</b>
<b>Unrestricted funds</b>						
Local Trust CDF legacy fund	343	-	(2)	(88)	-	253
Local Trust investment income	9	3	-	-	-	12
<b>Total unrestricted funds</b>	<b>352</b>	<b>3</b>	<b>(2)</b>	<b>(88)</b>	<b>-</b>	<b>265</b>
<b>Designated funds</b>						
Policy fund	148	-	(67)	10	-	91
Community Wealth Fund	-	-	(8)	90	-	82
<b>Total designated funds</b>	<b>148</b>	<b>-</b>	<b>(75)</b>	<b>100</b>	<b>-</b>	<b>173</b>
<b>Total funds</b>	<b>120,484</b>	<b>3,911</b>	<b>(21,460)</b>	<b>-</b>	<b>810</b>	<b>103,745</b>

**Restricted funds**

In Local Trust's consolidated accounts, the net decrease in funds for the year was £16.7m (2019: £22.3m). Total funds held at the year-end were £103.7m (2019: £120.5m).

**National Lottery Community Fund** established Big Local Trust with a National Lottery grant of £196,873,499 in 2012. This is an expendable endowment to be spent by 13 February 2027. Funding of £20.0m (2019: £32.5m) was expended during the year, and was used for delivery of Big Local Trust's charitable activities.

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

During the year ended 31 March 2020, Local Trust delivered the following projects:

- **Creative Civic Change** which was funded by the Creative Civic Change Partnership, consisting of the National Lottery Community Fund, Calouste Gulbenkian Foundation, Esmée Fairbairn and Big Local Trust. £0.3m (2019: £3.4m) was received during the year for work on the Creative Civic Change programme.
- The **Community Wealth Fund** was funded by a consortium of funders. During the year, funds were received from John Ellerman Foundation, NCVO and People's Health Trust in the sum of £20k (2019: £15k). In November 2019, the board of trustees

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agreed to designate £90k of the funding received from CDF to further the work of the Community Wealth Fund.

- The **Community Wealth Building** tour of events was funded by a consortium of funders. During the year, funds were received from Barrow Cadbury Trust, Friends Provident Foundation, Joseph Rowntree Foundation, Open Society Foundation and Power to Change in the sum of £23k (2019: £nil).

**Sustainable Community Hubs** - Big Local Trust had received £30k from Power to Change during the year ended March 2019, towards the development of an evidence toolkit on the sustainability of community hubs. £15k was carried forward into the year ended March 2020 and spent during the year.

The **Community Investment Coalition** project was funded by CDF in 2015.

**Policy Fund** - In November 2019, the board of trustees agreed to designate £10k of the funding received from CDF to further policy and influencing work within Local Trust.

Transfers during the year include:

- a £2k adjustment for restricted Community Wealth Fund costs incurred during the previous financial year that were treated as unrestricted.
- closure of the Community Investment Coalition project (CDF) which ended in the year ended March 2017. £10k has been transferred back to the main CDF legacy fund.

#### 18. Analysis of net assets between funds

Local Trust	Restricted funds	Unrestricted funds	Restricted funds	Unrestricted funds
	Mar-20	Mar-20	Mar-19	Mar-19
	£000	£000	£000	£000
<b>Fund balances as at 31 March 2020 are represented by:</b>				
Tangible assets	30	-	32	-
Intangible assets	89	-	109	-
Investments	132,512	-	154,300	-
Social investments	117	-	140	-
Current assets	5,944	472	6,246	500
Current liabilities	(28,870)	(34)	(32,192)	-
Long-term liabilities	(6,515)	-	(8,651)	-
<b>Net assets</b>	<b>103,307</b>	<b>438</b>	<b>119,984</b>	<b>500</b>

#### 19. Analysis of changes in net debt

	At 1 April 2019 £000	Cash flows £000	At 31 March 2020 £000
Cash	523	1,333	1,856
Cash equivalents	1,649	10	1,659
Overdraft facility repayable on demand	-	-	-
<b>Total</b>	<b>2,172</b>	<b>1,343</b>	<b>3,515</b>

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	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Land and buildings, due in less than 1 year	74	73
Land and buildings, due in 2 to 5 years	-	-
Land and buildings, due after 5 years	-	-

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

**21. Staff costs and numbers**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	1,308	1,000
Social security and other taxes	127	80
Pension	208	156
Other staff costs	199	163
<b>Total</b>	<b>1,842</b>	<b>1,399</b>

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

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

Staff are jointly employed by Big Local Trust and Local Trust. The average number of employees during the year was 31 (2019: 26).

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

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Four employees, who were also the key management personnel, were remunerated over £60k in the year (2019: two employees); Margaret Bolton (director of policy) Jayne Entwistle (head of area support), James Goodman (director of partnerships) and Matt Leach (chief executive).

<b>Senior salaries</b>	<b>Annual salary £000</b>	<b>Total pay before tax £000</b>	<b>Total employer's National Insurance £000</b>	<b>Total employer's pension incl salary exchange £000</b>	<b>2020 Total cost £000</b>
<b>2020</b>					
Margaret Bolton	77	69	8	17	94
Jayne Entwistle	59	61	7	7	75
James Goodman	77	71	9	7	87
Matt Leach	103	99	12	16	127
Rachel Rowney	68	40	4	11	55
		340	40	58	438
<b>2019</b>					
Margaret Bolton	72	49	5	8	62
Jayne Entwistle	58	31	3	4	38
Matt Leach	95	90	11	14	115
Rachel Rowney	74	70	9	10	89
		240	28	36	304

As at 31 March 2020, the highest full time gross salary was £103k (2019: £95K), the median was £36k (2019: £35k) (ratio 2.9 to 1 between highest and median) and the lowest full-time salary was £20k (2019: £22k) (ratio 5.1 to 1 between highest and lowest).

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

## 22. Volunteers

Big Local relies on people getting involved in making their areas better places to live. Over 1,600 people directly participate as partnership members across the 150 Big Local areas. Partnership members include representatives from local organisations, councils and businesses but a vast majority are volunteer residents (73%) who give of their own time to help lead Big Local in their areas.

## 23. Pension

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

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Pension contributions made by Big Local Trust to the scheme during the year were £150k (2019: £112k) for 40 employees (2019: 39). Employee contributions, made through our salary exchange scheme, were £57k (2019: £44k). As at 31 March 2020, Big Local Trust owed £17k (2019: £15k) to the scheme relating to March pension payments: the amount due was settled on time during April 2020.

#### **24. Trustees' remuneration, benefits and expenses**

Trustees received no remuneration. Twelve trustees received reimbursements for travel costs during the period totalling £15k (2019: 12 Trustees received £5k). Trustee training expenses during the period were £3k (2019: £3k). There were no trustee recruitment costs during the period (2019: £2k).

#### **25. Big Local Trust protector**

Protector fees and expenses of £16k were payable during the period (2019: £8k). Fees were lower during 2019 because the new protector was appointed part-way through the year.

#### **26. Related party transactions**

During the period April 2019 to March 2020, Local Trust paid Big Local Trust £66k for staff time and expenses spent on Local Trust activities, that were initially paid for through Big Local Trust (2019: £48k). Big Local Trust had an outstanding debtor balance with Local Trust of £6k as at 31 March 2020 (2019: £5k).

Benjamin Lee is trustee of Local Trust and a director of the National Association for Neighbourhood Management. Big Local Trust paid the National Association for Neighbourhood Management £nil (2019: £46k) for delivery of learning and networking events during the period. At 31 March 2020, Big Local Trust owed the National Association for Neighbourhood Management a balance of £nil (2019: £20k).

David Warner is a trustee of Local Trust and an associate of IVAR. Local Trust has contracted IVAR and Just Ideas to work on evaluation and learning support for the Community Leadership Academy, between October 2019 and April 2022, with a total contract value of £179.6k. David has worked as a consultant for the National Lottery Community Fund, which established Big Local Trust with its endowment. David is also a trustee of CaVCA in Scarborough, who have done some work for Selby Big Local during 2019–20. Big Local Trust paid IVAR £12k (2019: £15k) for evaluation and learning support during the period. At 31 March 2020, Big Local Trust owed IVAR a balance of £12k (2019: £nil)

Peter Mills is a trustee of Local Trust and is a director of Brand Ethos Limited which has contracts for work with UnLtd, a delivery partner of Local Trust, although this activity is unrelated to his role as trustee at Local Trust. Local Trust has a grant agreement with UnLtd, for the delivery of £1.9m, which was committed in December 2017, and runs from 1 January 2018 to 31 December 2020. At 31 March 2020, Big Local Trust owed UnLtd a balance of £478k (2019: £1.1m). This has been reported as a creditor (grant commitments) in the balance sheet, as amounts falling due within one year (see note 14 to the accounts)

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Carrying values of financial assets and liabilities at 31 March:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Financial assets measured at amortised cost (a)	6,231	6,630
Financial assets measured at fair value (b)	132,630	154,440
Financial liabilities measured at amortised cost (c)	35,375	40,794

- (a) Financial assets measured at amortised cost include all debtors (excluding prepayments), cash in hand, and notice deposits.
- (b) Financial assets measured at fair value include all fixed asset investments (including social investments).
- (c) Financial liabilities measured at amortised cost include all liabilities excluding amounts due for tax and social security.
- (d) Interest recognised in the statement of financial activities on assets held at amortised cost during 2020 was £93k (2019: £73). Dividends and interest recognised in the statement of financial activities on assets held at fair value was £3.5m (2019: £4.5m).

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## Charity details

### **Local Trust registered company number**

07833396

### **Local Trust registered charity number**

1147511

### **Principal address**

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

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

### **Trustees**

*The trustees of Local Trust are:*

Miatta Fahnbulleh (from 21 November 2019)  
Sahil Khan  
Benjamin Lee  
Jeannette Lichner  
Caroline Macfarland (from 21 November 2019)  
Karen Mellanby  
Peter Mills  
Nicola Pollock  
John Kevin Sugrue (chair to 21 November 2019)  
Bob Thust  
David Warner (chair from 21 November 2019)  
Rich Wilson

### *Programme delivery committee*

Sahil Khan  
Benjamin Lee  
Karen Mellanby  
Peter Mills (chair)  
Caroline Macfarland (from November 2019)  
John Kevin Sugrue (ex officio member to 21 November 2019)  
David Warner (ex officio member from 21 November 2019)

### *Finance and investment committee*

Matthew Brumsen (co-optee with investment expertise from 22 May 2019)  
Benjamin Lee  
Serena Loudon (co-optee with investment expertise)  
Nicola Pollock (chair)  
John Kevin Sugrue (ex officio member to 21 November 2019)  
Bob Thust  
David Warner (ex officio member from 21 November 2019)  
Richard Wilson

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*Audit and risk committee*

Jeannette Lichner (chair)

Peter Mills

John Kevin Sugrue (ex officio member to 21 November 2019)

David Warner (ex officio member from 21 November 2019)

*Nominations and remuneration committee members*

Miatta Fahnbulleh (from 21 November 2019)

Jeannette Lichner

Peter Mills (from 21 November 2019)

John Kevin Sugrue (ex officio member to 21 November 2019)

David Warner (chair)

*Chairs Covid-19 Response committee*

Jeannette Lichner (from 25 March 2020)

Peter Mills (from 25 March 2020)

Nicola Pollock (from 25 March 2020)

David Warner (chair) (from 25 March 2020)

**Chief executive of Local Trust**

Matt Leach

**Protector of Big Local Trust**

Rosie Chapman



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**Advisors**

**Auditor**

Moore Kingston Smith LLP  
Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

**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**

HSBC Bank Plc  
8 Canada Square  
London E14 5HQ

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## **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 National Lottery Community Fund**

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

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**

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

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'5.1. The Objects of the charity are:

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

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

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

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

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

**Big Local outcomes**

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

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

# Local Trust

**T:** 020 3588 0565

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

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

**Twitter:** @LocalTrust #biglocal

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

Registered in England and Wales | Big Local Trust registered charity number 1145916  
Local Trust registered company number 07833396, registered charity number 1147511

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