

Local Trust

**Annual report and financial statements**

for 1 April 2020 to 31 March 2021

Registered charity number 1147511



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## Introduction

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

The areas selected by the National Lottery Community Fund to benefit from Big Local funding were, typically, communities that were seen to have missed out on their 'fair share' of National Lottery and other funding. With a significant number of them located on the edges of towns and cities that themselves faced problems associated with long-term economic decline, many Big Local areas have much in common with places which current government policy initiatives are hoping to '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 was designed to be radically different from other funding programmes. In contrast to conventional top-down, time-limited or project-led funding, the money awarded to each Big Local area is provided on a 'no strings' basis – there was 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 take the lead in making decisions on how Big Local is delivered in their areas, Local Trust aims to build the confidence and skills of local people, strengthening local civic life and the social infrastructure that supports it.

Big Local sits at the heart of Local Trust's mission and is the major programme that we deliver as an organisation. Reflecting the Big Local Trust deed, our ambition extends beyond simply delivering the Big Local programme. Seeing how communities are using Big Local funding to make their neighbourhoods into better places to live, we aim to share learning from the programme, and promote a wider transformation in the way policymakers, funders and others engage with communities and place.

Alongside Big Local we deliver the Creative Civic Change (CCC) programme – a fund aimed at demonstrating the value of community-led creativity and arts-based activity to achieve change in local communities. Local Trust is a founding member of and hosts the Community Wealth Fund Alliance (CWFA), a cross-sectoral alliance calling for substantial new investment in rebuilding the social infrastructure of 'left behind' communities, making use of the new wave of dormant assets released by financial institutions.

## Overview of 2020–21

The Big Local programme continued to be successfully delivered through 2020–21, despite the pandemic. During the pandemic many of the Big Locals were exemplars of resilience, ingenuity and altruism and continued to operate in the face of all the challenges that COVID brought. Many partnerships were the focal point for community action to address the challenges of lockdown, helping organise volunteers, food deliveries, and connecting people across their neighbourhoods. Some Big Locals became involved in wider coordination work, working with local partners to plan both the immediate response to the crisis and start to define what comes next.

During the year, our research and learning programme helped us build a strong understanding of how Big Local areas were responding to the challenges they faced, ensuring we were able to provide them with support and assistance throughout a difficult year.

At the start of the pandemic we commissioned a major research initiative led by Third Sector Research Centre (TSRC) to study close-up the impact of Covid in 26 communities. The monthly briefings generated by that project, as well as longer term analysis, provided consistent and high-quality insight to help us support Big Local areas during different phases of the crisis and also helped Local Trust contribute to wider planning responses to COVID, including those led by other funders and government.

In 2020–21, £15m was drawn down by local areas, with a significant part of that funding supporting activities associated with local responses to COVID-19. The release in March 2020 of the final tranche of additional funds to areas from the growth of the Big Local endowment enabled Big Local communities to commit money without the need to significantly revise or reappraise their longer-term plans or commitments. Programme management and support activity was scaled up over the year to ensure funds continued to be effectively administered at a local level and Big Local grant agreements were complied with.

Big Local is not simply a funding programme. Alongside the funds committed to local areas, Big Local residents are able to access a wide range of networking, learning, coaching, partnering and mentoring activities. To maintain that level of support through a year of travel restrictions and limits on public meetings, we reimagined and redesigned the way we engage with and support Big Local partnerships and workers, creating an extensive new resource of online events, activities and networking opportunities for Big Local partnership members and workers.

Early in the pandemic, Local Trust published a set of possible scenarios for post-COVID futures aimed at providing a resource for Big Local areas to use to stimulate thinking around what they might need to plan and prepare for after the pandemic. However, at the time of writing this review, the long-term cost of the pandemic is still unknown, and the full impact may not become clear for some time.

We know that by the end of 2020–21 some Big Local and CCC partnerships that have contributed hugely to their local COVID response were exhausted, while others were thinking about how they might maintain the momentum and positivity that emerged in their communities at a time of crisis. Several areas have initiated work to adapt their plans to reflect changed circumstances or new opportunities, something we will continue to support them with during 2021-22.

Beyond COVID-19, a notable addition to our work this year has been supporting the establishment of the All-Party Parliamentary Group (APPG) for 'left behind' neighbourhoods, which was founded in July 2020. Through it we shared learning from our work with parliamentarians from across parties and provided new opportunities for Big Local residents to engage directly with decision-makers. Subjects discussed within the APPG included social infrastructure, jobs and skills, transport and the impact of COVID-19 on 'left behind' areas.

## Objectives and activities for public benefit

Local Trust is a charitable company limited by guarantee. It is operated under the rules of its memorandum and articles of association dated 3 November 2011 and amended by written 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 Big Lottery Fund) established Big Local Trust. Big Local Trust is an unincorporated charity governed by a trust deed dated 13 February 2012 and deeds of amendment dated 5 June 2013 and 23 July 2018. Big Local Trust was registered with the Charity Commission on 15 February 2012. Big Local is Local Trust's first and major initiative. All the activities of Big Local Trust are promoted under the Local Trust and Big Local brands.

### **Objects of Local Trust**

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

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

### **Objects of Big Local Trust**

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

'5.1. The Objects of the charity are:

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

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

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

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

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

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

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

## Our areas of work

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

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

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

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

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

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

In addition to delivering Big Local, we delivered two other projects during 2020–21.

**Community Wealth Fund Alliance:** Local Trust is a founding member and provides the secretariat to Community Wealth Fund Alliance (CWFA), which makes the case for the creation of a Community Wealth Fund (CWF) – a long-term endowment to support the development of

community-led infrastructure in 'left behind' areas. The CWFA is funded by a coalition of trusts, foundations and civil society organisations.

**Creative Civic Change:** Creative Civic Change (CCC) is a place-based programme created in partnership with and co-funded by The National Lottery Community Fund, Esmée Fairbairn Foundation, Calouste Gulbenkian Foundation and Big Local Trust. Launched in July 2018, it is a response to the Inquiry into the Civic Role of 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 15 Big Local and non-Big Local areas and is managed by Local Trust outside of the Big Local Trust.

This annual review for Local Trust reports on all three areas of work.

## Our strategy

In March 2020 a new Local Trust strategic plan for 2020-26 was approved by trustees. This set some ambitious long-term goals for the remainder of the Big Local programme, which concludes in 2025-26, and the Big Local Trust deed, which concludes in 2026-27.

The strategy identified the following **four overarching strategic goals**:

1. The Big Local programme is successfully delivered and Local Trust provides 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 is 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.
4. There is a structural change in our economy, society and politics, leading to greater devolution of power, with local people and communities having more control over resources and decision-making.

The strategy is clear that Local Trust's primary role in achieving these long-term goals is to successfully deliver the Big Local programme. Beyond the opportunity to achieve positive outcomes in 150 Big Local areas, the programme also offers a powerful example of a community-led approach operating at a large scale. Our intention to achieve wider systems-change rests on the scale of the current programme, the learning we draw from it, and the credibility it lends us as an organisation.

## Achievements and performance 2020–21

The strategy sets out how, in working to achieve those goals, Local Trust would focus activity at **three levels** in 2020–21:

### **Level 1: Providing practical and financial support to people and communities**

Recognising that our work is rooted in our existing relationship with Big Local areas, we are also seeking to connect the impact of that work beyond Big Local.

### **Level 2: Working on the enablers of change**

Building on our previously small-scale work to influence and inform, we are investing resources in establishing Local Trust as an organisation seeking to shift power towards communities.

### **Level 3: Sustaining our impact into the long term**

Committing ourselves to exploring ways to support our impact beyond the end of the Big Local Trust Deed in 2026–27.

### **Measures of success**

Owing to the pandemic, our performance differed from the expectations we set out in our business plan for 2020–21. During the year we prioritised adapting our support to meet the needs of Big Local areas as they responded to the pandemic. At the same time, we recognised the importance of keeping track of our long-term and strategic objectives during a significant period of disruption and change for Local Trust and the communities it supports.

The strategic framework accepted that some of the measurements of progress would not necessarily be straightforward, and we committed to iteratively identifying and developing our measures of progress as we moved forward. This document seeks to report on our progress over the first year of our strategy period against the measures we set ourselves in March 2020, where possible highlighting measures of evidence where this is available.

## **Report on targets 2020–21**

### **Level 1: People and communities**

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

While levels of spend were higher in 2020–21 than in the previous year, much of this reflected additional expenditure by areas to fund responses to the COVID pandemic. Delivery of previously planned activities was significantly disrupted in many Big Local areas; we will keep delivery of planned activities by Big Local areas closely under review over the coming years and take action to support areas where necessary. Despite the challenges, our survey of those involved in the Big Local programme carried out in summer 2020 showed that levels of confidence were high among partnership members, who are groups of local residents responsible for setting the direction of Big Local in an area:

- 87% are confident that they can identify what is needed to make their area feel like an even better place to live
- 84% feel confident that they will achieve their goals in the long term.

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

The pandemic encouraged many areas to re-appraise their priorities and intended legacy and to challenge some assumptions. Our surveys showed that the majority of areas felt sufficiently supported to deliver their visions and legacy for Big Local. Our survey found that 77% thought they have received the kind of help and support they wanted from Local Trust.



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

During the year, we had to radically transform every aspect of the delivery of our work to respond to the challenges of the pandemic. Despite that, overall numbers of Big Local residents and workers participating in our online networking, training and other activities increased compared to attendance levels at face-to-face events in previous years and survey feedback indicated most partnership members felt better equipped than ever to deliver the Big Local outcomes and Big Local plan in their areas. Our survey of Big Local partnership members showed that 86% learned new things from people involved in their Big Local.

- We held six Zoom training sessions, with 261 attendees from Big Local areas.
- Over three months we hosted weekly drop-in COVID conversations, with more than 100 people attending to access informal support and share experiences.
- We moved our series of learning clusters online and ran multiple sessions on sports, mental health, loneliness, digital inclusion and environment. Together these provided regular, facilitated support to 178 participants.

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

We significantly expanded the range of organisations we invited to support Big Local areas, and helped Big Local areas access more place-based collaborations. Our surveys showed partnership members broadly felt confident in their work and able to influence decision-making in their area.

- 89% said their partnership has a good understanding of who to work with to help them get things done
- 71% said their partnership is able to influence decision-making in their area

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

Much of our work this year focused on providing crisis support to Big Local areas. Nonetheless, Big Local areas reported feeling more connected with people and organisations in their communities beyond the programme. Notably, the shift to online working opened our workshops and seminars to wider audiences, with 568 signups to our first four online events (May–July 2020) aimed at our partner networks – significantly higher than in person events would allow. We also worked in partnership with other funders this year, building the next generation of community leaders through Community Leadership Academy (CLA), which provides support for the people making Big Local happen, helping them to develop and share skills and knowledge that can benefit the whole community. Activities during 2020–21 were delivered online.

**Level 2: Enablers of change****Target 6: Promote a compelling narrative of thriving, powerful communities and use it to influence, shift mindsets and change behaviour**

Over the last 12 months we significantly increased our engagement with policymakers and opinion-formers, grew our media coverage, and our publications had impact beyond our usual networks. The Big Local programme was recognised as a valuable example of community-led change and our

wider research and partnership activities helped promote positive dialogue around the power and potential of local residents working to transform their communities.

### **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**

While ensuring that Big Local partnerships were supported through the pandemic, we also built relationships with organisations that can support Big Local areas to influence wider issues. These included partnering with the Good Things Foundation to help improve access to digital tools and networks; working on community-led climate action in partnership with the Institute for Public Policy Research (IPPR); and making it possible for Big Local areas to contribute to various areas of policy development, such as helping the Food Farming and Countryside Commission (FFCC) make the case for community-led food activity as an important part of the UK's national food strategy.

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

We continued to grow a network of organisations and individuals who are engaged with and supportive of our work and the learning generated by it. Our work with the APPG for 'left behind' areas enabled discussion of community within parliament, whilst providing a platform for Big Local areas to share their experiences and ideas with policy and decision makers. Our support for the Community Wealth Fund campaign also helped us engage positively with an increasing range of organisations and decision-makers, and broadened conversations about the power and potential of local communities.

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

The challenges posed by the pandemic required us to radically rethink our approach to delivering our work. While the bulk of our activity was focused on supporting Big Local areas through the immediate challenges of the crisis, we embraced a new online presence, broadened our external relationships, piloted new resource and support offers for areas, and significantly grew our audiences.

## **Level 3: Sustaining our impact into the long term**

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

We continued to work with partners to make the case for a Community Wealth Fund (CWF) and made significant steps towards mainstreaming the proposal and growing the CWF Alliance membership this year, resulting in 370 organisational members by year end. Alongside this we sought to engage with and provide support to departmental officials and policy advisors, as they developed plans to 'level up' communities, providing them with access to research, data and learning from our work to support policy development and programme design.

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

We published 21 research reports in 2020–21, and 10 rapid research briefings with TSRC. Key research publications included:

- The *Power in our hands* series: 980 views, 446 downloads, 11,300 Twitter impressions.
- *Measuring change*
- Rapid research series into community responses COVID-19 (led by Third Sector Research Centre): 3,300 views, 1,300 downloads, 47,350 Twitter impressions.
- *Long crisis scenarios*
- *The future is ours*
- *Preparing the ground* (CCC)
- *Left behind? Understanding communities on the edge* (Update on 'left behind' areas): 4,000 views, 324 downloads, 4,000 Twitter impressions.

## Plans for the future

We have kept the 2021-22 business plan relatively focused, recognising there may be a need for pragmatic adaptation over the course of the next 12 months as the pandemic, continues to have an impact. In particular we will look to prioritise supporting Big Local areas as they seek to restart, re-energise and in some cases reconnect with their communities.

To guide us over the coming year, we will continue to focus on the fundamental priorities and ambitions set out in our 2020-26 strategy, drawing in particular on the three of the four strategic goals we set ourselves; that:

1. The Big Local programme is successfully delivered and Local Trust provides 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 is 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.

At the same time, we will not lose track of the fourth goal of our strategy – of helping achieve:

4. 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.

## Targets for 2021–22

### 1. Supporting delivery of Big Local

*The Big Local programme is successfully delivered and Local Trust provides the support necessary for Big Local partnerships to put in place their plans for legacy and sustainability.*

**Target 1:** Effectively managing our funding

**Target 2:** Updating our approach to Partnership and Plan reviews

**Target 3:** Supporting areas to plan their legacy

**Target 4:** Maintaining excellent rep support to all our areas

**Target 5:** Helping areas reboot post-COVID, with a particular focus on areas at risk of not spending out

**Target 6:** Providing a great learning, networking and support offer to Big Local areas

**Target 7:** Re-establish face-to-face contact with Big Local areas

## **2. Building partnerships and sharing our learning**

*The approach and principles that underpin Big Local – that funding for communities should be long-term, resident-led, patient, place-based, non-judgemental – are mainstream across civil society, private and public sectors.*

**Target 8:** Connect Big Local to national celebration events planned for 2022

**Target 9:** Continue to build on the success of the Community Leadership Academy

**Target 10:** Strengthen further links between Big Local areas and others who can provide insight, support and resources to help deliver change in their local areas

**Target 11:** Continue to actively connect Big Local areas and the programme as a whole to wider issues and campaigns

**Target 12:** Strengthen relationships with the people and organisations who are most critical in enabling an increase in community power

**Target 13:** Continue to successfully deliver Creative Civic Change (CCC), with increasing focus on maximising its long-term legacy

**Target 14:** Build a sustained body of research, practice and knowledge capable of influencing beyond the end of Big Local

**Target 15:** Support Big Local areas to demonstrate their own impact

## **3. Extending our influence**

*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.*

**Target 16:** Develop our campaign for the Community Wealth Fund

**Target 17:** Contribute effectively to policy development, building on learning from Big Local

**Target 18:** Raise awareness and promote the value and importance of community power

**Target 19:** Influence and inform government spending plans

**Target 20:** Continue to deliver the highest possible quality communications both inside and outside Big Local

**Target 21:** Successfully develop and implement new post pandemic working arrangements

**Target 22:** Ensure our funding, finance and other support systems are effective and fit for purpose

**Target 23:** Continue to demonstrate the highest quality standards of governance

**Target 24:** Ensure that principles of Equality, Diversity and Inclusion remain embedded in our work and practices

## Reviewing and reassessing plans

While we are confident that we will successfully guide Local Trust and support Big Local areas through 2021–22, we will seek to make an early start on planning for a future beyond that. Halfway through the year to come, in September, trustees will embark on a significant review of the state of the programme, looking in particular at:

- post-COVID delivery, including early assessment of the effectiveness of efforts to support reboot and relaunch
- spend-out, including an in-depth assessment of how we support those areas at risk of not spending out by 2025–26
- legacy, focusing on how both local areas and the programme as a whole can leave an impact beyond the 15 years.

Our goal will be to ensure we are on track to support Big Local areas move on from the pandemic, and are continuing to support Big Local areas in the most effective way possible in the longer term. More generally – in a post-pandemic era – we will want to check that our strategy continues to provide a robust foundation to provide guidance and direction over the remainder of the trust deed period.

## Response to the Charity Governance Code

An updated Charity Governance Code was published in December 2020. A review of the code has been undertaken, and the Local Trust board have chosen to adopt and apply the code. Local Trust continues to focus on good governance. Its work in this area is also supported by our current independent Protector, Rosie Chapman, 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 and the board intend to publish more detailed information on Local Trust's response to the code on the website over the course of 2021–22.

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 delivers the Big Local programme in accordance with the provisions of the Big Local Trust deed, of which it is sole corporate trustee, and which was last updated in July 2018. Consistent with the provisions of the deed, the next review of the Big Local Trust deed is expected to be undertaken in partnership with The National Lottery Community Fund during 2022.

In March 2020, following a year-long review, trustees approved a strategic framework 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. The framework was reviewed again by trustees in spring 2020 following the emergence of the COVID-19 crisis, who were content that it continued to provide a robust basis for Local Trust's business planning.

Local Trust's strategic framework feeds directly into its annual 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 headed by an effective board that provides strategic leadership in line with the charity's aims and values.*

The Local Trust board had an experienced chair in 2020–21 who provided leadership to the board. Board and committee meetings are well attended, and trustees participate actively.

In November 2020 two trustees, one being a former chair, retired from the board of trustees having served since 2011. Recruitment for new trustees is taking place in 2021.

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. The arrangements for supervision, support and appraisal were reviewed and changes will be implemented to this process in the future.

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

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

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

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

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

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

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

There is a clear scheme of delegation for board decision-making. Decisions and actions are appropriately recorded and followed up at subsequent meetings. All board-level decisions are shared on the Local Trust website.

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. To ensure this structure remains fit for purpose to oversee the organisation and programmes to their completion in 2026, Local Trust undertook a governance review in 2020-21 and recommendations will be implemented in 2021-22.

The four committees are: 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 2020-21 included the temporary 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.

A policy sounding board was established so that trustees could feed into and support the development of work in this relatively new area of the business.

In October 2020 the trustees agreed a special resolution to amend the articles of association to ensure that governance operations could continue to function as required within the ongoing remote environment created as a response to COVID-19.

## **5. Board effectiveness**

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

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

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

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

As part of the governance review in 2020–21 trustees completed a skills audit, the results of which would feed into trustee recruitment in 2021, ensuring the board remains balanced with a diverse range of expertise and experience.

## **6. Equality, diversity and inclusion**

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

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

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 that 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. An updated version of our equality and diversity policy was published during 2019-20 and matters of equality, diversity and inclusion are defined in the business plan in the context of delivery of the programme and aims of the charity.

## **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.*



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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 was appointed in September 2018.

The board carried out an extensive stakeholder mapping exercise as part of 2020-26 strategy development, and all major activities taken forward by Local Trust include consideration of stakeholders and beneficiaries and, wherever possible, we include them in co-design and delivery.

## Financial review

During the year ended 31 March 2021, 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 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 the period, 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 £0.9m for the year (2020: £3.6m). There were net losses on the investment of £0.2m (2020: net gains of £0.8m).

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

Consolidated expenditure during the year was £22.2m (2020: £21.5m). The increase in expenditure reflects a 2% increase in direct funding to £15.9m (2020: £15.6m). This includes £15.1m in direct funding to Big Local areas and £0.8m to CCC programme partnerships. The cost of delivery to areas decreased by 5% to £3.7m (2020: £3.9m) and the cost of learning activities increased by 42% to £2.4m (2020: £1.7m). 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 £21.1m (2020: £16.7m). The total funds held at the year-end were £82.6m (2020: £103.7m).

## Big Local Trust's investments

### Investment strategy

Big Local Trust's original investment strategy objectives were:

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

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

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 on controlling risks. This reflected the fact that the fund had achieved good investment returns in the years since it was established, enabling Big Local Trust to fulfil its original investment strategy objectives.

The key driver for this decision was the need for financial certainty to allow Local Trust and Big Local areas to plan; and related to this was the ever reducing amount of time as Big Local moves towards the latter stages of the programme, for the fund to recover from the downsides of market volatility. However, the summer of 2020 and the consequent uncertainties and potential for further volatility led the Trustees to revisit the strategy in the summer, with the aim of ensuring as much certainty and stability as possible. This led to a shift from controlling to minimising risk, and the investment strategy became:

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

### **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, who bring independent investment expertise to discussions.

### **Investment performance**

Big Local Trust commenced the year with an investment portfolio of fixed interest and cash and near-cash assets. By the end of June 2020, in line with the revised investment strategy, the manager disinvested from fixed interest assets and the portfolio is now invested solely in cash and near-cash assets. The total value of Big Local Trust's investments, including income, as at 31 March 2021 was £112.5m (2020: £132.5m). The performance benchmark of the fund was seven-day LIBID until 31 December 2020. On 1 January 2021 this was changed to Sterling Overnight Index Average (UK SONIA), reflecting an early transition to the Bank of England's preferred replacement benchmark (in place of LIBID which comes to an end in December 2021). The combined benchmark for the year ended 31 March 2021 was -0.04% (2020: +1.42%), and the overall returns for the year were +1.01% (2020: +3.00%).

2021 proved to be a challenging year for the investment market overall. Multiple lockdowns as a result of the COVID-19 pandemic, paired with indications from the Bank of England that it was reviewing the implications of the adoption of a negative interest rate regime, had a negative impact on the money markets, quickly eroding the premium income available on cash and near-cash deposits. Our investment managers focussed on preserving the value of the investment, taking advantage of any longer dated opportunities where they could to protect the returns from a lower rate environment. In the latter half of the year, investment markets became more optimistic, focusing not on the immediate challenges but instead on growth to come. Key factors were the apparent success of the vaccination programme and the election of a new US president. Despite a challenging year, CCLA were able to protect the nominal value of our portfolio assets in line with our investment strategy, also making a small return above the benchmark.

As fixed interest holdings were disinvested in the first quarter, returns figures for this asset class are not available for the full year. Full year returns figures for cash and near-cash were +1.01% (2020: +0.80%), and represented 100% of the investment portfolio (2020: 70.69% of portfolio)

In the three months to June 2020, fixed interest returns were +2.00% (June 2019: +0.80%) and represented 28.82% of the portfolio before they were sold (June 2019: 32.19% of portfolio).

**Ethical and responsible investment**

Trustees reviewed Big Local Trust's ethical and responsible investment policy in May 2021. Local Trust, acting as the corporate trustee of Big Local Trust, agreed to use CCLA's ethical investment policy in the management of its investments. This policy has been developed in accordance with Charity Commission guidance (CC14), and trustees believe it represents an appropriate balance between aligning Big Local Trust's investments with its purposes and the delivery of good investment returns.

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

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

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

Local Trust is 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 2020.

**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 (LTO) to hold and be responsible for the funding. When plan funding is drawn down, LTOs 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. LTOs 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 LTO for four Big Local areas that have been unable to identify a suitable organisation to fulfil this role during (or part of) the year to March 2021: Barrow Island, Dewsbury Moor, Wembley Central and W12 Together Palfrey.

Big Local Trust retains the administration contribution of 5% for Local Trust acting as the LTO, and in 2020–21 this totalled £0.9k (2020: £0.7k).

## Social investments

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

During 2020–21, Big Local Trust made £115k (2020: £127k) available for social investment. These programme-related investments are listed under note 12 and disclosed as a separate line on the face of the balance sheet. During 2019–20 one of the social investments held by Big Local Trust with Eastern Savings and Loans Credit Union, was found to be impaired. An estimated £10k impairment was recorded in the accounts, reducing the value of the social investments to £117k at 31 March 2020. We have reviewed all social investments held during 2020–21 and have found that the investment held with Eastern Savings and Loans remains impaired. After repayments in the period of £12k, the value of the social investments as at 31 March 2021 is therefore £105k.

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

## Constructive obligations

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

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

Big Local Trust's constructive obligations decreased from £34.4m as at 31 March 2020 to £34.2m as at 31 March 2021. This reflects a decrease in new grant funding commitments made during the year as a result of the effects of the pandemic on area spending plans.

## Financial planning

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

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

The updated 15-year budget informs the investment strategy and a rolling two-year cash flow forecast is provided to CCLA to enable them to manage cashflow requirements of the programme. The cashflow proved to be accurate for 2020–21 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: these are the 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 £2.0m at 31 March 2021 (2020: £2.7m), of which £316k was unrestricted (2020: £438k). There has been no change to the previous policy 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 restricted under Local Trust (group). No funds had been designated or otherwise committed as at 31 March 2021, 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 closedown of the programme in a managed and prudent way; however, this is not currently the

case. As at 31 March 2021, Big Local Trust held total funds of £82.6m (2020: £101.0m). Within this, it has sufficient contingencies to cover any unforeseen costs; therefore, it is not currently appropriate for the trust to specify a reserves level.

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

## Staff remuneration

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 to inform the pay policy approved in May 2019. During 2020–21 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 2.25% was agreed for 2020–21.

## Pensions and auto enrolment

During 2020–21, 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 voluntary personal contribution.

## 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 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 also reviewed and updated by senior managers regularly during the year.

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

### The strategic risks

- **Year-on-year funding slippage:** Budgets and cashflow continue to be drafted on the basis of full spend-out of the £273m provided by the Big Local Trust endowment fund by 2026-27, with the intention that we should have a zero balance remaining at that point. This reflects the very limited scope for funding any extension of staffing or support for areas beyond 2026-27 out of remaining budgets. If we do not commit a significant proportion of our remaining resources to support areas to deliver over the next two to three years, we risk area plans slipping further towards the end of the programme, at which point we will have less or no resource available to support them (or ensure proper stewardship of grant money or compliance with grant terms and conditions). However, by committing additional funds to supporting areas now, we reduce the available resource to support areas (or other activities and priorities) in the last two years of the programme should that slippage in any event occur.
- **Long-term impact of the pandemic:** The long-term ramifications of the pandemic are still unknown. We will continue to monitor the impact of the pandemic and its aftermath, in particular the challenges facing Big Local areas and their residents – including the possibility of increased unemployment; health and wellbeing challenges, including mental health issues; and loss of community institutions and facilities. We will support them in understanding these risks and

ensuring their plans take account of these as they prepare for the final five years of the Big Local programme.

## **Operational risks**

- **Another lockdown:** Our assumption is that some face-to-face contact and engagement between Local Trust, our partners and Big Local areas can and will be able to resume by September 2021. Should we experience another wave of infections or further lockdown restrictions our ability to re-energise, reboot and support areas reflect and reconfigure their plans will be disrupted to such an extent that half of what we have planned would have to be redesigned in-year.
- **Local delivery:** We have also identified the risk that a significant number of Big Local partnerships will struggle to deliver all or some aspects of their plan, as Big Local areas run out of energy and/ or momentum, which will result in an increasing number of areas struggling to spend out by 2026 as planned. Additional capacity and support is being made available by Local Trust.
- **Locally trusted organisations (LTOs):** A significant number of LTOs close or go into administration, as the longer-term effects of the pandemic are felt by small community charities and organisations. Our scrutiny of and support for LTOs will continue.

Local Trust has measures in place to manage and monitor the likelihood of all risks identified, 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 committees of the board met regularly to receive reports on the management of the organisation's response to the crisis. In November 2020, the board agreed to disband the committee. Matters relating to Local Trust's COVID-19 response are now reported into regular board meetings.

## The Protector

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

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

## Governance review

During 2020–21 the Local Trust board commissioned a review of governance in the organisation. This concluded that governance of the organisation was good. Excellent governance was highlighted, in particular, in relation to oversight of the Big Local programme; oversight of financial and investment matters; the capability of the trustees individually and collectively; excellent diversity of skills and experience amongst trustees; the valued role of the Protector and her ongoing independent perspective; the quality of company secretary support; and strong fiduciary governance and engagement in shaping the strategic direction.

The review concluded that the committee structure is effective, providing adequate time and space for assurance related governance. However, it also made a number of recommendations for further

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improving governance within Local Trust, including but not limited to, the introduction of trustee appraisal, the creation of the post of vice-chair; the introduction of a legacy committee to support thinking and direction in this important area of focus; and the creation of a governance committee to support continued excellence in governance within the organisation.

During 2021–22, the board will take forward implementation of key elements of the review's conclusions, with the aim that Local Trust continues to benefit from the highest quality standards of governance to underpin its work. It will also recruit a number of new trustees to fill vacancies where they have arisen.

In parallel, work has been initiated to support the executive team in ensuring that executive level governance arrangements are effective and complement those being implemented by trustees. This work is likely to be concluded and implemented during 2021–22.

## 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:

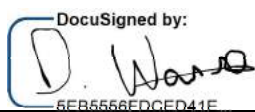
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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 2021 and signed on their behalf by:

Signed  Date 29 November 2021

David Warner  
Chair

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

### Opinion

We have audited the financial statements of Local Trust for the year ended 31 March 2021 which comprise the Group Statement of Financial Activities, 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 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

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

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 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 has 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 trustees' annual report.

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

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

### **Responsibilities of trustees**

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

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect

of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

*Local Trust annual report and financial statements 1 April 2020 - 31 March 2021*

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*

Andrew Stickland (Senior Statutory Auditor)

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

Date: 29 November 2021

Devonshire House

60 Goswell Road

London

EC1M 7AD

*Local Trust annual report and financial statements 1 April 2020 - 31 March 2021***Consolidated statement of financial activities**

(incorporating an income and expenditure account) for the year ended 31 March 2021

		<b>Group Restricted 2021 £000</b>	<b>Group Unrestricted 2021 £000</b>	<b>Group 2021 £000</b>	<b>Group 2020 £000</b>
	<b><u>Notes</u></b>				
<b>Income from:</b>					
Investments	2	911	4	915	3,566
Grants	3	353	-	353	344
Other sources		-	-	-	1
<b>Total income</b>		<b>1,264</b>	<b>4</b>	<b>1,268</b>	<b>3,911</b>
<b>Expenditure on:</b>					
Raising funds					
investment management charges		154	-	154	295
Charitable activities:					
grants payable	5	15,884	-	15,884	15,552
delivery to areas		3,708	-	3,708	3,904
learning to support the programme		2,314	117	2,431	1,709
<b>Total expenditure</b>	4	<b>22,060</b>	<b>117</b>	<b>22,177</b>	<b>21,460</b>
Net operating expenditure	7	(20,796)	(113)	(20,909)	(17,549)
Net gains/(losses) on investments		(226)	-	(226)	810
<b>Net income/ (expenditure)</b>		<b>(21,022)</b>	<b>(113)</b>	<b>(21,135)</b>	<b>(16,739)</b>
Transfers between funds	17	9	(9)	-	-
<b>Net movement in funds</b>		<b>(21,013)</b>	<b>(122)</b>	<b>(21,135)</b>	<b>(16,739)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward at 1 April 2020		103,307	438	103,745	120,484
Total funds carried forward at 31 March 2021	17	82,294	316	82,610	103,745

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 38 to 60, form part of these financial statements.



## Local Trust annual report and financial statements 1 April 2020 - 31 March 2021

# Consolidated and company balance sheets

## as at 31 March 2021

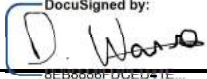
Company number: 07833396

		<b>2021</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
		<b>Group</b>	<b>Local</b>	<b>Group</b>	<b>Local</b>
		<b>£000</b>	<b>Trust</b>	<b>£000</b>	<b>Trust</b>
	<b>Notes</b>		<b>£000</b>		<b>£000</b>
<b>Fixed assets</b>					
Tangible assets	8	31	2	30	-
Intangible assets	9	57	7	89	-
Investments	10 & 11	112,684	-	132,512	-
Social investments	12	105	-	117	-
		<b>112,877</b>	<b>9</b>	<b>132,748</b>	<b>-</b>
<b>Current assets</b>					
Debtors	13	940	477	2,901	1,550
Investments		2,564	1,376	1,659	472
Cash at bank and in hand		1,971	140	1,856	770
<b>Total current assets</b>		<b>5,475</b>	<b>1,993</b>	<b>6,416</b>	<b>2,792</b>
<b>Liabilities</b>					
Creditors: amounts falling due within one year	14	(28,135)	(45)	(28,904)	(49)
<b>Net current (liabilities)/ assets</b>		<b>(22,660)</b>	<b>1,948</b>	<b>(22,488)</b>	<b>2,743</b>
Creditors: amounts falling due after one year	15	(7,607)	-	(6,515)	-
<b>Net assets</b>	17	<b>82,610</b>	<b>1,957</b>	<b>103,745</b>	<b>2,743</b>
<b>Funds</b>					
Restricted funds		82,294	1,641	103,307	2,305
Unrestricted funds		316	316	438	438
<b>Total funds</b>		<b>82,610</b>	<b>1,957</b>	<b>103,745</b>	<b>2,743</b>

The accompanying notes, on pages 38 to 60, form part of these financial statements.

Local Trust generated a deficit of £0.8m (2020: £0.8m) before consolidation within the group financial statements.

Approved by the trustees, authorised for issue on 25 November 2021 and signed on behalf of the board of trustees:

Signed  Date 29 November 2021

David Warner  
Chair

## Consolidated statement of cashflows

### for the year ended 31 March 2021

		2021	2020
<b>Cash (outflow)/inflow from operating activities:</b>	<b>Notes</b>	<b>£000</b>	<b>£000</b>
Net operating expenditure		(20,909)	(17,549)
Investment and other income received		(1,981)	(4,056)
Depreciation/amortisation of fixed assets		75	92
Decrease/(Increase) in debtors		1,961	1,673
Increase in creditors		323	(5,424)
Investment management fees		(154)	(295)
Increase in investment management fee accrual		24	-
<b>Net cash (used in) operating activities</b>		<b>(20,661)</b>	<b>(25,559)</b>
<b>Cash flows from investing activities:</b>			
Investment and other income received		1,981	4,056
Investment management fees		154	295
Payments to acquire tangible fixed assets		(20)	(17)
Payments to acquire intangible fixed assets		(24)	(42)
Payments to acquire social investments		-	-
Repayments of social investments		12	12
Payments to acquire fixed asset investments		(206,002)	(223,210)
Movements in investment cash balances		(32)	1,415
Receipts from the sale of fixed asset investments		225,612	244,393
<b>Net cash required by investing activities</b>		<b>21,681</b>	<b>26,902</b>
<b>Change in cash and cash equivalents in the year</b>		<b>1,020</b>	<b>1,343</b>
Change in cash and cash equivalents in the year		1,020	1,343
Cash and cash equivalents at 1 April 2020		3,515	2,172
<b>Cash and cash equivalents at 31 March 2021</b>	19	<b>4,535</b>	<b>3,515</b>

	2021	2020
<b>Analysis of cash and cash equivalents:</b>	<b>£000</b>	<b>£000</b>
Cash in hand	1,971	1,856
Notice deposits	2,564	1,659
	<b>4,535</b>	<b>3,515</b>

## Notes to the accounts

for the year ended 31 March 2021

### **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 impact of the Covid-19 pandemic on the financial position of the group and are aware that the group 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 2019.

The functional currency is Pound Sterling.

#### **c) Group accounts**

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

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

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

**e) Statement of financial activities**

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

**f) Income**

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

**g) Fund accounting**

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

**h) Expenditure**

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

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

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

**i) Allocation of support costs**

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

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

Direct governance costs are allocated on the basis of staff time spent undertaking an activity. The direct staff cost allocation for the period to 31 March 2021 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 0.20% of the market value of the portfolio, and are charged as they fall due to the statement of financial activities. The fee reduced to 0.15% from July 2020.

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

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

**m) Investments**

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

**n) Social investments**

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

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

**o) Pension**

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

**p) Grants payable**

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

**q) Financial instruments**

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

Financial assets and liabilities are initially measured at transaction price (including transaction cost) and are subsequently re-measured where applicable at amortised cost except for investments which are subsequently measured at fair value with gains and losses recognised in the Statement of Financial Activities. Assets and liabilities held in a foreign currency are translated to GBP at the balance sheet date at an appropriate year end exchange rate. There were no assets or liabilities held in foreign currency at 31 March 2021.

**2. Investment income**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Income on investments	851	3,438
Bank interest	64	102
Tax refunds	-	26
<b>Total</b>	<b>915</b>	<b>3,566</b>

*Local Trust annual report and financial statements 1 April 2020 - 31 March 2021***3. Grant income**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Barrow Cadbury Trust	-	6
Big Local Trust	-	281
Esmée Fairbairn Foundation	220	20
Friends Provident Foundation	15	5
John Ellerman Foundation	13	10
Joseph Rowntree Foundation	-	3
Lloyds Bank Foundation	15	-
NCVO	-	5
Open Society Foundation	-	4
People's Health Trust	-	5
Power to Change	-	5
Tudor Trust	90	-
<b>Total</b>	<b>353</b>	<b>344</b>

## Local Trust annual report and financial statements 1 April 2020 - 31 March 2021

## 4. Expenditure

Description	Charitable activities					Expenditure on raising funds £000	Governance £000	Support £000	2021 Group Total £000	2020 Group Total £000
	Grant expenditure directly to areas £000	Delivery to areas £000	Learning to support the programme £000							
Staff	-	949	781	-	-	541	-	-	2,271	1,842
Grants to Big Local areas	-	-	-	-	-	-	-	-	-	-
Getting Started	-	-	-	-	-	-	-	-	-	(5)
Big Local plan funding	13,970	-	-	-	-	-	-	-	13,970	13,477
Community travel and childcare	-	-	-	-	-	-	-	-	-	118
Area admin contribution	710	-	-	-	-	-	-	-	710	684
Reboot grants	30	-	-	-	-	-	-	-	30	-
MyCommunity website	50	-	-	-	-	-	-	-	50	50
Partnerships grants	37	-	-	-	-	-	-	-	37	-
Spirit of 2012	25	-	-	-	-	-	-	-	25	-
Creative Civic Change	818	-	-	-	-	-	-	-	818	939
Area delivery costs	-	2,197	-	-	-	-	-	-	2,197	2,540
Programme development	-	-	1,121	-	-	-	-	-	1,121	588
Finance charges	-	-	-	154	-	-	-	-	154	295
Governance costs	-	-	-	-	31	-	-	-	31	34
Audit and financial advice	-	-	-	-	29	-	-	-	29	31
Professional fees	-	-	-	-	14	-	-	-	14	22
Communications and marketing	-	-	-	-	-	124	-	124	124	262
IT and Consultancy	-	-	-	-	-	275	-	275	275	246
Rent and office costs	-	-	-	-	-	246	-	246	246	255
Depreciation	-	-	-	-	-	75	-	75	75	82
Total costs	15,640	3,146	1,902	154	74	1,261	-	-	22,177	21,460
Allocated to charitable activities										
Support Costs	208	479	452	-	122	(1,261)	-	-	-	-
Governance costs (note 6)	36	83	77	-	(196)	-	-	-	-	-
Total expenditure 2021										
Total expenditure 2020										

## Local Trust annual report and financial statements 1 April 2020 - 31 March 2021

## 4. Expenditure (continued)

Prior year comparative	Charitable activities						2020 Group Total	2019 Group Total
	Grant expenditure directly to areas £000	Delivery to areas £000	Learning to support the programme £000	Expenditure on raising funds £000	Governance £000	Support £000		
<b>Description</b>							<b>£000</b>	<b>£000</b>
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 2020 - 31 March 2021***5. Grants payable**

Big Local area	Locally trusted organisation	New grants £000	Repayment of unspent grants £000	Closed grants £000	2021 Total £000	2020 Total £000
3 Together	Groundwork North East	-	-	-	-	-
Aberfeldy	Quaker Social Action	-	-	-	-	496
Allenton	Enthusiam Trust	-	-	-	-	442
Ansley Village, New Arley and Old Arley (Leys Millionnaires)	Warwickshire Community and Voluntary Action	-	-	-	-	-
Arches Local	Starlings Support CIC	187	(34)	(114)	39	280
	Red Zebra Community Solutions Limited	-	-	-	-	(91)
Barnfield	Greenwich Cooperative Development Agency (GCDA)	-	-	-	-	-
	Plumcroft Primary School	-	-	(5)	(5)	(191)
Barrow Island	Cumbria CVS	-	-	-	-	-
	Local Trust	18	-	-	18	-
Barrowcliff	Community First Credit Union	117	(22)	-	95	-
	UnLtd	-	-	-	-	-
	Groundwork North Yorkshire	-	-	-	-	(200)
Beechwood, Ballantyne and Bidston Village	Community Foundation for Lancashire and Merseyside	-	(1)	-	(1)	350
	Community Action Wirral	-	-	-	-	(62)
Birchfield	Birmingham Voluntary Service Council	-	(51)	-	(51)	302
	UnLtd	-	-	-	-	-
Birchwood	Lincolnshire Co-operative Ltd	-	-	-	-	-
Blackpool Revoe	Blackpool FC Community Trust	-	(2)	-	(2)	470
Bountagu	Enfield Children & Young People Service	-	-	-	-	(7)
	CVS Broxbourne & East Herts	-	-	-	-	460
	UnLtd	-	-	-	-	-
Bourne Estate	Bournemouth Churches Housing Association	-	-	-	-	(105)
Bradley	Pendle Borough Council	-	-	-	-	-
Brereton	Support Staffordshire	-	-	-	-	-
Brinnington	Groundwork Manchester, Salford, Stockport and Trafford Limited	-	-	-	-	-
Broad Green Big Local	Asian Resource Centre	357	(25)	-	332	67
Brookside	Stirchley and Brookside Parish Council	-	-	-	-	-
Canvey Island Big Local	Essex Boys and Girls Clubs	-	-	(75)	(75)	(215)
	Canvey Island Youth Project	87	-	-	87	-
Cars Area	Colebridge Trust	-	-	-	-	264
Catton Grove	Oak Grove Community Church	512	(15)	-	497	-
	Voluntary Norfolk	-	-	-	-	(262)
CELL - Lynemouth, Cresswell, Ellington and Linton	YMCA Northumberland	-	-	-	-	342
Central Boston	Age UK Lincoln & South Lincolnshire	374	-	-	374	(16)
Central Jarrow	Groundwork South and North Tyneside	-	(32)	(10)	(42)	124
	UnLtd	-	-	-	-	2

*Local Trust annual report and financial statements 1 April 2020 - 31 March 2021*

Chinbrook Estate	Voluntary Services Lewisham	-	-	-	-	192
	Lewisham Disability Coalition	-	-	-	-	(175)
	Local Trust	-	-	-	-	10
Church Hill	Charles Lovell and Company Limited	-	-	-	-	208
Clapham Junction, West Battersea (Big Local SW11)	Providence House	-	-	-	-	-
Clarksfield, Greenacres and Littlemoor	Action Together CIO	463	-	-	463	-
Clubmoor	Liverpool CVS	-	(23)	(100)	(123)	435
	St Andrew's Community Network	-	-	-	-	(56)
	Shared Assets Ltd	-	-	-	-	(6)
Collyhurst	Manchester Communication Academy	61	(2)	-	59	13
	UnLtd	-	-	-	-	-
Conniburrow Estate	Milton Keynes Community Foundation	-	-	-	-	(203)
Dartford	Community Links Bromley	-	(1)	-	(1)	44
	Red Zebra Community Solutions	-	-	-	-	(108)
	St Marys Greenhithe	-	-	-	-	75
Devonshire West	3VA	300	(39)	(49)	212	-
Dewsbury Moor	Dewsbury Moor Rugby League Club	-	-	(315)	(315)	(11)
	Local Trust	40	-	-	40	-
Distington	Distington Big Local Limited	428	-	(164)	264	50
Dover Big Local	Red Zebra Solutions Limited	-	-	(92)	(92)	-
	UnLtd	-	-	-	-	-
	Dover Big Local CIC	155	-	-	155	-
Dyke House	Wharton Trust	-	-	-	-	-
East Cleveland Villages	Tees Valley Rural Action	211	-	-	211	-
East Coseley	Dudley Community Voluntary Service	-	-	(53)	(53)	510
Eastern Sheppey	Swale Community and Voluntary Services	-	-	-	-	200
Elmton, Creswell and Hodthorpe	Bassetlaw Community and Voluntary Service	595	(32)	(329)	234	366
Elthorne Estates	Caxton House Community Centre	-	-	-	-	330
Ewanrigg	Cumbria CVS (Ewanrigg)	-	(12)	-	(12)	423
	Shared Assets Limited	3	-	-	3	-
Farley Hill	Age Concern Luton	769	(113)	(239)	417	-
Firs and Bromford	Worth Unlimited	122	(16)	-	106	73
Fratton	Community Action Hampshire	-	-	-	-	(61)
Gannow	Burnley, Pendle and Rossendale Community Voluntary Service	50	-	-	50	375
	Behavioural Insights Team	-	-	(9)	(9)	-
Gateshead	St Chad's Community Project	-	-	-	-	197
Gaunless Gateway	South Durham Enterprise Agency	-	-	-	-	-
Goldthorpe with Bolton on Dearne	Barnsley Community Build	-	-	(76)	(76)	-
	The Snap Tin CIC	48	-	-	48	-
Grace Mary to Lion Farm	Sandwell CVO	430	(101)	(51)	278	-
Grange Estate	Community Barnet	463	(51)	(138)	274	-

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Grassland Hasmoor	Grassland Hasmoor Futures Limited	235	-	-	235	338
	North Eastern Derbyshire Business Devts LTd	-	(2)	(204)	(206)	-
Greatfield	Probe Hull Limited	-	(2)	(111)	(113)	384
	UnLtd	-	-	-	-	-
	Begbie Traynor (Central) LLP	-	-	-	-	(1)
	Local Trust	-	-	-	-	(15)
Greenmoor	CNET - Bradford and District Community Empowerment Network Limited	140	-	(188)	(48)	-
	Better Communities Bradford	125	-	-	125	-
Growing Together	Growing Together (Northampton)	71	(8)	-	63	54
Hackney Wick	Crest Waltham Forest	-	-	-	-	-
	Hackney Community Voluntary Services	-	-	-	-	(357)
Hanwell, Copley Close	E.A.S.E (Empowering Action and Social Esteem) Limited	-	-	-	-	525
Harefield, Midanbury and Thornhill Park (SO18)	Training for Work in communities (TWICS)	-	-	-	-	-
	Southampton Voluntary Services	-	-	-	-	(86)
Hateley Heath	SCIPS Limited	-	-	-	-	-
Hawksworth Wood, Abbeydales, Vespers Area (HAVA)	Cardigan Centre	533	-	-	533	-
Heart of Pitsea	Basildon, Billericay & Wickford CVS	-	-	-	-	-
Heart of Sidley	Optivo	83	-	-	83	(35)
	Rother Voluntary Action	169	-	(76)	93	(105)
Heath Big Local	Uttoxeter Knights	29	-	-	29	-
	Parochial Church Council of Uttoxeter	59	-	-	59	-
Heston West	Berkeley Academy	163	(13)	(56)	94	226
	Groundwork South	-	-	-	-	(77)
Hill Top and Caldwell	Warwickshire CVA	-	-	-	-	505
Horsefair, Broadwaters and Greenhill (Big Local DY10)	PCC of Kidderminster East	50	-	-	50	478
Inner East Preston	Emmaus Preston	-	-	-	-	-
	Preston City Council	-	-	-	-	(30)
Keighley Valley	Airedale Enterprise Services	-	-	-	-	-
	UnLtd	-	-	-	-	-
Kingsbrook & Cauldwell	Community Voluntary Service Bedfordshire	-	-	-	-	(136)
Kingswood & Hazel Leys	Groundwork Northamptonshire	315	(19)	(142)	154	-
Kirk Hallam	Nova Education Trust	281	(4)	(108)	169	-
	Street Games	10	-	-	10	-
Kirkholt	The Big Life Company	86	-	-	86	371
	Local Trust	-	-	-	-	(43)
Langold, Costhorpe & Carlton	Hodsock Parish council	50	-	-	50	-
Latch Ford	Groundwork CLM	-	-	-	-	635
	Torus 62	-	-	-	-	51
Lawrence Weston	Ambition Lawrence Weston	-	-	-	-	378
Leecliffe	Clarion Futures (formerly Affinity Sutton)	-	-	-	-	(63)
	Media Trust	1	-	-	1	-

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	Shared Assets Limited	-	-	-	-	(4)
Leigh West	Leigh Neighbours Partnership Board	-	-	-	-	-
Little Hulton	Salford CVS	116	-	-	116	-
	UnLtd	-	-	-	-	-
	Shared Assets	-	-	-	-	2
Littlemoor	Dorset Community Action	-	-	-	-	(154)
	Groundwork South	-	-	-	-	(141)
Mablethorpe, Trusthorpe and Sutton on Sea (Coastal Comm	Lincolnshire Community Foundation	-	-	-	-	-
Marsh & Micklefield	Chiltern Rangers CIC	571	(48)	(50)	473	-
	Buckinghamshire Community Foundation	-	-	-	-	(312)
Mossley	One Walsall	358	-	(86)	272	210
Mottingham	Community Links Bromley	-	-	-	-	-
Newington, Ramsgate	Starlings Support CIC	149	(27)	(52)	70	202
	Red Zebra Community Solutions	-	-	-	-	(83)
Noel Park Estate	Crest Waltham Forest	-	-	-	-	444
	Shared Assets	-	-	-	-	(4)
North Brixton	Big Local Impact	46	-	-	46	-
	London Community Foundation	-	-	-	-	(31)
North Cleethorpes	Voluntary Action NE Lincolnshire	-	-	-	-	418
North East Hastings	Hastings Voluntary Action	230	-	-	230	-
North meets South	CREST	431	(29)	(84)	318	-
	London Borough of Dagenham	-	-	-	-	(12)
North Ormesby	North Ormesby Development Company Limited	-	-	-	-	(8)
	Middlebrough Environment City	348	-	-	348	-
North West Ipswich	Community Action Suffolk	-	-	-	-	(109)
	Castle Hill Community Centre Trust	65	(25)	-	40	91
Northfleet North	Council for Voluntary Service North West Kent	208	-	-	208	(19)
Northwood	Community Foundations for Merseyside and Lancashire	-	-	-	-	314
	Optivo	-	-	-	-	(105)
Palfrey	Manor Farm Community Association	-	(9)	(72)	(81)	145
	UnLtd	-	-	-	-	-
	One Walsall	200	(16)	(60)	124	93
	Local Trust	-	-	-	-	-
Par Bay	Eden Project campaigns Ltd	50	-	-	50	76
	UnLtd	-	-	-	-	-
	Shared Assets Limited	3	-	-	3	(4)
	Par Bay Community Trust	80	-	-	80	-
Peabody Avenue and Churchill Gardens Estate (Big Local SW1)	Quaker Social Action	40	-	-	40	93
	Thamesbank Centre	-	(1)	-	(1)	(276)
PEACH	Custom House & Canning Town Renewal Project	-	(25)	(3)	(28)	86
	PEACH Inc	258	-	-	258	-
Plaistow South	Rights & Equalities in Newham	165	-	-	165	-

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Podsmead	GL Communities	-	-	-	-	108
	Gloucestershire Credit Union	-	(1)	-	(1)	241
Prospect Estate	Rushmoor Borough Council	265	-	-	265	277
Radstock and Westfield	Bath and North East Somerset Carers' Centre	-	-	-	-	48
Ramsey	Ramsey Neighbourhoods Trust	41	-	-	41	443
	Campaign for Better Transport	4	-	-	4	-
	Shared Assets Limited	3	-	-	3	-
Rastrick	Community Foundation for Calderdale	-	-	(44)	(44)	478
Ravensthorpe and Westwood	Cross Keys Homes	145	(4)	(202)	(61)	-
Ridge Hill	New Charter Housing Trust Group	-	-	-	-	-
Riverside Community	Thurrock Lifestyle Solutions UnLtd	-	-	-	-	(37)
		-	-	-	-	-
Roseworth Ward	Catalyst Stockton	-	-	-	-	(44)
Rudheath and Witton	Groundwork CLM	325	-	-	325	-
Sale West	Irwell Valley Housing Association	-	-	-	-	280
	UnLtd	-	-	-	-	-
Scotlands and Bushbury Hill	Bushbury Hill Estate Management Board	-	-	-	-	-
Selby Town	Selby District AVS	162	(30)	(63)	69	(77)
Shadsworth with Whitebirk	Blackburn with Darwen Community Voluntary Service	-	-	-	-	-
	Blackburn with Darwen Healthy Living	-	-	-	-	(24)
Slade Green	Howbury Friends	-	(1)	-	(1)	21
	Bexley Voluntary Service Council	322	-	-	322	-
Somers Town	Working Men's College	-	-	-	-	-
Sompting	Community Works	178	-	(69)	109	-
	Adur voluntary Action	-	-	-	-	(152)
South Bermondsey	United St Saviour's Charity	134	(42)	-	92	-
	UnLtd	-	-	-	-	-
St James St	Crest Waltham Forest	-	-	-	-	438
	UnLtd	-	-	-	-	-
St Matthews Estate	St Matthew's BL	484	(43)	(82)	359	-
St Oswald & Netherton	Sefton Metropolitan Council	648	(19)	(44)	585	-
St Peter's & the Moors	Cheltenham BC	-	-	-	-	-
	UnLtd	-	-	-	-	-
Stoke North	YMCA North Staffs	-	-	-	-	-
Tang Hall	Tang Hall Big Local CIO	456	-	-	456	-
	UnLtd	-	-	-	-	-
Three Parishes	Oswestry Community Action	353	(30)	-	323	87
Thurcroft	Rotherham Federation of Communities Ltd	234	(12)	(53)	169	-
Thurnscoe	Barnsley Community Build	-	(10)	-	(10)	(129)
	Station House Community Association Limited	-	-	-	-	464
Tonge with the Haulgh	Bolton at Home	-	-	-	-	-
Toothill	Swindon Borough Council	-	-	-	-	-
W12 Together	CommUNITY Barnet	227	-	-	227	212
	Local Trust	-	-	(18)	(18)	-
Wargrave	Helena Partnerships Limited	-	-	-	-	(54)

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	Torus Foundation	-	-	-	-	357
Warsop Parish	Mansfield CVS	295	(28)	(21)	246	-
Warwick Ahead	Nova Wakefield District Limited	-	-	-	-	-
	Campaign for Better Transport	4	-	-	4	-
	Local Trust	-	-	-	-	2
Wecock Farm	Havant Borough council	-	-	(77)	(77)	-
	Citizens Advice Havant	499	-	-	499	-
Welsh House Farm	Haven Community Project	255	(1)	-	254	-
	Birmingham Voluntary Service Council	28	-	-	28	-
Wembley Central	Community Barnet	165	(8)	(23)	134	83
	Local Trust	30	-	-	30	10
	Landau Morley LLP	-	-	-	-	(79)
West End Morecambe	Lancaster CVS	-	-	(49)	(49)	283
Westfield Estate	Beighton Village Development Trust	-	-	-	-	-
Whitleigh	UnLtd	-	-	-	-	-
	Whitleigh Primary and Sir John Hunt Community Sports College	-	-	-	-	255
Whitley	Berkshire Community Foundation	-	-	-	-	(76)
Whitley Bay	New Prospects Association Ltd	-	-	-	-	462
William Morris	CREST Waltham Forest	-	-	-	-	-
	UnLtd	-	-	-	-	-
Windmill Hill	Groundwork CLM	412	(11)	-	401	(48)
Winterton	Voluntary Action North Lincolnshire	-	-	-	-	342
Withernsea	Hull and East Yorkshire Credit Union	-	-	-	-	-
	Shores Centre	386	-	-	386	-
	Begbie Traynor (Central) LLP	-	-	-	-	(3)
	Local Trust	-	-	-	-	(35)
Woodlands Speaks	Woodlands Speaks	-	-	-	-	283
Woolavington and Puriton Villages Together	SHAL Housing Ltd	522	-	-	522	-
World's End Estate and Lots Road Area	Quaker Social Action	-	-	-	-	186
	St Mary Abbots Rehabilitation and Training (SMART)	-	-	-	-	(91)
Worle	NSAH (Alliance Homes) Ltd	766	-	(230)	536	-
Wormley & Turnford	Community Voluntary Service for Broxbourne and East Herts	650	(18)	(387)	245	(274)
	Subtotal of Big Local grants	19,501	(1,058)	(4,473)	13,970	13,477

*Local Trust annual report and financial statements 1 April 2020 - 31 March 2021*

<b>Creative Civic Change</b>	<b>Locally trusted organisation</b>	<b>New grants £000</b>	<b>Repayment of unspent grants £000</b>	<b>Closed grants £000</b>	<b>2021 Total £000</b>	<b>2020 Total £000</b>
Hard Times Require Furious Dancing CCC Partnership	Haven Community Project	56	(2)	-	54	29
	Birmingham Voluntary Service Council	37	-	-	37	-
East Marsh United CCC Partnership	East Marsh United	61	-	-	61	84
Filwood Centre CCC Partnership	Community in Partnership Knowle West	73	-	-	73	101
Home Live Art CCC Partnership	Home Live Art	68	-	-	68	2
Kensington Vision CCC Partnership	Kensington Vision CIC	68	-	-	68	69
Kingswood and Hazel Leys Big Local	Groundwork Northamptonshire	31	-	-	31	59
Newington Big Local	Starlings Support CIC	40	-	-	40	77
Nudge Community Builders CCC Partnership	Nudge Community Builders Limited	81	-	-	81	65
Par Bay Big Local	Par Bay Community Trust	52	-	-	52	70
Peckham Platform CCC Partnership	Peckham Platform Ltd	37	-	-	37	71
Platform Thirty1 CCC Partnership	Platform Thirty1 Limited	50	-	-	50	55
Portland Inn Project CCC Partnership	Portland Inn Project CIC	32	-	-	32	77
Tees Valley Arts CCC Partnership	Tees Valley Arts	-	-	-	-	-
Creative West End CCC	Lancaster District CVS	58	-	-	58	38
Whitley Bay Big Local	Whitley Bay Big Local	76	-	-	76	71
Woods Street Wall and William Morris Big Local	Crest Waltham Forest	-	-	-	-	70
	Subtotal of CCC grants	820	(2)	-	818	938
	Grants to local areas	20,321	(1,060)	(4,473)	14,788	14,415
<b>Other grants</b>						
	Getting Started				-	(5)
	Reboot grants				30	-
	MyCommunity website				50	50
	Other Partnership grants				37	-
	Spirit of 2012				25	-
	Residents' travel and childcare				-	118
	Area admin contributions				710	684
	Support and governance costs				244	290
	Total grants payable				15,884	14,625

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

*Local Trust annual report and financial statements 1 April 2020 - 31 March 2021***6. Governance Costs**

Total governance costs of £196k (2020: £229k) consist of direct governance costs of £74k (2020: £87k) and indirect costs of £122k (2020: £142k). 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>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Depreciation and amortisation	75	82
Impairment of social investments	-	10
Auditor's remuneration (including VAT):		
- in respect of current year audit	22	19
- in respect of current year non-audit	-	-
- in respect of prior year audit	5	7
Financial advice	2	5
Investment manager's fees	154	295
Legal and professional fees	14	22
Licence fees	149	146

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

	<b>2021</b>		<b>2020</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	162	186	169
Additions	1	19	20	17
Disposals	-	-	-	-
Balance carried forward	25	181	206	186
Depreciation				
Balance brought forward	18	138	156	137
Disposals	-	-	-	-
Charge for year	4	15	19	19
Balance carried forward	22	153	175	156
Net book value				
Brought forward	6	24	30	32
Carried forward	3	28	31	30

Included in these amounts is £2k (2020: £nil) in IT equipment relating to Local Trust.



*Local Trust annual report and financial statements 1 April 2020 - 31 March 2021***9. Group and company intangible fixed assets**

	<b>2021</b>	<b>2020</b>
	<b>Total</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>
Cost		
Balance brought forward	330	287
Additions	24	43
Balance carried forward	<u>354</u>	<u>330</u>
Amortisation		
Balance brought forward	241	178
Charge for year	56	63
Balance carried forward	<u>297</u>	<u>241</u>
Net book value		
Brought forward	89	109
Carried forward	<u>57</u>	<u>89</u>

Intangible fixed assets include the development of Big Local Trust's grant management system, website and area assessment tool; included in these amounts is £7k (2020: £nil) relating to Local Trust.

**10. Group and company investments**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
At 1 April 2020	132,023	152,395
Purchases at cost	215,002	223,210
Disposal proceeds	(225,612)	(244,393)
Amounts due at year end re settlement of purchases	(9,000)	-
Accrued management charges	(24)	1
Net investment gains/(loss)	(226)	809
At 31 March 2021	<u>112,163</u>	<u>132,022</u>
Capital and revenue cash balance	521	490
Total	<u>112,684</u>	<u>132,512</u>

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

	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>	<b>2020</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	-	-	-	-	-	-
Fixed interest	-	-	-	38,837	-	38,837
Property	-	-	-	-	-	-
Cash	112,684	-	112,684	93,675	-	93,675
Multi-asset fund	-	-	-	-	-	-
Total	<u>112,684</u>	<u>-</u>	<u>112,684</u>	<u>132,512</u>	<u>-</u>	<u>132,512</u>

The total book cost of investments held at 31 March 2021 was £112,499k (2020: £133,662k).

*Local Trust annual report and financial statements 1 April 2020 - 31 March 2021***12. Social investment assets**

Big Local area	Credit union	Type of investment	Funds at 31 March 2020 £000	Repayments £000	Impairments £000	Funds at 31 March 2021 £000
<b>2015–16</b>						
East Coseley	Castle and Crystal Credit Union	Corporate deposit	15	-	-	15
North West Ipswich	Eastern Savings and Loans Credit Union	Subordinated Loan	10	-	-	10
Subtotal			25	-	-	25
<b>2016–17</b>						
Rudheath and Witton	Key Fund loan	Loan	1	(1)	-	-
St Oswald and Netherton	Knowsley Mutual Credit Union	Corporate deposit	13	-	-	13
Subtotal			14	(1)	-	13
<b>2017–18</b>						
Three Parishes (for Oswestry Station Trust)	Key Fund loan	Loan	48	(11)	-	37
Subtotal			48	(11)	-	37
<b>2018–19</b>						
Withernsea	Hull & East Yorkshire Credit Union	Subordinated Loan	30	-	-	30
Subtotal			30	-	-	30
			-	-	-	-
	Cumulative totals		117	(12)	-	105
	Total Key Fund loan balance		49	(12)	-	37

**13. Debtors**

	2021 Group £000	2021 Local Trust £000	2020 Group £000	2020 Local Trust £000
Trade debtors	549	477	1,780	1,520
Other debtors	36	-	36	-
Prepayments	168	-	185	30
Accrued income	187	-	900	-
Total	940	477	2,901	1,550

*Local Trust annual report and financial statements 1 April 2020 - 31 March 2021***14. Creditors: amounts falling due within one year**

	<b>2021</b>	<b>2021</b>	<b>2020</b>	<b>2020</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	1,451	39	876	43
Amounts due to Big Local Trust	-	5	-	6
Grant commitments	26,560	-	27,877	-
Social security and other taxation	52	-	44	-
Accruals	49	1	90	-
Pension payments due	23	-	17	-
<b>Total</b>	<b>28,135</b>	<b>45</b>	<b>28,904</b>	<b>49</b>

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

	<b>2021</b>	<b>2021</b>	<b>2020</b>	<b>2020</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	7,607	-	6,515	-
<b>Total</b>	<b>7,607</b>	<b>-</b>	<b>6,515</b>	<b>-</b>

**16. Grant commitments**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Grant commitments b/fwd	34,392	39,902
New commitments in the year	20,321	22,944
Area admin contribution	710	684
Commitments settled in the year	(15,723)	(20,609)
Commitments reversed in the year	(5,533)	(8,529)
<b>Grant commitments c/fwd</b>	<b>34,167</b>	<b>34,392</b>

*Local Trust annual report and financial statements 1 April 2020 - 31 March 2021***17. Movement in funds**

Local Trust Group	Balance at 31 March 2020 £000	Incoming resources £000	Outgoing resources £000	Transfers £000	Gains/ losses £000	Balance at 31 March 2021 £000
<b>Restricted funds</b>						
National Lottery Community Fund	44,981	-	(20,879)	32	-	24,134
Big Local investment income	55,963	911	(154)	-	(226)	56,494
Big Local other income	25	-	-	-	-	25
Creative Civic Change	2,309	220	(948)	(23)	-	1,558
Community Wealth Fund	17	133	(68)	-	-	82
Community Wealth Building	12	-	(11)	-	-	1
<b>Total restricted funds</b>	<b>103,307</b>	<b>1,264</b>	<b>(22,060)</b>	<b>9</b>	<b>(226)</b>	<b>82,294</b>
<b>Unrestricted funds</b>						
Local Trust CDF legacy fund	253	-	-	(9)	-	244
Local Trust investment income	12	4	-	-	-	16
<b>Total unrestricted funds</b>	<b>265</b>	<b>4</b>	<b>-</b>	<b>(9)</b>	<b>-</b>	<b>260</b>
<b>Designated funds</b>						
Policy fund	91	-	(80)	-	-	11
Community Wealth Fund	82	-	(37)	-	-	45
<b>Total designated funds</b>	<b>173</b>	<b>-</b>	<b>(117)</b>	<b>-</b>	<b>-</b>	<b>56</b>
<b>Total funds</b>	<b>103,745</b>	<b>1,268</b>	<b>(22,177)</b>	<b>-</b>	<b>(226)</b>	<b>82,610</b>

**Restricted funds**

In Local Trust's consolidated accounts, the net decrease in funds for the year was £21.1m (2020: £16.7m). Total funds held at the year-end were £82.6m (2020: £103.7m).

**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 £20.9m (2020: £20.0m) 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 2021, 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. £0.2m (2020: £0.3m) was received during the year for work on the Creative Civic Change programme.
- The **Community Wealth Fund** was funded by a consortium of funders including Local Trust. During the year, restricted funds were received from John Ellerman Foundation, Lloyds Bank Foundation and the Tudor Trust in the sum of £133k (2020: £20k). During the year £68k was spent from restricted funds (2020: £5k) and £37k from match funding designated by the Board in November 2019 (2020: £8k) on delivery of the CWF Alliance campaign. It is anticipated that designated funds will be fully spent by 31 March 2022.
- The **Community Wealth Building** tour of events was funded by a consortium of funders. The Community Wealth Fund tour of events ended in November 2019, and residual funds of £12k

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were carried forward in accordance with the funders' wishes. During the year to 31 March 2021, £111k of the residual funds were spent to develop and implement a community led strategy for Community Wealth Building in Morecambe.

- **Policy Fund** – During the year ended 31 March 2021 £80k (2020: £67k) was spent to deliver policy and influencing work that extends beyond the Big Local programme. This was funded from unrestricted funds designated by trustees for this purpose. It is anticipated that these designated funds will be fully spent by 31 March 2022.

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

<b>Local Trust</b>	<b>Restricted funds</b>	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Unrestricted funds</b>
	<b>Mar-21</b>	<b>Mar-21</b>	<b>Mar-20</b>	<b>Mar-20</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Fund balances as at 31 March 2021 are represented by:</b>				
Tangible assets	31	-	30	-
Intangible assets	57	-	89	-
Investments	112,684	-	132,512	-
Social investments	105	-	117	-
Current assets	5,144	331	5,944	472
Current liabilities	(28,120)	(15)	(28,870)	(34)
Long-term liabilities	(7,607)	-	(6,515)	-
<b>Net assets</b>	<b>82,294</b>	<b>316</b>	<b>103,307</b>	<b>438</b>

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

	<b>At 1 April 2020 £000</b>	<b>Cash flows £000</b>	<b>At 31 March 2021 £000</b>
Cash	1,856	115	1,971
Cash equivalents	1,659	905	2,564
Overdraft facility repayable on demand	-	-	-
<b>Total</b>	<b>3,515</b>	<b>1,020</b>	<b>4,535</b>

**20. Operating leases**

	<b>2021 £000</b>	<b>2020 £000</b>
Land and buildings, due in less than 1 year	74	74
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>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	1,729	1,308
Social security and other taxes	172	127
Pension	248	208
Other staff costs	122	199
<b>Total</b>	<b>2,271</b>	<b>1,842</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 41 (2020: 31).

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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Six employees, who were also the key management personnel, were remunerated over £60k in the year (2020: four employees); Matt Leach (chief executive), three directors and two heads of team.

<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>2021 Total cost £000</b>
<b>2021</b>					
Margaret Bolton	79	72	9	17	98
Jayne Entwistle	61	63	8	6	77
Chris Falconer	60	61	7	6	74
James Goodman	70	72	9	7	88
Matt Leach	106	102	16	17	135
Rachel Rowney	83	80	10	11	101
		450	59	64	573
<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
		300	36	47	383

As at 31 March 2021, the highest full time gross salary was £106k (2020: £103k), the median was £35k (2020: £36k) (ratio 2.4 to 1 between highest and median) and the lowest full-time salary was £20k (2020: £20k) (ratio 4.1 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

Local Trust relies on people getting involved in making their areas better places to live. Almost 1,500 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 the Big Local programme in their local 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). Local Trust group's contribution to the scheme is based on 10% of the employee's basic annual salary, plus an amount equal to the saving Big Local Trust makes under the salary exchange system from the employer National Insurance contribution; there is no minimum contribution for staff although they are encouraged to contribute.

Pension contributions made by Local Trust (group) to the scheme during the year were £182k (2020: £150k) for 51 employees (2020:40). Employee contributions, made through our salary exchange scheme, were £66k (2020: £57k). As at 31 March 2021, Local Trust (group) owed £33k (2020: £17k)

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to the scheme relating to March pension payments: the amount due was settled on time during April 2021.

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

Trustees received no remuneration. No trustees received reimbursements for travel costs during the period (2020: 12 trustees received £15k). Trustee training expenses during the period were £nil (2020: £3k). Trustee recruitment costs during the period were nil (2020: £nil). Governance review costs were £19k (2020: £nil)

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

Protector fees and expenses of £12k were payable during the period (2020: £16k). Fees were lower during the year to 31 March 2021 due to reduced programme activity as a result of the COVID-19 pandemic.

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

During the period April 2020 to March 2021, Local Trust paid Big Local Trust £111k for staff time and expenses spent on Local Trust activities, that were initially paid for through Big Local Trust (2020: £66k). Big Local Trust had an outstanding debtor balance with Local Trust of £5k as at 31 March 2021 (2020: £6k).

Bob Thust is a trustee of Local Trust and co-founder of Practical Governance. Practical Governance together with the Social Change Agency jointly formed the Losing Control network. During the year, Local Trust paid the Social Change Agency £2,400 (2020: £nil) as sponsorship for the Losing Control in Funding & Commissioning event hosted by the Losing Control network.

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. During the year to 31 March 2021, Big Local Trust paid IVAR £24k for evaluation and learning support during the period and owed IVAR a balance of £7k (2020: £12k) at the year end. 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 the reporting period. David is also a voluntary non-executive director of Toynbee Hall Trading Ltd. At the end of the year, Big Local Trust owed Toynbee Hall £1k (2020: £2k)

Peter Mills is a trustee of Local Trust and is a director of Brand Ethos Limited which has contracts for work with Sheila McKechnie Foundation (SMK), which is delivery partner of Local Trust, although this activity is unrelated to his role as trustee at Local Trust. Local Trust has a service agreement with SMK for £26k for the delivery of the first phase of a policy and advocacy panel. During the year ended 31 March 2021 £26k was paid to SMK (2020: £13k).



**27. Financial instruments**

Carrying values of financial assets and liabilities at 31 March:

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Financial assets measured at amortised cost (a)	5,307	6,231
Financial assets measured at fair value (b)	112,789	132,630
Financial liabilities measured at amortised cost (c)	35,688	35,375

- (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 2021 was £62k (2020: £93k). Dividends and interest recognised in the statement of financial activities on assets held at fair value was £1.6 m (2020: £3.5m).

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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

Sahil Khan

Benjamin Lee (until 25 Nov 2020)

Jeannette Lichner

Caroline Macfarland

Karen Mellanby

Peter Mills

Nicola Pollock

John Kevin Sugrue (until 25 Nov 2020)

Bob Thust

David Warner (chair)

Rich Wilson

### *Programme delivery committee*

Sahil Khan

Benjamin Lee (until 25 Nov 2020)

Karen Mellanby

Peter Mills (chair)

Caroline Macfarland

John Kevin Sugrue (ex officio member until 21 Nov 2019)

David Warner (ex officio member)

### *Finance and investment committee*

Matthew Brumsen (co-optee with investment expertise)

Benjamin Lee (until 25 Nov 2020)

Serena Loudon (co-optee with investment expertise)

Nicola Pollock (chair)

John Kevin Sugrue (ex officio member until 21 Nov 2019)

Bob Thust

David Warner (ex officio member)

Richard Wilson

### *Audit and risk committee*

Jeannette Lichner (chair)

Peter Mills

David Warner (ex officio member)

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*Nominations and remuneration committee members*

Miatta Fahnbulleh

Jeannette Lichner

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

David Warner (chair)

*Chairs Covid-19 response committee (from 25 March 2020 to 25 November 2020)*

Jeannette Lichner

Peter Mills

Nicola Pollock

David Warner (chair)

**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

# Local Trust

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**Twitter:** @LocalTrust #biglocal

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

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

Local Trust registered company number 07833396, registered charity number 1147511

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