

Local Trust

Annual report and financial statements

for 1 April 2021 to 31 March 2022

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 2021–22

The past two years have demonstrated the remarkable resilience of local communities in the face of incredible challenge and disruption. Despite the Covid-19 crisis, most Big Local partnerships continued to operate successfully over this period, with many bouncing back significantly in 2021–22 as restrictions lifted. There continues to be a huge amount of enthusiasm and energy locally in Big Local areas.

As the first wave of Covid-19 hit, we shifted operations online. Over the past year, as disruption caused by the pandemic has gradually eased, we have again sought to reimagine how we support local people to deliver their Big Local ambitions. We have reviewed and refreshed our support to areas. This includes delivering additional bespoke support for areas needing it most; and a programme of direct

support for areas seeking to relaunch and reboot following the end of lockdown. We have also sought to consolidate and further improve on changes to our model of programme delivery originally developed in response to the pandemic. During 2021–22, we moved to a model of hybrid working which mixes the newer online approaches, which have extended our reach, with a return to in-person meetings and events. We have refreshed how we monitor funding and have set up a new approach to partnership reviews, which better enables us to identify and respond to partnerships' support needs, now and in the future.

We also completed a Review of Board Governance in 2021 and have implemented its recommendations. This includes establishing a revised Committee structure, including new Committees on Legacy and Learning, Governance and Remuneration, and Finance Audit and Risks, alongside the Programme Delivery Committee which was already in place.

Consistent with the provision in our trust deed that Local Trust should promote learning and insight from Big Local to policymakers, funders and others involved in similar efforts to deliver community-led change at a local level, we continued to actively share research, policy perspectives and direct experience from Big Local communities to an increasing audience. Our research and evaluation work not only informs how we support Big Local areas, but also provides information and resources to a wider community of policymakers, funders and practitioners. Key projects from this year include: Community Responses to Crisis, real-time research led by Third Sector Research Centre (TSRC) in 26 communities, seeking to capture and understand the hyperlocal impact of Covid-19; and Power in Big Local Partnerships, research by Kent University on the practice of decision making, power sharing and participation in Big Local areas. We engaged brap, a charity which helps organisations think about diversity, to carry out research into how equality, diversity and inclusion is understood, defined and practised across Big Local areas. This has contributed to an ongoing, wider programme of support for Big Local areas on these issues.

Drawing on this growing body of evidence and research emerging from across Big Local areas, we also sought to develop and deepen our network of policymakers and opinion formers, including through our advocacy as part of the CWFA. Local Trust research was also recognised and cited in the Levelling Up White Paper (February 2022) in relation to the importance of social capital and social infrastructure to successful communities. Our ongoing support for the All-Party Parliamentary Group (APPG) for Left Behind Neighbourhoods has provided: a forum for decision makers to engage in depth with issues relevant to those neighbourhoods; a voice and platform for residents of Big Locals and other communities to share their lived experience with decision-makers in Westminster; and a showcase for the real achievements of local people in tackling key policy challenges at a neighbourhood level.

We continued to work actively with other funders and delivery agencies to share our ideas and approaches in a practical way, and build awareness of the potential of putting communities in control. This includes collaborations with Spirit of 2012 and UK Youth, the Design Council, Sport England, and Friends of the Earth. We continued to make the case that shifting decision-making power and resource to neighbourhood level is an essential component of our collective response to the climate crisis and to making communities more ready to face the climate emergency. Publication of The Climate Commons, a report with IPPR's Environmental Justice Commission, led to several events, including one at COP26 in Glasgow (November 2021). We continue to participate in conversations with other funders helping to integrate support for community-led change within climate strategy.

Objects 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-judgemental – 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.

Progress report 2021-22

Our Strategic Plan for 2020–26 set out a number of priorities for Local Trust, grouped into three broad levels:

- **Level 1: People and communities**

Providing practical and financial support to people and communities – reflecting the extent to which our work is rooted in our existing relationship with Big Local areas, although we will

increasingly look to stretch and connect the impact of that work beyond Big Local.

- **Level 2: Enablers of change**

Working on the enablers of change – building on and expanding our work to influence and inform, and investing resources into establishing Local Trust’s contribution to a much bigger shift in the place of communities in our society.

- **Level 3: Sustaining our impact into the longer term**

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

- We review and report against annually to our trustees as part of our business planning process. Our progress to date is set out below:

People and communities

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

In 2021, we reviewed resource allocation and budgets over the remainder of the programme, and tested our assumptions and financial models. We are confident that: sufficient resources are allocated where they are needed; all areas remain on track to spend out by March 2026; and we are on track to meet the overarching obligation in our founding Deed to spend £220m within the lifespan of the programme.

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

All Big Locals with a functioning partnership submitted draft Legacy Statements in 2021–22. These will help inform Area Sustainability Plans we will put in place for all 150 areas to ensure they receive appropriate support to achieve their ambitions.

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

We continued to support learning and networking within the Big Local programme through both online and in-person events as pandemic restrictions eased.

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

We continued to create opportunities for Big Local areas to connect with others outside of Big Local, both within and beyond their locality. We are placing even greater emphasis on supporting Big Local areas to build their own skills and capacity for collaboration. It remains our ambition to build international connections as we move toward the end of the programme.

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

We have published research and insight that has been picked up by opinion formers and people working beyond Big Local. The move to digital-only events during the pandemic widened our audience significantly; we have retained online events as part of our model. We have been able to open up opportunities to people from communities outside of the programme, notably through the Community Leadership Academy and our built environment network.

Enablers of change

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

We have increased our engagement with policymakers and opinion formers. Through our support for the APPG on Left Behind Neighbourhoods, we have provided a new platform for Big Local residents to engage directly with decision makers on a public stage.

Priority 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

Evidence sessions for the APPG on Left Behind Neighbourhoods enabled community representatives to present on and discuss the issues that most impact on their lives with parliamentarians, and to have their say on what government should be doing. During 2021–22, Big Local areas also fed into national discussions on issues including digital inclusion, the climate crisis, and local food systems.

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

Our work on 'left behind' areas and our engagement with and support for the Community Wealth Fund has gained visibility and impact for these and related issues with the people and organisations that can enable wider change.

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

We comprehensively rethought our approach to managing the programme and supporting Big Local areas through the crisis of the pandemic. We continue to draw lessons and insights for our practice as Big Local areas have emerged from the pandemic, and will remain open to new ways of working accordingly.

Sustaining our impact into the long term

Priority 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. The CWFA now stands at over 500 members, including a growing number of local and combined authorities. With government planning to launch its consultation on the Fund in 2022, we expect to increase our campaigning and policy engagement work in this area.

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

We are committed to disseminating what we learn from Big Local. We will launch the next iteration of our research and evaluation plan early in 2022–23.

Plans for the future

It is too early to be certain that the worst of the pandemic is over. However, we have written our 2022–23 Business Plan, and the budget that underpins it, in the expectation that this is the case; if it is not, we will adjust our plans, as we have over the last two years. However, we recognise that there are new sources of uncertainty. The state of the economy may have a significant impact on both Local Trust and Big Local areas' plans. Inflation and supply chain disruption may impact on the deliverability of some Big Local plans, particularly larger capital projects. The growing cost of living crisis is likely to affect many residents in Big Local areas, which are, in general, already more socially and economically deprived. War in eastern Europe may raise the prospect of threats that cannot yet be fully defined.

These pressures may lead to some Big Local areas choosing to further review and revise their existing plans and legacy ambitions; where that is the case, we will be ready to support them in doing so. Local Trust has reviewed its medium-term budget to ensure that, at time of writing, we remain confident of our ability to support Big Local areas effectively over the remainder of the programme.

Over the next twelve months our intention is to focus energy and effort on providing local residents with the support and expertise they need to maximise their impact across all 150 neighbourhoods that make up the programme. In doing so we want to ensure that we help Big Local areas achieve their legacy ambitions for their areas; in the same way, by effectively sharing learning and insight from the programme, Local Trust aims to secure its own legacy through informing policy and practice across sectors long into the future.

The coming year is also the final year of the Creative Civic Change programme. This innovative programme, jointly funded by the National Lottery Community Fund, Esmée Fairbairn and the Calouste Gulbenkian Foundation and delivered by Local Trust, showcases the value of creativity and the arts in transforming communities across 14 neighbourhoods in the England. We are proud of the impact it has achieved and the interest it has generated, in particular amongst arts funders. Our aim will be to ensure it finishes on a high, and the learning from it goes on to influence future funding programmes in England and beyond.

Priorities for 2022–23

Over the course of 2022–23 we will be reviewing and updating our Strategic Plan to make sure it is fit for purpose in the run-up to the programme completion deadline of March 2026. The new Legacy and Learning Committee will take the lead in drafting a Legacy Strategy for organisation.

Looking forward over the coming year, our strategic direction will remain the same as in 2021–22. To achieve this, our Business Plan for 2022–23 focuses on the following priorities:

1. **Supporting delivery of Big Local**

The Big Local programme has been successfully delivered and Local Trust has provided the support necessary for Big Local partnerships to put in place their plans for legacy and sustainability.

- Priority 1: Continue to create energy and enthusiasm across the programme, both nationally and locally.
- Priority 2: Provide the support needed to ensure areas spend out by programme end in ways that reflect local communities' ambitions.
- Priority 3: Ensure all areas have a defined approach to legacy and clear plans to achieve it.

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.

- Priority 4: Further develop our evidence base – building on our growing reputation as a source of knowledge and insight.
- Priority 5: Continue to invest in strengthening our core relationships/partnerships.
- Priority 6: Explore where we can use our growing profile as a source of evidence, insight and expertise to achieve even more long-term 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.

- Priority 7: Continue to strengthen and deepen political engagement across both main political parties.
- Priority 8: Focus efforts on achieving a positive outcome to the dormant assets consultation.
- Priority 9: Engage positively to the development of Levelling Up White Paper policies, and start to prepare for policy development initiatives in the run up to expected 2024 elections.

Reviewing and reassessing plans

In drafting our Business Plan for 2022–23, we have continued to draw on the strategic objectives in our 2020–26 Strategy. Although the preparation of that strategy pre-dated the pandemic, it has provided a strong framework against which to set priorities during a period of considerable uncertainty. We recognise, however, that as we enter the final third of the programme we will need to review and revise our strategic approach, moving to a focus on defining our organisational legacy.

To support this, trustees have established a new Legacy and Learning Committee which will take the lead in drafting a Legacy Strategy for the organisation. This will set out what impact we hope to leave behind us after the Big Local programme is completed in 2026. That process will begin in Summer 2022, in time for it to inform the drafting of the revised Strategy and the Business Plan for 2023–24.

Response to the Charity Governance Code

The Local Trust board chose to adopt and apply the Charity Governance Code published in December 2020.

Over the last year, Local Trust has continued to address the seven key areas of governance outlined in the Charity Governance Code.

Action undertaken 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 2022-23.

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.

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 2022-23 work will be taken forward to inform any necessary revision of our organisational strategy to reflect Local Trust moving into the last four years of the Big Local programme, including consideration of changing priorities and an increased focus on preparing for organisational and programme close-down.

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 2021–22 who provided leadership to the board. Board and committee meetings are well attended, and trustees participate actively.

During the year, two trustees retired from the board of trustees having served since 2012 and 2018, respectively. The board accepted their resignations at their AGM in November 2021. A further trustee resigned from the board in January 2022 due to ill health. Following an open recruitment exercise three new trustees were recruited in 2021, joining the Board in November 2021.

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

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 which was reviewed and updated during 2021-22 to ensure it continued to be fit for purpose. Decisions and actions are appropriately recorded and followed up at subsequent meetings. All board-level decisions are shared on the Local Trust website.

Following a review of governance in 2020-21, a new board committee structure was introduced during 2021-22 which ensures trustees are able to continue to effectively exercise oversight of both Local Trust as an organisation and the programmes it delivers.

The four committees are: programme delivery; finance and risk; legacy and learning; and governance and remuneration. New terms of reference explaining the responsibilities of each committee were approved and will be periodically reviewed and updated to ensure continued effective oversight and decision making across all aspects of Local Trust's business.

Strategic and operational risks are regularly reviewed and updated by the executive and report on to board, with detailed scrutiny of risk reports taking place on a quarterly basis in the finance and risk committee.

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 fed into trustee recruitment in 2021, ensuring the board remains balanced with a diverse range of expertise and experience. Annual assessment of trustee performance is carried out by the governance and remuneration committee to ensure the board continues to be fit for purpose.

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. It seeks through its approach to recruitment to ensure a diversity of skills, background and experience amongst trustees to enable the board to fulfil its role effectively.

Local Trust is committed to providing equal opportunities in employment and to avoiding unlawful discrimination. Equality, diversity and inclusion are defined in the business plan in the context of delivery of the programme and aims of the charity. Local Trust's staff handbook includes our policy on equality and diversity in employment.

During 2022-23, Local Trust will be taking forward further work to review its approach to Equality, Diversity and Inclusion to inform future revisions of its strategic approach to these issues.

7. Openness and accountability

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

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

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.

There is a clear, published process for making and handling complaints, to ensure that any complaints are handled constructively, impartially and effectively. Where necessary, Local Trust engages the services of mediators to help with the resolution of complaints that result from disputes within Big Local areas and partnerships. Where appropriate, the advice of Rosie Chapman, Protector of Big Local Trust, is sought to provide advice on the organisations handling of issues to ensure that appropriate learning is gathered and, where appropriate, systems and processes improved.

Financial review

During the year ended 31 March 2022, 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 £0.3m for the year (2021: £0.9m). There were net losses on the investment of £0.66k (2021: net gains of £226k).

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

Consolidated expenditure during the year was £26.2m (2021: £22.2m). The increase in expenditure reflects a 19% increase in direct funding to £19.0m (2021: £15.9m). This includes £18.0m in direct funding to Big Local areas and £1.0m to CCC programme partnerships. The cost of delivery to areas increased by 15% to £4.3m (2021: £3.7m) and the cost of learning activities increased by 18% to £2.9m (2021: £2.4m). 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 £25.7m (2021: £21.1m). The total funds held at the year-end were £56.9m (2021: £82.6m).

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 a focus 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 strategic 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 for the fund to recover from the downsides of market volatility as Big Local moves towards the latter stages of the programme.

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 audit and risks committee to manage investments in line with the investment strategy, as agreed by the board.

The committee formally reviews the investment strategy annually in line with the trust deed. The finance audit and risks committee have two voluntary co-opted members, Serena Loudon and Matthew Brumsen, who provides independent investment expertise to discussions.

Investment performance

Big Local Trust commenced the year with an investment portfolio of cash and near-cash assets. The total value of Big Local Trust's investments, including income, as at 31 March 2022 was £90.8m (2021: £112.7m). The performance benchmark of the fund was Sterling Overnight Index Average (UK SONIA) from 1 January 2021 onward. The benchmark for the year ended 31 March 2022 was +0.14% (2021: LIBOR/ UK SONIA combined benchmark of -0.04%), and the overall returns for the year were +0.26% (2021: +1.01%).

At the start of the financial year to 31 March 2022, there was optimism in the investment market for global economic growth as the trend of recovery activity accelerated following an increasingly effective vaccination programme. The mood changed by the end of the second quarter as growth slowed and inflation rates rose. By the third quarter, inflation had risen far above expectations and the recovery experienced at the beginning of the year came under threat from another wave of infections.

In December 2021, in response to rising inflation, the Bank of England made the decision to increase the Official Bank Rate by 0.15% from 0.10% to 0.25%. Despite this, inflation continued to rise during the last quarter of the year. This was further compounded by unrest in Ukraine and its likely effect on economic activity in Europe and beyond. At the time of writing, inflation (CPI) had risen to 10.1% and the official bank rate stood at 3.0%. It is expected that interest rates will increase further in response to rising inflation.

Throughout the year, our investment managers focussed on preserving the value of the investment, using segregated exposures in the money market to minimise risk whilst ensuring access to liquidity and creating scope to augment returns. In the latter part of the year, they took advantage of the improvement in the rate environment as yields responded to tightening monetary policy. 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 reasonable return above the benchmark.

Ethical and responsible investment

Trustees reviewed Big Local Trust's ethical and responsible investment policy in May 2022. 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.

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 two Big Local areas that have been unable to identify a suitable organisation to fulfil this role during (or part of) the year to March 2022: Dartford Big Local and Distington Big Local.

Big Local Trust retains the administration contribution of 5% for Local Trust acting as the LTO, and in 2021–22 this totalled £1.0k (2021: £3.5k).

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 2021–22, Big Local Trust made £135k (2021: £115k) 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. We have reviewed all social investments held during 2021–22 and have found one of the loans held with Key Fund to be impaired. An estimated £14.6k impairment was recorded in the accounts. In addition, one of the previously impaired social investments held by Eastern Savings and Loans Credit Union was found to be no longer impaired. The previously written off impairment value of £10k has been reversed in the accounts. The £5k net impact of impairment has reduced the value of the social investments to £120k at 31 March 2022. After repayments in the period of £8k, the value of the social investments as at 31 March 2022 is therefore £112k.

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 increased from £34.2m as at 31 March 2021 to £36.1m as at 31 March 2022. This reflects an increase in new grant funding commitments made during the year as Big Local area plans for delivery post-covid activities were approved.

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 2021-22 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 £1.0m at 31 March 2022 (2021: £2.0m), of which £319k was unrestricted (2020: £316k). 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 2022, other than those identified elsewhere in the accounts.

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

It is in the nature of an expendable endowment that funds are spent out over time. In the final years of Big Local, it may require a reserves policy to ensure sufficient funds are held to manage the close down of the programme in a managed and prudent way; however, this is not currently the case. As at 31 March 2022, Big Local Trust held total funds of £55.9m (2021: £80.7m). It has sufficient contingencies within this to cover any unforeseen costs; therefore, it is not currently appropriate for the trust to specify a reserves level.

Trustees review the Big Local Trust reserves policy annually.

Staff remuneration

Trustees consider remuneration, including the remuneration of the senior management team, annually. During 2021–22 trustees carried out a review of staff salaries, including the salaries of key management personnel, taking into consideration the organisation's financial health, what peer

organisations are generally choosing to pay, and other factors outlined in the pay policy agreed in May 2019.

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 0.9% was agreed for 2021–22.

Pensions and auto enrolment

Local Trust operates a group pension scheme with Scottish Widows and contributes the equivalent of 10% of salary for each member of staff into scheme. This is more than the minimum legal requirement under auto-enrolment. Staff are encouraged to make a voluntary personal contribution.

During 2021–22, all Big Local Trust staff were auto-enrolled in the group personal pension scheme. Two staff opted out of the scheme after auto-enrolment.

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 finance 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 key risks

- **Year on year funding slippage:** Budgets and cashflow continue to be planned 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. Big Local area plans are assessed to ensure they are deliverable before they are approved, and delivery and spend is carefully monitored by Local Trust to ensure that any problems are identified early and appropriate support measures put in place. Progress is regularly reported to the Programme Delivery Committee. Where significant problems are faced in a Big Local area, remediation plans are prepared and agreed with the partnership and are subject to regular review. In early 2022-23 Local Trust launched "Make It Happen", a significant new programme of activity aimed at providing a range of resources, advice and support to partnership to assist all Big Local areas with delivery of their ambitions over the final years of the programme.
- **Turnover of key senior staff/posts and inability to recruit suitable replacements:** During 2021-22 recruitment has been a particular issue for Local Trust, particularly for some teams and at more senior levels of the organisation. Whilst this had eased somewhat by the end of the year, Local Trust is aware that as it approaches the end of Big Local Trust's trust deed it may face issues relating to recruitment and retention. In the longer term, Local Trust recognises that it may need to take action to mitigate the risk of not having the experience, organisational memory or skills within the organisation through to the end of the programme. To that end, in 2021-22 Local Trust commissioned a review of its approach to staff reward and retention, which included consideration of issues associated with retention over the final years of the programme, to inform any future work on approaches to retention in the future. An additional Director level post was created – the new Director of Delivery – to increase the capacity and resilience of the senior team responsible for programme delivery. Finally, advice has been commissioned on wider issues relating to managing the closedown of the Big Local, which will include consideration of key areas of the business which will need protecting through the closedown process.

- **Rising inflation:** The original Big Local fifteen-year budget assumes an inflation rate of 3%. The mid-point of CPI and RPI at the time of the March 2022 business planning round was 6.35%, and an assumption of a period of 6% per annum inflation sustained for three years was built into the most recent Local Trust budgets. Inflation has since risen further, which may impact on the ability of Big Local partnerships to deliver as planned, as well as adding pressure to Local Trust central costs. Programme delivery committee regularly reviews risks to delivery in Big Local areas, including those posed by changes in the inflation rate. These include impacts on the affordability of Big Local plans and the delivery and fundability of large capital projects. Where necessary Local Trust provides support to Big Local partnerships in revising or changing delivery plans in the light of those pressures. The finance audit and risk committee reviews the economic outlook regularly at its quarterly meetings and any impacts this may have on Local Trust's future budgeting decisions. The 2022-23 business plan included consideration of a range of possible planning scenarios set out in our business plan, including pressures arising from inflation, to assist trustees in assessing potential impacts on Local Trust's financial strength and delivery capacity.
- **Local delivery challenges:** It is possible that a significant number of Big Local partnerships may struggle to deliver all or some aspects of their plan, as a result of the challenges in terms of capacity, rising inflation affecting costs of activities and viability of plans, and/or changes to the circumstances of partner organisations which means they can no longer deliver as planned. As noted above, progress in Big Local areas is carefully monitored on the basis of direct engagement with areas, reports from reps, plan assessments and expenditure reports, and where significant issues occur, they are reported to the programme delivery committee. Where significant problems are faced in a Big Local area, remediation plans are prepared and agreed with the partnership and are subject to regular review. In early 2022-23 Local Trust launched "Make It Happen", a significant new programme of activity aimed at providing a range of resources, advice and support to partnership to assist all Big Local areas with delivery of their ambitions over the final years of the programme.
- **LTO capacity:** Local Trust has successfully managed the risks relating to LTO financial viability over the two years associated with the pandemic, with no funds being lost to LTO failure during that period. While we believe the risk of LTOs running into financial difficulty is starting to diminish, we remain concerned about the capacity of LTOs to provide appropriate support to Big Local partnerships in all instances. By this we mean the amount of additional time many give to supporting partnerships; possible burn out of staff who have been delivering frontline services in the last two years; and managing increasing demands on their time and organisation in relation to other challenges. We commissioned research on LTOs which reported in early 2022-23, and continue to carefully monitor LTO performance, including regular assessment of their financial viability, including visits to review financial performance. Where necessary we are active in supporting Big Local partnerships in retendering for LTO services, as part of a continued focus on ensuring partnerships are getting the service that they commission and require from LTOs as key to supporting effective delivery of plans in many areas.
- **Changes to our local support model:** In order to meet the needs of Big Local partnerships as effectively as possible through to the end of the programme, Local Trust has changed the model through which it provides direct support to areas. This has included changes to contractual arrangements with "reps" – the locally based contractors providing light touch advice and support to areas – and the creation of new in-house resource to provide direct support to some partnerships. We know from previous changes to how we deliver the rep services to areas that these changes will need to be managed intensively and carefully to ensure that the disruption to both Big Local partnerships and Local Trust is minimal, that all partnerships continue to receive

high quality support, and that the changes introduced create additional value and benefit to the programme. To ensure this is the case we have focused in particular on managing communications with reps through the process of change, and with Big Local areas that might see changes in their day-to-day contact with Local Trust as a result of those changes. We have also sought legal advice to ensure that any changes to contracting arrangement with reps are managed in a way which ensure an effective shift to new working arrangements and minimise any potential liabilities associated with that change.

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

Following a review of governance in 2020-21, a new board committee structure was introduced during 2021-22 which ensures trustees are able to continue to effectively exercise oversight of both Local Trust as an organisation and the programmes it delivers.

The four committees are: finance, audit and risk; governance and remuneration; legacy and learning; and programme delivery. New terms of reference explaining the responsibilities of each committee were approved and will be periodically reviewed and updated to ensure continued effective oversight and decision making across all aspects of Local Trust's business.

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

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 implemented 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.

In parallel, work was initiated to support the executive team in ensuring that executive level governance arrangements were effective and complemented those being implemented by trustees. The recommendations of that review, which included updated terms of reference for meetings of the Senior Management Team and the creation of a new oversight group to coordinate cross-organisational support for the Big Local programme were 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 23 November 2022 and signed on their behalf by:

Signed  Date 05 December 2022
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David Warner
Chair

Independent auditor's report to the trustees of Local Trust

Opinion

We have audited the financial statements of Local Trust (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2022 which comprise the Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including 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 2022 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 group's and parent 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 contained in the annual report. 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.

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 28, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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.

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.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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: 6 December 2022

6th Floor,
9 Appold Street
London
EC2A 2AP

Consolidated statement of financial activities

(incorporating an income and expenditure account) for the year ended 31 March 2022

		Group Restricted 2022 £000	Group Unrestricted 2022 £000	Group 2022 £000	Group 2021 £000
	<u>Notes</u>				
Income from:					
Investments	2	253	3	256	915
Grants	3	295	-	295	353
Other sources		5	-	5	-
Total income		553	3	556	1,268
Expenditure on:					
Raising funds					
investment management charges		122	-	122	154
Charitable activities:					
grants payable	5	18,956	-	18,956	15,884
delivery to areas		4,255	-	4,255	3,708
learning to support the programme		2,868	-	2,868	2,431
Total expenditure	4	26,201	-	26,201	22,177
Net operating expenditure	7	(25,648)	3	(25,645)	(20,909)
Net gains/(losses) on investments		(66)	-	(66)	(226)
Net income/ (expenditure)		(25,714)	3	(25,711)	(21,135)
Loss on disposal	17	(2)	-	(2)	-
Net movement in funds		(25,716)	3	(25,713)	(21,135)
Reconciliation of funds:					
Total funds brought forward at 1 April 2021		82,294	316	82,610	103,745
Total funds carried forward at 31 March 2022	17	56,578	319	56,897	82,610

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 36 to 55, form part of these financial statements.

Consolidated and company balance sheets

as at 31 March 2022

Company number: 07833396

		2022	2022	2021	2021
	Group	Group	Local	Group	Local
	£000	£000	Trust	£000	Trust
	Notes		£000		£000
Fixed assets					
Tangible assets	8	73	1	31	2
Intangible assets	9	140	12	57	7
Investments	10 & 11	90,813	-	112,684	-
Social investments	12	112	-	105	-
		91,138	13	112,877	9
Current assets					
Debtors	13	536	70	940	477
Investments		968	780	2,564	1,376
Cash at bank and in hand		1,401	211	1,971	140
Total current assets		2,905	1,061	5,475	1,993
Liabilities					
Creditors: amounts falling due within one year	14	(24,020)	(34)	(28,135)	(45)
Net current (liabilities)/ assets		(21,115)	1,027	(22,660)	1,948
Creditors: amounts falling due after one year	15	(13,126)	-	(7,607)	-
Net assets	17	56,897	1,040	82,610	1,957
Funds					
Restricted funds		56,578	721	82,294	1,641
Unrestricted funds		319	319	316	316
Total funds		56,897	1,040	82,610	1,957

The accompanying notes, on pages 36 to 55, form part of these financial statements.

Local Trust generated a deficit of £0.9m (2021: £0.8m) before consolidation within the group financial statements.

Approved by the trustees, authorised for issue on 23 November 2022 and signed on behalf of the board of trustees:

Signed  Date 05 December 2022

David Warner
Chair

Consolidated statement of cashflows

for the year ended 31 March 2022

		2022	2021
Cash (outflow)/inflow from operating activities:	Notes	£000	£000
Net operating expenditure		(25,645)	(20,909)
Investment and other income received		(621)	(1,981)
Depreciation/amortisation of fixed assets		113	75
Decrease/(Increase) in debtors		404	1,961
Increase in creditors		1,404	323
Investment management fees		(122)	(154)
Increase in investment management fee accrual		12	24
Net cash (used in) operating activities		(24,455)	(20,661)
Cash flows from investing activities:			
Investment and other income received		621	1,981
Investment management fees		122	154
Payments to acquire tangible fixed assets		(70)	(20)
Payments to acquire intangible fixed assets		(166)	(24)
Loss on disposal of tangible fixed assets		(2)	-
Payments to acquire social investments		(20)	-
Repayments of social investments		8	12
Payments to acquire fixed asset investments		(175,000)	(206,002)
Movements in investment cash balances		(204)	(32)
Receipts from the sale of fixed asset investments		196,999	225,612
Net cash required by investing activities		22,288	21,681
Change in cash and cash equivalents in the year		(2,167)	1,020
Cash and cash equivalents at 1 April 2021		4,535	3,515
Cash and cash equivalents at 31 March 2022	19	2,368	4,535
Analysis of cash and cash equivalents:		2022	2021
		£000	£000
Cash in hand		1,401	1,971
Notice deposits		967	2,564
		2,368	4,535

Notes to the accounts

for the year ended 31 March 2022

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 current cost of living crisis as well as the lasting 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 2022 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 2022.

2. Investment income

	2022	2021
	£000	£000
Income on investments	203	851
Bank interest	39	64
Tax refunds	14	-
Total	<u>256</u>	<u>915</u>

3. Grant income

	2022	2021
	£000	£000
Barrow Cadbury Trust	30	-
Esmée Fairbairn Foundation	220	220
Friends Provident Foundation	-	15
John Ellerman Foundation	-	13
Lloyds Bank Foundation	25	15
Paul Hamlyn Foundation	20	-
Tudor Trust	-	90
Total	295	353

Local Trust annual report and financial statements 1 April 2021 - 31 March 2022

4. Expenditure

Description	Charitable activities					Expenditure on raising funds	Governance		Support	2022 Group Total	2021 Group Total
	Grant expenditure directly to areas	Delivery to areas	Learning to support the programme	£000	£000				£000		
Staff	-	1,185	863			-	-	675		2,739	2,271
Grants to Big Local areas	-	-	-			-	-	-		-	-
Getting Started	-	-	-			-	-	-		-	-
Big Local plan funding	16,791	-	-			-	-	-		16,791	13,970
Community travel and childcare	80	-	-			-	-	-		80	-
Area admin contribution	839	-	-			-	-	-		839	710
Reboot grants	-	-	-			-	-	-		-	30
MyCommunity website	-	-	-			-	-	-		-	50
Partnerships grants	-	-	-			-	-	-		-	37
Spirit of 2012	-	-	-			-	-	-		-	25
Creative Civic Change	942	-	-			-	-	-		942	818
Area delivery costs	-	2,412	-			-	-	-		2,412	2,197
Programme development	-	-	1,241			-	-	-		1,241	1,121
Finance charges	-	-	-			122	-	-		122	154
Governance costs	-	-	-			-	73	-		73	31
Audit and financial advice	-	-	-			-	34	-		34	29
Legal and professional fees	-	-	-			-	33	-		33	14
Communications and marketing	-	-	-			-	-	210		210	124
IT and Consultancy	-	-	-			-	-	302		302	275
Rent and office costs	-	-	-			-	-	270		270	
Grant bad debts/ Impairment loss	-	5	-			-	-	-		5	246
Depreciation	-	-	-			-	-	108		108	75
<i>Total costs</i>	18,652	3,602	2,104			122	140	1,581		26,201	22,177
Allocated to charitable activities											
Support Costs	248	566	641			-	126	(1,581)		-	-
Governance costs (note 6)	56	87	123			-	(266)	-		-	-
<i>Total expenditure 2022</i>	18,956	4,255	2,868			122				26,201	22,177
<i>Total expenditure 2021</i>	15,884	3,708	2,431			154				22,177	21,460

Local Trust annual report and financial statements 1 April 2021 - 31 March 2022

4. Expenditure (continued)

Description	Prior year comparative	Charitable activities					Expenditure on raising funds	Governance	Support	2021 Group Total	2020 Group Total
		Grant expenditure directly to areas	Delivery to areas	Learning to support the programme	£000	£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	262
IT and Consultancy	-	-	-	-	-	-	-	275	-	275	246
Rent and office costs	-	-	-	-	-	-	-	246	-	246	255
Depreciation	-	-	-	-	-	-	-	75	-	75	82
<i>Total costs</i>	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)	-		-	-
<i>Total expenditure 2021</i>	15,884		3,708	2,431	154					22,177	21,460
<i>Total expenditure 2020</i>	15,552		3,904	1,709	295		-	-		21,460	32,777

5. Grants payable

Big Local area	Locally trusted organisation	New grants £000	Repayment of unspent grants £000	Closed grants £000	2022 Total £000	2021 Total £000
Arches Local	Starlings Support CIC	187	(8)	(39)	140	39
Arley and Ansley	WCAVA	692	(9)	-	683	-
Barnfield	Greenwich Cooperative Development Agency (GCDA)	429	(4)	(117)	308	-
Barnfield	Plumcroft Primary School	-	-	-	-	(5)
Barrow Island	Barrow Island Community Sports Trust Limited	9	-	-	9	-
Barrow Island	Cumbria CVS	-	-	-	-	-
Barrow Island	Local Trust	-	-	-	-	18
Barrowcliff	Community First Credit Union Ltd	201	(23)	(5)	173	95
Beechwood & Ballantyne	Community Foundations for Lancs & Merseyside	430	-	-	430	(1)
Birchfield	Birmingham Voluntary Service Council	-	-	-	-	(51)
Blackpool Revoe	Blackpool Coastal Housing	327	-	-	327	(2)
Blackpool Revoe	Blackpool FC Community Trust	-	-	(344)	(344)	-
Bourne Estate	Bournemouth Churches Housing Association	671	(54)	-	617	-
Brinnington	Groundwork Manchester, Salford, Stockport and Trafford Limited	467	(8)	-	459	-
Broad Green Big Local	Asian Resource Centre	-	-	-	-	332
Brookside	Stirchley & Brookside Parish Council	297	(24)	(164)	109	-
Canvey Island Big Lo	Canvey Island Youth Project	244	-	-	244	87
Canvey Island Big Local	Essex Boys and Girls Clubs	-	-	-	-	(75)
Cars Estate	Colebridge Trust	222	-	-	222	-
Catton Grove	Oak Grove Community Church	-	-	-	-	497
Central Boston	Groundwork South and North Tyneside	-	(12)	-	(12)	374
Central Jarrow	Groundwork South Tyneside & Newcastle	271	-	(6)	265	(42)
Central Jarrow	Shared Assets Ltd	2	-	-	2	-
Chinbrook Est	Community Voluntary Services for Broxbourne & East Herts	371	-	-	371	-
Chinbrook Est	Voluntary Services Association Ltd	-	-	-	-	-
Chinbrook Est	Voluntary Services Lewisham	4	-	-	4	-
Church Hill	Charles Lovell and Company Limited	284	-	-	284	-
Clapham Junction, West Battersea (Big Local SW11)	Providence House	651	-	-	651	-
Clarksfield Greenacres	Action Together CIO	-	(32)	(71)	(103)	463
Clubmoor	Liverpool CVS	490	-	-	490	(123)
Collyhurst	Manchester Communication Academy	-	-	-	-	59
Conniburrow Est	Milton Keynes Community Foundation	75	-	-	75	-
Dartford	Community Links Bromley	-	-	-	-	(1)
Dartford	Local Trust	10	-	-	10	-
Devonshire West	3VA	-	-	-	-	212

Dewsbury Moor	Dewsbury Moor Rugby League Club	-	-	-	-	(315)
Dewsbury Moor	Local Trust	-	-	-	-	40
Distington	Distington Big Local Limited	-	-	-	-	264
Distington	Local Trust	10	-	-	10	-
Dover Big Local	Dover Big Local CIC	-	-	-	-	155
Dover Big Local	Red Zebra Solutions Limited	-	-	-	-	(92)
East Cleveland Villages	Tees Valley Rural Comm	-	-	(144)	(144)	211
East Coseley	Dudley Community Voluntary Service	-	-	-	-	(53)
Elmton, Creswell and Hodthorpe	Bassetlaw Community and Voluntary Service	-	-	-	-	234
Elthorne Estates	Caxton House Community Centre	26	-	-	26	-
Ewanrigg	Cumbria CVS (Ewanrigg)	-	-	-	-	(12)
Ewanrigg	Shared Assets Ltd	3	(2)	-	1	3
Farley Hill	Age Concern Luton	-	-	-	-	417
Firs & Bromford	Worth Unlimited	572	(44)	-	528	106
Gannow	Behavioural Insights Team	-	-	-	-	(9)
Gannow	Burnley, Pendle and Rossendale Community Voluntary Service	-	-	-	-	50
Gaunless Gateway	South Durham Enterprise Agency	644	(15)	-	629	-
Goldthorpe with Bolton on Dearne	Barnsley Community Build	-	-	-	-	(76)
Goldthorpe with Bolton-on-Dea	The Snap Tin CIC	64	-	-	64	48
Grace Mary to Lion Farm	Sandwell CVO	-	-	-	-	278
Grange Estate	Inclusion Barnet	309	-	-	309	274
Grassland Hasn	Grassland Hasmoor Future Ltd	232	-	-	232	235
Grassland Hasmoor	North Eastern Derbyshire Business Devts Ltd	-	-	-	-	(206)
Greatfield	Probe Hull Limited	-	-	-	-	(113)
Greenmoor	Better Communities Bradford	-	-	-	-	125
Greenmoor	CNET - Bradford and District Community Empowerment Network Limited	-	-	-	-	(48)
Growing Together	Growing Together (Northampton)	-	-	-	-	63
Hackney Wick	Crest Waltham Forest	513	-	-	513	-
Harefield, Midanbury & Thill Pk	Salford CVS	64	-	-	64	-
Harefield, Midanbury & Thill Pk	Training for Work in communities (TWICS)	118	-	-	118	-
Hateley Heath	Sandwell Community Info & Participation Service (SCIPS)	633	(23)	-	610	-
Hawksworth Wood	Cardigan Centre	-	(14)	(133)	(147)	533
Heart of Pitsea	Basildon, Billericay & Wickford CVS	342	(1)	(145)	196	-
Heart of Sidley	Optivo	-	-	-	-	83
Heart of Sidley	Rother Voluntary Action	86	(11)	(154)	(79)	93
Heath	Parochial Church Council of Uttoxeter	175	(1)	(47)	127	59
Heath	Uttoxeter Knights	-	(22)	-	(22)	29
Heston West	Berkeley Academy	-	-	-	-	94
Horsefair, Broadwaters and Gre	Parish of Kidderminster East	297	-	-	297	50
Inner East Preston	Preston City Council	655	-	-	655	-
Keighley Valley	Airedale Enterprise Services	481	(34)	-	447	-

Kingswood & Hazel Leys	Groundwork Northamptonshire	-	-	-	-	154
Kirk Hallam	Nova Education Trust	-	-	-	-	169
Kirk Hallam	Street Games	-	-	-	-	10
Kirkholt	The Big Life Company	372	(29)	-	343	86
Langold, Costhorpe & Carlton	Hodsock Parish Council	30	-	-	30	50
Leecliffe	Media Trust	-	-	-	-	1
Leecliffe	Clarion Futures (nee Affinity Sutton)	533	(67)	(224)	242	-
Leecliffe	Shared Assets Ltd	-	-	-	-	-
Little Hulton	Salford CVS	-	(7)	-	(7)	116
Littlemoor	Dorset Community Action	319	-	-	319	-
Lynemouth	Cresswell	215	(20)	(135)	60	-
Mablethorpe, Trusthorpe and Sutton on Sea (Coastal Communities)	Lincolnshire Community Foundation	331	(43)	(61)	227	-
Marsh & Micklefield	Chiltern Rangers CIC	-	-	-	-	473
Mossley	One Walsall	-	-	-	-	272
Mottingham	Community Links Bromley	663	(22)	(354)	287	-
Newington, Ramsgate	Starlings Support CIC	147	(19)	-	128	70
North Brixton	Big Local Impact	-	-	-	-	46
North East Hastings	Hastings Voluntary Action	-	-	-	-	230
North meets South	CREST	-	-	-	-	318
North Ormesby	Middlebrough Environment City	-	-	-	-	348
North West Ipswich	Castle Hill Community Centre Trust	223	(23)	-	200	40
Northfleet North	Council for Voluntary Service North West Kent	-	-	-	-	208
Northwood	Community Foundations for Merseyside and Lancashire	422	(50)	(18)	354	-
Palfrey	Manor Farm Community Association	-	-	-	-	(81)
Palfrey	One Walsall	509	(9)	(70)	430	124
Par Bay	Par Bay Community Trust	-	-	-	-	80
Par Bay	Eden Project campaigns Ltd	-	(1)	(26)	(27)	50
Par Bay	Shared Assets Ltd	-	-	-	-	3
Peabody Avenue and Churchill Gardens Estate (Big Local SW1)	Quaker Social Action	409	(4)	-	405	40
Peabody Avenue and Churchill Gardens Estate (Big Local SW1)	Thamesbank Centre	-	-	-	-	(1)
PEACH	Custom House & Canning Town Renewal Project	-	-	-	-	(28)
PEACH	PEACH Inc	-	-	-	-	258
Plaistow South	Rights & Equalities in Newham	175	-	-	175	165
Podsmead	Gloucestershire Credit Union	-	-	-	-	(1)
Prospect Estate	Rushmoor Borough Council	-	(28)	(54)	(82)	265
Radstock & Westfield	Bath & North East Somerset Carers' Centre	330	(22)	(109)	199	-
Ramsey	Campaign for Better Transport	-	-	-	-	4
Ramsey	Ramsey Neighbourhoods Trust	-	-	-	-	41
Ramsey	Shared Assets Ltd	2	-	-	2	3
Rastrick	Community Foundation for Calderdale	-	-	-	-	(44)
Ravensthorpe and Westwood	Cross Keys Homes	-	-	-	-	(61)
Ridge Hill	Jigsaw Homes (formerly New Charter Housing Trust)	601	(43)	(111)	447	-

Riverside Community	Thurrock Lifestyle Solutions	561	(8)	(223)	330	-
Roseworth Ward	Catalyst	130	(18)	(180)	(68)	-
Rudheath & Witton	Groundwork CLM	-	(7)	(44)	(51)	325
Sale West	Irwell Valley Housing Association	476	-	-	476	-
Scotlands & Bushbury Hill	Bushbury Hill Estate Management Board	211	(1)	(2)	208	-
Selby Town	Selby District AVS	296	-	-	296	69
Shadsworth with Whitebirk	Blackburn with Darwen CVS	-	(21)	(40)	(61)	-
Shadsworth with Whitebirk	Blackburn with Darwen Healthy Living	252	-	-	252	-
Slade Green	Bexley Voluntary Service Council	-	-	-	-	322
Slade Green	Howbury Friends	-	-	-	-	(1)
Sompting	Community Works	305	(59)	-	246	109
South Bermondsey	United St Saviour's Charity	-	-	-	-	92
St Matthews Est	St Matthew's BL	-	-	(7)	(7)	359
St Oswald & Netherton	Sefton Metropolitan Council	452	-	-	452	585
St Peters Moors	Cheltenham Borough Council	252	(79)	(20)	153	-
Tang Hall	Tang Hall BL CIO	-	-	(12)	(12)	456
Three Parishes	Oswestry Community Action	-	-	-	-	323
Thurcroft	Rotherham Federation of Communities Ltd	-	-	-	-	169
Thurnscoe	Barnsley Community Build	-	(27)	-	(27)	(10)
Toothill	Swindon Borough Council	69	-	-	69	-
W12 Together	CommUNITY Barnet	-	-	-	-	227
W12 Together	Local Trust	-	-	-	-	(18)
W12 Together	Media Trust	1	-	-	1	-
Warsop Parish	Mansfield CVS	105	(15)	(42)	48	246
Warwick Ahead	Campaign for Better Transport	-	-	-	-	4
Wecock Farm	Havant Borough council	-	-	-	-	(77)
Wecock Farm	Citizens Advice Havant	595	(5)	-	590	499
Welsh House Farm	Birmingham VSC	149	-	-	149	28
Welsh House Farm	Haven Community Project	-	(4)	(175)	(179)	254
Wembley Central	Community Barnet	-	-	-	-	134
Wembley Central	Local Trust	-	-	-	-	30
West End Morecambe	Lancaster CVS	-	-	-	-	(49)
Whitleigh	Whitleigh Primary and Sir John Hunt Community Sports College	252	-	-	252	-
Whitley	Whitley Community Development Association	160	-	-	160	-
Whitley Bay	New Prospects Association Ltd	193	(37)	(185)	(29)	-
William Morris	CREST Waltham Forest	452	-	-	452	-
Windmill Hill	Groundwork CLM	-	-	-	-	401
Withernsea	Shores Centre	-	-	-	-	386
Woodlands Speaks	Woodlands Speaks	50	-	-	50	-
Woolavington Puriton	SHAL Housing Ltd	-	(183)	(403)	(586)	522
World's End Estate and Lots Road Area	Quaker Social Action	50	(7)	-	43	-
World's End Estate and Lots Road Area	St Mary Abbots Rehabilitation and Training (SMART)	4	-	-	4	-
Worle	NSAH (Alliance Homes) Ltd	-	-	-	-	536
Wormley & Turnford	Community Voluntary Service for Broxbourne and East Herts	-	-	-	-	245
	Subtotal of Big Local grants	21,854	(1,199)	(3,864)	16,791	13,970

Creative Civic Change	Locally trusted organisation	New grants £000	Repayment of unspent grants £000	Closed grants £000	2022 Total £000	2021 Total £000
Blackwell Parish	Platform Thirty1 Limited	88	-	-	88	-
Creative Newington	Starlings Support CIC	68	-	-	68	-
Creative West End CCC	Lancaster District CVS	35	-	-	35	58
REMAKe (Revolutionary East Marsh Arts)	East Marsh United	60	-	-	60	61
Filwood Centre CCC Partnership	Community in Partnership Knowle West	31	-	-	31	73
Hard Times Require Furious Dancing CCC Partnership	Haven Community Project	-	-	-	-	54
Hard Times Require Furious Dancing CCC Partnership	Birmingham Voluntary Service Council	38	-	-	38	37
St Leonards Civic Action Group (STCAG)	Home Live Art	97	-	-	97	68
Kensington Vision CCC Partnership	Kensington Vision CIC	34	-	-	34	68
Don't get any ideas (Corby)	Groundwork Northamptonshire	78	-	-	78	31
Newington Big Local	Starlings Support CIC	-	-	-	-	40
Nudge Community Builders CCC Partnership	Nudge Community Builders Limited	58	-	-	58	81
Par Bay Big Local	Par Bay Community Trust	76	-	-	76	52
Peckham Platform CCC Partnership	Peckham Platform Ltd	69	-	-	69	37
Platform Thirty1 CCC Partnership	Platform Thirty1 Limited	-	-	-	-	50
Portland Inn Project CCC Partnership	Portland Inn Project CIC	64	-	-	64	32
Tees Valley Arts CCC Partnership	Tees Valley Arts	-	-	-	-	-
Whitley Bay Big Local	Whitley Bay Big Local	58	-	-	58	76
Urban By Nature	Crest Waltham Forest	88	-	-	88	-
	Subtotal of CCC grants	942	-	-	942	818
	Grants to local areas	22,796	(1,199)	(3,864)	17,733	14,788
Other grants						
	Getting Started				-	-
	Reboot grants				-	30
	MyCommunity website				-	50
	Other Partnership grants				-	37
	Spirit of 2012				-	25
	Residents' travel and childcare				80	-
	Area admin contributions				839	710
	Support and governance costs				304	244
	Total grants payable				18,956	15,884

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. The liquidator's progress report of June 2022 stated that preferential creditors had been paid in full and non-preferential unsecured creditors may be paid a small dividend. Big Local Trust is an unsecured creditor for the funding and we await word from the liquidator on the dividend receivable.

6. Governance Costs

Total governance costs of £266k (2021: £196k) consist of direct governance costs of £140k (2021: £74k) and indirect costs of £126k (2021: £122k). 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:

	2022	2021
	£000	£000
Depreciation and amortisation	108	75
Impairment of social investments	5	-
Auditor's remuneration (including VAT):		
- in respect of current year audit	23	22
- in respect of current year non-audit	2	-
- in respect of prior year audit	0	5
Financial advice	9	2
Investment manager's fees	122	154
Legal and professional fees	33	14
Licence fees	-	149

8. Group and company tangible fixed assets

	2022	2021
	Total	Total
	£000	£000
Cost		
Balance brought forward	206	186
Additions	69	20
Disposals	(9)	-
Balance carried forward	266	206
Depreciation		
Balance brought forward	175	156
Disposals	(9)	-
Charge for year	27	19
Balance carried forward	193	175
Net book value		
Brought forward	31	30
Carried forward	73	31

Included in these amounts is £1k (2021: £2k) in IT equipment relating to Local Trust.

9. Group and company intangible fixed assets

	2022	2021
	Total	Total
Cost	£000	£000
Balance brought forward	354	330
Additions	166	24
Disposal	(197)	-
Balance carried forward	323	354
Amortisation		
Balance brought forward	297	241
Disposal	(195)	-
Charge for year	81	56
Balance carried forward	183	297
Net book value		
Brought forward	57	89
Carried forward	140	57

Intangible fixed assets include the development of Big Local Trust's grant management system, website and area assessment tool; included in these amounts is £12k (2021: £7k) relating to Local Trust.

10. Group and company investments

	2022	2021
	£000	£000
At 1 April 2021	112,163	132,023
Purchases at cost	174,000	215,002
Disposal proceeds	(196,999)	(225,612)
Movements in investment creditors	1,000	(9,000)
Accrued management charges	(10)	(24)
Net investment gains/(loss)	(67)	(226)
At 31 March 2022	90,087	112,163
Capital and revenue cash balance	726	521
Total	90,813	112,684

11. Investments by type and location of fund

	2022	2022	2022	2021	2021	2021
	UK	Overseas	Total	UK	Overseas	Total
	£000	£000	£000	£000	£000	£000
Cash	90,813	-	90,813	112,684	-	112,684
Total	90,813	-	90,813	112,684	-	112,684

The total book cost of investments held at 31 March 2022 was £90,691k (2021: £112,499k).

12. Social investment assets

Big Local area	Credit union	Type of investment	Funds at 31 March 2021 £000	Additions £000	Repayments £000	Impairment £000	Funds at 31 March 2022 £000
2015–16							
East Coseley	Castle and Crystal Credit Union	Corporate deposit	15	-	-	-	15
North West Ipswich	Eastern Savings and Loans Credit Union	Subordinated Loan	10	-	-	10	20
Subtotal			25	-	-	-	35
2016–17							
Rudheath and Witton	Key Fund loan	Loan	-	-	-	-	-
St Oswald and Netherton	Knowsley Mutual Credit Union	Corporate deposit	13	-	-	-	13
Subtotal			13	-	-	-	13
2017–18							
Three Parishes (for Oswestry Station Trust)	Key Fund loan	Loan	37	-	(8)	-	29
Subtotal			37	-	(8)	-	29
2018–19							
Withernsea	Hull & East Yorkshire Credit Union	Subordinated Loan	30	-	-	-	30
Subtotal			30	-	-	-	30
2021–22							
Beechwood, Ballantyne and Bidston	Key Fund loan	Loan	-	20	-	(15)	5
Subtotal			-	20	-	(15)	5
Cumulative totals			105	20	(8)	(5)	112
Total Key Fund loan balance			37	20	(8)	(15)	34

13. Debtors

	2022 Group £000	2022 Local Trust £000	2021 Group £000	2021 Local Trust £000
Trade debtors	216	70	549	477
Other debtors	36	-	36	-
Prepayments	162	-	168	-
Accrued income	122	-	187	-
Total	536	70	940	477

14. Creditors: amounts falling due within one year

	2022	2022	2021	2021
	Group	Local Trust	Group	Local Trust
	£000	£000	£000	£000
Trade creditors	929	16	1,451	39
Amounts due to Big Local Trust			-	5
Grant commitments	22,933	18	26,560	-
Social security and other taxation	58	-	52	-
Accruals	53	-	49	1
Pension payments due	47	-	23	-
Total	24,020	34	28,135	45

15. Creditors: amounts falling due after one year

	2022	2022	2021	2021
	Group	Local Trust	Group	Local Trust
	£000	£000	£000	£000
Grant commitments	13,126	-	7,607	-
Total	13,126	-	7,607	-

16. Grant commitments

	2022	2021
	£000	£000
Grant commitments b/fwd	34,167	34,392
New commitments in the year	22,796	20,321
Area admin contribution	839	710
Commitments settled in the year	(16,680)	(15,723)
Commitments reversed in the year	(5,063)	(5,533)
Grant commitments c/fwd	36,059	34,167

17. Movement in funds

Local Trust Group	Balance at 31 March 2021	Incoming resources	Outgoing resources	Transfers	Gains/ losses	Balance at 31 March 2022
	£000	£000	£000	£000	£000	£000
Restricted funds						
National Lottery Community Fund (including investment income)	80,628	253	(24,981)	-	(68)	55,832
Big Local other income	25	5	(5)	-	-	25
Creative Civic Change	1,558	220	(1,121)	-	-	657
Community Wealth Fund	82	75	(94)	-	-	63
Community Wealth Building	1	-	-	-	-	1
Total restricted funds	82,294	553	(26,201)	-	(68)	56,578
Unrestricted funds						
Local Trust CDF legacy fund	244	-	-	-	-	244
Local Trust investment income	16	3	-	-	-	19
Total unrestricted funds	260	3	-	-	-	263
Designated funds						
Policy fund	11	-	-	(11)	-	-
Community Wealth Fund	45	-	-	11	-	56
Total designated funds	56	-	-	-	-	56
Total funds	82,610	556	(26,201)	-	(68)	56,897

Restricted funds

In Local Trust's consolidated accounts, the net decrease in funds for the year was £25.7m (2021: £21.1m). Total funds held at the year-end were £56.9m (2021: £82.6m).

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 £25.0m (2021: £20.9m) 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 2022, 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 (2021: £0.2m) 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 Barrow Cadbury Trust, Lloyds Bank Foundation and Paul Hamlyn in the sum of £75k (2021: £133k). During the year £94k was spent from restricted funds (2021: 68k) and £nil from match funding designated by the Board in previous periods (2021: £37k) on delivery of the CWF Alliance campaign. It is anticipated that designated funds will be fully spent by 31 March 2023.

- **Policy Fund** – During year ended 31 March 2022, policy work beyond the Big Local was focussed on delivering the CWF campaign. All other policy work fell within the remit of the Big Local programme. Residual funds of £11k designated for policy work under Local Trust were pooled with those designated for the CWF campaign.

18. Analysis of net assets between funds

Local Trust	Restricted funds Mar-22 £000	Unrestricted funds Mar-22 £000	Restricted funds Mar-21 £000	Unrestricted funds Mar-21 £000
Fund balances as at 31 March 2021 are represented by:				
Tangible assets	-	73	31	-
Intangible assets	-	140	57	-
Investments	-	90,813	112,684	-
Social investments	-	112	105	-
Current assets	319	2,540	5,144	331
Current liabilities	-	(24,533)	(28,120)	(15)
Long-term liabilities	-	(13,126)	(7,607)	-
Net assets	319	56,578	82,294	316

19. Analysis of changes in net debt

	At 1 April 2021 £000	Cash flows £000	At 31 March 2022 £000
Cash	1,971	(570)	1,401
Cash equivalents	2,564	(1,597)	967
Overdraft facility repayable on demand	-	-	-
Total	4,535	(2,167)	2,368

20. Operating leases

	2022 £000	2021 £000
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

	2022	2021
	£000	£000
Wages and salaries	1,988	1,729
Social security and other taxes	196	172
Pension	284	248
Other staff costs	255	122
Total	2,723	2,271

Trustees are responsible for setting overall remuneration levels for staff, with recommendations being made to Board as part of the budget approval process.

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 50 (2021: 41).

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.

Six employees, who were also the key management personnel, were remunerated over £60k in the year (2021: six employees); Matt Leach (Chief Executive), Rachel Rowney (Chief Operating Officer), Margaret Bolton (Director of Policy), James Goodman (Director of partnerships and learning), Jayne Entwistle (Head of area support), Chris Falconer (Head of programme delivery).

Senior salaries	Number of employees	
	2022	2021
£60,000 - £69,999	2	2
£70,000 - £79,999	2	2
£80,000 - £89,999	1	1
£90,000 - £99,999	0	0
£100,000 - £110,000	1	1

As at 31 March 2022, aggregate remuneration and employer pension contributions of key management personnel was £462k (2021: £450k) and £66k (2021: 64k), respectively. The highest full time gross salary was £107k (2021: £106k), the median was £37k (2021: £35k) (ratio 2.9 to 1 between highest and median) and the lowest full-time salary was £21k (2020: £20k) (ratio 5.2 to 1 between highest and lowest).

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

22. Volunteers

Local Trust relies on people getting involved in making their areas better places to live. Over 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 (74%) 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'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 to the scheme during the year were £211k (2021: £182k) for 57 employees (2021: 48). Employee contributions, made through our salary exchange scheme, were £73k (2021: £64k). As at 31 March 2022, Local Trust owed £47k (2020: £23k) to the scheme relating to February and March pension payments: the amount due was settled during April 2022

24. Trustees' remuneration, benefits and expenses

Trustees received no remuneration. Twelve trustees received £9k for travel and subsistence costs, either in reimbursements or paid directly to a third party on their behalf during the period (2021: £nil). Trustee training expenses during the period were £nil (2021: £nil). Trustee recruitment costs during the period were £35k (2021: £nil). Governance review costs were £15k (2020: £19k)

25. Big Local Trust protector

Protector fees and expenses of £14k were payable during the period (2021: £12k).

26. Related party transactions

During the period April 2021 to March 2022, Local Trust paid Big Local Trust £122k for staff time and expenses spent on Local Trust activities, that were initially paid for through Big Local Trust (2020: 111k). Big Local Trust had an outstanding debtor balance with Local Trust of £19k as at 31 March 2022 (2021: £5k).

Caroline MacFarland is a trustee of Local Trust and an executive director of Common Vision UK, which is a delivery partner of Big Local Trust. During the year, Big Local Trust paid Common Vision £20k for carrying out research and stakeholder engagement as part of the 'Towards resilience' synthesis.

Peter Mills was a trustee of Local Trust during the period (until 25 November 2021) 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. During the year ended 31 March 2022, Big Local Trust paid Sheila McKechnie Foundation £1.4k for Chairing an APPG consultation event.

David Warner is a trustee of Local Trust and an associate of IVAR, but did not undertake any assignments during the year ended 31 March 2022. Local Trust 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 2022, Big Local Trust paid IVAR £63k for evaluation and learning support during the period (2021: £24k).

27. Financial instruments

Carrying values of financial assets and liabilities at 31 March:

	2022	2021
	£000	£000
Financial assets measured at amortised cost (a)	2,742	5,307
Financial assets measured at fair value (b)	90,925	112,789
Financial liabilities measured at amortised cost (c)	37,088	35,688

- (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 2022 was £39k (2020: £62k). Dividends and interest recognised in the statement of financial activities on assets held at fair value was £281k (2021: £1.6m).

Charity details

Local Trust registered company number

07833396

Local Trust registered charity number

1147511

Principal address

Canopi, 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:

Matt Bell (from 25 November 2021)
Chris Catterall (from 25 November 2021)
Miatta Fahnbulleh
Sahil Khan
Jeannette Lichner
Caroline Macfarland
Karen Mellanby (until 26 January 2022)
Patrick Melia (from 25 November 2021)
Peter Mills (until 25 November 2021)
Charlotte Pickles (from 25 November 2021)
Nicola Pollock
Bob Thust (until 27 May 2021)
David Warner (chair)
Rich Wilson

Audit and risk committee (until 25 November 2021)

Jeannette Lichner (chair)
Peter Mills
David Warner (ex officio member)

Finance and investment committee (until 25 November 2021)

Matthew Brumsen (co-optee with investment expertise)
Serena Loudon (co-optee with investment expertise)
Nicola Pollock (chair)
Bob Thust (until 27 May 2021)
David Warner (ex officio member)
Richard Wilson

Finance audit and risk committee (from 25 November 2021)

Matthew Brumsen (co-optee with investment expertise)
Serena Loudon (co-optee with investment expertise)
Chris Catterall (chair)
Sahil Khan
Caroline Macfarland
Patrick Melia
David Warner (ex officio member)

Governance and remuneration committee (from 25 November 2021)

Chris Catterall
Jeannette Lichner
Nicola Pollock (Chair)
David Warner

Legacy and learning committee (from 25 November 2021)

Matt Bell
Miatta Fahnbulleh
Jeanette Lichner
Patrick Melia (chair),
Charlotte Pickles
Nicola Pollock
David Warner
Rich Wilson

Nominations and remuneration committee members (until 25 November 2021)

Miatta Fahnbulleh
Jeannette Lichner
David Warner (chair)

Programme delivery committee

Sahil Khan (chair) (from 25 November 2021)
Karen Mellanby (until 26 January 2022)
Peter Mills (chair) (until 25 November 2021)
Caroline Macfarland
Charlotte Pickles (from 25 November 2021)
Nicola Pollock (from 25 November 2021)
David Warner (ex officio member)

Chief executive of Local Trust

Matt Leach

Protector of Big Local Trust

Rosie Chapman

Advisors

Auditor

Moore Kingston Smith LLP
6th Floor
Appold Street
London
EC2A 2AP

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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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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