

Big Local Trust

**Annual report and financial statements**

for 1 April 2022 to 31 March 2023

Registered charity number 1145916

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



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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.

## **Overview of 2022-23**

We expected 2022–23 to be a year of relative calm following the disruption of the COVID-19 pandemic. Instead, we faced a year of new challenges. In particular, inflation rocketed to its highest level in decades, causing a significant cost-of-living crisis which impacted in particular on communities such as the ones we work with.

As well as piling additional stresses on Big Local communities and their residents, this has posed some risks to Big Local capital projects and impacting on the long-term planning of Local Trust's central budgets. Economic headwinds continue to create a difficult operating environment for many Big Locals.

However, we continue to plan for full spend-out of the £274.45m provided by the Big Local Trust endowment fund. We are required by our Trust Deed to spend a minimum of £220m by the end of

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the programme in 2026–27. We have already passed this important milestone in terms of committed funds and expect to pass it in cash spent during 2023–24. The vast majority of funds are now committed, and the focus of Local Trust activity in support of Big Local areas is increasingly now about ensuring effective spend-out against partnership’s final plans.

As at April 2023, there was just under three years left to support Big Local areas to spend their funds and secure their local legacies. With this in mind, over 2022–23, we substantially revised and refreshed our operational approach, in order to provide each area with more tailored support. We launched the ‘Make it Happen’ campaign and a support centre on the Local Trust website, enabling areas to access direct support from experts in their priorities, with a particular focus on legacy themes. We moved from our historic model of Local Trust ‘reps’ to a smaller number of ‘Area Advisors’; this system provides more customised support to reflect areas’ needs, as well as allowing for greater accountability for outcomes. We have complemented this with an in-house team of Area Co-ordinators who will link Local Trust directly to areas during the final phase of the programme.

We also readied our core business systems for this final period, rolling out upgrades to our grant management and customer relations management (CRM) systems, internal management ‘dashboard’, IT security, and moving to a cloud-based finance system. We engaged a specialist human resources provider and commissioned a comprehensive review and update of our employment contracts and policies.

More broadly, over the last year both staff and trustees – working with external consultants – have been reviewing our approach to our final phase. We have developed three new strategies, outlining our high-level ambitions and key deliverables for the period 2023–27. These documents build on and replace our *Strategy Framework 2020–26* (published in March 2020), and have formed the basis of our 2023–24 Business Plan:

- our **Closure Strategy** outlines how we plan to wind up Local Trust by its current planned organisational end date of February 2027
- our **Equality, Diversity and Inclusion Strategy** captures the huge range of work championed by the Big Local programme, and our ambitions to embed diversity and inclusion within both the programme’s final phase and legacy
- our **Legacy Strategy** defines our shared ambitions for long-term impact of Local Trust’s work, beyond the end of the Big Local programme.

Our new Legacy Strategy restates our commitment to sharing our learning and insight as we approach the end of the Big Local programme. In 2022–23, we continued work on the Learning from Big Local project which seeks to capture and document the achievements and challenges of every Big Local partnership and the programme as a whole. We also facilitated significant collaborative work preparing for the final iteration of the Community Needs Index (CNI), created in conjunction with OCSI. We were pleased to see the Index being used by Government as part of the distribution criteria for its [Know Your Neighbourhood Fund](#) and for the input from government analysts to the next iteration of the CNI to be published in May 2023.

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Local Trust's wider impact as an organisation has only been possible because of the scale of the Big Local programme, the learning we draw from it, and the credibility we gain from our effective support for its delivery. The success and achievements of Big Local communities underpin everything that we do. Throughout the remainder of the programme, we will continue to ensure that Big Local areas are given the best possible support to make the most of their final spending period, including their plans beyond Big Local. We recognise that closure is not simply an administrative task: many of the decisions we make and the way we implement them will have emotional impact, whether on individuals or collectively on staff, trustees, partners or Big Locals. We will respond to this with the same seriousness we engage with financial and organisational challenges. Over the next twelve months, we will continue to review how our support programme needs to further adapt and change to reflect the changing needs and demands of Big Local areas as they enter the final phase of the programme.

## **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, objectives, policies, 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 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.

## Our strategy

In March 2020, trustees approved a new Strategy Framework for 2020–26. This set ambitious long-term goals for the remainder of the Big Local programme, which concludes in 2025–26, and for Local Trust, which currently plans to close following the end of the Big Local programme towards the end of 2026–27.

The framework 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 framework was 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.

The Strategy Framework accepted that achieving its targets would not necessarily be straightforward. We committed to iteratively identifying and developing measures of progress as we moved forward. Clearly the three years since the framework was developed – marked by pandemic, political uncertainty and economic crisis – have been very different from what was expected. Nevertheless, it has provided a robust basis against which to plan, and we have stuck closely to its headline objectives as starting points for our Business Plans in 2020–21, 2021–22 and 2022–23. Over this last year, however, a planning process led by trustees has created new strategic documents – in particular our Legacy Strategy and Closure Strategy – which together are informed by but now supersede the 2020–26 framework. This Annual Review will therefore be the last to report directly back on progress against the current Strategy Framework.

## Progress report 2022-23

Our Strategy Framework 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.



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- 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.

These priorities formed the basis of our 2022–23 Business Plan. We have reported annually against our Strategy Framework priorities to our trustees as part of our business planning process. For 2022–23, our progress is set out below. From 2023–24, our planning and review will be based on our new Closure, Legacy, and Equality, Diversity and Inclusion Strategies, which replace the framework.

## **People and communities**

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

We remain well on track to meet the overarching obligation in our founding Deed to spend £220m within the lifespan of the programme. Most funds are now committed: 105 out of 150 final Big Local area plans had been agreed by the end of 2022. The small annual increase is a reflection of a substantially revised approach towards an intensive two-year support programme, of which we are now halfway through. This ‘Make it Happen’ programme includes: direct support with areas’ priorities from expert partners; customised support from ‘Area Advisors’; and a team of ‘Area Co-ordinators’, linking Local Trust directly to Big Local areas. We also developed comprehensive guidance on planning for the end of a Big Local.

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

During 2022–23, Area Sustainability Plans were prepared for all 150 areas. Plans cover: local progress on sustainability and legacy; how Local Trust will support partnerships’ longer-term ambitions, and where partnerships will access such support post-Big Local. These plans were shared with the National Lottery Community Fund in early 2023, in accordance with the Trust Deed. The Make It Happen support programme also focuses on legacy issues around incorporation, asset ownership, fundraising, and future partnerships.

### **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. We maintained a blend of on-line and in-person events throughout 2022–23. Engagement at in-person events has been growing, with Big Local Connects remaining a highlight.

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

We increasingly looked to support Big Local partnerships to join other networks and organisations as Local Trust support begins to scale down significantly. Our 2022 survey of partnership members found at least 75 per cent felt that: they are working with the right external partners; external partners engage with their community more because of Big Local; and their Big Local is taken seriously by others working in the area. We also continued to build international connections: we partnered with the BOND network of international development NGOs and undertook a study tour to the US.

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

The past three years have seen us publish a significant volume of research, thought leadership and insight. During 2022-23, we published a number of reports including *Trusting local people: putting real power into the hands of communities*, *Building Systems of Community Connection and Control*; and *Towards Legacies for People and Places*. We also launched a new publication series called *Policy Spotlight*, with *How social infrastructure improves outcomes*. We also produced practical resources and guides, including a cost of living support page on our website and a community grants toolkit. We also launched our *Community Power* podcast, now into its second series, exploring what empowered communities can achieve.

## **Enablers of change**

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

We continued to draw on voices, inspiration and evidence from Big Local areas to significantly increase our contribution to national debates on community and place. In 2022–23, this included our work with the APPG on Left Behind Neighbourhoods, our input into the Levelling Up White Paper, and our successful campaign (as a lead member of a large and broad alliance of organisations) for a Community Wealth Fund.

**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

We continued to develop relationships with organisations that can support Big Locals to achieve broader impact. During 2022–23, representatives from Big Local areas addressed the APPG Inquiry into Levelling Up. Our 'Beyond the Food Bank' project (in partnership with the Hunger and Hardship Coalition, FareShare, Trussell Trust, Corra Foundation and Rothschild Foundation) brought together Big Locals, funders, food and poverty experts and other community groups. It developed guidance for funders and community groups on how to build for the future while still delivering emergency aid. We are fostering a peer network of Big Locals taking action on the climate emergency.

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

Our servicing and leadership of the Community Wealth Fund Alliance helped spread our narrative and priorities across an increasing range of organisations and decision makers, including local government. Our policy work enabled us to both influence the Levelling Up White Paper and develop our contacts with senior officials across Whitehall; we began a concerted programme taking officials to visit Big Local areas. We have also sought to develop relevant contacts across all major parties as general election manifesto policies begin to be drawn up.

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

As Big Local areas approach the end of their funding, we remain committed to deep and reflective learning to inform those seeking to work in and with local communities. Internally, through 2022–23 we convened a learning group to reflect on Big Local using a systems change lens. We are supporting Big Locals Together, a group of Big Local participants seeking to form a peer support network and offer knowledge and insight into resident-led community work.

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

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

As founding members of the Community Wealth Fund Alliance, we warmly welcomed the Government's announcement in March 2023 that dormant assets will be used to support community wealth funds. We have now closed our campaigning work on this, but are ready to contribute to consultation around delivery. We continued to advocate for party manifesto policies to commit long-term resources at a neighbourhood level in the run-up to the next general election.

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

We launched the next iteration of our research and evaluation plan, which will run to the end of the Big Local programme, following input from staff, trustees, Big Local communities and external stakeholders. The pillars of this plan are: evaluating support to people and communities; evidencing the enablers of change; and sustaining our impact in the long term. We remain committed to disseminating what we learn. In 2022-23, we also supported the updating of the indicators and methods behind the OCSI Community Needs Index which will be published early in 2023-24.

## **Plans for the future**

Looking forward, we face a range of unknowns. Inflation is likely to ease but the economic outlook remains unpredictable, and we cannot precisely plot the progress towards departure from the Big Local programme by areas as they approach spend out. The political landscape is shifting as the country approaches the next general election.

However, Local Trust remains well-placed to deliver on our strategic objectives. We have long-term, secured funds in place to sustain our business through to the end of 2026–27. We have a talented and well-motivated staff team and a confident and forward-looking trustee group. Our external relationships – with Big Locals, delivery partners, and external stakeholders – are positive and value-generating. Together, these mean we enter the coming year with optimism, enthusiasm and confidence.

### **Priorities for 2023–24**

Our approach is designed to ensure residents' time and energy are spent on the things that make a lasting difference in their community. Often this is as much about building relationships and locally led institutions that underpin long-term change as about individual projects. Our programme structure will maintain this core ethos, while ensuring appropriate systems and checks are in place to account for funding and to prepare at all levels for closure. We remain committed to seeing our legacy last well beyond the end of the Big Local Programme, and we are determined that the values and approaches embodied by Local Trust should not be lost on our closure.

#### ***Priority 1:*** Supporting Big Local areas and helping them achieve their legacies

The Area Sustainability Plans prepared for each set out the more tailored support we will be providing to the 150 Big Local areas over the remainder of the programme. We will move areas onto a 'closure support pathway', ensuring that they prepare for their own local legacies. We will prioritise support for those who still have the furthest to go, with contingencies for those at risk of not spending all their committed funding.

#### ***Priority 2:*** Securing Local Trust's own legacy

For the legacy of Local Trust's work to last, we need to use our rich and extensive body of evidence from the Big Local programme to influence policy and practice more widely. We will continue to invest in research and evaluation and seek partnerships to enable us to have the most impact, in particular, scoping opportunities to engage with a broader range of stakeholders in sectors such as health, local government and the private sector. We will work hard to ensure that our insight is seen as relevant across all the main political parties as they develop their pre-manifesto policies.

#### ***Priority 3: Creating legacy momentum***

We want to see swift progress on our new Legacy Strategy. We are creating a new, time-limited role of Director of Legacy Projects with a small team to give strong initial momentum across four priority projects, including a final 'Big Local Connects', continuity options for the Community Leadership Academy, and initiatives to help Big Local partnership members and Local Trust staff prepare for life beyond the programme.

**Priori4: Preparing for successful closure**

Based on our new Closure Strategy, we will develop a detailed Closure Plan, in collaboration with the staff team and trustees, and subjected to extensive consultation. Our Closure Plan will include a proactive programme of communication to keep stakeholders at all levels informed. We aim to have finalised this by the end of 2023.

**Priority 5: Promoting inclusivity and diversity**

The Big Local programme represents a fundamental transfer of power at the local level: we will seek to ensure that learning about the relationship between place-based approaches and Equality, Diversity and Inclusion is embedded in how we tell our story and how we support people to continue their journey. Our new Equality, Diversity and Inclusion Strategy is underpinned by an action plan, which threads throughout our 2023–24 Business Plan. Progress in implementing the strategy and action plan will be tracked consistently across the year, with an annual report to trustees.

**Reviewing and reassessing plans**

Over the next twelve months, we will continue to review how our support programme needs to further adapt and change to reflect the changing needs and demands of Big Local areas as they enter the final phase of the programme.

We have developed a simple scenarios model, to help us identify the key decisions we might need to make over the remainder of the programme. We will continue to periodically review where we stand in relation to these scenarios, and adjust our operational plans and budgets accordingly. This will include a full review of our budgeting assumptions at mid-year, in November 2023, following preparation of our Closure Plan. We will undertake a Governance Review early in 2023–24 to ensure that governance structures provide appropriate trustee engagement with and oversight of the Closure Plan and monitoring of its implementation. There will be a review of trustee skills and expertise relevant to closure and related issues, to identify if and where further recruitment of trustees would be of benefit to assist with overseeing the closure process.

**Response to the Charity Governance Code**

The Local Trust board chose to adopt and apply the Charity Governance Code published in December 2020. Local Trust continues to focus on good governance with its work supported by our independent Protector, Rosie Chapman, appointed in September 2018. Her role includes ensuring the integrity of the administration of the charity and the propriety of its procedures.

Local Trust is the corporate trustee for Big Local Trust and governs the Big Local programme. Over the last year, Local Trust has continued to address the seven key areas of governance outlined in the Charity Governance Code. Details of action undertaken during the year are outlined in the Local Trust group annual report and accounts for the year ended 31 March 2023.

## Financial review

### Overview of income and expenditure

Big Local Trust is funded through an expendable endowment from the National Lottery Community Fund. The Big Local Trust endowment is invested and income on the investment for the year was £1.6m (2022: £0.3m). There were net gains on investments of £778k (2022: losses of £66k).

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

Total expenditure during the year was £20.3m (2022: £25.1m). The increase in expenditure reflects a 27% decrease in direct funding committed to Big Local areas of £13.2m (2022: £18.0m). The cost of delivery to areas increased by 2% to £4.3m (2022: £4.2m) and the cost of learning to support the programme decreased by 3% to £3.0m (2022: £3.0m). A full list of the funding to Big Local areas is included in note 5.

The net decrease in funds for the year was £17.8m (2022: £24.8m) and total funds held at the year-end were £38.1m (2022: £55.9m).

### 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 risk committee have a voluntary co-opted member, 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 2023 was £69.2m (2022: £90.8m). 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 2023 was +2.25% (2022: +0.14%), and the overall returns for the year were +2.10% (2022: +0.26%).

The financial year to 31 March 2023 started with much difficulty with poor performance across global investment markets. Inflation continued to rise, further compounded by continued unrest in the Ukraine and lockdown measures in China. In response to inflationary increases, The Bank of England increased the Official Bank Rate incrementally throughout the year, starting the year at 1.0% (inflation: 9.0%) and rising to a high of 4.25% by 31 March 2023 (inflation: 10.1%).

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. They took advantage of the improvement in the rate environment as yields responded to tightening monetary policy, resulting in significant growth in investment returns, when compared to the previous financial year. These provided a buffer against increased non-grant costs due to increases in inflation. CCLA were able to protect the nominal value of our portfolio assets in line with our investment strategy, also making a reasonable return, just slightly below the benchmark.

**Ethical and responsible investment**

Trustees reviewed Big Local Trust's ethical and responsible investment policy in May 2023. 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

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Local Trust supports CCLA's wider stewardship work. Big Local Trust is keen to invest in accordance with the 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 planned funding is drawn down, LTOs receive an administration contribution of 5% of the grant.

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

Each area will receive:

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

### **Local Trust as a locally trusted organisation**

Local Trust acted as the LTO for four Big Local areas that have been unable to identify a suitable organisation to fulfil this role during (or part of) the year to March 2023: Dartford, Distington, North Brixton and Wembley Central Big Locals.

Big Local Trust retains the administration contribution of 5% for Local Trust acting as the LTO, and in 2022-23 this totalled £0.8k (2022: £1.0k).

### **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



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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.

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 2022-23, Big Local Trust made £147k (2022: £135k) 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 2022-23 and have found one of the loans held with Key Fund to be impaired. An estimated £14.6k impairment was recorded in the 2021-22 accounts, and a further £4.4k impairment recorded in the 2022-23 accounts. The £19k net impact of impairment has reduced the value of the social investments to £128k at 31 March 2023. After repayments in the period of £42k, and the discharge of a Key Fund residual investment of £22k. The value of the social investments at 31 March 2023 is therefore £64k.

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

## **Constructive obligations**

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

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

Big Local Trust's constructive obligations decreased from £36.1m as at 31 March 2022 to £32.8m as at 31 March 2023. 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**

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 2022-23 as it has been every year since it was first prepared in 2012.

## **Reserves policy**

Big Local Trust has an expendable endowment, received from the National Lottery Community Fund in 2012 and 2013, to be spent by 13 February 2027. All of Big Local Trust's funds are unrestricted. No funds had been designated or otherwise committed as at 31 March 2023 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 2023, Big Local Trust held total funds of £38.1m (2022: £55.9m). 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 2022-23 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 in the pay policy. The pay policy was initially agreed in May 2019, and most recently reviewed in May 2023.

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 6.65% was agreed for 2022-23.

## **Pensions and auto enrolment**

Big 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 2022-23, all Big Local Trust staff were auto-enrolled in the group personal pension scheme.

## Principal risks

Big Local Trust has a detailed risk register, which is reviewed on a quarterly basis by the board, and the Finance Audit and Risk committee. Significant new strategic and operational risks are brought to the attention of the Finance Audit and Risk committee and the board as necessary. Big Local Trust's risk register is also reviewed and updated by senior managers regularly during the year.

The business planning process carried out during the year to March 2023 identified the following major risks that would need to be monitored and managed over the year ahead:

### The key risks

- **Significant number of Big Local partnerships fail or stall:** - There is a risk, in particular, that a continued high level of inflation may make some larger Big Local projects less viable and result in a reduction in total commitments, or cash spend where unforeseen additional fundraising is required. Cost of living pressures may also create risks around continued strong volunteer participation in the programme. We are in particular actively supporting Big Local areas with large projects (mostly related to capital assets) through our Make it Happen programme, and continue to monitor the wider impact of cost-of-living pressures on Big Local areas.
- **Planned resourcing of Big Local programmes and support is insufficient** - There is a risk of continued slow spend in Big Local that have significant balances yet to be spent and, in particular, "hang back" by areas that slow down end-stage spend to remain in the programme. We are developing plans to help "Close out" areas that are close to the end of the programme; focusing on supporting core delivery within slow spending areas, and developing alternative delivery plans where necessary to minimise risk of areas not spending out.
- **Significant organisational failure across the programme:** We continue to monitor the risk of organisational failures within the Big Local programme, including that: a significant number of legal entities created through Big Local fail; a significant number of physical assets created, purchased or invested in through Big Local fail; or that significant number of LTOs close or go into administration. All of these risks are enhanced by the current economic crisis. We cannot fully control this area of risk, but focus effort on identifying and acting on risk, and providing Big Local areas with the business planning support they need to make the most of their opportunities to take on assets and move towards incorporation.
- **Political instability during pre-election period:** We recognise that significant elements of our plans to share insight and learning to policy makers and politicians may be affected by changes in the political dynamic in the run up to the next election. We recognise that as an external risk and are working to ensure that our contributions to the public debate are seen as balanced and non-partisan, and where engagement becomes more difficult (for example in relation to the functioning of the APPG or other initiatives involving politicians), that we are able to focus effort in other areas of importance to the sharing of our message.

## 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 Big 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 purpose of the **Finance, Audit and Risk Committee** is to support the board in the overall management and monitoring of finance, investment, audit and risk matters at Local Trust. It does this by providing an appropriate level of scrutiny of finances, investment policies and procedures of Local Trust, as well as the audit process and outcome, and by supporting the board and management in managing risk effectively, prior to making recommendations on these matters to the trustees for their decision.
- The purpose of **Governance and Remuneration Committee** is to: ensure the effective governance of Local Trust. This includes oversight of systems and processes to ensure board effectiveness and performance; responsibility for leading work on recruitment and selection of trustees, chair and CEO; and CEO remuneration and performance management. In addition, the Committee has responsibility for overall staff remuneration policy (but not individual staff salaries other than the CEO) subject to affordability within the budget.
- The wishes of the Founder expressed in the Big Local Trust Deed are that Local Trust should promote learning from Big Local to policymakers, funders and communities involved in improving their areas. This is a key part of the organisational legacy that we will leave behind when Big Local comes to a close in 2027. The purpose of the **Legacy and Learning Committee** is to ensure that Local Trust shares insight and learning, both direct and indirect, from the Big Local programme in ways that maximise our influence and impact.

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- The purpose of the **Programme Delivery Committee** is to oversee the management and monitoring of the Big Local programme by providing an appropriate level of scrutiny. Matters of policy and of significance will be recommended to the board for its decision.

## 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.

## Statement of trustee's responsibilities

In respect of the trustee's annual report and the financial statements

### Focus of activities

The trustee has given due consideration to Charity Commission guidance on the operation of the public benefit requirement and is satisfied that the work of Big Local Trust meets that requirement. Big Local Trust's work in the year to 31 March 2023 focused on supporting the 150 Big Local areas to identify their priorities and to develop and deliver plans to address these priorities.

### Responsibilities of the corporate trustee

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

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

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

The trustee has confirmed that so far as it is aware, there is no relevant audit information of which the charity's auditors are unaware, and that it has taken all the steps that it ought to have taken as a trustee in order to make itself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

### Auditors

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

Approved by the corporate trustee on 23 November 2023 and signed on their behalf by:

Signed  Date 08 December 2023

Nicola Pollock  
Vice-Chair

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

### **Opinion**

We have audited the financial statements of Big Local Trust for the year ended 31 March 2023 which comprise Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the 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 FRS 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 charity's affairs as at 31 March 2023, and of its incoming resources and application of resources, 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 Charities Act 2011.

### **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 charity 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 charity'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 within 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.

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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.

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

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we required for our audit.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 21, the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

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

We have been appointed as auditor under section 1442 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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



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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 charity'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 charity'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 charity 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.

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 charity.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charity and considered that the most significant are [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 charity 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.

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- 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 charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charity and charity's trustees as a body, for our audit work, for this report, or for the opinion we have formed.

*Moore Kingston Smith LLP*  
.....

11 December 2023

**Statutory auditor**

**Date**

6<sup>th</sup> Floor, 9 Appold Street

London

EC2A 2AP

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

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## Statement of financial activities

### for the year ended 31 March 2023

		<b>Restricted</b>	<b>Unrestricted</b>	<b>Total</b>	<b>Total</b>
		<b>2023</b>	<b>2023</b>	<b>2023</b>	<b>2022</b>
	<b>Notes</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Income from:</b>					
Investments	2	-	1,570	1,570	253
Reimbursements from Local Trust		-	139	139	122
Other sources	3	-	4	4	5
<b>Total income</b>		-	1,713	1,713	380
<b>Expenditure on:</b>					
Raising funds:					
Investment management charges		-	124	124	122
Charitable activities:					
Grants payable	5	-	13,194	13,194	18,002
Delivery to areas		-	4,268	4,268	4,188
Learning to support the programme		-	2,693	2,693	2,791
<b>Total expenditure</b>	4	-	20,279	20,279	25,103
Net operating expenditure	7	-	(18,566)	(18,566)	(24,749)
Net gains/(losses) on investments		-	778	778	(66)
<b>Net income/ (expenditure)</b>		-	(17,788)	(17,788)	(24,794)
Loss on disposal		-	-	-	(2)
<b>Net movement in funds</b>		-	(17,788)	(17,788)	(24,796)
<b>Reconciliation of funds:</b>					
Total funds brought forward 1 April 2022		-	55,857	55,857	80,653
Total funds carried forward 31 March 2023		-	38,069	38,069	55,857

All amounts are related to continuing activities.

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

The accompanying notes, on pages 28 to 44, form part of these financial statements.

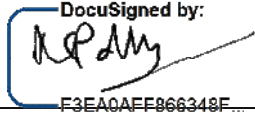
*Big Local Trust annual report and financial statements 1 April 2022 - 31 March 2023***Balance sheet**

as at 31 March 2023

	<b>Notes</b>	<b>2023 £000</b>	<b>2022 £000</b>
<b>Fixed assets</b>			
Tangible assets	8	48	72
Intangible assets	9	240	128
Investments	10 & 11	69,241	90,813
Social Investments	12	64	112
		<u>69,593</u>	<u>91,125</u>
<b>Current assets</b>			
Debtors	13	1,145	484
Investments		193	188
Cash at bank and in hand		627	1,190
<b>Total current assets</b>		<u>1,965</u>	<u>1,862</u>
<b>Liabilities</b>			
Creditors: amounts falling due within one year	14	(25,005)	(24,004)
<b>Net current liabilities</b>		<u>(23,040)</u>	<u>(22,142)</u>
Creditors: amounts falling due after one year	15	(8,484)	(13,126)
<b>Net assets</b>		<u>38,069</u>	<u>55,857</u>
<b>Funds</b>			
Restricted funds		-	-
Unrestricted funds		38,069	55,857
<b>Total funds</b>		<u>38,069</u>	<u>55,857</u>

The accompanying notes, on pages 28 to 45, form part of these financial statements.

Approved by the corporate trustee, authorised for issue on 23 November 2023 and signed on behalf of the trustee:

Signed  Date 08 December 2023

Nicola Pollock  
Vice-Chair

*Big Local Trust annual report and financial statements 1 April 2022 - 31 March 2023***Statement of cash flows**

for the year to 31 March 2023

		<b>2023</b>	<b>2022</b>
<b>Cash (outflow)/inflow from operating activities:</b>	<b>Notes</b>	<b>£000</b>	<b>£000</b>
Net operating expenditure		(18,566)	(24,728)
Investment and other income received		(787)	(323)
Depreciation/amortisation of fixed assets		135	106
Increase in debtors		(661)	(17)
Increase in creditors		(3,641)	1,428
Investment management fees		(124)	(122)
Increase in investment management fee accrual		(8)	12
<b>Net cash (used in) operating activities</b>		<b>(23,652)</b>	<b>(23,644)</b>
<b>Cash flows from investing activities:</b>			
Investment and other income received		787	323
Investment management fees		124	122
Payments to acquire tangible fixed assets		(13)	(69)
Payments to acquire intangible fixed assets		(206)	(155)
Loss on disposal of tangible fixed assets		-	(2)
Payments to acquire social investments		(20)	(20)
Repayments of social investments		63	8
Payments to acquire fixed asset investments		(140,999)	(175,000)
Movements in investment cash balances		368	(204)
Receipts from sale of fixed asset investments		162,990	196,999
<b>Net cash provided by investing activities</b>		<b>23,094</b>	<b>22,002</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(558)</b>	<b>(1,642)</b>
Change in cash and cash equivalents in the year		1,378	3,020
Cash and cash equivalents at 1 April 2022		(558)	(1,642)
<b>Cash and cash equivalents at 31 March 2023</b>	<b>17</b>	<b>820</b>	<b>1,378</b>

	<b>2023</b>	<b>2022</b>
<b>Analysis of cash and cash equivalents:</b>	<b>£000</b>	<b>£000</b>
Cash in hand	627	1,190
Notice deposits	193	188
	<b>820</b>	<b>1,378</b>

## Notes to the accounts

### for year to 31 March 2023

#### **1. Accounting policies**

##### **a) Administrative information**

Big Local Trust is a public benefit entity registered as a charity in England and Wales on 15 February 2012 (charity number 1145916). The ultimate controlling party of Big Local Trust is Local Trust, corporate trustee. Local Trust is a registered company (number 07833396) and registered charity (number 1147511).

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

The registered office of Big Local Trust and Local Trust is: Canopi, 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 charity will continue in operational existence for the foreseeable future. The trustees have considered the impact of the prevailing external environment on the financial position of the charity and are aware that the charity is able to draw down on its expendable endowment to provide an appropriate response to the additional needs resulting from the pandemic where necessary.

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

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).

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

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

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

**d) 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.

**e) 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.

**f) 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 2023 was across delivery to areas and learning to support the programme.

**g) 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.

**h) Expenditure on raising funds**

Expenditure on raising funds include investment management fees which are charged at 0.15% of the market value of the portfolio and are charged as they fall due to the statement of financial activities. The fee reduced from 0.20% to 0.15% from 1 July 2020.

**i) 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 of 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).

**j) 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.

**k) Social investments**

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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.

**k) 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.

**l) 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.

**m) 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. At 31 March 2023, revenue cash of USD 21,072 (equivalent GBP 17,042) was held within Big Local Trust's investment portfolio. This was the result of class action proceeds issued on previously held equities.

**2. Investment income**

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Income on investments	1,329	203
Bank interest	217	36
Tax refunds	24	14
Total	<u>1,570</u>	<u>253</u>

**3. Other income**

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Contribution to US fact finding trip	4	5
Total	<u>4</u>	<u>5</u>

Big Local Trust received no grant income during the year ended 31 March 2023.



## Big Local Trust annual report and financial statements 1 April 2022 - 31 March 2023

## 4. Expenditure

	Charitable activities						2023 Total £000	2022 Total £000
	Grant expenditure directly to areas £000	Delivery to areas £000	Learning to support the programme £000	Expenditure on raising funds £000	Governance £000	Support £000		
<b>Direct costs</b>								
Staff	-	1,465	963	-	-	857	3,285	2,723
Grants to areas								
Big Local funding	12,030	-	-	-	-	-	12,030	16,791
Community travel and childcare	74	-	-	-	-	-	74	80
Area admin contribution	597	-	-	-	-	-	597	839
Social Investment returns to areas	80	-	-	-	-	-	80	-
Area delivery costs	-	2,080	-	-	-	-	2,080	2,329
Programme development	-	-	832	-	-	-	832	1,172
Finance charges	-	-	-	124	-	-	124	122
Governance costs	-	-	-	-	26	-	26	73
Audit and financial advice	-	-	-	-	46	-	46	34
Legal and professional fees	-	-	-	-	105	-	105	33
Communications and marketing	-	-	-	-	-	187	187	210
IT and Consultancy	-	-	-	-	-	263	263	302
Rent and office costs (incl. recharged staff costs)	-	-	-	-	-	387	387	294
Grant bad debts/ Impairment loss	32	-	-	-	-	-	32	5
Depreciation	-	-	-	-	-	131	131	101
<b>Total costs</b>	<b>12,813</b>	<b>3,545</b>	<b>1,795</b>	<b>124</b>	<b>177</b>	<b>1,825</b>	<b>20,279</b>	<b>25,108</b>
<b>Allocated to charitable activities</b>								
Support Costs	322	613	762	-	127	(1,825)	-	-
Governance costs (note 6)	59	110	136	-	(305)	-	-	-
<b>Total expenditure 2023</b>	<b>13,194</b>	<b>4,268</b>	<b>2,693</b>	<b>124</b>	<b>-</b>	<b>-</b>	<b>20,279</b>	<b>25,108</b>
<b>Total expenditure 2022</b>	<b>18,002</b>	<b>4,193</b>	<b>2,791</b>	<b>122</b>	<b>-</b>	<b>-</b>	<b>25,108</b>	<b>21,145</b>

## Big Local Trust annual report and financial statements 1 April 2022 - 31 March 2023

## 4. Expenditure (continued)

	Charitable activities						2022 Total £000	2021 Total £000
	Grant expenditure directly to areas £000	Delivery to areas £000	Learning to support the programme £000	Expenditure on raising funds £000	Governance £000	Support £000		
<b>Prior-year comparative</b>								
<b>Direct costs</b>								
Staff	-	1,178	855	-	-	690	2,723	2,271
Grants to areas								
Getting started	-	-	-	-	-	-	-	-
Big Local 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
Area delivery costs	-	2,329	-	-	-	-	2,329	2,155
Programme development	-	-	1,172	-	-	-	1,172	945
Finance charges	-	-	-	122	-	-	122	154
Governance costs	-	-	-	-	73	-	73	32
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 (incl. recharged staff costs)	-	-	-	-	-	294	294	250
Grant bad debts/ Impairment loss	-	5	-	-	-	-	5	-
Depreciation	-	-	-	-	-	101	101	74
<b>Total costs</b>	<b>17,710</b>	<b>3,512</b>	<b>2,027</b>	<b>122</b>	<b>140</b>	<b>1,597</b>	<b>25,108</b>	<b>21,145</b>
<b>Allocated to charitable activities</b>								
Support Costs	247	575	645	-	130	(1,597)	-	-
Governance costs (note 6)	45	106	119	-	(270)	-	-	-
<b>Total expenditure 2022</b>	<b>18,002</b>	<b>4,193</b>	<b>2,791</b>	<b>122</b>	<b>-</b>	<b>-</b>	<b>25,108</b>	<b>21,145</b>
<b>Total expenditure 2021</b>	<b>15,084</b>	<b>3,671</b>	<b>2,236</b>	<b>154</b>	<b>-</b>	<b>-</b>	<b>21,145</b>	<b>20,237</b>

*Big Local Trust annual report and financial statements 1 April 2022 - 31 March 2023***5. Grants payable**

<b>Big Local area</b>	<b>Locally trusted organisation</b>	<b>New grants £000</b>	<b>Repayment of unspent grants £000</b>	<b>Closed grants £000</b>	<b>2023 Total £000</b>	<b>2022 Total £000</b>
3 Together	Groundwork North East	565	-	-	565	-
Aberfeldy	Quaker Social Action	568	(1)	-	567	-
Allenton	Enthusiasm Trust	88	-	(38)	50	-
Arches Local (Central Chatham, Luton Arches)	Starlings Support CIC	386	-	-	386	140
Arley and Ansley	Warwickshire Community and Voluntary Action (WCAVA)	-	-	(402)	(402)	683
Barnfield	Greenwich Co-operative Devt Agency	-	(1)	-	(1)	308
Barrow Island	Barrow Island Community Sports Trust	33	-	-	33	9
Barrowcliff	Community First Credit Union Ltd	-	-	-	-	173
Beechwood, Ballantyne and Bidston Village	Community Foundation for Merseyside	-	(73)	-	(73)	430
Big Local Broad Green	CVS Broxbourne and East Herts	62	-	-	62	-
Big Local Broad Green	Asian Resource Centre	-	(8)	-	(8)	-
Birchfield	Birmingham Voluntary Service Council	306	-	-	306	-
Birchwood	Lincolnshire Cooperative Limited	608	(22)	(486)	100	-
Blackpool Revoe	Blackpool Coastal Housing	-	-	-	-	327
Blackpool Revoe	Blackpool FC Community Trust	-	-	-	-	(344)
Bountagu (Bounces-Montagu)	CVS Broxbourne and East Herts - Nigel Copping Community Building	270	-	-	270	-
Bountagu (Bounces-Montagu)	Community Alliance Broxbourne and East Herts (formerly CVSBEH)	-	(3)	(156)	(159)	-
Bourne Estate	Bournemouth Churches Housing Association (BCHA)	-	16	(16)	-	617
Bradley	Pendle Borough Council	142	(3)	(112)	27	-
Brereton	Brereton Big Local CIO	418	-	-	418	-
Brereton	Support Staffordshire Cannock Chase	-	(4)	(189)	(192)	-
Brinnington	Groundwork Manchester, Salford, Stockport and Trafford Limited	-	-	-	-	459
Brookside	Brookside Central CIO	227	-	-	227	109
Canvey Island Big Local	Canvey Island Town Council (CITC)	50	-	-	50	244
Cars Estate	Colebridge Trust	-	-	-	-	222
Central Boston	Age UK Lincoln & South Lincolnshire	198	-	-	198	-
Central Boston	Groundwork South and North Tyneside	-	-	-	-	(12)
Central Jarrow	Groundwork South Tyneside & Newcastle	22	(12)	(21)	(10)	265
Central Jarrow	Shared Assets Ltd	-	(1)	-	(1)	2
Chinbrook Est	Community Voluntary Services for Broxbourne & East Herts	-	-	-	-	371

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Chinbrook Est	Voluntary Services Association Ltd	-	-	-	-	-
Chinbrook Est	Voluntary Services Lewisham	-	-	-	-	4
Church Hill	Charles Lovell & Co Limited	48	-	-	48	284
Clapham Junction, West Battersea (Big Local SW11)	Providence House	-	-	(65)	(65)	651
Clarksfield, Greenacres and Littlemoor	Action Together CIO	106	-	-	106	(103)
Clubmoor	Liverpool CVS Charity and Voluntary Services	-	-	(178)	(178)	490
Collyhurst	Manchester Communication Academy	116	(1)	-	115	-
Conniburrow	SJ Mellish Accountancy Services Ltd	454	-	-	454	-
Conniburrow	Milton Keynes Community Foundation	-	(6)	(86)	(92)	75
Dartford	Community Links Bromley	25	-	-	25	-
Dartford	Local Trust	-	-	-	-	10
Dewsbury Moor	Local Trust	15	-	-	15	-
Distington	Groundwork North East	152	-	-	152	-
Distington	Local Trust	-	-	-	-	10
Dover Big Local	Dover Big Local CIC	99	-	-	99	-
Dover Big Local	Red Zebra Community Solutions	-	(7)	-	(7)	-
Dyke House	The Wharton Trust	763	-	(301)	461	-
East Cleveland Villages	Tees Valley Rural Comm	-	-	-	-	(144)
East Coseley	Dudley CVS	204	-	-	204	-
Eastern Sheppey	Swale Community and Voluntary Services	288	-	-	288	-
Elmton, Creswell and Hodthorpe	Bassetlaw Community and Voluntary Service (BCVS)	1	-	-	1	-
Elthorne Estates	Caxton House Community Centre	379	(4)	(16)	359	26
Ewanrigg	Cumbria CVS	243	-	-	243	1
Firs & Bromford	Worth Unlimited	-	-	-	-	528
Fratton	Community Action Hampshire	276	-	-	276	-
Gannow	Burnley, Pendle & Rossendale CVS	175	(17)	-	158	-
Gaunless Gateway	South Durham Enterprise Agency	-	-	-	-	629
Gateshead	St Chad's Community Project	-	-	-	-	-
Goldthorpe with Bolton-on- Dearne	The Snap Tin CIC	155	-	-	155	64
Grange Estate	CommUNITY Barnet	-	-	(253)	(253)	-
Grange Estate	Inclusion Barnet	-	-	-	-	309
Grassland Hasmoor	Grassland Hasmoor Futures Ltd	-	(10)	(116)	(127)	232
Greatfield	Probe (Hull) Ltd	440	-	(162)	278	-
Greenmoor	Better Communities Bradford	59	-	-	59	-
Hackney Wick	CREST Waltham Forest	-	(11)	(111)	(122)	513
Harefield, Midanbury and Townhill Park (Big Local SO18)	Salford CVS	-	-	-	-	64
Harefield, Midanbury and Townhill Park (Big Local SO18)	TWICS (Training for Work in Communities)	-	(13)	(164)	(177)	118
Hateley Heath	Sandwell Community Info & Participation Service (SCIPS)	-	-	-	-	610

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Hawksworth Wood Estate, the Abbeydales and the Vespers	Kirkstall Valley Development Trust	203	-	(102)	102	-
Hawksworth Wood Estate, the Abbeydales and the Vespers	The Cardigan Centre	-	(8)	(466)	(473)	(147)
Heart of Pitsea	Basildon, Billericay & Wickford CVS	-	-	-	-	196
Heart of Sidley	Rother Voluntary Action	125	-	-	125	(79)
Heath Big Local	Parochial Church Council of Uttoxeter	-	-	-	-	127
Heath Big Local	Uttoxeter Knights	-	(29)	(123)	(152)	(22)
Heston West	C-Change West London	274	-	-	274	-
Hill Top and Caldwell	Warwickshire Community and Voluntary Action (WCAVA)	490	-	(228)	262	-
Horsefair, Broadwaters and Greenhill (Big Local DY10)	PCC of Kidderminster East	-	(61)	(87)	(149)	297
Inner East Preston		-	-	(8)	(8)	-
Inner East Preston	University of Central Lancashire	72	-	-	72	-
Inner East Preston	Preston City Council	-	(7)	(135)	(143)	655
Inner East Preston	Groundwork Northamptonshire	-	(19)	-	(19)	-
Keighley Valley	Airedale Enterprise Services	-	-	-	-	447
Kingsbrook and Cauldwell	CVS Bedfordshire	561	-	(141)	420	-
Kingsbrook and Cauldwell	Community Voluntary Service Bedfordshire	-	(7)	-	(7)	-
Kingswood and Hazel Leys	Groundwork Northamptonshire	246	(57)	(56)	134	-
Kirk Hallam	Mansfield CVS	260	-	-	260	-
Kirk Hallam	Kirk Hallam Community Academy	-	(37)	(28)	(65)	-
Kirkholt	The Big Life Company	-	-	-	-	343
Langold, Costhorpe and Carlton	Hodsock Parish Council	166	-	-	166	30
Leecliffe	Clarion Futures (nee Affinity Sutton)	-	-	-	-	242
Leecliffe	Shared Assets Ltd	-	-	-	-	-
Leigh West	Leigh Neighbours Project CIO	214	(6)	(88)	120	-
Little Hulton	CommUNITY Little Hulton	91	(13)	(30)	48	-
Little Hulton	Salford CVS	-	-	-	-	(7)
Littlemoor	Dorset Community Action	-	(11)	(7)	(17)	319
Lynemouth	Cresswell	-	-	-	-	60
Mablethorpe, Trusthorpe and Sutton on Sea (Coastal Communities)	Lincolnshire Community Foundation	-	-	-	-	227
Mottingham	Community Links Bromley	-	-	-	-	287
Newington, Ramsgate	Starlings Support CIC	257	-	-	257	128
Noel Park Estate	Community Alliance Broxbourne and East Herts	792	-	-	792	-
North Brixton	Local Trust	10	-	-	10	-
North Cleethorpes	Voluntary Action North East Lincolnshire (VANEL)	155	(31)	-	123	-
North East Hastings	Hastings Voluntary Action	197	-	(99)	97	-
North Ormesby	North Ormesby Neighbourhood Development Trust	-	(3)	(19)	(22)	-
North West Ipswich	Castle Hill Community Centre Trust	-	-	-	-	200
Northfleet North	North West Kent Council for Voluntary Service	124	(4)	-	119	-
Northwood	Community Foundation for Merseyside	-	(8)	(22)	(30)	354

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Palfrey	One Walsall	-	-	-	-	430
Par Bay	Par Bay Community Trust	41	-	-	41	-
Par Bay	Eden Project campaigns Ltd	-	-	-	-	(27)
Par Bay	Shared Assets Ltd	-	-	-	-	-
Peabody Avenue and Churchill Gardens Estate (Big Local SW1)	Quaker Social Action	-	-	-	-	405
People's Empowerment Alliance of Custom House (PEACH)	Ascension Church Centre	265	-	-	265	-
Plaistow South	Rights and Equalities in Newham (REIN)	-	(11)	(344)	(355)	175
Podsmead	Blackbridge Charitable Community Benefit Society	82	-	-	82	-
Podsmead	GL Communities	-	-	-	-	-
Podsmead	Gloucestershire Credit Union	330	(2)	(477)	(150)	-
Prospect Estate	Rushmoor Borough Council	308	-	-	308	(82)
Radstock & Westfield	Bath & North East Somerset Carers' Centre	-	-	-	-	199
Radstock and Westfield	The Carers Centre	-	-	-	-	-
Ramsey	Shared Assets Ltd	-	-	-	-	2
Ravensthorpe and Westwood	Cross Keys Homes	166	-	-	166	-
Ridge Hill	Jigsaw Homes (formerly New Charter Housing Trust)	-	-	-	-	447
Riverside Community	Thurrock Lifestyle Solutions	-	-	-	-	330
Roseworth Ward	Catalyst Stockton on Tees	497	(18)	-	479	(68)
Rudheath & Witton	Groundwork CLM	-	-	-	-	(51)
Sale West	Irwell Valley Housing Association	-	-	(178)	(178)	476
Scotlands & Bushbury Hill	Bushbury Hill Estate Management Board	-	-	-	-	208
Selby Town	Selby District AVS	-	-	-	-	296
Shadsworth with Whitebirk	Blackburn with Darwen CVS	-	-	-	-	(61)
Shadsworth with Whitebirk	Blackburn with Darwen Healthy Living	-	-	-	-	252
Somers Town	CREST Waltham Forest	725	-	-	725	-
Somers Town	Working Mens College	34	-	-	34	-
Sompting	Community Works	423	(8)	-	415	246
South Bermondsey	United St Saviour's Charity	16	-	-	16	-
St James Street Area	CREST Waltham Forest	286	(5)	(328)	(47)	-
St Matthews Est	St Matthew's BL	-	-	-	-	(7)
St Oswald and Netherton (L30 Million Project)	Sefton Metropolitan Borough Council	-	(24)	(531)	(554)	452
St Oswald and Netherton (L30 Million Project)	Asian Resource Centre	-	-	(97)	(97)	-
St Peter's and the Moors	Cheltenham Borough Council	125	-	-	125	153
Stoke North	YMCA North Staffordshire	436	-	(67)	369	-
Tang Hall	Balance sheet check	-	(24)	-	(24)	(12)
Three Parishes - Gobowen, St Martins and Weston Rhyn	Oswestry Community Action	30	-	-	30	-
Thurcroft	Rotherham Federation of Communities Ltd	132	(10)	(117)	5	-
Thurnscoe	Station House Community Association Ltd	170	(46)	-	124	(27)
Toothill	Swindon Borough Council	671	-	(579)	92	69
W12 Together	CommUNITY Barnet	272	-	-	272	1
Wargrave	Torus Foundation	17	-	-	17	-
Warsop Parish	Mansfield CVS	-	-	-	-	48
Warwick Ahead	Nova Wakefield District	280	(4)	(430)	(153)	-

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Wecock Farm	Citizens Advice Havant	-	-	-	-	590
Welsh House Farm	Birmingham Voluntary Service Council	553	(2)	-	551	149
Welsh House Farm	Haven Community Project	-	-	-	-	(179)
Wembley Central	Community Alliance Broxbourne & East Hert	661	-	-	661	-
Wembley Central	CommUNITY Barnet	-	(2)	-	(2)	-
West End, Morecambe	Lancaster District CVS	788	-	(104)	684	-
Westfield Estate	Beighton Village Development Trust	294	-	-	294	-
Whitleigh	Whitleigh Primary and Sir John Hunt Community Sports College (CSC) Federation	-	(35)	(178)	(213)	252
Whitley	Whitley Community Development Association	40	-	-	40	160
Whitley	Berkshire Community Foundation	-	(1)	-	(1)	-
Whitley Bay	Whitley Bay Big Local	243	(119)	-	124	(29)
William Morris	CREST Waltham Forest	-	-	(208)	(208)	452
Winterton	Voluntary Action North Lincolnshire (VANL)	283	-	-	283	-
Woodlands Speaks	Woodlands Speaks	-	-	-	-	50
Woolavington Puriton	SHAL Housing Ltd	-	-	-	-	(586)
World's End Estate and Lots Road Area	CVS Broxbourne and East Herts	91	-	-	91	-
World's End Estate and Lots Road Area	Community Alliance Broxbourne and East Herts	508	-	-	508	-
World's End Estate and Lots Road Area	Quaker Social Action	-	-	-	-	43
World's End Estate and Lots Road Area	St Mary Abbots Rehabilitation and Training (SMART)	-	-	-	-	4
Wormley and Turnford	Community Alliance Broxbourne and East Herts	27	-	-	27	-
	Subtotal of Big Local grants	20,972	(793)	(8,149)	12,030	16,791

**5. Grants payable (continued)**

Subtotal of Big Local grants (carried forward)	12,030	16,791
Other grants		
Community travel and childcare	74	80
Area admin contribution	597	839
Social Investment returns to areas	80	-
Grant bad debts/ SI impairments	32	-
Support and governance costs	381	292
Total grants payable	13,194	18,002

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

*Big Local Trust annual report and financial statements 1 April 2022 - 31 March 2023***6. Governance costs**

Total governance costs of £305k (2022: £270k) consist of direct governance costs of £177k (2022: £140k) and indirect costs of £128k (2022: £130k). 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(f) to the accounts.

**7. Net operating expenditure for the year**

This is stated after charging:

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Depreciation and amortisation	131	101
Impairment of social investments	4	5
Auditor's remuneration (including VAT):		
- in respect of current year audit	31	23
- in respect of current year non-audit	5	2
- in respect of prior year	4	-
Financial advice	6	9
Investment manager's fees	124	122
Legal and professional fees	105	33
Licence fees	152	149

**8. Tangible fixed assets**

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
	<b>Office refurbishment</b>	<b>IT equipment</b>
	<b>£000</b>	<b>£000</b>
Cost		
Balance brought forward	83	180
Additions	2	11
Disposals	-	-
Balance carried forward	85	191
Depreciation		
Balance brought forward	32	159
Disposals	-	-
Charge for year	20	17
Balance carried forward	52	176
Net book value		
Brought forward	51	21
Carried forward	33	15



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	<b>2023</b>	<b>2022</b>
	<b>Total</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>
Cost		
Balance brought forward	300	342
Additions	206	155
Disposals	-	(197)
Balance carried forward	<u>506</u>	<u>300</u>
Amortisation		
Balance brought forward	172	292
Disposals	-	(195)
Charge for year	94	75
Balance carried forward	<u>266</u>	<u>172</u>
Net book value		
Brought forward	128	50
Carried forward	<u>240</u>	<u>128</u>

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

**10. Investments**

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
At 1 April 2022	90,088	112,163
Purchases at cost	141,999	174,000
Disposal proceeds	(162,990)	(196,999)
Movements in investment creditors	(1,000)	1,000
Accrued management charges	8	(10)
Net investment gains/(loss)	778	(67)
At 31 March 2023	<u>68,883</u>	<u>90,087</u>
Capital and revenue cash balance	358	726
Total	<u>69,241</u>	<u>90,813</u>

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

	<b>2023</b>	<b>2023</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>	<b>2022</b>
	<b>UK</b>	<b>Overseas</b>	<b>Total</b>	<b>UK</b>	<b>Overseas</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Cash	69,241	-	69,241	90,813	-	90,813
Total	<u>69,241</u>	<u>-</u>	<u>69,241</u>	<u>90,813</u>	<u>-</u>	<u>90,813</u>

The total book cost of investments held at 31 March 2023 was £68,331k (2020: £90,691k).

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Big Local area	Credit union	Type of investment	Funds at 31 March 2022 £000	Additions £000	Repayments/ Discharges £000	Impairment £000	Funds at 31 March 2023 £000
<b>2015–16</b>							
East Coseley	Castle and Crystal Credit Union	Corporate deposit	15	-	-	-	15
North West Ipswich	Eastern Savings and Loans Credit Union	Subordinated Loan	20	-	-	-	20
Subtotal			35	-	-	-	35
<b>2016–17</b>							
Rudheath and Witton	Key Fund loan	Loan	-	-	-	-	-
St Oswald and Netherton	Knowsley Mutual Credit Union	Corporate deposit	13	-	-	-	13
Subtotal			13	-	-	-	13
<b>2017–18</b>							
Three Parishes (for Oswestry Station Trust)	Key Fund loan	Loan	29	-	(29)	-	-
Subtotal			29	-	(29)	-	-
<b>2018–19</b>							
Withernsea	Hull & East Yorkshire Credit Union	Subordinated Loan	30	-	(30)	-	-
Subtotal			30	-	(30)	-	-
<b>2021–22</b>							
Beechwood, Ballantyne and Bidston	Key Fund loan	Loan	5	-	(1)	(4)	-
Subtotal			5	-	(1)	(4)	-
<b>2022-23</b>							
Bourne Estate	Key Fund loan	Loan	-	20	(3)	-	(17)
Subtotal							
Cumulative totals			112	20	(63)	(4)	64
Total Key Fund loan balance			34	20	(33)	(4)	17

**13. Debtors**

	2023 £000	2022 £000
Trade debtors	9	146
Other debtors	36	36
Amounts due from Local Trust	-	19
Prepayments	191	161
Accrued income	909	122
Total	1,145	484

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	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Grant commitments	24,293	23,933
Trade creditors	522	913
Accruals	66	53
Social security and other taxation	69	58
Pension payments due	30	47
Intercompany creditors	25	-
<b>Total</b>	<b>25,005</b>	<b>24,004</b>

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

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Grant commitments	8,484	13,126
<b>Total</b>	<b>8,484</b>	<b>13,126</b>

**16. Grant commitments**

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Grant commitments b/fwd	36,059	34,167
New commitments in the year	20,973	21,854
Area admin contribution	597	839
Commitments settled in the year	(15,909)	(15,738)
Commitments reversed in the year	(8,943)	(5,063)
<b>Grant commitments c/fwd</b>	<b>32,777</b>	<b>36,059</b>

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

	At 31 March 2022 <b>£000</b>	Cash flows <b>£000</b>	At 31 March 2023 <b>£000</b>
Cash	1,190	(563)	627
Cash equivalents	188	5	193
Overdraft facility repayable on demand	-	-	-
<b>Total</b>	<b>1,378</b>	<b>(558)</b>	<b>820</b>

**18. Operating leases**

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Land and buildings, due in less than 1 year	76	74
Land and buildings, due in 2 to 5 years	-	-
Land and buildings, due after 5 years	-	-

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

## 19. Staff costs and numbers

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	2,418	1,988
Social security and other taxes	233	196
Pension	350	284
Other staff costs	284	255
Total	<u>3,285</u>	<u>2,723</u>

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 55 (2022: 50).

During the year, two roles were made redundant. Ex-gratia payments of £38k were made to the members of staff who both left during the year.

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.

Eight employees, who were also the key management personnel, were remunerated over £60k in the year (2022: six employees); Matt Leach (Chief Executive), Margaret Bolton (Director of Policy), James Goodman (Director of partnerships and learning), Michelle Brissett (Head of finance and resources, Jayne Entwistle (Head of support to areas), Chris Falconer (Head of programme delivery) and Jayne Humm (Head of learning and research)

<b>Senior salaries</b>	<b>Number of employees</b>	
	<b>2023</b>	<b>2022</b>
£60,000 - £69,999	3	2
£70,000 - £79,999	4	2
£80,000 - £89,999	0	1
£100,000 - £109,999	0	1
£110,000 - £119,999	1	0

As at 31 March 2023, the median full time gross salary was £38k (2022: £37k) (ratio 3.2 to 1 between highest and median) and the lowest full-time salary was £22k (2022: £21k) (ratio 5.5 to 1 between highest and lowest).

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

## 20. Volunteers

Big Local relies on people getting involved in making their areas better places to live. Just under 1500 people directly participate as partnership members across the 150 Big Local areas. Partnership members include representatives from local organisations, councils and businesses however, a vast

*Big Local Trust annual report and financial statements 1 April 2022 - 31 March 2023*

majority are volunteer residents (74%) who give of their own time to help lead the Big Local programme in their local areas.

## **21. Pension**

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

Pension contributions made by Big Local Trust to the scheme during the year were £269k (2022: £211k) for 60 employees (2022: 57). Employee contributions, made through our salary exchange scheme, were £81k (2022: £73k). As at 31 March 2023, Big Local Trust owed £30k (2022: £47k) to the scheme relating to March pension payments: the amount due was settled during April 2023.

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

Trustees received no remuneration. Trustees received £9k in reimbursements for travel costs (or provision of travel) during the period (2022: £9k). Trustee training expenses during the period were £nil (2022: £nil). Trustee recruitment costs during the period were £nil (2022: £35k). Governance review costs were £1k (2022: £15k).

## **23. Big Local Trust protector**

Protector fees and expenses of £15k were payable during the period (2022: £14k).

## **24. Related party transactions**

During the period April 2022 to March 2023, Local Trust paid Big Local Trust £139k for staff time and expenses spent on Local Trust activities, that were initially paid for through Big Local Trust (2022: 122k). There was no creditor balance at 31 March 2023 (2022: £19k). In addition, Big Local Trust made a contribution of £17k to Local Trust to cover surplus CCC closure costs, had an outstanding debtor balance with Local Trust of £17k as at 31 March 2023 (2022: nil).

*David Warner* is a trustee of Local Trust and an associate of IVAR. He undertook assignments during the year ended 31 March 2023, but not related to Local Trust. Local Trust contracted IVAR and Just Ideas to work on evaluation and learning support for the Community Leadership Academy, between April 2022 and March 2023, with a total contract value of £75k (2021-22: £179.6k). During the year to 31 March 2023, Big Local Trust paid IVAR £36k for evaluation and learning support during the period (2022: £63k).

*Charlotte Pickles* is a trustee of Local Trust and executive Director of Reform Research Trust. Reform Research Trust was commissioned, via a competitive tender, to be the policy partner for the APPG for Left Behind Neighbourhoods, funded by Big Local Trust. During the year to 31 March 2023, Big Local Trust paid Reform Research Trust £30k for APPG policy support during the period.

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Carrying values of financial assets and liabilities at 31 March:

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Financial assets measured at amortised cost (a)	1,775	1,701
Financial assets measured at fair value (b)	69,304	90,925
Financial liabilities measured at amortised cost (c)	33,403	37,073

- (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 2023 was £208k (2022: £36k). Dividends and interest recognised in the statement of financial activities on assets held at fair value was £565k (2022: £281k).

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## Charity details

### **Big Local Trust**

Big Local Trust is registered charity number 1145916.

### **Local Trust**

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

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

### **Principal address of Big Local Trust and Local Trust**

Canopi, 7-14 Great Dover Street, London SE1 4YR

### **All trustees of Local Trust are independent and non-executive.**

#### **The trustees of Local Trust are:**

Matt Bell  
Chris Catterall  
Miatta Fahnbulleh (until 22 November 2022)  
Sahil Khan  
Jeannette Lichner (until 23 March 2023)  
Caroline Macfarland  
Patrick Melia  
Charlotte Pickles  
Nicola Pollock  
David Warner (chair)  
Rich Wilson

#### *Finance audit and risk committee*

Matt Bell  
Matthew Brumsen (co-optee with investment expertise)  
Chris Catterall (chair)  
Sahil Khan  
Serena Loudon (co-optee with investment expertise until 15 May 2023)  
Caroline Macfarland  
Patrick Melia  
David Warner (ex officio member)

#### *Governance and remuneration committee*

Chris Catterall  
Jeannette Lichner (until 23 March 2023)  
Nicola Pollock (Chair)  
David Warner

*Big Local Trust annual report and financial statements 1 April 2022 - 31 March 2023*

*Legacy and learning committee*

Matt Bell

Miatta Fahnbulleh (until 22 November 2022)

Jeanette Lichner (until 23 March 2023)

Patrick Melia (chair),

Charlotte Pickles

Nicola Pollock

David Warner

Rich Wilson

*Programme delivery committee*

Sahil Khan (chair)

Caroline Macfarland

Charlotte Pickles

Nicola Pollock

David Warner

**Chief executive of Local Trust**

Matt Leach

**Protector of Big Local Trust**

Rosie Chapman



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**Advisors**

**Auditor**

Moore Kingston Smith LLP  
6<sup>th</sup> Floor  
9 Appold Street  
London  
EC2A 2AP

**Solicitor**

Withers LLP  
16 Old Bailey  
London EC4M 7EG

**Banker**

National Westminster Bank PLC  
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London W1B 3BN

**Investment manager**

CCLA  
One Angel Lane  
London EC4R 3AB

**Custodian**

HSBC Bank Plc  
8 Canada Square  
London E14 5HQ

## Annual statement by the Protector for Big Local Trust

### Protector's Statement

#### Background

Big Local Trust (Big Local) is an unincorporated charity, established in 2012. Its founder is the National Lottery Community Fund (NLCF). NLCF invested £217m in setting up and endowing Big Local to commit over £1m to 150 neighbourhoods across England, with this funding provided on the basis that it was spent over 10 to 15 years at the communities' own chosen pace, and on their own plans and priorities.

Local Trust (the Trust) is the sole corporate trustee of Big Local, which is in turn controlled by a Board of directors (trustees). The Board delegates the day-to-day running of the Trust to the chief executive.

Big Local operates in accordance with a Trust Deed between the Fund and Local Trust, made originally in 2012 and subsequently amended, most recently in September 2021. (The Trust Deed was reviewed again in 2022-23 with no further amendments.)

The Trust Deed provides that Big Local must have a Protector with their appointment made in consultation with NLCF. Local Trust appointed me to this role in September 2018 and my current contract runs to September 2023.

#### Purpose and functions

The function of the Protector is set out in the Trust Deed. The Protector role is quite specific and limited – its primary purpose is to ensure that decisions taken by Big Local are within the scope of the Trust Deed and are reached in accordance with the principles of good governance.

Big Local is required to get the Protector's consent in some limited circumstances, which primarily relate to procurement limits and amendments to the Trust Deed.

While I receive papers for all Board and committee meetings and have a right to attend any of those meetings, I am not involved in Big Local's decision-making nor am I a trustee of either Big Local or Local Trust.

The role does require me to:

- report any matters of serious concern that I come across to NLCF or to the Charity Commission; and
- produce a statement each year in relation to my work for inclusion in the Trust's annual report. Where appropriate, this statement identifies any areas of administration which require improvement and the steps that might be taken by Big Local in response.

#### How I discharged the Protector function during the year

During the year I visited the following Big Local areas and associated organisations:

- East Finchley Big Local (London)
- Riverside Big Local (Grays, Essex)
- Ramsey Big Local (Cambridgeshire) with Local Trust's Board
- Walthamstow Big Local and St James Big Local (London) with Local Trust's Board
- Kirkstall Valley Development Trust (Leeds, Yorkshire), accompanying staff on a Financial Review visit
- St Matthew's Big Local (Leicester) with Local Trust's Board

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I also attended Big Local Connects, held in Nottingham in September 2022, observing a well-attended and engaging event focused on the various local areas' delivery of plans within their respective deadlines.

I received papers for all Board and committee meetings held during the period, reading and commenting on these papers either in person or in writing. Attendance included:

- three of the four Board meetings, and the Board away day;
- four meetings of the finance, audit and risk committee;
- three meetings of the programme delivery committee;
- three meetings of the governance and remuneration; and
- one legacy committee meeting.

I met Phil Chamberlain, NLCF's England Director in July. We discussed, amongst other things, the local area sustainability plans discussed below. I subsequently met with Vicki Smith one of NLCF's Funding Managers.

Clause 4.1 of the Big Local deed requires Local Trust in the eleventh year of the Trust Deed to identify "local area plans for sustainability" for approval by the Protector and NLCF. As the Deed does not describe the nature and format of the plans, I agreed with Local Trust its proposed approach and, specifically, for the plans to include the following features:

- information on what Big Local looks like in each area eleven years into the programme;
- details of what they have achieved so far;
- their vision and future as expressed in their own legacy statements and final plans; and
- the support Local Trust has and will put in place in each area to support the area achieve its ambitions, particularly regarding sustainability.

I subsequently approved each of the 150 individual plans, which were later approved by NLCF. The plans provide a stocktake on what each area has achieved and highlight potential challenges approaching the final phase of the programme.

The first Big Local partnership (CELL) held its spend out ceremony in June 2022, heralding a steady flow of local areas now on the closure pathway over the remaining years. I also noted Local Trust's:

- work to help ensure spend happens within the agreed time frames;
- proactiveness in identifying those Big Local areas that are risk of not spending out and adopting a variety of approaches for dealing with those areas; and, more specifically
- work which identified the challenges faced by some London Big Local areas, reflecting the nature of the local population, their transience and the higher relative cost of capital assets.

Generally, I am reassured that Local Trust's plans continue to place the Big Local funding programme and its legacy as central to the Trust's work, recognising that this is a critical phase in the programme's delivery.

### **Protector's consent**

I was not asked to give specific consent to any changes to Big Local's articles in 2022-23.

During the year, in line with the procedures in Local Trust's Finance Manual, I was consulted on and gave my approval to the disapplication of competitive tendering to award a contract to a supplier to provide specialist research for an on-going project without going through a new tender exercise. I was also consulted on the appropriateness of proposed redundancy terms for a member of staff leaving the organisation.

I was asked about approaches to addressing the misuse of charitable funds by an organisation that received funding from a Big Local area, including its refusal to formally register as a charity. I agreed

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that it would be appropriate for Local Trust to support the area to ensure the money was properly used by asking the Charity Commission, as the relevant regulator, to intervene, and subsequently pleased to learn that they are now reviewing the case.

### **Governance and administration of the Big Local Trust**

Local Trust had nine directors/trustees in post as of 1 July 2023. (During the year two trustees resigned.)

The Trust has commissioned work to undertake a governance review in 2023/24 to support the development of Big Local's closure strategy (see below). This work includes a trustee skills audit to identify whether additional or different skills are needed to support the next phase of the Big Local programme. It will also review whether the committee structure should evolve to remain a proportionate fit with the organisation's changing profile. This work is timely, as it complements the work undertaken in 2022/23 to design a closure strategy for the organisation, and I have been asked to provide advice and input.

Overall, from attending various meetings, regular discussion with the Chair, vice Chair and Chief Executive and from reading key documents my sense is that Big Local continues to be governed effectively. I have noted and seen that the Board is aware of its role, of the relationship between Local Trust and Big Local, and that it acts accordingly.

I am satisfied that Big Local has been administered in accordance with the terms of the Trust Deed in the period 1 April 2022 to 31 March 2023.

### **Future priorities**

As the Big Local programme assumes completed spend by 2026/7, my primary focus will continue to be reviewing how Local Trust oversees the programme's delivery and close, including:

- agreement as to the criteria for what constitutes 'spend-out' in each area; and
- implementation of strategies for areas at risk of not spending out in time.

As areas to complete spend, I am interested to see the transparency of the Big Local legacy in individual areas, and each area's accountability to local people for how the Big Local money has been spent and the transparency of the Big Local legacy overall. As part of this work, I will be interested to see how the Big Local asset register that Local Trust has assembled is developed and displayed.

As well as the programme spending out, Local Trust is drawing up a closure strategy for the organisation, including governance, administrative and staffing issues. I will review and advise on the plans underpinning this strategy where they overlap with my role and function.

Finally, ongoing priorities include:

- Visits, including finance reviews, to Big Local areas,
- Reviewing complaints and concerns where relevant
- Continuing to oversee how the Trust manages, presents, and delineates Big Local and Local Trust's respective reputational and presentational risks.

Rosie Chapman

Protector, Big Local Trust

August 2023

# Local Trust

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**Twitter:** @LocalTrust #biglocal

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

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

Local Trust registered company number 07833396, registered charity number 1147511

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