

Big Local Trust

Annual report and financial statements

for 1 April 2018 – 31 March 2019

Registered charity number 1145916

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



Table of contents

Introduction.....	1
Objectives and activities for public benefit	2
Highlights of progress towards our objectives: achievements and performance.....	2
Response to the Charity Governance Code.....	5
Plans for the future	8
Financial review.....	9
Principal risks	14
Governance and committees.....	15
Statement of trustees' responsibilities.....	17
Independent auditor's report to the trustees of Big Local Trust	18
Statement of financial activities.....	21
Balance sheet.....	22
Statement of cash flows.....	23
Notes to the accounts.....	24
Charity details.....	39
Annual statement by the Protector for Big Local Trust	44

Introduction

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

In terms of scale, time horizon and ethos, nothing like Big Local has ever existed. Designed from the outset to be radically different from other funding programmes, at the heart of Big Local is a vision of empowered, resilient, dynamic, asset-rich communities, making their own decisions on what is best for their area. By the conclusion of the programme some £250m will have been invested in support of community-based, resident-led change.

In contrast to conventional top down, time-limited or project-led funding, the money awarded to each Big Local area is provided on a “no-strings” basis, there is no application process, and the funds can be spent over 10-15 years at communities’ own chosen pace, and on their own plans and priorities. By effectively supporting local residents achieve their ambitions through the Big Local programme, Local Trust aims to create networks of resilient and confident local people capable of continuing to lead change in communities that have become better places to live.

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

We believe that there is a need to put more power, resources and decision-making into the hands of local communities, to enable them to transform and improve their lives and the places in which they live. And from our work we know 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 amongst those wanting to make a difference to their community and their local area
- Unconditional – enabling residents to spend on their own terms and in their own time, on the projects they judge to be most important to them
- Patient and non-judgemental – giving communities with the time and opportunity to learn, make mistakes, resolve disagreements and overcome challenges for themselves, on their way to achieving their ambitions
- Accompanied by light touch support - to help communities to build the confidence and capability to make the most of the opportunities available to them, whilst not constraining their own ambition and initiative

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

This is a critical time for Local Trust, Big Local areas and the Big Local programme as a whole. There is massive political, social and economic uncertainty. Place, identity and community are

increasingly at the heart of discussions about how our country is governed and how the needs of our citizens are met. Big Local areas themselves are at peak activity and spend, with many of them now embarked on major initiatives in their areas and growing in confidence, impact and local presence. We want to ensure that, by the end of the Big Local programme in March 2026, it has achieved influence and impact well beyond the money committed.

Objectives and activities for public benefit

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

"(...) the advancement of community development and the relief of unemployment for the benefit of the public in the localities in each region specified. These are to be achieved by making distributions to recipients and conducting research and disseminating the useful results of such research. The distributions 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 to identify, and help meet, their needs and participate more fully in society."

The regions specified in the trust deed (Schedule 6) are the 150 Big Local areas, originally identified by the National Lottery Community Fund.

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 Big Local Trust's aims and objectives and in planning future activities and setting their grant-making policies.

Our main activities are described below.

Highlights of progress towards our objectives: achievements and performance

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

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

To support these overarching objectives, we undertook to be:

- Responsive and engaged – constantly seeking to improve the way we work to ensure we are providing Big Local partnerships with access to the support and assistance they need to achieve their ambitions.
- Outward looking and partnership oriented, prioritising building new collaborations and partnerships – both nationally and locally.
- Focused on the future – putting Big Local in context, and ensuring there is a Big Local legacy, both for areas and for the programme as a whole.
- Proactive, questioning and challenging – of both ourselves and Big Local areas, gathering evidence, evaluating approaches and learning from everything we do.
- Influential, connected and informed – valuing insight and analysis and actively informing and influencing wider debates on the future of communities.

In 2018-19, we identified the following priorities to deliver our objectives:

A: Supporting the delivery of the Big Local Programme

We provided the highest quality support to local areas and made the most of increased delivery capacity to ensure that we provide Big Local areas with the support they need to achieve their ambitions. In particular:

- We made a number of key changes to how support is delivered. Big Local “reps” work with Big Local partnerships to help them achieve their vision for their Big Local area, giving them support, advice and appropriate challenge. We updated the core assignment of Big Local reps to ensure it could meet changing needs and in parallel brought our contract for support from Big Local reps in-house. This gives us a closer relationship to reps, administrative cost savings and better clarity about the support needs of Big Local communities.
- A new learning programme was launched aimed at supporting leaders in communities and we successfully delivered three large-scale conventions – for partnership members, for partnership chairs, and for workers and locally trusted organisations (LTOs). This included Big Local Connects which brought 400 community members from Big Local areas together for a two-day programme of learning and networking.
- A series of four thematic learning clusters was launched and was followed by the development of a further wave of regional and thematic learning clusters, which together engaged 89 individuals.
- We evaluated the support offers pioneered in 2017-18 and identified four organisations from the pilot programme to be rolled out to all Big Local areas.
- We extended the range of opportunities and platforms for Big Local areas to hold conversations with funders and policy makers including roundtable events, learning clusters and visits, for example with Tudor Trust, National Lottery Community Fund and the Ministry of Housing, Communities and Local Government.

B: Investing in research, evaluation and learning

We have taken forward our new research strategy, which supports our work and enables others to benefit from our learning. In particular:

- We have published a new knowledge and learning framework to provide context and structure for our work and for others who want to understand and learn from our hypothesis and lines of enquiry over the coming years. The hypothesis tested by the Big Local programme is: ‘Long term funding and support to build capacity empowers residents in hyper-local areas to take decisions and to act to create positive and lasting change.’
- Extending our understanding of Big Local partnerships, we analysed the returns from our partnership review providing new insight into the compliance and composition of partnerships. We also commissioned further research on key areas of learning: boundaries, transience, community hubs and community commissioning.

C: Sharing our story

We delivered a further step change in our externally-focused communications activity, increasing the extent to which we are able to develop content capable of effectively communicating the Big Local story to the widest possible audiences. Specifically:

- A revised communications strategy was developed to support our new Strategic Plan and respond to the needs of our different audiences. It identified target audiences and focused on building relationships through content provision and increasing engagement.
- We developed our website and in parallel undertook user research to inform the commissioning of a redesigned website. The website was populated with new content including two new films, and key areas were developed to support Big Local areas and new work including Creative Civic Change and the Community Wealth Fund.
- We created a journalism residency and increased the quality and range of stories published internally and through national media titles.
- We established a pilot mentoring programme for storytellers from Big Local areas, increasing storytelling skills and producing content for sharing more widely.
- We hosted three events reaching new audiences and held seven externally-focused roundtable discussions which brought together practitioners, influencers and policy-makers to explore and spread learning from Big Local programme.
- We published or commissioned eight essays and for each one produced a podcast to capture independent perspectives on the challenges, achievements and context of the Big Local programme.

D: Improving our systems and practices

We further improved our internal systems, processes and ways of working to ensure they are fit for purpose. Specifically:

- We reviewed all Local Trust systems and developed a data inventory to understand where and how Local Trust data is stored and to ensure that we comply with new EU General Data Protection Regulation (GDPR). We worked with a specialist GDPR consultant, developed new internal data management practices, updated privacy statements and informed subscribers of the changes.
- Rosie Chapman was appointed as our protector
- Terms of reference for established committees were updated and those for new committees were agreed. The following committees held meetings: finance and investment committee, programme delivery committee, audit and risk committee, nominations and remuneration committee.
- A new CRM (customer relationship management) system was scoped and work started. Once completed this will enable Local Trust to more effectively share learning and develop relationships with organisations and policy makers.
- A new strengths-based approach to staff development was implemented alongside a review of the appraisal system and a leadership development programme for senior managers.

Response to the Charity Governance Code

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

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

1. Organisational purpose

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

Trustees discuss strategy at an annual away-day, and this discussion feeds into Local Trust's three-year strategic plan, and annual business plan targets, which are then approved by trustees at their subsequent board meeting. The most recent away-day was held in January 2019, with board strategy discussions planned on a quarterly basis during 2019-20 ahead of preparation of a new Strategic Plan in March 2020.

Trustees receive regular briefings and information on the charity's work and on progress towards annual business plan targets, and are able to demonstrate that the charity is effective in delivering its plans.

During 2017-18, Local Trust reviewed the Big Local Trust deed to ensure that it was fit for purpose. Following consultation with the National Lottery Community Fund and the Charity Commission, in July 2018 we completed amendments which clarified elements of the deed relating to sharing knowledge and learning from the programme, and ambiguities around the geographical focus of expenditure under the deed.

2. Leadership

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

The Local Trust board has an experienced chair who provides leadership to the board; board and committee meetings are well attended and trustees actively participate.

Local Trust appointed seven new trustees during 2018-19, bringing a wider range of appropriate skills, experience and knowledge to the Local Trust board that are relevant to the effective delivery of its redefined role, including strategic insight, financial management and operational delivery.

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

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

3. Integrity

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

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

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

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

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

4. Decision making, risk and control

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

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

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

The four new committees are; programme delivery, finance and investment, audit and risk, and nominations and remuneration. Terms of reference explaining the responsibilities of each committee were reviewed during 2018-19 and updated to ensure continued effective oversight and decision making across all aspects of Local Trust's business.

5. Board effectiveness

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

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

Following an extensive recruitment exercise carried out in 2017, seven new trustees were formally appointed to terms of office at Local Trust's AGM in November 2018. Trustees were given comprehensive inductions to Local Trust, to enable them to be effective board members.

In January of each year, trustees attend an annual away-day to enable them to work together on issues that are of strategic importance to the charity.

6. Diversity

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

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

Local Trust's governance review undertaken in 2017, included consideration of issues of diversity, including in particular the need to ensure a diversity of skills, background and experience on the board to enable the board to fulfil its role effectively. The new board members, who were formally appointed at Local Trust's 2017 AGM were recruited with particular focus on addressing issues raised in the governance review, including diversity.

Local Trust is committed to providing equal opportunities in employment and to avoiding unlawful discrimination. Local Trust's staff handbook includes our policy on equality and diversity in employment. An updated equality and diversity policy was reviewed during 2018-19 and approved in March 2019.

7. Openness and accountability

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

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

There is a clear, published process for making and handling complaints, to ensure that any complaints are handled constructively, impartially and effectively. Local Trust has engaged the services of mediators to help with the resolution of complaints that result from disputes within Big Local areas and partnerships. This policy has been further reviewed and updated during 2018-19.

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. Following the resignation of the Big Local Trust protector in December 2017, an open recruitment exercise was held, with a new protector appointed in September 2018.

Plans for the future

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

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

Whilst we will not update our Strategic Plan again until March 2020, we have amended our strategic objectives for 2019-20 to reflect our current thinking about Local Trust's impact now and its legacy for the future. We want to ensure that our objectives are clear and well-articulated – to provide focus to our day to day work; clarity and certainty to Big Local areas and delivery partners; and to explain our work more effectively to others.

For the first time we will be setting out an overarching purpose for the organisation, building on the beliefs set out above. Our aim is:

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

This provides a frame for three strategic objectives for 2019-20:

- Supporting Big Local partnerships to achieve their ambitions
- Delivering and commissioning great research, evaluation, analysis and storytelling from Big Local, and using this to influence and inform policy and practice nationally and locally
- Developing new ways to achieve a transformation in the way policy makers, funders and others engage with communities and place.

The first two objectives are drawn from our current strategic plan; the third has been added to reflect our commitment to growing our capacity to achieve wider impact and change.

Financial review

Overview of income and expenditure

Big Local Trust is funded through an expendable endowment from the National Lottery Community Fund. Big Local Trust's endowment is invested; income on the investment was £4.6m for the year (2018: £5.1m). There were net gains on the investment of £2.5m (2018: net losses £1.9m).

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

Total expenditure during the year was £32.5m (2018: £30.3m). The increase in expenditure reflects a 4% increase in direct funding committed to Big Local areas to £27.9m (2018: £26.8m). The cost of delivery to areas increased by 41% to £3.0m (2018: £2.2m). A full list of the funding to Big Local areas is included in note 5.

Net decrease in funds for the year was £25.4m (2018: £27.1m). The total funds held at the year-end were £116.9m (2018: £142.3m).

Big Local Trust's investments

Investment strategy

Big Local Trust's investment strategy objectives are:

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

Making use of the scale and duration of Big Local, the investment strategy aims to provide a reasonable medium-term return while ensuring that at all times sufficient short-term funds are available to support spending. The investment strategy is implemented in a controlled way to ensure that risks are appropriately managed and consistent with the objectives of Big Local.

There were no changes to Big Local Trust's investment strategy during 2018-19.

Investment management

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

The committee formally reviews the investment strategy once a year in line with the trust deed.

The finance and investment committee includes two voluntary co-opted members, Chris Wigley (to 21 May 2018), Serena Loudon and Matthew Brumsen (from 23 May 2019), who bring independent investment expertise to discussions.

Investment performance

The total value of Big Local Trust's investments, including income, as at 31 March 2019 was £154.3m (2018: £169.4m). The performance benchmark of the fund is Bank of England's Official Rate plus 1% per annum, so was +1.67% for 2018-19 (2018: +1.35%), and the overall returns for the year were +4.50% (2018: +1.74%). Investment performance for the year was in line with expectations.

Equities performed particularly well with returns of +15.33% (2018: +5.09%); property returns were +6.82% (2018: +9.25%), the CCLA Diversified Income Fund was +6.49% (final quarter of 2018: -2.66%), fixed interest returns were +2.09% (2018: -0.01%), cash and near cash were +0.84% (2018: +0.61%).

Ethical and responsible investment

Trustees reviewed Big Local Trust's ethical and responsible investment policy in June 2018. Local Trust, acting as the corporate trustee of Big Local Trust, agreed to use CCLA's default ethical investment policy in the management of its investments. This policy has been developed in accordance with Charity Commission guidance (CC14), and trustees believe it represents an appropriate balance between aligning Big Local Trust's investments with its purposes and the delivery of good investment returns.

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

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

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

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

Big Local Trust supports the UK Stewardship Code of the Financial Reporting Council which sets out the principles of effective ownership by institutional investors. Big Local Trust's response to the UK Stewardship Code for asset owners is also available on its website. Local Trust, acting as the corporate trustee of Big Local Trust, reviews this policy annually.

Distribution of returns on the investment

Under Big Local, 150 Big Local areas are 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.

Grant making policy

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

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

Each area will receive:

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

Local Trust as a locally trusted organisation

Local Trust acted as the locally trusted organisation for two Big Local areas that have been unable to identify a suitable organisation to fulfil this role during 2018-19; Bountagu, and Wormholt and White City.

Big Local Trust retains the administration contribution of 5% for Local Trust acting as the locally trusted organisation, and in 2018-19 this totalled £0.2k (2018: £2.1k).

Social investments

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

During 2018-19, Big Local Trust made £140k (2018: £142k) available for social investment. These programme-related investments are listed under note 11 and disclosed as a separate line on the face of the balance sheet.

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.

At the end of the year, a review was carried out on social investment held during the year ended 31 March 2019. The asset values were not found to be materially impaired.

Constructive obligations

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

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

Big Local Trust's constructive obligations increased from £31.7m in 2017-18 to £39.9m in 2018-19, reflecting the increase in funding provided to the 150 Big Local areas that have been offered plan funding.

This increase is also reflected in the grants payable figure in the statement of financial activities on page 21.

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 reforecast annually. It includes estimates of constructive obligations (funding committed) to areas as we deliver plan funding.

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 2018-19 as it has been every year since 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 2019, other than those identified elsewhere in the accounts.

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

It is in the nature of an expendable endowment that funds are spent out over time. In the final years of Big Local, it may require a reserves policy to ensure sufficient funds are held to manage the close down of the programme in a managed and prudent way; however, this is not currently the case. As at 31 March 2019, Big Local Trust held total funds of £116.9m (2018: £142.3m). Within this, it has sufficient contingencies to cover any unforeseen costs; therefore, it is not currently appropriate for the trust to specify a reserves level.

Trustees review the Big Local Trust reserves policy annually.

Staff remuneration

Trustees consider remuneration, including the remuneration of the senior management team, annually. During 2018-19, Local Trust used an external consultancy to carry out benchmarking research, and trustees used this information as part of a review of staff salaries, including the salaries of key management personnel.

Trustees consider a cost of living increase for existing salaries, on an annual basis, after reviewing the consumer price index (CPI), retail price index (RPI) and new CPIH index for the previous twelve months and applying a median. A cost of living increase of 2.8% was agreed for 2018-19.

Pensions and auto enrolment

During 2018-19, all Local Trust staff were enrolled in our group personal pension scheme.

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

Principal risks

Trustees regularly review the major strategic, business and operational risks and opportunities faced by Big Local Trust and are satisfied that reasonable steps are being taken to mitigate exposure and impact. Local Trust's risk register is reviewed and updated by senior managers and trustees regularly during the year.

Major risks, potential impacts and associated mitigation/control plans are:

Risk	Potential impact	Mitigation or control
Big Local areas fail to make the most of the opportunities offered by funding and support offer	Big Local not seen to have delivered as much change as hoped for at area and/or programme level	Significantly enhanced learning, networking and support offer for Big Local areas rolled out over last two years; detailed planning for further investment in support for Big Local areas taking place during 2019-20, ahead of Big Local's 2020-26 strategic plan
Significant numbers of locally trusted organisations (LTOs) close or go into administration	Where funds are held by LTOs going into administration, potential loss of Big Local funds available to affected areas	Risk-prioritised visits and checks on proportion of LTOs to ensure finances are well managed; processes in place to support smooth transition from one LTO to another where problems occur; improved use of programme information to identify risk.
Significant investment losses due to external factors affecting the global or UK economy significantly impact on value of Big Local Trust endowment	Potential impact on ability to meet existing planned Big Local Trust commitments; impact on capacity to fund extended support offer to areas for full length of programme; constraints on future planning	Shift in investment strategy towards minimisation of risk of loss for remainder of Big Local Trust agreed in September 2019
With place based funding becoming a mainstream area of interest, risk that territory becomes over-politicised, impacting on Local Trust's ability to engage and influence policy makers and others delivering change at a local level	Local Trust contributions to thinking on delivering place-based change reduced in value because of perceptions that over-associated with individual party priorities	Continued clear focus on generating and sharing evidence and learning; broad-based engagement focused on sharing that learning with all those interested in delivering change at a community level; focus on ensuring that all content is non-partisan in nature and messaging avoids endorsement of particular agendas or manifestos

Governance and committees

Local Trust acts as the corporate trustee of Big Local Trust, in line with the Big Local Trust deed. Big Local Trust was registered as a charity in England and Wales on 15 February 2012 (charity number 1145916).

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 update on progress with Local Trust programmes of work, and inform decision-making.

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

Committees

During the year, we operated four trustee committees: finance and investment, audit and risk, programme delivery, and nominations and remuneration, to enable appropriate governance and oversight of these functions.

Trustee induction and training

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

Trust deed

During 2017-18, we consulted with our founder, the National Lottery Community Fund, and the Charity Commission in relation to the drafting of the Big Local Trust deed, to ensure that there were no barriers to delivery of our ambitions for Big Local, and in particular the sharing of learning arising from the programme.

During the 2018-19 financial year, we sought to amend a number of technical issues within the trust deed, with the agreement of our founder, and in accordance with the amendment powers within the deed. Changes to the trust deed were completed in summer 2018.

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. Following the resignation of the previous Big Local Trust protector in December 2017, an open recruitment exercise was held, with a new protector, Rosie Chapman appointed in September 2018.

In accordance with best practice, Local Trust submitted a report to the Charity Commission to advise them of the outgoing protector's resignation.

Statement of trustees' responsibilities

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

Focus of activities

The trustees have 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 2019 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.

Each of the trustees has confirmed that so far as he/she is aware, there is no relevant audit information of which the charity's auditors are unaware, and that he/she has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

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

Approved by the corporate trustee on 21 November 2019 and signed on their behalf by:

Signed J. V. Sugrue Date 21/11/2019

John Kevin Sugrue
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 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2019, 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

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

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

Other information

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

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

We have nothing to report in this regard.

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 17, 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 144 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

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.

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.



Date: 27 November 2019

Moore Kingston Smith, LLP, Statutory auditor

Devonshire House

60 Goswell Road

London

EC1M 7AD

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

Statement of financial activities
for the year ended 31 March 2019

	<u>Notes</u>	Restricted 2019 £000	Unrestricted 2019 £000	Total 2019 £000	Total 2018 £000
Income from:					
Investments	2	-	4,520	4,520	5,079
Grants	3	30	-	30	
Reimbursements from Local Trust		-	32	32	21
Other sources		-	16	16	-
Total income		30	4,568	4,598	5,100
Expenditure on:					
Raising funds:					
investment management charges		-	325	325	381
Charitable activities:					
grants payable	5	-	27,920	27,920	26,805
delivery to areas		-	3,062	3,062	2,169
learning to support the programme		15	1,208	1,223	901
Total expenditure	4	15	32,515	32,530	30,256
Net operating expenditure	7	15	(27,940)	(27,925)	(25,156)
Net gains/(losses) on investments		-	2,539	2,539	(1,940)
Net income/ (expenditure)		15	(25,408)	(25,393)	(27,096)
Reconciliation of funds:					
Total funds brought forward 1 April 2018		-	142,302	142,302	169,398
Total funds carried forward 31 March 2019		15	116,894	116,909	142,302

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 24 to 38, form part of these financial statements.

Balance sheet

as at 31 March 2019

	Notes	2019 £000	2018 £000
Fixed assets			
Tangible assets	8	32	24
Intangible assets	9	107	47
Investments	10 & 11	154,300	169,416
Social Investments	12	140	142
		<u>154,579</u>	<u>169,629</u>
Current assets			
Debtors	13	1,822	1,989
Investments		1,180	1,174
Cash at bank and in hand		148	1,593
Total current assets		<u>3,150</u>	<u>4,756</u>
Liabilities			
Creditors: amounts falling due within one year	14	(32,169)	(23,046)
Net current assets		<u>(29,019)</u>	<u>(18,290)</u>
Creditors: amounts falling due after one year	15	(8,651)	(9,037)
Net assets		<u>116,909</u>	<u>142,302</u>
Funds			
Restricted funds		15	-
Unrestricted funds		116,894	142,302
Total funds		<u>116,909</u>	<u>142,302</u>

The accompanying notes, on pages 24 to 38, form part of these financial statements.

Approved by the corporate trustee, authorised for issue on 21 November 2019 and signed on behalf of the trustee:

Signed J. K. Sugrue Date 21/11/2019
 John Kevin Sugrue
 Chair

Statement of cash flows
for the year to 31 March 2019

	2019	2018
	£000	£000
Cash (outflow)/inflow from operating activities:		
Net operating expenditure	(27,933)	(25,156)
Investment and other income received	(4,741)	(5,168)
Depreciation/amortisation of fixed assets	55	40
Decrease/(increase) in debtors	167	221
Increase in creditors	8,738	8,444
Investment management fees	(325)	(381)
Net cash (used in) operating activities	(24,039)	(22,000)
Cash flows from investing activities:		
Investment and other income received	4,741	5,168
Investment management fees	325	381
Payments to acquire tangible fixed assets	(123)	(63)
Payments to acquire social investments	(30)	(80)
Receipts from the sale of social investments	32	25
Payments to acquire fixed asset investments	(74,717)	(54,781)
Receipts from sale of fixed asset investments	92,372	72,014
Net cash provided by investing activities	22,600	22,664
Change in cash and cash equivalents in the year	(1,439)	664
Change in cash and cash equivalents in the year	(1,439)	664
Cash and cash equivalents at 1 April 2018	2,767	2,103
Cash and cash equivalents at 31 March 2019	1,328	2,767
Analysis of cash and cash equivalents:	2019	2018
	£000	£000
Cash in hand	148	1,593
Notice deposits	1,180	1,174
	1,328	2,767

Notes to the accounts

for year to 31 March 2019

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

b) Basis of preparation

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

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.

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

c) Critical accounting judgements and key sources of estimation uncertainty

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

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 2019 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 0.25% of the market value of the portfolio, and are charged as they fall due to the statement of financial activities.

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 on intangible fixed assets (website and grant management system development), is provided to write off assets on a straight-line basis over their estimated useful economic life (three years).

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

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.

l) 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.

m) 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.

n) Financial instruments

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

Financial assets and liabilities are initially measured at transaction price (including transaction cost) and are subsequently re-measured where applicable at amortised cost except for investments, which are subsequently measured at fair value with gains and losses recognised in the statement of financial activities. Assets and liabilities held in a foreign currency are translated to GBP at the balance sheet date at an appropriate year-end exchange rate.

2. Investment income

	2019	2018
	£000	£000
Income on investments	4,433	5,003
Bank interest	63	55
Tax refunds	24	21
Total	4,520	5,079

3. Grant income

	2019	2018
	£000	£000
Power to Change	30	-
Total	30	-

During 2018-19, Big Local Trust received £30k, from Power to Change, towards the development of an evidence toolkit on the sustainability of community hubs.

4. Expenditure

Charitable activities

	Grant expenditure directly to areas	Delivery to areas	Learning to support the programme	Expenditure on raising funds	Governance	Support	2019 Total	2018 Total
	£000	£000	£000	£000	£000	£000	£000	£000
Direct costs								
Staff	-	612	363	-	-	397	1,372	1,003
Grants to areas								
Big Local funding	26,142	-	-	-	-	-	26,142	24,055
Community travel and childcare	179	-	-	-	-	-	179	67
Area admin contribution	1,303	-	-	-	-	-	1,303	1,166
Grant funding for Star People	-	-	-	-	-	-	-	278
Grant Funding for Enterprising Communities	-	-	-	-	-	-	-	950
Area delivery costs	-	1,989	-	-	-	-	1,989	1,521
Programme development	-	-	357	-	-	-	357	68
Finance charges	-	-	-	325	-	-	325	381
Governance costs	-	-	-	-	34	-	34	76
Audit	-	-	-	-	20	-	20	24
Professional fees	-	-	-	-	25	-	25	98
Communications and marketing	-	-	-	-	-	253	253	138
IT and Consultancy	-	-	-	-	-	218	218	164
Rent and office costs	-	-	-	-	-	258	258	227
Depreciation	-	-	-	-	-	55	55	40
Total costs	27,624	2,601	720	325	79	1,181	32,530	30,256
Allocated to charitable activities								
Support Costs	250	388	424	-	119	(1,181)	-	-
Governance costs (note 6)	46	73	79	-	(198)	-	-	-
Total costs	296	461	503	-	(79)	(1,181)	-	-
Total expenditure 2019	27,920	3,062	1,223	325	-	-	32,530	-
Total expenditure 2018	26,805	2,169	901	381	-	-	-	30,256

5. Grants payable

Big Local area	Locally trusted organisation	New grants £000	Repayment of unspent grants £000	Closed grants £000	2019 Total £000
3 Together	Groundwork North East	606	(43)	(78)	485
Aberfeldy	Poplar Harca	201	(22)	(106)	73
Ansley Village, New Arley and Old Arley (Leys Millionaires)	Warwickshire Community and Voluntary Action	681	(1)	(143)	537
Barnfield	Greenwich Cooperative Development Agency (GCDA)	277	-	-	277
Barrow Island	Barrow Island Community Sports Trust	106	-	-	106
	Cumbria CVS	16	-	-	16
Barrowcliff	Community First Credit Union	196	-	-	196
	Groundwork North Yorkshire	220	-	-	220
Birchfield	Birmingham Voluntary Service Council	184	-	(65)	119
Bountagu (Bounces-Montagu)	CVS for Broxbourne & East Herts	40	-	-	40
	ECYPS	-	(242)	-	(242)
	Local Trust	-	-	(6)	(6)
Bradley	Pendle Borough Council	655	(37)	(156)	462
Brereton	Support Staffordshire	483	(69)	-	414
Brinnington	Groundwork Manchester, Salford, Stockport and Trafford Limited	399	(46)	-	353
Brookside	Stirchley and Brookside Parish Council	479	(8)	(84)	387
Canvey	Essex Boys and Girls Club	201	-	-	201
Catton Grove	Oak Grove Community Church	268	-	-	268
Central Boston	Age UK Lincoln and South Lincolnshire	259	-	-	259
Chinbrook Estate	Lewisham Disability Coalition	-	(45)	-	(45)
	Voluntary Services Lewisham	148	-	-	148
Church Hill	Charles Lovell and Co Limited	160	(60)	-	100
Clapham Junction, West Battersea (Big Local SW11)	Providence House	347	(22)	-	325
Clarksfield, Greenacres and Littlemoor	Action Together CIO	284	(22)	-	262
Clubmoor	Liverpool CVS	150	-	-	150
	Shared Assets	6	-	-	6
	St Andrew's Community Network	92	-	-	92
Conniburrow	Milton Keynes Community Foundation	290	-	-	290
Dartford	Healthy Living Centre Dartford	-	(30)	(43)	(73)
	Red Zebra Solutions Limited	381	-	-	381
	St Mary's Greenhithe	190	-	-	190
Dewsbury Moor	Dewsbury Moor Rugby League Club	876	-	-	876
Dover Big Local	Red Zebra Solutions Limited	390	-	-	390
Eastern Sheppey	Swale Community and Voluntary Service	541	-	(68)	473
Elmton, Creswell and Hodthorpe	Bassetlaw Community and Voluntary Service	200	(100)	(58)	42
Elthorne Estates	Caxton House	-	(3)	(14)	(17)
Farley Hill	Age Concern Luton	-	(8)	-	(8)
Firs and Bromford	Worth Unlimited	110	-	-	110
Fratton	Community Action Hampshire	303	-	-	303
Gannow	Behavioural Insights Team	9	-	-	9

Big Local Trust annual report and financial statements 1 April 2018 - 31 March 2019

Big Local area	Locally trusted organisation	New grants £000	Repayment of unspent grants £000	Closed grants £000	2019 Total £000
Gateshead	St Chad's Community Project	279	38	-	317
Gaunless Gateway	South Durham Enterprise Agency	345	(5)	(6)	334
Greatfield	Hull and East Yorkshire Credit Union	-	(3)	-	(3)
Greenmoor	CNET - Bradford and District Community Empowerment Network Limited	466	-	-	466
Hackney Wick	Crest Waltham Forest	457	-	-	457
Harefield, Midanbury and Townhill Park (Big Local SO18)	Training for Work in communities (TWICS)	460	(7)	(83)	370
Hateley Heath	SCIPS Limited	450	(41)	(51)	358
Heart of Pitsea	Basildon, Billericay & Wickford CVS	179	-	-	179
Heart of Sidley	Optivo	79	-	-	79
	Rother Voluntary Action	325	-	-	325
Heath Big Local	Uttoxeter Knights	154	-	-	154
Heston West	Berkeley Academy	238	(1)	-	237
Horsefair, Broadwaters and Greenhill (Big Local DY10)	Parish of Kidderminster East	131	-	-	131
	Vestia Community Trust	-	-	(67)	(67)
Inner East Preston	Emmaus Preston	78	(5)	-	73
	Preston City Council	323	-	-	323
Kingsbrook and Cauldwell	Community and Voluntary Action Bedfordshire	408	-	-	408
Kirk Hallam	Kirk Hallam Community Technology & Sports College	342	(4)	(255)	83
	Nova Education Trust	342	(87)	-	255
Lawrence Weston	Ambition Lawrence Weston	-	(12)	-	(12)
Leecliffe	Clarion Futures	539	(78)	-	461
	Shared Assets	5	-	-	5
Leigh West	Leigh Neighbours Partnership Board	611	(42)	-	569
Littlemoor	Dorset Community Action	543	-	-	543
London Road area of Broad Green	Asian Resource Centre	144	-	-	144
Mablethorpe, Trusthorpe and Sutton on Sea (Coastal Community Challenge)	Lincolnshire Community Foundation	627	(18)	(123)	486
Marsh and Micklefield	Chiltern Rangers CIC	281	-	-	281
Mossley	One Walsall	435	-	-	435
	Sneyd Community Association	-	(16)	(25)	(41)
Newington, Ramsgate	Red Zebra Solutions Limited	155	(75)	-	80
Noel Park Estate	Shared Assets	4	-	-	4
North Brixton	Big Local Impact	177	-	-	177
North Ormesby	North Ormesby Neighbourhood Development Trust	264	(48)	-	216
North West Ipswich	Castle Hill Community Centre Trust	35	-	-	35
Northfleet North	Council for Voluntary Service North West Kent	317	-	-	317
Palfrey	Palfrey Community Association	508	-	(453)	55
Par Bay	Eden Project Campaigns	191	(32)	-	159
	Shared Assets	7	-	-	7

Big Local Trust annual report and financial statements 1 April 2018 - 31 March 2019

Big Local area	Locally trusted organisation	New grants £000	Repayment of unspent grants £000	Closed grants £000	2019 Total £000
Peabody Avenue and Churchill Gardens Estate (Pimlico Million)	Thamesbank Centre	359	(15)	-	344
Radstock and Westfield	The Carers Centre	529	-	-	529
	Westfield Parish Council	-	(6)	(132)	(138)
Rastrick	Community Foundation for Calderdale	329	(2)	-	327
Ravensthorpe and Westwood	Cross Keys Homes	471	(73)	-	398
Ridge Hill	New Charter Housing Trust Group	433	(2)	(69)	362
Riverside Community	Thurrock Lifestyle Solutions	517	-	-	517
Roseworth Ward	Catalyst Stockton Limited	395	-	-	395
Rudheath and Witton	Groundwork CLM	419	(2)	-	417
Scotlands and Bushbury Hill	Bushbury Hill Estate Management Board	329	(60)	-	269
Selby Town	Selby District Association of Voluntary Service	240	-	-	240
Shadsworth with Whitebirk	Blackburn with Darwen Community Voluntary Service	42	-	-	42
	Blackburn with Darwen Healthy Living	342	-	-	342
Somers Town	Voluntary Action Camden	-	(24)	-	(24)
	Working Men's College	224	-	-	224
Sompting	Community Works	201	-	-	201
South Bermondsey	United St Saviour's Charity	283	(2)	-	281
St Matthews Estate	Street Games	-	(5)	-	(5)
Stoke North	YMCA North Staffs	520	(10)	(54)	456
Thurcroft	Rotherham Federation of Communities Ltd	213	(12)	-	201
Toothill	Swindon Borough Council	817	(51)	-	766
Wargrave	Helena Partnerships	-	-	(59)	(59)
Warsop Parish	Mansfield CVS	362	(2)	-	360
Warwick Ahead	Nova Wakefield District Limited	302	(7)	-	295
Wecock Farm	Havant Borough Council	35	-	-	35
Wembley Central	Landau Morley LLP	123	-	-	123
West End Morecambe	Lancaster District CVS	135	(3)	-	132
Westfield Estate	Beighton Village Development Trust	642	(7)	-	635
Whitley	Berkshire Community Foundation	277	-	-	277
Whitley Bay	New Prospects Association	-	(50)	-	(50)
William Morris	Crest Waltham Forest	-	(38)	-	(38)
Windmill Hill	Groundwork Cheshire, Lancashire and Merseyside	293	-	-	293
Withernsea	Hull and East Yorkshire Credit Union	69	-	-	69
Woolavington and Puriton Villages Together	SHAL Housing Ltd	741	(3)	(141)	597
World's End Estate and Lots Road Area	St Mary Abbots Rehabilitation and Training (SMART)	182	(58)	-	124
Wormholt and White City	Local Trust	18	-	-	18
Wormley and Turnford	CVS for Broxbourne and East Herts	618	-	-	618
	Subtotal of grants to local areas	30,107	(1,626)	(2,339)	26,142

Other grants	
Residents' travel and childcare	179
Area admin contributions	1,303
Support and governance costs	296
Total grants payable	27,920

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

6. Governance costs

Total governance costs of £198k (2018: £288k) consist of direct governance costs of £79k and indirect costs of £119k. Indirect governance costs are an apportionment of staffing and other support costs, calculated on the basis of staff time spent. This is in accordance with our accounting policies as outlined in note 1(f) to the accounts.

7. Net operating expenditure for the year

This is stated after charging:

	2019	2018
	£000	£000
Depreciation and amortisation	55	40
Auditor's remuneration (including VAT):		
- <i>in respect of current year audit</i>	19	18
- <i>in respect of current year non-audit</i>	1	-
- <i>in respect of prior year</i>	-	6
Investment manager's fees	325	381
Legal and professional fees	25	98
Operating lease charges	-	46
Licence fees	96	69

8. Tangible fixed assets

			2019	2018
	Office refurbishment	IT equipment	Total	Total
Cost	£000	£000	£000	£000
Balance brought forward	16	131	147	175
Additions	8	14	22	31
Disposals	-	-	-	(59)
Balance carried forward	24	145	169	147
Depreciation				
Balance brought forward	4	119	123	173
Disposals	-	-	-	(59)
Charge for year	6	8	14	9
Balance carried forward	10	127	137	123
Net book value				
Brought forward	12	12	24	2
Carried forward	14	18	32	24

9. Intangible fixed assets

	2019	2018
	Total	Total
Cost	£000	£000
Balance brought forward	181	149
Additions	101	32
Balance carried forward	282	181
Amortisation		
Balance brought forward	134	103
Charge for year	41	31
Balance carried forward	175	134
Net book value		
Brought forward	47	46
Carried forward	107	47

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

10. Investments

	2019 £000	2018 £000
At 1 April 2018	169,416	188,589
Purchases at cost	74,717	54,781
Disposal proceeds	(92,372)	(72,014)
Net investment gains/(loss)	2,539	(1,940)
At 31 March 2019	154,300	169,416

11. Investments by type and location of fund

	2019 UK £000	2019 Overseas £000	2019 Total £000	2018 UK £000	2018 Overseas £000	2018 Total £000
Equity	5,604	22,479	28,083	7,587	26,365	33,952
Fixed interest	55,406	-	55,406	80,340	-	80,340
Property	15,115	-	15,115	14,929	-	14,929
Cash	52,199	-	52,199	38,254	-	38,254
Multi-asset fund	3,497	-	3,497	1,941	-	1,941
Total	131,821	22,479	154,300	143,051	26,365	169,416

The total book cost of investments held at 31 March 2019 was £146,112k (2018: £162,881k).

12. Social investment assets

Big Local area	Credit union	Opening balance £000	Additions during the year £000	Repayments £000	Funds at 31 March 2019 £000
2015-16					
East Coseley	Castle and Crystal Credit Union	15	-	-	15
North West Ipswich	Eastern Savings and Loans Credit Union	20	-	-	20
Subtotal		35	-	-	35
2016-17					
Rudheath and Witton	Key Fund loan	3	-	(1)	2
Goldthorpe with Bolton on Dearne	South Yorkshire Credit Union	20	-	(20)	0
St Oswald and Netherton	Knowsley Mutual Credit Union	13	-	-	13
Subtotal		36	-	(21)	15

Social investment assets (continued)

Big Local area	Credit union	Opening balance	Additions during the year	Repayments	Funds at 31 March 2019
		£000	£000	£000	£000
2017-18					
Three Parishes (for Oswestry Station Trust)	Key Fund loan	71	-	(11)	60
Subtotal		71	-	(11)	60
2018-19 – new investments					
Withernsea Big Local	Hull & East Yorkshire Credit Union	-	30	-	30
		-	30	-	30
Cumulative totals		142	30	(32)	140

13. Debtors

	2019	2018
	£000	£000
Trade debtors	658	677
Amounts due from Local Trust	5	1
Prepayments	115	92
Accrued income	1,044	1,219
Total	1,822	1,989

14. Creditors: amounts falling due within one year

	2019	2018
	£000	£000
Grant commitments	31,251	22,648
Trade creditors	785	260
Accruals	91	106
Social security and other taxation	27	22
Pension payments due	15	10
Total	32,169	23,046

15. Creditors: amounts falling due after one year

	2019	2018
	£000	£000
Grant commitments	8,651	9,037
Total	8,651	9,037

16. Grant commitments

	2019	2018
	£000	£000
Grant commitments b/fwd	31,685	23,218
New commitments in the year	30,107	29,863
Commitments settled in the year	(17,925)	(15,588)
Commitments reversed in the year	(3,965)	(5,808)
Grant commitments c/fwd	39,902	31,685

17. Operating leases

	2019	2018
	£000	£000
Land and buildings, due in less than 1 year	73	54
Land and buildings, due in 2 to 5 years	-	-
Land and buildings, due after 5 years	-	-

Local Trust has a licence to occupy office space at CAN Mezzanine, Borough. Future commitments in relation to this lease are noted above. Local Trust took on additional space during 2018-19 to accommodate a growing staff team.

18. Staff costs and numbers

	2019	2018
	£000	£000
Wages and salaries	980	713
Social security and other taxes	78	72
Pension	153	111
Total	1,211	896

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

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

Staff are jointly employed by Big Local Trust and Local Trust. The average number of employees during the year was 26 (2018: 20).

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.

Two employees, who were also the key management personnel, were remunerated over £60k in the year (2018: two employees); Matt Leach (chief executive) and Rachel Rowney (director of programmes and resources).

Senior salaries	Annual salary £000	Total pay before tax £000	Total employer's National Insurance £000	Total employer's pension incl salary exchange £000	Total cost £000
2019					
Matt Leach	95	90	11	14	115
Rachel Rowney	74	70	9	10	89
		160	20	24	204
2018					
Matt Leach	92	88	11	14	113
Rachel Rowney	72	69	8	10	87
		157	19	24	200

As at 31 March 2019, the highest full time gross salary was £95k (2018: £92K), the median was £35k (2018: £37k) (ratio 2.7 to 1 between highest and median) and the lowest full-time salary was £22k (2018: £19k) (ratio 4.3 to 1 between highest and lowest).

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

19. Volunteers

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

20. Pension

We offer staff the opportunity to join a defined contribution Group Personal Pension Plan ('the scheme'). Monthly contributions to the scheme are invested in personal pension plans with an insurance company (Scottish Widows). Big Local Trust's contribution to the scheme is based on 10% of the employee's basic annual salary, plus an amount equal to the saving Big Local Trust makes under the salary exchange system from the employer National Insurance contribution; 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 £110k (2018: £80k) for 39 employees (2017: 28). Employee contributions, made through our salary exchange scheme, were £44k (2018: 31k). As at 31 March 2019, Big Local Trust owed £15k (2018: £10k) to the scheme relating to March pension payments: the amount due was settled on time during April 2019.

21. Trustees' remuneration, benefits and expenses

Trustees received no remuneration. Twelve trustees received reimbursements for travel costs during the period totalling £5k (2018: £6k). Trustee training expenses during the period were £3k (2018: £18k included governance review). Trustee recruitment costs during the period were £2k (2018: £40k) and related to the recruitment of a co-optee with investment expertise for the finance and investment committee

22. Big Local Trust protector

Big Local Trust's new protector was appointed in September 2018. Protector fees and expenses of £8k were payable during the period (2018: £11k). Protector recruitment costs were £16k (2018: nil).

23. Related party transactions

During the period April 2018 to March 2019, Local Trust paid Big Local Trust £32k for staff time and expenses spent on Local Trust activities, but initially paid for through Big Local Trust (2018: £21k). Big Local Trust had an outstanding debtor balance with Local Trust of £5k as at 31 March 2019 (2018: £1k).

Benjamin Lee is trustee of Local Trust and a director of the National Association for Neighbourhood Management. Big Local Trust paid the National Association for Neighbourhood Management £46k (2018: £58k) for delivery of learning and networking events during the period. At 31 March 2019, Big Local Trust owed the National Association for Neighbourhood Management a balance of £20k (2018: £19k).

David Warner is a trustee of Local Trust and an associate of IVAR. David was commissioned by IVAR to facilitate a Big Local event, as part of a contract IVAR held with Local Trust. David has also worked as a consultant for the National Lottery Communities Fund (formerly the Big Lottery Fund), the Association of Charitable Foundations and City Bridge Trust. Big Local Trust's endowment comes from the National Lottery Communities Fund. Local Trust is a member of the Association of Charitable Foundations, and received £2k funding from the City Bridge Trust during 2018-19 towards the Community Wealth Fund project.

Peter Mills is a trustee of Local Trust and has contracts for work with UnLtd, a delivery partner of Local Trust, although this activity is unrelated to his role as trustee at Local Trust. Local Trust has a grant agreement with UnLtd, for the delivery of £1.9m which was committed in December 2017, and runs from 1 January 2018 to 31 December 2020. At 31 March 2019, Big Local Trust owed UnLtd a balance of £1.1m (2018: £1.7m). This has been reported as a creditor (grant commitments) in the balance sheet, with £641k falling due within one year (see note 14 to the accounts), and £475k falling due after one year (see note 15).

24. Post balance sheet events

There were no post balance sheet events that affected the financial information shown in the accounts.

25. Financial instruments

Carrying values of financial assets and liabilities at 31 March:

	2019	2018
	£000	£000
Financial assets measured at amortised cost (a)	3,035	4,665
Financial assets measured at fair value (b)	154,440	169,558
Financial liabilities measured at amortised cost (c)	40,794	32,061

- (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 2019 was £70k (2018: £55k). Dividends and interest recognised in the statement of financial activities on assets held at fair value was £4.5m (2018: £5.0m).

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

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

The trustees of Local Trust are:

Alice Casey (to 14 June 2018)

Sahil Khan

Benjamin Lee

Jeannette Lichner

Karen Mellanby (from 15 November 2018)

Peter Mills

Nicola Pollock

Penelope Shepherd MBE (to 15 November 2018)

John Kevin Sugrue (chair)

Bob Thust

David Warner

Dr John Whitton (to 4 June 2019)

Rich Wilson

Programme delivery committee

Alice Casey (to 14 June 2018)

Sahil Khan

Benjamin Lee

Karen Mellanby (from 15 November 2018)

Peter Mills

John Kevin Sugrue (ex officio member)

Dr John Whitton (to 4 June 2019)

Finance and investment committee

Benjamin Lee

Nicola Pollock (chair)

Penelope Shepherd MBE (to 15 November 2018)

John Kevin Sugrue (ex officio member)

Bob Thust (from February 2019 meeting)

Richard Wilson

Matthew Brumsen (co-optee on investments from 22 May 2019)

Serena Loudon (co-optee on investments)

Audit and risk committee

Jeannette Lichner (chair)

Peter Mills

John Kevin Sugrue (ex officio member)

Bob Thust (to October 2018 meeting)

David Warner

Nominations and remuneration committee members

Jeannette Lichner

Peter Mills

John Kevin Sugrue (ex officio member)

David Warner (chair)

Chief executive of Local Trust

Matt Leach

Protector of Big Local Trust

Rosie Chapman (from 28 September 2018)

Advisors

Auditor

Crowe U.K. LLP (to 15 November 2018)
St Bride's House
10 Salisbury Square
London EC4Y 8EH

Moore Kingston Smith LLP (from 15 November 2018)
Devonshire House
60 Goswell Road
London
EC1M 7AD

Solicitor

Withers LLP
16 Old Bailey
London EC4M 7EG

Banker

National Westminster Bank PLC
250 Regent Street
London W1B 3BN

Investment manager

CCLA
Senator House
85 Queen Victoria Street
London EC4V 4ET

Custodian

HSBC Bank Plc
8 Canada Square
London E14 5HQ

History and background

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

Big Local Trust was established by Local Trust and the National Lottery Community Fund (formerly the Big Lottery Fund).

Big Local Trust is an unincorporated charity governed by a trust deed dated 13 February 2012 and deeds of amendment dated 5 June 2013 and 23 July 2018. Big Local Trust was registered with the Charity Commission on 15 February 2012.

Local Trust is the corporate trustee of Big Local Trust. Big Local Trust funds the Big Local programme. All the activities of Big Local Trust are promoted under the Local Trust and Big Local brands.

Objects of Local Trust

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

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

Objects of Big Local Trust

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

'5.1. The Objects of the charity are:

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

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

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

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

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

About the Big Local programme

Big Local Trust carries out its objects through the Big Local programme.

The Big Local programme is an exciting opportunity for residents in 150 areas around England to use at least £1m each to make a massive and lasting positive difference to their communities. Big Local brings together all the local talent, ambitions, skills and energy from individuals, groups and organisations who want to make their area an even better place to live.

The aim of Big Local is to ensure that people are connected, people have choice, and people are supported to achieve lasting change in the place where they live. Underpinning this is our commitment to support residents over the long term to learn skills and gain the confidence to make decisions in their communities to bring about transformational change.

We believe that a community and resident-led approach to creating lasting change:

- develops the skills and confidence of the people involved and enables them to work with others to the benefit of their community
- builds on the opportunities and assets available in each community
- creates lasting, long-term solutions.

Underlying this approach is a belief that residents have a capacity and desire to drive change, and can achieve lasting and positive results when supported by those they trust and respect thereby building skills, confidence, networks, relationships and expertise in each community.

Selection of Big Local areas

The National Lottery Community Fund selected the 150 areas based on the amount of National Lottery Community Fund and other Lottery funding to each local authority area compared to population and deprivation levels; rural versus urban spread; geographic spread across the region; and the absence of substantial non-Lottery funding. Their selection of areas included discussions with people and organisations in each area from the local authority and the local voluntary and community sector.

Big Local outcomes

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

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

Annual statement by the Protector for Big Local Trust

Background

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

Local Trust is the sole corporate trustee of Big Local, which is in turn controlled by a Board of Directors (Trustees) who meet regularly. 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 on 13 February 2012 (and subsequently amended, most recently on 23 July 2018).

The Trust Deed provides that Big Local must have a Protector. I was appointed by Local Trust to this role on 28 September 2018 for a period of three years. (Previously, the Protector was appointed by the Fund. As there was a gap between the resignation of the previous Protector in December 2017 and my appointment in September 2018, Local Trust now formally makes the appointment in line with the Trust Deed and in consultation with the Fund.)

Purpose and functions

The function of the Protector is set out in the Trust Deed. The role's 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.

As Protector, I am not involved in Big Local's decision making and I am not a trustee of either Big Local or Local Trust.

I receive papers for all Board and committee meetings, and I have a right to attend any of those meetings. I must report any matters of serious concern that I come across to the Fund or to the Charity Commission. Big Local are also required to get the Protector's consent (which can also be withheld) in some limited circumstances. Such circumstances primarily relate to procurement limits and amendments to the Trust Deed.

I am required to produce an annual statement in relation to the Protector's work each year 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

I took up the Protector role five months into the 2018/19 financial year. I was fortunate in that the Leaders Assembly held on 28 and 29 September 2018 coincided with the start of my appointment; the Assembly was an event for all those working on Big Local to learn and share ideas about community leadership. Attending that Assembly proved to be an extremely useful insight into the Big Local programme and how individual Big Local areas are going about their work.

During the year I visited the following Big Local areas:

- North meets South Big Local, with Local Trust's Chief Executive
- My Clubmoor Big Local, with the Board
- Dewsbury Moor Big Local, with Local Trust's Chief Executive

Since the end of the financial year, and prior to writing this report, I have also visited:

- Big Local North Cleethorpes with Local Trust's Chair
- Winterton Big Local with Local Trust's Chair

I have been struck by the dedication, enthusiasm and commitment of all of those that I spoke to on these visits, and by the different types of community area and the variety of ways in which everyone involved are taking their respective Big Locals forward. I also saw how seriously everyone took their role as custodians of the funding to ensure the money is properly used.

As part of my induction I've spoken to the Chair, Chief Executive and staff and I would like to thank them for their time and support. I have also attended an induction meeting organised by NLCF; have met with Big Local's investment advisers, CCLA; and with other Protectors carrying out similar roles.

I have attended all of the three Board meetings, and part of a Board away day, that took place since I was appointed. I also attended two meetings of the Finance & Investment Committee. Due to diary constraints I have, so far, been unable to attend a meeting of the Programme Delivery Committee, although I have received papers for all the meetings that have been held since my appointment and I have made comments on them where appropriate.

As Protector, I gave consent for the following requests during this period:

- A change to Local Trust's articles to enable greater flexibility around Local Trust trustee (Director) appointment terms (essentially to allow for staggered appointment terms to balance continuity and change).
- Extension of a contract with a supplier to continue to provide social investment support and financial support and advice to areas and staff for an additional 12 months from March 2019.

Local Trust also asked me as Protector to review the correspondence that the organisation received in relation to a project that Par Bay Big Local had funded. I was asked to assess whether Local Trust had reviewed the correspondence, which they have treated as a complaint, in an appropriate manner and in accordance with Local Trust's policies and processes. The scope of this review was consistent with the exercise of the Protector's duty in clause 12.1 of Big Local's Trust Deed to ensure the integrity of the administration of the Charity and the propriety of its procedures. Based on the evidence that I reviewed, the Big Local area and Local Trust had operated within the scope of Local Trust's funding policy in making the grant, had used the funding appropriately, and complied with the funding agreement.

As part of this review I also identified some potential learning for Local Trust, principally about clarifying:

- a) Local Trust's approach to monitoring
- b) How concerns and complaints about Big Local are dealt with by Local Trust
- c) How the principle of Freedom of Information is applied by Local Trust and how it deals with 'Freedom of Information' requests

As a result, Local Trust has undertaken a review of its internal complaints handling process and public facing materials related to raising complaints and concerns. They have been updated to incorporate the recommendations made, improvements made by the executive team, in addition to comments from the Programme Delivery committee. The Trust has also updated its open information policy and produced clearer information on the structure and monitoring of the programme to ensure greater transparency in this area. These documents are due for publication in autumn 2019.

I have also commented on:

- Proposed changes to Local Trust's conflicts of interest policy. As a result, the policy now requires the Protector to express a view where it is proposed that a Local Trust Trustee provide a paid service or services to Big Local.
- Updates to Big Local's policy on complaints and conflicts; its equality and diversity policy; and its sick leave policy
- Local Trust's statement of performance against the Charity Governance Code. (I declare an interest here, as I am the Chair of the Steering Group which oversees the Code.)

Governance and administration of the Big Local Trust

Local Trust had 10 directors (trustees) in post as of 1 August 2019. As reported elsewhere in Local Trust's Annual Report there was one resignation in 2018/19 and another resignation since the year end. There has been one new appointment during the period.

From my engagements, and from reading key documents my sense is that Big Local is being governed effectively. I've noted 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 2018 to 31 March 2019.

Future priorities

The Big Local programme is now entering its half way point, and I am aware that Big Local areas are increasingly focussed on delivery and close out to the end of the programme.

Local Trust's Board are embarking on conversations about the future of Local Trust as an organisation; its potential role in supporting future local, resident led approaches to positive social change; and the implications for its overall strategic framework for the period 2020 – 2026.

As part of that discussion my role is to ensure that the new framework remains true to and is consistent with Big Local's Trust Deed. The Board will need to ensure that Big Local's investment policy continues to ensure that the Big Local fund is actively managed; that the spend-out profile delivers for the areas as planned; and that it provides sufficient funding at the programme's end.

This means that, in practice, there is a first call for the remaining Big Local funding to meet commitments to the Big Local areas (which includes the original endowment plus the additional allocation of surplus made in 2017) and to:

- cover the necessary costs to manage the programme;
- provide necessary support to Big Local areas; and
- capture and share knowledge and learning from the programme.

Should there then be a further surplus available to Big Local, I would also expect to see an informed view taken about how that surplus should be applied to best meet the objectives of the Trust Deed. Such a view will necessarily involve the Fund as Founder.

I would also anticipate that Local Trust will refresh its skills matrix to ensure that it has the right skills and expertise in place to oversee this work.

Without prejudging the outcome, at this stage I am optimistic that the Board is alive to the obligations within the Trust Deed and that it will ensure this is given proper consideration as part of the preparations for the next Strategic Plan.

I will also be talking to Local Trust's incoming Chair, David Warner, about his future aspirations for Big Local.

Finally, I will be exploring how the relationship between Big Local and the National Lottery Community Fund is described, and whether it needs updating to reflect the programme's remaining funding profile.

Rosie Chapman
Protector, Big Local Trust
August 2019

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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