

BIG LOCAL: FUNDING RAISED FROM OTHER SOURCES AND JOBS SUPPORTED

A report for Local Trust

11 JULY 2025



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1 Executive summary

Big Local provided 150 disadvantaged hyper-local areas with long-term funding of over £1m covering 10-15 years. Local Trust, the organisation that manages the Big Local programme, was non-prescriptive in terms of how and when that funding should be spent. Instead, decisions were resident-led, allowing areas the freedom to manage and spend the money based on their priorities, without a range of conditions attached.

Many areas are now coming to the end of their Big Local funding. Although raising additional funds from other sources was never an explicit requirement of Big Local funding, it is nevertheless interesting to understand the extent to which this was achieved as a wider, indirect benefit of the programme. This is particularly the case given that one of the key selection criteria for participating in Big Local was that areas had not previously received National Lottery or public funding.¹ A similar context applies to the question of whether Big Local funding has created jobs – that is, any findings should be read as being additional to the core purposes of Big Local funding because areas were not required by the programme to create jobs.

Significant research has already been performed into assessing various aspects of the Big Local programme. These include related topics, such as the role of volunteers in Big Local areas², and the wider economic impacts of Big Local.³ A detailed assessment of total funding raised and jobs created has not, until now, been possible. For this reason, the research in this report sought to collect new, detailed data from Big Local areas and other funders to answer three questions:

1. How much funding from other sources was raised by Big Local areas?
2. How many jobs have been created through Big Local and other funding?
3. To what extent were the funding and jobs created additional i.e., would not have come into the area in the absence of Big Local?

To allow areas to focus on delivery and avoid unnecessary bureaucracy which might jeopardise their aims, it was not a requirement for areas in the Big Local programme to collect extensive data and evidence for evaluation purposes. For this reason, areas did not have to record and report whether funding from other sources – such as grants, donations, contracts, and loans – was raised, or if jobs were supported. This presented a challenge for this research.

To overcome this challenge, interviewees who were closest to the scheme in eight areas were guided through a series of detailed questions to elicit as much information as possible, with

¹ Information about the Big Local selection criteria was published on the Big Local website (no longer available).

² ERS Research & Consultancy (2022), 'Volunteering and Big Local Who volunteers in Big Local communities, what they do, and why' (Local Trust). Available at:

<https://www.learningfrombiglocal.org.uk/resources/who-volunteers-in-big-local-communities>

³ Local Trust (2020), 'Big Local and Community Economic Development'. Available at:

<https://www.learningfrombiglocal.org.uk/resources/big-local-and-community-economic-development>

support both beforehand and afterwards to aid preparation and checking of answers. A survey of all 150 areas was also conducted to complement the in-depth interviews with areas encouraged to make contact if they had any questions, which several areas did. In total, 32 areas responded to the survey.

While the data-collection approach was designed to elicit as robust figures as feasibly possible, it also had to be cognisant of the fact that most individuals involved in Big Local in these areas were volunteers. For this reason, data requests had to be proportionate and not place an undue burden on their time. Much of the data collected was therefore based on respondents' personal recall and their specific length of involvement with the programme, plus any internal documents they had available. This means that not all sources of funding and jobs supported were necessarily captured (for example, if individuals had not been involved since the start), and of those that were captured there may be potential measurement error. In addition, at the time of writing, parts of the Big Local programme are ongoing, meaning that some active areas may still raise additional funds and support paid roles.

Estimates of funding raised and jobs created in Big Local areas were generated using the new evidence gathered from the area interviews and survey as well as two interviews with funders who invested in Big Local areas. 'What if' scenarios were used to translate the funding and jobs numbers received from areas into conservative aggregate estimates that account for potential participation, measurement and outlier bias, and reflect an expert assessment of the accuracy and confidence of the estimates provided. These estimates are complemented with qualitative insights provided by area and funder interviewees, including additional detail on the mechanisms through which funding was raised, jobs created, and views and broader evidence about the extent to which they were additional and would not have happened in the absence of Big Local.

1.1 Funding from other sources raised by Big Local areas

Of the 42 Big Local areas covered through this research, 76 per cent raised funding from other sources, with the average amount raised by those areas being £312,000 across all years of operation. There was significant variation in this figure across areas, with the smallest amount reported standing at £3,000, and the largest at £1.9m. After making adjustments to account for potential participation, measurement and outlier bias, across all 150 Big Local areas, the total amount raised across all years of operation is estimated to be in the range of £17-39m. This means the fundraising activities of Big Local areas increased the initial Big Local investment of £150m by approximately 11-26 per cent, despite this not being an explicit aim of the programme.

Big Local areas were successful at leveraging additional funds from a highly diverse range of organisations. Funders included local councils, central government schemes (such as the Community Ownership Fund), charities, private companies, trusts, foundations, and churches. They included grants, donations, loans, and contracts to run services. Across the Big Local areas, the results indicate that the largest source of funding both in terms of value and frequency was grants.

The Big Local areas that raised funding from other sources typically spent this on larger infrastructure projects, running training and education workshops, and holding events for the local community. Funding for some projects was raised through a formal grant application process and/or by utilising stakeholder relationships that had been built, whereas for others Big Local areas provided seed funding to local projects but had little further involvement in delivery or further fundraising.

Consistently across the area interviews, survey, and funder interviews, three key factors were seen as having contributed to these funds being successfully raised. These were:

- **Building a positive reputation and track record of delivery:** several areas noted that Big Local helped them get started and demonstrate the ability to successfully deliver projects, which was key to receiving external funding.
- **Hiring professional support workers:** multiple areas mentioned the role that support workers played in raising funding, albeit in different ways. In some, workers helped raise funding through networking, in others their focus was on research, community engagement and writing official funding applications. One area did highlight a potential risk: in their case, the bid writing individual cost more than the funding from other sources brought in.
- **Demonstrating engagement with the priorities of the local population and alignment with funder priorities:** areas and funders noted that this was helpful for funding applications.

The two funders interviewed and a significant majority of interviewees and survey respondents agreed that funding from other sources is unlikely to have been raised in the absence of Big Local. Areas mentioned how the long-term guaranteed stream of Big Local funding, advice from their locally trusted organisation (LTO)⁴ and support from their Big Local representative (from Local Trust)⁵ allowed areas to build the capacity to apply for other funding. The capacity-building measures areas highlighted as being particularly important for raising additional funds were:

- **The creation of an organisational presence in the area** (sometimes including establishing their own legal entity).
- **Building skills and expanding knowledge of funding processes.**
- **Establishing a track record of successful projects**, demonstrating that change can happen.

⁴ Under Big Local, areas received money via their LTO, which was a pre-existing (often charitable) body which would receive funds and distribute this under instruction from the Big Local partnership (who decided how funds should be spent).

⁵ Each area had a Big Local rep, who provided support and constructive challenge to partnerships and LTOs around programme delivery.

- **Improving the area's reputation** in the eyes of the local community and potential funders.

A majority of areas interviewed and survey respondents also indicated that by participating in Big Local, they had improved their ability to raise funding in the future. This was often tied to the area establishing their own legacy organisation – a legal entity separate from their LTO that could receive funds and continue running the projects that took place during Big Local. Similarly, most areas that participated in this research reported that they had secured funding from other sources to continue at least some or all their operations once Big Local ends.

1.2 Additional jobs supported through Big Local and funding raised from other sources

Of the 40 Big Local areas covered by this part of the research, 88 per cent indicated that they had supported jobs. Supported jobs included both:

- **'Direct' jobs:** people paid by Big Local areas to deliver, supervise and/or administer projects. This includes administrative workers and project coordinators.
- **'Indirect' jobs:** people paid through third-party contractors to provide services as part of Big Local projects (for example, teachers, performers, and construction workers).

Based on the area interviews, while respondents were able to provide detailed information on funding raised and direct jobs supported, doing so for indirect jobs was a challenge. This was for several reasons:

- Indirect roles were primarily part time and transitory. For example, an artist may have been hired part-time only for a week for a specific community event.
- There were many different indirect roles for a given event or project, with many different projects and events happening across several years. For example, a single event hosted by a Big Local area could have involved hiring security, artists, and entertainers.
- As a Big Local area's priorities shifted, the indirect jobs they supported changed over time.

Taken together, recalling an accurate full-time equivalent (FTE) for part-time, transitory jobs, across several projects over a 10+ year period meant it was not feasible to quantitatively estimate the number of indirect jobs supported. It was, however, clear from both the survey and the in-depth areas interviews that indirect jobs had been supported in many Big Local areas.

While this was a challenge for indirect jobs, estimating direct jobs was feasible. These jobs were often part-time roles supported over several years. Areas often had more than one part-time role at once; for example, having both an administrator and a community development officer (although the precise composition of roles varied by area). On average, in the areas that supported direct jobs, 1.7 FTE direct jobs were supported per year. This means if an area had two administration officers working part-time (at 50 per cent each) and a community

development officer working part-time (at 70 per cent of a full-time worker) in every year they operated, they would have supported $0.5 + 0.5 + 0.7 = 1.7$ FTE direct jobs per year on average. As these are the same three jobs over time, the 1.7 FTE figure should not be summed over every year of operation.

After making adjustments to account for potential participation, measurement, and outlier bias, it is estimated that across all 150 Big Local areas the total number of direct jobs supported lies between 118 and 208 FTEs on average in each year. This range should very much act as a lower bound to the overall figure, as it does not include indirect jobs.

Some Big Local areas also ran CV workshops and training schemes, and provided volunteering opportunities, which they felt had helped increase employment among local residents – in particular those who were previously unemployed or economically inactive. While not a focus of this research, this can be considered an additional benefit to the ‘jobs supported’ estimates provided above, which do not include the employment impacts of such programmes. This aligns with and complements existing research into the wider economic effects of Big Local beyond indirect and direct jobs supported.⁶

The majority of areas indicated that the jobs supported directly or indirectly by Big Local would not have been supported without the programme. This was particularly the case for direct jobs, as there would not have been enough funding to hire the officers, representatives and other Big Local workers needed to deliver projects. For indirect jobs, areas had more mixed views, with some suggesting such jobs would not have been supported, and others less confident on that point. There was also a high degree of uncertainty about whether or not jobs supported through Big Local would continue beyond the programme. This was partly because Big Local projects were not aiming to create employment, but also due to uncertainties over funding going forward. In particular, area interviewees often mentioned that direct jobs were retained where a legacy organisation had been set up and funding received to continue operating. Similarly, the future employment of individuals in indirect jobs often depended on an area’s ability to raise future funding, which in some cases was uncertain or subject to the outcome of a submitted bid.

⁶ Local Trust (2020), ‘Big Local and Community Economic Development’. Available at: <https://www.learningfrombiglocal.org.uk/resources/big-local-and-community-economic-development>

2 Introduction

Big Local provided 150 disadvantaged hyper-local areas with long-term funding of over £1m covering 10-15 years. Local Trust, the organisation that manages the Big Local programme, was non-prescriptive in terms of how and when that funding should be spent. Instead, decisions were resident-led, allowing areas the freedom to manage and spend the money based on their priorities, without a range of conditions attached.

Many areas are now coming to the end of their Big Local funding. Although raising additional funds from other sources was never an explicit requirement of Big Local funding, it is nevertheless interesting to understand the extent to which this was achieved as a wider, indirect benefit of the programme. This is particularly the case given that one of the key selection criteria for participating in Big Local was that areas had not previously received National Lottery or public funding.⁷ A similar context applies to the question of whether Big Local funding has created jobs – that is, any findings should be read as being additional to the core purposes of Big Local funding because areas were not required by the programme to create jobs.

Significant research has already been performed into assessing various aspects of the Big Local programme. These include related topics, such as the role of volunteers in Big Local areas,⁸ and the wider economic impacts of Big Local.⁹ A detailed assessment of total funding raised and jobs created has not until now been possible. With this in mind, this research collected new data from Big Local areas and other funders to answer three questions:

1. How much funding from other sources was raised by Big Local areas?
2. How many jobs have been created through Big Local and other funding?
3. To what extent were the funding and jobs created additional i.e., would not have come into the area in the absence of Big Local?

In answering these questions, this research is not evaluating Big Local areas or the wider programme. If Big Local areas did not receive any funding from other sources or create any jobs, then that does not mean they have been unsuccessful. Instead, it would reflect the different priorities set by local residents based on their view of what was needed in their local community. Instead, the aim of this research is to understand the extent to which additional funding was raised and jobs created, why that was the case and for whom, so that learnings can be considered for future interventions similar to Big Local and more widely.

The structure of this report is as follows:

⁷Information about the Big Local selection criteria was published on the Big Local website (no longer available).

⁸ERS Research & Consultancy (2022), 'Volunteering and Big Local Who volunteers in Big Local communities, what they do, and why' (Local Trust). Available at:
<https://www.learningfrombiglocal.org.uk/resources/who-volunteers-in-big-local-communities>

⁹Local Trust (2020), 'Big Local and Community Economic Development'. Available at:
<https://www.learningfrombiglocal.org.uk/resources/big-local-and-community-economic-development>

- A high-level overview of the methodology is outlined in Section 2.1. More detail can be found in Annex A.
- Section 3 estimates the amount of money raised from other sources, alongside qualitative insights into what the funding was used for, how it was raised and from whom, what led areas to be successful in raising funding, whether this funding would have been raised in these areas if Big Local had not taken place, and what this means for the legacy of Big Local areas.
- Section 4 estimates the number of direct jobs supported alongside qualitative insights into the types of jobs supported, whether these jobs would have been supported if the area had not taken part in Big Local, and whether the jobs will continue once Big Local ends.
- Section 5 concludes, summarising the qualitative and quantitative findings and their implications for the three key research questions above.

2.1 Methodology

To answer the three research questions, the following five-step methodology was developed:

- **Step 1: Develop a Theory of Change.** This outlined potential links between Big Local, and the funding from other sources levered and jobs supported. The Theory of Change was then used to inform the questions asked in, and approach to, the area interviews, survey, and funder interviews.
- **Step 2: Interview Big Local areas.** Eight one-hour semi-structured interviews took place with one or more individuals involved in each Big Local area chosen. The purpose of these interviews was to test the Theory of Change and understand how much money and how many jobs had been created, the mechanisms behind how this was done, and the specific role of Big Local in the process. The method for selecting areas to interview deliberately aimed to pick areas with different chances of having received funding or created jobs. This was to maintain as diverse a group of areas as possible, avoiding only selecting areas that were more (or less) likely to raise external funding or create additional jobs.
- **Step 3: Run a survey covering Big Local areas.** A short 10-15 minute online survey covering the majority of the 150 Big Local areas was rolled out.¹⁰ Overall, 32 responses were received. The aim was to get a more complete understanding of funding raised and the number of jobs created during Big Local, and to cross-reference this with the qualitative insights from the interviews. The survey was kept light-touch to avoid burdening volunteers in areas.
- **Step 4: Interview funders.** Two one-hour semi-structured interviews were conducted with external funders of Big Local areas. Each interview focused on one particular Big

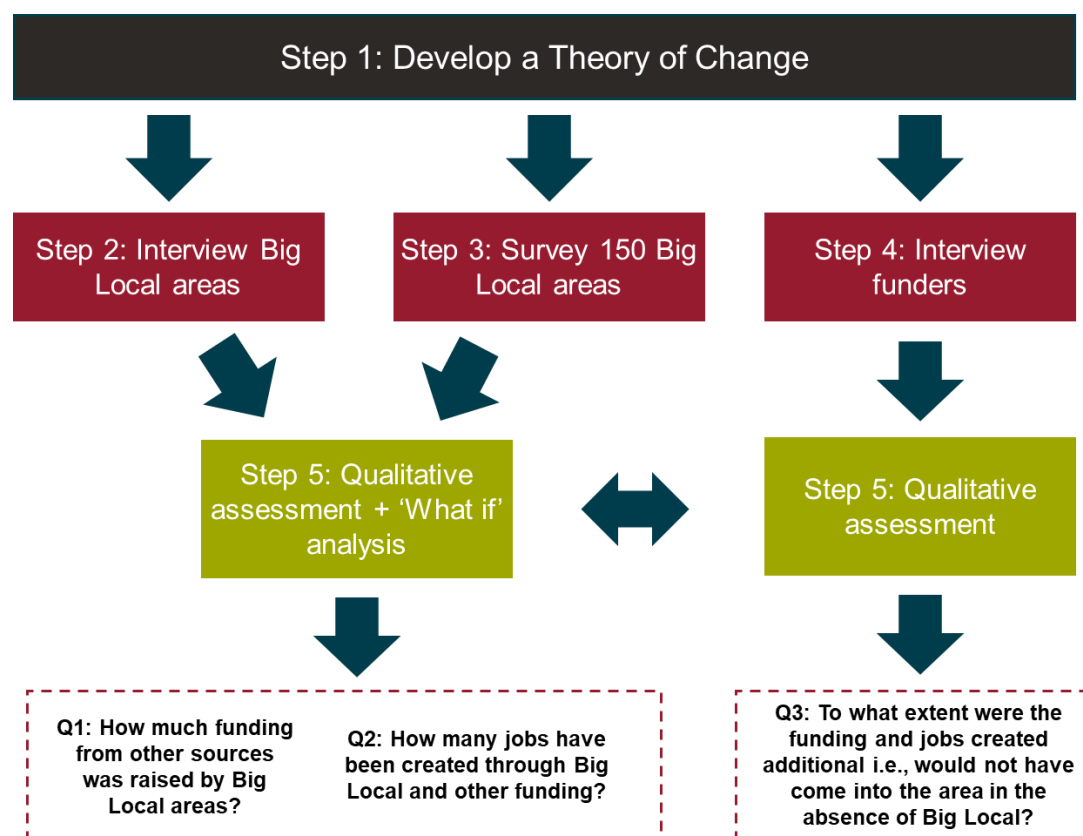
¹⁰ Nine Big Local areas which had previously opted out of research with Local Trust were excluded from this.

Local area, and aimed to explore why the funder had selected that area, and whether they would have invested in that area had Big Local not taken place.

- **Step 5: Perform a qualitative assessment and 'What if' analysis.** Estimates of funding raised and jobs created in Big Local areas were generated using the new evidence gathered above. 'What if' scenarios were used to translate the funding and jobs numbers received from areas into conservative aggregate estimates that account for potential participation, measurement and outlier bias, and reflect an expert assessment of the accuracy and confidence of the estimates provided. These estimates were then complemented with qualitative insights from area and funder interviewees. This included additional detail on the mechanisms through which funding was raised and jobs created, and views and broader evidence about the extent of their additionality.

Further detail explaining the methodology and limitations can be found in Annex A.

Figure 1 Overview of the five-step methodology



Source: Frontier Economics

3 Funding from other sources raised

In providing Big Local funding, the programme was not prescriptive. This meant areas were free to decide whether or not to raise funding from other sources to complement the initial Big Local investment. To allow areas to focus on delivery and avoid any unnecessary bureaucracy that might jeopardise their aims, it was not a requirement for areas to collect extensive data and evidence for evaluation purposes. For this reason, and the fact it was not an aim of the Big Local programme for areas to raise funds, areas did not have to record and report whether funding from other sources – such as grants, donations, contracts, and loans – was raised, or if jobs were supported.

However, through their role working with Big Local areas, Local Trust have gained a strong sense that many areas did raise funding from other sources. Our research set out to test this hypothesis. To overcome the data challenge, interviewees who were closest to the scheme in eight areas were guided through a series of detailed questions to elicit as much information as possible with support both beforehand and afterwards to aid preparation and checking of answers. A survey of all 150 areas was conducted to complement the in-depth interviews with areas encouraged to make contact if they had any questions, which several areas did. In total, 32 areas responded.

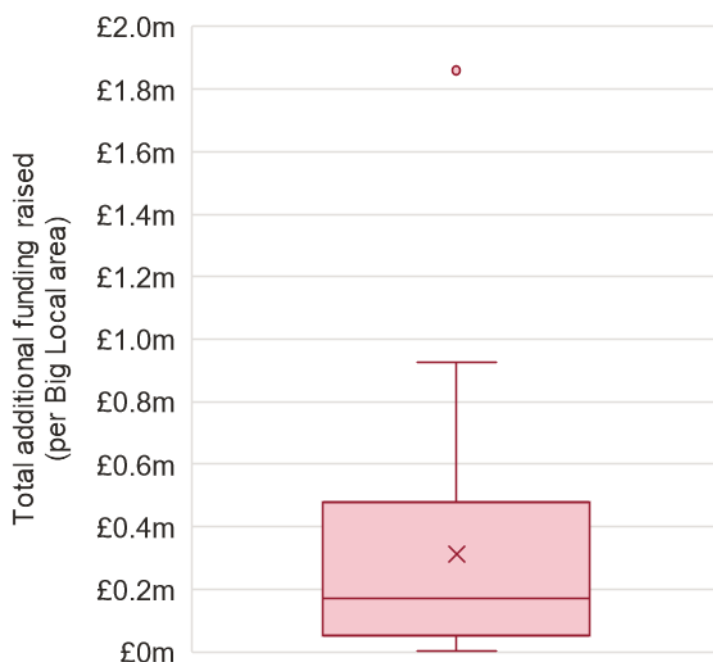
3.1 How much funding from other sources has been raised by Big Local areas?

Across the in-depth area interviews, survey, and funder interviews, the evidence suggests that 32 of the 40 Big Local areas covered by this research raised funding from other sources.

- All eight areas that took part in the in-depth interviews raised external funding.
- Of the 32 survey respondents, 24 areas reported raising funding from other sources.

The in-depth funder interviews also covered two further Big Local areas that did not respond to the survey nor were selected for in-depth interview, but which had received additional funding.

Of the areas raising additional funds, the average amount raised was approximately one-third of their original Big Local budget (£1m), at around £312,000 over the lifetime of the programme. Underlying this average figure, Figure 2 shows significant variation in the amounts raised, ranging from a minimum of £3,000 to a maximum of £1.9m (overall nearly tripling the original Big Local investment), with a median value of £170,000 raised. This demonstrates the diversity of outcomes Big Local areas experienced when raising funds.

Figure 2 Distribution of funding from other sources raised by Big Local areas

Source: Frontier Economics analysis of areas interviews, survey, and funder interviews

Note: Sample size: n=32

To provide an estimated range of the total amount of funding raised across all 150 Big Local areas, a set of four different ‘What if’ scenarios using this data and a set of illustrative assumptions were created:¹¹

- **Direct extrapolation:** This extrapolates the estimated average funding raised in each area to the whole of Big Local, assuming that 76 per cent of areas raised funds. While 81 per cent of areas indicated they raised additional funds (as outlined above), only 76 per cent provided estimates for this – so the latter figure was used to be conservative.
- **Central:** This adjusts the direct extrapolation scenario down to account for participation bias. While the survey was sent to almost all Big Local areas and the selection criteria for the area interviews sought to avoid only selecting areas who were more (or less) likely to raise external funding, those areas who raised additional funds may have been more likely to respond to the survey and/or interview request. For this reason, we indicatively reduce the percentage of areas raising funds down by 12.5 per cent, from 76 to 67 per cent (that is, a nine percentage-point reduction).
- **Low:** This takes the central scenario, but uses the median additional funding raised (£170,000) in each area rather than the average (£312,000) to extrapolate to the whole of Big Local. The median is used to adjust for potential outlier bias, which if present would

¹¹ A detailed methodology outlining this approach, the sensitivities and limitations is provided in Annex A.

indicate that the average funding raised figure is not reflective of the true distribution of funding raised by Big Local areas. In that case, the median is a more appropriate measure of central tendency.

- **High:** This takes the central scenario, and increases the average amount of funding raised in each area by 25 per cent (to £390,000) to reflect potential measurement bias arising from:
 - the fact that a number of the areas interviewed indicated that they received in-kind donations of items that it was not possible to provide a financial value for,
 - areas indicating in their interviews that although funding was raised, they could not provide figures for all of it,
 - much of the data only covering some of a given Big Local area's period of operation, often because the individuals interviewed (and LTOs that responded to the survey) were not part of the Big Local area from the beginning and could therefore not provide estimates for the period before their involvement.

While it was not possible to estimate how large these competing forms of bias may be, the illustrative +25 per cent was taken from Green Book Optimism Bias guidance to indicate a possible value for measurement bias.¹² For participation bias, the 25 per cent figure was halved, meaning a 12.5 per cent reduction was applied. This indicative adjustment to the 25 per cent figure was made because an already conservative approach was taken to estimating the percentage of areas who said they raised funding from other sources.

The results across these four scenarios are presented in Figure 3 below. In the direct extrapolation scenario, which assumes the sample of 42 areas (covering 28 per cent of all 150 Big Local areas) is representative of all Big Local areas, the total amount of non-Big Local funding raised is estimated at £36m. Given the assumptions needed to extrapolate the results, this estimate is adjusted to take into account two potential biases.

After adjusting for potential participation bias, the estimate of funding from other sources raised falls to £31m across all years of operation. Given there are reasons to believe that there are downward pressures on the estimate due to potential outlier bias as well as upward pressures due to measurement error, this figure sits within an indicative range of £17m to £39m. This means the fundraising activities of the Big Local areas increased their initial Big Local investment of £150m by approximately 11-26 per cent. This extra funding was raised despite there being no requirement for areas to do so, and does not include the potentially significant value of in-kind donations (such as equipment) that were provided to areas.

¹² 24 percent (which has been rounded up to 25 per cent) is the upper bound figure for optimism bias for capital expenditure for standard buildings. While not directly related to funding raised and jobs supported, it remains a quantitative indication of the challenges of providing financial estimates. From *Green Book supplementary guidance: optimism bias*. Available at: gov.uk/government/publications/green-book-supplementary-guidance-optimism-bias

Figure 3 **Estimated total funding from other sources raised across all Big Local areas**

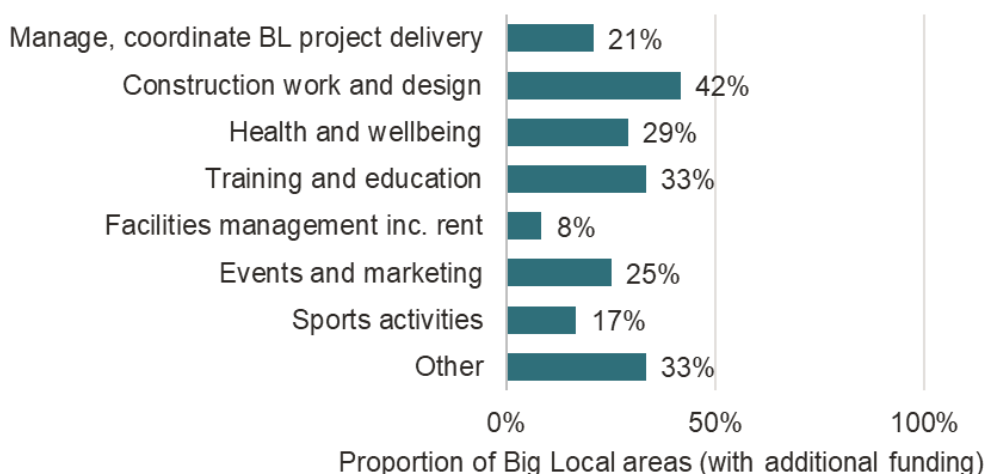


Source: Frontier Economics analysis of areas interviews, survey, and funder interviews

Note: Sample size: n=42

3.2 What was the funding used for, how was it raised and from which sources?

The in-depth area interviews suggested that most areas raised funding as part of larger infrastructure projects, running training and education workshops as well as holding events for the local community. This aligns with the results of the survey (see Figure 4), where 42 per cent of respondents that raised funding from other sources indicated they spent funding on construction work and design, 33 per cent on training or education programmes, and 29 per cent on health and wellbeing services.

Figure 4 What was funding from other sources spent on?

Source: Survey (Frontier Economics)

Note: Sample size: n=24 (i.e. number of areas surveyed that raised funding from other sources)

In general, Big Local areas were successful at leveraging additional funds from a highly diverse range of organisations. Funders included local councils, central government schemes (such as the Community Ownership Fund), charities, private companies, trusts, foundations, and churches. They included grants, donations, loans, and contracts to run services. The survey and in-depth area interviews strongly indicated that the biggest source of funding was from grants, both in terms of how many areas received grant funding and the actual amount of grant funding received.

In the interviews, there appeared to be distinct approaches in how the funding from other sources was raised. These ranged from a stronger involvement of a Big Local area in the project planning, delivery and fundraising, to a less involved seed funding approach, wherein projects were funded but there was little involvement in delivery or fundraising themselves.

In the interviews, Big Local areas often raised additional funds to help complete infrastructure projects they had planned, such as building or refurbishing community hubs, playgrounds, skate parks and sports facilities. These projects typically required a larger budget, were more labour intensive, and often raised substantial external funding.

For example, in one Big Local area, the local council donated £150,000 for new equipment at a children's playground. Another area raised more than £100,000 for a sports hub from a combination of grant applications and private donations. In raising this kind of funding from other sources for infrastructure projects, some Big Local areas submitted formal grant applications and/or utilised relationships they had built with other organisations. Other areas took a different approach, forming a partnership with another organisation to deliver their vision. This organisation would then lead the process of raising funding and undertake project delivery somewhat separately from the Big Local partnership.

In addition to the larger infrastructure projects, Big Local areas raised funding from other sources to deliver a range of services and events for the local community. This included the delivery of training, education and employment-support workshops, but also the organisation of festivals, art exhibitions and community events (such as bingo clubs). Big Local areas were often heavily involved with these kinds of projects, and applied for smaller grants and/or built networks with private companies, local councils, charities, and churches who provided financial and/or in-kind support (such as equipment donations). However, in several cases, Big Local areas also provided smaller amounts of seed funding (generally around £500-£1000 per project) for unique resident-led initiatives as part of 'community grants' programmes, without engaging as much in delivery. Having received seed funding, some of these projects then went on to raise additional funds themselves.

3.3 What led to areas successfully raising additional funds?

Several key factors were noted by Big Local areas as having contributed to their ability to successfully raise additional funds. These were:

- **Building a positive reputation and track record of delivery:** several areas noted that Big Local helped them to get started and demonstrate the ability to successfully deliver projects, which was key to receiving external funding.
- **Hiring professional support workers:** multiple areas mentioned the role that support workers played in raising funding, albeit in different ways. In some, workers helped raise funding through networking; in others their focus was on research, community engagement, and writing official funding applications. One area did highlight a potential risk: in their case, the bid-writing individual cost more than the funding they brought in from other sources.
- **Demonstrating engagement with the priorities of the local population and alignment with funder priorities:** areas and funders noted that this was helpful for funding applications. For example, one Big Local area conducted a consultation with residents that evidenced strong local support for a specific initiative, which led to funding being raised.¹³

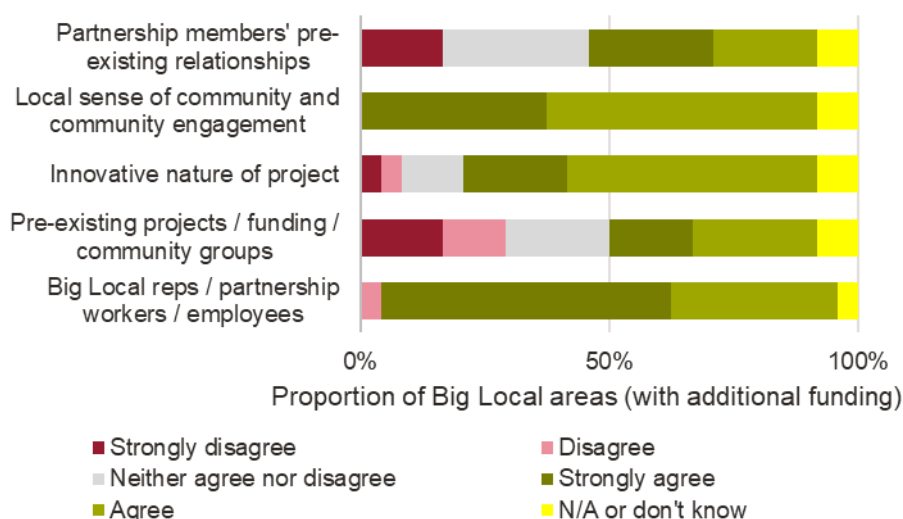
These three factors were mirrored in the survey results in Figure 5, with 92 per cent of areas agreeing or strongly agreeing that Big Local workers and reps played a role in securing funding from other sources. Similarly, 92 per cent of areas agreed or strongly agreed that community engagement played a role. Albeit mentioned less often in the interviews, other factors were also flagged as important in leveraging the funding. For example, 70 per cent of survey respondents agreed or strongly agreed that the innovativeness of a project helped to secure

¹³ While not included in the quantitative funding raised estimates in Section 3.1, several areas in the interviews mentioned how their community engagement efforts were then used by (for example) Local Councils to successfully bid for government grants, such as the Future High Streets Fund.

funding from other sources. This was also reflected in some of the area interviews, but wasn't considered a key factor in the decision to provide funding.

The survey also shows that areas were split evenly on the importance of having preexisting relationships in securing funding from other sources. A similar question about the role played by funding, projects, community groups or social enterprises that existed (if at all) before Big Local was equally split; some areas considered them helpful, whereas others did not. These results were largely mirrored in the interviews, with one exception: while most areas did not indicate that preexisting relationships were key to raising funding from other sources, several suggested that building those relationships did often aid the process of raising funding from other sources once the Big Local partnership was established. This points to greater levels of additionality, with Big Local areas not only promoting shovel ready projects or leveraging existing relationships with funders, but largely creating things from scratch.

Figure 5 To what extent do you agree or disagree with the following statements regarding their role in helping secure additional funding?



Source: Survey (Frontier Economics)

Note: Sample size: n=24 (i.e. number of areas surveyed that raised funding from other sources)

While it is key to understand what the Big Local areas felt was important in raising funds, so is hearing the view of funders themselves. A major funder noted that the track record and experience managing funding by the Big Local in that area contributed to their decision to provide a larger amount of money than they might have given otherwise. Another mentioned that one of the strongest aspects of their recipient partnership's funding application was how they demonstrated their alignment with the needs of the area, and how they had engaged with the community. Both of these points strongly align with the views of the Big Local areas interviewed and surveyed. One of the funders also highlighted the importance of demonstrating how an area's application aligns with the funder's priorities and aims in terms of the target geography, deprivation level, and project delivery plans. The other mentioned

that the investment also met several of their funding priorities, and represented good value for money.

3.4 Would this funding from other sources have been raised in these areas if Big Local had not taken place?

Almost all of the area interviewees noted the funding from other sources would not have been attracted had the area not taken part in Big Local. In explaining why, areas noted how the Big Local programme acted as a catalyst for areas, allowing them to build momentum and get started, which they felt would not have happened otherwise.

In particular, area interviewees mentioned how that the long-term guaranteed stream of Big Local funding, advice from their locally trusted organisation (LTO)¹⁴, and support from their Big Local representative (from Local Trust)¹⁵ allowed areas to build the capacity necessary to attract funding from other sources. The capacity-building measures areas highlighted as important were:

- The creation of an organisational presence in the area (sometimes including establishing their own legal entity).
- Building skills and expanding knowledge of funding processes.
- Establishing a track record of successful projects, demonstrating that change can happen.
- Improving the area's reputation in the eyes of the local community and potential funders.

As shown in Figure 6 below, approximately 60 per cent of Big Local areas responding to the survey disagreed or strongly disagreed with the statement that “The area would have attracted the additional funding, even if it did not take part in Big Local”. Only 20 per cent agreed or strongly agreed with the statement. This supports the findings from the area interviews that Big Local often played a key role in raising this funding from other sources.

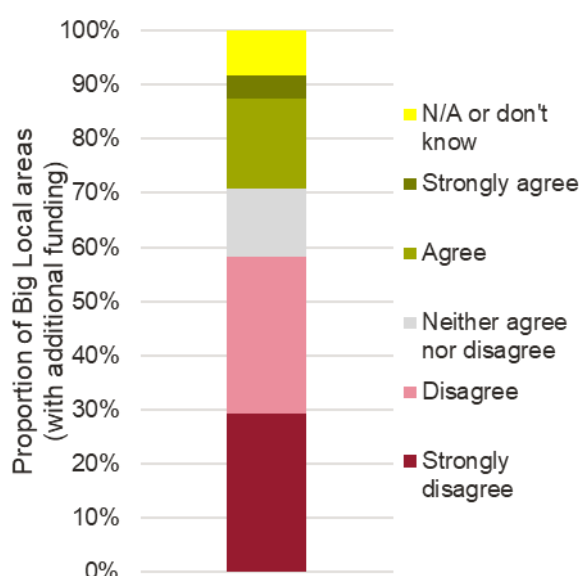
In the interviews with the two funders, similar themes emerged. Both stated that if the area had not taken part in Big Local, it is unlikely they would have invested. One funder noted that without Big Local, it would have been difficult for the area to demonstrate a track record of managing larger funds. In that situation, they then may (if at all) have invested a smaller amount in the form of a ‘development’ grant to help get an organisation established, rather than focusing on delivery. Similarly, the same funder felt that Big Local helped increase community participation, which was a key part of their funding criteria. The other funder mentioned how in the wider bidding process for funds, all other successful applicants were not

¹⁴ Under Big Local, areas received money via their LTO, which was a preexisting (often charitable) body which would receive funds and distribute this under instruction from the Big Local partnership (who decided how funds should be spent).

¹⁵ Each area had a Big Local rep, who provided support and constructive challenge to partnerships and LTOs around programme delivery.

area-specific (but schemes across the whole region). The establishment of this particular Big Local area meant this was the only place-specific project funded. In their view, the funding would not have been spent in this deprived community, but more broadly across the whole region. This indicates that the establishment of a Big Local area led to displacement of funds, in this case resulting in a positive distributional impact by enabling a highly deprived area to be targeted. This is particularly pertinent given channelling funds to areas that had previously not received National Lottery or public funding was a key aim of the Big Local programme (and was one of the eligibility criteria for areas to participate).¹⁶

Figure 6 The area would have attracted the additional funding, even if it did not take part in Big Local?



Source: Survey (Frontier Economics)

Note: Sample size: n=24 (i.e. number of areas surveyed that raised funding from other sources)

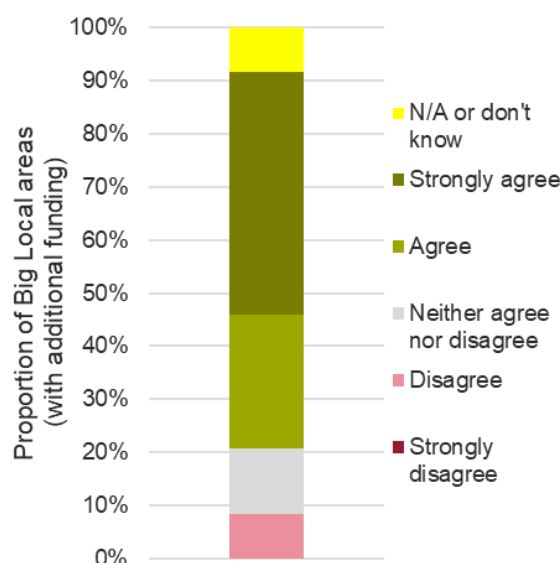
3.5 What does this funding mean for the legacy of Big Local areas?

3.5.1 Ability to raise funding in the future

During the area interviews, many Big Local areas stated that their ability to raise funding in the future (beyond the end of their Big Local funding) had improved. Touching on similar themes noted above, this was due to the improved reputation, credibility, networks, and organisational capabilities built throughout the Big Local programme. The survey evidence supports this view, with Figure 7 showing that 71 per cent of areas that raised funding from other sources indicating that their area's ability to raise funding in the future had improved as a result of Big Local. Only 8 per cent of areas disagreed.

¹⁶ From the Big Local selection criteria (web page longer available).

Figure 7 The area's ability to raise funding in the future has improved as a result of Big Local?



Source: Survey (Frontier Economics)

Note: Sample size: n=24 (i.e. number of areas surveyed that raised funding from other sources)

In understanding why some areas felt that their involvement with Big Local had improved their ability to raise funding in the future, some highlighted that they had established their own legacy organisation – something areas were not required to do. These legacy organisations were often legal entities separate from an area's LTO, which could receive funds and continue running the projects that took place during Big Local. They were established to increase the operational independence of the Big Local partnership from their LTO, manage funding directly, and continue the work they had been doing through Big Local.

One area highlighted that while the ability to raise funding in future had improved for the specific individuals and projects supported by Big Local (for example, by signing up for local council email lists, building their operational experience and providing fundraising advice), this was not necessarily the case across the wider area. This is because once Big Local funding finished, the support they provided would no longer be there to help get new projects started (beyond those they had already helped launch).

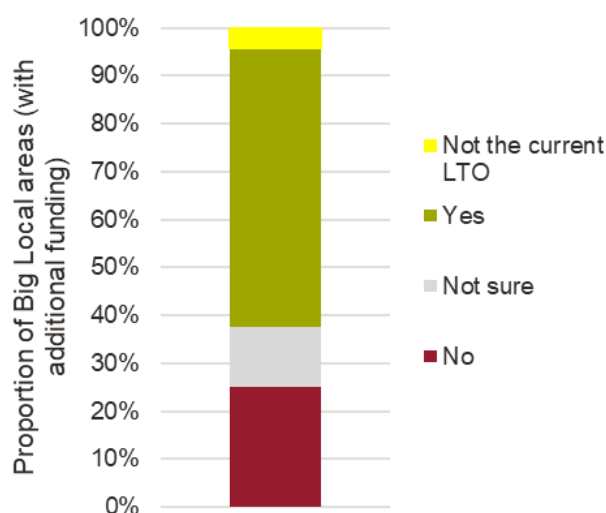
It was the opinion of both funders interviewed that because of Big Local, the ability of the areas they funded to raise funding from other sources had improved. One of the funders mentioned the importance of the Big Local area's 10-year evaluation report, which demonstrated positive impact and frequent engagement with the residents. The other highlighted that Big Local led to the creation of a legacy organisation, which was an essential requirement for them to distribute funds. However, the funder also noted that the legacy organisation required support (such as legal and financial advice relating to business planning) to transition from their current approach of distributing funding to a more involved approach in delivery.

3.5.2 Funding raised after Big Local ends

Most of the interviewed areas had either secured the funding or were in the process of raising funds to continue at least some of their operations. The outcome of these efforts is uncertain at this stage. These results align with the survey in Figure 8, which found that of those areas which attracted funding from other sources during Big Local, 58 per cent had secured further funding to continue at least one or more projects once Big Local funding ends. This points to the importance of the capacity-building element of Big Local in creating an enduring legacy in areas.

Alongside this, a number of individual projects within Big Local areas have become self-sufficient. This is because community hubs and other physical spaces built using Big Local funds now generate additional income, which pays for their continued operation. Similarly, a number of events established by Big Local areas – such as book festivals, marathons, and art festivals – have become regular features, with ticket revenue or match-funding now covering their full costs.

Figure 8 Has the Big Local partnership attracted additional funding to continue at least one or more projects once Big Local funding ends?



Source: Survey (Frontier Economics)

Note: Sample size: n=24 (i.e. number of areas surveyed that raised funding from other sources)

Both funders highlighted the good performance of Big Local areas against their high-level objectives. One funder noted that they would like to continue to fund the area, but that the availability of future funding depends on the funder themselves securing funds they can disperse. The other funder highlighted that for future funding, the area must go through another round of formal funding applications. While an area having previously received funding increases their chances, future funds are not always guaranteed. This suggests that successfully raising initial funding may help an area unlock future funding opportunities.

4 Jobs supported

The evidence presented in Section 3 shows that most Big Local areas, when left to decide what was best for their local area and with no expectation from the Big Local programme, decided to raise additional funds to complement the initial £1m investment. In line with the Big Local programme approach, what this funding from other sources was spent on, how it was raised and from whom it came differed significantly across areas, reflecting the diversity of approaches taken.

Considering the initial £1m investment and additional funding brought in from other sources, this raises the question of what the economic impact of this funding was – in particular, whether it led to the creation of jobs. However, assessing whether any intervention leads to a net increase in jobs is challenging, because it requires an assessment of whether a previously unemployed or economically inactive person would have remained so without the intervention in question. For this reason, a commonly used measure in the literature is ‘jobs supported’ on average per year, which is reported on a full-time equivalent (FTE) basis. This means if one full-time job is supported in an area across all years they operate, the reported figure will be one job supported on average per year. Where possible, figures are reported on that basis.

Similar to funding raised, Local Trust have gained a strong sense that many areas did support jobs. The aim of this chapter is to test this hypothesis. As was the case with raising funding from other sources, job creation was neither the aim nor focus of Big Local. Instead, priorities were set by residents, based on their views of what was needed in their local community. For this reason, if an area did not create any jobs, that does not mean they were unsuccessful; rather, it would show the diversity of priorities and chosen delivery models within Big Local.

4.1 How many and what types of jobs have been supported by Big Local areas?

Across the in-depth area interviews and survey, evidence suggests 88 per cent of the 40¹⁷ Big Local areas covered in this part of the research supported jobs:

- All eight areas that took part in the in-depth interviews supported jobs.
- Of the 32 survey responses, 27 areas reported supporting jobs.

A minority of areas therefore relied on volunteers alone to deliver their projects. In understanding the types of jobs supported, it is possible to distinguish between ‘direct’ jobs and ‘indirect’ jobs:

¹⁷ This is two less than funding raised, as the two funder interviews only covered funding raised, not jobs supported.

- **Direct jobs:** people paid by Big Local areas to deliver, supervise and/or administer projects. This includes administrative workers and project coordinators.
- **Indirect jobs:** people paid through third-party contractors to provide services as part of Big Local projects (such as teachers, performers, and construction workers).

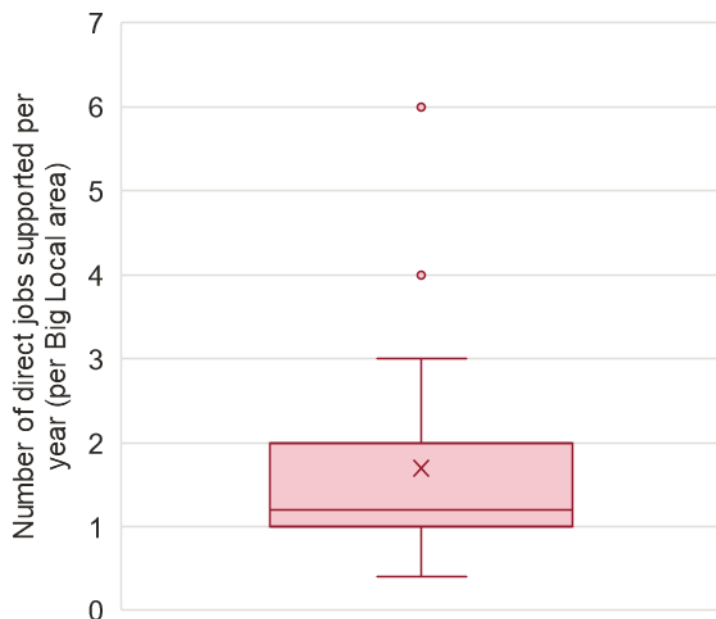
Some Big Local areas also offered CV workshops, training schemes, and volunteering opportunities. Although these projects may have helped individuals gain employment by providing experience and skills, these outcomes are not the focus of this research. This is because research into the wider economic effects of Big Local has already been covered elsewhere.¹⁸

In the in-depth area interviews, partnerships often paid one or more part-time support workers to manage project delivery, engage with the community, and organise events and marketing throughout their years of operation – with the precise composition of jobs differing by area. While it was often possible for areas to provide an estimate in FTE terms of the number of direct jobs supported per year, it was challenging to estimate the number of indirect jobs over 10-15 years, as many were hired on an ad-hoc basis to deliver specific projects or events (sometimes only lasting a day or a few weeks). For this reason, it has only been possible to estimate a range for the number of direct jobs supported across Big Local. When considering the total number of jobs supported per year (that is, including indirect jobs), this range very much acts as a lower bound.

Looking only at direct jobs, 75 per cent of Big Local areas indicated they supported this type of job. Of those areas that supported direct jobs, 1.7 FTE direct jobs were supported on average per year. This means if an area had two administration officers working part-time (50 per cent each) and a community development officer working part-time (at 70 per cent of a full-time worker) in every year they operated, they would have supported on average $0.5 + 0.5 + 0.7 = 1.7$ FTE direct jobs per year on average. As these are the same three jobs over time, the 1.7 FTE figure should not be summed over every year of operation.

Across these Big Local areas, Figure 9 shows there was a relatively high degree of variation between areas – with the maximum number being six FTE direct jobs supported per year, and the lowest 0.4 FTE. The median value was 1.2 FTE direct jobs supported per year. Based on the upper and lower quartiles, it appears most areas supported between one and two FTE direct jobs each year.

¹⁸ Local Trust (2020), 'Big Local and Community Economic Development'. Available at: <https://www.learningfrombiglocal.org.uk/resources/big-local-and-community-economic-development>

Figure 9 **Distribution of direct jobs supported per year by Big Local areas**

Source: Frontier Economics analysis of areas interviews and survey

Note: Sample size: n=30

Taking a similar approach to funding from other sources raised,¹⁹ an estimated range of direct jobs supported has been provided across the same four 'What if' scenarios:

- **Direct extrapolation:** This extrapolates the estimated average number of direct jobs supported in each area to the whole of Big Local, assuming (as above) that 75 per cent of areas supported direct jobs.
- **Central:** This adjusts the direct extrapolation scenario down to account for participation bias. While the survey was sent to almost all Big Local areas and the selection criteria for the area interviews sought to avoid only selecting areas that were more (or less) likely to support direct jobs, those areas that supported direct jobs may have been more likely to respond to the survey and/or interview request. For this reason, we indicatively reduce the percentage of areas raising funds down by 12.5 per cent from 75 to 66 per cent (a nine percentage-point reduction).
- **Low:** This takes the central scenario, but uses the median number of direct jobs supported (1.2 FTE) in each area rather than the average (1.7 FTE) to extrapolate to the whole of Big Local. The median is used to adjust for potential outlier bias.
- **High:** This takes the central scenario, and increases the average number of direct jobs supported in each areas by 25 per cent (to 2.1 FTE) to reflect potential measurement bias arising from the fact the data only covered part of the period a Big Local area was

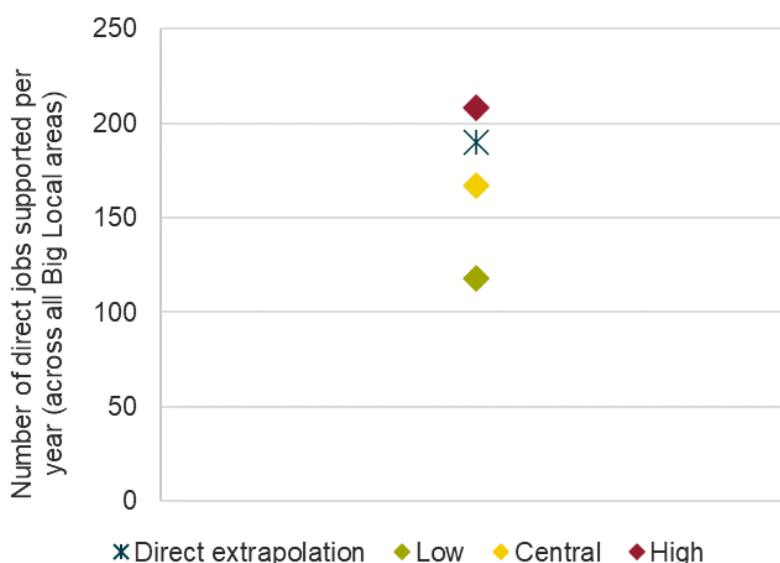
¹⁹ A detailed methodology outlining this approach, the sensitivities and limitations is provided in Annex A.

operational. This is because the individuals interviewed (and LTOs that responded to the survey) often were not part of the Big Local area for the whole period of operation, and so were unable to provide estimates for the period they were not involved.

Figure 10 below presents the results across these four scenarios. In the direct extrapolation scenario, which assumes the sample of 40 areas (covering 27 per cent of all 150 Big Local areas) is representative of all Big Local areas, the total number of direct jobs supported annually (on an FTE basis) is 190.

In the central scenario, which adjusts for potential participation bias, this estimate falls to 167 FTE direct jobs supported on average in each year. This sits within an indicative range of 118 to 208 FTE direct jobs supported per year, adjusting for the potential effect of measurement and outlier bias. While it has not been possible to perform an estimate incorporating indirect jobs supported, this range should very much act as a lower bound to that total figure. This is because from across the survey and the in-depth areas interviews, it was clear that a number of indirect jobs had also been supported in many Big Local areas.

Figure 10 Estimated number of direct jobs supported across all Big Local areas



Source: Frontier Economics analysis of areas interviews and survey

Note: Sample size: n=40

4.2 Would these jobs have been supported in these areas if Big Local had not taken place?

From the area interviews, most areas agreed that direct jobs would not have been supported had Big Local not taken place, or at least not at the same scale. Of those areas, they noted that there would not have been enough funding to hire the officers and other Big Local workers. As for indirect jobs supported, the views shared during the interview were mixed:

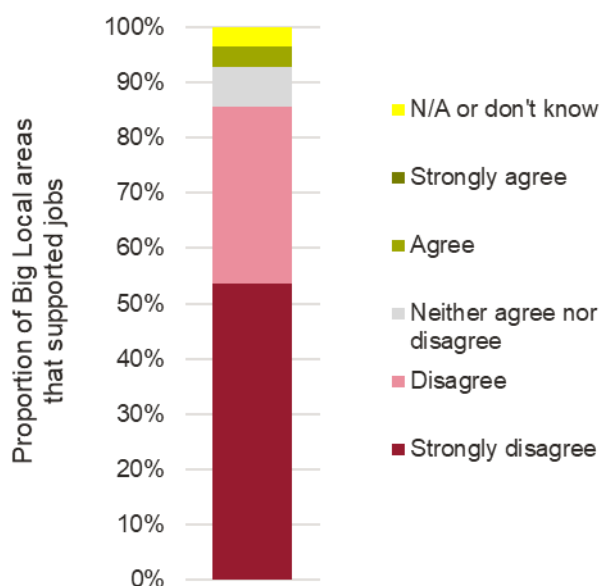
- Some areas felt that several jobs would not have existed had Big Local not provided initial seed funding to create the positions. For example, in one area, the Big Local partnership funded sensory workers and play therapists in a local school. Having demonstrated the value of these services, the school went on to seek funding to continue employing these individuals themselves.
- Other areas felt that indirect jobs would have existed regardless of Big Local. However, one area felt that the programme meant these positions were filled by local people, rather than being created elsewhere. While this indicates potential displacement, given that Big Local areas are amongst the 20 per cent most deprived on the Index of Multiple Deprivation,²⁰ this points to potentially positive distributional effects.

While not a focus of this research, Big Local areas that ran CV workshops and training schemes and provided volunteering opportunities felt that they had helped increase employment among the local population – in particular, those who were previously unemployed or economic inactive. This can be considered an additional benefit to the jobs supported estimates provided above, which do not include the employment impacts of such programmes.

Overall, the view that Big Local helped support jobs aligns with the results of the survey. As shown in Figure 11, over 85 per cent of areas that supported jobs disagreed with the statement that “The direct and/or indirect jobs would still have been created even if Big Local funding had not been received”. Further, while the focus of this research is on jobs supported, it should also be recognised that all areas indicated that they used volunteers to deliver projects (in some cases, only volunteers were used) – and that supporting jobs was not a requirement of the programme. Areas were free to decide how best to deliver their plan.

²⁰ Deprivation statistics from the Big Local website (no longer available).

Figure 11 Jobs would still have been supported even if Big Local funding had not been received?



Source: Survey (Frontier Economics)

Note: Sample size: n=28 (i.e. number of areas surveyed that supported jobs)

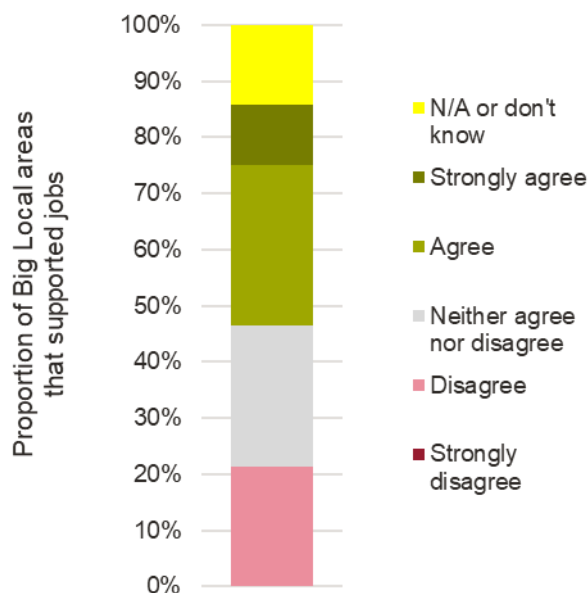
4.3 Will the jobs continue to be supported once Big Local funding ends?

4.3.1 Ability to create jobs in the future

Across the area interviews, areas generally suggested that the impact of Big Local on the local area's long-term jobs creation prospects was limited, given that job creation was not the focus of their work. While this was felt to be the case for job creation across the whole local area, several areas noted that they felt Big Local improved the employment prospects of those who took part in Big Local projects, either through volunteering or attending training and workshops organised by Big Local. One area noted that the effects of Big Local on job creation cannot be disentangled from external economic factors, while another highlighted the difficulty in quantifying the potential positive effect of Big Local in the short-term.

This uncertainty is reflected in the survey, with 39 per cent of the areas reporting 'don't know' or 'neither agree nor disagree' when asked whether the local area's long-term job creation prospects improved as a result of taking part in Big Local. While the proportion that agreed or strongly agreed stood at 39 per cent, a sizeable minority of 21 per cent disagreed with the statement.

Figure 12 The local area's long-term job creation prospects have improved as a result of taking part in Big Local?



Source: Survey (Frontier Economics)

Note: Sample size: n=28 (i.e. number of areas surveyed that supported jobs)

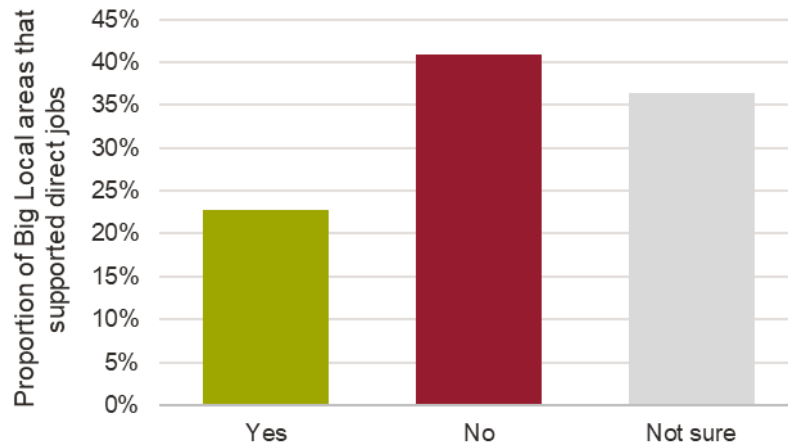
4.3.2 Jobs retained after Big Local ends

In interviews, areas often stated that direct jobs had been retained in cases wherein a legacy organisation was set up and funding received to continue operating. Similarly, the future employment of individuals in indirect jobs often depended on area's ability to raise future funding, which in some cases was uncertain or subject to the outcome of a submitted bid.

This partly aligns with the result of the survey.²¹ While 41 per cent of areas that supported direct jobs stated that Big Local employees would not remain employed once Big Local ends, only 23 per cent said they would remain employed. There appears to be significant uncertainty over whether the jobs supported will continue, with 36 per cent of areas surveyed indicating they were unsure. This may reflect the uncertainty outlined in the interviews around whether funding would be available to continue these roles going forward.

²¹ The survey question presented here relates to direct jobs supported. The results for indirect jobs supported could not be shown because the sample size was too small.

Figure 13 Will these Big Local employees remain employed once Big Local funding ends?



Source: Survey (Frontier Economics)

Note: Sample size: n=22 (i.e. number of areas surveyed that supported 'direct' jobs)

5 Conclusion

This research aimed to answer three key research questions:

1. How much funding from other sources was raised by Big Local areas?
2. How many jobs have been created through Big Local and other funding?
3. To what extent were the funding and jobs created additional? Through which channels does this happen?

Evidence from eight in-depth interviews, 32 survey responses from Big Local areas, and two interviews with funders indicates a significant proportion of Big Local areas that participated in this research raised funding from other sources and supported jobs. This is despite Big Local never intending to be a job-creation programme or one that required areas to raise funding from other sources. Furthermore, the majority of areas and both funders indicated that funding from other sources would likely not have been raised if the area had not taken part in Big Local. Similar results were found for jobs supported. Looking forward, most areas indicated that participating in Big Local had improved their ability to raise funding in the future. While still indicatively positive, the impact of Big Local on areas' long-term job creation prospects was found to be relatively limited. This is because job creation was often not the focus of their work.

While funding from other sources was raised and jobs were supported, these findings should not be read as a reason to impose job and funding requirements on future programmes. Doing so would misinterpret a key feature of Big Local: because decision-making was devolved, areas themselves decided to raise additional funds and support jobs. This gave them the freedom and ability to choose if, when and how to do this based on the needs and priorities of their local area and their capacity to do so. Adding specific requirements could restrict that freedom, and potentially lead to unintended consequences. Instead, the findings indicate that Big Local-style programmes can reasonably be expected to lead to jobs being supported and additional funding raised, even if that is not imposed.

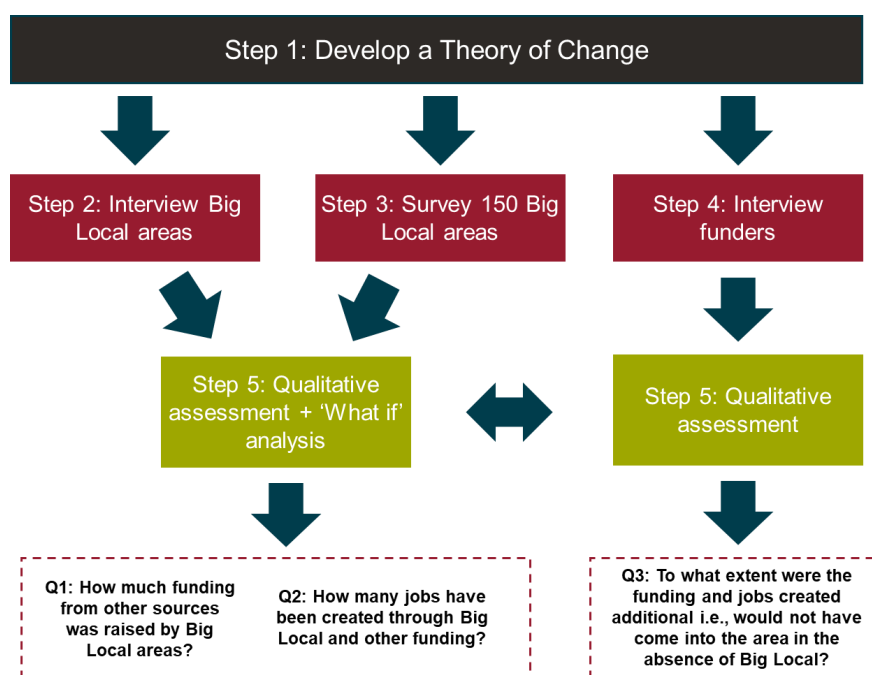
Annex A – Methodology

The purpose of this research was to answer three key research questions:

1. How much funding from other sources was raised by Big Local areas?
2. How many jobs have been created through Big Local and other funding?
3. To what extent were the funding and jobs created additional? Through which channels does this happen?

To do so, a five-step methodology was developed. This is outlined in Figure 14 below, with further details on each of these steps provided in the following sections.

Figure 14 Overview of the five-step methodology

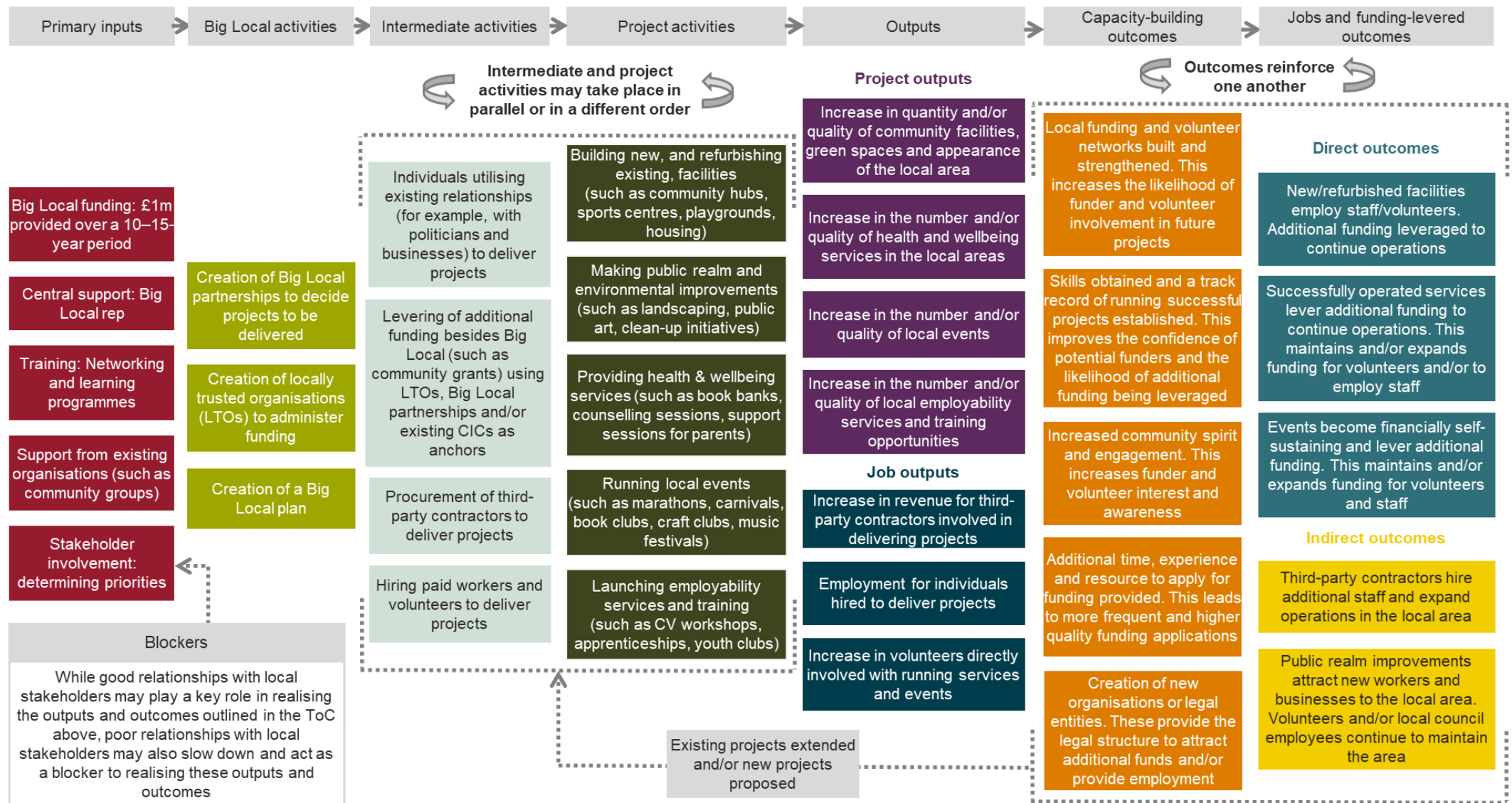


Source: Frontier Economics

A.1 Theory of change

Drawing on existing research, a Theory of Change was developed (see below) to characterise how and why Big Local funding could leverage funding from other sources and create direct and indirect jobs, compared to a counterfactual without Big Local. This involved reviewing the learnings from previous Local Trust projects, research available on the Big Local website and the Big Local area documentation provided by Local Trust. This was tested and iterated with Local Trust. The framework was then used to inform the approach to the area interviews, the survey and the funder interviews, so that the primary research questions could be answered and the Theory of Change tested and validated.

BIG LOCAL: FUNDING RAISED FROM OTHER SOURCES AND JOBS SUPPORTED



A.2 Area interviews

5.1.1 Interview approach

To test the Theory of Change, eight one-hour semi-structured interviews were held with one or more individuals involved in each of the chosen Big Local areas. An interview guide was developed and tested with Local Trust. This was comprised of three parts:

- **Welcome and briefing:** introduction to the interview; high-level overview of the Big Local projects funded in the area (10 minutes).
- **Funding raised:** the amount of funding raised from other sources; how that funding was raised; what it was used for; the factors that contributed to it being levered; and what the funding means for the legacy of the area (25 minutes).
- **Jobs created:** the number of direct jobs created; the number of indirect jobs or value of the contractors' work; job description and length of employment; whether the jobs would have been created without Big Local; the continuity of employment beyond Big Local (25 minutes).

An interview guide was used to ensure a consistent set of questions was asked across the different interviewers. To help Big Local areas prepare for the interview, each area was sent a one-page summary of the questions to be covered during the interview. After the interviews, interviewees were sent a follow-up document summarising the quantitative information on funding raised and jobs created, asking them to confirm if what we recorded was correct, and add detail to fill any gaps. This was to ensure the data collected was as accurate and complete as possible. Areas were also directly asked what they felt would have happened in a counterfactual world without Big Local, and to explain and evidence any statement made.

5.1.2 Selecting and contacting Big Local areas for the interviews

Given the diversity of area types and funded projects, and the limited information on area characteristics, selecting a representative sample of Big Local areas was not feasible. Instead, a maximum variation sampling approach was taken to assess as wide a range of different Big Local areas and types of projects as possible.²² As the resulting sample would not be representative, a 'What if' modelling tool (in conjunction with the results of the survey) was developed to assess the implications of different indicative scaling assumptions on overall funding raised and jobs supported across all 150 Big Local areas.

The first stage of the maximum variation sampling approach involved developing a set of high-level criteria to select a longlist of 20 Big Local areas. This involved:

²² This method is used to recognise patterns common to a group of diverse case studies.

BIG LOCAL: FUNDING RAISED FROM OTHER SOURCES AND JOBS SUPPORTED

- Using internal documentation from Local Trust containing a high-level breakdown of spend by category for each Big Local area, selecting nine categories that covered the key types of spend:
 - Community engagement
 - Health and wellbeing
 - Housing
 - Young people
 - Community spaces
 - Open spaces/parks
 - Wealth: local economy
 - Wealth: skills development
 - Capacity building
- Big Local areas that were already included in other Local Trust research were excluded to avoid overburdening the partnership. For similar reasons, areas marked as 'not on track' were also excluded.
- The top two spending areas in each of the nine project categories were then retained, giving an initial longlist of 18 Big Local areas. This was to select areas with a collection of projects large enough to have a detectable impact on funding and jobs, and to ensure areas with a range of project types were included.

As this long-listing approach excluded certain types of Big Local areas, two adjustments were then made:

- Two of the initially selected 18 areas were replaced with projects marked as 'not on track'. This is to understand whether these project types are suitable for inclusion in research or not, and if there are any lessons to be learned.
- A further two areas that were outside the 'top two' category spend criteria and/or currently involved in research were added in. This was to ensure learning from areas that may have had lots of smaller projects and/or areas that have particularly interesting projects (which may be the reason why they are involved in other research) were not excluded.

The next step was to narrow down the resultant 20 areas to a shortlist of 10, plus three 'reserve' areas (in case all 10 areas did not respond). Guided by the Theory of Change, key dimensions against which funding from other sources was raised and jobs created could differ

across areas were identified. Each of the 20 areas were then qualitatively assessed across the following criteria:²³

■ **Funding-related criteria:**

- ☐ Are the projects innovative/unique?
- ☐ Is there evidence of funding leveraged?

■ **Jobs-related criteria:**

- ☐ Are the projects labour intensive?
- ☐ Are the projects complex?
- ☐ How large are the projects?

Taking a maximum variation sampling approach, 10 areas (plus three reserve) were selected to maintain as diverse a group of areas across these five criteria as possible. This meant selecting areas that had characteristics that may, for example, lend themselves to raising funding from other sources – but also characteristics that may have the opposite effect. For this reason, the selection criteria should not lead to bias towards areas that were more (or less) likely to raise external funding or create additional jobs. As outlined in the Limitations section below, while the criteria used to select areas is unlikely to lead to bias, it is possible that areas that raised additional funds and/or supported paid roles may have been more likely to respond to the survey/interview request. This effect is known as participation bias.

After having selected areas according to the maximum variation sampling approach, a final check was then performed to ensure variation in the types of areas selected. This is to avoid having similar case-studies across areas (for example, having areas that all built community hubs).

Having generated the final sample, all areas were contacted (10 plus three reserve). The final achieved sample of areas that were interviewed was eight.

A.3 Survey

Alongside the interviews, a light-touch 10-15 minute online survey was sent to the majority of the 150 Big Local areas.²⁴ Given the information contained within the request primarily related to financial information and jobs, the survey link was sent to the locally trusted organisation (LTO) of each area. This is because the LTO was the organisation that administered and accounted for receiving and distributing Big Local funding. Where more than one LTO existed

²³ Criteria relating to whether there was funding prior to Big Local, the degree of confidence in local leadership, and the size of volunteer base were originally included but not used as there was limited information available in the documentation to take an informed view.

²⁴ Nine Big Local areas which had previously opted out of research with Local Trust were excluded from this.

for an area,²⁵ we attempted to survey both current and former LTOs. In these cases, the survey asked respondents to only fill in the period they were the LTO to avoid double counting.

The aim of the survey was to supplement the findings of and cross-reference the qualitative insights from the interviews, forming a more complete understanding of funding raised from other sources and jobs supported during Big Local. For this reason, the survey asked similar questions and followed a similar structure to the area interviews. Areas were also encouraged to make contact if they had any questions or if they were unsure, which several areas did.

Of the 141 Big Local areas sent the survey, responses covering 32 areas were received (a coverage rate of 23 per cent). It was not possible to weight survey responses, as information at the population level (across all Big Local areas) is not available. For that reason, all survey responses are reported as received. This means responses received may not be representative of all Big Local areas. This is because, as outlined in the main report, there may be participation bias due to areas that raised additional funds/supported jobs being potentially more likely to respond to the survey. This is, however, adjusted for in our 'What if' analysis.

A.4 Funder interviews

In addition to the area interviews, two one-hour interviews with large funders of the Big Local areas were undertaken. Each interview focused on one particular Big Local area, and aimed to explore the reasons why the funder had selected that area, and whether they would have invested in that area had Big Local not taken place. This was to try and understand what would have happened in a counterfactual world in which the area had not taken part in Big Local. Following a similar approach to the area interviews, an interview guide was developed which covered the following topics:

- **Welcome and briefing:** introduction; information about the funder; background questions about the amount of funding provided and areas funded (10 minutes).
- **Reasons for funding:** process of providing funding; main reasons for providing funding; whether funding would have been provided had the area not taken part in Big Local; exploring the extent to which different factors contributed to the decision to fund the area (35 minutes).
- **Future funding:** whether funding will be provided in the future; whether the areas' abilities to raise funding improved; characteristics of the projects; expectations attached to the use of funding (15 minutes).

Combined with the eight area interviews which sought these views from the local areas themselves, the funder interviews provide a direct view on what the key factors were in providing funding from other sources, including the role (if any) of Big Local.

²⁵ This is because in some cases the LTO changed over time.

During the interviews, the questions were primarily focused on the funder's interaction with one specific Big Local area rather than trying to cover all areas a funder may have provided funding to. This was to provide as detailed an understanding of the funding process in the given area as possible.

5.1.3 Selecting and contacting funders

In identifying which funders to interview, several dimensions were considered:

- **Funder type:** ensuring a mix of charitable and public funders.
- **Funding size:** ensuring a mix of funding amounts while keeping an overall focus on top funders to keep engagement proportionate.
- **Diversity of areas covered:** avoiding overlaps on areas where engagement was already taking place to maximise the range of findings.

Government departments were not approached, as the research coincided with the pre-election period, affecting interview availability. Using funding data shared by Local Trust, these criteria were used to create a final short-list of three funders (plus two reserves) that were contacted for the interviews. Out of these five, two were interviewed.

A.5 What-if scenarios

To provide an estimated range of the total amount of funding raised across all 150 Big Local areas and the total number of direct jobs supported, a set of four 'What if' scenarios were created. This combined the survey, area and funder interview data (where feasible) with a set of illustrative assumptions. The methodology for this is as follows:²⁶

- For those areas that raised additional funds, the average (and median amount) of funding raised on average per area over the whole period was calculated.
- To scale this up to an overall Big Local figure across all 150 areas, in the direct extrapolation scenario, the proportion of areas that raised additional funds was used. This means if the average funding raised in areas which raised funds was £312,000, and 76 per cent of areas across the survey and interviews raised funding from other sources, then the estimated total amount raised across all 150 Big Local areas is $£312,000 * 76\% * 150 = £36m$
- As explained in the main report, the areas that responded to the survey and interviews are unlikely to be representative of all Big Local areas. As it was not possible to weight responses to adjust them to be representative of all Big Local areas (because the

²⁶ The method for estimating direct jobs supported is the same.

information required is not available), three illustrative 'What if' scenarios were used to adjust for three potential sources of bias in the estimates. These are:

- **Participation bias:** Areas who raised additional funds may have been more likely to respond to the survey and/or interview request. The 76 per cent figure (for funding from other sources raised) may be an overestimate of the number of areas which raised additional funds, so needs to be adjusted downwards.
- **Measurement bias:** This accounts for the value of in-kind donations, missing data and the fact many areas only provided data that covered part of the period a Big Local area was operational (meaning the average might be too low).
- **Outlier bias:** The median is used to adjust for potential outlier bias, which if present would indicate that the average 'funding raised' figure is not reflective of the true distribution of funding raised by Big Local areas. In that case, the median is a more appropriate measure of central tendency.

While it was not possible to estimate how large these competing forms of bias may be, an illustrative +25 per cent taken from the Green Book Optimism Bias guidance was used to indicate a value for measurement bias.²⁷ For participation bias, the 25 per cent figure was halved, meaning a 12.5 per cent reduction was applied. This is because an already conservative approach was taken to estimating the percentage of areas who said they raised funding from other sources.²⁸

The 'What if' analysis is therefore only an indicative estimate, based on the assumptions outlined above. The true (unobserved) value may be more or less than the range quoted. However, given the relatively high coverage of Big Local areas (28 per cent) for funding raised, there is a good degree of confidence in the estimated range provided in the main report.

A.6 Limitations of the analysis

While the methodology outlined above was designed to be robust, it also had to be cognisant of the fact that most individuals involved in Big Local in these areas are volunteers. For this reason, data requests had to be proportionate and not place an undue burden on their time. For this reason, while Frontier Economics' quality assurance procedures have been followed and every effort made to validate information provided by local areas and funders where possible, the analysis outlined in this report is subject to limitations. In particular:

²⁷ 24 per cent (which has been rounded up to 25 per cent) is the upper bound figure for optimism bias for capital expenditure for standard buildings. While not directly related to funding raised and jobs supported, it remains a quantitative indication of the challenges of providing financial estimates. From Green Book supplementary guidance: optimism bias. Available at: gov.uk/government/publications/green-book-supplementary-guidance-optimism-bias

²⁸ While 81 per cent of areas said they raised additional funding, only the 76 per cent who were able to provide figures for the amount raised was used in the calculations.

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- While the survey was sent to all Big Local areas and the areas selected for interview were chosen according to set criteria to maximise variation, it is possible that areas that raised additional funds and/or supported paid roles may have been more likely to respond to the survey/interview request.
- It was not possible to weight survey responses to adjust them to be representative of all Big Local areas. This was because the information required is not available. In line with best-practice guidance, illustrative assumptions have been used to reflect this uncertainty.
- All data received is self-reported. It was not possible to independently verify the information provided. This means some funding reported may not be solely attributable to Big Local areas, and there is potential measurement error.
- As Big Local areas were not required to record the amounts of funding raised and the profile of when this funding was provided, it was not possible deflate the funding figures to a common price base.
- Some data was unable to be captured. A number of areas received in-kind donations (for which a financial value was not possible), and there were often data gaps where areas were not able to provide figures for funding raised or jobs supported. Further, some the data received only covers part of the period a Big Local area was operational.
- At the time of this research, parts of the Big Local programme were still live, meaning some active areas could still raise additional funds and support paid roles in its remaining months. These have not been captured in this work.

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