

Publications  
**Annual Report  
2022/23**



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## **FOREWORD**

Thank you for your work for your councils, communities, and county associations. It makes the job of NALC much easier and more pleasurable when supported by a brilliant network of councillors, county officers, clerks and council staff.

A priority for NALC, county associations and the Society of Local Council Clerks (SLCC) over the last year was to promote civility and respect within the sector. We have achieved plenty working together by pooling resources and appointing a project manager. Over 1,300 local (parish and town) councils have signed up to the Civility and Respect Pledge, committing to training programmes, adopting the code of conduct and dignity at work policies, seeking professional help at early stages, calling out bullying and harassment, and supporting lobbying for legislation to strengthen standards. Many resources have been developed and made available to local councils, including a bullying and harassment statement, code of conduct guidance, and roles and responsibilities. In the coming year, we will continue to work together, increasing take-up of the pledge, putting civility and respect at the centre of the sector's improvement work, and reviewing and producing other supporting materials. We will also develop a mechanism to intervene where councils are at risk of significant problems.

We continue to look to improve our services to member councils, complementing the work of your county association.

### **Legal services**

Our team of solicitors provides advice to councils via county associations. They also maintain a suite of legal topic notes providing information on often tricky procedural and legal matters. County association colleagues are also regularly briefed on topical issues. Our plans for this year include a thorough review of standing orders, and a rewrite of the popular Local Councils Explained publication.

### **HR services**

As well as many HR templates covering every aspect, we offer an employment law and HR advisory service through our partners at WorkNest. County association colleagues can also avail themselves of access to our employee assistance programme. This year, we reviewed and republished The Good Councillor's guide to employment. Over the coming year, we will keep these resources current and publish a new template employment contract. With the SLCC, we will advise councils on clerks' hours and job evaluation.

### **An enhanced finance and audit service**

Our professional advisors at DCK Accounting Solutions can help county associations with finance queries, and we will be updating a range of supporting guidance this year, including a rewrite of the financial regulations, with the help of the Parkinson Partnership. Our Joint Panel on Accountability and Guidance (JPAG) produces the annual Practitioners' Guide. Through the company we set up, Smaller Authorities' Audit Appointments (SAAA), we have procured external audit services for the next

five years with only a slight fee increase. Internal audit is vital to sound finances, and we are developing a partnership with the Internal Auditors Forum.

### **Sector improvement service**

The Local Council Award Scheme assures residents that your council is well run, and NALC encourages all councils to consider this accreditation. We have agreed with the Local Government Association to hold several Corporate Peer Challenges for our largest councils, looking at Morecombe and Cirencester Town Councils last year. Contact NALC if you would like to feature in future years' programmes. NALC hosts an e-learning platform that county associations can access and provide to their members. These courses cover a range of subjects, with new content regularly added. Hundreds of councillors have already used this e-learning opportunity. Many of our resources, mainly The Good Councillor's guides, also help local councils improve.

### **Communications**

NALC's new partnership with Breakthrough Communications means that we will provide an increasing range of advice and guidance relating to local council communication. We have a GDPR toolkit and will soon publish our The Good Councillor's guide to communication. Work has commenced to provide advice on emails and .gov domain names. Through your county association, we can also offer advice on crisis communications with the help of the Local Government Association.

A large part of our work is to promote the role and potential of local councils with government and principal authorities, including attending and exhibiting at the Local Government Association (LGA) Conference and other national organisations. We collect case studies of good practices each year through our Points of Light publication and Star Councils Awards. So please tell us about the brilliant work you do. Our website has sections identifying how councils can realise their potential to tackle some of the country's biggest challenges, including climate change, health and well-being and engaging young people. A new section looking at planning and housing was also developed this year.

Our Policy Committee considers policy motions from you and shapes our manifesto, setting out the changes we want the government to make to legislation to make your lives easier. A key focus this year has been to press for the sector to access national grants, and with that, the government's Community Ownership Fund was opened for applications to the sector. Through the help of our president, Baroness Ros Scott, we have pressed several issues through the passage of the Levelling Up and Regeneration Bill, including enabling councils to hold remote meetings, allowances for caring responsibilities and clarification of the sector's funding of church buildings. A focus for the year ahead will be influencing the manifestos of the political parties as we approach the general election.

### **Engaging with you**

We depend on your input to get our work right, especially by proposing policy motions to make your lives easier. So please look at our website (a new one will be launched next year), sign up for our newsletters and join one of our monthly online events (the programme is set for the rest of the year). You can join several national

networks such as climate emergency, women councillors and young councillors. County colleagues can give us their views at the fortnightly county officers call. And, of course, get involved in the work of NALC by considering standing for election to one of our committees.

You can find complete information on all this work on our website ([www.nalc.gov.uk](http://www.nalc.gov.uk)). You can get login details from your county association.

NALC as an organisation is changing, too, with a move to new offices, hybrid working and new office systems. My experience this year has been that we are getting our message across about the sector's importance with more engagement with ministers, senior civil servants and other national bodies. I am particularly proud of our involvement with the new Office for Local Government and our achievement in securing access for local councils to the Community Ownership Fund grants.

Thanks for your support!

Cllr Keith Stevens  
NALC chair

15 September 2023

A handwritten signature in black ink, appearing to read 'Keith Stevens', with a long horizontal flourish underneath.

## **STRATEGIC DIRECTION**

Our move to new offices is an opportunity to rethink our work and to develop our strategy. This report updates progress following discussions at the National Assembly, Management Board and the Finance and Scrutiny Committee.

NALC's strategic direction is:

- To provide high-quality support to county associations to enable them to support member councils and to provide advice to councils where appropriate.
- To raise the sector's reputation in parliament, the media and with national stakeholders, and to progress our policy asks as set out in our manifesto.
- To showcase and celebrate the work of councils and encourage them to learn from others through our Star Councils Awards, case studies and dedicated webpages on topical themes, including climate change.
- To drive improvement in the sector through the Improvement and Development Board and initiatives such as the Local Council Award Scheme, Corporate Peer Challenge and the Civility and Respect Project.

### **County associations**

County associations are our primary partners and, through their National Assembly representatives, provide our governance and democratic legitimacy. Independent bodies, but NALC believes there is an increasing need to encourage joint and regional working and aim for greater consistency. In addition, fortnightly county officer calls and attendance at the County Officer Forum, which has an improvement plan for county officers and is reported to the Improvement and Development Board.

### **Partnerships**

NALC recognises that the sector can only partially support using NALC staff or resources alone or individual county associations. We have established partnerships with several sector experts to provide support, including on finance matters, HR issues, communications, and risk. SAAA was established as an independent company to procure external audits for councils. All this reduces our dependency on recruiting and retaining experts in these fields and the risks of single points of failure. Other essential partnerships include the SLCC, with which we are developing enhanced and complementary joint working. The LGA, which supports the Corporate Peer Challenges, helps raise understanding of the sector amongst principal councils and supports other initiatives.

### **Ways of working**

We are maximising the benefits of remote and hybrid working in a modern office, enabling us to recruit colleagues from across the country to support our work. London-based staff attend twice weekly, and remote colleagues join once a month. This approach applies to governance meetings, too, with committees generally meeting remotely but with one or two face-to-face meetings a year. Within the organisation, we increasingly recognise that several corporate services cannot be delivered cost-effectively by directly employed staff, and we commission external support for HR, payroll, and IT services. NALC has committed to a digital-first

approach to help address the climate emergency and is investing in content management systems (CMS) and customer relationship management (CRM) technology to enable us to make the best of this investment. As these initiatives settle and we identify organisational needs following the office move, we'll review staffing to ensure they support the overall strategy.

### **Accommodation strategy**

New office space has been rented in The Bloomsbury Building, which provides eight office desks and access to further desk space in communal areas in fully accessible accommodation with fast Wi-Fi and a range of meeting spaces (to support other meeting spaces offered by our partners, including CCLA). The rental fee includes all associated office costs, including cleaning, heating, lighting, etc. We are contracted to use this space for a year and will review exact ongoing needs in light of experience, staff and councillor views. The current view is that this accommodation serves our needs well. We should continue for the foreseeable future, possibly to 2028, recognising that other opportunities may arise, including purchasing alternate accommodation when market conditions allow or renting space in a similar organisation such as the LGA (they are currently reviewing their accommodation needs and have indicated that until this review is completed, they will not be offering space for rent). The agents who sold 109 have agreed to provide ongoing support on property options.

### **Financial strategy**

Sound and transparent financial arrangements will support our overall strategy, and our developing financial strategy is highlighted in the section from the vice-chair (finance).

### **Managing risk**

NALC is working to establish a sector risk register with the SLCC and county officers and will identify the top three risks. An internal risk register will also be updated and revised in light of the developing strategy and new developments.

Jonathan Owen  
NALC chief executive

15 September 2023





## **FINANCE AND SCRUTINY REPORT**

### **The trading year**

As NALC vice-chair (finance), I would like to highlight a number of issues from the last Financial Year and also look forward to the current Financial Year.

#### Income

Affiliation fees — Our affiliation base remains robust, reflecting the increasing number of local councils in membership. Our auditors did flag up again in their scrutiny report that we are dependent on county associations submitting accurate electorate figures for councils in membership.

In 2012/13, the total electorate represented by councils in membership was around 14 million. By 2022/23, this had risen to just under 16 million.

I'm grateful to county associations for their continued support and their prompt payment of NALC fees received from councils.

Other sources — Income from other sources is generally good, with revenue from remote events especially encouraging. NALC's digital-first approach, part of its commitment to tackling the climate emergency, has reduced the potential to generate funds from the sale of publications, though plans are in place to generate income from an updated version of *Local Councils Explained*. There is also scope over time to increase income from other online resources, including webinars. We have also seen the continuation and growth of key partnerships with other organisations providing services to the sector.

### **Expenditure**

There is a gross overspend this year of £56,721, largely due to pre-planned investment in IT, a CRM system, a new website and the civility and respect project. This has been in the main offset by an agreed transfer from reserves of £43,922 previously identified for these projects. This leaves a net overspend of £12,799. A large part of this expenditure was on staff, which, together with the higher-than-expected national pay settlement, explains the increase in staff costs over budget.

### **Sale of 109**

The big development this year has been the sale of 109 Great Russell Street in April 2023, after the year - end. Whilst there was some expenditure preparing for the sale, the financial treatment of the various costs associated with the sale will be agreed with our external auditors, Milton Avis, and will become part of the year-end accounts in 2023/24. The sale has necessitated changes to our budget process and a simplified analysis produced. We are also developing our financial strategy as set out below.

### **Scrutiny report and development**

Our external auditors were asked to conduct additional external scrutiny again this year and raised no matters of concern.

Our Finance and Scrutiny Committee is looking at how it can further develop its scrutiny role in terms of both the financial internal audit process and other related areas of the Association.

### **Financial strategy**

Affiliation fees — At least 85% of fixed expenditure will be met from affiliation fees. We will not be dependent on unreliable external funding streams. This means we must focus on demonstrating benefits for member councils. Affiliation fee increases during the current cost of living crisis will be restricted to 3% in 2024/25 and 3% in 2025/26, subject to confirmation.

Investment — Given the current inflationary period, this will be difficult for NALC, so our investment strategy in the short term will prioritise income over capital growth with interest allocated below the line to support sub-inflation level affiliation fee increases and the completion of the web/IT projects.

Partnership working — NALC will continue to secure partnerships which benefit councils and associations and provide a financial reward to NALC. NALC's event programme will be designed to generate income, but costs will be kept low and complimentary spaces will be made available to county associations and assembly members. Consideration will be given to returning to an annual face-to-face conference as situations develop.

Heads of services budgets — There are clear accountabilities for the budget, with heads of service with the newly defined income and expenditure headings and greater transparency through a new simplified budget summary to the Finance and Scrutiny Committee and National Assembly. Finance and Scrutiny Committee are provided with the details as requested to challenge the supporting numbers as part of their internal audit scrutiny role.

### **Reserves policy**

Our reserves policy aims to mitigate risks of sudden business closure, leaving members with liabilities, support improvement and innovation in NALC and the sector, and enable future property options. Preserving the net value of the sale of 109, general reserves will cover:

- Cost of closing present pension options
- Business closure - redundancies, contract cancellation etc.
- Cash flow
- Invest to save developments identified by NALC or county associations
- Future property needs

None of the net proceeds of the sale have been spent, nor will they without approval. Our current treasury management policy notes:

“The Association currently adopts a risk-free approach to investments. Funds may only be deposited with a UK Bank or Financial Institution named on the list approved by the Management Board. Considering the present market, the Finance and Scrutiny Committee will review the names on the approved list as necessary, bearing in mind

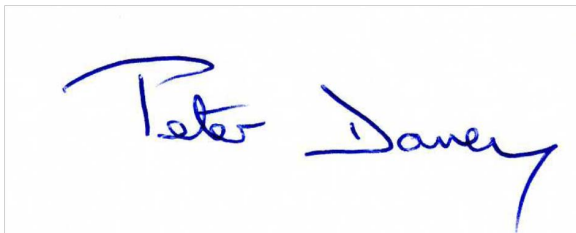
current ratings and the latest reports. For the time being, the Association will not invest in Equities, Corporate Bonds, and other financial instruments.”

The approved bank’s list includes our two current banks, CCLA and Co-operative Bank. The current yield on the CCLA account is around 5%. Their credit ratings are good. Feedback suggests returns from other low-risk investments are not currently significantly higher. This policy will need to be reviewed with external assistance, taking into account of current national/international financial context.

Finally, I’d like to thank NALC staff and members of the Finance and Scrutiny Committee for their support.

Cllr Peter Davey  
NALC vice-chair (finance)

15 September 2023

A handwritten signature in blue ink that reads "Peter Davey". The signature is written in a cursive style with a large initial 'P' and a long, sweeping underline for the name 'Davey'.

## **COMMITTEE MEMBERS' REPORT**

The Finance and Scrutiny Committee members present their report and the financial statements for the year ended 31 March 2023.

### **Committee members' responsibilities statement**

The committee members are responsible for preparing the Committee Members' Report and the financial statements in accordance with applicable law and regulations.

The committee members have elected to prepare the financial statements in accordance with the wishes of the General Meeting, which is the sovereign body of the National Association of Local Councils (Association). The committee members approve the financial statements once they are satisfied that they give a true and fair view of the state of affairs of the Association and of the profit or loss of the Association for that period.

In preparing these financial statements, the committee members are required to:

- select suitable accounting policies for the Association's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The committee members are responsible for keeping adequate accounting records that are sufficient to show and explain the Association's transactions and disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Disclosure of information to auditors**

Each of the persons who are committee members at the time when this Committee Report is approved has confirmed that:

- so far as the committee is aware, there is no relevant audit information of which the Association's auditors are unaware, and
- the committee has taken all the steps that ought to have been taken as a in order to be aware of any relevant audit information and to establish that the Association's auditors are aware of that information.

This report was approved by the committee and signed on its behalf.

Cllr Peter Davey  
NALC vice-chair (finance)

15 September 2023

## **AUDITORS' REPORT**

### **Opinion**

We have audited the financial statements of The National Association of Local Councils (the 'Association') for the year ended 31 March 2023, which comprise the Statement of Income and Retained Earnings, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the information given in the finance section of the annual report is consistent with the financial statements.

### **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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of NALC in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

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

## **Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The committee members are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

- the information given in the Committee Members' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the committee members' report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of NALC and its environment obtained in the course of the audit, we have not identified material misstatements in the Committee Members' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of committee members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the committee members were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

## **Responsibilities of the Finance and Scrutiny Committee**

As explained more fully in the committee members' responsibilities statement set out on page 12, the committee members 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 committee members 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 committee members are responsible for assessing the Association'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 committee members either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

## **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the Association's Constitution and considered acts which were contrary to the applicable guidance set out by the General Meeting, including fraud.

We considered compliance with this framework and performed audit procedures on these areas as considered necessary. Our procedures involved enquiries with management, review of the reporting to the directors with respect to compliance with laws and regulations, review of committee meeting minutes and review of legal correspondence.

We focused on laws and regulations that could give rise to a material misstatement in the Association's financial statements. Our tests included but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management;
- testing of journal postings made during the year to identify the potential management override of controls;
- review of minutes of committee meetings throughout the period; and

- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed, and the further removed non-compliance with laws and regulations from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

### **Use of our report**

This report is made solely to the NALC members. Our audit work has been undertaken so that we might state to the NALC's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the NALC and the NALC's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Stephen Sampson (Senior Statutory Auditor) for and on behalf of Milton Avis LLP

Chartered Accountants  
Statutory Auditors  
Pitt House  
120 Baker Street  
London  
W1U 6TU

15 September 2023



## ACCOUNTS

### Statement of income and retained earnings for the year ended 31 March 2023

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Note	2023 £	2022 £
Turnover	<b>1,451,359</b>	1,414,455
Cost of sales	<b>(135,679)</b>	(140,082)
<b>Gross profit</b>	<b>1,315,680</b>	1,274,373
Administrative expenses	<b>(1,368,535)</b>	(1,216,251)
<b>Operating (loss)/profit</b>	<b>(52,855)</b>	58,122
Interest payable and similar expenses	<b>(3,866)</b>	(3,776)
<b>(Loss)/profit before tax</b>	<b>(56,721)</b>	54,346
<b>(Loss)/profit after tax</b>	<b>(56,721)</b>	54,346
Retained earnings at the beginning of the year	<b>252,065</b>	197,719
	<b>252,065</b>	197,719
(Loss)/profit for the year	<b>(56,721)</b>	54,346
Transfer to other reserves	<b>43,922</b>	-
<b>Retained earnings at the end of the year</b>	<b>239,266</b>	252,065

The notes on pages 20 to 28 form part of these financial statements.

## Balance sheet as at 31 March 2023

		2023	2022
Note		£	£
<b>Fixed assets</b>			
Tangible assets	4	<b>2,524,516</b>	2,523,842
		<b>2,524,516</b>	2,523,842
<b>Current assets</b>			
Debtors: amounts falling due within one year	5	<b>155,161</b>	38,523
Cash at bank and in hand	6	<b>262,062</b>	414,178
		<b>417,223</b>	452,701
Creditors: amounts falling due within one year	7	<b>(89,758)</b>	(67,841)
<b>Net current assets</b>		<b>327,465</b>	384,860
<b>Total assets less current liabilities</b>		<b>2,851,981</b>	2,908,702
<b>Net assets</b>		<b><u>2,851,981</u></b>	<b><u>2,908,702</u></b>
<b>Capital and reserves</b>			
IT & website development reserve		<b>41,078</b>	60,000
Revaluation reserve		<b>1,944,191</b>	1,944,191
Building reserve		<b>555,809</b>	555,809
Building and maintenance reserve		<b>57,347</b>	57,347
Equipment reserve		<b>14,290</b>	14,290
Civility fund		-	25,000
Accumulated fund		<b>239,266</b>	252,065
		<b><u>2,851,981</u></b>	<b><u>2,908,702</u></b>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 September 2023.

The notes on pages 20 to 28 form part of these financial statements.

## Statement of changes in equity for the year ended 31 March 2023

	IT Website Development Reserve	Revaluation reserve	Building reserve	Building maintenanc e reserve	Equipment reserve	Civility Fund Reserve	Accumulat ed fund	Total equity
	£	£	£	£	£	£	£	£
<b>At 1 April 2021</b>	<b>60,000</b>	<b>1,644,191</b>	<b>555,809</b>	<b>57,347</b>	<b>14,290</b>	<b>25,000</b>	<b>197,719</b>	<b>2,554,356</b>
<b>Comprehensive income for the year</b>								
Profit for the year	-	-	-	-	-	-	<b>54,346</b>	<b>54,346</b>
Surplus on revaluation of freehold property	-	<b>300,000</b>	-	-	-	-	-	<b>300,000</b>
<b>At 1 April 2022</b>	<b>60,000</b>	<b>1,944,191</b>	<b>555,809</b>	<b>57,347</b>	<b>14,290</b>	<b>25,000</b>	<b>252,065</b>	<b>2,908,702</b>
<b>Comprehensive income for the year</b>								
Loss for the year	-	-	-	-	-	-	<b>(56,721)</b>	<b>(56,721)</b>
Transfer to other reserves	<b>(18,922)</b>	-	-	-	-	<b>(25,000)</b>	<b>43,922</b>	-
<b>At 31 March 2023</b>	<b><u>41,078</u></b>	<b><u>1,944,191</u></b>	<b><u>555,809</u></b>	<b><u>57,347</u></b>	<b><u>14,290</u></b>	<b><u>-</u></b>	<b><u>239,266</u></b>	<b><u>2,851,981</u></b>

The notes on pages 20 to 28 form part of these financial statements.

## Notes to the financial statements for the year ended 31 March 2023

### 1. Accounting policies

#### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006. The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Association's accounting policies (see note 2).

The presentation currency is pounds sterling.

The following principal accounting policies have been applied:

#### 1.2 Revenue recognition

Revenue is the amount derived from ordinary activities and is measured at fair value of the consideration receivable. Revenue is reduced for issued credit notes and is stated net of vat.

Revenue from affiliation fees is recognised when all the conditions are satisfied.

- The amount of revenue can be measured reliably
- It is probable that economic benefits associated with the transaction will flow to the Association
- Costs incurred in respect of the transaction can be measured reliably
- Association retains managerial involvement to the degree usually associated with services provided in respect of subscription sold.

Revenue from sale of publications are recognised when the goods are delivered.

Revenue from event sponsorship are recognised once it is probable that economic benefit associated with the transaction will flow to the Association.

### 1.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- no depreciation provided
Fixtures and fittings	- 20%
Office equipment	- 25%
Web development costs	- 33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

### 1.4 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

### 1.5 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

## 1.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

## 1.7 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

## 1.8 Taxation

The Association is exempt from income tax on its income under section 838 of the Income Tax Act 2007 and from corporation tax under section 984 of the Corporation Tax Act 2010.

## 2. Judgments in applying accounting policies and key sources of estimation uncertainty

In application of the Association's accounting policies, management are required to make judgements estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

## 3. Employees

The average monthly number of employees, including the committee members, during the year was as follows:

	<b>2023</b>	2022
	<b>No.</b>	No.
Average number	<u><b>20</b></u>	<u>18</u>

4. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost or valuation</b>				
At 1 April 2022	2,500,000	144,024	156,894	2,800,918
Additions	-	-	17,435	17,435
Disposals	-	-	(129,796)	(129,796)
At 31 March 2023	<u>2,500,000</u>	<u>144,024</u>	<u>44,533</u>	<u>2,688,557</u>
<b>Depreciation</b>				
At 1 April 2022	-	142,359	134,717	277,076
Charge for the year on owned assets	-	479	14,338	14,817
Charge for the year on financed assets	-	-	(127,852)	(127,852)
At 31 March 2023	<u>-</u>	<u>142,838</u>	<u>21,203</u>	<u>164,041</u>
<b>Net book value</b>				
At 31 March 2023	<u>2,500,000</u>	<u>1,186</u>	<u>23,330</u>	<u>2,524,516</u>
At 31 March 2022	<u>2,500,000</u>	<u>1,665</u>	<u>22,177</u>	<u>2,523,842</u>

The finance committee will not be recognising any depreciation as the 50% of the cost is attributed to the land therefore the remaining depreciation over its useful life is not material. The freehold premises are held by NALC (1994) Limited (a company limited by guarantee) in trust for the National Association of Local Councils.

5. Debtors

	<b>2023</b>	2022
	<b>£</b>	£
Trade debtors	<b>36,952</b>	25,626
Other debtors	<b>68,538</b>	6,250
Prepayments and accrued income	<b>49,671</b>	6,647
	<u><b>155,161</b></u>	<u>38,523</u>

6. Cash and cash equivalents

	<b>2023</b>	2022
	<b>£</b>	£
Cash at bank and in hand	<b>262,062</b>	414,178
	<u><b>262,062</b></u>	<u>414,178</u>

7. Creditors: Amounts falling due within one year

	<b>2023</b>	2022
	<b>£</b>	£
Trade creditors	<b>16,340</b>	14,354
Other taxation and social security	<b>30,384</b>	15,502
Other creditors	<b>31,462</b>	23,766
Accruals and deferred income	<b>11,572</b>	14,219
	<u><b>89,758</b></u>	<u>67,841</u>



## 8. Pension scheme

NALC participates in two pension schemes, administered by the London Borough of Camden and by the The Pensions trust, on behalf of its members:-

The NALC Pension Scheme is administered by the local borough of Camden and is part of a pooled group containing many other members. The funding position of the pooled fund as at 31 March 2022, the latest available valuation showed gross liabilities of £22.192M and assets amounting to £22.77M. The surplus of £578,000 represents a funding level of 103%. However, if the NALC funding position was considered on a cessation basis, it would show a funding deficit of £1,065,000..

The Pensions Trust has advised NALC that there was a deficit of approximately £186,936 as at 30 September 2022 if NALC was to withdraw from the scheme. This matter is being addressed and additional annual contributions are being made to extinguish the deficit. The contribution required for the coming year to 31 March 2023 is £21,000.

## 9. Post balance sheet events

The association sold the property 109 Great Russell Street WC1B 3LD on the 13 April 2023 for a sale price of £2,750,000.

## Detailed profit and loss account for the year ended 31 March 2023

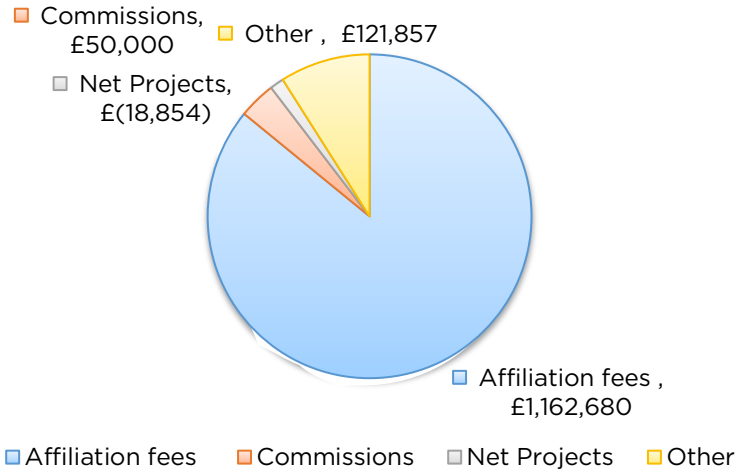
	2023	2022
	£	£
Note		
Turnover	1,451,359	1,414,455
Cost Of Sales	(135,679)	(140,082)
<b>Gross profit</b>	<u>1,315,680</u>	<u>1,274,373</u>
<b>Less: overheads</b>		
Administration expenses	(1,368,535)	(1,216,251)
<b>Operating (loss)/profit</b>	<u>(52,855)</u>	58,122
Interest payable and similar charges	(3,866)	(3,776)
<b>(Loss)/Profit for the year</b>	<u>(56,721)</u>	<u>54,346</u>
<b>Turnover</b>		
Affiliation fees	1,182,680	1,163,805
Publication fees and media sales	33,204	68,882
Events and project income	203,962	156,061
Other income	31,513	25,707
	<u>1,451,359</u>	<u>1,414,455</u>
<b>Cost of sales</b>		
Direct expenditure	135,679	140,082
	<u>135,679</u>	<u>140,082</u>

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Administration expenses</b>		
Staff salaries including recruitment and training	<b>994,716</b>	883,626
Staff travel	<b>4,896</b>	1,532
Consultancy	<b>11,595</b>	3,918
Non recoverable VAT	<b>36,982</b>	28,015
Legal and professional	<b>33,383</b>	13,917
Auditors' remuneration	<b>5,783</b>	5,283
Bad debts	<b>(4,908)</b>	-
Professional indemnity insurance	<b>19,320</b>	17,648
Premises, accommodation and maintenance	<b>161,118</b>	184,714
Depreciation - plant and machinery	<b>14,817</b>	11,162
Committee Expenses	<b>229</b>	2,873
Profit/loss on sale of tangible assets	<b>1,944</b>	-
Representative Expenses	<b>6,159</b>	1,455
Membership fees	<b>4,034</b>	5,229
Books, periodicals & law library	<b>870</b>	1,483
Information services	<b>14,669</b>	12,692
Promotion	<b>24,686</b>	8,787
Corporate Hospitality	<b>1,625</b>	119
Administration expenses	<b>32,117</b>	29,298
Chair and Vice Chairs Allowances	<b>4,500</b>	4,500
	<b><u>1,368,535</u></b>	<b><u>1,216,251</u></b>

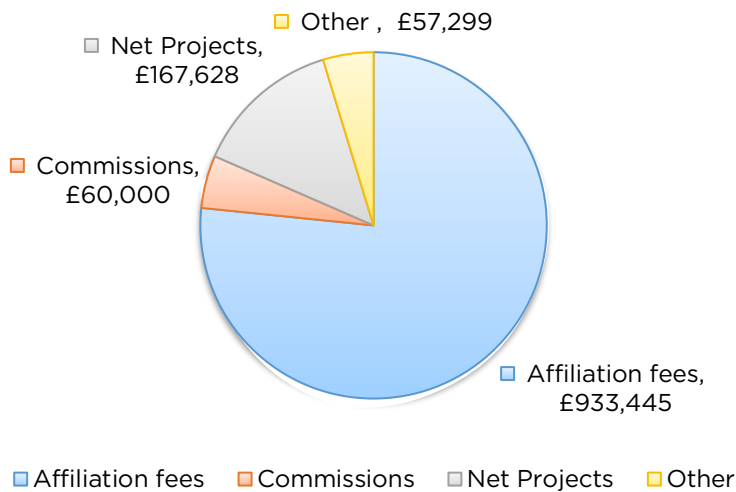
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Interest payable</b>		
Interest and Similar Charges	<b>3,866</b>	3,776
	<u><b>3,866</b></u>	<u>3,776</u>

# NALC INCOME

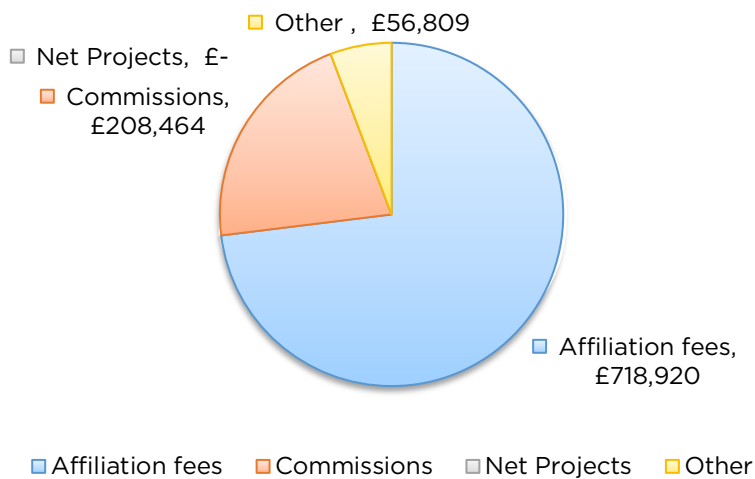
## Income 2023



## Income 2017

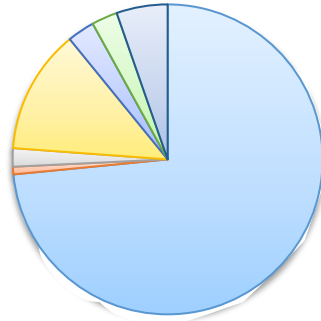


## Income 2012



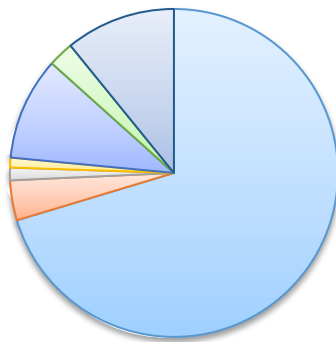
# NALC EXPENDITURE

## Expenditure 2023



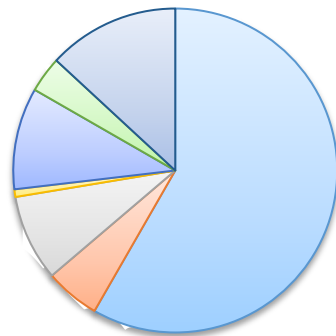
- Staffing costs
- Democracy
- Promotion
- Premises Accom & maint
- Legal & professional
- Non recoverable VAT
- Operating expenses

## Expenditure 2017



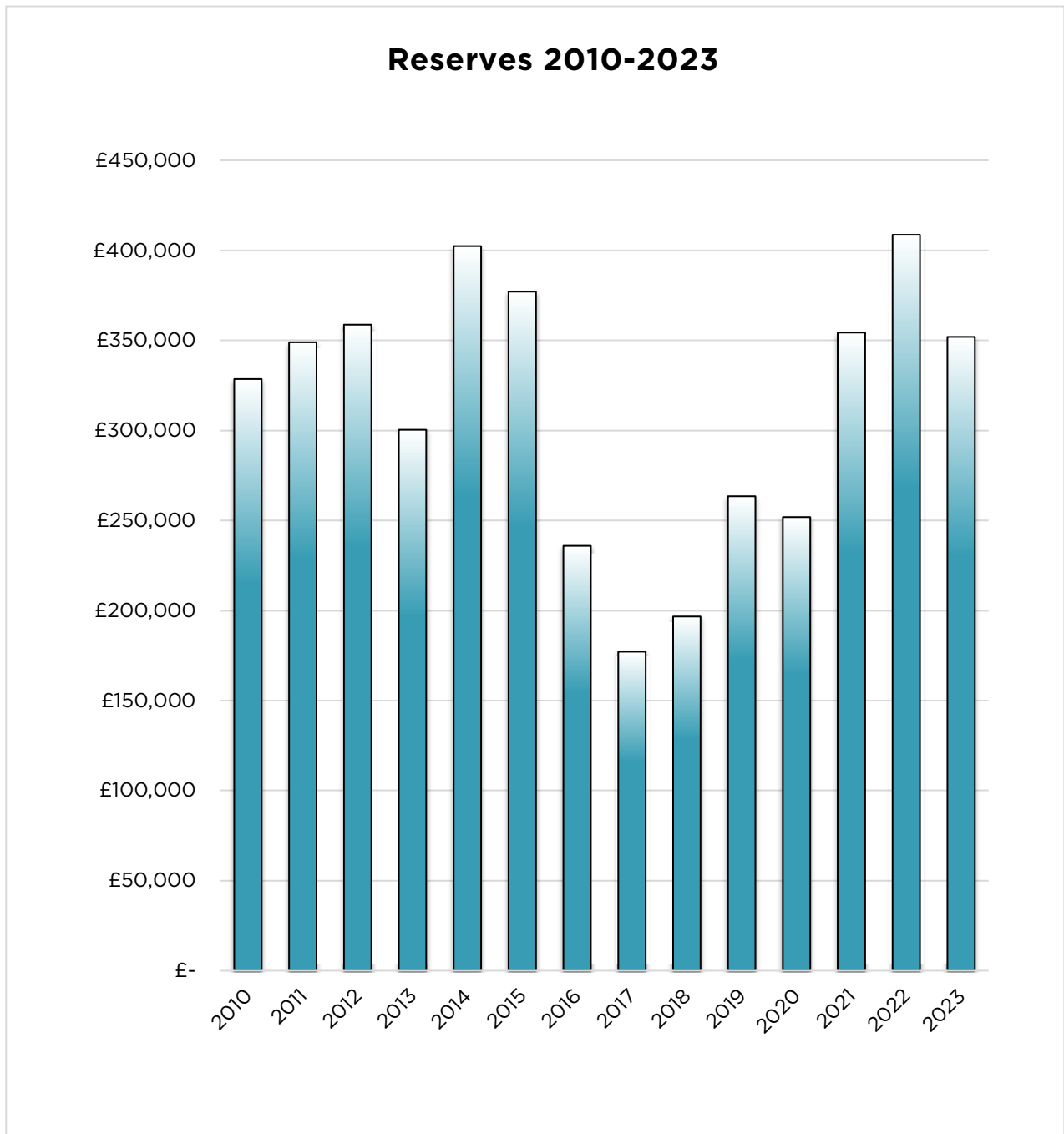
- Staffing costs
- Democracy
- Promotion
- Legal & professional
- Premises Accom & maint
- Non recoverable VAT
- Operating expenses

## Expenditure 2012



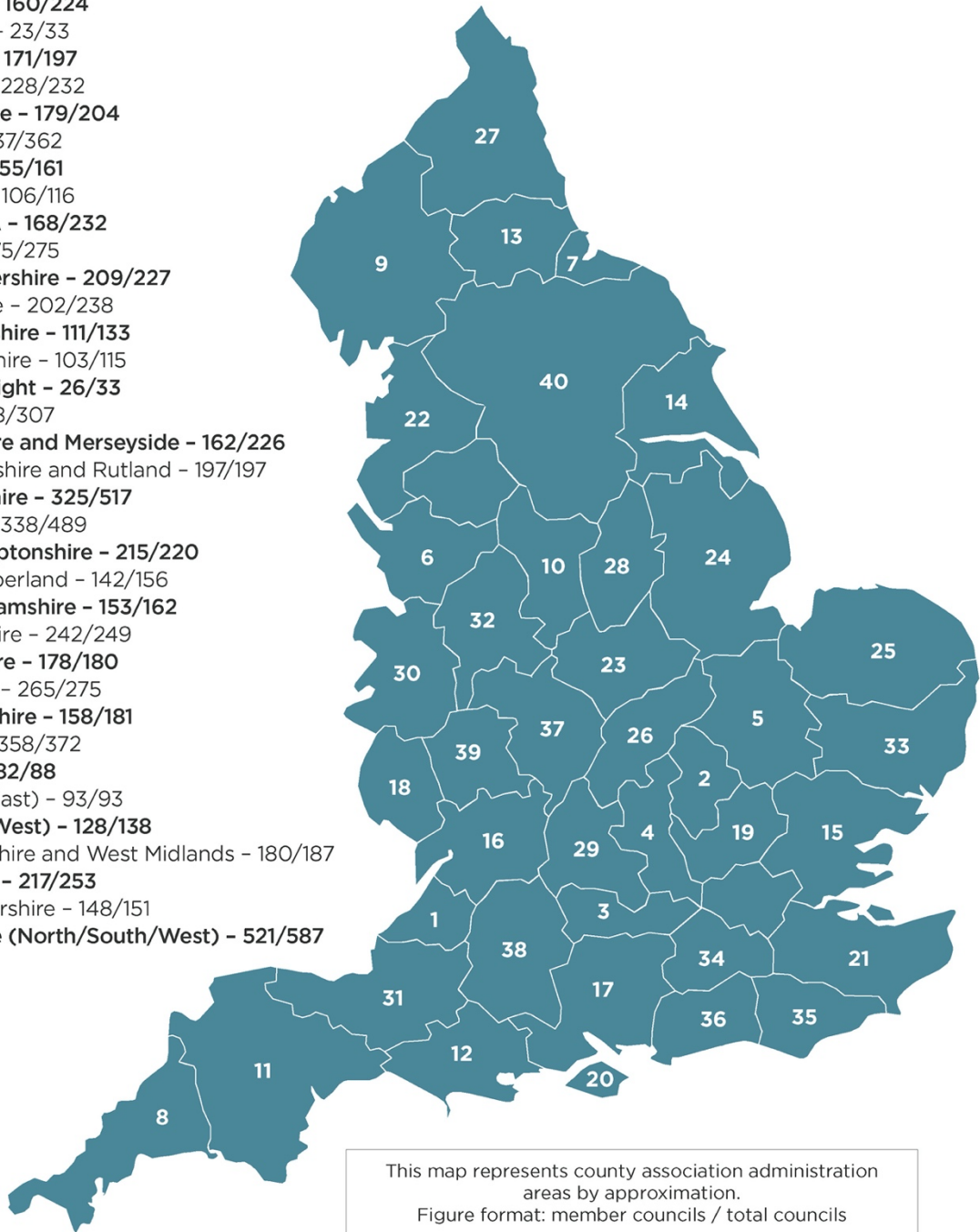
- Staffing costs
- Democracy
- Promotion
- Legal & professional
- Premises Accom & maint
- Non recoverable VAT
- Operating expenses

# NALC RESERVES



# MEMBERSHIP MAP

- 1. Avon - 120/134
- 2. Bedfordshire - 114/118**
- 3. Berkshire - 87/94
- 4. Buckinghamshire and Milton Keynes - 176/180**
- 5. Cambridgeshire and Peterborough - 213/ 238
- 6. Cheshire - 160/224**
- 7. Cleveland - 23/33
- 8. Cornwall - 171/197**
- 9. Cumbria - 228/232
- 10. Derbyshire - 179/204**
- 11. Devon - 337/362
- 12. Dorset - 155/161**
- 13. Durham - 106/116
- 14. ERNLLCA - 168/232**
- 15. Essex - 275/275
- 16. Gloucestershire - 209/227**
- 17. Hampshire - 202/238
- 18. Herefordshire - 111/133**
- 19. Hertfordshire - 103/115
- 20. Isle of Wight - 26/33**
- 21. Kent - 298/307
- 22. Lancashire and Merseyside - 162/226**
- 23. Leicestershire and Rutland - 197/197
- 24. Lincolnshire - 325/517**
- 25. Norfolk - 338/489
- 26. Northamptonshire - 215/220**
- 27. Northumberland - 142/156
- 28. Nottinghamshire - 153/162**
- 29. Oxfordshire - 242/249
- 30. Shropshire - 178/180**
- 31. Somerset - 265/275
- 32. Staffordshire - 158/181**
- 33. Suffolk - 358/372
- 34. Surrey - 82/88**
- 35. Sussex (East) - 93/93
- 36. Sussex (West) - 128/138**
- 37. Warwickshire and West Midlands - 180/187
- 38. Wiltshire - 217/253**
- 39. Worcestershire - 148/151
- 40. Yorkshire (North/South/West) - 521/587**





## KEY STATISTICS FOR 2022/23

- 44 committee meetings (including special and informal meetings) were held between April 2022 and 2023.
- The HR service was launched in November 2022, and since then, WorkNest has processed 329 queries from 18 county associations.
- NALC has advertised over 130 job vacancies to help local councils and county associations find the right team member to join their teams.
- Over 1,300 local councils have signed the Civility and Respect Pledge.
- There have been over 3,000 email enquiries.
- NALC held 13 online events with over 1,600 attendees. Of those attendees, 96% said the online events fully met their expectations.
- The NALC website saw 151,180 users with over 603,000 page views.
- NALC posted 2,219 times on X (formerly known as Twitter), amassing 793,800 impressions with over 94,000 profile visits and 2,664 mentions.
- NALC has processed 494 invoices.
- Over 850 telephone enquiries have been from councils, councillors, county associations, the press and the public.
- Around 270 written legal advice has been issued.
- 849 local councils have been accredited under the Local Council Award Scheme.
- The latest edition of *The Good Councillor's guide to employment* has been downloaded over 1,300 times.
- The Joint Panel on Accountability and Governance's *Practitioners' Guide 2023* has been downloaded over 8,800 times.
- NALC's Make A Change recruitment pack has been downloaded 4,200 times to help local councils and county associations get more people of all backgrounds and experiences involved with the local council sector.

## **COMMITTEE MEMBERS**

### **President**

Baroness Scott of Needham Market

### **Vice-president**

Baroness Bennett of Manor Castle

Andrew Gwynne MP

The Earl of Lytton

Lord O'Shaughnessy

Cllr Sue Baxter

### **Chair**

Cllr Keith Stevens

### **Vice-chairs**

Cllr Peter Davey (finance)

Cllr Mike Drew (member services)

### **National Assembly**

Cllr Mike Drew, Avon Association of Local Councils

Cllr Elizabeth Luder, Bedfordshire Association of Town and Parish Councils

Cllr Tim O'Flynn, Berkshire Association of Local Councils

Cllr Paul Harvey, Buckinghamshire and Milton Keynes Association of Local Councils

Cllr Malcolm Watson, Cambridgeshire and Peterborough Association of Local Councils

Cllr Luke Trevaskis, Cheshire Association of Local Councils

Cllr Clare Gamble, Cleveland Local Councils Association

Cllr Stuart Roden, Cornwall Association of Local Councils

Cllr Mary Bradley, Cumbria Association of Local Councils

Cllr John Plant, Derbyshire Association of Local Councils

Cllr Ian Cowling, Devon Association of Local Councils

Cllr Janet Wallace, Dorset Association of Parish and Town Councils

Cllr Allan Blakemore, Durham Association of Local Councils

Cllr Keith Stevens, East Sussex Association of Local Councils

Cllr Dave Barton, East Riding & North Lincolnshire Local Councils Association

Cllr Peter Davey, Essex Association of Local Councils

Cllr Richard Page, Gloucestershire Association of Parish and Town Councils

Cllr Loraine Rappé, Hampshire Association of Local Councils

Cllr Marcus Allen, Herefordshire Association of Local Councils

Cllr Bill Pryce, Hertfordshire Association of Parish and Town Councils

Cllr Bob Blezzard, Isle of Wight Association of Local Councils

Cllr Neville Hudson, Kent Association of Local Councils

Cllr Alan Neal, Lancashire Association of Local Councils

Cllr Tony Hiron, Leicestershire & Rutland Association of Local Councils

Cllr Reece Harrington, Lincolnshire Association of Local Councils

Vacant, Merseyside Association of Local Councils

Vacant, Norfolk Association of Local Councils

Cllr Heather Phillips, North Yorkshire Association of Local Councils

Cllr Mike Scott, Northamptonshire County Association of Local Councils

Cllr David Francis, Northumberland Association of Local Councils

Cllr Mick Baker, Nottinghamshire County Association of Local Councils  
Cllr Katherine Keats-Rohan, Oxfordshire Association Local Councils  
Cllr David Beachy, Shropshire Association of Local Councils  
Cllr Jenny Lawrence, Somerset Association Local Councils  
Cllr Duncan Wright, South Yorkshire Association of Local Councils  
Cllr Patricia Ansell, Staffordshire Parish Councils Association  
Cllr Mark Valladares, Suffolk Association Local Councils  
Cllr Chris Howard, Surrey Association of Local Councils  
Vacant, Warwickshire and West Midlands Association of Local Councils  
Cllr Douglas Denham St Pinnock, West Sussex Association of Local Councils  
Cllr Peter Allison, West Yorkshire Association of Local Councils  
Cllr John Scragg, Wiltshire Association of Local Councils  
Cllr Sue Baxter, Worcestershire Association of Local Councils

### **Management Board**

Cllr Keith Stevens (chair)  
Cllr Sue Baxter  
Cllr Peter Davey  
Cllr Bob Blezzard  
Cllr Mike Drew  
Cllr Loraine Rappe  
Cllr Paul Harvey  
Cllr Patricia Ansell  
Cllr David Francis  
Cllr Stuart Roden

### **Finance and Scrutiny Committee**

Cllr Peter Davey (chair)  
Cllr Duncan Wright  
Cllr Ian Cowling  
Cllr John Plant  
Cllr Mike Scott

### **Policy Committee**

Cllr David Francis (chair)  
Cllr Richard Page  
Cllr Peter Allison  
Cllr Janet Wallace  
Ms Charlene Slade

### **Larger Councils Committee**

Cllr Paul Harvey (chair)  
Cllr Mike Drew  
Cllr Peter Astell  
Cllr Dave Barton  
Cllr Jane Biscombe  
Cllr Phil Barnett  
Cllr Carl Hearn  
Cllr Isabella Roberts  
Cllr Peter Quinn

Cllr Katharine Keats-Rohan  
Ms Jennifer Childs  
Ms Shar Roselman  
Mr Mark Smith

**Smaller Councils Committee**

Cllr Josephine Parish (chair)  
Cllr Bob Blezzard  
Cllr Mark Valladares  
Cllr Marcus Allen  
Cllr Mick Baker  
Cllr Allan Blakemore  
Cllr David Francis  
Cllr Graham Ford

**Improvement and Development Board**

Jonathan Owen, National Association of Local Councils (interim chair)  
Cllr Keith Stevens, National Association of Local Councils  
Wendy Amis, Derbyshire Association of Local Councils  
Sally Longmate, Suffolk Association of Local Councils  
Alison Robinson, Gloucestershire Association of Town and Parish Councils  
Mia Shelton, Local Government Association  
Adam Keppel-Green, Society of Local Councils Clerks  
Rob Smith, Society of Local Council Clerks  
Sue Hobbs, Society of Local Councils Clerks  
Helen Quick, Society of Local Council Clerks