

ANNUAL GENERAL MEETING | AGENDA

Date: 24 October 2023

Time: 10.00 - 13.00

Location: Zoom

1. Election of chair of the Annual General Meeting (AGM) [10.00 – 10.05]

- 1.1. To agree that NALC's chair, Cllr Keith Stevens, chairs the meeting subject to agreement by the AGM.

2. Minutes of the NALC AGM 2022 [10.05 – 10.15]

- 2.1. To approve the draft minutes of the NALC AGM held on 25 October 2022 and to note any matters not covered elsewhere on the agenda (see Appendix 2.1).

- 2.2. Matters arising – Update on workforce motion. – report.

NB: If members have any comments on the accuracy of the draft minutes, please contact Farhana at nalccommittees@nalc.gov.uk before the meeting.

3. Review of the year, Annual Report and Annual Accounts [10.15– 10.50]

- 3.1. To receive a presentation from NALC's chief executive, Jonathan Owen, and chair, Cllr Keith Stevens.
- 3.2. To receive and approve the Annual Report and audited annual accounts for 2022/23 (see attached paper).

4. Affiliation fee [10.50 – 11.20]

- 4.1. To consider a recommendation from the National Assembly that NALC's affiliation fee for 2024/25 is 7.94 pence per elector, capped at £2,037 for larger councils. (For information current affiliation fee for 2023/24 at 7.71 pence per elector capped at £1,978 for the largest councils.)
- 4.2. To receive the NALC budget (see attached paper).

Break [11.20 - 11.40]

Breakout rooms opened to enable AGM delegates to have an informal chat and network.

5. Motions to the AGM [11.40 – 12.40]

5.1. To consider motions the following motions: (See attached papers.)

Policy Motions:

- Shropshire Motion - This Association calls on HM Government to recognise the value of Parish & Town Councils in being effective delivery agents of Government Policy and as such opens up opportunities for the first tier of local government to access funding rather than relying upon their principal authorities to make applications on their behalf. (11.40 – 12.00).
- Management Board/ National Assembly Motion - This AGM calls on all political parties as the general election approaches to commit to implementing the proposals of the committee on standards in public life including introducing sanctions for poor behaviour of councillors and enact that within the first year of the new government. (12.00 – 12.20)

Constitutional Motions:

- Northamptonshire Motion – The Northamptonshire County Association of Local Councils (Northants CALC) moves that the NALC National Assembly be dissolved as soon as reasonably practicable. (12.20 – 12.40)
- National Assembly recommended a number of changes to the constitution following the work of the task and finish group. (12.40 - 12.50)

6. Appointments [12.50 – 12.55]

6.1. President: To agree on the appointment of the current president until the AGM 2024.

6.2. Vice-presidents: To agree on appointing current vice-presidents until the AGM 2024.

6.3. External auditor: To note that NALC's external auditor Milton Avis to continue in post for 2024/25 as agreed by AGM in 2022.

7. Date and time of next meeting

7.1. To note the AGM 2024 will take place on 23 October 2024 via Zoom.

8. External speaker – details to follow.

ANNUAL GENERAL MEETING 2022 | DRAFT MINUTES

Present:

Chair; Cllr Keith Stevens, East Sussex Association of Local Councils
Vice chair (finance) Cllr Peter Davey, Essex Association of Local Councils
Vice chair (member services) Cllr Mike Drew, Avon Association of Local Councils

Cllr Paul Mackin Bedfordshire Association of Town and Parish Councils, Cllr Alastair Grant Bedfordshire Association of Town and Parish Councils, Cllr Peter Blaine Bedfordshire Association of Town and Parish Councils, Penny Bryant Cambridgeshire Association of Local Councils, Cllr Lillian Burns Cheshire Association of Local Councils, Jackie Weaver Cheshire Association of Local Councils, Cllr Margaret Whitehead Cleveland Local Councils Association, Anne Clayton, Cllr Allan Blakemore County Durham Association of Local Councils, David Bell County Durham Association of Local Councils, Cllr Graham Ford Cornwall Association of Local Councils, Wendy Amis Derbyshire Association of Local Councils, Cllr John Plant Derbyshire Association of Local Councils, Cllr William Armitage Derbyshire Association of Local Councils, Neil Wedge Dorset Association of Local Councils, Jill Crouch Dorset Association of Local Associations, Janet Wallace Dorset Association of Local Councils, Cllr John Barnes East Sussex Associations of Local Councils, Cllr Brian Brooks ERNLCA, Cllr Peter Astell ERNLCA, Cllr Keith Portress ERNLCA, Cllr Steve Ponting Gloucestershire Associations of Local Councils, Cllr Richard Page Gloucestershire Association of Local Councils, Alison Robinson Page Gloucestershire Association of Local Councils, Cllr Loraine Rappe Hampshire Association of Local Councils, Clive Ward Page Hampshire Association of Local Councils, Cllr Rob McCarthy Hertfordshire Association of Local Councils, Cllr Bob Blezzard Page Isle of Wight Association of Local Councils, Cllr Anne Bamford Isle of Wight Association of Local Councils, Cllr John Graney Isle of Wight Association of Local Councils, Cllr Sarah Barker Kent Association of Local Councils, Cllr Richard Parry Kent Association of Local Councils, Cllr Phil Orme Lancashire Association of Local Councils, Cllr Colin Peacock Lancashire Association of Local Councils, Cllr Tony Hirons Leicestershire Association of Local Councils, Cllr Ron Simpson Leicestershire Association of Local Councils, Cllr Tony Howard Lincolnshire Association of Local Councils, Cllr Gary Ellis Lincolnshire Association of Local Councils, Katrina Evans Lincolnshire Association of Local Councils, Sarah Bristow Norfolk Association of Local Councils, Cllr Sue Lintern Norfolk Association of Local Councils, Cllr Adrienne Quinlan Norfolk Association of Local Councils Cllr Heather Phillips North Yorkshire Association of Local Councils, Stuart Bradnam North Yorkshire Association of

Local Councils, Graeme Popai Northumberland Association of Local Councils, Cllr Mike Scott Northamptonshire Association of Local Councils, Lynn Lavender Northamptonshire Association of Local Councils, Danny Moody Northamptonshire Association of Local Councils, Cllr Mick Baker Nottinghamshire Association of Local Councils, Cllr Marion Fox Goddard Nottinghamshire Association of Local Councils, Kiera Bentley Oxfordshire Association of Local Councils, Cllr Katharine Keats-Rohan Oxfordshire Association of Local Councils, Cllr Malcolm Leeding MBE Oxfordshire Association of Local Councils, Cllr David Beechey Shropshire Association of Local Councils, Cllr Ray Wickson Shropshire Association of Local Councils, Duncan Fletcher Shropshire Association of Local Councils, Cllr Dave Mitton Somerset Association of Local Councils, Cllr Loretta Whetlor Somerset Association of Local Councils, Cllr Jenny Lawrence Somerset Association of Local Councils, Cllr Duncan Wright South Yorkshire Association of Local Councils, Francis Jackson South Yorkshire Association of Local Councils,, Cllr Pat Ansell Staffordshire Association of Local Councils, Lisa Horritt Staffordshire Association of Local Councils, Sally Longmate Suffolk Association of Local Councils, Cllr Mark Valladares Suffolk Association of Local Councils, Cllr Peter Allison West Yorkshire Association of Local Councils, Cllr David Mullen West Yorkshire Association of Local Councils, Cllr Michael Czwarno West Yorkshire Association of Local Councils, Cllr Bakul Kumar Worcestershire Association of Local Councils and Cllr Liz Luder Bedfordshire Association of Local Councils.

Observers:

Sharon Swain East Ayton Parish Council, Trevor Leggo East Sussex Association of Local Councils, Tom Clay ERNLCA, Georgina Bassett Essex Association of Local Councils, Dawn Laird Gloucestershire Association of Local Councils, Sarah Young Denmead Parish Council, Amanda Saunders Selling Parish Council, Eleanor Greene, Susan Ball, Simon Randall, Christine Lalley Oxfordshire Association of Local Councils, Dianne Dorrell Shropshire Association of Local Councils, Justin Robinson Somerset Association of Local Councils

NALC staff:

Jonathan Owen, chief executive
Steve Walker, head of finance and administration
Charlotte Eisenhart, head of member services
Justin Griggs, head of policy and communications

Farhana Miah, executive officer
Claire FitzGerald, administration manager
Olivia Kane, receptionist/administrator
Greg Henry, finance and admin officer
Beverley Brown, finance and admin officer

1. Election of chair of AGM

Resolved: That Cllr Keith Stevens be elected chair of AGM.

2. Chairs welcome

The chair welcomed all representatives to the meeting.

3. Apologies received:

Cllr David Francis and Cllr Sue Baxter.

4. Minutes of the 2021 Annual General Meeting – 26 October 2021

The chair presented the minutes of the AGM held on 26 October 2021 and sought approval from the AGM. Cllr Blezzard raised a point of order on appendix 6.2. He raised concerns that the paper was circulated five days before the AGM, which didn't give CALCs enough notice to put recommendations forward which therefore does not follow the constitution. After consideration it was agreed that this item would not be considered by AGM.

Resolved: That the minutes of the 2021 AGM held on 26 October 2021 be approved.

5. Annual report and annual accounts:

a. Annual Report

The chair presented the Annual Report to the AGM and gave special thanks to councillors and county associations for working so hard in this challenging year.

The chair provided an update on the NALC's work and highlighted key priorities and achievement:

- Ensure local and parish councils are rightly recognised and respected as first tier of government
- Working to have a strong voice in parliament, to the government and the political parties. Key issues which have been pressed government on include, flexibility on holding remote meetings, for levelling up to recognise the section and sanctions on poor behaviour.
- Met with ministers and shadow ministers including former levelling up minister Kemi Badenoch MP and other parliamentarians including the Speaker of the House of Commons.
- Grateful for president, Baroness Scott of Needham Market for her support.

- Working closely on the role of councils to the media outlets, and NALC have worked hard on this in the past few months.
- Star Councils awards which had recognised contributions councils make
- Important Role the sector had played on Operation London Bridge

The chief executive welcomed AGM members to the meeting and gave special thanks to the chair and previous chairs for their work and brilliant championing of the sector. He highlighted key priorities and achievements in the year so far:

- He firstly thanked National Assembly members and NALC committee members who serve in the committees. He noted they had been extremely busy with remote and information meetings which enabled them to meet more frequently and effectively respond to issues from Ukraine as well as responding to consultations to the government.
- He provided an update on the National Networks bringing together councillors and across the county to discuss various different matters e.g. climate emergencies, coastal communities etc.
- In addition to this he spoke about virtual events and will be continuing this.
- County associations continuing to meet fortnightly to get a better understanding of issues that councils have been facing and how NALC can help effectively.
- He chief executive extended his thanks to NALC's partners and sponsors and thanked staff at NALC for all their hard work.

There were discussions around neighbourhood planning. The chair stated the need for neighbourhood plannings have been pushed by district councils and that supporting it would be beneficial. He advised that councils need to push the message forward. The chief executive added that proposals were being drawn out as part of the levelling up and regeneration bill.

Cllr Barker asked where she could find a schedule of the meetings the chair attends, to which the chief executive advised that NALC publish a weekly bulletin which covers meetings attended by the chair and officers.

The AGM received the audited financial statements for the year to 31 March 2022, from NALC vice chair (finance) Cllr Peter Davey. These have had a clean audit report and resulted in sufficient surplus to replenish the development reserves created last year for IT, Website and Civility projects.

It was also pleasing to note that the balance sheet was strengthened by returning the valuation of the premises at 109 Great Russell Street to previous levels, reversing last year's reduction.

Resolved (1) That the Annual Report and Annual Accounts for 2021/22 be received and approved.

Resolved (2): That the audited Annual Accounts for 2021/22 be received.

6. Subscriptions to the National Association

AGM considered the recommendation by National Assembly on 4 October 2022 to increase the affiliation fee for 2023/24 to 7.71 pence per elector with a cap of £1,978 for larger councils.

There was a discussion around the benefit of NALC services and AGM supports the 3% increase.

Sarah (county officer from Cornwall) asked whether NALC could produce a report and having resources explaining benefits of NALC to smaller councils to which the vice chair (finance) said this would be taken on board and chief executive will revert.

After a vote, 69 voting in favour, three against and one abstention, it was resolved that the affiliation fee for 2023/24 be increased to 7.71 pence per elector with a cap of £1978 for larger councils.

Cllr Davey acknowledged Steve Walkers and Cllr Ford hard work and thanked them for their support in the past year.

Resolved (1): The AGM approved the motion recommending the affiliation fees for next year 2023/24 at 7.71 pence per elector which is effectively a 3% increase being capped at £1,978 for the largest councils.

Resolved (2): To receive and note the draft the three-year budget to 2025.

7. Northamptonshire CALC Motion

The chair asked the AGM to note the following motion received from Northamptonshire ALC.

- 1) That NALC recognises that the workforce challenge is one of the biggest challenges of our time and that there is an issue with recruitment, retention, and capacity in local councils, and
- 2) That NALC engages a consultant to benchmark clerks' terms and conditions.

Danny Moody introduced the motion to the AGM. He spoke about the importance of supporting officers, councillors, and clerks in the sector. The first part of the motion recognises there is a growing issue with officer recruitment, officer

retention. Second part of the motion was asking the association to address the issue and NALC to deal with this in an effectively manner.

There was overall support for the motion, however it was advised not to get a consultant and potentially work with LGA to achieve this.

There were some questions raised surrounding the practicalities on how this would be carried forward and what will councils be bench marking against?

The chief executive explained that NALC currently are working with SLCC on workforce strategies/national employment issues and benchmarking will help with this work.

Resolved (1): After a vote the motion (A) was carried with 69 voting for, six voted against and no abstentions.

Resolved (2): After a vote the motion (B) was carried with 47 voting for, 25 voting against and four abstentions.

7.2. Electoral arrangements

Include the following new clauses under this section:

1. Elections for the chair, vice-chairs, committees, and subcommittees shall be conducted using an online platform provided by Electoral Reform Services or a similar organisation.
2. B) Elections for single posts shall be conducted using the alternative vote system.
3. C) Elections where there are multiple seats to fill shall be conducted using the single transferrable vote system.

Cllr Drew spoke to the motion and explained the difference between alternative vote and single transferable vote.

Alternative vote: voting for one person per for the position and remove the people with least number of votes.

Single transferable vote: Electing multiple number of people to the committee, once members have reached the quota for the votes, their excess votes will be redistributed to second candidate to be elected on the committee.

He explained the importance of using an online platform to conduct elections. That they run more smoothly and work more effectively in ensuring all the votes are counted. He asked the AGM to support these changes.

Resolved: After a vote, the motion was not carried and was decided that this would need to go back to National Assembly.

8. Appointments

8.1. Election of President

That the current presidents to continue in post till 2023.

Resolved: That Baroness Scott of Needham Market remain in office until 2023.

8.2. Election of Vice Presidents

That the current presidents to continue in post till 2023.

Resolved: That Baroness Bennett of Manor Castle, Andrew Gwynne MP, The Earl of Lytton Lord O'Shaughnessy and Cllr Sue Baxter remain in office until 2023.

8.3. Appointment of Auditor

AGM was invited to agree to Milton Avis' contract for 2022/23 -2024/5.

Resolved: After a vote, 72 voted in favour with no abstentions. AGM agreed to Milton Avis as the association's external auditors for 2022/23 -2024/5.

9. Next Meeting

After a straw poll, 27 voted for face to face, 46 voted virtual and one abstention.

Resolved: The next meeting of AGM will take place on 24 October 2023, location to be confirmed.

Councillor Keith Stevens, chair.

ANNUAL GENERAL MEETING | APPENDIX 2.2

Update report for motions passed at NALC AGM 2022

Motion:

At NALC's 2022 AGM the following motion from the Northamptonshire Association of Local Councils was accepted:

1. That NALC recognises that the workforce challenge is one of the biggest challenges of our time and that there is an issue with recruitment, retention, and capacity in local councils, and
2. That NALC engages a consultant to benchmark clerks' terms and conditions.

The adoption of this motion formalised NALCs commitment to support local councils in their role as employers. It was a welcome opportunity to prioritise updates, new partnerships and other opportunities that would help local councils be better employers and to tackle the challenges identified by the motion.

Work undertaken since AGM:

- New HR advisory service – In November 2022 a new advisory service was launched in partnership with Worknest. For the first time, all member councils have access, via their county association, to free HR and health and safety advice. Many county associations already provided services related to HR and this new national offering will help ensure the consistency of this offer across the country. In the first 6 months of this new service, we received over 300 queries from 18 different county associations. The most common topics relate to discipline, grievance, and contracts.
- The Good Councillors Guide to employment was updated in April 2023. Engagement with county officers and NALC's smaller councils committee helped inform updates to bring the guide up to date with employment law and best practice. Since then, it has been downloaded over 1,300 times.
- NALC has been working with county associations and the SLCC to develop a new template employment contract for local councils – this document will provide councils with an understanding of their obligations and choices in putting together a contract of employment for any member of staff. With clear NALC recommendations that councils offer terms and conditions that reflect those in the 'Green Book'
- A review of all of NALC's HR policies and how to guides review is currently underway – this will ensure all these documents are up to date and we will be producing a new how to guide on appraisals.

- Through the Civility and Respect Project a range of materials have been produced to support councils as employers including a comprehensive guide to recruitment and a series of HR podcasts.
- NALC's job vacancy service helps councils reach a wider audience in their recruitment and continues to grow with 133 vacancies advertised over FY 22/23 .
- NALC subscribes to the LGA's Employer Link enabling us to keep people informed of latest national developments and discussed with former LGA chair scope to do joint work to encourage interchange across the tiers
- And to maintain the momentum into 2024 - governance arrangements across the Civility and Respect Project and the Improvement and Development Board have been streamlined to allow a stronger focus on workforce issues.

Challenges

- The motion asked NALC to conduct a benchmark survey of clerks' terms and conditions. This has not been progressed and NALC will commit to undertaking this survey in 2024.
- To support our work on employment and workforce issues NALC set up a National Employment Strategy Advisory Group. This did not work as effectively as we would have hoped and we will ensure that a group with a similar remit and purpose is included in the new Improvement and Development Board governance arrangements.

What next?

- Look again at commissioning a benchmark survey of clerks' terms and conditions.
- NALC has been developing a sector risk strategy that identifies recruitment and retention as one of the big issues facing us. So, this is another way of ensuring this important issue remains a key priority.
- With SLCC we have agreed it would be valuable to review joint recommendations for clerks' working hours, and to review the job evaluation scheme for clerks.
- We will continue to work with partners, including SLCC, to agree future work programme to focus on workforce issues in the sector. We also will consider what would support councils in managing the wider workforce, for example, outdoor workers, seasonal or zero-hour contracts.

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). 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, sweeping horizontal line underneath it.

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

A handwritten signature in black ink that reads "Jonathan Owen". The signature is written in a cursive, flowing style.

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

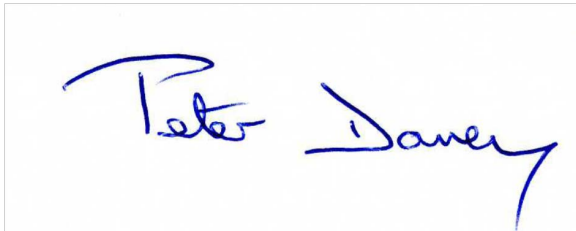
current ratings and the latest reports. For the time being, the Association will not invest in Equities, Corporate Bonds, and other financial instruments.”

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. 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

Note	2023 £	2022 £
Turnover	1,451,359	1,414,455
Cost of sales	(135,679)	(140,082)
Gross profit	1,315,680	1,274,373
Administrative expenses	(1,368,535)	(1,216,251)
Operating (loss)/profit	(52,855)	58,122
Interest payable and similar expenses	(3,866)	(3,776)
(Loss)/profit before tax	(56,721)	54,346
(Loss)/profit after tax	(56,721)	54,346
Retained earnings at the beginning of the year	252,065	197,719
	252,065	197,719
(Loss)/profit for the year	(56,721)	54,346
Transfer to other reserves	43,922	-
Retained earnings at the end of the year	239,266	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		£	£
Fixed assets			
Tangible assets	4	2,524,516	2,523,842
		2,524,516	2,523,842
Current assets			
Debtors: amounts falling due within one year	5	155,161	38,523
Cash at bank and in hand	6	262,062	414,178
		417,223	452,701
Creditors: amounts falling due within one year	7	(89,758)	(67,841)
Net current assets		327,465	384,860
Total assets less current liabilities		2,851,981	2,908,702
Net assets		2,851,981	2,908,702
Capital and reserves			
IT & website development reserve		41,078	60,000
Revaluation reserve		1,944,191	1,944,191
Building reserve		555,809	555,809
Building and maintenance reserve		57,347	57,347
Equipment reserve		14,290	14,290
Civility fund		-	25,000
Accumulated fund		239,266	252,065
		2,851,981	2,908,702

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
	£	£	£	£	£	£	£	£
At 1 April 2021	60,000	1,644,191	555,809	57,347	14,290	25,000	197,719	2,554,356
Comprehensive income for the year								
Profit for the year	-	-	-	-	-	-	54,346	54,346
Surplus on revaluation of freehold property	-	300,000	-	-	-	-	-	300,000
At 1 April 2022	60,000	1,944,191	555,809	57,347	14,290	25,000	252,065	2,908,702
Comprehensive income for the year								
Loss for the year	-	-	-	-	-	-	(56,721)	(56,721)
Transfer to other reserves	(18,922)	-	-	-	-	(25,000)	43,922	-
At 31 March 2023	<u>41,078</u>	<u>1,944,191</u>	<u>555,809</u>	<u>57,347</u>	<u>14,290</u>	<u>-</u>	<u>239,266</u>	<u>2,851,981</u>

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:

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

4. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation				
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	2,500,000	144,024	44,533	2,688,557
Depreciation				
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	-	142,838	21,203	164,041
Net book value				
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

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

6. Cash and cash equivalents

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

7. Creditors: Amounts falling due within one year

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

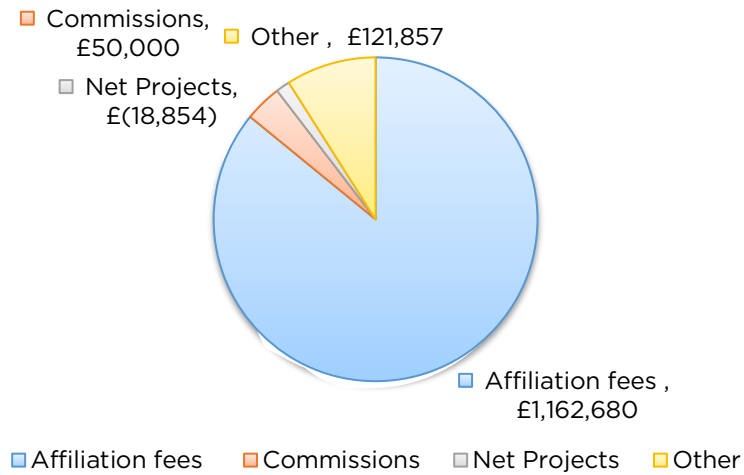
	Note	2023 £	2022 £
Turnover		1,451,359	1,414,455
Cost Of Sales		(135,679)	(140,082)
Gross profit		<u>1,315,680</u>	<u>1,274,373</u>
Less: overheads			
Administration expenses		(1,368,535)	(1,216,251)
Operating (loss)/profit		(52,855)	58,122
Interest payable and similar charges		(3,866)	(3,776)
(Loss)/Profit for the year		<u>(56,721)</u>	<u>54,346</u>
Turnover			
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>
Cost of sales			
Direct expenditure		135,679	140,082
		<u>135,679</u>	<u>140,082</u>

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

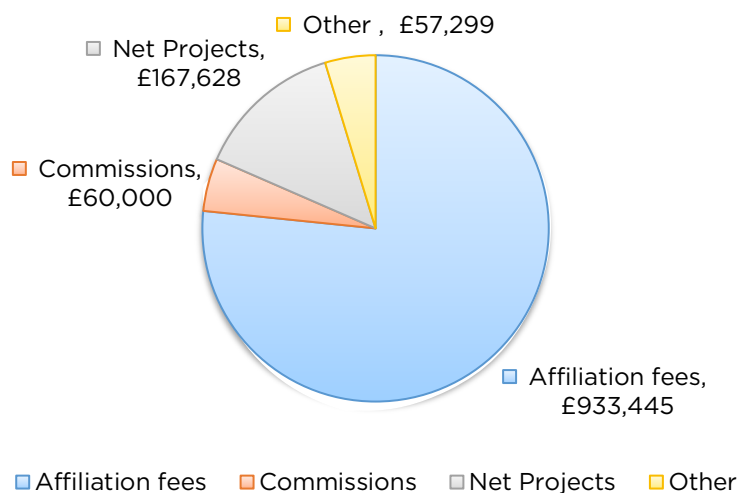
	2023	2022
	£	£
Interest payable		
Interest and Similar Charges	3,866	3,776
	<u>3,866</u>	<u>3,776</u>

NALC INCOME

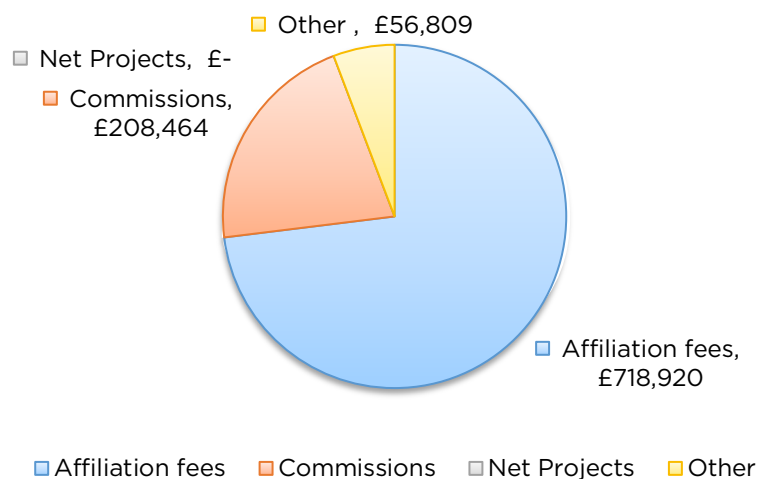
Income 2023



Income 2017

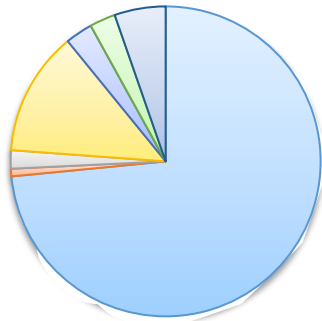


Income 2012



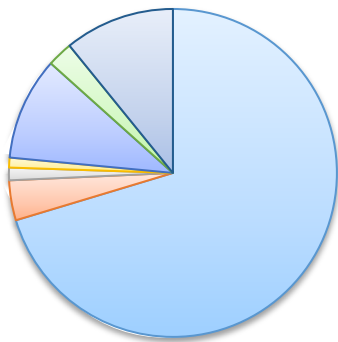
NALC EXPENDITURE

Expenditure 2023



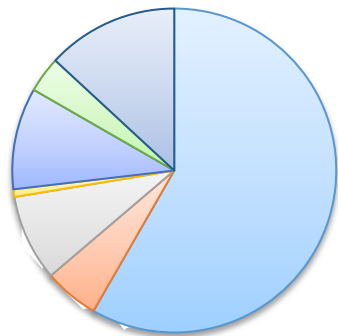
- Staffing costs
- Democracy
- Promotion
- Premises Accom & maint
- Legal & professional
- Non recoverable VAT
- Operating expenses

Expenditure 2017



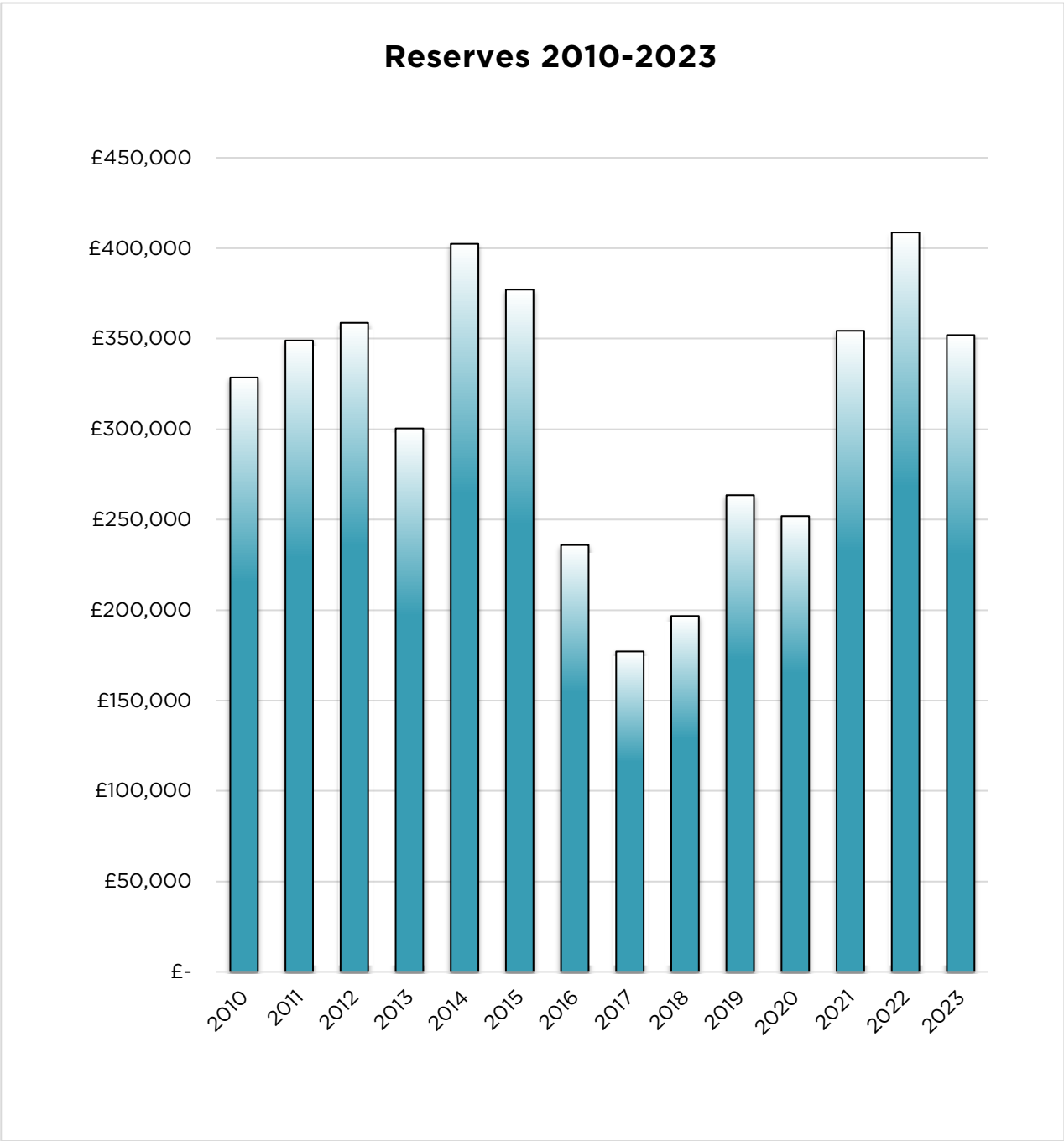
- Staffing costs
- Democracy
- Promotion
- Legal & professional
- Premises Accom & maint
- Non recoverable VAT
- Operating expenses

Expenditure 2012



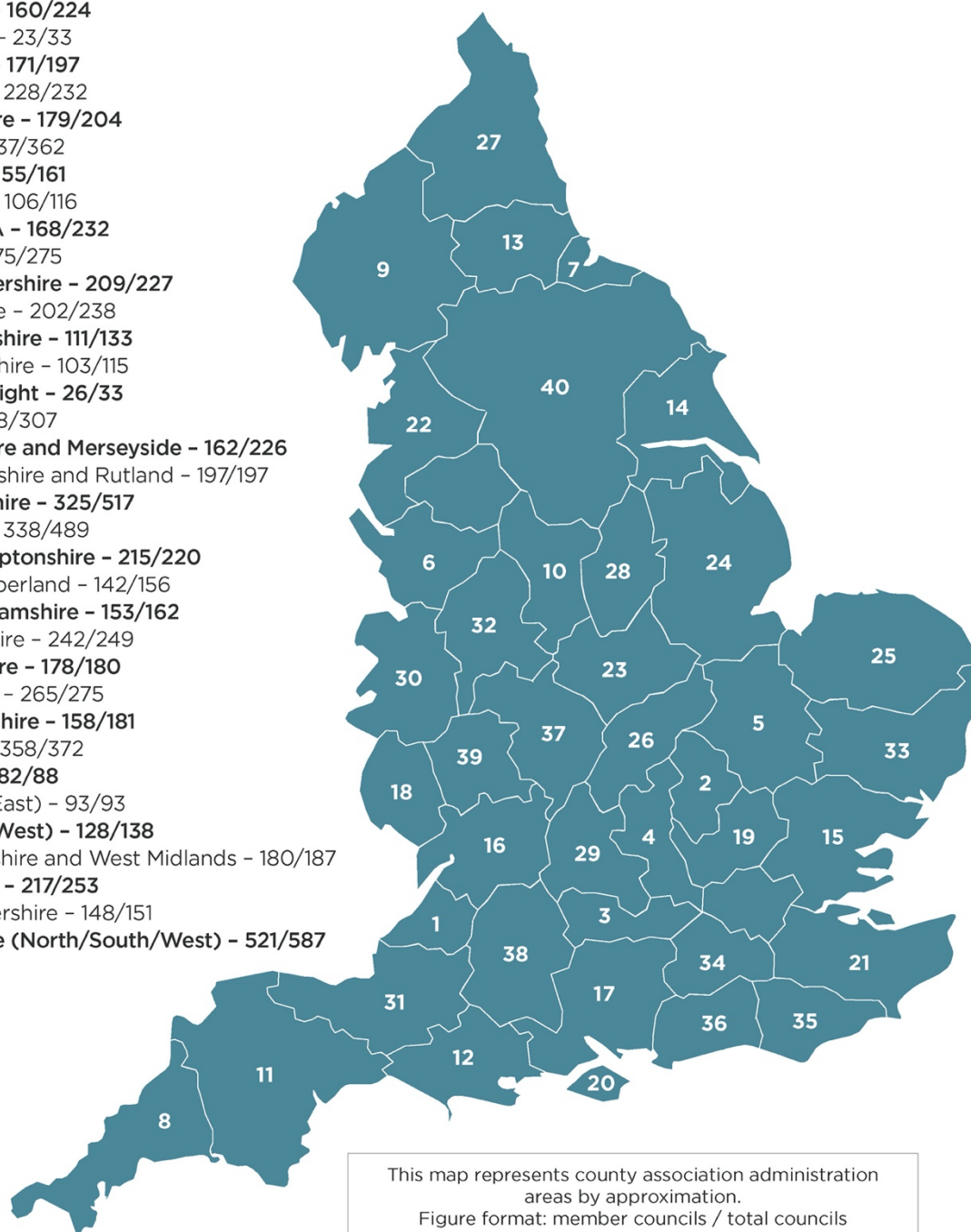
- Staffing costs
- Democracy
- Promotion
- Legal & professional
- Premises Accom & maint
- Non recoverable VAT
- Operating expenses

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 Hirons, 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

APPENDIX 4.2- NALC BUDGETS 2024/25

ANNUAL GENERAL MEETING

24-Oct-23

NALC
BUDGET 2024/25

	£ 1,920	£ 1,978	£ 2,037	£ 2,098	cap
	7.49	7.71	7.94	8.18	pence
	1.00%	3.00%	3.00%	3.00%	
	12 Months	Budget	Revised Budget	Budget	Indicative Plan
	2022/23	2022/23	2023/24	2024/25	2025/26
	£	£	£	£	£
INCOME					
Affiliations	1,182,680	1,154,027	1,218,648	1,264,607	1,291,645
Commercial			107,000	125,000	115,000
Other			215,000	220,000	220,000
Publications & Events	70,344	33,500			
Commissions & Other Income	81,513	77,000			
Development & Project Income	-18,854	30,000			
	1,315,683	1,294,527	1,540,648	1,609,607	1,626,645
EXPENSES					
Staffing			1,064,000	1,115,000	1,158,500
Premises			112,500	118,390	124,310
Systems			71,065	72,400	63,225
External affairs			30,000	30,000	30,000
Governance			33,976	33,750	34,563
Member services			53,010	56,000	38,000
Operating			147,500	152,500	159,775
Repairs & maintenance, includes It Website development	200,882	176,500			
Other recharges incl agency, consultancy, planning support	1,008,032	949,162			
Democracy	10,887	23,000			
Promotions	26,311	20,000			
Operating expenses & sundries	126,292	106,500			
	1,372,404	1,275,162	1,512,051	1,578,040	1,608,373
Surplus/(deficit) before Reserve	-56,721	19,365	28,597	31,567	18,273
Reserve tfs	43,922 (25,000)			
Contingency			20,000	20,000	20,000
Surplus/deficit after reserves	(12,799)	(5,635)	8,597	11,567	(1,727)

#101

COMPLETE

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Page 2: About you

Q1

Shropshire

Please tell us the name of your County Association

Q2

Please tell us your name

Helen Ball

Q3

Please enter your email address:

helen.ball@shrewsburytowncouncil.gov.uk

Page 3: Motion Types

Q4

Please insert the text of the motion your Association would like the NALC National Assembly / Policy Committee / Annual General Meeting to consider here:

This Association calls on HM Government to recognise the value of Parish & Town Councils in being effective delivery agents of Government Policy and as such opens up opportunities for the first tier of local government to access funding rather than relying upon their principal authorities to make applications on their behalf

Q5

Policy Motion

Please specify whether your motion constitutes a policy motion or NALC (constitutional) business here:

Q6

Annual General Meeting (You can now submit this form)

Please confirm which NALC forum you would like to consider your motion at:

Q7

Empower Communities

Please tick one of the below boxes to confirm which of the NALC Prospectus themes your county association's motion falls under:

Q8

Please tell us the reason (as thoroughly as possible) why your Association is submitting this motion for consideration for the attention of the NALC Policy Committee:

Shropshire Association of Local Councils is aware on a number of its member councils wishing to seek funding from central government to delivery projects within their geographical jurisdiction.

This has included access to active travel funding from the Department for Transport and Changing Places funding from DLUHC.

We are conscious that Shropshire Council is very stretched in terms of officer resources to seek funding on behalf of the 267 Parish & Town Councils in the county and quite often the time spent on such applications is disproportionate compared to other priorities.

Recently the sector has been promoting we have been promoting the Coronation Living Heritage Fund which clearly states that the fund is open to Parish & Town Councils yet all applications have to be submitted via the Principal Council.

Q9

Please tell us how this issue is affecting parish councils in your county area (with case study evidence, please and please try not to duplicate answers from earlier questions).

With very short timescales on funding pots from Central Government, there is often not enough time for applications of merit to be submitted if they have to be written by the principal council.

In July 2021 Shrewsbury Town Council had to make political representation to Shropshire Council's Leadership to seek an opportunity to bid for Mini-Holland Funding. The time that took resulted in Shrewsbury Town Council having to write the bid in 7 days.

Similarly both Shrewsbury Town Council & Oswestry Town Council wished to access Changing Places funding. Again by the time officers had agreed to submitting a bid, the timescales for completion were very small.

Q10

Please tell us how this issue is affecting local councils nationally and why this is a national issue requiring NALC policy formulation (with case study evidence, please and please try not to duplicate answers from earlier questions).

This request for the opportunities to access Government funding is a key priority of many Associations across the country. Many councils now have the capability to deliver Government Priority through localised projects.

Q11

Please tell us exactly what aspect of national parish policy your County Association would like NALC to lobby Government on (with case study evidence, please).

N/A

Q12

Please tell us exactly which part of primary or secondary legislation (or secondary regulation/ Statutory Instrument) your County Association would like to be changed as a result of NALC / local lobbying.

N/A

Q13

Please tell us exactly what other action your County Association would like NALC and its Policy Committee to take if this motion is adopted.

To make representations to Government on the value of Town & Parish Councils delivering Government priorities

Q14

Respondent skipped this question

Please confirm the names below of any other County Associations (or other organisations or local councils) who formally support your Association's motions.

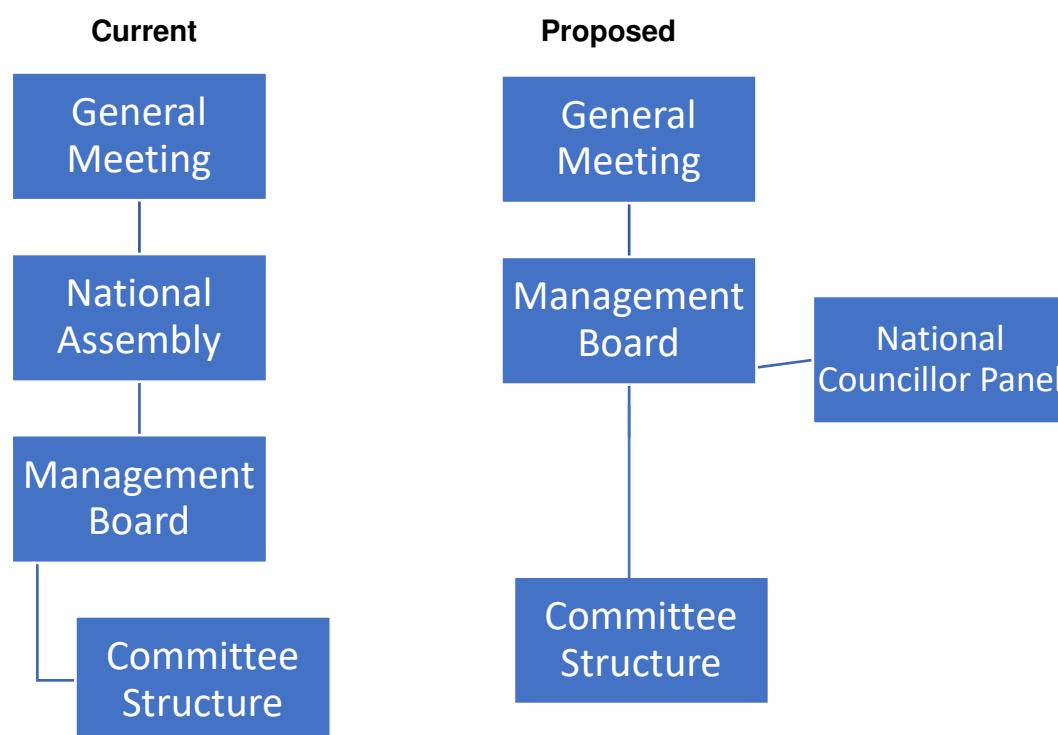
A motion for the NALC AGM to be held on 24 October 2023

The Northamptonshire County Association of Local Councils (Northants CALC) moves that the NALC National Assembly be dissolved as soon as reasonably practicable.

Commentary

1. Northants CALC believes that there is an opportunity to strengthen and modernise the governance function of NALC and at the same time improve and radically broaden the engagement function.
2. The NALC Constitution provides that the sovereign body of NALC is the General Meeting of members, consisting of NALC's Honorary Officers and "*Three persons appointed by each County Association in England.*"
3. Under the General Meeting, NALC's governance is vested in the National Assembly consisting of "*One member appointed by each County Association in England*". The National Assembly appoints a range of committees, including the Management Board.
4. On paper, the National Assembly (formally NALC National Council), is the governance body of NALC, but since the creation of the Management Board in 2016 the role of the National Assembly has been severely diminished.
5. The NALC web site states that "*The primary objective of the National Assembly is to oversee the delivery of NALC's objectives as set out in the constitution, represent the interests of the local councils in England, and provide support and coordination to all aspects of the work of local councils.*" but there is little evidence to that effect.
6. An analysis of the agendas and minutes of the National Assembly over the past three years reveals that approx. 35% of the items discussed are procedural items (welcome, apologies etc), 25% are to do with the function of the National Assembly itself (e.g. to note changes in CALC reps, committee elections etc), and 40% are substantive items, which are normally items to receive and note a report from the Chief Executive and/or Management Board, or general presentations and discussions.
7. For example, at the National Assembly held on 11 July 2023 there were 12 items on the agenda, of which only 5 were substantive:
 - a. Strategic update from the chief executive (30 minutes)
 - b. Management Board proposals on governance changes in light of task and finish group. (40 minutes)
 - c. Towards Net Zero (a presentation from a commercial utility broker) (45 minutes)
 - d. Star Council Awards 2023 (5 minutes)
 - e. Long serving councillors (a motion from the Devon Association) (5 minutes)
8. It is difficult to find **any** decision made by National Assembly that could not have been made if National Assembly did not exist. Typically, reports are noted and recommendations from the Management Board are approved.
9. The cost of the National Assembly includes venues, refreshments, representative's travel expenses, and staff time, plus National Assembly elections are now managed by UK Engage under a contract that costs approx. £2,000 per year. The full costs are not known because NALC does not record staff time for attendance at meetings.

10. However, the biggest “cost” is not financial, it is the opportunity cost. An organisation has three basic functions: Governance, Management, and Engagement. In truth, the governance of NALC is vested in the Management Board, and it has been that way for many years. The management of NALC is vested in the Chief Executive and their team. So that leaves engagement. If the purpose now of National Assembly is to provide a vehicle for NALC to engage with its members, then it is a very poor method indeed. Having 40 councillors attend three or four meetings a year is not a good way for NALC to know and understand what its membership is thinking.
11. Engagement could be better achieved through a National Councillor Panel, operating electronically, whereby councillors could be polled for their views, thoughts, and opinions on relevant topics. The poll results can be taken into account when NALC is making decisions. Imagine if NALC had a Councillor Panel of c.1,000 councillors from across the country... it would be a better, quicker, and cheaper way to find out what the membership thinks.
12. The following is a graphical representation of the proposal:



13. The proposed structure would maintain the General Meeting (three persons appointed by each CALC) as the sovereign body and clearly define the Management Board as NALC’s governance body. It would empower and strengthen the Management Board and make the Association more agile (because the Management Board can make decisions rather than needing to refer recommendations back to National Assembly). The Management Board has effectively been the governance body for many years; there are no examples of decisions made by National Assembly that are against the wishes of the Management Board or contrary to its recommendations.
14. Northants CALC thinks the proposal to dissolve National Assembly will pave the way for strengthened governance and better engagement with members and urges AGM delegates to support it.

ANNUAL GENERAL MEETING | APPENDIX 5.1

Recommended changes to the constitution from National Assembly 11 July.

Proposal one: Definition of local council.

Name and title etc. Amend paragraph three vision etc. To define local councils in line with the local government act 1972.

Parish and town councils are the tier of statutory local government that is closest to the electorate, their legal foundation provided by the Local Government Act 1972. Parish councils may resolve to call themselves town, neighbourhood, community, or village councils. Parish councils for areas that have been granted city status by royal charter are known as city councils. Collectively they are often referred to as local councils, the term used throughout this constitution.

Proposal two: include reference to unitary authorities e.g., Cornwall Council

Membership section – amend section b to include reference to unitary authorities.

“The National Association shall be organised as a number of independent, self-governing associations, as determined from time to time by the National Assembly, based on one or more county or unitary authorities in England, or on a regional grouping of these bodies except in London, where there shall be a London Association.

Proposal three: regional groupings of county associations

County Associations section – include reference to regional groupings to reflect current position e.g., FEMALC, SERCAF etc. Insert new “d) county associations may be organized into regional groupings to support their work.”

Proposal 4: To allow on-line voting and remote meetings.

Governance section:

Insert new paragraph to allow for meetings and votes to be held on-line or in person.

“Proceedings of the Association’s governance structures can be conducted on-line or in person. Elections to those governance structures and voting or ballots can be conducted on-line, electronically or in person as appropriate.”

Proposal 5: Motions

Annual and Special General Meeting section – amend to clarify that county associations, regional groupings and policy committee can submit motions to the AGM.

“To consider such motions as may have been submitted by county associations, regional groupings, or the Policy Committee provided that notice of motions are given in writing no later than forty-two clear days before the date of the Annual General Meeting. Amendments to such motions should normally be submitted in writing at least seven days prior to the AGM.”

Proposal 6: Quorums

AGM and assembly sections

Quorums – amend relevant sections to read one third of those entitled to attend and vote (including remote attendance) for AGM and National Assembly (currently 25% and 20 respectively)

- ‘The quorum of a general meeting shall be one third attending and a third of the county associations in membership’.
- ‘The quorum of the assembly shall be one third of its membership.’

Proposal 7: County representatives

The National Assembly section:

Amend c) to allow county associations to appoint a representative to attend in the absence of their nominated representative or their deputy.

“A County Association in England may nominate one person to function as deputy for its member on the Assembly.

If neither the nominated representative nor the deputy is available for a particular meeting, a County Association may appoint another person who is a member of their executive to attend, and that person shall enjoy full voting rights.”