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Publications

Annual Report 2023/24

National Association of Local Councils

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FOREWORD

This report sets out the 2023/24 audited accounts for the National Association of Local Councils, information about the sector and NALC, its governance, membership, and key performance information. As the chair of NALC, re-elected at the end of 2023, I would like to highlight key developments over the past year.

With 2024 being the biggest election year in history as countries with more than half the world's population – over four billion people – going to the polls, my open letter in January highlighted how hyper local democracy has so much to contribute to making local communities stronger and able to address so many of the challenges we face today.

After our general election was announced I wrote on your behalf to all the main political party leaders outlining our manifesto for building stronger communities, highlighting the critical areas where any new government can support England's 10,000 local (parish and town) councils. These include empowering our local councils, giving them more autonomy through better funding opportunities, strengthening their role in building stronger, sustainable, and resilient communities, enhancing community engagement, and addressing housing and planning issues. I also urged them to put better standards in public life at the heart of their work and support our joint campaign with the Society of Local Council Clerks to promote civility and respect and strengthen the standards regime, especially introducing sanctions for poor behaviour.

We will continue to promote the sector and our manifesto with the new government through a programme of engagement with Members of Parliament, ministers and shadow ministers, civil servants, and other policymakers. It is vital that we highlight the role of our sector, its potential to help address many of the problems the nation faces and that it is not overlooked in new legislation and other initiatives. Can I encourage councils and councillors to play their part too and get in touch with new MPs.

NALC has had a good year raising your excellent work and concerns nationally. In parliament, during the passage of the Levelling up and Regeneration Act and with the support of our president, Baroness Scott of Needham Market, we secured cross-party support for allowing councils to decide whether they wanted to hold meetings remotely or face-to-face. The Government clarified the position on funding for places of worship during the passage of the Act. We registered the implications of the current crisis in local government finance during parliamentary debates. A notable success was persuading the government to extend its £150m Community Ownership Fund to allow direct applications from our councils. A highlight of the year was NALC's parliamentary reception and presentation of NALC's Star Councils Awards 2023 in the House of Lords, which was well-attended and showcased the work of local councils, clerks, and councillors across the country. We received good coverage of our work in national newspapers, websites, journals, and reports, including the BBC and Financial Times. The sector has been highlighted in important research and think tank reports such as IPPR and Jo Cox Foundation. Our monthly blogs attract contributors from highly respected and influential national organisations.

We have continued to develop the services we provide to county associations and councils through direct legal, financial, HR and communications support. We published a new model and template employment contract with help from SLCC, rewrote our model financial regulations and practitioners' guide, and updated The Good Councillor Guide. There is a wealth of other advice, guidance, and other resources on our soon-to-be-developed website, including help for you to get involved in our campaigns on health and well-being, climate change, young people, housing and planning and access to banking. Working with the Cabinet Office, we are making it easier for councils to use .gov domains and helped councils access a free portrait of His Majesty The King. Our remote events continue to be well attended, with over one hundred attendees each session and 90% recommending their value. Our national networks reach out to and engage with an increasing number of councils and councillors across our themes of coastal communities, climate change, larger and smaller-sized councils, and women, young and LGBT+ councillors. NALC is continuing to progress its modernisation project in our new office with better IT systems and support. Our new committee work programmes are the well-developed and digital-first approach to reducing our carbon footprint. NALC has been re-accredited by Cyber Essentials, demonstrating our commitment to cyber security. I am particularly pleased that this year, we achieved White Ribbon accreditation for our commitment to the part our sector can play in the campaign to end men's violence against women.

Finally, some thanks. To all the councillors from across England who serve on NALC's committees and county associations for their outstanding support and contributions this year. To county association colleagues who provide such expert day to day support to local councils and who guide NALC's work. To all councils, councillors, clerks, and other staff for the tremendous job they do for their communities which makes NALC's job so much easier.

Cllr Keith Stevens
Chair
1 October 2024

NALC AND LOCAL (PARISH AND TOWN) COUNCILS

NALC's objectives include to raise the profile of the sector nationally, regionally, and locally. To lobby the government for legislative change our members want. To campaign to make it easier to set up local councils across England. To provide services, guidance, and advice to councils in membership and county associations. To raise council standards, capacity, and ambition. And to build partnerships with other bodies to support our work.

About the sector

- 10,000 councils, covering 91% of England. Representing 35m people including 16m electors.
- 100,000 councillors are spending 14 million hours supporting communities.
- 3,500 parish and town clerks.
- Raising £783 million through precepts, a small share of council tax. An average of £85.88 per household per year. Significant other income and assets. Investing around £2 billion in local communities.
- Five thousand councils raise less than £25,000 a year through council tax. 80 over £1 mllion.
- 350 new councils have been created over the last two decades in rural and urban areas, especially as more unitary councils are set up.
- Sixty discretionary powers – from allotments to websites. Many councils are doing more than ever before because of devolution, the cost of living crisis and recognising their role in addressing wider social issues such as climate emergency and community safety.

About NALC

- Represents around 85% of local councils. Works closely with and supports forty-three county associations which provide day to day support to councils.
- Budget of around £1 million mostly from councils' affiliation fees of 8p per elector per year. On average, around £110 per council. Employs 20 people, mostly based in London and with sector expertise.
- Run by councillors from county associations through our national assembly and committees. Supported by seven national networks.

NALC's vision

- Local (parish and town councils) across the country will be at the centre of community effort, the natural focus of public activity and service delivery.
- They will give a democratic voice to communities in the deliberations of other agencies and work in partnership with them.
- Vibrant, dynamic, and effective local councils will help communities help themselves build strength and resilience and improve residents' quality of life.

Our work and services to councils and county associations

Helping councils become better by direct legal, HR and financial support.

- Procurement of councils' external audit.
- Peer support through networks, local council award scheme, peer challenge and intervention boards.

General advice and guidance

- Model standing orders, financial regulations, employment contracts and policies, good councillor guides, legal briefings, and resources to promote civility and respect.
- Weekly bulletin keeping councils abreast of the latest developments affecting the sector. 10,000 people have signed up.
- Encouraging good practice through our website resources, including on health, wellbeing, and planning. Publishing case studies of council excellence as points of light. Annual awards programme, star councils. Monthly online events programme, 6000 delegates a year.

Influencing government on your behalf to make councils' lives easier

- Giving you a voice on the national stage, responding to government consultations, engaging with the national media, and explaining the role and potential of the sector to national organisations.
- Pressing the government to change laws and regulations that councils have flagged up as issues of concern through motions to NALC's Policy Committee.
- For example. We have secured diverse funding through successfully resisting the imposition of capping, or referenda principals, on the sector and gaining access to national government grants including the community ownership fund. Raised the importance of standards in public life and sanctions for poor behaviour at the highest levels in government and parliament, supported by the committee on standards in public life. Secured widespread, cross-party support to allow our councils to decide whether to meet remotely.

Our key partnerships

- County associations, the Society of Local Clerks, the Local Government Association and One Voice Wales.
- The Rural Coalition and Better Planning Coalition.
- National sponsors – Blachere Illumination, Clear Group, CCLA and Utility Aid.

Get involved!

- In the work of your local county association and national association.
- Get your council to put forward motions for change to your county and national association.
- Take advantage of local training opportunities.
- Attend NALC events and look at the website.
- Register for newsletter and bulletin.
- Join the 1,500 other councils that have signed the civility and respect pledge and register for the local council award scheme.

Jonathan Owen
Chief executive
1 October 2024

Jonathan Owen.

FINANCE & SCRUTINY REPORT

As NALC vice-chair (finance), I would like to provide some background on how NALC is financed and highlight several issues from the last and current Financial Year.

A note on NALC's finances

NALC is financed through subscriptions or affiliation fees paid by its member local councils collected by county associations. These are based on a pence per elector fee capped for the largest councils.

In 2021/22 affiliation fees were 7.42 pence per elector capped at £1,900. With the agreement of our Annual General Meeting these have increased over the three years since to 7.94 pence per elector capped at £2,037 in 2024/25. An overall increase over those years of .52p and £137 - or 7% and 7.2%.

In similar periods the consumer prices index increased by 21% between May 21 and May 24 according to the House of Commons library. And average band D precepts rose from £74.35 in 2021/2 to £85.88 in 2024/25 - a 15% rise.

During this period NALC's finances have continued to be sound with consistently unqualified externally audited accounts. The Association has managed its resources effectively, modernizing its processes and vacating out-of-date offices which it previously owned, securing office savings and valuable investment income.

NALC has also managed within these reduced resources to maintain and improve services to member councils including.

- New website and CRM system coming online this year. (The set up costs were funded from a dedicated reserve etsablished for that purpose).
- New HR services commissioned from Worknest handling over 350 queries per year.
- With SLCC investing in the civility and respect project with buy-in currently from over 1,500 councils
- An employee assistance programme for NALC and county association staff
- New model employment contract, model financial regulations and good councillor's guide
- Fortnightly briefing sessions with county officers and monthly events programme.
- New partnership for communications support.

These developments are in addition to the day-to-day services that we have provided for many years, set out in our benefits of membership document. https://www.nalc.gov.uk/library/join-us/3856-nalc-member-benefits-2023/file

Year-end 2023/24

Affiliation fees — Our affiliation base remains robust, reflecting the increasing number of local councils in membership.

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.

We have also seen the continuation and growth of key partnerships with other organisations providing services to the sector and I would like to thank them for their continued support.

The 2023/24 Financial Year showed a small surplus on trading of £281 despite the inflationary pressures and service improvements set out above.

The sale of 109 Great Russell Street has been included in the 2023/24 accounts and their treatment agreed with our external auditors. They confirmed that the capitalisation of the website and CRM system were acceptable and is now therefore considered as an asset. Planned funding for this was provided by a dedicated reserve established for this purpose.

The auditors recommended we continue to keep under review our investment strategy, payroll and pensions, publications income and accommodation needs.

Scrutiny report and development

Our external auditors were asked to conduct additional external scrutiny again this year and raised no matters of concern. They concluded, "We are pleased to report that adequate systems, appropriate for the size of the Association, appear to be in place for all major aspects of the Association's business and that they are working well." They also commented that this is supported by the oversight of the Finance and Scrutiny Committee, and I would like to thank councillors on that committee for their support.

Our Finance and Scrutiny Committee also initiated a review of the accounting and bookkeeping systems and will be recommending changes to reporting. The Committee is looking at how it can further develop its scrutiny role in terms of corporate governance, performance and organisational development as well as the financial internal audit process.

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 book 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 and service improvements identified by NALC or county associations
- Future property needs

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, considering 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)
1 October 2024

ACCOUNTS — REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Contents

The finance committee members present their report and the financial statements for the year ended 31 March 2024.

Committee members' responsibilities statement

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

Requires the Finance committee members to prepare financial statements for each financial year. Under that law, the committee members have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the committee members must not approve the financial statements unless 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 Finance 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)
19 August 2024

Opinion

We have audited the financial statements of The National Association of Local Councils (the 'Association') for the year ended 31 March 2024, 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 2024 and of its profit 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 the Association 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 Association'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 the Association 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 1, 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 regulation, 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 is 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 Association's members. Our audit work has been undertaken so that we might state to the Association'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 Association and the Association'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.

19 August 2024

Statement of Income and Retained Earnings for the Year Ended 31 March 2024

	Note	**2024** **£**	2023 £
Turnover		**1,605,299**	1,451,359
Cost of sales		**(76,902)**	(135,679)
Gross profit		**1,528,397**	1,315,680
Administrative expenses		**(1,524,273)**	(1,368,535)
Exceptional items	4	**161,135**	-
Operating profit/(loss)		**165,259**	(52,855)
Interest payable and similar expenses		**(3,841)**	(3,866)
Profit/(loss) before tax		**161,418**	(56,721)
Profit/(loss) after tax		**161,418**	(56,721)
Retained earnings at the beginning of the year		**239,266**	252,065
		239,266	252,065
Profit/(loss) for the year		**161,418**	(56,721)
Transfer to other reserves		**2,598,425**	43,922
Retained earnings at the end of the year		**2,999,109**	239,266

The notes from page 19 form part of these financial statements.

Balance Sheet as at 31 March 2024

	Note		2024		2023
			£		£
Fixed assets					
Tangible assets	5		**96,036**		2,524,516
			96,036		2,524,516
Current assets					
Debtors: amounts falling due within one year	6	**134,081**		155,161	
Cash at bank and in hand	7	**2,917,533**		262,062	
		3,051,614		417,223	
Creditors: amounts falling due within one year	8	**(134,251)**		(89,758)	
Net current assets			**2,917,363**		327,465
Total assets less current liabilities			**3,013,399**		2,851,981
Net assets			**3,013,399**		2,851,981
Capital and reserves					
IT & website development reserve			**-**		41,078
Revaluation reserve			**-**		1,944,191
Building reserve			**-**		555,809
Building and maintenance reserve			**-**		57,347
Equipment reserve			**14,290**		14,290
Accumulated fund			**2,999,109**		239,266
			3,013,399		2,851,981

The Association's financial statements have been prepared in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 August 2024.

Cllr Peter Davey
NALC vice-chair (finance)
19 August 2024

Peter Davey

The notes from page 19 form part of these financial statements.

Statement of Changes in Equity for the Year Ended 31 March 2024

	IT website development reserve	Revaluation reserve	Building reserve	Building maintenance reserve	Equipment reserve	Civility fund reserve	Accumulated fund	Total equity
	£	£	£	£	£	£	£	£
At 1 April 2022	**60,000**	**1,944,191**	**555,809**	**57,347**	**14,290**	**25,000**	**252,065**	**2,908,702**
Loss for the year	**-**	**-**	**-**	**-**	**-**	**-**	**(56,721)**	**(56,721)**
Transfer between reserves	**(18,922)**	**-**	**-**	**-**	**-**	**(25,000)**	**43,922**	**-**
At 1 April 2023	**41,078**	**1,944,191**	**555,809**	**57,347**	**14,290**	**-**	**239,266**	**2,851,981**
Profit for the year	-	-	-	-	-	-	**161,418**	**161,418**
Transfer between reserves	**(41,078)**	**(1,944,191)**	**(555,809)**	**(57,347)**	-	-	**2,598,425**	-
At 31 March 2024	**-**	**-**	**-**	**-**	**14,290**	**-**	**2,999,109**	**3,013,399**

The notes from page 19 form part of these financial statements.

Notes to the Financial Statements fir the Year Ended 31 March 2024

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 satified.

- 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.

1.9 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Association but are presented separately due to their size or incidence.

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, during the year was as follows:

	2024	2023
	No.	No.
Average number	**20**	20

4. Exceptional items

	2024	2023
	£	£
i. Net proceeds from sale of freehold property	**2,699,903**	-
Less - book value	**(2,500,000)**	-
Net profit on sale of freehold property	**199,903**	-
ii Related exceptional moving expenditure	**(11,180)**	-
iii Website development expenditure	**(27,588)**	-
	161,135	-

5. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Computer equipment, Website and CRM £	Total £
Cost or valuation				
At 1 April 2023	**2,500,000**	**144,024**	**44,533**	**2,688,557**
Additions	**-**	**-**	**82,735**	**82,735**
Disposals	**(2,500,000)**	**(144,024)**	**-**	**(2,644,024)**
At 31 March 2024	**-**	**-**	**127,268**	**127,268**
Depreciation				
At 1 April 2023	**-**	**142,838**	**21,203**	**164,041**
Charge for the year on owned assets	**-**	**-**	**10,029**	**10,029**
Disposals	**-**	**(142,838)**	**-**	**(142,838)**
At 31 March 2024	**-**	**-**	**31,232**	**31,232**
Net book value				
At 31 March 2024	**-**	**-**	**96,036**	**96,036**
At 31 March 2023	2,500,000	1,186	23,330	2,524,516

6 Debtors

	2024	2023
	£	£
Trade debtors	**35,836**	36,952
Other debtors	**28,155**	68,538
Prepayments and accrued income	**70,090**	49,671
	134,081	155,161

7. Cash and cash equivalents

	2024	2023
	£	£
Cash at bank and in hand	**2,917,533**	262,062
	2,917,533	262,062

8. Creditors: Amounts falling due within one year

	2024	2023
	£	£
Trade creditors	**53,902**	16,340
Other taxation and social security	**35,565**	30,384
Other creditors	**35,284**	31,462
Accruals and deferred income	**9,500**	11,572
	134,251	89,758

9. 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 London 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, remains 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. This continues to be the most realistic estimate in the light of avalable information.

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 committee have been advised that under the Schedule of Contributions, deficit contributions are due to cease from 31 January 2025. Scheme expenses of £8,599 will continue to be paid, increasing from £6,043. A revised Schedule of Contributions may result in the reinstatement of deficit contributions in the future

Detailed Profit and Loss Account for the Year Ended 31 March 2024

	Note	**2024**	2023
		£	£
Turnover		**1,605,299**	1,451,359
Cost Of Sales		**(76,902)**	(135,679)
Gross profit		**1,528,397**	1,315,680
Less: overheads			
Administration expenses		**(1,524,273)**	(1,368,535)
Exceptional items	4	**161,135**	-
Operating profit/(loss)		**165,259**	(52,855)
Interest payable and similar charges		**(3,841)**	(3,866)
Profit/(Loss) for the year		**161,418**	(56,721)

	2024	2023
	£	£
Turnover		
Affiliation fees	**1,215,726**	1,182,680
Publication fees and media sales	**29,346**	33,204
Events and project income	**141,821**	203,962
Other income	**218,406**	31,513
	1,605,299	1,451,359

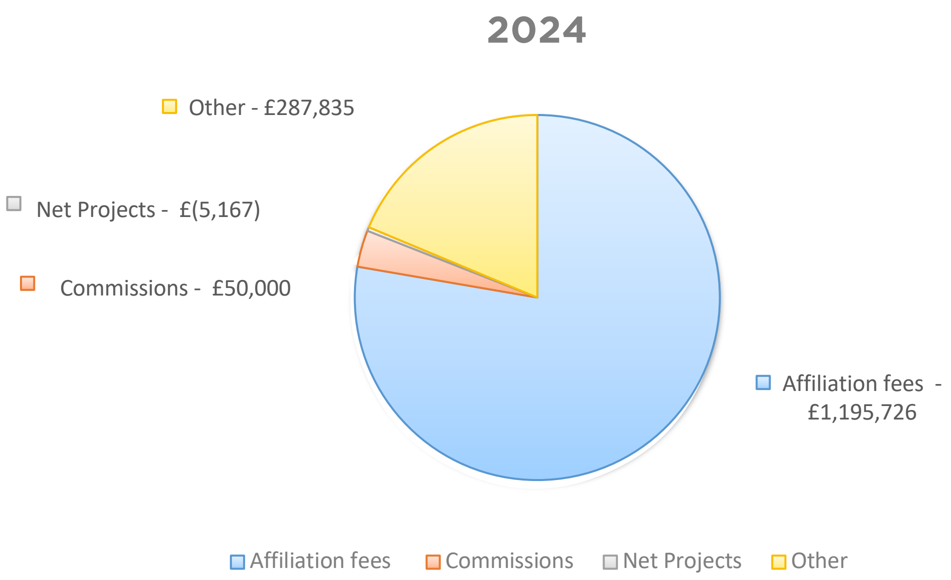
	2024	2023
	£	£
Cost of sales		
Direct expenditure	**76,902**	135,679
	76,902	135,679

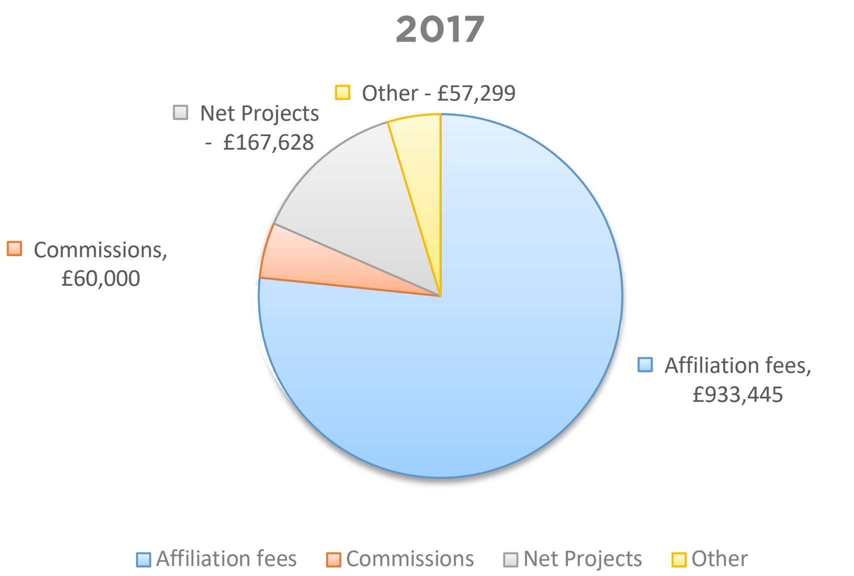
	2024	2023
	£	£
Administration expenses		
Staff salaries including recruitment and training	**1,111,580**	994,716
Staff travel	**5,536**	4,896
Member services and external support	**34,223**	11,595
Non recoverable VAT	**34,699**	36,982
Legal and professional	**42,733**	33,383
Auditors' remuneration	**6,155**	5,783
Bad debts	**5**	(4,908)
Professional indemnity insurance	**19,320**	19,320
Premises, accommodation and maintenance	**183,060**	161,118
Depreciation - plant and machinery	**10,029**	14,817
Committee Expenses	**9,219**	229
Profit/loss on sale of tangible assets	**1,186**	1,944
Representative Expenses	**12,219**	6,159
Membership fees	**4,395**	4,034
Books, periodicals & law library	**1,913**	870
Information services	**13,429**	14,669
Promotion	**20,667**	24,686
Corporate Hospitality	**2,356**	1,625
Administration expenses	**7,049**	32,117
Chair and Vice Chairs Allowances	**4,500**	4,500
	1,524,273	1,368,535

	2024	2023
	£	£
Exceptional items		
Website development	**27,588**	-
Freehold property sale proceeds	**(188,723)**	-
	(161,135)	-

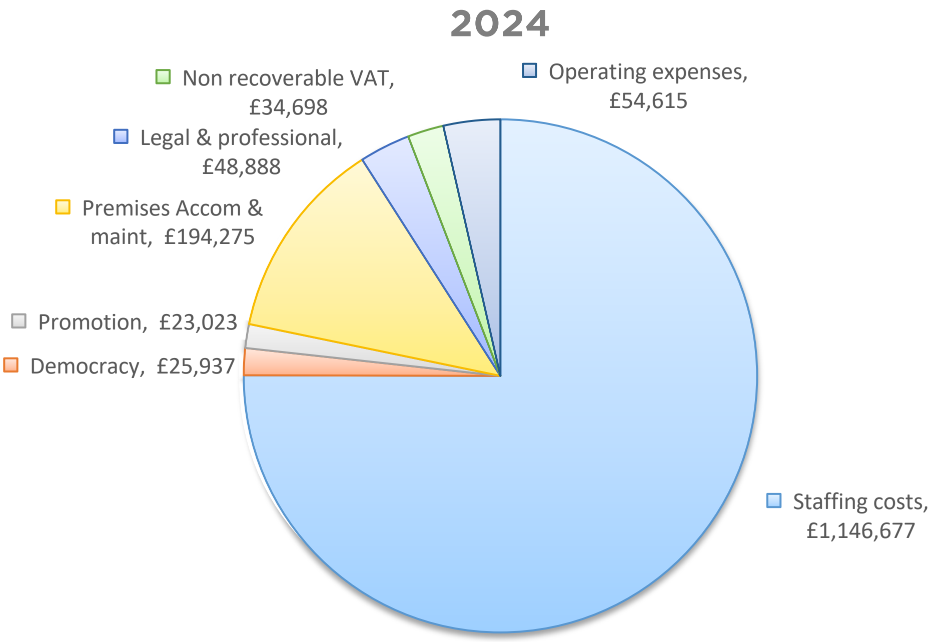
	2024	2023
	£	£
Interest payable		
Interest and Similar Charges	**3,841**	3,866
	3,841	3,866

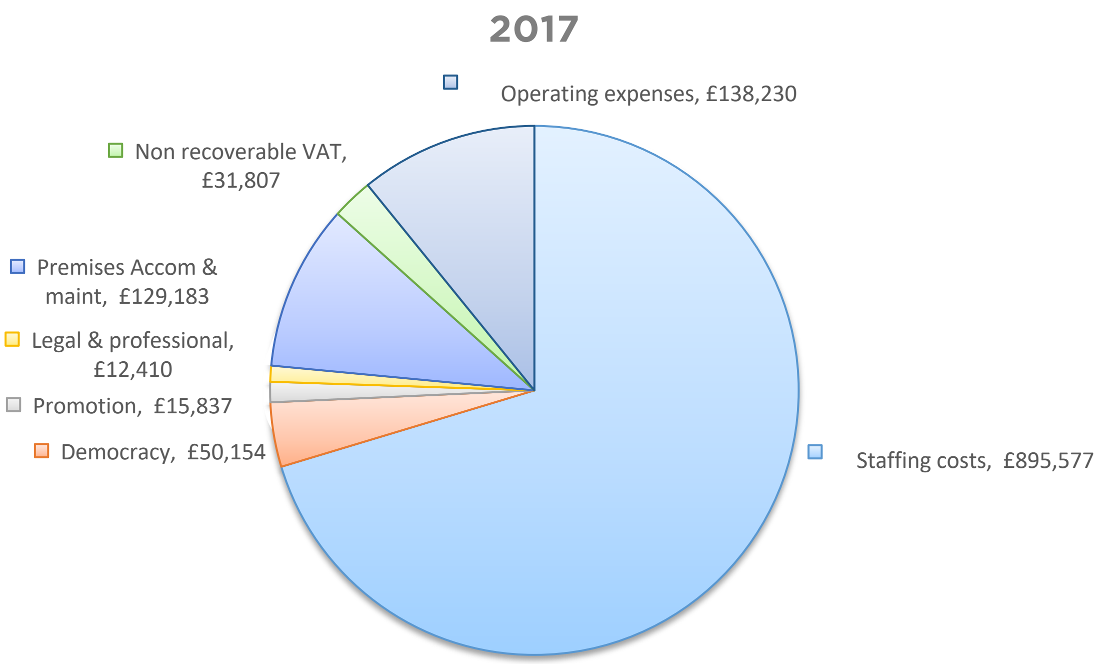
NALC INCOME


2024
Other - £287,835
Net Projects - £(5,167)
Commissions - £50,000
Affiliation fees - £1,195,726
Affiliation fees
Commissions
Net Projects
Other

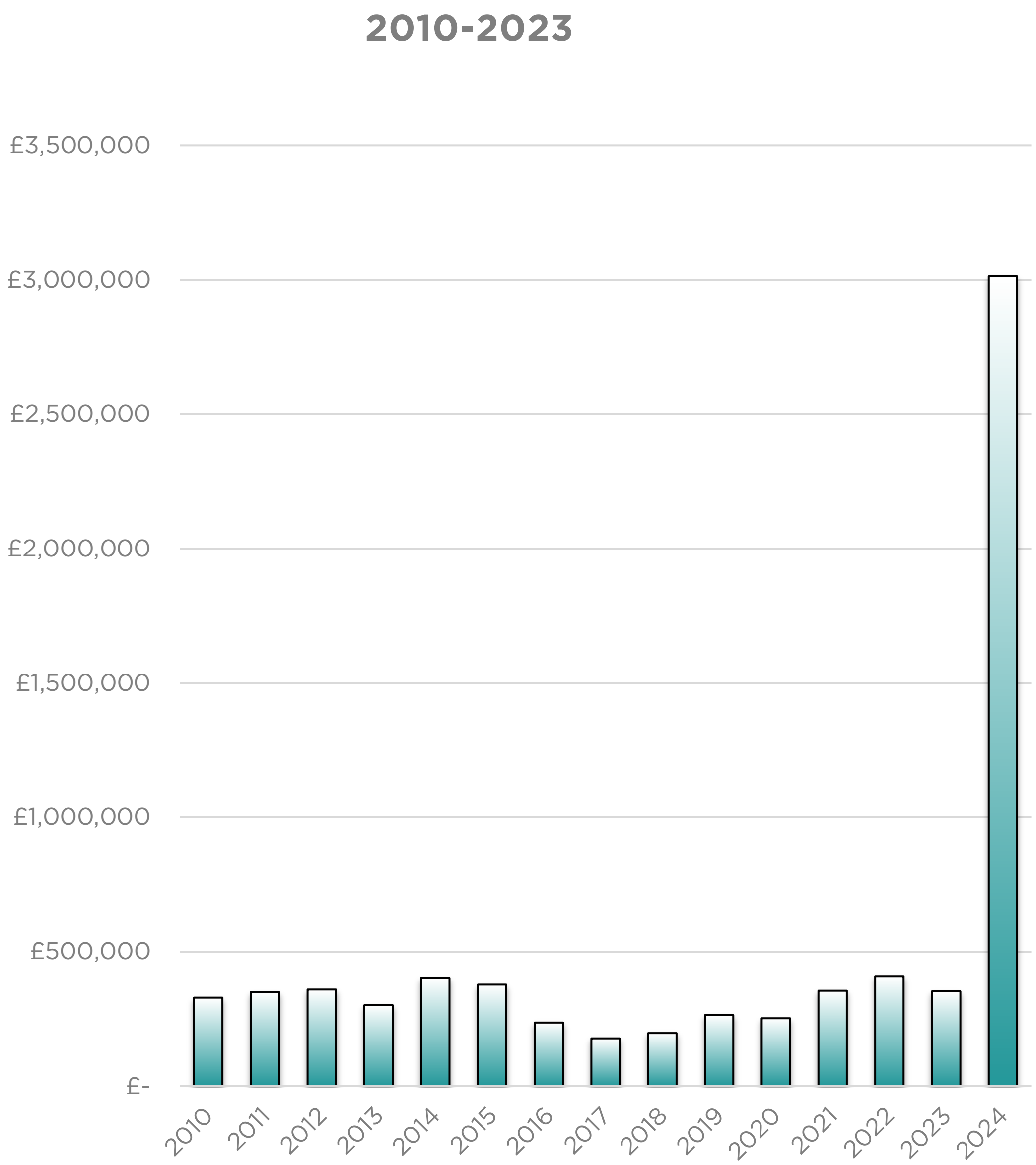

2017
Net Projects - £167,628
Other - £57,299
Commissions, £60,000
Affiliation fees, £933,445
Affiliation fees
Commissions
Net Projects
Other

NALC EXPENDITURE





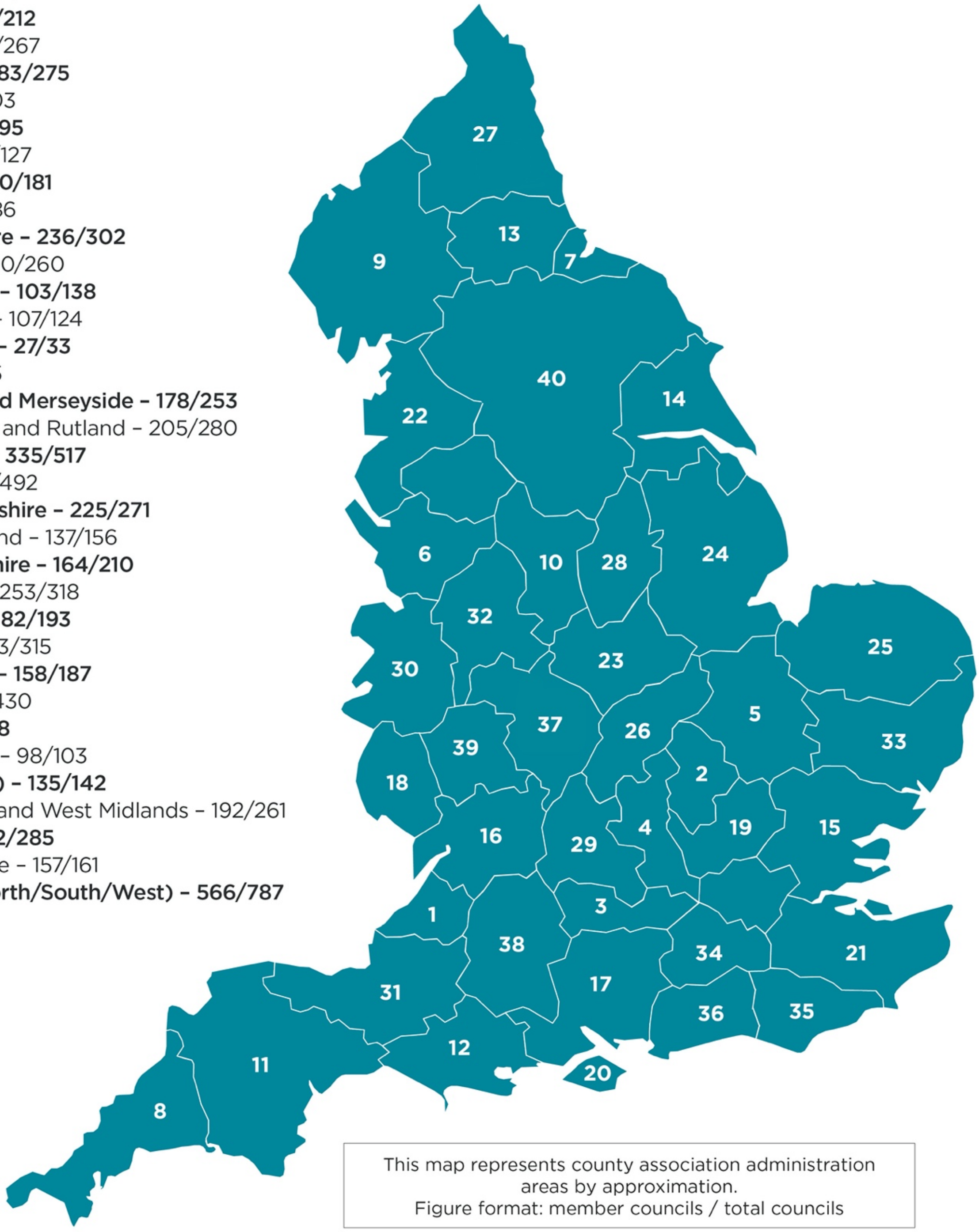
NALC RESERVES



The 2024 figure includes the proceeds of the sale 109 Great Russell Street.

LOCAL COUNCIL MEMBERSHIP BY COUNTY AREA

1. Avon – 129/136
2. Bedfordshire – 117/127
3. Berkshire – 95/102
4. Buckinghamshire and Milton Keynes – 174/220
5. Cambridgeshire and Peterborough – 206/260
6. Cheshire – 159/218
7. Cleveland – 21/34
8. Cornwall – 170/212
9. Cumbria – 246/267
10. Derbyshire – 183/275
11. Devon – 351/403
12. Dorset – 162/195
13. Durham – 102/127
14. ERNLLCA – 170/181
15. Essex – 272/286
16. Gloucestershire – 236/302
17. Hampshire – 210/260
18. Herefordshire – 103/138
19. Hertfordshire – 107/124
20. Isle of Wight – 27/33
21. Kent – 314/335
22. Lancashire and Merseyside – 178/253
23. Leicestershire and Rutland – 205/280
24. Lincolnshire – 335/517
25. Norfolk – 307/492
26. Northamptonshire – 225/271
27. Northumberland – 137/156
28. Nottinghamshire – 164/210
29. Oxfordshire – 253/318
30. Shropshire – 182/193
31. Somerset – 263/315
32. Staffordshire – 158/187
33. Suffolk – 371/430
34. Surrey – 82/88
35. Sussex (East) – 98/103
36. Sussex (West) – 135/142
37. Warwickshire and West Midlands – 192/261
38. Wiltshire – 182/285
39. Worcestershire – 157/161
40. Yorkshire (North/South/West) – 566/787



This map represents county association administration areas by approximation.
Figure format: member councils / total councils

KEY STATISTICS

- The NALC website saw 192,418 users with over 681,448 page views.
- NALC held 68 committees (including special and informal) and network meetings.
- NALC has advertised 142 job vacancies to help local councils and county associations find the right team member to join their teams.
- Over 1,600 local councils have signed the Civility and Respect Pledge.
- NALC posted 2,003 times on X (formerly Twitter), amassing 460,502 impressions with 2,312 mentions. NALC posted 2,111 times on Facebook, with a page reach of 44,198.
- NALC dealt with over 3,500 email enquiries.
- NALC took over 1,000 telephone enquiries from councils, councillors, county associations, the press and the public.
- NALC has processed over 500 invoices.
- NALC issued around 250 written legal advice.
- NALC responded to 16 government consultations.
- NALC held 13 online events with over 2,100 attendees. Of those attendees, 96% said the online events fully met their expectations.
- NALC's website hosts close to 1,000 different resources to help support local councils and county associations.
- 882 local councils have been accredited under the Local Council Award Scheme.
- NALC HR service with WorkNest has processed 557 queries from 21 county associations.

NALC COMMITTEE MEMBERS

The committee member list is as correct as of 31 March 2024.

President
Baroness Scott of Needham Market

Vice-president
Cllr Sue Baxter
Baroness Bennett of Manor Castle
Andrew Gwynne MP
The Earl of Lytton
Lord O'Shaughnessy

Chair
Cllr Keith Stevens

Vice-chairs
Cllr Peter Davey (finance)
Cllr David Francis (member services)

National Assembly

Cllr Mike Drew, Avon Local Councils Association
Cllr Elizabeth Luder, Bedfordshire Association of Town and Parish Councils
Cllr Roland Cundy, 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 Lindsey Dedden, 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 Keith Portess, 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 Rappe, 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 Geoff Hulland, Leicestershire & Rutland Association of Local Councils
Cllr Reece Harrington, Lincolnshire Association of Local Councils
Cllr Iain Hamilton, 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 Ray Wickson, 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
Cllr Ian Davis, 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 Peter Allison
Cllr Sue Baxter
Cllr Bob Blezzard
Cllr Peter Davey
Cllr Mike Drew
Cllr David Francis
Cllr Paul Harvey
Cllr Loraine Rappe
Cllr Luke Trevaskis

Finance and Scrutiny Committee

Cllr Peter Davey (chair)
Cllr Ian Cowling
Cllr Alan Neal
Cllr Mike Scott
Cllr Duncan Wright

Policy Committee

Cllr Peter Allison (chair)
Cllr Iain Hamilton
Cllr Neville Hudson
Cllr Richard Page
Ms Charlene Slade
Cllr Keith Stevens

Larger Councils Committee

Cllr Iain Hamilton (chair)
Cllr Mike Drew
Cllr David Francis
Cllr Paul Harvey
Mr Carl Hearn
Cllr Kellie Hinton
Cllr Katharine Keats-Rohan
Cllr Rufus Lunn

Cllr Imogen Makepeace
Mr Steve McNay
Cllr Peter Quinn
Mrs Shar Roselman
Cllr Luke Trevaskis
Cllr Sophia Vaughan-Hodkinson

Smaller Councils Committee

Mrs Vanessa Lowe (vice-chair)
Mr Stephen Ashfield
Cllr Mick Baker
Cllr Allan Blakemore
Ms Sarah Bristow
Cllr John Cowan
Cllr David Francis
Cllr Alan Neal