nalc

Publications

Annual Report 2024/25

National Association of Local Councils

www.nalc.gov.uk

Published by the National Association of Local Councils (NALC)

The Bloomsbury Building
10 Bloomsbury Way
Holborn
London
WC1A 2SL

020 7637 1865
nalc@nalc.gov.uk
www.nalc.gov.uk

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FOREWORD

"I've come to see in this tiny, ancient institution what I wish I saw more often in the boardrooms of larger, richer and more powerful organisations: open minds, good listening, fairness, creative problem-solving." — Margaret Heffernan (2024), why more executive careers should start in a parish council, Financial Times, 15 April.

Devolution is a "very interesting opportunity "for local councils. The government has "started on a process of working out their role in this new model" with NALC. Ministers are very keen on developing the role of community councils, "so they definitely have a role to play in this new system." The other exciting opportunity is for community councillors who will be able to drive forward local issues, working with just one tier of principal authorities. "There are great opportunities for both town and parish councils and community councillors." — Baroness Taylor of Stevenage (2025), House of Lords, 12 February.

Local (parish and town) councils have a proud past and an incredibly bright future. They have grown in importance, scale, influence and reputation. They are delivering more and more for their local communities. With the publication of the English Devolution White Paper, they can start a new chapter. The creation of larger unitary authorities and a focus on strategic combined authorities and mayors make retaining local influence and an emphasis on place, neighbourhoods and communities ever more critical. NALC will argue that, as the first tier of local government, it is local councils that, with support, investment, and recognition, will fill this space. If they do, and if councils themselves up their game, then even more people from all backgrounds will want to get involved and stand for election.

The Annual Report for 2024/25 outlines some of the key developments over the past year, including information on support provided by NALC and county associations, key NALC achievements and milestones, and NALC's annual audited accounts.

During my tenure as chair, I have worked to develop positive relationships with principal authorities and their representative bodies, including the Local Government Association (LGA). I have also sought to raise the profile of the sector among parliamentarians from all political parties with the help of our leadership, particularly our president, Baroness Scott of Needham Market. That dialogue is paying off. Others are listening. Working together, informed by the Policy Committee and with the assistance of county associations, we are effectively conveying the importance of local councils to the new government and parliament. NALC is registering its value with principal authorities as they grapple with the twin challenges of devolution and financial pressure. Evidence of success includes:

Freedom from tight controls over spending increases through the continuation of no-referendum principles on precept rises.

Commitment to allow councils to meet remotely.

Proposals to strengthen the standards regime, including the introduction of stronger sanctions.

An increase in the standard tier threshold from 100 to 200 persons in Martyn's Law ensures enhanced security at public events, and venues are more proportionate to the risk.

Parish and town councils are recognised as having a key role in local government reorganisation and devolution, with consideration being given to creating more across England, supported by many principal authorities working with their county associations.

Over £7.5 million in government funding is going to parish and town councils for community assets and neighbourhood planning.

Changes to the audit thresholds for the largest councils.

A strengthened compulsory purchase order process to support councils in promoting affordable housing.

Thank you to the councillors and members of our governance team. Thank you to sponsors and key partners. Thank you to the president and vice-presidents. Thank you to the NALC staff. And thank you to the councils, councillors, clerks, council staff and county associations across the country doing so much for their communities.

Cllr Keith Stevens
NALC chair
12 June 2025

Keith Stevens

MEMBER SERVICES FOR LOCAL COUNCILS AND COUNTY ASSOCIATIONS

NALC collaborates with over 40 county associations to support the work of 10,000 local councils. Over the 2024/25 period, that collective effort has secured a joint membership of around 90% of local councils facing unparalleled challenges as a result of pressures on the funding of other tiers of local government, devolution, and reorganisation. Some highlights from the last year are below.

Improving the sector's capacity and capability to support communities:

- 1,700 local councils signed up to the Civility and Respect Pledge.
- 70 local councils secured accreditation through the Local Council Award Scheme last year, making a total of 890. Four councils were supported by the LGA's Corporate Peer Challenge, and direct support was provided to two councils experiencing significant difficulties.
- 190 nominations for the Star Councils Awards, with the winners announced at the NALC Parliamentary Reception held at the House of Lords.
- Over 6,000 registered NALC website accounts created.
- Opportunities to support and learn from others through seven national networks and monthly online events, which had over 1,400 attendees.

Provide unparalleled access to support and resources. Over the last year, NALC has published:

- Updated template HR policies are part of an extensive suite of guidance, including the template contract of employment.
- Revised model standing orders and model financial regulations.
- A new edition of The Good Councillor's Guide and The Good Councillor's Guide to Finance.
- A free-to-members digital version of Local Councils Explained will be available exclusively on the NALC website.
- Regular updates of legal advice.
- Advice on completing the Annual Governance and Accountability Return through a new look Practitioners' Guide.

In addition to the county association's direct advice to local councils, NALC has supported county associations and councils through several partner teams, including HR support from WorkNest, finance and audit services from DCK Accounting Solutions and Parkinson Partnership LLP, and communications, GDPR, and Freedom of Information support from Breakthrough Communications.

Cllr David Francis
NALC vice-chair (member services)
12 June 2025

NALC 2024/25 HIGHLIGHTS

Over the past year, NALC has continued to champion and support local councils through a wide range of activities, publications, and national engagement. From publishing new guidance and policy updates to launching networks and securing key partnerships, the organisation has worked tirelessly to promote good governance and represent the sector's interests at all levels. The following are some of the key moments and achievements from across the year:

April:

- Oral evidence to Levelling Up, Housing and Communities Committee inquiry on the Office for Local Government.

May:

- New model financial regulations and an updated edition of The Good Councillor's Guide published.
- Study tour to Yate Town Council.

June:

- Open letter to all the political party leaders ahead of the general election.
- NALC participates in its first-ever pride event at Corby Town Council's Corby Pride event.

July:

- Launch of the national network for micro-councils.
- Held an online youth summit alongside One Voice Wales (OVW) and the Society of Local Council Clerks (SLCC).

August:

- Working with the Parish Domain Helper Service team to provide funding to councils to encourage them to have .gov domains.
- Publishing the updated HR policy templates.

September:

- Participation in party conferences.
- NALC chair meets new LGA chair.

October:

- Launch of the new NALC website.
- Launch of the new Local Council Award Scheme criteria.
- Attending the LGA Annual Conference, hosting a fringe event, and exhibiting at a joint stand with the SLCC.

November:

- NALC AGM with police and crime commissioner for Merseyside and chair of the Association of Police and Crime Commissioners.
- The first meeting of the new Scrutiny Committee.

December:

- Supporting the Mumsnet campaign, NALC urges parish and town councils to publish their parental leave policies in line with NALC practices.
- NALC calls for stronger neighbourhood governance in response to the English Devolution White Paper.
- Announced the Star Council Awards finalists.
- Launched the study tour to Braunstone Town Council for 2025.
- Launched a series of online events for 2025/26.
- Launched Power Shift 2025, a return to an in-person event in London.

January:

- NALC chair pens an open letter to the sector.
- The second edition of The Good Councillor's Guide to Finance is published.

February:

- Cyber Essentials accreditation was secured for the third consecutive year.
- NALC Parliamentary Reception and the Star Council Awards ceremony.

March:

- Updated the anti-bullying and harassment template.
- Attended the District Councils' Network Annual Conference to speak on the role of local councils and county associations in devolution and local government reorganisation.
- NALC's civility and respect work recognised in a significant report on public sector standards.

Jonathan Owen
NALC chief executive
12 June 2025

Jonathan Owen.

FINANCIAL COMMENTARY

NALC is financed through subscriptions or affiliation fees paid by its member local councils, which county associations collect. 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. Following the agreement of the Annual General Meeting, these have increased over the four years since to 8.34 pence per elector, capped at £2,137 in 2025/26 — an overall increase over those four years of 0.92p and £237 or around 12.4%. In a similar period, the Consumer Prices Index increased by 21% between May 2021 and May 2025, according to the Office for National Statistics.

During this period, NALC's finances have remained sound, with consistently unqualified externally audited accounts. NALC has managed its resources effectively, modernising its processes and vacating outdated offices that it previously owned, thereby securing valuable investment income.

NALC has also maintained and improved services for member councils. Over the past year, NALC has made significant investments to support its members. These include:

- Launched the new website and CRM system in October 2024 (set-up costs were funded from a dedicated reserve established for that purpose).
- Commissioned an additional member benefit - communications advice line on Freedom of Information and GDPR queries from Breakthrough Communications.
- Continued investment with SLCC in the civility and respect work.
- New digital resources, including Local Councils Explained and The Good Councillor's Guides.

The Management Board and National Assembly also agreed to allocate reserves to commission support, ensuring that the government and parliamentarians will represent the sector's interests well following last year's general election.

These developments are in addition to the day-to-day services NALC has provided for many years, as outlined on the membership webpage.

YEAR-END 2024/25 REVIEW

Affiliation fees: NALC's affiliation base remains robust, with a significant increase this year reflecting the increasing number of local councils in membership. Now standing at 88% of local councils in membership, representing an electorate of 16,276,091.

Other sources: Income from various sources is generally strong, and NALC has also observed the continuation and growth of key partnerships with other organisations that provide services to the sector and support NALC's activities.

The 2024/25 financial year showed a small surplus of £15,000, following an agreed transfer from reserves to support additional public affairs activities and the cost of publications.

Previous auditor reports recommended we continue to keep under review our investment strategy, payroll and pensions, publications income and accommodation needs.

NALC has addressed the publication income issue by releasing funds to make Local Councils Explained a digital edition and a member benefit as requested by the National Assembly. Accommodation needs are kept under review, and NALC is in discussions regarding alternative office arrangements. The Scrutiny Committee will review the investment strategy in 2025. With the departure of several staff members this year, payroll costs will be considered as part of a review of NALC's overall staffing structure.

Scrutiny Committee

The new Scrutiny Committee has continued to closely monitor financial matters with regular reports on quarterly management accounts, significant spending approvals or plans, spending variances, and bank matters. It also agreed on an accelerated audit process for this year.

Within the broader remit of corporate governance, performance, and organisational development, as well as the financial internal audit process, they also conducted in-depth reviews of our website and CRM systems, performance management, and quarterly output reports.

Reserves policy

The 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. These general reserves will cover:

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

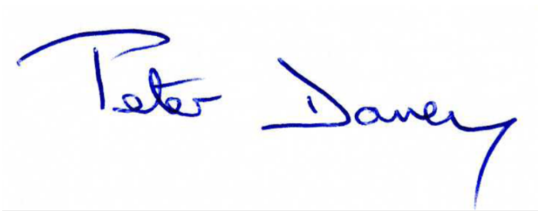
Current treasury management policy

NALC currently adopts a risk-free approach to investments. Funds may only be deposited with a UK Bank or Financial Institution named on the approved list. Considering the current market, the Scrutiny Committee will review the names on the approved list as necessary, taking into account current ratings and the latest reports. For the time being, NALC 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 deposit account is around 4.5%. 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 the current national and international financial context.

Finally, thank you to NALC staff and members of the Scrutiny Committee for their support.

Cllr Peter Davey
NALC vice-chair (finance)
12 June 2025



ABOUT NALC AND THE SECTOR

About the local council sector:

- 10,000 councils, covering 91% of England. Representing 35m people, including 16 million electors.
- 100,000 councillors spending 14m hours supporting communities.
- 5,000 parish and town clerks.
- Raising around £900 million through precepts, a small share of council tax. An average of £92.22 per household per year. Significant other income and assets. Investing around £2 billion in local communities.
- 6,500 councils raise less than £25,000 a year through council tax. 3,500 between £25,000 and £1m. 124 over £1m (up from 104 last year).
- Over the last two decades, 300 new councils were created in both rural and urban areas, particularly as more unitary councils were established.
- 60 discretionary powers, from allotments to websites. Many councils are doing more than ever before due to devolution, the cost of living crisis, and a recognition of their role in addressing wider social issues, such as the climate emergency and community safety.

About NALC:

- Represents around 88% 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, primarily based in London and with sector expertise.
- Run by councillors from county associations through the National Assembly and other committees. Supported by seven national networks.

NALC's vision:

- Local 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.

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, the Local Council Award Scheme, Corporate Peer Challenge, and intervention boards.

General advice and guidance:

- Model standing orders, financial regulations, employment contracts and policies, The Good Councillor's Guides, legal advice notes and resources to promote Civility and respect.
- Weekly bulletin keeping councils abreast of the latest developments affecting the sector.
- Encouraging good practice through the website resources, from health and wellbeing to planning. Publishing case studies of council excellence as points of light. Annual awards programme and monthly online events programme.

Influencing the government to make councils' lives easier:

- Giving local councils 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.

Help get involved:

- Create an account on the NALC website.
- In the work of NALC and county associations.
- Submit motions for change to NALC and county associations.
- Take advantage of local training opportunities.
- Attend NALC and county association events.
- Sign up for NALC's newsletter and bulletins.
- Join the 1,700 other councils that have signed the Civility and Respect Pledge.
- Register for the Local Council Award Scheme.

THE NATIONAL ASSOCIATION OF LOCAL COUNCILS COMMITTEE MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2025

The Scrutiny Committee members present their report and the financial statements for the year ended 31 March 2025.

Committee members' responsibilities statement

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

Scrutiny 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 Scrutiny 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

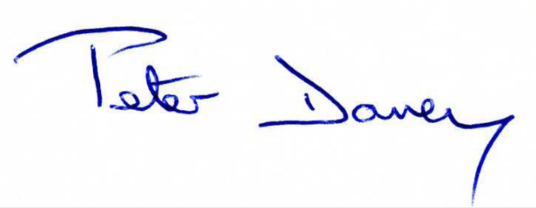
Each of the persons who are committee members at the time when this Committee report is approved has confirmed that:

THE NATIONAL ASSOCIATION OF LOCAL COUNCILS COMMITTEE MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2025 (CONTINUED)

- So far as the committee is aware, there is no relevant audit information of which the Association's auditors are unaware.
- The committee has taken all the steps that ought to have been taken 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)
12 June 2025



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE NATIONAL ASSOCIATION OF LOCAL COUNCILS

Opinion

We have audited the financial statements of The National Association of Local Councils (the 'Association') for the year ended 31 March 2025, 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 2025 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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE NATIONAL ASSOCIATION OF LOCAL COUNCILS (CONTINUED)

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 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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE NATIONAL ASSOCIATION OF LOCAL COUNCILS (CONTINUED)

- 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 Scrutiny Committee

As explained more fully in the committee members' responsibilities statement set out on page 14, 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 noncompliance 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE NATIONAL ASSOCIATION OF LOCAL COUNCILS (CONTINUED)

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 the 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)
12 June 2025

For and on behalf of Milton Avis LLP Chartered Accountants Statutory Auditors
Pitt House, 120 Baker Street, London W1U 6TU

THE NATIONAL ASSOCIATION OF LOCAL COUNCILS STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025	2024
		£	£
Turnover		**1,711,337**	1,605,299
Cost of sales		**(67,458)**	(76,902)
Gross profit		**1,643,879**	1,528,397
Administrative expenses		**(1,673,211)**	(1,524,273)
Exceptional items	4	**(13,785)**	161,135
Operating (loss) / profit		**(43,117)**	165,259
Interest payable and similar expenses		**(3,178)**	(3,841)
(Loss) / profit before tax		**(46,295)**	161,418
(Loss) / profit after tax		**(46,295)**	161,418

Retained earnings at the beginning of the year	**2,999,109**	239,266
(Loss) / profit for the year	**14,965**	161,418
Transfer (to) / from other reserves	**(100,000)**	2,598,425
Retained earnings at the end of the year	**2,914,074**	2,999,109

The notes from pages 23 - 28 form part of these financial statements.

THE NATIONAL ASSOCIATION OF LOCAL COUNCILS
BALANCE SHEET AS AT 31 MARCH 2025

	Note	**2025** £	2024 £
Fixed assets			
Tangible assets	5	**80,082**	96,036
Current assets			
Debtors: amounts falling due within one year	6	**139,143**	134,081
Cash at bank and in hand	7	**2,910,018**	2,917,533
		3,049,161	3,051,614
Current liabilities			
Creditors: amounts falling due within one year	8	**(162,139)**	(134,251)
		(162,139)	(134,251)
Net current assets		**2,887,022**	2,917,363
Total assets less current liabilities		**2,967,104**	3,013,399
Net assets		**2,967,104**	3,013,399
Capital and reserves			
Equipment reserve		**-**	14,290
Promotion reserve		**53,030**	-
Accumulated fund		**2,914,074**	2,999,109
Total Capital and reserves		**2,967,104**	3,013,399

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 scrutiny committee and were signed on its behalf on 12 June 2025.

Cllr Peter Davey
NALC vice-chair (finance)
12 June 2025

The notes from pages 23 - 28 form part of these financial statements.

THE NATIONAL ASSOCIATION OF LOCAL COUNCILS STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2025

	IT website development reserve	Revaluation reserve	Building reserve	Building maintenance reserve	Equipment reserve	Publication reserve	Promotion reserve	Accumulated fund	Total equity
	£	£	£	£	£	£	£	£	£
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
Transfers between reserves	(41,078)	(1,944,191)	(555,809)	(57,347)	-	-	-	2,598,425	-
At 1 April 2024	**-**	**-**	**-**	**-**	**14,290**	**-**	**-**	**2,999,109**	**3,013,399**
(Loss) / profit for the year	**-**	**-**	**-**	**-**	**-**	**(14,290)**	**(46,970)**	**14,965**	**(46,295)**
Transfers between reserves	**-**	**-**	**-**	**-**	**(14,290)**	**14,290**	**100,000**	**(100,000)**	**-**
At 31 Mar 2025	**-**	**-**	**-**	**-**	**-**	**-**	**53,030**	**2,914,074**	**2,967,104**

The notes from pages 23 - 28 form part of these financial statements.

THE NATIONAL ASSOCIATION OF LOCAL COUNCILS NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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 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 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.

THE NATIONAL ASSOCIATION OF LOCAL COUNCILS NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (CONTINUED)

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.

THE NATIONAL ASSOCIATION OF LOCAL COUNCILS NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (CONTINUED)

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.

THE NATIONAL ASSOCIATION OF LOCAL COUNCILS NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (CONTINUED)

2 Judgments in applying accounting policies and key sources of estimation

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:

	2025	2024
	No.	No.
Average number	**20**	20

4 Exceptional items

		2025	2024
		£	£
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	**(13,785)**	(27,588)
		(13,785)	161,135

THE NATIONAL ASSOCIATION OF LOCAL COUNCILS NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (CONTINUED)

5 Fixed assets

	Computer equipment	Website and CRM	Total
	£	£	£
Cost or valuation			
At 1 April 2024	**51,258**	**76,010**	**127,268**
Additions	**2,599**	**4,322**	**6,921**
Disposals	**(18,455)**	**-**	**(18,455)**
At 31 March 2025	**35,402**	**80,332**	**115,734**
Depreciation			
At 1 April 2024	**31,232**	**-**	**31,232**
Charge for the year on owned assets	**9,620**	**13,255**	**22,875**
Disposals	**(18,455)**	**-**	**(18,455)**
At 31 March 2025	**22,397**	**13,255**	**35,652**
Net book value			
At 31 March 2025	**13,005**	**67,077**	**80,082**
At 31 March 2024	20,026	76,010	96,036

6 Debtors

	2025	2024
	£	£
Trade debtors	**53,502**	35,836
Other debtors	**275**	28,155
Prepayments and accrued income	**85,366**	70,090
	139,143	134,081

7 Cash and cash equivalents

	2025	2024
	£	£
Cash at bank and in hand	**2,910,018**	2,917,533
	2,910,018	2,917,533

8 Creditors: Amounts falling due within one year

	2025	2024
	£	£
Trade creditors	**16,034**	53,902
Other taxation and social security	**49,372**	35,565
Other creditors	**15,595**	35,284
Accruals and deferred income	**81,138**	9,500
	162,139	134,251

THE NATIONAL ASSOCIATION OF LOCAL COUNCILS NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (CONTINUED)

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 and it 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 next actuarial valuation will be as at 31 March 2025.

The Pensions Trust has advised NALC that there was a deficit of approximately £58,644 as at 30 September 2023 if NALC was to withdraw from the scheme. This matter is being addressed and additional annual contributions are being made to extinguish the deficit. Starting 1 April 2025, an annual contribution of £4,191 is required for the next three fiscal years, ending 31 March 2028.

THE NATIONAL ASSOCIATION OF LOCAL COUNCILS DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2025

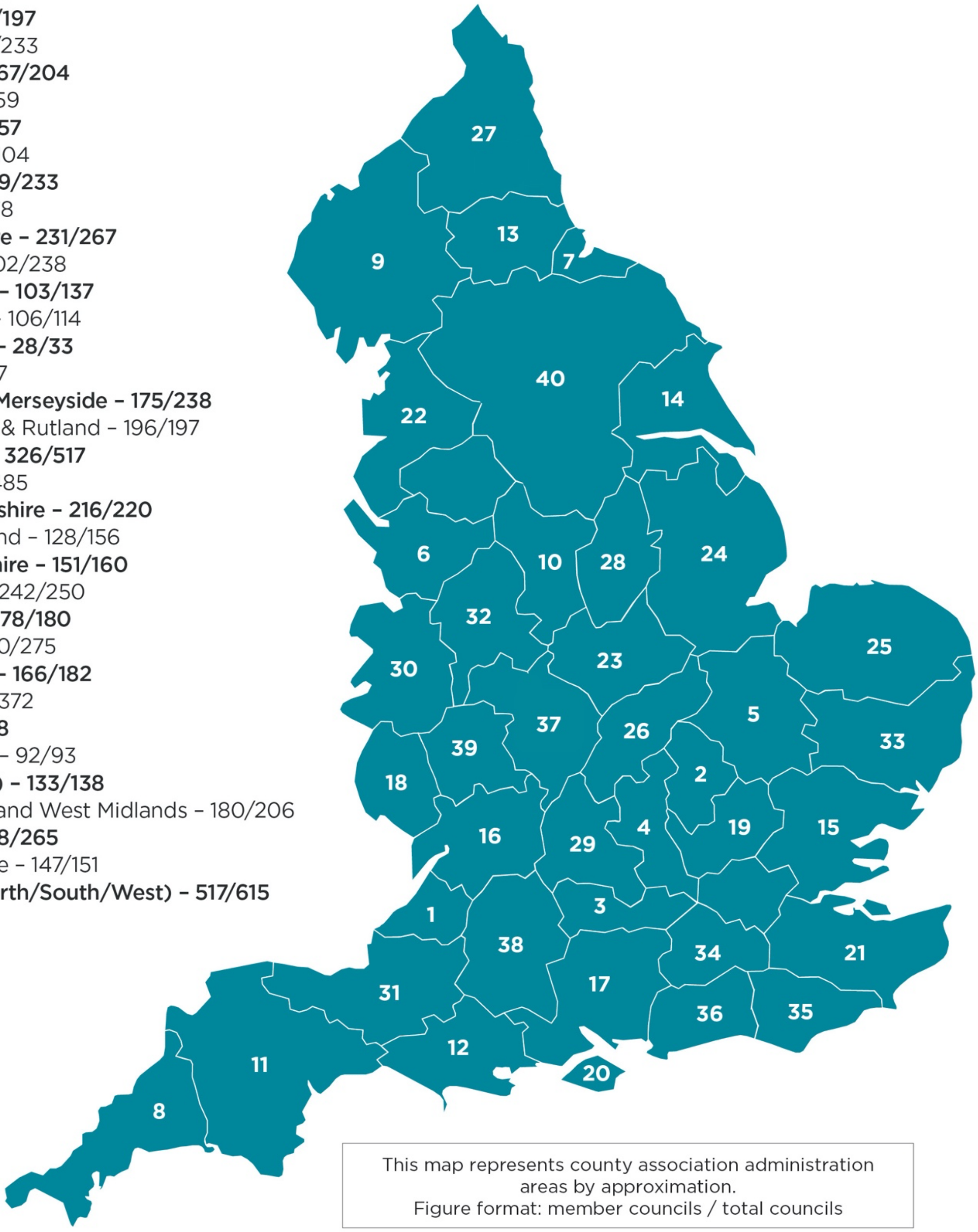
This does not form part of the statutory financial statements.

		Note	2025 £	2024 £
A	Turnover		**1,711,337**	1,605,299
B	Cost of sales		**(67,458)**	(76,902)
	Gross profit		**1,643,879**	1,528,397
	Less: overheads			
C	Administration expenses		**(1,673,211)**	(1,524,273)
D	Exceptional Items	4	**(13,785)**	161,135
	Operating (loss) / profit		**(43,117)**	165,259
E	Interest payable and similar charges		**(3,178)**	(3,841)
	(Loss) / Profit for the year		**(46,295)**	161,418

		2025 £	2024 £
A	Turnover		
	Affiliation fees	**1,277,140**	1,215,726
	Publication fees and media sales	**21,436**	29,346
	Events and project income	**128,970**	141,821
	Other income	**283,791**	218,406
		1,711,337	1,605,299
B	Cost of sales		
	Direct expenditure	**67,458**	76,902
		67,458	76,902
C	Administration expenses		
	Staff salaries including recruitment and training	**1,040,526**	1,111,580
	Staff travel	**6,208**	5,536
	Member services and external support	**139,627**	34,223
	Non recoverable VAT	**48,378**	34,699
	Legal and professional	**77,439**	42,733
	Auditors' remuneration	**11,606**	6,155
	Bad debts	**203**	5
	Professional indemnity insurance	**21,011**	19,320
	Premises, accommodation and maintenance	**184,366**	183,060
	Depreciation	**22,875**	10,029
	Committee expenses	**4,651**	9,219
	Profit / (loss) on sale of tangible assets	**-**	1,186
	Representative expenses	**12,322**	12,219
	Membership fees	**3,671**	4,395
	Books, periodicals & law library	**1,926**	1,913
	Information services	**14,340**	13,429
	Promotion	**76,214**	23,023
	Administration expenses	**3,348**	7,049
	Chair and Vice Chair's Allowances	**4,500**	4,500
		1,673,211	1,524,273
D	Exceptional items		
	Website development	**13,785**	27,588
	Freehold property sale proceeds	**-**	(188,723)
		13,785	(161,135)
E	Interest payable		
	Interest and similar charges	**3,178**	3,841
		3,178	3,841

MEMBERSHIP BY COUNTY AREA

1. Avon – 129/138
2. Bedfordshire – 115/118
3. Berkshire – 87/94
4. Buckinghamshire and Milton Keynes – 180/184
5. Cambridgeshire and Peterborough – 205/238
6. Cheshire – 188/219
7. Cleveland – 20/37
8. Cornwall – 168/197
9. Cumbria – 228/233
10. Derbyshire – 167/204
11. Devon – 338/359
12. Dorset – 154/157
13. Durham – 101/104
14. ERNLLCA – 179/233
15. Essex – 275/278
16. Gloucestershire – 231/267
17. Hampshire – 202/238
18. Herefordshire – 103/137
19. Hertfordshire – 106/114
20. Isle of Wight – 28/33
21. Kent – 299/307
22. Lancashire & Merseyside – 175/238
23. Leicestershire & Rutland – 196/197
24. Lincolnshire – 326/517
25. Norfolk – 311/485
26. Northamptonshire – 216/220
27. Northumberland – 128/156
28. Nottinghamshire – 151/160
29. Oxfordshire – 242/250
30. Shropshire – 178/180
31. Somerset – 260/275
32. Staffordshire – 166/182
33. Suffolk – 359/372
34. Surrey – 82/88
35. Sussex (East) – 92/93
36. Sussex (West) – 133/138
37. Warwickshire and West Midlands – 180/206
38. Wiltshire – 238/265
39. Worcestershire – 147/151
40. Yorkshire (North/South/West) – 517/615



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

KEY STATISTICS

- The NALC website saw 171,889 users with 737,329 page views.
- NALC has advertised 127 job vacancies to help parish and town councils and county associations find the right person to join their teams.
- Over 1,750 parish and town councils have signed the Civility and Respect Pledge.
- NALC posted 1,187 times on X (formerly Twitter), amassing 158,563 with 1,249 mentions.
- NALC posted 939 times on Facebook, with 142,009 page impressions and a page reach of 78,914.
- NALC dealt with 3,682 email enquiries.
- NALC processed and paid 489 invoices.
- NALC took 607 telephone enquiries from councils, councillors, county associations, the press, and the public.
- NALC responded to 255 formal legal advice requests and a further 452 informal queries from parish and town councils and county associations.
- The NALC HR advice service, provided in partnership with WorkNest, has processed 422 queries from 21 county associations.
- The NALC communications and compliance advice service, provided in partnership with Breakthrough Communications, which started in September 2024, has processed 80 queries from 25 county associations.
- NALC responded to 15 government consultations.
- NALC's website features over 1,000 resources to support parish and town councils, as well as county associations.
- 890 parish and town councils have been accredited under the Local Council Award Scheme.
- NALC hosted 11 online events, attracting around 1,200 attendees. Of those attendees, 87% said the online events fully met their expectations.
- NALC held 69 committees (including special and informal) and network meetings.

NALC COMMITTEE MEMBERS

The committee member list is as of 31 March 2025:

Chair
Cllr Keith Stevens

Vice-chair
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 Phil Barnett, 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 Charles Fifield, 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 Stephanie Marbrow, 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, County Durham Association of Local Councils
Cllr Keith Stevens, East Sussex Association of Local Councils
Cllr Ian Blackmore, East Riding and North Lincolnshire Local Councils Association
Cllr Peter Davey, Essex Association of Local Councils
Cllr Richard Page, Gloucestershire Association of Parish and Town Councils
Cllr Brice Stratford, Hampshire Association of Local Councils
Cllr Sam Potts, Herefordshire Association of Local Councils
Cllr Rob McCarthy, 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 and 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 Susan Reid, North Yorkshire Association of Local Councils
Cllr David Fuller, 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 Victor Kelly, 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 Mary Bradley
Cllr Peter Davey
Cllr Mike Drew
Cllr David Francis
Cllr Paul Harvey
Cllr Stuart Roden

Scrutiny Committee
Cllr Peter Davey (chair)
Cllr Alan Neal (vice-chair)
Cllr Ian Cowling
Cllr Lindsey Dedden
Cllr Geoff Hulland
Cllr Mike Scott
Cllr Loretta Whetlor

Policy Committee
Cllr Peter Allison (chair)
Cllr Richard Page (vice-chair)
Cllr Ian Davis
Cllr Iain Hamilton
Cllr Neville Hudson
Cllr Katherine Keats-Rohan
Mr Ewan Jones
Cllr Keith Stevens

Larger Councils Committee
Cllr Iain Hamilton (chair)
Cllr Mike Drew (vice-chair)
Cllr Phil Barnett
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
Mr Luke Trevaskis

Smaller Councils Committee
Cllr Mark Valladares (chair)
Mrs Vanessa Lowe (vice-chair)
Mr Stephen Ashfield
Cllr Mick Baker
Cllr Allan Blakemore
Cllr John Cowan
Cllr David Francis
Cllr Alan Neal
Cllr Loretta Whetlor