

NATIONAL ASSEMBLY | DRAFT AGENDA

Date: 4 October 2022

Time: 10.00 – 13.00

Location: Zoom

1. Welcome by the chair

2. Apologies for absence and to note changes in representation (10.00 – 10.10)

2.1. That apologies are noted.

2.2. That new representatives introduce themselves to National Assembly: Cllr Clare Gamble from Cleveland Association of Local Councils

3. Minutes of previous meeting and matters arising (10.10 – 10.20)

3.1. To approve the minutes of the National Assembly held on 12 July 2022 and to consider any matters arising.

Appendix 3.1

4. Appointments to NALC Committees (10.20 – 10.25)

To approve the following appointments:

- Cllr Richard Page on Policy Committee
- Cllr Ian Cowling on Finance and Scrutiny Committee
- Cllr Sue Baxter on Management Board

5. Committee Issues and NALC Activity Report (10.25 – 11.00)

- 5.1. To receive updates from the chairs of NALC committees on their work. Chairs to identify any issues they would like to discuss with National Assembly.
- 5.2. To note NALC Activity Report.

Tea break - (11.00 – 11.10)

6. Finance update (11.10 – 11.40)

- To receive audited accounts for 2021/2022 - attached
- To note indicative budget for 2022/2023 – 2024/25
- To agree and recommend to the AGM an increase in NALC's affiliation fee for 2022/23 to 7.71p per elector capped at £1,978 for the largest councils.

7. NALC Governance (11.40 – 12.00)

- 7.1. To receive an update report from the Task and Finish Group (governance).
- 7.2. To note the agenda for AGM (attached).

8. Sharing practice workshop (12.00- 13.00)

For those able to attend it is proposed to split into groups to discuss

- Local councils' response to the death of Her Majesty the Queen
- Planning for the Coronation.

County officers have given some consideration to what issues may need to be addressed including:

- Spending questions e.g., what powers can be used, what can councils spend money on. What sorts of events should councils host, and sponsor
- Event insurance; Guidance around dedications of new facilities e.g., the coronation hall. How to build early/strong links with lord lieutenants offices.

What events are your councils planning and what further topics would you need information/advice on?

9. Next meeting

That the next meeting of National Assembly be held remotely on 6 December 2022

NATIONAL ASSEMBLY | DRAFT MINUTES

Date: 12 July 2022

Time: 11:00 – 13:00

Venue: CCLA, 1 Angel Lane, EC4R 3AB.

Present:

Cllr Peter Allison West Yorkshire Association of Local Councils, Cllr Mike Baker Nottinghamshire Association of Local Councils, Cllr Sue Baxter Worcestershire Association of Local Councils, Cllr Bob Blezzard Isle of Wight Association of Local Councils, Cllr Ian Cowling Devon Association of Local Councils, Cllr Peter Davey Essex Association of Local Councils (vice-chair finance), Cllr Helen Davies Suffolk Association of Local Councils, Cllr Mike Drew (vice-chair member services) Avon Association of Local Councils, Cllr Graham Ford Cornwall Association of Local Councils, Cllr John Graney Isle of Wight Association, Cllr Paul Harvey Bucks and Milton Keynes Association of Local Councils, Cllr Reece Harrington Lincolnshire Association of Local Councils, Ms Charmaine Keatley (county officer of Kent Association of Local Councils, Mr Cllr Elizabeth Luder Bedfordshire Association of Local Councils, Cllr Richard Parry Kent Association of Local Councils, Cllr Loraine Rappe Hampshire Association of Local Councils, Cllr Katharine Keats-Rohan Oxfordshire Association of Local Councils, Cllr John Gilli-Ross Essex Association of Local Councils, Cllr John Scragg Wiltshire Association of Local Councils, Cllr Mike Scott Northamptonshire Association of Local Councils, Cllr Keith Stevens (chair) East Sussex Association of Local Councils, Cllr Janet Wallace Dorset Association of Local Councils, Cllr Ray Wickson Shropshire Association of Local Councils, Cllr Allan Wilson Shropshire Association of Local Councils, Cllr Loretta Whetlor Somerset Association of Local Councils, Cllr Ron Simpson Leicestershire Association of Local Councils. Neil Wedge (county officer of Dorset Association of Local Councils) Ms Melinda Woof (county officer of Bucks and Milton Keynes Association of Local Councils).

Remote joiners:

Cllr Patricia Ansell Staffordshire Association of Local Councils, Cllr Colin Peacock Lancashire Association of Local Councils, Cllr Mark Valladares Suffolk Association of Local Councils, Cllr Lillian Burns Cheshire Association of Local Councils, Cllr John Plant Derbyshire Association of Local Councils, Cllr Jonathan Davies Cumbria Association of Local Councils, Cllr Duncan Wright South Yorkshire Association of Local Councils, Cllr Richard Page Gloucestershire Association of Local Councils, Cllr Malcolm Leeding Oxfordshire Association of Local Councils, Cllr Brian Brooks East Riding North Lincolnshire Association of Local Councils, Ms Deborah White (county officer Avon Association of Local Councils), Mr Danny Moody (county officer Northamptonshire Association of Local Councils), Ms Christine Lalley (county officer

Oxfordshire Association of Local Councils, Cllr Mike Tew Cambridgeshire Association of Local Councils, Cllr Phillips North Yorkshire Association of Local Councils, Cllr Sue Campbell Hertfordshire Association of Local Councils, Cllr Allan Blakemore Durham Association of Local Councils.

Apologies received:

Cllr David Francis Northumberland Association of Local Councils.

NALC staff

Jonathan Owen chief executive, Steve Walker head of finance and administration, Justin Griggs head of policy and communications, Charlotte Eisenhart head of member services, Chris Borg policy manager officer, Jane Moore legal manager, Farhana Miah executive officer, Claire FitzGerald administration manager, Beverley Brown finance and admin officer, Jessica Lancod-Frost policy officer, Rajiv Dudakia digital communications manager, Olivia Kane receptionist, Anders Hanson projects manager.

1. Chair's introductions

The chair welcomed representatives to the meeting.

Changes in representatives:

- Cllr Ian Cowling from Devon was welcomed to the assembly and briefly set out his experience and ambitions for the sector. He is finance lead at Devon Association and is hopeful with his new role at NALC will address issues such as the housing emergency in Devon and scope for lobbying opportunities in relation to financing counties and parish councils.
- Cllr Richard Page from Gloucestershire was also welcomed remotely. He was a member of Norton Parish council, a retired lawyer following a career in local government and financial services regulation.
- Cllr Helen Davies introduced herself as the new deputy from Suffolk. Working on several projects with Suffolk ALC, particularly working on guides for managing parish councils.

2. Minutes 5 April 2022

National Assembly confirmed that the minutes from 5 April 2022 were accurate.

Resolved: That the minutes of the meeting held on 5 April be approved.

In matters arising Cllr Parry queried if there will be an informal meeting on Ukraine. The chief executive indicated that a remote meeting will be organised shortly.

3. Update on filling committee vacancies

National Assembly approved:

- Cllr Sue Lintern (Norfolk) and Cllr Mick Baker (Nottinghamshire) to Smaller Councils Committee. Cllr Mervyn Head (Lincolnshire) to be directly elected to Smaller Councils Committee.
- Cllr Janet Wallace (Dorset) and Cllr Mike Tew (Cambridgeshire and Peterborough) to Policy Committee.

There is also a vacancy on Finance and Scrutiny Committee and Management Board, assembly were encouraged to put themselves forward if they were interested by the end of July.

Cllr Scott expressed concerns on filling the positions on the committees. The chair stressed that assembly members need to be more pro-active in joining the committees. The task and finish group will be looking into this further.

Resolved: That the appointments be made as set out above.

4. Discussion items

Justin Griggs, head of policy and communications introduced discussion of what county associations and local councils are doing to tackle loneliness, challenges the councils are facing and what has worked well particularly considering the recent Covid-19 lockdowns.

Cllr Wickson reported that Shropshire has a social task force who work in partnership with the county council to tackle loneliness and they regularly lobby MPs regarding the issue.

Cllr Davey reported that Essex created working groups particularly surrounding around health and well-being. They organise coffee mornings to encourage members to come out and meet new people. He stressed that the support from the county council is important which enables the councils to do such things.

Cllr Whetlor stated that councils in Somerset have set up a food bank during the pandemic to help and its usage is expected to go up during the cost-of-living crisis.

Cllr Harvey reported that councils in Milton Keynes also set up food banks and have also set up groups for over people 50's to tackle loneliness and cost of living.

Due to time constraints, it was agreed to discuss the rise cost of living at a future meeting and in the meantime assembly members were asked to work with their county officer to provide answers to the questions posed on both themes.

5. Task and finish group - governance update

The chief executive provided an update on the recent meetings of the task and finish group on governance. The first meeting discussed how to get people more involved in the work of national and county associations. The group agreed the best way to do this is to publicise the work they do more effectively. In addition, the county association to raise awareness on the work they are doing on their patch. The task and finish group members were invited to encourage their county associations to consider who they appoint to the assembly role including diversity, rotation, and succession planning. There was strong support for continuation for a mixture of face to face and remote meetings. The group also recommended for NALC to continue using electronic voting for assembly and directly elected members. There were some discussions regarding single transferable vote and the conclusion was to take this to the AGM as a constitutional proposal to move to a single transferable vote.

The chief executive reported that the second meeting focussed on the issues of Larger Council Committee and Smaller Councils Committee. The group wanted to request the view of the assembly on working up proposals for the development of two networks representing the interest of large and small councils and if there was support for creating the networks. The group had voted in favour of this by six votes to two.

The next meeting will focus on NALC's constitution and updates will be provided in due course.

Full notes and recommendations of the task and finish group can be found [here](#).

Cllr Ford noted the challenges of getting representation from outlying counties such as Cornwall which made remote meetings attractive.

Cll Blezzard queried if there is a member representing from East of England [there was not] and asked if assembly members who have an interest in governance matters are permitted to join. Cllr Harvey (chair of TFG) expressed that he would prefer to keep the group smaller in numbers as its easier to manage on zoom.

Cllr Scott queried the purpose of such navel gazing and asked for clear timescales and targets.

There was discussion of the merits of increasing the frequency of face-to-face meetings and the chair agreed that this be discussed further at a future meeting.

Cllr Parry added that if face to face assembly meetings can be longer than two hours and have more items to discuss on the agenda.

Resolved: That the report be received, and that the assembly supported the overall direction of travel proposed by the task and finish group.

6. Committee issues

Management Board: The chief executive reported on the recent meeting of the Management Board. Management Board had considered the recent survey by the Smaller Councils Committee and Cllrs David Francis and Mike Drew had been tasked with considering the recommendations in detail.

Policy Committee: Chris Borg provided an update on Policy Committee on behalf of Cllr Francis.

- The committee will be working closely on the funding task and finish group.
- The committee are responding to several consultations including DCMS.
- Policy Committee had held an additional special meeting on the Levelling Up and Regeneration Bill.
- Working on the response to the Smaller Councils Committee report.

Larger Councils Committee: held its first hybrid meeting in April, which was a success.

- Currently revisiting the programme of study visits
- Had government officials attending remotely setting out their work to simplify the local growth funding landscape.

Smaller Councils Committee: Cllr Ford summarised the recent work of the committee. As well as working on the Smaller Councils Committee survey report, the committee is also looking into the definition of smaller councils. Cllr Ford and Cllr Burns are working on recommendations on the report to put forward to Management Board.

Finance and Scrutiny Committee: Cllr Davey reported highlights from the recent meeting:

- The members welcomed Stephen Sampson of auditors Milton Avis, the audit is well underway with most of the systems and audit work done. With no areas for concern.
- The management accounts were received and are in line with expectations, it was noted that there may be some final adjustments and it was agreed, in principle, to allocate some of the surplus to replenish the development reserves.
- It was agreed to provide a lowest cash position estimate for the next National Assembly.

- Finance and Scrutiny Committee had indicated a likely affiliation fee increase this year of 3% which had been supported by the management board.

Full minutes of the committees can be found [here](#).

Resolved: That the reports be noted.

7. Monitoring and managing performance and service delivery.

The assembly noted the quarterly report from NALC including latest membership numbers by county association area. Click [here](#) for the quarterly report.

Date and times of next meetings:

The next meeting of the National Assembly will be held on 4 October at 10.00 remotely.

Other business

In the afternoon of the assembly meeting, there was a “grand reunion” style set of presentations from partners CCLA, Blachere Illumination, SLCC and One Voice Wales. The president, Baroness Scott of Needham Market also thanked members for their work and said she would continue to support the sector in Parliament. Linda Larter and Sue Baxter updated the assembly on the civility and respect project and launched the pledge encouraging assembly members and their councils to sign up.

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NATIONAL ASSEMBLY | APPENDIX 5.1.

Updates from NALC Committees

Full minutes of the meetings are on the NALC website at:

<https://www.nalc.gov.uk/committees>

Management Board

Management Board met on 20 September and agreed on advice from the finance and scrutiny committee to recommend to assembly and AGM next year's affiliation fee increase. The board also authorised the chief executive to begin to market for sale 109 Great Russell Street. The board received this quarter's activity report and noted proposals to develop NALC's member services offer with additional HR and finance advice. Cllr Drew reported that he would be having discussions with the head of member services about the recent smaller council's survey. The board also noted proposals to advertise for new board members of SAAA

Finance and Scrutiny Committee

NALC's Finance and Scrutiny Committee and the Management Board both met this week. Their main item of business was financial. They noted that our external auditors had agreed to our accounts for 2021/22 without qualification. The Finance and Scrutiny Committee took a long and hard look at our indicative future budgets, especially with current inflationary pressures. In light of those discussions, both meetings recommended a small increase in our affiliation fee for 2023/24 to 7.71 pence per elector, capped at £1,978 for larger councils.

Policy Committee:

NALC's Policy Committee held an additional remote informal meeting on 22 August. The committee reviewed and agreed to maintain the suite of NALC's policy positions on creating new local (parish and town) councils in anticipation of the government's review of neighbourhood governance promised in February's Levelling Up white paper. We will also be updating our evidence base by engaging with councils created in recent years as well as campaign groups. The committee also considered and supported many proposals from the Smaller Councils Committee following their recent survey. Issues of particular interest to the

Committee included remote meetings, relationships with principal councils, planning, advice and guidance, standards, and government consultations. The Committee next meets on 19 October.

NALC Larger Councils Committee

The Larger Councils Committee met remotely on 26 July, here's a summary:

Julie Walker and Kevin Richards from NALC's partner BHIB Councils Insurance gave an update on insurance and responded to questions on TUPE and cover for larger councils. The government's Centre for Cyber Security Centre provided an update on the cyber security pilot scheme, announcing this service would be extended for the foreseeable future and made freely available to all councils in the Super Councils Network. A discussion on the cost-of-living crisis and how larger councils are supporting their communities, examples included faster payments to creditors and flexible payment plans for distressed debtors. Ahead of the government's review of neighbourhood governance, the Committee discussed and identified issues of particular interest to larger councils, such as relationships with principal councils, access to funding, creation of new councils, scrutiny of combined authorities, and improving the government's recognition of the sector. The committee received an update on NALC's Empowering Communities hybrid conference on 7 November and the study tour to Newport Pagnell Town Council in June 2023.

Smaller Councils Committee

NALC's Smaller Councils Committee met remotely on 19 July, ahead of the draft minutes being made available, here are some highlights: Cllr Mick Baker, Nottinghamshire Association of Local Council, and Cllr Sue Lintern, Norfolk Association of Local Council, were welcomed to the committee following their appointment by National Assembly to fill two vacancies. The committee received an update on NALC's events programme and welcomed various sessions on the climate emergency, given a growing number of smaller councils were acting, agreeing to seek information from county associations on smaller councils which have declared a climate emergency and examples of work they were doing including with their principal councils. An extensive discussion on the recent survey of smaller councils and its recommendations, including on measures used to define a smaller council, promotion of training provided by county associations, and a request for further consideration by the Management Board.

Information
**Quarterly
summary report**

**National Association
of Local Councils**

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INTRODUCTION

This report sets out progress delivering NALC's strategic plan including information on important internal issues, progress with our parliamentary and government affairs work, events, media coverage and publications and legal advice. The report will be largely work around the aims set out in the strategic plan and how we are working to achieve those aims. This report covers the period July – September.

CHIEF EXECUTIVE UPDATE

- **The passing of Her Majesty Queen Elizabeth II** – As news began to circulate of the ill health of The Queen, NALC contacted county associations with information to help local councils prepare, this included re-circulating information that had been provided over recent months such as a recent webinar with the National Association of Civic Officers. Following the sad news of the death of The Queen, NALC released a statement by NALC's chair, Cllr Keith Stevens, alongside guidance to councils on how the mourning period may affect local (parish and town) council meetings. There were many queries over the days immediately after the official announcement, all of which were responded to within the day they were received. A special meeting of NALC/county officers was also convened to take stock of how Operation London Bridge was working and any related issues such as NALC's advice and guidance. We will be reviewing how we worked with county associations to prepare for and respond to this sad event to inform any changes we need to make for future significant events such as the King's Coronation.

POLICY AND COMMUNICATIONS

- **Engaging with government, Parliament, and stakeholders** – NALC had a significant presence, including a stand in the exhibition area and fringe event, at the Local Government Association's (LGA) annual conference in Harrogate to champion and promote our important part of the local government family to around 1,700 attendees including senior representatives from principal councils and organisations working with local government. NALC's president, Baroness Scott of Needham Market, hosted a parliamentary reception, in conjunction with the All-Party Parliamentary Group for local democracy, to celebrate the contribution of local (parish and town) councils to communities, including the winners of the 2021 Star Council Awards. Attendees included Parliamentarians, stakeholders and the then Lords minister for the Department for Levelling Up, Housing and Communities, Lord Greenhalgh who gave a speech expressing his thanks and support to the sector. Baroness Scott and NALC's vice president, Baroness Bennett of Manor Castle, have raised several important issues in Parliament through a series of Written Questions on the proposed review of Neighbourhood governance, funding for sector improvement, climate change and online bullying and harassment. We published an initial reaction to the government's second rural proofing report. Consultation responses included on

a rapid evidence review into community initiatives, short term holiday lets and the English portion of the Dormant Assets Fund. The Liberal Democrat Party conference was cancelled but NALC will be attending the Labour and Conservative party conferences to raise the profile of the sector with ministers, shadow ministers, local government representatives and other policy makers.

- **Campaigns/big themes** – The Policy Committee’s task and finish group on funding, which includes colleagues from the Society of Local Council Clerks and county associations, continues to build an evidence base to lobby for access to dedicated government funding. Current areas of work include analysing their recent survey and research into national government funding to local government. The annual analysis of council tax levels of local precepting authorities was published. NALC’s chair, Cllr Keith Stevens, and Baroness Scott of Needham Market, wrote in the Financial Times calling on the candidates for prime minister to reset standards in public life.
- **Sharing good practice** – Voting for the NALC Star Council Awards 2022 has been completed by a panel of judges, with an open, public vote for Council of the Year category. The County Association Project of the Year was decided by county associations themselves. The online ceremony will take place on 13 October. Speakers have continued to be confirmed for the Empowering Communities hybrid conference which will take place on 7 November in London. Neighbourhood planning and housing were the themes of our sold-out online events. Our latest annual Points of Light publication highlights activity by local councils across several themes including the cost-of-living crisis, civic pride and sports and culture. The Financial Times also highlighted the role of local councils in helping address the cost-of-living crisis. NALC National Networks for LGBT+ councillors, coastal communities, young councillors, women councillors, and Super Councils all held online meetings.
- **Team changes** – Fflur Jones has joined the team as a campaigns intern and recruitment is being finalised for two communications intern posts.

Next quarter’s objectives:

- Engaging with the new government including new ministers.
- Continuation of the Levelling Up and Regeneration Bill.
- Online events on Working between the tiers and Local councils and communication strategies, and hybrid Empowering Communities conference.
- Launch of local elections 2023 campaign.
- NALC Star Council Awards online ceremony.
- Respond to the provisional local government finance settlement.

MEMBER SERVICES

- **Legal queries** – We have received 75 written queries and 98 informal queries July, August, and September. It has been another busy quarter for the team. In this period the team also updated and reissued several Legal Topic Notes (LTN). LTN 7 (non-councillor members of committees) and LTN 8 (elections and co-option) to take account of legislative changes related to councillor disqualifications. LTN 40 (Local council documents and records) was updated and updates to LTNs 5 (parish council meetings) and eight (elections and co-option) were also drafted for Wales only. A legal bulletin was issued with updates for county officers in June and August detailing changes to legislation and details of advice of note we provided to councils. Jane Moore, senior solicitor, and legal services manager delivered a legal update at the Cambridgeshire and Peterborough ALC annual conference in September and will be presenting at the Westminster Insight Conduct and Standards in the Public Sector Conference also in September.
- **Review of financial guidance and advisory services** – An invitation to express interest in partnering with NALC on the delivery of our financial guidance and advisory services was posted on the NALC website in July. Several submissions were received and are being reviewed.
- **Local Council Award Scheme** – Panel meetings for application round two took place in July with results sent to councils by mid-August. A total 11 applications were received with seven of them accredited so far and four currently pending more information from the council. Application round three commenced on 9th September and we've received a total of 22 applications. All applications will be taken to panels for final assessment in mid-November.
- **Working with County Officers** – Fortnightly Zoom meetings have continued with a mix of guest speakers from partner organisations and updates from NALC staff and county officers. All new county officers who started in post in this quarter have received the NALC induction pack and met with the NALC chief executive and head of members services. On top of these induction meetings a virtual 'open day' was held in September for new county association staff and councillors.
- **Civility and Respect** - The Civility and Respect Pledge was launched in July and a range of online training courses were made available for councillors and clerks over the summer.

Next quarter's objectives:

- **Renewal of partnership with WorkNest for HR and employment guidance and advisory services** – WorkNest are NALC's national partners for our employment guidance and advisory services. We will be renewing our partnership with them and are exploring additional services we could deliver together
- **Corporate peer challenge for town councils** – A peer challenge will be taking place in Cirencester in November. These peer challenges are delivered in

partnership with the LGA who have agreed to support a second challenge this year. We are in discussions with LGA about plans for 2023 as well.

- **Website review** – A preferred website platform and CRM have been identified for the update to NALC's website. The next step of this project is a review of the content available on the website and the data that NALC holds.

FINANCE AND ADMINISTRATION

- **Team changes** – Greg Henry recently joined the team as maternity leave cover for Silvia Nicole.
- **Governance and remote meetings** – NALC governance continues to successfully operate both remotely but with a return to some hybrid meetings.
- **Building management 109** – We continue to ensure that 109 is well maintained during this period and to work to ensure the building is appropriately managed or adapted to ensure covid safety as restrictions have been removed.
- **Events** – We continue to deliver the administration support and process payments for numerous online events.
- **Upgrading NALC systems IT** – As part of the upgrading of NALC systems, we reported that we have all NALC systems to the cloud, predominantly using Microsoft 365. This move has been successful, and all systems have bedded in.
- **Employee Assistance Programme** – We reported that this programme has been re-launched recently covering all NALC staff and staff at county associations. We continue to review this programme and whether it is effective and useful to colleagues.
- **HR support** – On-going provision of HR support with support from WorkNest to NALC staff including contracts to new staff members, and management of other personnel matters including appraisals and recruitment.

Next quarters objectives:

- **HR support** – Continuation to ensure that all HR policies are up to date and compliant with HR legislation.
- **HR and Health and Safety (H&S) self-service system** – We have recently agreed a contract with WorkNest for the provision of a HR & H&S self-service system. The contract will also include expert support for H&S within the office and for homeworkers which will enable us to focus on ensuring that all staff have up-to-date desk assessments in the office and the home office as well as access to a library of Rospa accredited videos covering subjects from desk assessments, trips and slips, manual handling. The system will also enable staff

to self-manage all aspects of HR from booking annual leave, reporting sickness. It will also enable line managers to better manage important deadlines such as probationary periods or other significant milestones.

- **Policies and procedures** - Ensuring all internal documents are up-to-date and easily accessible to NALC staff. Ensure that policies such as the NALC constitution, standing orders are up to date.
- **Upgrading NALC systems Telephony** - We are working with Cloudy IT to move our telephone systems from 3CX to Microsoft Teams. This will ensure that staff retain their existing direct dial numbers. This is expected to be concluded within the next months.
- **Cyber Security/Data Protection** - We will have commenced the process for Cyber Essentials accreditation, alongside a Data Protection audit which will include a review of privacy notices, data asset register, staff training, breach register, checks for new projects/systems, data processors/sharing arrangements, data retention and ongoing compliance monitoring.

KEY PERFORMANCE INDICATORS (KPI)

If you would like to see the full set of data, they are available on request.

FURTHER INFORMATION

For more details and updates on NALC's activity, please read the chief executive's bulletin, which is circulated every Friday. If you are not subscribed to the bulletin, you can do so at www.nalc.gov.uk/newsletter.

NALC
BUDGET 2023/24

£ 1,900

7.42

3.00%

	Actual	Budget
	2021/22	2021/22
<u>INCOME</u>	£	£
Affiliations	1,143,805	1,132,700
Publications & Events	8,958	22,500
Commissions & Other Income	90,707	77,000
Development & Project Income	30,592	30,000
	1,274,062	1,262,200
EXPENSES		
Accommodation, Insurance, Repairs & maintenance, includes It Website development	195,876	145,500
Net staffing after recharges incl agency, consultancy, planning support	886,076	942,760
Democracy	8,828	24,500
Promotions	8,906	20,000
Operating expenses & sundries	120,029	127,250
	1,219,716	1,260,010
Surplus/(deficit) before Reserve	54,346	2,190
Reserve tfs	-	
Surplus/deficit after reserves	54,346	2,190

£ 1,920 £ 1,978 £ 2,037 £ 2,118

7.49 7.71 7.94 8.26

1.00% 3.00% 3.00% 103.00%

Budget	Indicative Budget	Indicative Plan	Indicative Plan
2022/23	2023/24	2024/25	2024/26
£	£	£	£
1,154,027	1,198,648	1,234,607	1,283,992
35,000	65,000	65,000	65,000
77,000	77,000	82,000	82,000
30,000	30,000	30,001	3,000
1,296,027	1,370,648	1,411,608	1,433,992
155,500	163,500	163,500	163,500
949,162	1,012,411	1,022,517	1,029,700
24,500	36,000	48,000	48,000
20,000	20,000	20,000	20,000
127,500	137,500	140,500	142,500
1,276,662	1,369,411	1,394,517	1,403,700
(25,000)			
(5,635)	1,236	17,092	30,292

THE NATIONAL ASSOCIATION OF LOCAL COUNCILS

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

THE NATIONAL ASSOCIATION OF LOCAL COUNCILS

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THE NATIONAL ASSOCIATION OF LOCAL COUNCILS

COMMITTEE MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

The finance committee members present their report and the financial statements for the year ended 31 March 2022.

Committee members' responsibilities statement

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

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

In preparing these financial statements, the finance 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. 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 in order to be aware of any relevant audit information and to establish that the Association's auditors are aware of that information.

THE NATIONAL ASSOCIATION OF LOCAL COUNCILS

**COMMITTEE MEMBERS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

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

.....
Peter Davey
Vice Chair (Finance)

Date: 14 September 2022

THE NATIONAL ASSOCIATION OF LOCAL COUNCILS

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 2022, 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 approved by the General Meeting. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards.

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with normal accounting practice. .
- 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 guidance provided by the General Meeting. 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. 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

THE NATIONAL ASSOCIATION OF LOCAL COUNCILS

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

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.

THE NATIONAL ASSOCIATION OF LOCAL COUNCILS

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

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

- the information given in the committee members' 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 guidance.

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

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.

THE NATIONAL ASSOCIATION OF LOCAL COUNCILS

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain assurance using procedures agreed upon with the General Meeting 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. 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.

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.

THE NATIONAL ASSOCIATION OF LOCAL COUNCILS

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

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

14 September 2022

THE NATIONAL ASSOCIATION OF LOCAL COUNCILS

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	2022 £	2021 £
Turnover		1,414,455	1,358,110
Cost of sales		(140,082)	(99,371)
Gross profit		1,274,373	1,258,739
Administrative expenses		(1,216,251)	(1,153,224)
Operating profit		58,122	105,515
Interest payable and similar expenses		(3,776)	(3,036)
Profit before tax		54,346	102,479
Profit after tax		54,346	102,479
Retained earnings at the beginning of the year		197,719	180,240
		197,719	180,240
Profit for the year		54,346	102,479
Distribution of reserves		-	(85,000)
Retained earnings at the end of the year		252,065	197,719

The notes on pages 11 to 15 form part of these financial statements.

THE NATIONAL ASSOCIATION OF LOCAL COUNCILS
REGISTERED NUMBER:

BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	4	2,523,842	2,224,937
		<u>2,523,842</u>	<u>2,224,937</u>
Current assets			
Debtors: amounts falling due within one year	5	38,523	83,401
Cash at bank and in hand	6	414,178	385,279
		<u>452,701</u>	<u>468,680</u>
Creditors: amounts falling due within one year	7	(67,841)	(139,261)
Net current assets		<u>384,860</u>	<u>329,419</u>
Total assets less current liabilities		<u>2,908,702</u>	<u>2,554,356</u>
Net assets		<u><u>2,908,702</u></u>	<u><u>2,554,356</u></u>
Capital and reserves			
Revaluation reserve		1,944,191	1,644,191
Building reserve		555,809	555,809
Building and maintenance reserve		57,347	57,347
Equipment reserve		14,290	14,290
IT & website development reserve		60,000	60,000
Civility fund		25,000	25,000
Accumulated fund		252,065	197,719
		<u><u>2,908,702</u></u>	<u><u>2,554,356</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 14 September 2022.

THE NATIONAL ASSOCIATION OF LOCAL COUNCILS
REGISTERED NUMBER:

.....
Peter Davey

Vice Chair (Finance)

The notes on pages 11 to 15 form part of these financial statements.

THE NATIONAL ASSOCIATION OF LOCAL COUNCILS

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	IT Website Development Reserve	Revaluation reserve	Building reserve	Building maintenance reserve	Equipment reserve	Civility Fund Reserve	Accumulate d fund	Total equity
	£	£	£	£	£	£	£	£
At 1 April 2020	-	1,944,191	555,809	57,347	14,290	-	180,240	2,751,877
Comprehensive income for the year								
Profit for the year	-	-	-	-	-	-	102,479	102,479
Deficit on revaluation of freehold property	-	(300,000)	-	-	-	-	-	(300,000)
Other movement type 1	60,000	-	-	-	-	25,000	(60,000)	25,000
Other movement type 2	-	-	-	-	-	-	(25,000)	(25,000)
Other comprehensive income for the year	60,000	(300,000)	-	-	-	25,000	(85,000)	(300,000)
Total comprehensive income for the year	60,000	(300,000)	-	-	-	25,000	17,479	(197,521)
Total transactions with owners	-	-	-	-	-	-	-	-
At 1 April 2021	60,000	1,644,191	555,809	57,347	14,290	25,000	197,719	2,554,356

THE NATIONAL ASSOCIATION OF LOCAL COUNCILS

Comprehensive income for the year

Profit for the year	-	-	-	-	-	-	54,346	54,346
Surplus on revaluation of freehold property	-	300,000	-	-	-	-	-	300,000
Other movement type 1	(42,824)	-	-	-	-	(7,638)	50,462	-
Other movement type 2	42,824	-	-	-	-	7,638	(50,462)	-

THE NATIONAL ASSOCIATION OF LOCAL COUNCILS

STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Other comprehensive income for the year	-	300,000	-	-	-	-	-	300,000
Total comprehensive income for the year	-	300,000	-	-	-	-	54,346	354,346
Total transactions with owners	-	-	-	-	-	-	-	-
At 31 March 2022	<u>60,000</u>	<u>1,944,191</u>	<u>555,809</u>	<u>57,347</u>	<u>14,290</u>	<u>25,000</u>	<u>252,065</u>	<u>2,908,702</u>

The notes on pages 11 to 15 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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 presentation currency is pounds sterling.

The following principal accounting policies have been applied:

1.2 Revenue recognition

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

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

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

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

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

1.3 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies (continued)

1.4 Revaluation of tangible fixed assets

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

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

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

1.5 Debtors

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

1.6 Cash and cash equivalents

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

1.7 Creditors

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

1.8 Taxation

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

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

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

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

THE NATIONAL ASSOCIATION OF LOCAL COUNCILS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

3. Employees

The average monthly number of employees, including directors, during the year was 18 (2021 - 18).

4. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation				
At 1 April 2021	2,200,000	144,024	146,827	2,490,851
Additions	-	-	10,067	10,067
Revaluation	300,000	-	-	300,000
At 31 March 2022	<u>2,500,000</u>	<u>144,024</u>	<u>156,894</u>	<u>2,800,918</u>
Depreciation				
At 1 April 2021	-	141,184	124,730	265,914
Charge for the year on owned assets	-	1,175	9,987	11,162
At 31 March 2022	<u>-</u>	<u>142,359</u>	<u>134,717</u>	<u>277,076</u>
Net book value				
At 31 March 2022	<u>2,500,000</u>	<u>1,665</u>	<u>22,177</u>	<u>2,523,842</u>
At 31 March 2021	<u>2,200,000</u>	<u>2,840</u>	<u>22,097</u>	<u>2,224,937</u>

The finance committee has elected to revalue the freehold property this year to £2.5 million based on advice received from an independent surveyer.

The finance committee will not be recognising any depreciation as the 50% of the cost is attributed to the land therefore the remaining depreciation over its useful life is not material.

The freehold premises are held by NALC (1994) Limited (a company limited by guarantee) in trust for the National Association of Local Councils.

THE NATIONAL ASSOCIATION OF LOCAL COUNCILS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

5. Debtors

	2022 £	As restated 2021 £
Trade debtors	25,626	21,391
Other debtors	6,250	24,310
Prepayments and accrued income	6,647	37,700
	<u>38,523</u>	<u>83,401</u>

6. Cash and cash equivalents

	2022 £	As restated 2021 £
Cash at bank and in hand	414,178	385,279
	<u>414,178</u>	<u>385,279</u>

7. Creditors: Amounts falling due within one year

	2022 £	As restated 2021 £
Trade creditors	14,354	47,253
Other taxation and social security	15,502	-
Other creditors	23,766	80,437
Accruals and deferred income	14,219	11,571
	<u>67,841</u>	<u>139,261</u>

THE NATIONAL ASSOCIATION OF LOCAL COUNCILS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

8. Pension scheme

NALC participates in two pension schemes on behalf of its members:-

1. The Pensions Trust has advised NALC that there was a deficit of approximately £186,936 as at 30 September 2021 if NALC was to withdraw from the scheme. This matter is being addressed and additional annual contributions are being made to extinguish the deficit. The contribution required for the coming year to 31 March 2023 is £21,000.

2. NALC also contributes to the Local Government Pension Scheme which is fully funded, but if valued on a cessation basis if NALC were to leave the scheme, would give a deficit of £1,065,000 as at 31 March 2022.

THE NATIONAL ASSOCIATION OF LOCAL COUNCILS

DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 £
Turnover		1,414,455	1,358,110
Cost Of Sales		(140,082)	(99,371)
Gross profit		<u>1,274,373</u>	<u>1,258,739</u>
Less: overheads			
Administration expenses		(1,216,251)	(1,153,224)
Operating profit		<u>58,122</u>	<u>105,515</u>
Interest payable and similar charges		(3,776)	(3,036)
Profit for the year		<u>54,346</u>	<u>102,479</u>

THE NATIONAL ASSOCIATION OF LOCAL COUNCILS

SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	<i>As restated</i> 2021 £
Turnover		
Affiliation fees	1,163,805	1,112,939
Publication fees and media sales	68,882	48,945
Events and project income	156,061	178,474
Other income	25,707	17,752
	<u>1,414,455</u>	<u>1,358,110</u>

	2022 £	<i>As restated</i> 2021 £
Cost of sales		
Direct expenditure	140,082	99,371
	<u>140,082</u>	<u>99,371</u>

THE NATIONAL ASSOCIATION OF LOCAL COUNCILS

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2022**

	2022	<i>As restated</i>
	£	<i>2021</i>
		<i>£</i>
Administration expenses		
Staff salaries including recruitment and training	883,626	<i>903,011</i>
Staff travel	1,532	<i>-</i>
Consultancy	3,918	<i>4,920</i>
Non recoverable VAT	28,015	<i>16,798</i>
Legal and professional	13,917	<i>8,305</i>
Auditors' remuneration	5,283	<i>5,793</i>
Professional indemnity insurance	17,648	<i>15,213</i>
Premises, accommodation and maintenance	184,714	<i>124,476</i>
Depreciation - plant and machinery	11,162	<i>9,243</i>
Committee Expenses	2,873	<i>-</i>
Representative Expenses	1,455	<i>203</i>
Provision for Bad Debts	-	<i>8,000</i>
Membership fees	5,229	<i>4,034</i>
Books, periodicals & law library	1,483	<i>2,360</i>
Information services	12,692	<i>13,468</i>
Promotion	8,787	<i>6,765</i>
Corporate Hospitality	119	<i>-</i>
Administration expenses	29,298	<i>26,885</i>
Chair and Vice Chairs Allowances	4,500	<i>3,750</i>
	<u>1,216,251</u>	<i><u>1,153,224</u></i>
	2022	<i>As restated</i>
	£	<i>2021</i>
		<i>£</i>
Interest payable		
Interest and Similar Charges	3,776	<i>3,036</i>
	<u>3,776</u>	<i><u>3,036</u></i>

THE NATIONAL ASSOCIATION OF LOCAL COUNCILS

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2022**

NATIONAL ASSOCIATION OF LOCAL COUNCILS
SUMMARY REPORT AS
AT 30 JUNE 2022

Notes	1	2	3	4	5	
	2021/22	2022/23	3 Months 2022/23	2023/24	2024/25	2025/26
	YE ACTUAL	Annual Budget	Actual YTD	BUDGET	PLAN	PLAN
	£	£	£	£	£	£
Affiliations						
1 Affiliation fees	1,143,805	1,154,027	288,796	1,198,648	1,234,607	1,283,992
Trading Income						
2 Publication & Media	68,881		10,458			
3 Less cost of sales	(59,923)		(305)			
4 CONTRIBUTION	8,958	5,000	10,153	35,000	35,000	35,000
5 Other projects	18,258		15,057	30,000	30,001	3,000
Less cost of sales	(28,252)		(20,294)			
CONTRIBUTION	(9,995)	5,000	(5,238)	30,000	30,001	3,000
3 Events	92,804		17,767			
Less cost of sales	(52,217)		(8,605)			
CONTRIBUTION	40,586	30,000	9,162	30,000	30,000	30,000
Other Income						
6 Other Income	90,707	77,000	17,000	77,000	82,000	82,000
TOTAL NET INCOME	1,274,062	1,271,027	319,873	1,370,648	1,411,608	1,433,992
Other Expenditure						
7 Staffing Payroll	807,449	851,461	221,412	937,210	947,315	954,000
8 Additional staff costs	78,627	97,701	15,892	75,201	75,202	75,700
	886,076	949,162	237,304	1,012,411	1,022,517	1,029,700
Administration Expenses						
9 Accommodation/Rent & Utilities/IT/R&M etc	195,876	155,500	56,376	163,500	163,500	163,500
10 Office running cost	101,154	111,500	25,814	116,500	116,500	118,500
11 Member Expenses	8,828	24,500	4,968	36,000	48,000	48,000
12 Promotions	8,906	20,000	11,664	20,000	20,000	20,000
13 Other expenses	13,591	10,000	5,461	15,000	18,000	18,000
Audit	5,283	6,000	1,340	6,000	6,000	6,000
	333,639	327,500	105,623	357,000	372,000	374,000
TOTAL EXPENDITURE	1,219,716	1,276,662	342,927	1,369,411	1,394,517	1,403,700
SURPLUS/(DEFICIT)	54,346	(5,635)	(23,054)	1,236	17,092	30,292
14 Movements From reserves	50,462		19,715			
15 Movements (To) reserves	(50,462)					
	54,330	(5,635)	(3,339)	1,236	17,092	30,292

The 12 months to 31 March 2022 shows the audited management account figures. The reserve transfer movement represents drawdown of the reserves created last year for IT development and for the share of the Civility & respect project jointly run with SLCC.

There are no untoward events in Q1 to 30.6.22 to note in respect to the 2022/23 budget. But the committee reviewed the activities and adjusted expectations accordingly which should cover changes in the year, confirming the current trend is in line with budget. The budget for 23/24 has been reviewed as a result, which gives updates to the affiliation income; staffing, to allow a 4% increase at this stage; and reductions to the projected democratic services costs since meeting programmes continue to have a large element of remote working. This gives a movement from the initial plan from £21236 to £1236 shown here.

NOTES TO BUDGET REPORT

Notes

- 1 Affiliations- Affiliation rate increased 1% in 22/23; 23/24 3%, subject to agreement to the recommendation by AGM
- 2 Publications - 21/22 publications included the LCR (now discontinued) and income from the sale of Good councillor publications
- 3 Cost of Sales - 2021/22 included a recharge of £53k from staffing to Publications and Events and Civility project as a notional reallocation of staff costs (Q1 22/23 £14580)
- 4 Contribution- net surplus
- 5 Other project-various other activity incl Local council award scheme, sustainable communities
- 6 Other income- largely from commercial sponsorship and for supporting the work of other national bodies. E.g. SAAA, plus interest and ad-hoc income.
- 7 Payroll- 2022/23 budget based on basic 2% pa .but 4% subject to review for 23/24. Shortfall in 22/23 is expected to be offset by other savings.
- 8 Additional staff costs - This is largely for external support from contractors and other externally commissioned member services.
- 9 Accommodation/rates and utilities- includes repairs & maintenance , IT £90k (with £43k (21/22) being setoff against IT project Reserve) & insurances
- 10 Office costs- includes telecoms, distribution, irrecoverable vat, Professional Indemnity Insurance
- 11 Member expenses -committee and representatives costs including Chair & vice chair allowances. Savings reflect meetings remaining online for time being.
- 12 Promotions- external promotional activity
- 13 Other expense- Legal & professional services such as outsourced payroll and HR
- 14 Movement on reserves- Transfer for project costs on specific reserves. Reserves were created at the end of 20/21 in respect to IT upgrade and migration to 365 and website development, which are being drawn down as it progresses. Reserves have been replenished at 2021/22 year end due to surplus being available. These continue to support the the projects in 2022/23.
This includes the result after transfers FROM reserves in respect to project costs. The reserve movement covers expenditure on two projects. Expenditure for the IT development work is included in the accommodation/ rent/utilities etc budget and covers costs involved in transferring to a cloud system with a project manager overseeing. NALC share for the joint civility and respect project is included within other projects.
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NATIONAL ASSEMBLY | APPENDIX 7.1.

Recommendations from the task and finish group for consideration and approval.

The task and finish group has met four times. It's recommendations so far are:

Proposal	Next steps
Encourage more people to get involved in the work of their county and national association	
1. Publicise the work of county associations and NALC more effectively demonstrating their value and contribution.	Session with county officers and national assembly to discuss – first quarter 2023
2. Identify skills and expertise and role specification for the various roles and cascade across tiers.	NALC and Essex model to be shared for comment – January to March 2023
3. Encourage county associations to think about who they appoint to the assembly role considering diversity, rotation, and succession planning.	Assembly members to raise with their county officers and management in run up to 2023 elections
4. Possible use of assembly deputies, direct elections to committees and co-optees (from outside the assembly) to address shortages	On-going County associations can appoint deputies, committees can co-opt (amend standing orders to re-iterate)
5. The TFG agreed to recommend that the current restriction on members of policy and finance committee serving on management board should be dropped	Amend standing orders in time for implementation at 2023 elections Keep under review

Meetings and voting	
6. Support continuation of NALC approach to remote and hybrid meetings. Most to continue as remote with one face- to-face or hybrid meeting per “committee” per year.	Keep under review, feedback from majority of county officers and assembly members is that current mix works well. Small minority would like to see more regular face-to-face meetings

7. The group recommended that NALC continue to use electronic voting for assembly as well as directly elected elections moving forward.	Include in standing orders/ constitution as appropriate
8. Single transferable vote - There were strong views in favour and against this proposal. The group felt that this would need to be taken to National Assembly and AGM to make a decision	Refer for decision at NALC AGM October
9. Encourage committee members to keep up to speed with work of other committees, possible joint meetings	Build into terms of reference and role profiles
10. Committees to be responsible for own minutes within their delegated powers. Minutes to be put on website and any recommendations requiring further authority referred to MB or Assembly.	

NALC's Larger Council Committee and Smaller Council Committee	
11. After a vote the group agreed to recommend to National Assembly that Smaller and Larger Councils Committees were best viewed separately from the formal governance committees of NALC, which were concerned with either management decisions or policy positions.	
12. The value of both committees was in ensuring that the councils they represented had a voice in the deliberations of NALC. Their current wide membership made that unfocused.	Consult with committees and draw up proposals for special interest groups for the smallest and largest councils. Second quarter 2023
13. Accordingly, assembly should be invited to draw up proposals to	If proposal not adopted, committee membership/size to be reviewed for 2023 elections.

establish special interest groups for the smallest and largest councils for adoption at the end of the current cycle 2023.	
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Constitution and standing orders	
A number of changes and tidying up proposals inc typos were considered	
a) Amend name and title section to include reference to parish meetings in parishes without a meeting.	This is covered in the objectives
b) Amend county association section to include reference to regional groupings	"County associations may be organised into regional groupings
c) The TFG rejected a proposal to change the basis of affiliation fees as out of scope	
d) Amend to allow for another county representative other than the designated deputy to attend assembly with full voting rights	
e) Agreed to continue with additional county representative from county providing the chair of the association	
f) Add in reference to meetings and voting taking place remotely/ electronically	
g) Increase quorum of the assembly to 1/3 rd of the assembly membership	

NALC ANNUAL GENERAL MEETING 2022 | AGENDA

Date: 25 October 2022

Time: 11.00-13.00

Location: Zoom

1. Election of Chairman of AGM

- 1.1. It is proposed that NALC chair Cllr Keith Stevens chairs the meeting subject to agreement by the AGM.

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

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| 2.1. To approve the minutes of the meeting of the NALC Annual General Meeting held on 26 October 2021 and to note any matters arising not covered elsewhere on the agenda. | Appendix 2.1. |
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3. Annual Report and annual accounts

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| 3.1. To receive and approve the annual report and audited annual accounts for 2021/2022. | Appendix 3.1. |
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4. Affiliation fee

- 4.1. To consider a recommendation by National Assembly on affiliation fees for 2022/23.

‘To agree and recommend an increase in NALC’s affiliation fee for 2022/23 to 7.71p per elector capped at £1,978 for the largest councils.’

- 4.2. To receive the draft three-year budget to 2025.

5. Motions to AGM

- 5.1. To consider the following motion from the Northamptonshire Association of Local Councils:

1) That NALC recognises that the workforce challenge is one of the biggest challenges of our time and that there is an issue with recruitment, retention, and capacity in local councils, and

2) That NALC engages a consultant to benchmark clerks' terms and conditions.

The board of Northants CALC sees the issue of clerks' terms and conditions as potentially the single biggest issue facing the parish and town council sector. The issue affects smaller councils to a greater extent than larger councils, but it is not just the rate of pay that is important, it is also the contracted hours. The board thinks that a benchmarking exercise would be useful, to review the role of the clerk, how many hours the job takes, and what an appropriate rate of pay is.

5.2. To consider the following constitutional motion referred from the task and finish group (governance).

"That the election of officeholders, committees and boards be by single transferable vote." Background paper attached

5.3. To consider any other constitutional motions proposed by the task and finish group (governance).

6. Appointments

6.1. Election of president – the current presidents to continue post till 2023.

6.2. Election of vice-presidents – the current vice-presidents to continue post till 2023.

6.3. Appointment of Auditor – to consider and if appropriate agree recommendations put forward by Finance and Scrutiny Committee.

7. Date and time of next meeting

7.1. Date and location to be confirmed.