

Publication
**Annual
Report
2020/21**

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National Association of Local Councils
(NALC)

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A MESSAGE FROM THE CHAIRMAN OF THE NATIONAL ASSOCIATION OF LOCAL COUNCILS

It's been another challenging year for us all. One positive has been the way local (parish and town) councils responded to the coronavirus pandemic to support their residents in these most difficult of times. NALC would like to thank councils, councillors, clerks and other council staff, as well as county officers and our own NALC staff, for all the work they have done to help.

NALC's collection of over 500 case studies show the breadth of our sector's contribution to the pandemic response. It is good that the role of local councils has been recognised by government ministers and many national organisations. Just one great example of this is a report from the Royal Voluntary Service that noted: "There's nothing more local than the parish or town council. They know their local community street by street and to say they inspired and supported local volunteering in response to Covid is an understatement."

It's been estimated that a massive 12.4 million people volunteered during the pandemic, 4.6 million of them for the first time, of whom 75% would volunteer again. So the challenge for us all is to retain the interest from these new volunteers and put councils at the heart of recovery and building back stronger communities.

Indeed, there is much support for developing our role in this way, with many think tanks and reports stressing the importance of building community resilience with a focus on place. Important then that the sector continues to grow with many new councils continuing to be created including Northampton Town Council, which is now the country's largest.

Also illustrative of our support is new research on local communities from the think tank Centre for Social Justice which backed NALC's Prospectus for Ultralocalism, and in particular measures aimed at creating more local councils. Their Pillars of community: why communities matter and what matters to them report says "parish council-level representation provides a vital, highly local level of democratic accountability and decision-making". The Policies of Belonging report by the think tank Onward proposes the widespread introduction of local councils where they don't exist and an expansion of role and powers.

A government white paper on levelling up and recovery white paper is expected this Autumn which we hope will support these developments and recognise the important role the sector can play in levelling up; if given the necessary support to do so. As NALC chair, I've been making this case in a programme of meetings with ministers and other national figures including new minister for levelling up Neil O'Brien MP, Christopher Pincher MP, minister for housing; Lord Gardiner of Kimble, former minister for rural affairs; Luke Hall MP, former minister for regional growth and local government; Baroness Barran, minister for civil society; Nigel Huddleston, minister for sport and tourism; and Cllr James Jamieson, chairman of the Local Government Association (LGA).

A MESSAGE FROM THE CHAIRMAN OF THE NATIONAL ASSOCIATION OF LOCAL COUNCILS

The sector has responded professionally to the pandemic and in support of councillors, clerks and other officers have done a brilliant job. No one would have expected us all to take to remote meetings so quickly and so successfully and it is to be hoped that the government will listen to pleas from NALC and others to allow councils the freedom to continue to meet in this way when and if councils want to.

The pandemic created some financial challenges especially for larger councils due to lost income, mitigated through reduced spending and use of reserves. Councils didn't get as much access to government funding as we would have hoped with only a handful of principal councils providing financial support, although the job retention scheme and deferment of loan payments were made available. Overall though, the sector's finances are generally healthy and resilient. Precept increases are at the lowest rate for a decade, at 2.8% and NALC will continue to press the government not to introduce referendum principles and provide flexible and diverse funding including direct access to government support and grants.

NALC and county associations have helped councils right from the start of the pandemic, and we've seen ever closer joint working including weekly then fortnightly remote meetings between county officers and NALC staff.

Representatives of county associations on our National Assembly and its committees have continued to direct our work through online meetings. Indeed, there have been positive benefits from this new way of working including saving time and resources and enabling more frequent meetings which allowed us to set up new national networks for coastal councils, women councillors, LGBT+ councillors and young councillors. NALC has agreed to continue with a hybrid mix of face-to-face and remote meetings, going forward.

Beyond the initial priority of our pandemic response, NALC has continued to focus on its key campaigns including:

- Encouraging more people to stand in elections and increasing diversity through the #MakeAChange campaign. It was good to see more young people being elected and better coverage of local council elections on the BBC as a result of our engagement with them.
- Promoting the role of the sector in health and well-being, including showcasing councils' work building dementia-friendly communities in a publication presented to the Prime Minister at No 10!
- Providing a range of resources to encourage carbon and plastic reduction and tree planting to help local councils play their part in tackling the climate and ecological emergency.
- Our most recent theme is promoting engagement with young people and NALC would encourage you to watch the recording of our online conference (one of many we've held over the last year attracting around 2000 attendees) on this subject with some really inspiring stories and ideas.

A MESSAGE FROM THE CHAIRMAN OF THE NATIONAL ASSOCIATION OF LOCAL COUNCILS

NALC has also continued, with your involvement and support, to make representations to Members of Parliament and the House of Lords, with our remote lobby day working well. Please do all engage regularly with your MPs and participate in lobby day, telling them about the brilliant things you're doing and the issues that concern you. We can't win every battle but this year's campaign success on business rates on public conveniences - the toilet tax - will save councils millions of pounds per year.

We are pleased to support the All-Party Parliamentary Group on local democracy and grateful to co-chairs Richard Holden MP and Cheryllyn Mackory MP and other prominent members such as Baroness Ros Scott and Lord John Lytton for raising the profile of the sector in Parliament. NALC and local councils have been mentioned in many debates and we've contributed the sector's views to legislation including the Environment Bill and the Non-Domestic Rates (Public Conveniences) Bill, consultations such as on the LGA's code of conduct and the planning white paper and Parliamentary Committee inquiries into devolution, housing and planning reform.

NALC continues to provide a wealth of resources for county associations to use including legal topic notes, finance advice and HR templates. This year we added a risk assessment tool to help councils make buildings Covid secure. Our suite of Good Councillor Guides continue to be popular and well used and new subjects added this year are cyber security and supporting community businesses. It is encouraging that many of these are accessed online via our website with around 300,000 key documents downloaded.

Our work has been supported by several partners who have sponsored our events and work, shared resources and held webinars for councils and councillors. Particular thanks go to BHIB Councils Insurance, Blachere Illumination and CCLA but we are also grateful to Breakthrough Communications, Microshade VSM, Salix Finance, Scribe and Utility Aid.

And finally, civility and respect should be at the heart of public life. Good governance is fundamental to ensuring an effective and well-functioning democracy at all levels. As the first tier of local government, we must play our part in making this happen. NALC is working together with county associations and the Society of Local Council Clerks to promote civility and respect in public life, good governance, positive debate and supporting the well-being of councillors, professional officers and staff.

If we can achieve this the sector's future will be secure and at the heart of local communities over the next few decades.

S S Baxter .



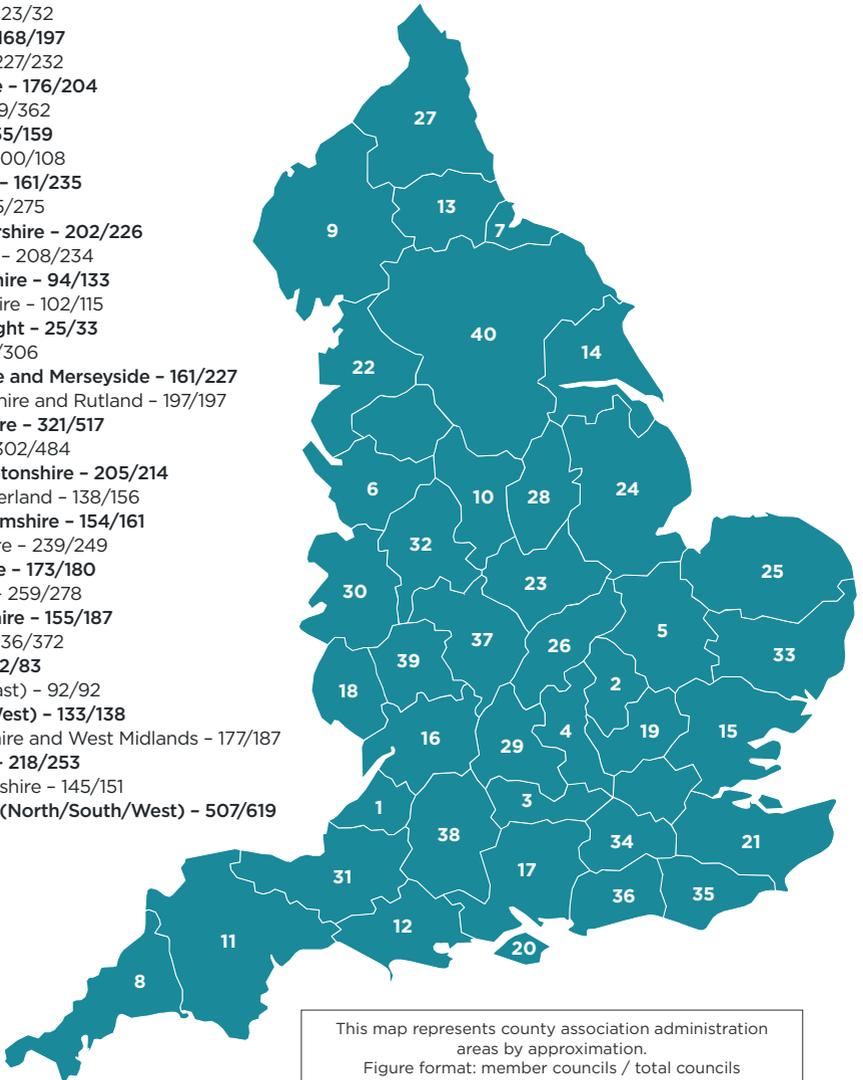
**625,432
WEBSITE
PAGE VIEWS**



**13,619
DOWNLOADS
OF THE GOOD
COUNCILLOR'S
GUIDES**

LOCAL COUNCIL MEMBERSHIP BY COUNTY AREA

1. Avon – 124/132
2. **Bedfordshire** – 116/118
3. Berkshire – 88/94
4. **Buckinghamshire and Milton Keynes** – 175/182
5. Cambridgeshire and Peterborough – 195/237
6. **Cheshire** – 160/224
7. Cleveland – 23/32
8. **Cornwall** – 168/197
9. Cumbria – 227/232
10. **Derbyshire** – 176/204
11. Devon – 339/362
12. **Dorset** – 155/159
13. Durham – 100/108
14. **ERNLLCA** – 161/235
15. Essex – 275/275
16. **Gloucestershire** – 202/226
17. Hampshire – 208/234
18. **Herefordshire** – 94/133
19. Hertfordshire – 102/115
20. **Isle of Wight** – 25/33
21. Kent – 297/306
22. **Lancashire and Merseyside** – 161/227
23. Leicestershire and Rutland – 197/197
24. **Lincolnshire** – 321/517
25. Norfolk – 302/484
26. **Northamptonshire** – 205/214
27. **Northumberland** – 138/156
28. **Nottinghamshire** – 154/161
29. Oxfordshire – 239/249
30. **Shropshire** – 173/180
31. Somerset – 259/278
32. **Staffordshire** – 155/187
33. Suffolk – 336/372
34. **Surrey** – 82/83
35. **Sussex (East)** – 92/92
36. **Sussex (West)** – 133/138
37. Warwickshire and West Midlands – 177/187
38. **Wiltshire** – 218/253
39. Worcestershire – 145/151
40. **Yorkshire (North/South/West)** – 507/619



FINANCE AND SCRUTINY REPORT

Cllr Keith Stevens, NALC vice-chairman (finance) and Cllr Peter Davey, chairman of the Finance and Scrutiny Committee, oversee the finances of NALC.

The financial statements for the year to 31 March 2021 show a surplus of £102,479, of which £85,000 has been transferred to reserves for the civility & respect project and IT improvements/website development.

The surplus exceeds the original budget due to the cessation of all face-to-face meetings and reduced operating and accommodation expenses due to the COVID-19 pandemic.

We still need to build our reserves beyond the minimum level of 13 weeks. The National Assembly has recommended that the 2022/23 affiliation fee be increased by 1% rather than the budgeted 3% to reflect the hardship experienced during COVID-19. Even as restrictions ease, there will not be a total return to face-to-face meetings.

There has not been a formal valuation of our freehold building, but it has been agreed that the valuation in our balance sheet should be adjusted to present accurate and fair accounts. We expect this to be a temporary reduction, and a formal valuation will be sought during the current financial year.

The Finance and Scrutiny Committee, chaired by Cllr Peter Davey, has continued to meet virtually during the COVID-19 outbreak. The revised meeting dates have enabled us to review both the previous quarters' accounts and the current quarters trading at the earliest possible time. This has helped us continue monitoring the management and year-end accounts whilst also receiving regular reports from Heads of Service on delegated budget targets, including any sensitivities/trends in either budgeted income streams or expenditure and cash levels being monitored every week.

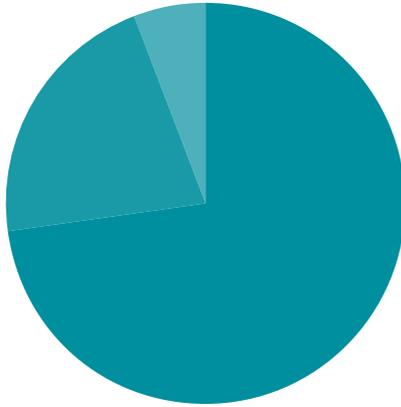
We have received the final audited accounts from the external auditors, Milton Avis, confirming the unqualified audit position of NALC for the 2020/21 financial year. Milton Avis also scrutinised more complex systems testing in certain areas, including affiliation fees, expenses and payroll. These additional tests supplemented their other audit work and supported the conclusions reached in their audit of the accounts.

We want to thank all the staff for changing their working practices and carrying on in the face of the challenging circumstances created by the pandemic. Our events programme changed significantly, enabling us to reach far more members and maintain relationships with our corporate partners.

Cllr Keith Stevens and Cllr Peter Davey

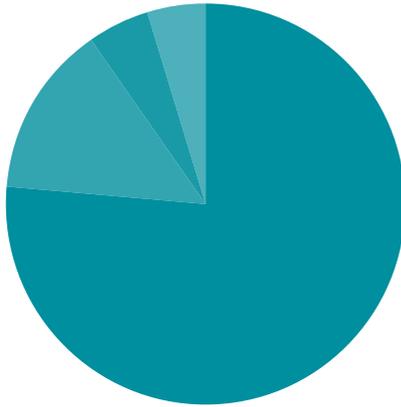
NALC INCOME

2012



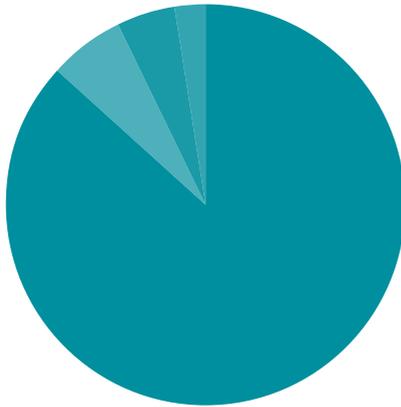
- Affiliation fees: £718,920
- Commissions: £208,464
- Other: £56,809

2017



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

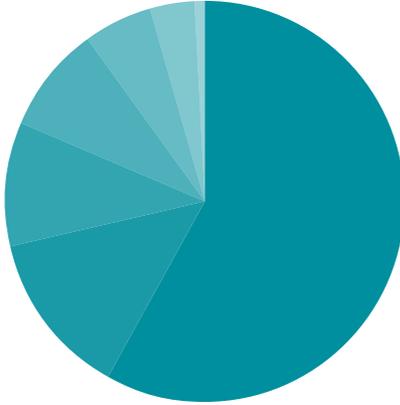
2021



- Affiliation fees: £1,092,938
- Commissions: £60,000
- Net projects: £28,216
- Other: £77,585

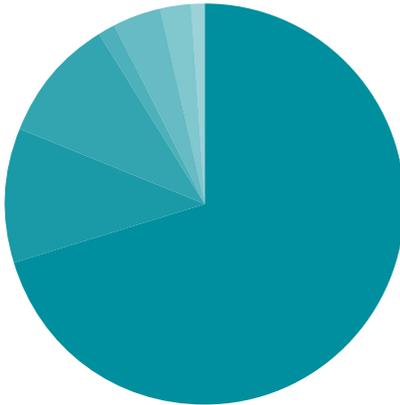
NALC EXPENDITURE

2012



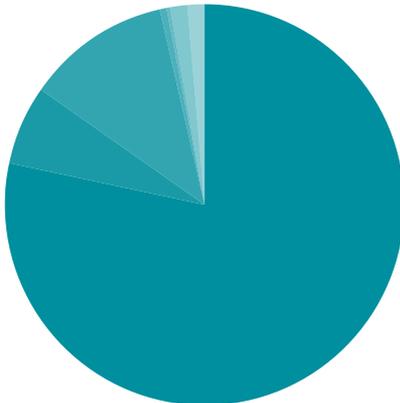
- Staffing costs: £568,264
- Operating expenses: £127,823
- Premises, accommodation and maintenance: £99,001
- Promotion: £83,929
- Democracy: 53,281
- Non-recoverable VAT: £34,925
- Legal and professional: £7,383

2017



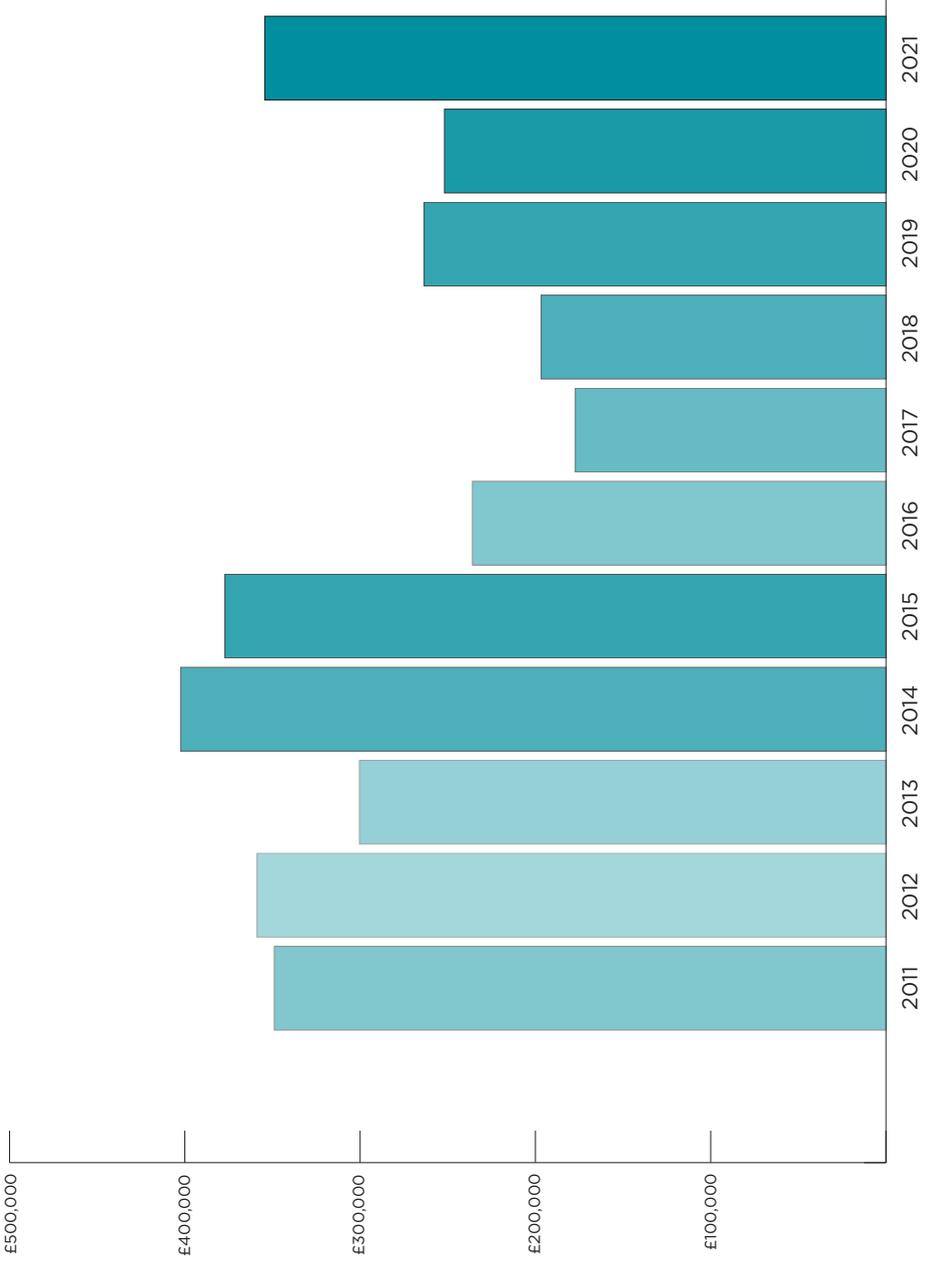
- Staffing costs: £895,577
- Operating expenses: £138,230
- Premises, accommodation and maintenance: £129,183
- Promotion: £15,837
- Democracy: £50,154
- Non-recoverable VAT: £31,807
- Legal and professional: £12,410

2021



- Staffing costs: £907,262
- Operating expenses: £73,666
- Premises, accommodation and maintenance: £133,719
- Promotion: £6,765
- Democracy: £3,953
- Non-recoverable VAT: £16,798
- Legal and professional: £14,098

NALC RESERVES



COMMITTEE MEMBERS' RESPONSIBILITIES STATEMENT

The Finance and Scrutiny Committee present their report and the financial statements for the year ended 31 March 2021.

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

The Finance and Scrutiny Committee is required to prepare financial statements for each financial year. The board 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'. The board 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 Finance and Scrutiny Committee 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 and Scrutiny Committee 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 board members at the time when this committee members' report is approved has confirmed that:

- So far as the committee members are aware, there is no relevant audit information of which the Association's auditors are unaware, and
- The committee members have taken all the steps that ought to have been taken as a board members 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 board and signed by Cllr Keith Stevens on its behalf on 7 September 2021.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Opinion

We have audited the financial statements of the National Association of Local Councils (the 'Association') for the year ended 31 March 2021, 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 2021 and of its profit for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- The information given in the finance section of the annual report is consistent with the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The Board's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The Board has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the associations ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The board 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 Board members' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Board members' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Association and its environment obtained in the course of the audit, we have not identified material misstatements in the Board members' Report.

We have nothing to report in respect of the following matters 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 board members' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The board members were not entitled to prepare the financial statements in

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Board members' Report.

Responsibilities of the Finance and Scrutiny Committee

As explained more fully in the Board members' Responsibilities Statement set out on page 12, the board 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 board 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 board 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 board 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.

Extent to which the audit was capable of detecting irregularities, including fraud 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 legal and regulatory framework applicable to the association and considered the risk of acts by the association which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with FRS 102.
- We considered compliance with this framework through discussions with the Finance and Scrutiny committee and performed audit procedures on these areas as considered necessary. Our procedures involved enquires with

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Management, review of the reporting to the Finance and Scrutiny Committee with respect to compliance with laws and regulation review of board 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 potential management override of controls, review of minutes of board meetings throughout the period, and obtaining an understanding of the control environment in monitoring compliance with laws and regulations.
- Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.
- There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

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

Stephen Sampson, senior statutory auditor for Milton Avis LLP

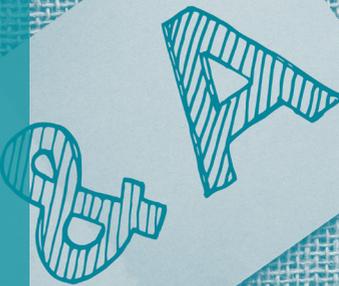
Milton Avis LLP, Chartered Accountants, Statutory Auditors, Pitt House, 120 Baker Street, London W1U 6TU

7 September 2021



4,435

**ADMIN, FINANCE
AND LEGAL QUERIES**



588

**LEGAL AND FINANCE
GUIDANCE ISSUED**

ACCOUNTS FOR THE MEMBERS

Statement of comprehensive income for the year ended 31 March 2021

	2021 (£)	2020 (£)
Turnover	1,358,110	1,395,569
Cost of sales	(99,371)	(183,297)
Gross profit	1,258,739	1,212,272
Administrative expenses	(1,153,224)	(1,220,209)
Operating profit/(loss)	105,515	(7,937)
Interest payable and similar expenses	(3,036)	(3,666)
Profit/(loss) for the year	102,479	(11,603)
Retained earnings at the beginning of the year	180,240	191,843
Profit/(loss) of the year	102,479	(11,603)
Retained earning at the end of the year	282,719	180,240

The notes on page 22 to 26 form part of these financial statements.

Balance sheet as at 31 March 2021

	Note	2021 (£)	2020 (£)
Fixed assets			
Tangible assets	3	2,224,938	2,521,343
Current assets			
Debtors: amounts falling due with one year	4	83,403	58,720
Cash at bank and in hand	5	385,279	342,620
		468,682	401,340
Creditors: amounts falling due within one year	6	(139,264)	(170,806)
Net current assets		329,418	230,534
Total assets less current liabilities		2,554,356	2,751,877
Net assets		2,554,356	2,751,877
Capital and reserves			
Revaluation reserve		1,644,191	1,944,191
IT/website reserve		60,000	-
Building reserve		555,809	555,809
Building maintenance reserve		57,347	57,347
Equipment reserve		14,290	14,290
Civility Fund		25,000	-
Accumulated fund		197,719	180,240
		2,554,356	2,751,877

The financial statements were approved and authorised for issue by the board and were signed on behalf of the Finance and Scrutiny Committee on 7 September 2021.

Cllr Keith Stevens, NALC vice-chair (finance)

The notes on page 22 to 26 form part of these financial statements.

**186,200
FACEBOOK
IMPRESSIONS**



**2,052,300
TWITTER
IMPRESSIONS**



Statement of changes in equity for the year ended 31 March 2021

	IT/website reserves (£)	Revaluation reserve (£)	Building reserve (£)	Building maintenance reserve (£)	Equipment reserve (£)	Civility Fund reserve (£)	Accumulated reserve (£)	Total reserves (£)
At 1 April 2019	-	1,944,191	555,809	57,347	14,290	-	191,843	2,763,480
Comprehensive income for the year								
Loss for the year	-	-	-	-	-	-	(11,603)	(11,603)
Total comprehensive income for the year	-	-	-	-	-	-	(11,603)	(11,603)
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)
IT/website	60,000	-	-	-	-	-	(60,000)	-
Civility Fund	-	-	-	-	-	25,000	(25,000)	-
Total comprehensive income for the year	60,000	(300,000)	-	-	-	25,000	17,479	(197,521)
At 31 March 2021	60,000	1,644,191	555,809	57,347	14,290	25,000	197,719	2,554,356

The notes on page 22 to 26 form part of these financial statements.

Notes to the financial statements for the year ended 31 March 2021

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

Income represents net invoiced sales, commissions, rents and affiliation fees excluding VAT. Other operating income comprises commissions and trading income which may be of a commercial nature together with grants.

1.3 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

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

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

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

1.4 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are

undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance Sheet date.

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

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

1.5 Debtors

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

1.6 Cash and cash equivalents

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

1.7 Creditors

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

1.8 Taxation

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

2. Employees

The average monthly number of employees, including directors, during the year was 18 (2020: 17).

3. Tangible fixed assets

	Freehold property (£)	Fixtures and fittings (£)	Office equipment (£)	Total (£)
Cost or valuation				
At 1 April 2020	2,500,000	144,024	133,990	2,778,014
Additions	-	-	12,837	12,837
Revaluations	(300,000)	-	-	(300,000)
At 31 March 2021	2,200,000	144,024	146,827	2,490,851
Depreciation				
At 1 April 2020	-	140,011	116,660	256,671
Charge for the year on owned assets	-	1,173	8,069	9,242
At 31 March 2021	-	141,184	124,729	265,913
Net book value				
At 31 March 2021	2,200,000	2,840	22,098	2,224,938
At 31 March 2020	2,500,000	4,013	17,330	2,521,343

In October 2020, the Finance and Scrutiny Committee were advised by Lambert Smith Hampton, a firm of professional agents, that given the current market conditions the likely value of the property was £2,200,000. This is lower than the current book value and it is felt appropriate to substitute this lower value.

The Finance and Scrutiny Committee has also been advised by other firms of estate agents that the market has been affected by COVID-19 but that the diminution in value is expected to be temporary. Further valuations of the property are to be sought in the coming year to provide an up to date valuation.

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

4. Debtors

	2021 (£)	2020 (£)
Trade debtors	21,391	28,875
Other debtors	24,312	21,287
Prepayments and accrued income	37,700	8,558
	83,403	58,720

5. Cash and cash equivalents

	2021 (£)	2020 (£)
Cash at bank and in hand	385,279	342,620
	385,279	342,620

6. Creditors: Amounts failing due within one year

	2021 (£)	2020 (£)
Trade creditors	47,253	36,648
Other creditors	80,440	120,148
Accruals and deferred income	11,571	14,010
	139,264	170,806

7. 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 £288,000 as at 30 September 2020 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 2022 is £26,851.

- 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 £531,000 as at 31 March 2016.

Detailed profit and loss account for the year ended 31 March 2021

	2021 (£)	2020 (£)
Turnover	1,358,110	1,395,569
Cost of sales	(99,371)	(183,297)
Gross profit	1,258,739	1,212,272
Less: overheads		
Administration expenses	(1,153,224)	(1,220,209)
Operating profit/(loss)	105,515	(7,937)
Interest payable and similar charges	(3,036)	(3,666)
Profit/(loss) for the year	102,479	(11,603)

Schedule to the detailed accounts for the year ended 31 March 2021

	2021 (£)	2020 (£)
Turnover		
Affiliation fees	1,112,939	1,058,730
Publication sales	23,031	88,572
Events and projects income	197,238	230,330
Other income	24,902	17,937
	1,358,110	1,395,569
Cost of sales		
Direct expenditure	99,371	183,297
	99,371	183,297
Administration expenses		
Staff salaries including recruitment and training	903,011	862,142
Staff travel	–	11,778
Consultancy	4,920	11,128
Non-recoverable VAT	16,798	23,506
Legal and professional	8,305	34,087
Auditors' remuneration	5,793	5,283
Professional indemnity insurance	15,212	15,536
Premises, accommodation and maintenance	124,476	130,038
Depreciation – plant and machinery	9,243	7,113
Committee expenses	–	6,289
Representatives expenses	203	31,244
General meetings	–	6,000
Provision for bad debts	8,000	–
Membership fees	4,034	3,636
Books, periodicals and law library	2,360	2,487
Information services	13,468	13,468
Promotion	6,765	22,628
Corporate hospitality	–	2,863
Administration expenses	26,886	27,233
Chair and vice-chairs allowances	3,750	3,750
	1,153,224	1,220,209
Interest payable		
Interest payable and similar charges	3,036	3,666
	3,036	3,666



634

NUMBER OF COUNCILS
ACCREDITED
OR WORKING TOWARDS
**LOCAL COUNCIL
AWARD SCHEME**



3,500
CLERKS
QUALIFIED IN
CiLCA

GOVERNANCE OF THE NATIONAL ASSOCIATION OF LOCAL COUNCILS

President

Vacant

Vice-president

The Earl of Lytton
Cllr Brian Kerr OBE
Cllr Michael Chater OBE

Chair

Cllr Sue Baxter

Vice-chairs

Cllr Mike Drew (member services)
Cllr Keith Stevens (finance)

National Assembly

Cllr Mike Drew, Avon Association of Local Councils

Cllr Elizabeth Luder, Bedfordshire Association of Town and Parish Councils

Cllr Tim O'Flynn, Berkshire Association of Local Councils

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

Cllr Mike Tew, Cambridgeshire and Peterborough Association of Local Councils

Cllr Lillian Burns, Cheshire Association of Local Councils

Cllr Jim Wingham, Cleveland Local Councils Association

Cllr Graham Ford, Cornwall Association of Local Councils

Cllr Jonathan Davies, Cumbria Association of Local Councils

Cllr John Plant, Derbyshire Association of Local Councils

Cllr Ken Browse, Devon Association of Local Councils

Cllr Janet Wallace, Dorset Association of Parish and Town Councils

Cllr Allan Blakemore, Durham Association of Local Councils

Cllr Keith Stevens, East Sussex Association of Local Councils

Cllr Brian Brooks, East Riding and Northern Lincolnshire Local Councils Association

Cllr Peter Davey, Essex Association of Local Councils

Cllr Peter Richmond, Gloucestershire Association of Parish and Town Councils

Cllr Loraine Rappé, Hampshire Association of Local Councils

Cllr Will Jackson, 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 Richard Parry, Kent Association of Local Councils

Cllr Colin Peacock, Lancashire Association of Local Councils

GOVERNANCE OF THE NATIONAL ASSOCIATION OF LOCAL COUNCILS

CLlr Tony Hirons, Leicestershire and
Rutland Association of Local Councils

CLlr Tony Howard, Lincolnshire Association
of Local Councils

No representative, Merseyside Association
of Local Councils

CLlr Phil Harris, Norfolk Association of
Local Councils

CLlr Avis Thomas, North Yorkshire
Association of Local Councils

CLlr Mike Scott, Northamptonshire County
Association of Local Councils

CLlr David Francis, Northumberland
Association of Local Councils

CLlr Mike Baker, Nottinghamshire County
Association of Local Councils

CLlr Malcolm Leeding MBE, Oxfordshire
Association Local Councils

CLlr David Beechey, Shropshire
Association of Local Councils

CLlr Jenny Lawrence, Somerset
Association Local Councils

CLlr Duncan Wright, South Yorkshire
Association of Local Councils

CLlr Patricia Ansell, Staffordshire Parish
Councils Association

CLlr Mark Valladares, Suffolk Association
Local Councils

CLlr Steve Cosser, Surrey Association of
Local Councils

CLlr Rosie Weaver BEM, Warwickshire
and West Midlands Association of Local
Councils

CLlr Terry Oliver, West Sussex Association
of Local Councils

CLlr Peter Allison, West Yorkshire
Association of Local Councils

CLlr John Scragg, Wiltshire Association of
Local Councils

CLlr Alan Humphries, Worcestershire
Association of Local Councils

Management Board

CLlr Sue Baxter (chair)

CLlr Bob Blezzard

CLlr Ken Browne

CLlr Peter Davey

CLlr Mike Drew

CLlr David Francis

CLlr Paul Harvey

CLlr Richard Parry

CLlr Mike Scott

CLlr Keith Stevens

Policy Committee

CLlr David Francis (chair)

CLlr Peter Allison

CLlr Sue Baxter

CLlr Lillian Burns

Ms Carole Burslem

CLlr Tony Hirons

CLlr Malcolm Leeding MBE

CLlr Colin Peacock

CLlr Rosie Weaver BEM

GOVERNANCE OF THE NATIONAL ASSOCIATION OF LOCAL COUNCILS

Finance and Scrutiny Committee

CLlr Peter Davey (chair)
CLlr Graham Ford
CLlr Tony Howard
CLlr John Plant
CLlr Keith Stevens

Larger Councils Committee

CLlr Paul Harvey (chair)
CLlr Peter Astwell
CLlr Phil Barnett
CLlr Sue Baxter
CLlr Jane Biscombe
Ms Leah Coney
CLlr Mike Drew
CLlr Dave Fleming
CLlr Donna Fuller
CLlr Mark Harris
CLlr Carl Hearn
CLlr Richard Parry
CLlr Peter Quinn
CLlr Isabel Roberts
Ms Shar Roselman
Mr Mark Smith
CLlr Sue Smith

Smaller Councils Committee

CLlr Graham Ford (chair)
CLlr Bob Blezzard
CLlr Lillian Burns
CLlr Malcolm Leeding MBE
CLlr Josephine Parish
Mr Stephen Rickitt
CLlr Mike Scott
Ms Lydia Smithson

Improvement and Development Board

Mr Jonathan Flowers (chair)

Ms Wendy Amis, Derbyshire Association
of Local Councils

CLlr Sue Baxter, National Association of
Local Councils

Ms Helen Jenkins, Local Government
Association

Mr Albert Joyce, Department for Levelling
Up, Housing & Communities

Mr Adam Keppel-Green, Society of Local
Council Clerks

Ms Sally Longmate, Suffolk Association of
Local Councils

Mr Jonathan Owen, National Association
of Local Councils

CLlr Richard Parry, Kent Association of
Local Councils

Ms Helen Quick, Society of Local Council
Clerks

Ms Alison Robinson, Gloucestershire
Association of Town and Parish Councils

Ms Elizabeth Skinner MBE, Society of
Local Council Clerks

Mr Rob Smith, Society of Local Council
Clerks

National Association of Local Councils

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