

**LALC**

**LINCOLNSHIRE ASSOCIATION OF  
LOCAL COUNCILS**

# Annual Report

## 2017/18

**Dunholme Old School  
8 Market Rasen Road  
Dunholme  
Lincoln LN2 3QR  
Telephone: (01673) 866596**

**Notes to the Financial Statements  
for year ending 31 March 2018**

**Accounting Policies**

**1. Accounting convention**

These financial statements have been prepared under the historical cost convention.

**2. Affiliation fees, sales of publications and AGM and Conference fees**

Amounts in respect of this income are included within the financial statements as and when they are received.

**3. Interest on deposit account**

Amounts in respect of this income are included within the financial statements as and when they are received.

**4. Income and expenditure**

All income, expenditure, creditors and debtors for the financial year ending 31 March 2018 is accounted for.

**AUDIT OPINION**

I have examined the accounts of the Lincolnshire Association of Local Councils for the year ended 31 March 2018, and consider them to be a true and accurate statement of the financial activities of the Association based on the information provided.

**Chris Hewis  
Auditor**

## Balance Sheet at 31 March 2018

<u>Current Assets</u>	2018	2017
Co-op Current Account	61,538	22,313
Co-op Deposit Account	44,111	44,082
Debtors	74,432	89,419
Prepayments	83	3,766
	<b>180,164</b>	<b>159,580</b>
<u>Current Liabilities</u>		
Creditors	403	898
Advance sales - Annual Training Scheme	3910	5,395
Advance sales - Annual Subscriptions	95,657	79,123
Accruals	4,350	5,163
Deferred Income	5,000	5,000
VAT	18,866	15,455
	<b>128,186</b>	<b>111,034</b>
<b><u>Total Assets less Current Liabilities</u></b>	<b>51,978</b>	<b>48,546</b>
<u>Capital and Reserves</u>		
General Reserve	27,440	27,876
Training Reserve	21,106	21,106
Net Surplus for the year	3,432	(436)
	<b>51,978</b>	<b>48,546</b>

## Lincolnshire Association of Local Councils

### County Committee - as at 31.3.2018

**President**

Cllr D Glenn

**Vice-Presidents**

Mr JDM Rose

Mr P Walton

### County Committee

**Chairman**

Cllr AJ Howard

**Vice Chairman**

Cllr A Greenway

**Treasurer**

Mr M Passfield

**Committee members**

Cllr V Gemmell

Cllr M Grey

Cllr S Parker

Cllr L Reeson

Cllr D Smith

Mrs J Brown

Mr S Fletcher

Cllr N Hornsey

Cllr H Bisnauthsing

Cllr R Cross

Cllr J Finegan

Cllr B Johnson

Cllr J Kilcoyne

Cllr D Suiter

Cllr K Locke

Cllr C Brewis (Lincolnshire County Council)

**Chief Executive**

Mrs K Evans

**Training & Support Officer**

Mrs D Locker

**Administration Officer**

Mrs L Westman

## Chairman's Report

In my last report I pointed out that there were several issues within the national government context that local councils needed to keep their eye on as there would be consequences arising at our level as these issues resolved themselves. However, in my optimism at the time, I thought that most issues would resolve themselves by the time I next addressed you in my report. However, some matters continue to perplex us.

One of my main concerns last time was the effect that resolving the BREXIT situation would have, especially the repatriation of EU laws into the UK multi-layered democratic system and which of those would filter down to us at town & parish level. Twelve months on and we are still swimming around in the pool of Brexit terminology, "hard", "soft", "no-deal", "semi", "back-stop" Brexit, without the slightest clue as to how we will be affected but safe in the knowledge that some sort of Brexit will happen in March next year.

Other national matters to watch out for are:-

- The first autumnal budget speech
  - The revised version of NPPF (National Planning Policy Framework)
  - Possible revisions to the councillors code of conduct legislation
- No doubt these will all result in some sort of effect being experienced at our level and here at the county association we will be working hard to disseminate whatever that amounts to through our advice and training schemes (more on this below).

Quite out of character one good piece of news came our way. The Information Commissioner listened to our sector's warnings over the imposition of the need for all councils, regardless of size, to appoint a qualified DPO (Data Protection Officer). Whilst maintaining the view that all local authorities should still come under the remit of the new GDPR (General Data Protection Regulations) legislation, she referred to there being alternative routes that would be equally acceptable and that she regards the issue of compliance with the new rules as "being a journey rather than a destination in itself".

<u>Income</u>	<u>1.4.16 - 31.3.17</u>	<u>1.4.17 -31.3.18</u>
Affiliation Fees	77,426	78,572
Local Council Review	4,795	1886
Other Publications	910	1779
LALC News	836	705
Femalc	0	1790
Bank Interest	79	29
LALC AGM & Conference	710	850
Training/Seminars	16,329	18,618
Postage	201	88
Other Income	4,232	211
Local Council Award Scheme	200	200
Grants	6,130	2000
Transparency Fund (NALC)	33,806	73,350
Partnership Working—Training Events	2,500	5,000
<b>TOTAL</b>	<b><u>148,154</u></b>	<b><u>185,078</u></b>
<u>Expenditure</u>		
NALC Subscription	25,021	26,274
Administration Fee	53,523	47,674
Staff Travel & Subsistence	567	990
Members Travel & Subsistence	761	530
Association Meetings - room hire	91	140
Training/Seminars (excluding staffing costs)	12,690	11,619
AGM & Conference - NALC	465	427
AGM & Conference -LALC	1,075	851
FEMALC Expenses	346	431
Local Council Review	3,405	1298
Other Publications	1,484	866
Local Council Award Scheme	122	39
HR Support (joint contract with other FEMALC members)	360	1800
Printing, Stationery, Photocopying	2,647	2605
Office IT - repair, renewal, printer consumables + website	2,450	1691
Office equipment - repair and renewal	361	349
Postage & telephone costs	2,596	2293
Rent and Rates	3,757	3822
Electricity	2,382	1891
Insurance	305	313
Audit Fee	325	175
Data Protection Fee	35	35
Bank charge & Bad debt write off from	17	2183
Advert/recruitment	0	0
Transparency Fund (NALC)	33,806	73,350
<b>TOTAL</b>	<b><u>148,591</u></b>	<b><u>181,646</u></b>
<b>BALANCE</b>	<b><u>(437)</u></b>	<b><u>3432</u></b>

## Statement of County Committee's Responsibilities

It is the responsibility of the Committee to obtain audited financial statements for each financial year which give a true and fair view of the state of affairs of the Association, and of its financial activities for that period. In preparing those financial statements, the committee is required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Ensure that applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Committee is responsible for the keeping of proper records which disclose with reasonable accuracy at any time the financial position of the Association, and to enable it to ensure that the financial statements comply with relevant accounting standards and legislation. It is also responsible for safeguarding the assets of the Association and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the Committee:

Cllr **AJ Howard**  
Chairman

In other words, if a council can prove it is committed to finding an alternative solution that is **pragmatic, fair and proportionate** they will be deemed as being in compliance. It was also good to hear her commit to working with our national association to find alternative solutions that can be included in the legislation at some time in the future.

During the past year LALC has continued to be part of FEMALC (Federation of East Midlands Associations of Local Councils) and whilst it fell to us in Lincolnshire to provide the secretariat and chair of the organisation much of this had to be done in my absence from that chair. Unfortunately the year turned out to be one that included having to look after a close family member during a serious illness and many visits to hospital – most of which seemed to coincide with FEMALC meeting days. However the regular meetings still provide ideal opportunities for the member associations to exchange ideas on major topics like GDPR, clerk's contracts, audit arrangements etc and provide a springboard to push issues at NALC (National Association of Local Councils) as a collective rather than individually. We even coaxed their Chief Executive and Chair to attend one of the meetings where I think it is fair to say they left us with the clear understanding of how we didn't always agree with their actions or inactions!

Attending the regular NALC meetings is part of the role I undertake on your behalf in my role as your chair and once a year the meeting also includes the opportunity to lobby local MP's. In previous years this had been a bit of a non event but this year I had the chance to speak with, Sir Edward Leigh, Victoria Atkins, John Hayes and Dr Caroline Johnson on the day and make arrangements to meet Karen Lee & Matt Worman subsequently as they were unavailable on the day.

Each MP was presented with a small pack of documents summarising the work done by this association and outlining the current issues that concern towns & parishes across the county. These are the ones that I outlined in the meetings:-

- The importance of maintaining coastal defences to protect people, local economies and the agricultural industries

- Broadband and how too much of our area is poorly served or has no service at all
- Planning issues, in general, but also specifically how developers wriggling out of s106 agreements holds communities back, as do extant permissions
- GDPR and the effect it had disproportionately on smaller councils
- Precept capping: How this was not a suitable tool in encouraging councils to take on responsibilities where higher authorities were cutting back services due to austerity measures reducing government funding granted to county & district councils.

The response from the MP's across the board has been patchy, some responding with enthusiasm for our work and empathising with our position whilst others appear to be merely giving lip service to our Agenda. I consider this to be work in progress that needs to be progressed every year as it is vitally important that we engage with our elected members in Westminster if we have any hope of getting national government to give local councils the respect that we deserve.

The year just ended passed, once again, with the backdrop of district & county councils looking to cut or devolve services in order to balance their books. The coming year, it is hoped, might see some easing of this situation as Lincolnshire councils are involved in a pilot project on the retention of NNDR (National Non-Domestic Rates – or business rates as they are often called). Hopefully this will mean that, for the year of the project, their budgets will be under less strain.

This could mean less pressure on our councils but there are other issues looming on the horizon for the higher tier authorities. Whilst there is hope that the Fairer Funding review might see more funding appear that ultimately could be countered by the Spending Review. On another hand the talk of devolution for Lincolnshire has gone by the board, and the extra cash that came with it, but all of the councils are now working on collaboration in order to gain government money via a Growth Deal. One way or another this means that parish and town councils must stay alert to the possibilities that taking over the running of services may be the only way of retaining services for our residents.

The quarterly meetings of the Federation of East Midlands Association of Local Councils (FEMALC) were attended by the Chief Executive and Chairman of LALC, for which Lincolnshire were the secretariat until December 2017. Various topics were discussed and proposals put to NALC, one of which was a nomination to the AGM that an SLA be produced between NALC and the CALCs which was subsequently passed by delegates in attendance, the deadline agreed as the AGM 2018.

The LALC AGM and Conference took place at Cranwell Village Hall on 17 October 2017. The event ran smoothly and was attended by almost ninety councillors, clerks and county committee members to partake in the AGM and listen to a presentations by Georgina Statham from LCC Highways and also Alex Bird from UK Parliament. The usual trade stands were present and the delegates enjoyed the buffet supper provided.

One of the main topics for debate at the AGM was the remodel of the subscription structure. The County Committee in September agreed to recommend to the AGM the options of C (5p/elector) or D (6p/elector) plus a baseline figure of between £50 - £400 dependant on the size of the council. A letter had been sent to all councils prior to the AGM. Option D was agreed by a majority vote.

The President, Chairman and I attended the NALC AGM and Conference which took place at the end of October in Milton Keynes. Various workshops were attended during the two day event and we also heard presentations from keynote speakers. Angela Rippon, Ambassador for the Alzheimers Society and Co-Chair on the Prime Minister's Champion Group on Dementia Friendly Communities delivered a heart-felt speech and delegates witnessed NALC Chairman, Sue Baxter sign up to this very important strategic plan and make various commitments, including working with county associations to help members develop the necessary awareness, skills and understanding to recognise and support people living with dementia in the communities they serve. We also heard from the Secretary of State, who said *"At the moment I am not going to introduce referendum (council tax capping) principles for local councils as you have been fiscally responsible"*

We have delivered training and mentoring to 8 clerks in 2017/18 and other council staff. Thank you to Steve Fletcher who has been a valued mentor for the clerks and co-trainer with myself.

I conclude my report by thanking the County Committee and Executive for being so supportive of my role, and especially Lindsey and Debbie who have continued to provide excellent support to both myself and the Association.

**Katrina Evans, Chief Executive**

Lacey Day in Birmingham in April, consisted of a presentation from Chris Borg of NALC with regard to the transparency code and funding and also a representative from SAAA who spoke about the new audit arrangements for 2017/18.

Leading on to audit, the 2017/18 annual audit for LALC took place in April and the Auditor found no matters of concern and was happy to sign off the accounts. 2017/18 was another busy year for the office, not least due to the extensive work carried out by myself and the Treasurer and Executive Committee who had to consider the budget for 2018/19 and reworked the subscription structure in order for the Association to remain sustainable. This resulted in substantial increases for some councils for 2018/19.

I attended two of three East Lindsey area forums and was invited to talk to councils about democracy and recruitment. I also met with Clare Mullin (Senior Community Outreach and Engagement Officer for the Midlands, UK Parliament Outreach and Engagement Service) and Paul Drury, which resulted in her attendance at the Clerk and Councillors networking days held in July to deliver workshops and also that of Alex Bird from UK Parliament who attended the AGM & Conference in October.

I also attended a Standards Conference along with other County Officers where we looked at the current regime and what improvements could be made. This was the topic of another workshop on the clerks and councillors days in July and Alan Robinson, Monitoring Officer at West Lindsey District Council attended both days to deliver a workshop and listened to clerks and councillors where there was a general consensus that the current regime and code of conduct needed to be strengthened.

On the subject of the councillors and clerks networking days which took place in July, I can report that these were well received and four topic areas were covered during the day. Lessons were learnt in regard to the Venues and breakout rooms were a necessity, however feedback indicated that both clerks and councillors alike had requested that these become a regular occurrence, at least annually.

On-going HR matters took up a good proportion of officer time, with support from our HR Advisor. We would encourage councils to attend Employment training if they have the opportunity to do so, as it is important to realise that Councils (as the corporate body) are employers and must comply with employment legislation, regardless of their size.

That neatly brings me back to the facilities this association can provide to help councils survive, even thrive, in these uncertain times. During 2017/18 we held 54 training sessions in various locations around the county with a total of 822 attendees.

The feedback from these events shows how much these events are very much appreciated. The wide range of topics covered enables councils to be properly briefed and prepared for most eventualities. I urge all of you reading this to engage with the on-going calendar of events. Whether you are newly in post or have been involved with your council for a lifetime, they really do give you the tools to face these ever-changing times.

Or maybe you just need advice on one individual matter? Whichever it is the team in our office are there to help and the knowledge and experience they have combined with the peace of mind they can bestow turns the price of your subscription into the bargain of the year!

Finally, can I congratulate Skegness Town Council who has reached the pinnacle of quality assurance by attaining the Quality Gold Standard in the Local Council Awards Scheme.

My congratulations also go to the councils who have achieved either Foundation or Quality standards too.

I end by offering my eternal thanks to our office team without whose superb help I would be unable to fulfil my role as your chair.

**Cllr Tony Howard**  
**Chairman**

# Treasurer's Report

As I complete my second year in office as Treasurer, it is with positivity that I write this year's annual finance report. Unlike 2017/18, you'll notice, we remain solvent and in financial health, despite a challenging year. However, I must advise that, as ever, this represents a financial end-of-year snapshot, and some of the incomes and expenditures apply to previous years. This can be noted in the 'bad debt/write off' cost code. In the main these are related to accounting adjustments and debts that remain outstanding for >12 months. It was agreed with the Auditor that these should be cleared. This prevents any further rolling over of bad debts. Our training and seminar programme has continued to provide the valuable skill opportunities along with a modest income to our funds. I am very pleased to again acknowledge the Lincolnshire County Council grant support we received which continues to be a very important element of our financial stability, however moving forward we acknowledge the future of grant funding is unlikely.

At the March 2018 County Committee meeting, I predicted a small underspend primarily due largely, to non-recurrent savings against the 'pay' budget related to a change in training and support officer role and hours.

In the main, the Association has completed the financial year akin to their budget allocations and Katrina and her team should be commended for their hard work and watchful eye. The Association closed the 2017/18 financial year with an actual underspend of **£3432.00**.

The Associations reserves remained at £48,545 during 2017/18, however will rise to £51,977 with the underspend identified above.

## Internal Audit

The Internal Audit function provides assurance over the effectiveness of the Associations risk management, internal control and governance arrangements. Internal Audit support, advise and challenge management to assist the development of strategies, systems, policies and procedures which improve the way the Associations works and ensure the best use of resources.

# Chief Executive's Report

No longer the 'new' Chief Executive, I wrote this report with another year's experience under my belt and further new challenges faced. Debbie Locker, Training & Support Officer who was appointed in July 2016 unfortunately resigned from her post in December 2017, however Lindsey and I coerced her into staying with LALC for one day a week and she became our Information & Media Officer continuing to create the extremely informative newsletter, update the website and share information. Debbie was also key to introducing and updating some of LALC's policies, including GDPR. The new version of the LALC news was launched and was received with very positive comments.

The demand for both advisory services and training continues to grow each year, and takes up the majority of officers time. In 2017, from January to December, LALC delivered 54 training sessions with 822 delegates in attendance. Unfortunately, some 88 cancelled or failed to attend on the day, however this was a decrease compared to 2016 figures. It does appear that there were less training sessions, this was due to there being more full day events rather than afternoon/evening sessions.

Debbie, along with myself was responsible for putting together the ever growing training schedule that is delivered each year either by Debbie and I, or by engaging with specialist external trainers. We endeavour to ensure that our member councils receive the necessary training and development they require whilst managing a stringent training budget, especially as we initially heard that we would not be receiving the £5k grant from LCC towards our core training delivery ... however, we were fortunate to secure this funding from three other channels within LCC and we thank Paul Drury and other LCC officers for championing the work that LALC do and helping to secure the funding. Lindsey continues to ensure we are efficient with our training delivery, arranging the venues and catering etc, as well as maintaining our administration and finance systems.

As well as receiving the £5k funding from Lincolnshire County Council, we also received the final payment of £2k for the Transparency Enablement Grant from government which allowed us to continue to work with councils in promoting the Transparency Fund that councils could apply for.



The AGM 2017 was well attended, the main topic being the changes to the subscription structure and subsequent increase for some councils.

It was agreed at the AGM, that the President, Chairman and Chief Executive would attend the NALC AGM and conference.

The first item on the agenda at the December meeting was election of Chairman. Unfortunately, the current Chairman was absent but expressed his interest to continue. The President invited further nominations as there were none, it was resolved that A Howard be re-elected as Chairman of the Association.

The December meeting received a report of events from the NALC AGM in relation to various workshops that had been attended, one of which related to the changes to Data Protection. Presentations had been received from the Leader of Milton Keynes Council with regard to partnership working; Mark Lloyd, Chief Executive of the LGA around devolution and also from Angela Rippon. A motion put forward from FEMALC was passed to produce an SLA between NALC and CALCs.

At the March meeting, the Treasurer reported that there was likely to be an underspend on budget and also informed the committee that subscriptions invoices had been sent out and some payments had already been received.

Appraisals and job evaluations had been carried out for the three members of staff and new hourly rates agreed and pay scales introduced.

It was reported that at the last National Assembly meeting much of the discussion was in regard to GDPR. The other topic for discussion was around 'diversity' and how the sector can become more diverse ... an ongoing project and noted for future training events.

The committee were also made aware of the standards review consultation which councils had been alerted to and LALC had encouraged them to respond.

I am again pleased to be able to advise members that the accounts for 2017/2018 have been successfully audited, approved and signed off by the auditor Chris Hewis. The auditor again remarked very positively on the custom in which the accounts and all supporting documents were presented for scrutiny. Copies of the final Financial Accounts and Balance Sheet are included on pages 17 and 18.

### **Summary**

It has been a challenging year but the Association, much like our member Councils continues to deliver services with less and less money but I will continue to work with the Association tasked with analysing our financial approach, its outcomes and providing constructive challenge.

Despite the review of financial structure of membership affiliation, there is no doubt that we continue to face financial challenges in the years ahead. We are however fortunate in that we have a loyal membership, loyal staff and as I have mentioned before the Executive and County Committee remains confident that we will overcome these challenges, continue with our projects but most importantly grow and develop as an Association.

**Mike Passfield,  
Honorary Treasurer**

## County Committee - 2017/18

As reported by both the Chairman and Chief Executive LALC were the secretariat for FEMALC during 2017 and reported back to the County Committee on a quarterly basis of what took place at those meetings and also asked for their co-operation and agreement to various proposals by FEMALC.

The County Committee continued to have another busy year over-seeing the Association's activities, finance and administration and after long discussions, at the September meeting they proposed the two options to the subscription increase for 2018/19 ahead of the AGM in October.

The Treasurer was able to report at the June meeting that the annual audit had been completed, with the auditor complimenting the Association on their financial affairs and as you will have realised from the report on pages 7 & 8, the Association ended the financial year with an actual underspend.

Discussions at FEMALC June meeting included the NALC Governance Review and all had no objection to changing the name of National Council to National Assembly, however it was felt that there needed to be more consultation on the national review. The Chairman was asked to put an amendment to the initial proposal at the next meeting - to defer the decision and agree that the Governance Review be carried out by an external body. Other debate was in relation to the formation of ALCC (Association of Local Council Clerks) and the impact on the County Associations and local councils.

The Chairman, reported on National Council affairs, and the focus that had been around the newly formed ALCC and what would happen now with the existing SLCC (Society of Local Council Clerks). He also reported that he had put the amendment forward with regard to the Governance Review which National Council agreed that it would be discussed should the overall proposals not be agreed. However, the proposal to adopt the review was carried 26 to 14. The Chairman was also tasked with ascertaining the situation with regards to the model contract of employment template.

It was identified amongst discussion with county committee members, at various training events and on the e-groups that there was some frustration for councils that were prepared to take on services such as grass cutting due to financial restraints by the principal authority that had reduced them to two per year. However, necessary information such as correct maps, was not being received in order to help them carry out this service. Cllr Brewis agreed to make enquiries to improve communication.

The September meeting of FEMALC, received a presentation from Lis Moore, Head of Advisory Services at SLCC and General Secretary at ALCC to update the meeting on the two associations and confirmed that the first financial year for ALCC was supported by SLCC. She confirmed that ALCC saw the model contract of employment as a priority. Lis also presented the meeting with a paper explaining the structure of Independent Employment Support Panels. FEMALC members agreed to take this matter back to their respective committees for discussion. The President reported back at the County Committee meeting in September and it was decided if FEMALC agreed to pursue such panels, then LALC would be interested and some members expressed an interest to be involved.

The new General Data Protection Regulations were also a hot topic for discussion both at FEMALC and within Lincolnshire. The matter of Councils having to appoint a Data Protection Officer being the main cause for concern.

A Policy item raised by Skegness Town Council in respect of fairer funding was received and it was agreed that a letter was circulated to all councils in order to back this campaign.

It was resolved at the meeting to recommend re-appointment of honorary offices for 2017-18 and also the Auditor at the AGM in October.

The chairman also attended the signing of the Armed Forces Covenant in September.