

LALC

**LINCOLNSHIRE ASSOCIATION OF
LOCAL COUNCILS**

**Annual
Report**

2020/21

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

Budget 2021/22

INCOME		EXPENDITURE	
Affiliation Fees	105918	Local Council Review	800
Local Council Review	1100	Other Publications	500
Other Publications	200	Training Venues	1400
LALC News	600	Training Catering	2500
Interest on Deposit a/c	150	Training Providers	7000
AGM & Conference	2300	Training Resources	500
Networking Days	2300	Local Council Award Scheme	0
Training Courses & Seminars	8000	Staffing/Salaries	55780
Annual Training Scheme	13200	Staff Training	500
Postage Income	40	Training-Staff time	8500
Local Council Award Scheme	200	HR Advisory Services	510
Grants	0	NALC Subscription	31052
FEMALC Income	0	Staff Travel & Subsistence	1000
	134008	Member Travel/Chair allowance	1000
		NALC AGM & Conference	1200
		LALC AGM & Conference	2200
		Networking Days	2200
		County Committee Meetings	40
		Printing	1400
		Stationery	500
		Photocopier & photocopying	500
		Office IT & Maintenance	3000
			131522
		Income	134008
		Expenditure	131522
		NET SURPLUS/DEFICIT	2486
EXPENDITURE			
Rent/Rates	4130		
Data Protection Fee	35		
Equipment R and R	200		
Insurance	350		
Electricity	2000		
Postage	750		
Telephone & Broadband	1200		
FEMALC expenses	100		
Audit Fee	175		
Additional Support To Members	500		

**Notes to the Financial Statements
for year ending 31 March 2021**

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 2021 is accounted for.

AUDIT OPINION

I have examined the accounts of the Lincolnshire Association of Local Councils for the year ended 31 March 2021, 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**

**Lincolnshire Association of Local Councils
County Committee - as at 31.3.21**

President
Gary Ellis

Vice-Presidents
Mr JDM Rose
Mr M Passfield

Chairman
Cllr AJ Howard

Vice Chairman
Cllr J Kilcoyne

Treasurer
Mr M Passfield

County Committee members

Cllr V Gemmell
Cllr L Reeson
Cllr N Hornsey
Cllr K Fernandes
Cllr C Brewis
Cllr R Lovett
Cllr R Pikett
Cllr R Walker
Cllr J Yarham

Cllr H Bisnauthsing
Cllr B Johnson
Cllr D Suiter
Cllr K Locke
Cllr J Baskett
Cllr A Lennox
Cllr L Kemp
Cllr P Ferguson
Cllr K A Davey

Cllr J Brockway (Lincolnshire County Council)

Chief Executive
Mrs K Evans

Training & Support Officers
Miss A Bestwick & Mr J Kilcoyne

Administration & Finance Officer
Mrs L Westman

Chair's Report

I think it is safe to say that this has been a year like no other.

A year of challenges, the like of which we have never seen before but on reflection one where our sector has risen to those challenges and not been found wanting. In fact there have been numerous councils who have led their communities through the troubled times with great skill, great leadership and no little invention. Unfortunately, it has to be said that, for many though, it has been an extremely difficult to adapt to what has seemed at times a never ending round of changes.

Those circumstances have had to be met head on by the association too and there has been considerable pressure on the officer team to both adapt internally and be ever present to help and guide member councils through the difficulties. New skills have had to be learned and at the start of last year who ever imagined that “zoom” was going to be one of the most commonly used words in our vocabulary.

Initially it was difficult to work out how the local government world would continue to function with messages from national government seeming very muddled and often contradictory but, as always it would seem, not only did our sector meet the challenge but many councils proved to be leaders of their community in facing adversity.

It was difficult too for our small office team to adapt and keep pace with ever changing restrictions – and all this whilst working out new working patterns to encompass both office time and home working. I have to say that Katrina, Amy and Lindsey have met everything that has come their way with their usual professionalism, for which I have every admiration, and have also been innovative in developing new methods of delivering training. On top of which they have also been able to canvas the membership in an effort to discover other areas where councils need support and begin to roll out these new services.

And of course we can't forget that the team had a major change when John Kilcoyne joined the staff as cover for Amy whilst she takes maternity leave. John's wealth of experience has proved invaluable to the association as we wade through the troubled waters of the pandemic and forge ahead with improving the breadth of services we offer to councils. At this point I should also mention that both mother & daughter are doing fine since baby Hallie entered the world on 25 February 2021.

<u>Current Assets</u>	2020	2021
Co-op Current Account	56821	83740
Co-op Deposit Account	60669	75583
Wage Control	3817	3820
Debtors	69153	62647
Prepayments	179	0
Vat Liability	<u>0</u>	<u>297</u>
	<u>190639</u>	<u>226087</u>
<u>Current Liabilities</u>		
Wage Control & Pension	4679	5935
Creditors	0	0
Advance sales -Annual Training Scheme	8710	11695
Advance sales - Annual Subscriptions	105517	106766
Accruals	1124	0
Deferred Income	0	0
VAT	1290	0
	<u>121320</u>	<u>124396</u>
<u>Total Assets less Current Liabilities</u>	<u>69319</u>	<u>101691</u>

<u>Capital and Reserves</u>		
General Reserve	39367	33213
Earmarked Reserves	25106	36105
Net Surplus for the year	<u>4846</u>	<u>32373</u>
	<u>69319</u>	<u>101691</u>

<u>Movement In Earmarked Reserves</u>		
Opening Balance		
Staffing Reserves & Training	3000	7000
Staff Training Reserves	1000	0
Training Reserves	11106	11106
Office Relocation /Rebrand	5000	13000
IT/Equipment Reserve	<u>5000</u>	<u>5000</u>
	<u>25106</u>	<u>36106</u>

Income and Expenditure Account - year ending 31 March 2021

<u>Income</u>	<u>1.4.19 -31.3.20</u>	<u>1.4.20 -31.3.21</u>
Affiliation Fees	98646	106007
Local Council Review	1449	1138
Other Publications	934	491
LALC News	740	439
Femalc	00	0
Bank Interest	222	220
LALC AGM & Conference	2285	0
Training/Seminars	24462	22059
Postage	80	31
Other Income (Donations PD Langford)	190	1550
Local Council Award Scheme	300	00
Grants—Central Government (Covid)	2469	10000
Grant—Partnership Working—Training Events LCC	8000	5000
Transparency Fund (NALC)	0	0
Additional Member Service (ZOOM)		<u>4120</u>
TOTAL	<u>139777</u>	<u>151055</u>
<u>Expenditure</u>		
NALC Subscription	28054	30259
Administration Fee	62545	62139
Staff Travel & Subsistence	1082	585
Members Travel & Subsistence	980	0
Association Meetings - room hire	80	0
Training/Seminars (excluding staffing costs)	16835	4027
AGM & Conference - NALC	1000	0
AGM & Conference -LALC	2776	0
FEMALC Expenses	114	18
Local Council Review	979	770
Other Publications	695	240
Local Council Award Scheme	0	0
HR Support (joint contract with other FEMALC members)	432	432
Printing, Stationery, Photocopying	2767	1509
Office IT - repair, renewal, printer consumables + website	3759	4199
Office equipment - repair and renewal	4062	996
Postage & telephone costs	1716	2000
Rent and Rates	3991	4030
Electricity	1930	1916
Insurance	299	358
Audit Fee	175	175
Data Protection Fee	35	35
Bank charge & Bad debt write off from	0	0
Advert/recruitment	0	0
Office Improvements & Lease Renewal	350	0
Additional Member Service	275	3443
(Donations made to PD Langford– income above)		<u>1550</u>
TOTAL	<u>134931</u>	<u>118681</u>
BALANCE	<u>4846</u>	<u>32373</u>

Behind the scenes we have also slightly changed the Executive Board with our Treasurer Mike Passfield also becoming Vice President in addition to John Kilcoyne taking on his more hands on job alongside his role as Vice-Chair. Both of these people and our Chair Gary Ellis play a vital role in keeping the organisation on the right path whilst supporting the office to expand the services on offer. Add to this the feedback, ideas and support of the county committee and it is easy to see that the association flourishes as a result of this excellent effort coming from all quarters.

Just some of the new services introduced or coming soon include:-

- Internal Audit Service (1 September 2021)
- Website Management Service (1 September 2021)
- Clerk’s mentoring (not yet confirmed)

Outside meetings also underwent change with FEMALC meetings becoming totally reliant on Zoom to continue but it is through these meetings that the association has been able to work on some of the newer offerings by learning from the experiences of our East Midlands colleagues. NALC also adopted a similar approach to meetings but they also brought in some changes to the National Assembly meetings with a number of them taking the form of conversations between delegates on the hot topics of the moment rather than adhering to a regimented agenda. Most delegates concluding that there is room for both formats.

Some things however have not been able to continue during periods of restriction. Locally the LALC Networking Day and Annual Conference events could not be held due to restrictions on numbers allowed to attend indoor gatherings but these well loved and well attended events will be returning shortly. As a result of these cancellations it meant that our second annual awards ceremony also fell by the way. After a review of the inaugural event there were to be some minor tweaks to the event but these will have to be saved for the future.

Likewise the NALC Annual Conference at Milton Keynes also could not be held which is a shame because it usually attracts a wide variety of speakers and is a fine melting-pot for ideas – either from the stalls or conversations with fellow delegates.

The Lobby Day event organised by NALC to enable county associations meet with their local MPs on a single day in Westminster between their commitments in parliament was a very different affair. Adapted to be a series of remote meetings during early spring it didn't work as well so hopefully it will be restored to its usual format next time around. I still managed to speak to over half of our MPs and I'm pleased to report that those members that I did engage with are getting on board with our issues.

One topic I have spoken at length about on the national stage whenever the opportunity arose is the poor deal that many councils, large or small, get from their bankers. It seems that this part of the world is not unique in suffering in this way and as a result NALC along with our colleagues in Norfolk have taken the lead on behalf of NALC to take the sector's grievances forward as part of a working group to try and resolve all the issues. A major part of this was engaging in an on-line meeting with the Head of UK Finance, Mike Conroy. This body, UK Finance, is the trade association that represents the banking institutions, and speaks on behalf of that sector of the world of finance, with all the major banks belonging to it. Regrettably, although we have taken our messages to the very top I have to say that the meeting was somewhat gruelling. There seemed to be an inability to grasp that councils up and down the land have some unique requirements that his body and its members were quite simply not acknowledging. His stance was one of how could we adapt to their rules rather than how could they produce a banking product fit for this sector. No doubt there will be more on this to come in the future but for now the best that can be said is that at least the door is open and talks are taking place.

To assist with this issue, and to ensure that NALC use your subscriptions wisely, I put myself forward for a position on their Finance & Scrutiny Committee and was pleased to be elected to that committee during the year.

Elsewhere, springtime saw elections to the County Council and the re-election of the Police & Crime Commissioner and, barring the shock calling of a general election, there is a period of stability ahead within local government, except that the horizon looks littered with issues looming up ahead of us.

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**

LALC also agreed to partnership working with Breakthrough Communications who delivered a free webinar to councils - Councils Using Facebook for clerks and councillors. They planned to arrange and deliver a full range of courses throughout 2021 and were invited to deliver a session in the afternoon at the remote Clerks networking day in December 2020. We also had Jane Moore, NALC and Rachel Stamp, Lincolnshire Waste Partnership Manager deliver sessions in the morning. Whilst we did not have as many delegates as the year before, it was still a successful day for those that attended.

Justin Griggs and myself were also invited to attend a meeting with Boston Town Amenities Committee to discuss the creation of a town council. A decision was made at that meeting to instigate a Community Governance Review.

Training events delivered by LALC from April 2020 to March 2021 were all conducted remotely. This meant full days events had to be split over two mornings of 3 hours, which was the maximum amount of hours possible to remain focussed. We have got to grips with the technical challenges of managing courses online, not least the problems of not being able to see or hear participants and the regular issue of losing connections. During the year, 43 courses were offered to 925 participants.

The quarterly meetings of the Federation of East Midlands Association of Local Councils (FEMALC) were attended by the Chief Executive and Chairman of LALC, or a deputy in the Chairman's absence. Reports of the FEMALC meeting were made to the County Committee meetings and minutes can be found on the website. I also attended the quarterly County Officer Meetings remotely. The topics were mainly focussed on the pandemic and remote meetings. It was agreed that for county associations, most of their meetings could be conducted remotely, saving on travel costs. County Associations also encouraged their member councils to lobby their MPs so that remote meetings could continue beyond May 2021.

I conclude my report by thanking the County Committee and Executive for being so supportive, particularly during a difficult year and especially to Lindsey and Amy who have continued to provide excellent support to both myself and the Association. I would also like to thank Steve Fletcher for his help with training delivery in times of need and particularly his continued CiLCA support. Thanks also, to John Kilcoyne, Vice Chairman who took over the reins when Amy started her maternity leave.

Katrina Evans, Chief Executive

Local Government reorganisation is on the national government agenda once again which would appear to give a green light to our county council to drive through unitary status for the whole of Lincolnshire whilst along the coast ELDC, BBC & SHDC move ever closer together towards being one unit through alliance with each other.

In addition a potential planning bill looks set to take away the right of communities to have their say in new planning applications and then there are two bills coming forward that might have a bearing on how our elections are held - and will the Police, Crime, Sentencing & Courts Bill that proposes to limit "protest meetings" effect those of us with community halls to run?

Whatever the future holds the association will always be on hand to give guidance, advice and training to all our members to help face whatever issues occur. During my time as your chair there have been many challenges for councils to face but in that time of change one constant remains. That constant being the willingness of this association to speak up for its membership and to provide members with the expertise to see them through whatever life throws at them which it intends to continue doing as we go forward.

Cllr Tony Howard

Chair, Lincolnshire Association of Local Councils

Helpful hints:-

FEMALC = Federation of East Midlands Local Councils

NALC = National Association of Local Councils

LALC = Lincolnshire Association of Local Councils (Us!)

ELDC = East Lindsey District Council

BBC = Boston Borough Council

SHDC = South Holland District Council

Treasurer's Report

Despite a year of adversity and challenge for both the Association and our Members, it is with satisfaction that I am in the position to report that the Association has closed the financial year with an underspend position for the fifth year of my tenure.

At the March 2020 County Committee meeting, it was anticipated that the year would close with a surplus of £10k, however the position is substantial better. This is due to additional income above budget of £16k, largely attributed to the 5k grant funding from Lincolnshire County Council and central government COVID resilience grant of £10k. Despite several areas of small overspend, that are non-recurrent expenditure, the Association closed the financial year with a £15k underspend. This was due to the inability to deliver the planned AGM, networking and training days face to face.

Subsequently, the Association closed the 2020/21 financial year with a positive variance of **£32,373**. My thanks to Katrina and Lindsey for their hard work and the watchful eye of the county committee during the financial year.

Reserves

The Associations reserves at the end of 2020/21 are £69,319. Based on the underspend they will rise to £101,692 I would recommend moving the 23k to the general business reserve which will increase to 65.5k which equates to 6 months of organisational expenditure. The remaining 8k will move to the Office relocation capital to support anticipated costs.

Reserve Accounts	31.03.2021	01.04.2021
General Business Reserves	£44,213	£65,586
Staffing Reserves	£3,000	0
Staff Training Reserves	£1,000	£7,000
Training Programme Reserves	£11,106	£11,106
Office Relocation/Rebrand	£5,000	£13,000
IT Reserves	£5,000	£5,000
Total	69,319	101,692

NALC also introduced a weekly Wednesday meeting so that CALC Officers could discuss the latest position in order to advise their councils. This continued during 2020 and was reduced to fortnightly meetings in 2021. CALCs had found this invaluable and remote meetings had allowed for more frequent meetings with NALC and also for the COF and FEMALC quarterly meetings to be continued.

LALC's e-news was even more important during the year which kept councils informed of the constant changes, along with the website which was updated regularly and thank you to Amy Bestwick for ensuring this happened. Thanks also to John Kilcoyne who took over the responsibility in February 2021 when Amy commenced her maternity leave.

On-going HR matters took up a the usual proportion of officer time, with support from our HR Advisor. Regular bulletins were also received from Chris Moses and informed to our members to keep them abreast of employers responsibilities during the pandemic. New ways of working remotely were implemented for many council employees and the situation if they were unable to carry out their duties and faced being furloughed.

LALC were able to secure the Covid Support Grant of £10k as well as the annual grant from Lincolnshire County Council of £5k. Although, the training schedule was re-worked to allow for remote delivery, savings were made on venues and catering. Therefore, it was proposed by the Exec Committee to freeze both the subscription fees and the annual training fees for 2021/22. The Association also looked at how we could continue to support member councils not only during the pandemic but when 'normal' business resumed.

The members survey that was conducted January-March 2021 had highlighted many areas which were explored further. The provision of an Internal Audit Service and a clerk's mentoring service. Bespoke training for individual councils and more on-line learning. Also, improvements to the website and communications.

LALC were one of the chosen CALC's by NALC to pilot Nimble on-line training courses. This was alongside LALC's own on-line Being a Good Councillor e-learning course, which from feedback received, realised that improvements were needed. We also introduced a series of finance courses run by Steve Parkinson Partnership, delivered via Zoom at approximately 90 minutes long. These have proved to be popular and have received good feedback.

Chief Executive's Report

LALC's staff team faced lots of new challenges during 2020/21 and had to deal with a whole new way of working along with keeping member councils updated with the ever-changing circumstances that were thrown at us due to the global pandemic. Fortunately, myself and Amy Bestwick were already set up to work remotely, while Lindsey held the fort at the office three days a week.

I think the biggest challenge for councils was the implementation of temporary legislation on 4th April 2020 to allow them to meet remotely. Some councils embraced this once they had decided which platform they would use, others were not so keen for many reasons. One of the main deterrents being the lack of adequate internet connections in remote areas of the county. In order to help the process, LALC secured a good deal for councils to obtain a Zoom licence via the Association. We delivered 10 sessions with up to 20 clerks/councillors at each session to showcase Zoom and the functions available.

The demand for advisory services was even more prevalent as Councils were trying to get to grips with how they could meet and make decisions in order to continue with council business. LALC often found themselves in an invidious position, as the Association was looking to the National Association and Government for announcements whilst councils were looking for answers from us. Whilst councils had to comply with legislation, they were also expected to consider public health and assess their risk prior to holding any form of face to face meetings. The Annual Council Meeting was permitted to be postponed until 2021 and the Chair could remain in situ. Delegated powers could be given to the clerk to make decisions on behalf of the council. However, the 6 month rule still applied to members which meant they had to attend a council meeting face to face or remotely in order to keep their seat on the council, unless the reason for absence was accepted by the council. Therefore, the council was expected to meet within that 6 month period.

Councils were also busy responding to and helping their communities in a variety of guises, not only by keeping them informed but by providing groceries, prescriptions and the like. There was also a good proportion of members that were having to self isolate and rely on these services themselves. The Association, very early on, was in communication with the Emergency Planning Team at LCC and together encouraged all councils helping in the community to register with the Lincolnshire Resilience Forum.

This reserve account will also be renamed to Office relocation and organisational rebrand in anticipation for the rebrand project. Further, the organisation has decided to merge the staffing and staff training reserves.

The reserves policy and the level of reserves is reviewed annually by the Executive Committee and the internal auditor before ratification by the County Committee.

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. I am again pleased to be able to advise members that the accounts for 2020/2021 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 **16 and 17**.

Summary

Despite constant financial challenges, there is no doubt that we will continue to face additional challenges to operational delivery across the sector and the Association Executive and County Committees continue to work hard in revisiting their work plans and budgets for 2021/22 in order to ensure member Councils are supported as we move in to the COVID pandemic recovery phase.

I would also like to take this opportunity to thank Katrina and Lindsey for providing me with regular financial accounts throughout the year allowing me to review, scrutinise and report on the accounts for and on behalf of members.

	Name	Title
Author(s)	Mike Passfield	Vice President & Executive Member for Finance
Contributor	Chris Hewis	Internal Auditor

County Committee - 2020/21

The first County Committee meeting of 2020 was held a month later than usual in July, due to the pandemic and all members getting themselves accustomed to meeting over Zoom.

Temporary legislation was brought in on 4 April 2020 allowing councils to meet remotely and this took some time for councils to adjust to, with some embracing the situation and others finding it difficult for a variety of reasons. LALC also had to adjust to not only meeting remotely but delivering training remotely and adjustments were made to the Training Schedule to allow for this.

LALC officers also adapted to working from home, apart from Lindsey who continued to man the office 3 days a week.

The Treasurer was unable to attend the meeting, however he had submitted his report for Q4 (end of March 2020) which was also presented in the Annual Report for 2019/20.

It was proposed at the July meeting to hold the AGM remotely and Justin Griggs was invited to speak about Local Government Reorganisation and devolution, something that was quite hot on the agenda.

NALC AGM was also held remotely and the Chairman reported that at the last National Assembly meeting it had been agreed to propose a 3% increase for the NALC subscriptions.

The budget for 2021/22 was presented at the October meeting and it was agreed that it would be proposed to the AGM that LALC would freeze their element of the subscription - this was subsequently resolved and accepted at the AGM.

The Chairman and Chief Executive had held several meetings with the Chief Executives and Leaders of the Principal Authorities in Lincolnshire to discuss the potential of Local Government Reorganisation and how it would affect the local councils. LALC were clear that they would like to keep all roads of communication open, particularly as four of the main towns in Lincolnshire were not parished - Boston, Grantham,

At the autumn FEMALC meeting which Charlotte Eisenhart attended a paper was subsequently submitted to NALC setting out how the Legal Service provided by NALC could be improved.

The final meeting of 2020 was still held remotely, as further restrictions had been imposed. LALC had still not reverted back to delivering face to face training and the majority of councils had continued to meet remotely. Cllr Howard was re-elected as Chairman and John Kilcoyne as Vice Chairman. Co-options were made that evening and seven new members joined the County Committee.

The usual reports were presented by the Treasurer and Chief Executive and accepted by the committee. Initial discussions with regard to the subscription fees were had with a proposal to freeze for 2021/22. It was also agreed that a networking day for 2021 would not be arranged due to the uncertainty.

Much of the discussion held at regional and national meetings was in regard to remote meetings and if the legislation would be extended beyond May 2021. LALC agreed as part of FEMALC to renew the HR Adviser retainer contract. LALC and FEMALC had also submitted a motion to NALC to tackle the issue of the banking arrangements and a meeting was set up with the UK Director of Finance.

March 2021 still saw us with restrictions in place with remote meetings continued at least until May 2021. Extensive lobbying by NALC and Councils with their MPs was carried out and the Chairman on behalf of LALC also raised the point when he met with some of the local MPs.

LALC had conducted a members survey at the end of January with some interesting results and councils informed us that they would like more services, such as an Internal Audit Service which we intend to follow up. There were other initiatives in the pipeline also.

LALC's County Committee members remained active in a difficult year and helped to support the Executive Team and Chief Executive in their work.