

EUXTON PARISH COUNCIL



Meeting arrangements: Full Council Meeting

Thursday, 15 October 2026, 7.15 pm start

Annexe, Euxton PC Community Centre, Wigan Road, Euxton

AGENDA

Doc. Ref

1. Apologies
2. Declarations of Interest and Dispensation Considerations
Members are reminded of their responsibility to declare any interest in respect of any matters contained or brought up at any point in this meeting, in accordance with the current Code of Conduct. Council will consider dispensation requests.
3. Minutes of Council Meetings
Approve the signing as a correct record, Full Council of 17 September 2026
4. Public Participation
Matters brought to the Parish Council by residents. The Chair may limit a member of the public to 3 minutes of speaking to ensure the smooth running of the meeting. Overall, this section will typically be limited to 20 minutes although the Chair may, at their discretion, extend this.
5. Statutory Business
 - 5.1 Planning - Consider planning report as circulated by the Lead Member for Planning, approve responses and ratify responses made between meetings or to meet deadlines Item 5.1
6. Financial Items – as circulated
 - 6.1 Approve Expenditures for this month, and any submitted after the agenda Item 6.1
 - 6.2 Receive finance reports circulated Item 6.2
 - 6.3 Precept planning – to raise items which need planning and costing before being proposed at the January meeting. Committees need to arrange meet in before the January Council meeting.
7. Chapel Brook Valley Park
Report regarding the Chorley Local Plan 2012-2026 inclusion of the proposed creation of a valley park Item 7
8. Review and approve the 'Effectiveness of the system of Internal Audit' & 'Internal Auditor Plan' matrices Item 8
9. Consultation from LALC - consulting member councils on LALC's future legal structure – information can be found: Item 9
<https://www.lalc.org.uk/lalc-future-legal-structure-consultation/>
10. Matters for information
Notify the Chair prior to the meeting starts of any item to be raised under this section. Only items of information, referral to another authority, or matters offered for consideration at a future meeting can be raised. No legal decisions can be taken.

D. Platt
CLERK

Published: 7 October 2026

Full Council meetings: 2026 - 19 November. 2027 – 21 January, 18 February, 18 March, 15 April, 20 May

Newsletter deadlines: 07/11/26 for December issue; 07/02/27 for March 2027 issue; 08/05/27 for June issue; 07/09/27 for September issue.

PLANNING REPORT**DATE 15/10/26**

Date, Valid, Ref	Description/Location (click to be directed to www)	Comment/Recommendation
17/09/26 26/00841/PIP	Permission in principle application for the erection of one dwelling house at 11 Wigan Road, Euxton, PR7 6LA	For discussion
09/09/26 26/00811/FUL	New external fire escape staircase to the rear of Hearts and Minds Childcare, Billinge House, Euxton Lane, Euxton, PR7 6DL	No comment
18/09/26 26/00843/NOT	Notice of intention to install one 9-metre-high Medium wooden pole for the provision of fixed line broadband electronic communication apparatus. Outside 71 Princess Way, Euxton, PR7 6PL	Standard Pole 1
17/09/26 26/00842/PIP	Permission in principle application for the erection of one dwelling house following demolition of existing barn and stables. Roselea, Dawbers Lane, Euxton, PR7 6EW	For discussion
15/09/26 26/00829/FULHH	Erection of a canopy with storage shed (retrospective). 15 Washington Lane, Euxton, PR7 6DE	For discussion
13/08/26 and 23/09/26 26/00714/FUL	Construction of recreation ground including seating / shelter, all weather pitch, low level play equipment, fencing and zip wire, lighting and associated planting and boundary treatments. Land 75 metres southeast of Highfield, Southport Road, Euxton.	For discussion
28/09/26 26/00868/TPO	Application for work to protected trees, Chorley BC TPO 3 (Euxton) 1981 T32 Sycamore with poor crown to be felled. The Lodge, Wigan Road, Euxton, PR7 6DY	Tree A2
23/09/26 26/00820/LBC	Application for listed building consent to remove one internal wall between the kitchen and dining room. Copelands Barn, Dawbers Lane, Euxton, PR7 6EF	No objection as long as the integrity of the listed building isn't compromised.
10 th October 2026 26/00904/CLPUD	Application for certificate of lawfulness for a proposed erection of a single-story rear extension. 9 Carpenters Close, Buckshaw Village, PR7 7FB.	No comment.

Item 6.1

Payments list

Since the September 2026 meeting

Date	Supplier	Description	Net	VAT	Gross
29.09.2026	Google UK Ltd	Software	£10.82	£2.17	£12.99
25.09.2026	Lebara Mobile Ltd	Mobile SIM	£4.12	£0.83	£4.95
24.09.2026	J Parker's Bulbs	Planting	£163.92	£32.78	£196.70
22.09.2026	Amazon	Stationery	£22.77	£4.56	£27.33
22.09.2026	Amazon	Hardware	£15.57	£3.11	£18.68
22.09.2026	Goldstar Leisure	PPE	£4.91	£0.98	£5.89
22.09.2026	Amazon	PPE	£6.21	£1.24	£7.45
21.09.2026	Amazon	PPE	£48.48	£9.70	£58.18
18.09.2026	Lebara Mobile Ltd	Mobile SIM	£12.50	£2.50	£15.00
30.09.2026	Ebay	Hardware	-£25.84	£0.00	-£25.84
30.09.2026	Unity Trust Bank	Bank charges	£7.00	£0.00	£7.00
28.09.2026	All Star	Fuel	£121.35	£24.27	£145.62
22.09.2026	Bright HR Ltd	HR software	£24.00	£4.80	£28.80
01/10/2026	Peoples Partnership	Pensions payment	£545.32	£0.00	£545.32
01/10/2026	Water Plus Ltd	Water	£9.05	£1.81	£10.86
01/10/2026	Easywesbites Limited	Website & Emails	£80.30	£16.06	£96.36
01/10/2026	Chorley Business & Technology Centre	Office rent	£410.21	£82.04	£492.25
01/10/2026	Starboard Systems Ltd (Scribe)	Finance software	£55.00	£11.00	£66.00
15/10/2026	Growing Solutions Ltd	Bowling chemicals	135.00	-	135.00
15/10/2026	Euro Digital Solutions	Photocopy	78.50	15.70	94.20
15/10/2026	Earth Anchors Ltd	2 seats (Ramblers)	996.00	199.20	1,195.20
15/10/2026	Eco Green Living	Dog bags	5,454.00	1,090.80	6,544.80
15/10/2026	Proludic Play Ltd	2 new replacement items	8,620.10	1,724.02	10,344.12
15/10/2026	LALC	CIlr training	38.00	-	38.00
15/10/2026	A J Gallagher	Insurance	5,793.06	-	5,793.06
			21,114.66	3,029.72	24,144.38

Euxton Parish Council

Prepared by: _____

Date: _____

Name and Role (Clerk/RFO etc)

Approved by: _____

Date: _____

Name and Role (RFO/Chair of Finance etc)

A	Bank Reconciliation at 30/09/2026		
	Cash in Hand 01/04/2026		343,987.06
	ADD Receipts 01/04/2026 - 30/09/2026		234,574.37
	SUBTRACT Payments 01/04/2026 - 30/09/2026		578,561.43
			136,690.27
A	Cash in Hand 30/09/2026 (per Cash Book)		441,871.16
B	Cash in hand per Bank Statements		
	Petty Cash 30/12/2025	0.00	
	UTB (Current) 30/09/2026	12,023.77	
	UTB (Saving) 30/09/2026	175,527.88	
	CCLA 30/09/2026	157,998.22	
	RBS (Current) 30/04/2025	506.22	
	RBS (Saving) 30/09/2026	91,815.07	
	RBS (Debit) 30/09/2026	4,000.00	
	TSB 31/08/2026	0.00	
	Co-operative Bank 31/07/2026	0.00	
			441,871.16
	Less unrepresented payments		
			441,871.16
	Plus unrepresented receipts		
B	Adjusted Bank Balance		441,871.16
	A = B Checks out OK		

Euxton Parish Council

15 October 2026 (2026-2027)

Summary of Receipts and Payments

All Cost Centres and Codes

This report includes one or more cost centres that have been marked as confidential. This means that only the totals are shown without any further detail

Income

Code Title	Receipts			Payments			Net Position
	Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
9 Precept	225,194.00	225,194.00					(0%)
10 Bank Interest	8,170.50	5,589.99	-2,580.51				-2,580.51 (-31%)
11 VAT Return	18,129.50		-18,129.50				-18,129.50 (-100%)
20 Council Tax Grant	1,709.00	1,709.00					(0%)
21 Grants other							(N/A)
SUB TOTAL	253,203.00	232,492.99	-20,710.01				-20,710.01 (-8%)

Admin

Code Title	Receipts			Payments			Net Position
	Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
4 Insurance				7,250.00		7,250.00	7,250.00 (100%)
13 Audit Fees				1,800.00	1,099.00	701.00	701.00 (38%)
22 Grants				6,000.00	2,350.00	3,650.00	3,650.00 (60%)
23 General Office				8,000.00	4,750.13	3,249.87	3,249.87 (40%)
25 Premises (office)				5,000.00	2,447.39	2,552.61	2,552.61 (51%)
27 Legal/Advice fees				3,000.00		3,000.00	3,000.00 (100%)
36 Utility bills				3,500.00	2,213.82	1,286.18	1,286.18 (36%)
51 Training (Councillors)				500.00	175.00	325.00	325.00 (65%)
72 LGR Enabling				10,000.00		10,000.00	10,000.00 (100%)
SUB TOTAL				45,050.00	13,035.34	32,014.66	32,014.66 (71%)

Amenity & Facility

Code Title	Receipts			Payments			Net Position
	Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
16 War Memorial				200.00		200.00	200.00 (100%)
30 Safety				1,000.00	1,891.74	-891.74	-891.74 (-89%)
31 Environment (spaces & improve				10,000.00	638.90	9,361.10	9,361.10 (93%)
32 Heritage				1,000.00		1,000.00	1,000.00 (100%)
33 Defibrillators				1,000.00	418.00	582.00	582.00 (58%)
35 Major Events				1,000.00		1,000.00	1,000.00 (100%)
37 Gardens/Planting				2,500.00	1,134.88	1,365.12	1,365.12 (54%)
38 All Purposes Committee				3,000.00	802.65	2,197.35	2,197.35 (73%)
39 Amenity/Open space RRM		297.00	297.00	50,000.00	7,432.26	42,567.74	42,864.74 (85%)
40 Street Machines				2,000.00	60.56	1,939.44	1,939.44 (96%)
41 ECO Initiatives (trees, foot, cycl				10,000.00		10,000.00	10,000.00 (100%)
70 Vehicle				5,000.00	391.57	4,608.43	4,608.43 (92%)
71 Trees (inspects & works)				6,000.00	1,963.33	4,036.67	4,036.67 (67%)
SUB TOTAL		297.00	297.00	92,700.00	14,733.89	77,966.11	78,263.11 (84%)

Staffing Costs

Code Title	Receipts			Payments			Net Position
	Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
17 WFH				468.00	186.00	282.00	282.00 (60%)
24 Payroll Services				1,500.00	522.75	977.25	977.25 (65%)
26 Mileage				3,500.00	1,965.05	1,534.95	1,534.95 (43%)
50 Training (staff)				3,000.00		3,000.00	3,000.00 (100%)
60 Pension				4,000.00	2,527.75	1,472.25	1,472.25 (36%)
SUB TOTAL				12,468.00	5,201.55	7,266.45	7,266.45 (58%)

Allotments

Code Title	Receipts			Payments			Net Position
	Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
15 Allotment Income		410.35	410.35				410.35 (N/A)
18 Allotment expenditure				13,218.36	2,621.56	10,596.80	10,596.80 (80%)
SUB TOTAL		410.35	410.35	13,218.36	2,621.56	10,596.80	11,007.15 (83%)

Communications

Code Title	Receipts			Payments			Net Position
	Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
14 Newsletter		1,367.00	1,367.00	5,500.00	3,336.00	2,164.00	3,531.00 (64%)
19 Community Engagement				2,500.00		2,500.00	2,500.00 (100%)
28 Christmas				2,500.00		2,500.00	2,500.00 (100%)
29 Gala				1,500.00	983.87	516.13	516.13 (34%)
SUB TOTAL		1,367.00	1,367.00	12,000.00	4,319.87	7,680.13	9,047.13 (75%)

Earmarked Reserve Funds

Code Title	Receipts			Payments			Net Position
	Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
43 Balshaw Villa land				5,868.00		5,868.00	5,868.00 (100%)
44 Elections/polls				10,000.00		10,000.00	10,000.00 (100%)
46 Land fund				80,000.00		80,000.00	80,000.00 (100%)
47 Grants (unspend)				1,617.00		1,617.00	1,617.00 (100%)
48 Emergency fund				22,801.00		22,801.00	22,801.00 (100%)
49 Grant (LCC Orchard)							(N/A)
69 CIL (Community Infrastructure L		7.03	7.03	138,740.46	7,660.00	131,080.46	131,087.49 (94%)
SUB TOTAL		7.03	7.03	259,026.46	7,660.00	251,366.46	251,373.49 (97%)

Salaries

Code Title	Receipts			Payments			Net Position
	Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
SUB TOTAL				180,000.00	82,760.09	97,239.91	97,239.91 (54%)

Summary

NET TOTAL	253,203.00	234,574.37	-18,628.63	614,462.82	130,332.30	484,130.52	465,501.89
V.A.T.					6,357.97		
GROSS TOTAL		234,574.37			136,690.27		

Chapel Brook Valley Park

The current Chorley Local Plan 2012 to 2026 contains a proposal for a ‘valley park’ in Euxton along the valley of Chapel Brook, to the east of the west coast main line railway. This proposal has not been actioned.

The Parish Council should ask Chorley Borough Council for the current status of this project, which cannot now be completed within the period of the Plan. The Borough Council should also be asked to confirm that the proposal will be carried forward and included in the successor to the Chorley Local Plan and, as it has not been actioned under the current Plan, that it will have a high priority.

Further background will be provided prior to the meeting.

Chapel Brook Valley Park

1 The references (below) in the current Chorley Local Plan to the Chapel Brook Valley Park are very confusing. They are in the section of the report dealing with “Promoting Health and Wellbeing” and, written over a decade ago, appear to assume that the Valley Park already existed.

Policy HW3: Valley Parks

8.9 Chorley Borough has three Valley Parks, namely Yarrow Valley, Cuerden and Chapel Brook. These parks consist of attractive areas of countryside, and have considerable recreational value due to their location adjacent to the main urban centres of Chorley Borough.

8.10 Chapel Brook at Euxton is a separate area of countryside with a similar role to play as a Valley Park. Some additional land at Chapel Brook West has been acquired by Chorley Council and, together with the southern end of the housing site at School Lane, Euxton, has formed a valuable extension to the park lying immediately adjacent to the village.

Policy HW3: Valley Parks Proposals to enhance the recreational value of the Valley Parks at Yarrow Valley, Cuerden and Chapel Brook will be permitted if it can be demonstrated that they would not detract from the amenity, recreational and wildlife value of the Valley Parks.

Chorley Local Plan 2012-2026

<https://chorley.gov.uk/downloads/file/260/chorley-local-plan-2012-2026-adopted-2015->

- 8.10** Chapel Brook at Euxton is a separate area of countryside with a similar role to play as a Valley Park. Some additional land at Chapel Brook West has been acquired by Chorley Council and, together with the southern end of the housing site at School Lane, Euxton, has formed a valuable extension to the park lying immediately adjacent to the village.

Policy HW3: Valley Parks

Proposals to enhance the recreational value of the Valley Parks at Yarrow Valley, Cuerden and Chapel Brook will be permitted if it can be demonstrated that they would not detract from the amenity, recreational and wildlife value of the Valley Parks.



2 The Local Plan's Euxton Inset Map shows the park to be an irregular shaped area stretching roughly along the valley of Chapel Brook eastwards from the railway. If the current proposals for housing off Pear Tree Lane come to fruition the park will be sandwiched between this housing and the long-established Talbot Drive Estate.

3) The reference to Chapel Brook West prompts the question ‘where is Chapel Brook East?’.

4) The land within the valley park area is accessible from two locations:

A) The public footpath running from Wigan Road to Pear Tree Lane, which crosses the railway line by a bridge with many approach steps. East of The Cherries this is a rough footpath only accessible for able users with adequate footwear. In early October, despite the limited rainfall after a long dry summer, this path was muddy and slippery. A number of informal paths, [also](#) muddy, slippery and steep in places, give access from the public footpath towards the Brook which was generally invisible and inaccessible.

B) Empress Way, which gives clear access to an area of regularly mown grassland sitting above the valley slope (perhaps this is the “existing” Chapel Brook Valley Park). Whilst this mown area is very accessible for ball games, dog walking etc there does not appear to be any clear means of descent into the valley, to the Brook and the land on its other side

5) Chapel Brook Valley, in this part of Euxton, could be a tremendous asset for the village in the same way that Ransnap Woods is on the west side of Wigan Road. A swift running brook passes through a wooded valley with some open land on either side keeping existing and proposed housing at bay. Unfortunately, it is a wasted asset. Except to the mown grass area on the south side of the valley, access is limited to only small parts of the valley and only for those capable of climbing steep slopes and negotiating rough, muddy paths. The prime attraction of the valley, the brook itself, is generally inaccessible and has no crossing opportunities. The brambles that are spread over much of the non-wooded areas are not aiding the appearance of the valley, its accessibility or its biodiversity.

6) Construction of a limited network of more accessible footpaths, with access to the brook, crossing points and opportunities for circular walks, together with some initial environmental management would let the site soon achieve its planning objectives. It would also offer environmental benefits and, most of all, offer an attractive leisure (or “Health and

Wellbeing”) facility for local residents and, indeed, for residents from the rest of Euxton and beyond.

7) There does not appear to have been any movement by Chorley Borough Council towards implementing this proposal. Has it perhaps been forgotten? The Council should be prompted to address the matter and to restate their commitment to the Park. It cannot be achieved within the period of the current Local Plan and must therefore be carried over to its successor by whichever authority is then responsible.

Draft Letter to CBC (Planning officer and CEO cc local councillors)

The current Chorley Local Plan 2012 to 2026 contains a proposal for a ‘valley park’ in Euxton along the valley of Chapel Brook, to the east of the west coast main line railway. This proposal does not appear to have been actioned. The Parish Council is concerned that such an important and unarguably beneficial scheme for Euxton seems to have lost its way.

Could you please advise Euxton Parish Council of the status of this project and of the currently anticipated date for its implementation.

Could you also assure the Parish Council that the new Local Plan in course of preparation will continue to be committed to the project.

The Parish Council would urge the District Council and any successor authority to give a high priority to this project which would protect and enhance, for the benefit of Euxton residents, a vulnerable remnant of countryside within an area of much recent, present and future housing development.

yf

APPENDIX A - Meeting the Standards

Expected Standard	Evidence of Achievement	Response
1. Scope of internal audit	Internal Audit Tests (Auditor provided with a pro-forma to complete called 'Internal Audit Plan')	Yes
2. Independence	- Internal Auditor has direct access to those charged with governance. - Reports are made in own name to management/Council via a report. - Auditor does not have any other role within the council.	Yes
		Yes
		Yes
3. Competence	No evidence that internal audit work has not been carried out ethically, with integrity and objectivity.	Yes
4. Relationships	- RFO is consulted on the internal audit plan and on the scope of each audit. - Responsibilities for officers and internal audit are defined in relation to internal control, risk management. - The responsibilities of Council Members are understood; training of members is carried out as necessary.	Yes
		Yes
		Yes
5. Audit Planning and reporting	- The Internal Audit Plan properly takes account of corporate risk. - The plan has been approved by the Council. - Internal Auditor has reported in accordance with the plan.	Yes
		Yes
		Yes

APPENDIX B - Characteristics of Effectiveness

Characteristics of 'effectiveness'	Evidence of Achievement	Response
Internal audit work is planned	Planned Internal audit work is based on risk assessment and designed to meet the body's governance assurance needs.	Yes
Understanding the Council's needs and objectives	The annual audit plan demonstrates how audit work will provide assurance in relation to the body's annual governance statement.	Yes
Be seen as a catalyst for change	Supportive role of audit for corporate developments such as corporate governance review, risk management and ethics.	Yes
Add value and assist the Council to achieve its objectives	Demonstrated through positive Council response to recommendations and follow up action where called for.	Yes
Be forward looking	Changes on national agenda are considered when the Internal Audit guidance is reviewed. Internal audit maintains awareness of new developments in the services, risk management and corporate governance.	Yes
Be challenging	Internal audit focuses on risks and encourages managers/members to develop their own responses to risks, rather than relying solely on audit recommendations. The aim of this is to encourage greater ownership of the control environment.	Yes
Ensure the right resources are available	- Adequate resource is made available for internal audit to complete its work. - Internal auditor understands the body and the legal and corporate framework in which it operates.	Yes
		Yes

Reviewed by Council, Council Meeting Date: 15/10/26

Internal Audit action sheet

AGAR certificate reference	Internal Audit action for expected controls
A. Appropriate accounting records have been properly kept throughout the year. AND Periodic bank account reconciliations were properly carried out during the year.	• Ensure the correct roll forward of the prior year cashbook balances to the new financial year. • Check a sample of financial transactions in cashbooks to bank statements, etc: the sample size dependent on the size of the authority and nature of accounting records maintained. • Ensure that bank reconciliations are prepared routinely, are subject to independent scrutiny and sign-off by members. • Verify the accuracy of the year-end bank reconciliation detail and ensure accurate disclosure of the combined cash and bank balances in the AGAR, section 2, line 8. • Where the authority has bank balances in excess of £100,000 it has an appropriate investment strategy.
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT appropriately accounted for.	• Review the procedures in place for acquisition of formal tenders and quotes, ensuring they are in line with the <u>SOs and FRs</u> which should be based on the latest version. • Ensure that consistent values are in place for the acquisition of formal tenders between SOs and FRs (frequently different limits are recorded in the two documents). • Review the procedures for receipt of invoices, agreement of invoice detail and confirmation of goods/ services delivery and approval for payment; ideally, a suitably designed certification stamp should be in place providing for evidencing of these checks and payment authorisation. Check that there is effective segregation between the writing of cheques or the setting up of online payments, and physical release of payments. • Check that VAT reclaims are prepared and submitted in a timely manner in line with the underlying records and in accordance with current HMRC requirements. • Where debit / credit cards are in use, establish the total monthly and individual transaction limits and ensure appropriate controls over physical • security and usage of the cards are in place.
C. This authority assessed the significant risks to achieving its objectives and reviewed the	• Ensure that authorities have prepared and formally adopted, at least once annually, an appropriate and comprehensive register of assessed risks, both regular and ad hoc. • Ensure that appropriate levels of insurance cover are in place for land, buildings, public, employers'

adequacy of arrangements to manage these.	and hirers' (where applicable) liability, fidelity/ employees (including members) liability, business interruption and cyber security. • Ensure that appropriate arrangements are in place for monitoring play areas, open spaces and sports pitches; such reviews should be undertaken by appropriately qualified external inspectors or, if by officers or members, that they have received the appropriate training and accreditation. • Review the effectiveness of internal control carried out by the authority.
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	• Ensure that the full Authority, not a committee, has considered, approved and adopted the annual precept for the coming year in accordance with the required parent Authority timetable • Ensure that current year budget reports are prepared and submitted to the Authority/ Committees periodically during the year with appropriate commentary on any significant variances. • Review the budget performance either during the year or at the financial year-end seeking explanations for any significant or unanticipated variances. • Ensure that the Authority has considered the establishment of specific earmarked reserves and, ideally, reviews them annually as part of the budget assessment process. • Ensure that the precept received in the accounts matches the prior year submission form to the relevant authority and the <u>public record of precepted amounts</u>.
E. Expected income was fully received based on correct prices, properly recorded and promptly banked; and VAT appropriately accounted for.	• Review "Aged debtor" listings to ensure appropriate follow up action is in place. • Allotments: ensure that appropriate signed tenancy agreements exist, that an appropriate register of tenants is maintained, identifying that debtors are monitored. • Burials: ensure that a formal burial register is maintained, that it is up-to-date and that a sample of interments and memorials are appropriately evidenced, that fees have been charged at the correct approved rate and been recovered within a reasonable time: (<u>Authorities should also acquire and retain copies of Burial / Cremation certificates</u>) • Hall hire: ensure that an effective diary system for bookings is in place identifying the hirer, hire times and ideally cross-referenced to invoices raised. • Leases: ensure that leases are reviewed in a timely manner in accordance with the terms of the lease and rents similarly reviewed appropriately at the due time. • Other variable income streams: ensure that appropriate control procedures and documentation are in existence to provide a clear audit trail through to invoicing and recovery of all such income. • Where amounts are receivable on set dates during the year, ensure that an appropriate control record is maintained duly identifying the date(s) on which income is due and actually received / banked.

F. Petty Cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for	• A number of authorities are now running down and closing their petty cash accounts and using debit / credit cards for ad hoc purchases. Consequently, a “Not covered” response is frequently required in this area. • Review the systems in place for controlling any petty cash and also cash floats (used for bar, catering, etc). • Check a sample of transactions during the financial year to ensure appropriate supporting documentation is held. • Review the existence of evidenced periodic independent verification of the petty cash and any other cash floats held. • Ensure that VAT is identified wherever incurred and appropriate. • Physically check the petty cash and other cash floats held. • Where bar or catering facilities are in place, ensure that appropriate cashing-up procedures are in place reconciling the physical cash takings to the till “Z” total readings
G. Salaries to employees and allowances to members were paid in accordance with the authority’s approvals, and PAYE and NI requirements were properly applied.	• Ensure that, for <u>all staff</u>, a formal employment contract is in place together with a confirmatory letter setting out any changes to the contract. • Ensure that appropriate procedures are in place for the payment of members allowances and deduction of any tax liability. • Ensure that, for a sample of staff salaries, gross pay due is calculated in accordance with the approved spinal point on the <u>NJC</u> scale or hourly rate, if off-scale, and also with the contracted hours. • Ensure that appropriate tax codes are being applied to each employee. • Where <u>free</u> or <u>paid for</u> software is used, ensure that it is up to date. • For the test sample of employees, ensure that tax is calculated appropriately. • Check the correct treatment of Pension contributions. • For NI, ensure that the correct deduction and employer’s contributions are applied: NB. the <u>employers allowance</u> is not available to councils but may be used by other authorities • Ensure that the correct employers’ pension percentage contribution is being applied. Ensure that for the test sample, the correct net pay is paid to the employee with tax, NI and pension contributions correctly paid to the respective agencies.
H. Asset and investment registers were complete and accurate and	Tangible Fixed Assets: • Ensure that the Authority is maintaining a formal asset register and updating it routinely to record new

properly maintained. This section/assurance should be extended to include loans to or by the authority	assets at historic cost price, net of VAT and removing any disposed of/ no longer serviceable assets. • Physically verifying the existence and condition of high value, high risk assets may be appropriate. • Ideally, the register should identify for each asset the purchase cost and, if practicable, the replacement/ insured cost, the latter being updated annually and used to assist in forward planning for asset replacement. • Additions and disposals records should allow tracking from the prior year to the current. Ensure that the asset value to be reported in the AGAR at section 2, line 9 equates to the prior year reported value, adjusted for the nominal value of any new acquisitions and / or disposals. • Compare the asset register with the insurance schedule to ensure that all assets as recorded are appropriately insured or “self-insured” by the Authority. Fixed asset investments: • Ensure that all long-term investments (i.e., those for more than 12 month terms) are covered by the “Investment Strategy” and reported as Assets in the AGAR at section 2, line 9. Borrowing and Lending: • Ensure that the authority has sought and obtained appropriate UK Debt Management Office approval for all loans acquired. • Ensured that the authority has accounted for the loan appropriately (i.e., recorded the full value of the loan, any arrangement fee should be regarded as an admin expense) in the year of receipt. • Ensure that the combined principal loan repayment and interest for the year is correctly recorded in the AGAR at section 2 line 5. • Ensure that the outstanding loan liability as at 31st March each year is correctly recorded in the AGAR at section 2, line 10 (value should be verified from the lender and verification provided to the IA by the clerk/RFO). • Where the Authority has issued loans to local bodies, they should ideally seek signed indemnities from the recipient body, or their members, agreeing to underwrite the loan debt.
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cashbook, supported by an adequate audit trail from underlying records and, where	Whilst IAs are not required to verify the accuracy of detail to be disclosed in the AGAR, this assertion, together with the expectation of most Authorities, effectively requires IAs to ensure that the financial detail reported at <u>section 2 of the AGAR</u> reflects the detail in the accounting records maintained for the financial year. Consequently, IAs should: • Ensure that, where annual turnover exceeds <u>£200,000</u>, appropriate records are maintained throughout the year on an Income and Expenditure basis to facilitate budget reporting in that vein.

appropriate, debtors and creditors were properly recorded.	• Ensure that appropriate accounting arrangements are in place to account for debtors and creditors during the year and at the financial year-end.
K. If the authority certified itself as exempt from a limited assurance review in the prior year, it met the exemption criteria and correctly declared itself exempt.	IAs should ensure that, <u>all relevant criteria are met</u> (receipts and payments each totalled less than £25,000) • the correct exemption certificate was prepared and minuted in accordance with the statutory submission deadline; • that it has been published, together with all required information on the Authority's website and noticeboard.
L. The authority publishes information on a free to access website, up to date at the time of the internal audit in accordance with the relevant legislation	IAs should review the Authority's website ensuring that all required documentation is published in accordance with the relevant legislation.
M. The authority, during the previous year, correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations.	IAs should acquire / examine a copy of the required "Public Notice" ensuring that it clearly identifies the statutory <u>30 working day period when the Authority's records are available for public inspection</u>. IAs may also check whether authorities have minuted the relevant dates at the same time as approving the AGAR.
N. The authority complied with the publication requirements for the prior year AGAR.	IAs should ensure that the statutory disclosure / publication requirements in relation to the prior year's AGAR have been met as detailed on the front page of the current year's AGAR.
O. Trust funds (including charitable) - the Council met its responsibilities as a trustee	• Confirm that all charities of which the council is a Trustee are up to date with CC filing requirements. • that the council is the sole trustee on the <u>Charity Commission register</u>. • that the council is acting in accordance with the <u>Trust deed</u>. • that the Charity meetings and accounts are recorded separately from those of the council. • review the level and activity of the charity and where a risk based approach suggests such, review the <u>Independent Examiners</u> report.

EMAIL

LALC is seeking the views of its member councils on its future legal structure.

Following legal advice and a governance review, LALC is considering whether to become a Company Limited by Guarantee (CLG). This would give LALC a separate legal identity and could provide clearer accountability and better protection for the Association, its officers and members.

No formal decision has been made, and LALC's purpose and services would remain unchanged. This consultation gives every member council an opportunity to consider the proposal and share its views.

We are seeking one response that represents the view of the council, rather than separate responses from individual councillors. Ideally, the matter should be considered at a formal council meeting and the council's agreed response recorded in the minutes.

Your council is invited to:

- consider the enclosed consultation documents.
- discuss the proposal as a council.
- agree a collective response.
- record the decision in the minutes, where considered at a formal meeting; and
- return the completed response form to office@lalc.org.uk **by 12 noon on Friday 6th November 2026.**

Your District Area Committees will hold meetings during September and October to discuss the proposal. Details of the meetings will be published when available, and member councils are encouraged to attend.

To support councils in considering the proposal, the LALC Chair has prepared a PowerPoint presentation and guidance notes that may be used at your next full council meeting. The Chair will also host two online sessions, giving members an opportunity to ask questions. These will take place on Tuesday 29th September 2026 at 6:30 pm and Saturday 10th October 2026 at 11:00 am. Members can attend either session, and the joining details will be circulated separately.

Consultation responses will inform the report presented at LALC's AGM on Saturday 14th November 2026 at 3:00pm at County Hall, Preston. All member councils are encouraged to attend.

At the AGM, member councils will be asked to decide whether LALC should continue exploring and developing the CLG option. Members will not be asked to approve incorporation at this stage. If they support further work, detailed governance arrangements and draft Articles of Association will be developed in consultation with member councils and brought back for approval at a later meeting.

Enclosed:

1. LALC Consultation Document
2. LALC Consultation Response Form (typable)
3. LALC 'Way Forward' PowerPoint presentation
4. Guidance Notes

Thank you for taking the time to consider this matter and contribute your council's views.



LANCASHIRE ASSOCIATION OF LOCAL COUNCILS

Moving to a Company Limited by Guarantee

Member consultation document

Purpose	To explain why LALC is considering incorporation, what would and would not change, and how member councils can shape the proposal.
----------------	--

Consultation period: Eight weeks

**The consultation closes at 12 noon on Friday 6
November 2026.**

Contents

1	Message from the Chair
2	Executive Summary
3	Why is LALC considering change?
4	What is a Company Limited by Guarantee?
5	What would change?
6	What would not change?
7	Why are we asking for your support now?
8	Developing the future governance model
9	Proposed timeline
10	Frequently asked questions
11	How to respond
12	Next steps and thank you
Appendix 1	Addendum
Appendix 2	Legal structure route map

1. Message from the Chair

Dear Clerk and Members,

Lancashire Association of Local Councils has proudly represented and supported parish and town councils across Lancashire for many years.

As the organisation has grown and the environment in which local councils operate has become increasingly complex, the Executive Committee has reviewed LALC's governance and legal structure.

The review identified that, as an unincorporated association, LALC does not exist as a separate legal entity. Legal advice indicates that this can expose the Association, its officers and Executive Committee members to risks that cannot be fully addressed through constitutional amendments alone.

The Executive Committee is therefore exploring whether LALC should transition to a Company Limited by Guarantee (CLG), a structure widely used by not-for-profit membership organisations.

This proposal is not intended to change LALC's purpose. We would continue representing and supporting parish and town councils, providing advice and training, and promoting local councils across Lancashire.

Before any final decision is taken, we want to hear from every member council. Please read this document, attend a briefing session and share your views.

Thank you for considering these important proposals.

Yours sincerely,

Pat Hastings

Chair, Lancashire Association of Local Councils

2. Executive Summary

The decision now	LALC is seeking members' views and support in principle to continue developing the proposal. No final decision has been made.
-------------------------	---

Why are we consulting?

Following legal advice and a governance review, the Executive Committee is consulting member councils on whether LALC should move from an unincorporated association to a Company Limited by Guarantee.

Why is change being considered?

- LALC currently has no separate legal identity.
- Officers and Executive Committee members may be exposed to personal liability.
- The current structure creates practical difficulties around contracts, employment and banking.
- It is less suited to modern governance expectations.

What is proposed?

LALC would become a not-for-profit Company Limited by Guarantee: a structure commonly used by charities, membership organisations and representative bodies.

What stays the same?

- LALC's purpose and identity
- Membership and democratic involvement
- Advice, training and support
- Representation across Lancashire

What happens next?

Feedback will be reviewed, proposals refined and draft Articles of Association prepared. Members would be asked to approve the final arrangements before incorporation.

3. Why is LALC considering change?

LALC now employs staff, enters into contracts, provides professional advice, manages personal data, delivers services to hundreds of councils and manages significant financial resources.

Following questions from a member council about liability and governance, the Executive Committee commissioned a review. It concluded that an unincorporated association has no separate legal personality. Responsibilities linked to contracts, employment, data protection and other obligations may therefore fall on individuals acting for LALC.

Core issue	The question is whether a modern incorporated structure would better protect the Association, its volunteers and its members.
-------------------	---

4. What is a Company Limited by Guarantee?

A CLG is designed for organisations such as membership bodies, professional associations, charities and representative organisations.

Unlike a commercial company, a CLG:

- has no shareholders;
- is intended to retain and reinvest any surplus rather than pay it to members, as provided in its Articles;
- has no member-owned shares; and
- normally limits each member's liability to £1.

The company itself can employ staff, own assets, hold contracts and enter legal agreements.

This model is widely used across the not-for-profit sector and increasingly by county associations of local councils.

5. What would change?

Current position	Proposed position
Unincorporated association	Company Limited by Guarantee
Constitution	Articles of Association
No separate legal entity	Separate legal entity
Officers may enter contracts personally	The company enters contracts
Individuals may face liability	The company holds legal responsibility
Traditional governance	Modern governance framework
Still to be designed	Board composition, voting arrangements and member rights have not yet been finalised. They will be developed with member councils before final approval.

6. What would not change?

Purpose and identity	LALC would remain a member-focused, not-for-profit representative body.
Member services	Advice, training, information, support and representation would continue.
Democratic involvement	Member councils would remain central to the Association.

Affiliation	LALC would continue its relationship with the National Association of Local Councils.
--------------------	---

Why this structure may help

Better protection	The organisation itself can enter contracts, employ staff and hold legal responsibilities.
Stronger governance	A modern framework can clarify decision-making, accountability, financial management and risk.
Long-term resilience	The structure better reflects how LALC operates today and supports future development.
Recognised sector model	Many county associations already use a CLG or are considering one.

7. Why are we asking for support now?

LALC is not yet asking member councils to approve incorporation. It is asking whether members support the Executive Committee continuing to develop the proposal.

With support in principle, the Executive Committee would:

- continue working with legal advisers;
- prepare draft Articles of Association;
- develop detailed governance proposals;
- consult further where appropriate; and
- bring final proposals back to members before incorporation.

8. Developing the future governance model

Incorporation is more than a change of legal structure. It is also an opportunity to modernise governance so it remains effective, transparent and accountable.

Detailed governance arrangements will be developed with legal advisers and member councils, then shared before a final incorporation decision.

Areas for consideration

- composition and size of the Board of Directors;
- representation of member councils;
- appointment and election of Directors;
- voting rights and member decision-making;
- the role of Area Committees;
- delegated powers and responsibilities;
- financial governance and accountability;
- codes of conduct and declarations of interests; and
- risk management and assurance.

The Executive Committee is committed to preserving LALC's democratic nature while providing a modern framework for effective decision-making and good governance.

9. Proposed timeline

The timetable is indicative. It may change to allow further consultation or reflect legal advice.

Aug-Sep 2026	Prepare consultation materials so member councils are well informed.
Sep-Nov 2026	Member consultation, Area Committee discussions, online briefings and draft governance proposals.
Nov 2026 AGM	Consider consultation outcomes and, subject to support, authorise continued development of final documentation.
Jan 2027	If required, hold an Extraordinary General Meeting to consider the Articles and final resolutions.
Apr 2027	Proposed operational transfer to the CLG, subject to member approval.

Consultation period

This consultation will remain open for eight weeks and will close at 12 noon on Friday 6 November 2026. Responses will be analysed and a summary presented to members before or at the AGM on 14 November 2026. The AGM will consider whether LALC should continue developing the proposal; it will not approve incorporation or the final Articles of Association. Final proposals will be brought back to member councils for approval at a later meeting.

10. Frequently Asked Questions

Has a decision already been made?

No formal decision has been made. This consultation seeks members' views before any final decision.

Is LALC becoming a business?

No. Only the legal structure is being considered. LALC would remain a not-for-profit membership organisation.

Will LALC still belong to its members?

Yes. Member councils would remain at the heart of LALC and play an important governance role.

Will subscriptions increase?

There is no proposal to change subscriptions as part of this consultation. They will continue to be considered through the normal annual budget process.

Will services change?

No. Advice, training, information, representation and support would continue.

Why not simply amend the Constitution?

A revised Constitution cannot create a separate legal entity or the protections associated with incorporation.

Will Area Committees continue?

Their future role will be considered through the governance discussions, with member consultation before decisions are made.

What if members do not support the proposal?

The Executive Committee will consider all responses. No change will be made without appropriate member approval.

When could changes take effect?

Subject to member approval, the current aim is 1 April 2027.

Will the relationship with NALC change?

No. LALC would remain affiliated and continue representing Lancashire councils nationally.

Do councils need to do anything now?

Please consider the information, discuss the proposal and submit the response form.

11. How to respond

LALC welcomes one authorised response from each member council.

Please:

- Circulate the consultation pack to all councillors.
- Arrange for the proposal to be considered by the council.
- Record the council's agreed response and minute reference.
- Complete the separate editable LALC Consultation Response Form.
- Email the completed form to office@lalc.org.uk.

Consultation closes:

- 12 noon on Friday 6 November 2026
- This provides an eight-week consultation period.
- The editable response form asks for:
 - the council's level of support;
 - perceived benefits;
 - concerns;
 - matters to consider when developing the future governance arrangements;
 - whether further engagement is required; and
 - the date and minute reference at which the response was authorised.

If your council cannot use the editable form or requires the information in another format, please contact:

Email: office@lalc.org.uk

Telephone: 01772 750900

Following the closing date, responses will be analysed and a summary will be provided to members before or at the AGM on 14 November 2026.

The AGM will consider whether LALC should continue developing the proposal. It will not approve incorporation or the final Articles of Association. Final proposals will be brought back to member councils for approval at a later meeting.

12. Next Steps and Thank You

Thank you for participating in this important consultation. The Executive Committee values every member council's views and is committed to developing any future changes openly, transparently and in partnership with members.

Please discuss the proposal and return the consultation response form by Friday 6th November 2026.

Consultation Period

This consultation will remain open for eight weeks and will close at 12 noon on Friday 6 November 2026. Responses will be analysed and a summary presented to members before or at the AGM on 14 November 2026.

The AGM will consider whether LALC should continue developing the proposal. It will not approve incorporation or the final Articles of Association. Final proposals will be brought back to member councils for approval at a later meeting.

After consultation closes:

- responses will be reviewed by the Executive Committee;
- a summary of findings will be shared with members;
- draft governance proposals and Articles will be developed in light of feedback;
- further legal advice will be obtained where necessary; and
- members will have another opportunity to consider final proposals before incorporation.

Return responses	Email the completed form to office@lalc.org.uk by Friday 6 November 2026.
-------------------------	---

Addendum

Important practical considerations

Member guarantee	A CLG must have at least one guarantor and a guaranteed amount. The proposed Articles should state clearly who the members/guarantors are, how membership begins and ends, and the amount each member guarantees.
Directors' duties	Limited liability does not remove directors' legal duties. Directors must follow the Articles, keep records, manage conflicts and ensure required accounts, tax returns and company filings are completed.
Annual administration	The company will need accounting records, annual accounts, a confirmation statement and event-driven filings. LALC should publish an estimated annual compliance budget and identify who will own each task.
Transfer plan	Moving operations into a new legal entity may require contracts, bank arrangements, assets, insurance, licences, data responsibilities and supplier/customer records to be reviewed and transferred or replaced.
Employees	If the identity of the employer changes, TUPE may apply. Where it applies, employment generally transfers with continuity and existing terms, and consultation/information duties arise. Specialist employment advice should be obtained.
Tax and status	A CLG is a company form; it is not automatically a charity or exempt from tax. LALC should obtain tax advice and state whether any charitable status is proposed. The Articles should make the intended not-for-profit treatment of surpluses explicit.

What members should see before a final vote

To support an informed final decision, the Executive Committee should aim to provide member councils with:

- the draft Articles of Association, including the objects, membership rules and use of surpluses;
- a clear map of member, Board, Area Committee and officer powers;
- the proposed Board size, eligibility, appointment, election, term and removal arrangements;
- voting thresholds, reserved member decisions, quorum rules and arrangements for general meetings;
- a transition plan for staff, contracts, assets, liabilities, banking, insurance, records and personal data;
- an implementation budget and estimate of ongoing professional and compliance costs;
- a conflicts-of-interest policy, code of conduct and declarations register;
- a risk register and assurance plan, including the protections and limitations of incorporation;
- the proposed company name, registered office, accounting date and initial directors/guarantors; and
- the formal resolutions members will be asked to approve, with an explanation of what happens if they pass or fail.

Official guidance used for this section

GOV.UK: guarantors for a company limited by guarantee

GOV.UK: directors' responsibilities

GOV.UK: memorandum and Articles of Association

GOV.UK: business transfers and TUPE

ICO: updating data protection registration details

Appendix 2 – Structure Route

LALC LEGAL STRUCTURE ROUTE MAP

A guide exploring the legal options and identifying the most suitable pathway forward to a shortlist of 3

STEP 1 Starting Point							
What are we trying to achieve or protect?	Do we want democratic member control?	Do we need liability protection?	Will we employ staff or hold contracts/assets?	Do we want external funding flexibility?	Do we want a traditional association culture?	How much governance formality are we comfortable with?	Do we want regional/federated representation?
The answers to these questions help guide which legal structures are most appropriate.							

STEP 2 Main legal options A high-level comparison	UIA	CLG	CIC	LTD	LLP
	Unincorporated Association	Company Limited by Guarantee	Community Interest Company	Private Limited Company	Limited Liability Partnership
Separate Legal Entity?	No	Yes	Yes	Yes	Yes
Limited Liability?	No	Yes	Yes	Yes	Partial (partners)
Democratic Membership?	Strong	Strong	Medium	Weak/Variable	Weak for this use
Complexity/Burden?	Low	Medium	Medium/High	Medium	Medium
Best Suited For?	Traditional associations, membership bodies	Membership/governance bodies, representative organisations	Community enterprises, projects with a community benefit purpose	Commercial trading businesses, profit distribution possible	Professional practices, partnerships

STEP 3 Sorting through options Which options align most naturally with	LESS NATURAL FIT		MOST NATURAL PATHWAYS			
	LTD	LLP	UIA	CLG	CIC	
• Commercial / shareholder focus	• Partnership orientated	• Not designed for democratic membership associations	• Familiar and simple	• Limited liability	• Community purpose credibility	REMINDER The legal structure is only one part of the picture.
• Dividend orientation	• Partnership orientated	• Not designed for democratic membership associations	• Democratic	• Governance clarity	• Suits not-for-profit retail/services	
• Less aligned to	• Partnership orientated	• Not designed for democratic membership associations	• Low cost	• Democratic membership possible	• Access to some funding streams	
			• Volunteer culture fit	• Long-term resilience		
			• BUT: no liability protection;			

LALC's purpose?	democratic membership	weaker legal separation	•BUT: more formal requirements & Companies House obligations	•BUT: less naturally aligned to representative model •Regulator oversight	Governance design and constitutional clarity are critical whatever route we choose.
-----------------	-----------------------	-------------------------	--	--	---

STEP 4	Governance Questions That Matter (Regardless of structure)							
		Who holds authority?	How are members represented and engaged?	What voting philosophy should we use?	How are regions balanced?	How are directors/chairs appointed?	What remains democratic? What remains local?	How is accountability measured and assured?

STEP 5	Potential Shortlist Conclusion Where this route leads us	Option A Remain an Unincorporated Association (UIA)	Option B Transition to a CLG	Option C Potential pathway (more carefully considered)	 The decision is not only legal – it is about identity, culture, values and the future we want to build together.
		If priority is: •Simplicity •Traditional association culture •Minimal structural change	If priority is: •Liability protection •Governance clarity •Long-term resilience	May suit some elements of LALC's work, but less naturally aligned with representative membership role or non-trader status.	

LALC STRUCTURE OPTIONS COMPARED

Three legal forms offer different protection and fit. LALC needs to choose who it is and what it needs.

Key Areas	Unincorporated Associations (UIA)	Company Limited by Guarantee (CLG)	Community Interest Company (CIC)
 1. Purpose	 Traditional membership body with no legal personality. Suitable for informal or low-risk activity only.	 Designed for membership bodies, associations and representative organisations. LALC represents councils and members – not a trading business.	 Designed for organisations that trade goods or services. Built for social enterprises, community businesses, training providers, etc.
 2. Governance & Member Control	 Control rests with officers/committee in the constitution. Members' influence depends on how the	 Members are central. Members have voting rights and clear influence over	 Directors run the company. Members have limited influence and no day-to-day control.

	constitution is written.	direction and decision-making.	
 3. Liability Protection	 No legal shield. Individuals (officers/committee members) can be personally liable for contracts, staff, GDPR breaches, debts, etc.	 Provides a strong legal shield. Members' liability is limited to a small amount (typically £1).	 Provides protection, but with added complexity. More regulatory conditions and ongoing compliance burden.
 4. Perception & Reputation	 Seen as outdated and less robust. May raise concerns about professionalism and accountability.	 Neutral, professional and sector-aligned. Clearly understood as a not-for-profit membership body.	 Can create the impression of a trading business. Risks perception that LALC is becoming a business or trading off councils.
 5. Regulation & Compliance	 Low regulatory burden. Relies heavily on constitution and good governance.	 Light touch. No regulator beyond Companies House. Straightforward compliance.	 Additional regulatory layer. Regulated by the CIC Regulator with community interest test, asset lock rules and reporting requirements.
 6. Fit with LALC's Current Role	 Historically used, but no longer fits modern expectations. Does not properly support staffing, contracts or modern governance.	 A natural fit. Supports advocacy, representation, support services and coordination – what LALC already does.	 Not a natural fit. Better suited to organisations whose primary purpose is trading or generating income.
 7. Sector Practice	 Some county associations remain unincorporated, but the model is declining.	 The standard emerging model. Many county associations either remain unincorporated or incorporate as CLGs.	 Not the sector norm. Very few county associations use CIC because it does not match their purpose or operating model.



The Way Forward: Consultation

The purpose of this presentation and the supporting documents are to explain why LALC is considering incorporation.

How does LALC fit with the other CALC's



There are forty-one County Associations of which roughly 45% are unincorporated associations (reducing) and 55% are some form of limited company.



The county associations were set up in most cases before NALC the national association and as a local parish or town council you cannot be a direct member of NALC

NALC's role is distinct from the county groups as it represents all the local parish & town councils to the government and other national organisations, it produces templates, legal advice and guidance notes for the functions of local councils such as standing orders, based on current legislation



The Lancashire Association of Local Council

LALC is the administrative Association for Lancashire (which currently includes Blackburn & Blackpool Unitary Authorities, Lancashire County Council and twelve district councils)

Merseyside Association of Local Councils operates under the umbrella of LALC but operates as a separate association with its own chair and executive.

Greater Manchester members do not have a separate group or work with any of the District Area Committees currently



Lancashire Association of Local Councils: Current structure

- LALC has a small part-time team lead by out Chief Officer Debra Platt and supported by Jessica Dibble
- LALC does not have an office
- LALC currently is managed by an Executive Committee made up of 45 nominated members from the area committees(36) & MALC (9) who delegate some tasks to the Finance & Management (F&M) committee who make recommendations to the executive committee
- The President and Vice President are observers to the Finance & Management and Executive Committees
- The Executive Committee meets quarterly.
- Currently there are 11 District Area Committees
- MALC and Greater Manchester are Metropolitan Boroughs.

Why is LALC considering change

LALC employs staff, enters into contracts, provides professional advice, manages personal data, delivers services to hundreds of councils and manages financial resources.

An Association has no separate legal personality. Responsibilities linked to contracts, employment, data protection and other obligations may therefore fall on individuals acting for LALC.

Our Insurers assure us that the current cover will support any issues raised as long as we are carrying out our constitutional role

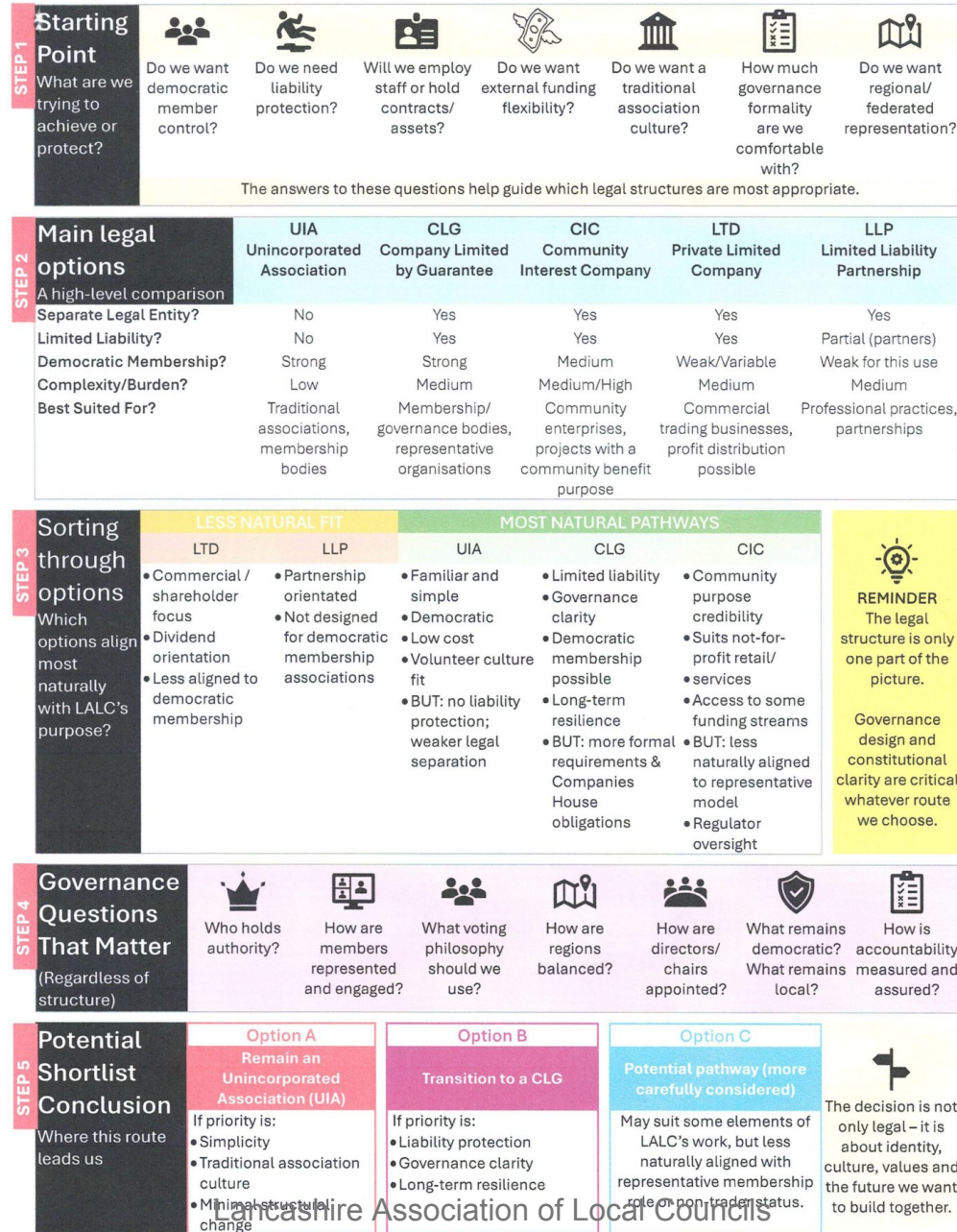
Process so far

The Task & Finish group made up of Executive committee members explored:

- Current insurance position and sought clarification
- Looked at options, produced a comparison document which are in the appendix to pack and are slides 7 & 8
- Legal options were clarified by Tozers

LALC LEGAL STRUCTURE ROUTE MAP

A guide exploring the legal options and identifying the most suitable pathway forward to a shortlist of 3



Courtesy of Cllr
Hampson

LALC STRUCTURE OPTIONS COMPARED

Three legal forms offer different protection and fit. LALC needs to choose who it is and what it needs.

Key Areas	Unincorporated Associations (UIA)	Company Limited by Guarantee (CLG)	Community Interest Company (CIC)
 1. Purpose	 Traditional membership body with no legal personality. Suitable for informal or low-risk activity only.	 Designed for membership bodies, associations and representative organisations. LALC represents councils and members – not a trading business.	 Designed for organisations that trade goods or services. Built for social enterprises, community businesses, training providers, etc.
 2. Governance & Member Control	 Control rests with officers/committee in the constitution. Members' influence depends on how the constitution is written.	 Members are central. Members have voting rights and clear influence over direction and decision-making.	 Directors run the company. Members have limited influence and no day-to-day control.
 3. Liability Protection	 No legal shield. Individuals (officers/committee members) can be personally liable for contracts, staff, GDPR breaches, debts, etc.	 Provides a strong legal shield. Members' liability is limited to a small amount (typically £1).	 Provides protection, but with added complexity. More regulatory conditions and ongoing compliance burden.
 4. Perception & Reputation	 Seen as outdated and less robust. May raise concerns about professionalism and accountability.	 Neutral, professional and sector-aligned. Clearly understood as a not-for-profit membership body.	 Can create the impression of a trading business. Risks perception that LALC is becoming a business or trading off councils.
 5. Regulation & Compliance	 Low regulatory burden. Relies heavily on constitution and good governance.	 Light touch. No regulator beyond Companies House. Straightforward compliance.	 Additional regulatory layer. Regulated by the CIC Regulator with community interest test, asset lock rules and reporting requirements.
 6. Fit with LALC's Current Role	 Historically used, but no longer fits modern expectations. Does not properly support staffing, contracts or modern governance.	 A natural fit. Supports advocacy, representation, support services and coordination – what LALC already does.	 Not a natural fit. Better suited to organisations whose primary purpose is trading or generating income.
 7. Sector Practice	 Some county associations remain unincorporated, but the model is declining.	 The standard emerging model. Many county associations either remain unincorporated or incorporate as CLGs.	 Not the sector norm. Very few county associations use CIC because it does not match their purpose or operating model.

Courtesy of Cllr.
Hampson

So what is a Company Limited by Guarantee (CLG)?

A CLG is designed for organisations such as membership bodies, professional associations, charities and representative organisations.

A CLG:

- Has no member-owned shares
- Limits each member's liability to £1 (the Guarantee)
- Is intended to retain and reinvest any surplus rather than pay it to members
- The CLG itself can employ staff, own assets, hold contracts and enter legal agreements

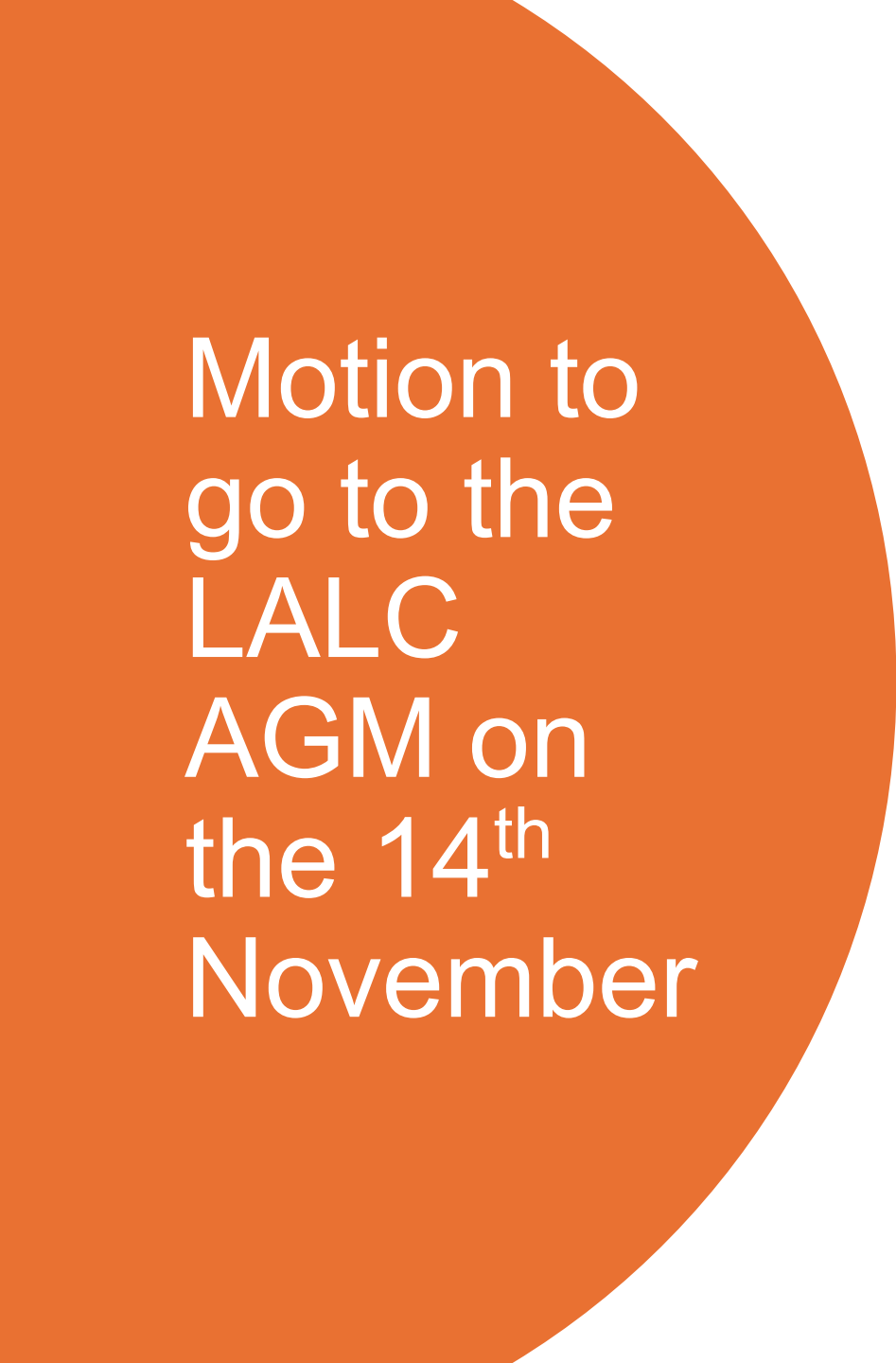
A large orange circle is positioned on the left side of the slide, partially cut off by the edge. The text 'Current Position' is written in white, sans-serif font inside the circle.

Current Position

The National Association of Local Councils position was sought and models/options explored with other County Associations

The Executive Committee agreed to progressing the Company Limited by Guarantee option

The Motion agreed by the Executive Committee for November 14th AGM

A large orange circle is positioned on the left side of the slide, partially overlapping the text.

Motion to go to the LALC AGM on the 14th November

“That the Association Members agree in Principle to work towards a company limited by guarantee and instruct Tozers to prepare the documentation required.”

This will be followed by an Extraordinary General Meeting in January/February to accept the report and start the processes

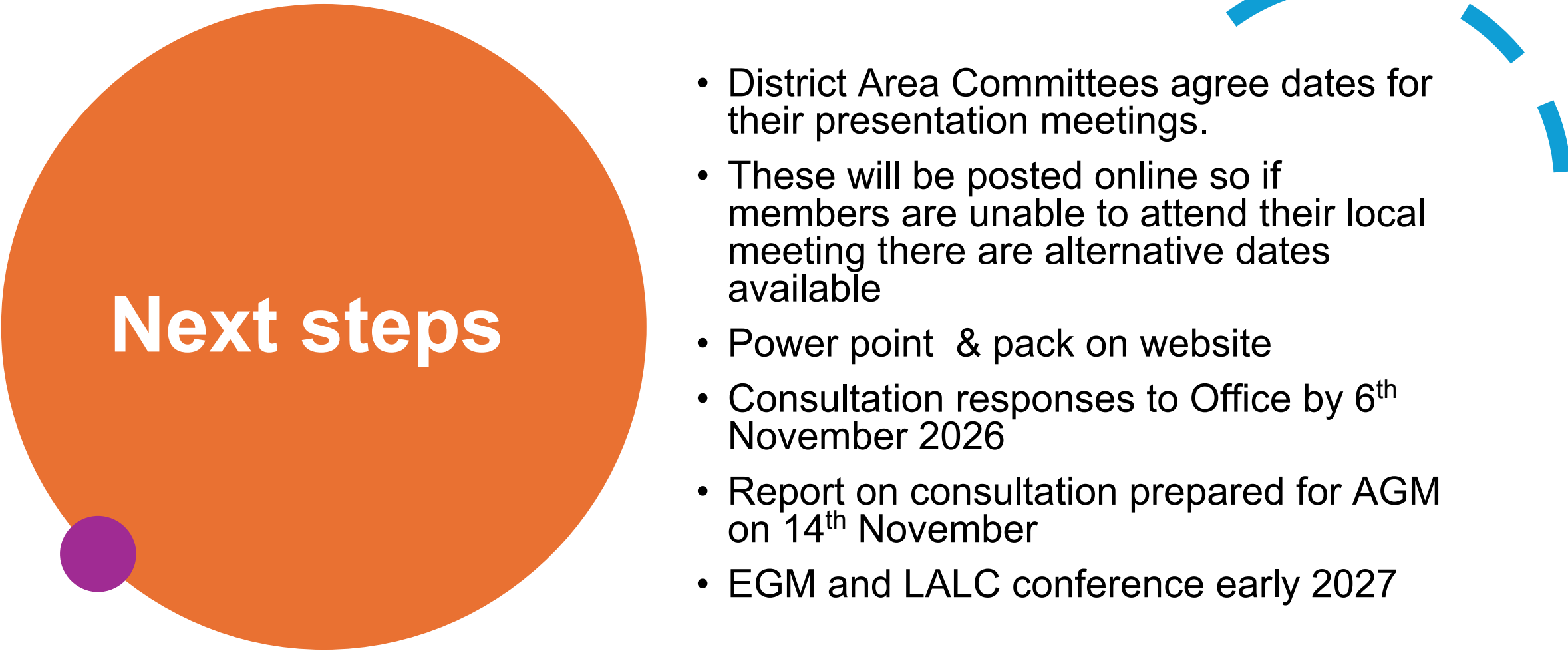
Timeline

- Consultation pack goes out after September 5th Executive Committee meeting
- The District Area Committees are asked to present the pack to their members at a meeting in September or October and report back to the Association officers by 6th November
- The pack and video are put on the website to encourage responses from parishes, towns and individual cllrs
- The motion is debated and voted on at the AGM
- **If agreed** the legal documents are prepared and presented at the EGM at the LALC conference in the new year
- If agreed the company limited by guarantee comes into place for the 1st April 2027
- The processes of TUPE of staff, bank accounts etc commence with the new entity working alongside the association
- The 1st elections to the boards take place in June 2027 (after the Local Government elections in May 2027)

Help is needed from LALC members in developing the future ways of working

- ✓ Agree the composition and size of the Board of Directors
- ✓ Agree how the representation of member councils will be appointed or elected
- ✓ Agree the role of District and emerging Unitary Area Committees
- ✓ Agree what powers will be delegated
powers/responsibilities will be delegated to the Board
- ✓ Agree how will the Board will maintain financial governance and accountability
- ✓ Agree what codes of conduct and declarations of interests the Directors will sign up to





Next steps

- District Area Committees agree dates for their presentation meetings.
- These will be posted online so if members are unable to attend their local meeting there are alternative dates available
- Power point & pack on website
- Consultation responses to Office by 6th November 2026
- Report on consultation prepared for AGM on 14th November
- EGM and LALC conference early 2027