LALC
Lancashire Association of Local Councils

LANCASHIRE ASSOCIATION OF LOCAL COUNCILS

Consultation Outcome Report

Proposed transition to a Company Limited by Guarantee

AGM date: 14 November 2026

Agenda item: 6.2 LALC Future Legal Entity

Consultation period: Eight weeks, closing at 12 noon on 6 November 2026

Status: Paper for member consideration at the AGM.

Purpose of this paper

This paper reports the outcome of LALC's member consultation and supports consideration of the motion under Agenda Item 6.2. It records the level of response, the views expressed, matters requiring further work and the updated legal advice received after consultation. The AGM is being asked whether work should continue; it is not being asked to approve incorporation, the final Articles of Association or the transfer and dissolution arrangements.

Motion before the AGM

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

Members will be asked to attend an EGM in January or February 2027 to consider the proposed Board composition and draft Articles of Association and, subject to the required notice and approvals, any constitutional amendment and resolutions needed to authorise registration of the CLG, transfer LALC's assets, liabilities, operations, staff and memberships, and subsequently dissolve the existing unincorporated Association. No transfer, dissolution or incorporation will take place without the required member approval.

1. Executive summary

The consultation produced a clear majority in favour among councils that responded.

No council expressly selected "Do not support". Some of the respondents identified matters that should be resolved before a final decision, principally cost, subscriptions, democratic representation, Board composition, Area Committees, transition arrangements, insurance, the treatment of assets and the need for further information.

Measure	Number	Percentage
Member councils consulted	189	100%
Council responses received	31	16.4% of councils consulted
Support continued development	29	93.5% of responses
Unsure or require further information	2	6.5% of responses
Do not support	0	0% of responses

Of the 31 councils that responded, 29 (93.5%) supported continued development and two (6.5%) were unsure. These figures describe respondents only. No view should be inferred from the 158 councils that did not respond.

2. Background

LALC currently operates as an unincorporated association. Following governance review and professional advice, the Executive Committee consulted members on whether to continue developing a proposal for LALC to become a not-for-profit Company Limited by Guarantee. The consultation explained that incorporation could provide a separate legal identity, clearer responsibility for contracts and employment, and a modern governance framework. It also stated that LALC's purpose, member focus, services and relationship with NALC were not intended to change.

The consultation was explicitly an in-principle stage. Detailed governance arrangements, draft Articles, implementation costs and transition plans are to be developed and returned to members before any final incorporation decision.

3. Consultation process

- The consultation ran for eight weeks and closed at 12 noon on Friday 6th November 2026.
- All 189 member councils were invited to submit one authorised response.
- The pack contained the consultation document, response form, presentation and presentation guidance notes.
- Online drop-in sessions were held on 29th September and Saturday 10th October 2026.
- Responses were accepted by template form and by written communication.

4. Overall outcome

The responses support proceeding to the next stage while retaining a further member decision. The result does not constitute approval to incorporate.

Position	Councils
Support (29)	Anderton; Bickerstaffe; Bretherton; Broughton; Bryning with Warton; Burscough; Catterall; Cockerham; Euxton; Farington; Forton; Garstang; Greenhalgh with Thistleton; Grimsargh; Little Hoole; Much Hoole; Nateby; Ribby with Wrea; Silverdale; Slyne with Hest; Staining; Thornley with Wheatley; Trawden Forest; Westby with Plumptons; Westhoughton; Weeton with Preese; Whalley; Whitworth; Winmarleigh.
Unsure (2)	Foulridge; Newton-with-Clifton.
Do not support (0)	None.

5. Main themes from responses

Benefits identified

- A separate legal identity and a clearer basis for entering contracts and holding responsibilities.
- Greater protection for LALC, staff, officers, Executive Committee members and members.
- Clearer accountability, governance and financial management.
- Modernisation, professional standing and longer-term organisational resilience.
- Continuity and future development of services to parish and town councils.

Costs subscriptions and value for money

Several councils asked for the implementation and ongoing costs to be quantified before a final decision. Concerns included legal and professional fees, company administration, possible effects on subscriptions and the affordability of any increase for smaller councils. Respondents sought budget limits, clarity on funding and evidence that the benefits would remain proportionate to the cost.

Governance democratic control and Area Committees

Respondents asked for clarity on member representation, Board composition, appointment and terms of directors, accountability and the future role of Area Committees. Some councils linked these questions to wider engagement, participation and value for money. The detailed governance model should therefore show clearly which decisions are reserved to members and how Area Committees influence LALC.

Transition assets insurance and administration

Questions covered transfer of staff, banking, contracts, memberships, subscriptions and assets; the cost and ownership of annual accounts and Companies House filings; whether enhanced insurance could mitigate existing risks; and the treatment of remaining assets if either the current Association or a future CLG were dissolved.

Scope service continuity and further information

Councils asked that work remain focused, time-limited and financially controlled. They also sought assurance that LALC's services and representative purpose would continue. Two councils were unsure and requested further information before supporting progress. Eleven councils expressly requested further engagement: four through Area Committee discussion, five through online briefing, one by email, and one by another method.

6. Response to issues raised

Issue	Proposed next-stage response
Cost and subscriptions	Prepare an implementation budget, estimated annual compliance cost and funding proposal before the EGM. Any subscription decision should remain within the normal member-approved budget process.
Board and member control	Circulate the draft Articles and a governance map showing Board composition, eligibility, terms, elections, removal, voting rights, quorum and decisions reserved to members.
Area Committees	Explain the proposed role of Area Committees and provide an engagement opportunity before the EGM.
Transition arrangements	Prepare a documented plan covering staff, contracts, banking, insurance, data, records, assets, liabilities, memberships and subscriptions.
Insurance	Obtain advice on available cover, limits, exclusions and costs for both the present structure and the proposed CLG. Explain that insurance does not itself create separate legal personality.
NALC and sector comparisons	Record NALC's position and any relevant learning from county associations that operate as, or have moved to, CLGs.
Scope and project control	Use a defined work programme, budget controls and decision points so that preparatory work remains proportionate.
Service continuity	Make clear in the Articles and transition communications that the proposal concerns legal structure and governance, not a change to LALC's member-support purpose.

7. Updated legal advice and implications for the EGM

Following questions raised during the consultation, Tozers advised that the current AGM resolution is appropriate for this in-principle stage. Approval of the resolution would allow the necessary documents and detailed proposals to be prepared; it would not approve incorporation or authorise the transfer or dissolution of the existing Association.

Tozers also advised that an EGM in January or February 2027 could consider the complete approval package, provided that the required notice, documents and approvals are in place. This would include:

- The proposed amendment to Clause 18 of the current Constitution. Clause 18 presently requires any remaining assets on dissolution to be distributed among member councils in proportion to the subscriptions paid in that year. Tozers has advised that this provision should be amended before LALC's assets are transferred to a successor CLG. The amendment may be considered at the same EGM as the other resolutions.
- NALC approval of the proposed constitutional amendment. Clause 17 of the current Constitution provides that constitutional amendments are subject to NALC approval. Tozers has advised that written approval, including approval by email, from a duly authorised NALC officer should be sufficient. This procedural approval relates to the amendment of LALC's Constitution; it does not give NALC responsibility for deciding whether LALC should incorporate.
- The draft Articles of Association, including the proposed Board composition, appointment and election arrangements, member rights, voting provisions and other governance arrangements.
- The resolutions required to authorise registration of the CLG and the transfer of LALC's assets, liabilities, operations, staff, contracts, memberships and subscriptions to the new legal entity.
- Express provision for transferring existing memberships and subscriptions to the CLG, so that the position of current member councils is clear.
- The subsequent dissolution of the existing unincorporated Association, which would take place only after the transfer had been completed and all necessary member approvals and other requirements had been satisfied.

Indicative professional fees previously communicated include support with member communications and formal resolutions, preparation of the Articles, company registration, an asset transfer agreement and high-level TUPE advice. These estimates might not cover additional work arising from the review of contracts, employment arrangements, assets, liabilities or other transition matters. A consolidated budget and the authority required for further expenditure will therefore be brought forward before any expenditure is incurred beyond the authority granted at the AGM.

8. Matters for members to consider

1. Note the consultation process and the 31 unique responses received from 189 member councils.
2. Note that 29 respondents supported continued development, two were unsure and none expressly opposed.
3. Consider the concerns and safeguards summarised in this report.
4. Decide whether to support the motion under Agenda Item 6.2.
5. Note that approval would authorise preparatory work and would not itself approve incorporation, the Articles, asset transfer or dissolution.
6. Request that the full governance, constitutional, transition and approval package be returned to members at an EGM in January or February 2027.

Appendix 1 Schedule of council responses

This schedule records every unique council response received by the deadline.

Council	Position	Substantive comments and requests
Anderton Parish Council	Support	Supports the proposal in principle, pending further discussion, and considers that it could present LALC as a more professional organisation. No current concerns were identified, although the council said that further information is needed before it can comment on future governance. It requested an Area Committee discussion.
Bickerstaffe Parish Council	Support	Identified member influence, legal protection and a professional, sector-aligned structure as benefits. Asked how Area Committees would fit into the new arrangements and how LALC would promote attendance and engagement. Requested an online briefing.
Bretherton Parish Council	Support	Supported the proposal by reference to the benefits set out in the consultation information and recorded no concerns or governance issues.
Broughton Parish Council	Support	Identified legal protection for members and staff as the main benefit and raised no current concerns. Requested further engagement through an Area Committee discussion.
Bryning with Warton Parish Council	Support	Identified greater protection in relation to public liability. No concerns or further governance matters were raised.
Burscough Town Council	Support	Identified protection of staff as the main benefit. Asked that implementation costs be kept to a

Council	Position	Substantive comments and requests
		minimum, that the constitution remain substantively consistent, and that representation and directors' terms of office be clarified. Asked whether LALC had consulted associations that had completed a similar process and requested an online briefing.
Catterall Parish Council	Support	Identified a more secure legal standing and protection for members and officers. Raised a possible impact on membership fees.
Cockerham Parish Council	Support	Raised concern about possible costs to the parish council and requested further engagement by email.
Euxton Parish Council	Support	Confirmed by email that the council was happy with the proposal to change LALC's legal status.
Farington Parish Council	Support	Identified separate legal identity, clearer accountability and protection for officers and members. No concerns or further governance matters were raised.
Forton Parish Council	Support	Identified separate legal identity as the principal benefit and recorded no concerns or further governance matters.
Foulridge Parish Council	Unsure	Recognised the opportunity to modernise LALC and improve governance, accountability and protection. Sought assurance that services and representation would continue and that consultation would be genuine. Raised scope-creep, timescale, legal and administrative costs, budget controls, affordability for smaller councils, membership fees and value for money. Requested Area Committee discussion and an online briefing.
Garstang Town Council	Support	Identified protection for individuals. Its recorded resolution supported LALC continuing to explore the CLG option. No concerns or further governance matters were raised.
Greenhalgh with Thistleton Parish Council	Support	Confirmed in a grouped written response that it had no objection in principle to the proposed change in legal structure.

Council	Position	Substantive comments and requests
Grimsargh Parish Council	Support	Identified accountability and protection for members and officers. The authorised form stated that the council fully supported the proposal. No concerns or further governance matters were raised.
Little Hoole Parish Council	Support	Identified modernisation of governance as the main benefit. No concerns or further governance matters were raised.
Much Hoole Parish Council	Support	Identified modernisation of governance as the main benefit. No concerns or further governance matters were raised.
Nateby Parish Council	Support	Considered that the proposal would help LALC operate effectively and align with modern standards. No concerns or further governance matters were raised.
Newton-with-Clifton Parish Council	Unsure	Considered that further information was required and that its initial appraisal suggested disadvantages could outweigh benefits. Asked about NALC's position; comparative county-association data; establishment and ongoing compliance costs; whether accounts and filings would be completed internally or outsourced; TUPE, banking and transition costs; whether enhanced insurance could mitigate current risks; and the treatment of assets on dissolution. Requested further information before supporting continued development.
Ribby with Wrea Parish Council	Support	Confirmed in a grouped written response that it had no objection in principle to the proposed change in legal structure.
Silverdale Parish Council	Support	Identified assistance and protection for officers or trustees and recorded no concerns or governance issues.
Slyne with Hest Parish Council	Support	Supported a current legal structure suited to LALC's needs. No concerns or further governance matters were raised.
Staining Parish Council	Support	Confirmed in a grouped written response that it had no objection in principle to the proposed change in legal structure.

Council	Position	Substantive comments and requests
Thornley with Wheatley Parish Council	Support	Identified legal identity and greater protection for LALC, officers and Executive Committee members. Supported further development on the understanding that services to parish councils would not change. No concerns were raised.
Trawden Forest Parish Council	Support	Considered that the structure would strengthen LALC's operation and future team development and provide clarity and confidence. Requested an online briefing.
Westby with Plumptons Parish Council	Support	Confirmed in a grouped written response that it had no objection in principle to the proposed change in legal structure.
Westhoughton Town Council	Support	Raised no concerns, noting that LALC was at a preliminary stage and that further information would follow. Requested an online briefing.
Weeton with Preese Parish Council	Support	Confirmed in a grouped written response that it had no objection in principle to the proposed change in legal structure.
Whalley Parish Council	Support	Recognised legal protection, governance, accountability, financial management and organisational resilience as benefits. Sought assurance on democratic representation, financial implications, transition, member safeguards, subscriptions, member benefits and value for money. Asked that Board appointments and the role of Area Committees be discussed through Area Committees and requested an Area Committee discussion.
Whitworth Town Council	Support	Identified clearer accountability and protection for LALC, its officers and members. Asked that accountability be addressed in the governance arrangements and requested an online briefing.
Winmarleigh Parish Council	Support	Supported the stated benefits and raised no concerns or further governance matters.

Appendix 2 Proposed EGM work programme

Workstream	Output for members	Approval point
Governance	Draft Articles, Board composition, elections, terms, member rights, Area Committee role and reserved decisions	EGM
Constitution	Proposed amendment to the dissolution provision and evidence of NALC approval	EGM, with required notice and voting threshold
Transfer	Asset and liability schedule, transfer agreement, contracts, banking, data, records, insurance, staff and TUPE plan	EGM and subsequent implementation authorities
Membership	Arrangements for transferring current memberships and subscriptions	EGM
Finance	Implementation budget, ongoing compliance cost and effect, if any, on subscriptions	Before or with EGM papers
Formal resolutions	Registration, Articles, Board, transfers, constitutional amendment and eventual dissolution	EGM

End of report