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To: CornwallALC Enquiries
Cc: CornwallALC Enquiries; Training Cornwall ALC
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Dear All -

We have recently received the following Legal Update Notes from the NAC Legal Team which contains items of interest:

Can a parish or town council lend money to individuals or unincorporated bodies?

Sometimes we are asked if a parish or town council can lend money to a third party, for example, a local community group, a sports club or a group set up to protest against a principal authority decision. The answer is to proceed with caution. We have received financial advice that lending money to individuals (including individuals who are trustees or members of unincorporated clubs) is a regulated activity under the Financial Services and Markets Act 2000 and is also covered by the Consumer Credit Act 1974. Anyone lending in this way is likely to need to be registered with and regulated by the Financial Conduct Authority (although it is likely to be exempt from regulation if it is interest-free). Other considerations are the importance of having a written loan agreement, the council being satisfied with the persons or bodies requesting a loan and that they are clear who they are lending to.

Can a parish or town council purchase gifts to recognise the achievements of local people?

A council came to us to ask if they could purchase gifts for two local people to recognise them for their achievements in representing their country in sport. The council is not eligible to exercise the general power of competence. Our view was that Section 137 of the Local Government Act 1972 would not be available on the facts, as the expenditure on the purchase of the gifts would be for individuals. As Section 137 was not available to the council and it could not purchase gifts, we suggested Section 249 of the 1972 Act (honorary titles). Section 249 (5) provides that a relevant authority (defined to include a parish or town council) may admit to be honorary freemen or honorary freewomen of the place or area for which it is the authority: (a) persons of distinction, and (b) persons who have, in the opinion of the authority, rendered eminent services to that place or area. Subsection (9) says that a relevant authority may spend such reasonable sum as it thinks fit for the purpose of presenting an address or a casket containing an address to a person on whom the authority has conferred the title of honorary freeman or honorary freewoman under Subsection (5). Our [advice note on honorary titles and officers of dignity](#) contains further guidance.

Remote meetings

While there is no legislative update on remote meetings, we are highlighting the [letter we co-signed](#) to the government on 21 October 2025, expressing concern that the English Devolution and Community Empowerment Bill makes no provision for parish and town councils to hold remote or hybrid meetings. The letter highlights the strong arguments in favour of councils being able to meet remotely or in a hybrid way where they choose to do so, and the sector-wide consensus that councils should have the flexibility to decide how best to conduct their meetings in the interests of their communities. The letter also considers how local government reorganisation and councillor safety and security make the matter more pressing, and that the ability to meet remotely may impact a person's decision to stand for election. We are also a member of the National Digital Democracy Partnership, along with other sector bodies. The purpose of the partnership is to support the transformation and improvement of local government digital and hybrid democratic functions, with a primary focus on best practice, guidance and case studies and to ensure that remote meetings remain on the government's agenda.

Recent team activity

Our legal manager and senior solicitor, Jane Moore, attended the Cambridgeshire and Peterborough Association of Local Councils Annual Conference on 19 September 2025 and the Derbyshire Association of Local Councils' October Forum on 23

October 2025, delivering legal updates at both events. Finally, Martin Fine will be retiring at the end of the month, after first joining NALC in 2009. We wish Martin all the best and will miss him greatly and his expertise.

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Kind regards,

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