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# **WEST SUSSEX ASSOCIATION OF LOCAL COUNCILS LIMITED**

**Minutes from the Board Meeting of West Sussex Association of Local Councils Limited held via a Zoom video/audio conference on Monday 22d February 2021 at 10.00am**

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| **Directors Present** | Terry OliverMike BealLilian Richardson | Horsham District Association and ChairChichester District CouncilArun District Council |
|  | Phil Baxter | Horsham District Association |
|  | Rodney JacksonDavid RibbensTony Nicklen | Mid Sussex District AssociationChichester District CouncilAdur District Council |
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| Representatives from member councils Steering Group (at 11am) | Claire HiltonMartin BeatonAndrew Shaxson |  |
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| **Also in attendance** | Joanna Cadman | Administrator |

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| 1. | **Apologies for absence:**Were received from Roger Taylor and Mark Mulberry  |
| 2. | **To approve the minutes of meeting held on 29th January 2021.**The minutes were approved as a true record of the meeting. Proposed by Mike Beal, Seconded by David Ribbens, all in favour. |
| 3. | **Matters Arising (not on this Agenda).**None |
| 4. | **To receive and note correspondence from Clerks since the Board meeting on the 7th January.**Noted.  |
| 5. | **Chairmans Announcements**Terry Oliver advised that he would not stand as representative of Horsham ALC next year. He offered his resignation as Chair of this Board, as he had taken the VFM project forward over the last few months.Members discussed the contribution made by the Chairman of the Board and supported his actions to date unanimously and endorsed his position going forward. |
| 6. | **Feedback and discussion on the Members’ Zoom meeting of the 18th February 2021**Terry Oliver observed that one clerk had stated that West Sussex ALC Ltd would lose 50 councils, and had asked what effect this would have on charges to those who remained. He advised that Hampshire ALC would review costs after six months and re-quote if necessary.Members agreed that the comparison figures drawn up by Mike Beal should be circulated to all member councils on the day of this meeting, and discussed and agreed the final wording. Proposed by Rodney Jackson, Seconded by Phil Baxter, all in favour. |
| 7. | **Councils’ Steering Group – Open discussion**Claire Hilton, Martin Beaton and Andrew Shaxson joined the meeting. Martin Beaton said that the majority of member councils did not want to do a deal with Hampshire ALC. They were considering an arrangement with East Sussex ALC, with a view to taking back control of SSALC. He advised the Board that if they continued with their proposals they would be operating against the objectives of the company and threatening the financial interests of the company, and would therefore be operating outside company law. Claire Hilton endorsed this view. Andrew Shaxson did not believe that the Board’s value for money review had actually taken place over the last few months, and understood why a number of councils were unhappy and wished to leave West Sussex ALC, which would put the company in a very difficult position. He was surprised that the Board continued on this path when they were not taking member councils with them. Members of the Board advised that the whole intention of the review was to give members a choice, and the offer by Hampshire ALC represented a genuine saving. The best value review was conducted by the directors, Prof. Copus did the strategy review. This was brought to a halt when Surrey ALC pulled away from SSALC, which resulted in the closure of SSALC and the necessity to make a decision about the source of services for Member Councils after 31st March 2021 because SSALC would not then exist.SSALC had been in existence since 2014, and the model had been put in place to save VAT. Up to £250,000 had been spent unnecessarily in that time to provide services. The Chair had spoken to both Surrey and East Sussex ALCs over the last year, and they had both indicated that they were unhappy and were considering leaving SSALC when the time was right. He had written to East Sussex, suggesting that the two ALCs work together, but East Sussex ALC did not want to re-create the SSALC model. The Value for Money project had a budget of £7,000. Prof Copus’ agreed retainer was £2450. The only other cost was the administrator fees. It had not been an expensive project. Martin Beaton said that the lack of transparency and lack of communication with member councils had led to the current problems. The Board is at variance with a significant number of member councils. He could not see how the Board would move forward from this position. Claire Hilton said she would have expected that the first action of the Board, if they were unhappy with the current provision, would be to go to the provider and explore whether it was possible to address the issues.Andrew Shaxson acknowledged that organisations should conduct value for money reviews, but was of the view that this had been badly handled. The Steering group noted that the package offered by Hampshire ALC included training, so members would not have to pay for training in addition to their subscriptions and all agreed that this was attractive. |
| 8. | **AGM 25/2/21**1. *Legal advice:* the Board had been advised that the first agenda was the legal agenda. It was also possible that none of the agendas give 21 *clea*r day’s notice. Members agreed that the administrator should write to the Company Secretary on behalf of the Board, instructing him to re-issue the agenda for the AGM that was dated the 29th January 2021, in light of the legal advice received by the Board. The Company Secretary would also be sent the legal advice, and advised that the presentation of the resolutions subsequently added to the agenda would be unlawful in light of that legal advice. e would He would be asked to advise the Board if he considered that he could not act on those instructions, and to give his full reasons, as Company Secretary, for his refusal to act on the legal advice.
2. *Agree, if required, any additional expenditure on further legal advice:* The Board agreed that authority be delegated to the Chairman and Vice Chairman to seek legal advice as required, to a limit of £500.
3. *Any matters submitted by the Company Secretary:* none
4. *Discuss and approve any actions required by the Board relating to the Urgent Memorandum dated 18th February:* no action to be taken.
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| 9. | **To discuss and agree the Member Councils of West Sussex ALC Ltd annual subscriptions for the year 2021/22**The savings described in the document tabled at the meeting are based on actual figures for the year 2019/20 and assumed figures for the year 2021/22.  Directors noted that they should not be taken as definitive but as an indication of the level of savings expected**;** and agreed that the document should be circulated to all member councils.  |
| 10. | **To discuss and agree appropriate actions relating to the HALC members services Letter of Intent and the subsequent receipt of their draft agreement**The Board reviewed the draft Agreement for the provision of support services by Hampshire ALC Ltd that was the subject of that Association’s letter dated 11th February 2021 (annex 5 to item 10 of the agenda). The board was informed that discussions had since taken place with Hampshire ALC Limited about that draft Agreement and that those discussions had resulted in changes to the draft Agreement being proposed. These changes would be subject only to the approval by the board of Hampshire ALC Limited**.**The board, after detailed consideration**,** instructed the Administrator to confirm acceptance of this Agreement subject only to the following: The two year Agreement proposed by Hampshire ALC Ltd would be amended to include the following key conditions: A BREAK CLAUSE being inserted appropriately, stating that after six months from the commencement of the Agreement**,** West Sussex ALC Limited could activate changes to the conditions of the two year Agreement as follows: 1. a termination clause included to limit the two-year Agreement to one year only**.** If that termination clause is activated, a one-off termination charge, representing Hampshire ALC Ltd’s set-up costs, would be incurred. (That would amount to something between £5,000 and £10,000).
2. addition of a review clause, to be activated after the first six months of the Agreement, so as to review the annual charge rate that would fix the annual charge for the last 18 months of the two-year Agreement –  that  rate being fixed downwards (that is to say, at a reduced level)  dependent upon the number of West Sussex ALC Ltd member councils receiving their services from Hants ALC Ltd at that date.
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| 11. | **Discuss and approve (if required) any expenditure and the appropriate delegations.**No action required. |
| 12. | **Update from Chichester District Association.**Not received. |
| 13. | **Any other business matters that need discussion and agreement by the Board**None were raised. |
| 14. | **Any other matters raised by directors**None were raised. |
| 15. | **Date of next meeting**2nd March 2021, 2pm. |

The meeting closed at 13.20 pm.

Signed (Chairman) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Dated \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_