

Dear Clerks

Copy email sent to your Chairman today.

Regards

Beverley

Secretary to HALC

Dear Chairman of the Council

I am writing as Chairman of the Horsham Association of Local Councils (HALC), and as Chairman of West Sussex ALC Ltd (WSALC). I am keen to ensure that the information contained in the Communique sent by the Board of WSALC to Council Members of WSALC on 25<sup>th</sup> August 2020, about the Value for Money project being undertaken by the WSALC Ltd Board of Directors focusing on a range of options for possibly achieving more value for the current contributions by WSALC Ltd Council Members on services currently provided by SSALC Ltd under a three counties arrangements.

The current arrangement of three county limited companies and one holding company SSALC Limited has only existed since the formation of those companies in 2013. The current level of annual contributions to SSALC Ltd are as follows:

West Sussex ALC Ltd £92,400 [43%]

East Sussex ALC Ltd £56,000 [27%]

Surrey ALC Ltd £62,000 [30%]

Total = **circa £210K**

The figures above exclude any training income which can produce an additional net income of circa £40K. This then gives SSALC Ltd a total revenue stream of some **circa £250K per annum**.

In view of the above figures the Board decided that having been operating under the current four company arrangement for the last six years it was now appropriate to review the situation and therefore has commissioned this Value for Money Project

I must emphasise that this project is *not* a review of SSALC Ltd's costs structure or management arrangements it is solely an independent review of the way in which

money provided by the Councils who are Members of WSALC Ltd is spent on services currently provided by SSALC. It will be investigating not only the possible opportunities for cost savings in providing the services currently provided by SSALC Ltd but what other direct benefits there could be in operating a single county association like most other county associations affiliated to NALC are across England.

It is important I believe to explain that since the formation of the four limited companies in 2013 is when the operation and governance of the former West Association of Local Councils changed. As a limited company we now operate under the Company's Articles of Association, the Board of Directors ("the Board") is responsible for managing the Company's business and so, may exercise all the powers vested in those Articles. Consultation of Member Councils was not therefore needed and the decision to proceed with the project was taken at a WSALC Board meeting on 28<sup>th</sup> July 2020. The Directors have also delegated (Article 6) to three Board Members, authority to oversee the project: they are the undersigned (Horsham District Association), Cllr. Mike Beal (Chichester and District Association) and Cllr. Lilian Richardson (Arun District Association)

The Review will evaluate the current level of expenditure, identify alternative ways of obtaining the services that WSALC Members obtain from SSALC currently; WSALC Member Councils will see the Report, will be able to comment on it (and on any recommendations that the Board of WSALC Ltd might make); and will be able to decide whether or not to make any change to the present *modus operandi*.

The independent Review is being conducted by Professor Colin Copus. The decision to appoint Professor Copus was taken at the WSALC Ltd Board meeting on the 13<sup>th</sup> August 2020, and was based on informal consultations, considered by the Board, with other Counties' Associations Chairs and the Chair of NALC and in the knowledge that Professor Copus is an acknowledged expert in this field. The decision to appoint a Researcher and Administrator was taken similarly; and approval was given by the Board for expenditure from WSALC Ltd funds allocated to the project, at the Board meeting on 13<sup>th</sup> August 2020.

The Board has earmarked, from its reserve funds, a maximum of expenditure of £7,000 for the project. There will be no additional costs to Member Councils.

Councils, Members of WSALC Ltd, will be sent the reviewer's Report and a Report from the Board which will include its Recommendations for Member Councils to consider and vote on at EGM in hopefully January 2020.

The Board is now considering and finalising processes to facilitate as much involvement of all interested parties before and after the two Reports have been circulated to all Member Councils. It is hoped that the Reports will be circulated late November/early December 2020.

The arrangements for conducting a vote of all eligible councils on the Board's recommendation as part of the EGM process is also currently under consideration and will be notified to Councils as and when the two Reports are circulated.

Finally it's important to me personally to acknowledge the hard work that directors of WSALC Ltd have and are currently doing to ensure that this project is delivered for the sole benefit of all Member Town and Parish Councils in West Sussex.

Terry Oliver

Chairman,HALC

Chairman, West Sussex ALC Ltd