



**GOVERNANCE COMMITTEE**

**TUESDAY, 26 JANUARY 2016**

**12 NOON (OR AT THE CONCLUSION OF THE CABINET, WHICHEVER IS THE LATER)**  
**COMMITTEE ROOM, COUNTY HALL, LEWES**

**MEMBERSHIP** - Councillor Keith Glazier (Chair)  
Councillors Godfrey Daniel, David Elkin, Philip Howson and David Tutt

**A G E N D A**

- 1 Minutes of the meeting held on 19 November 2015 (*Pages 3 - 4*)
- 2 Apologies for absence
- 3 Disclosures of interests  
Disclosures by all members present of personal interests in matters on the agenda, the nature of any interest and whether the member regards the interest as prejudicial under the terms of the Code of Conduct.
- 4 Urgent items  
Notification of items which the Chair considers to be urgent and proposes to take at the appropriate part of the agenda. Any members who wish to raise urgent items are asked, wherever possible, to notify the Chair before the start of the meeting. In so doing, they must state the special circumstances which they consider justify the matter being considered urgent.
- 5 Appointment of Director to the Board of Trip Rate Information Computer System Consortium Ltd LATC (*Pages 5 - 8*)  
Report by Director of Communities, Economy and Transport
- 6 Local Managers' Pay 2016/17 (*Pages 9 - 14*)  
Report by Chief Operating Officer
- 7 Any other items previously notified under agenda item 4

PHILIP BAKER  
Assistant Chief Executive  
County Hall, St Anne's Crescent  
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18 January 2016

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## GOVERNANCE COMMITTEE

MINUTES of a meeting of the Governance Committee held at Committee Room, County Hall, Lewes on 19 November 2015.

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PRESENT Councillors Keith Glazier (Chair), Godfrey Daniel, David Elkin, Philip Howson and David Tutt

ALSO PRESENT Councillor Ruth O’Keeffe

### 22 MINUTES OF THE MEETING HELD ON 22 SEPTEMBER 2015

22.1 RESOLVED – that the minutes of the last meeting held on 22 September be approved as a correct record

### 23 DISCLOSURES OF INTERESTS

23.1 Councillor Elkin declared a personal non-prejudicial interest in item 5 (East Sussex County Council submission to the Local Government Boundary Commission for England on county electoral division boundaries – minute 24) as a member of Eastbourne Borough Council.

23.2 Councillor O’Keeffe declared a personal non-prejudicial interest in item 5 (East Sussex County Council submission to the Local Government Boundary Commission for England on county electoral division boundaries – minute 24) as a member of Lewes District Council.

23.3 Councillor Tutt declared a personal non-prejudicial interest in item 5 (East Sussex County Council submission to the Local Government Boundary Commission for England on county electoral division boundaries – minute 24) as a member of Eastbourne Borough Council.

### 24 EAST SUSSEX COUNTY COUNCIL SUBMISSION TO THE LOCAL GOVERNMENT BOUNDARY COMMISSION FOR ENGLAND ON COUNTY ELECTORAL DIVISION BOUNDARIES

24.1 The Committee considered a report by the Assistant Chief Executive regarding the Council’s submission to the Local Government Boundary Commission for England on county electoral division boundaries

24.2 The Committee RESOLVED to recommend the County Council to agree the submission attached as Appendix 1 as the Council’s submission to the Local Government Boundary Commission for England on county electoral boundaries for each of the district and borough areas of East Sussex.

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Report to: **Governance Committee**

Date: **26 January 2016**

By: **Director of Communities, Economy and Transport**

Title of report: **Appointment of a Director representing East Sussex County Council on the Board of the Trip Rate Information Computer System Consortium Ltd - a Local Authority Trading Company.**

Purpose of report: **To seek agreement to appoint Alex Jack to represent East Sussex County Council on the Board of Directors for the Trip Rate Information Computer System Consortium Ltd, in place of the current Director, Claire Warwick.**

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**RECOMMENDATION:** The Governance Committee is recommended to appoint Alex Jack to represent East Sussex County Council on the Board of Directors for the Trip Rate Information Computer System Consortium Ltd on Claire Warwick's resignation to the Board.

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## **1. Background Information**

1.1 TRICS Consortium Limited (TCL), a Local Authority Trading Company (LATC) owned by East Sussex County Council and five other County Councils in the South East has been trading since January 2015. In this first year TCL has operated effectively to the benefit of the Local Authority owners, each receiving a share dividend.

1.2 TRICS (Trip Rate Information Computer System) is a nationally and internationally recognised database used in Development Management Planning. Over 25 years it has become the industry standard in trip rate assessment for development. The creation of the LATC allowed the Authorities to retain tighter control of that shared database and exploit the commercial potential of the database.

## **2. Supporting Information**

2.1 On 1 July 2014, East Sussex County Council's Cabinet agreed that the County Council would be part of the new TCL, with our five partner County Councils (Dorset, Hampshire, Kent, Surrey and West Sussex). The Director of Communities, Economy and Transport was given delegated powers to agree the Shareholders Agreement, the Articles of Association and to take any other actions necessary including entering into contractual arrangements on behalf of the County Council following completion of appropriate due diligence.

2.2 The company has a staff of four (including a Managing Director) and each Local Authority is represented by one Director. Appendix 1 outlines the Director's duties. The day to day running of the company is covered by the employed staff but the Board of Directors has a steering role, with responsibility for providing strategic direction for the company. The Directors will make decisions on the operation of

TRICS (including decisions on TRICS technical matters) in conjunction with the TRICS Managing Director.

2.3 On 9 September 2014, the Governance Committee appointed Claire Warwick as the County Council representative on the new TCL Board of Directors.

2.4 Transport Development Control officers represented the County Council on the TRICS Management Group for 25 years (prior to the creation of the LATC) given that the Transport Development Control Team is the only County Council team that uses the TRICS database on a day to day basis, in both development management planning and development policy work. Claire Warwick has continued her TRICS role as Director for the County Council, but is taking a period of leave for 2016.

2.5 It is appropriate for Alex Jack, Team Manager for Transport Development Control to take on the Director role given Transport Development Control's years of involvement to date, the likely level of input required and the need for continuity for TCL.

2.6 Board meetings are held every month and Directors are expected to attend at least ten of these per year. They are also expected to take on a TRICS workload to the equivalent of 0.5 days a week.

### 3. **Conclusion and Recommendations**

3.1 The Committee is asked to agree that Alex Jack be appointed as the East Sussex County Council representative on the TCL Board on Claire Warwick's resignation to the Board.

RUPERT CLUBB  
Directors of Communities, Economy and Transport

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#### LOCAL MEMBERS

All

#### BACKGROUND DOCUMENTS

None

## Appendix 1

### Directors' Duties (Companies Act 2006)

Directors' duties are described in the Companies Act 2006. The main duties are as follows-

- ❖ Duty to act within a company's constitution
- ❖ Duty to promote the success of the Company
- ❖ Duty to Exercise independent judgement
- ❖ Duty to Exercise reasonable care, skill and diligence
- ❖ Duty to Avoid conflicts of interest
- ❖ Duty not to Accept Benefits from third parties
- ❖ Duty to declare interest in a proposed transaction or arrangement with the Company
- ❖ Declaration of interest in an existing transaction or arrangement
- ❖ Record Keeping and notification to Companies House

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**Report to:** Governance Committee  
**Date of meeting:** 26 January 2016  
**By:** Chief Operating Officer  
**Title:** Local Managers' Pay (LMG) 2016/17  
**Purpose:** To agree a pay proposal for LMG Managers in 2016/17 for negotiation with Unison

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## **RECOMMENDATIONS**

**The Governance Committee is recommended to determine the pay offer for LMG Managers to be negotiated with Unison for 2016/17 as being equivalent to the National pay offer when known.**

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### **1 Background**

1.1 LMG Managers' pay is locally negotiated with Unison and reported to the Governance Committee on an annual basis, to approve the pay offer and any subsequent settlement. Two reports are therefore presented: the first, in January, seeking agreement to the offer and the second, in March, finalising the offer following local negotiations with Unison in January/February.

1.2 The national (NJC) pay award is relevant to these local negotiations as the decision made regarding the local pay offer needs to take into account the impact on the wider workforce and organisation as a whole. In addition, there is an overlap between LMG1 and the top of the Single Status pay range (SS13) which applies to specialist professional posts, such as Senior Practitioners in Adult Social Care and Children's Services. It is therefore important to ensure that these two grades remain comparable and that the relativities do not widen too far.

1.3 Set against this background, the local pay award for LMG Managers has therefore historically mirrored the national award. Any consideration of a pay increase must, however, take into account the savings targets and significant financial challenges facing the Council, as well as any Government pay policy for the public sector.

### **2 Supporting information**

2.1 The annual Consumer Prices Index (CPI) inflation measures changes in the price level of consumer goods and services purchased by households. The CPI 12 month rate (the amount prices changed over the year between Nov 14 and Nov 15) stood at 0.1%. CPI is the inflation measure used in the Government's target for inflation and for purposes such as uprating pensions, wages and benefits.

2.2 For the three months ending October 2015, the median pay settlement for the private sector was 1.6%, whereas in the public sector it was 1.8%. The median for the whole economy is 2%. Total pay in the public sector (average weekly earnings including bonuses) grew by 1.2% when compared with a year earlier over the three months to September 2015. In contrast, total pay in the private sector rose by 3.4% over this period. (Labour market statistics, ONS)

2.3 The wastage figure for voluntary leavers among LMG Managers (e.g. resignations) for the half year period April to September 2015 is 3.6%. For comparison purposes, for the period April to September 2014 it was 3.58% and for April to September 2013, 4.87%.

#### Pay Negotiations 2016/17

2.7 National negotiations on the NJC local government services pay award are currently progressing, with an offer of a two-year deal made to the NJC Trade Union Side. This proposes a bottom-loaded, tapering increase ranging from 6.6% in year 1 (3.4% in year 2) to the bottom spinal column point, up to 1% for spinal column points 13 and above. This takes the hourly rate of the bottom spinal column point above the new National Living Wage hourly rate of £7.20 (from 1 April 2016). The total increase to the national pay bill resulting from this offer is 2.4% over the two year

period from 1 April 2016 to 31 March 2018. It should, however, be noted that the negotiations are still on-going, with national TUs currently considering their response to the offer.

2.8 LMG Managers received an overall pay award of 2.20% for the two year period 1 April 2015 to 31 March 2016, the same as the national award for spinal column points 11 and above.

### Financial Implications

2.9 The LMG pay bill is approximately £29.8m per annum including on-costs. If we were to mirror the current national NJC offer, this would provide for an offer of 1%. A 1% increase would cost approximately £298k including on-costs. Revenue budgets for 2016/17 have been prepared with provision for a pay award of 1%, in line with the Government's pay policy for the public sector.

2.10 Appendix 1 provides high level benchmarking data in relation to the key LMG grades. As can be seen from this, the LMG grades are broadly in line with our neighbours. Currently, none have determined their pay offer for 2016/17, but have informally noted that they would expect this to be heavily influenced by the national position.

2.11 Attached at Appendix 2 is a copy of the current LMG salary scales along with the impact of a 1% uplift.

### **3. Conclusion and reasons for recommendations**

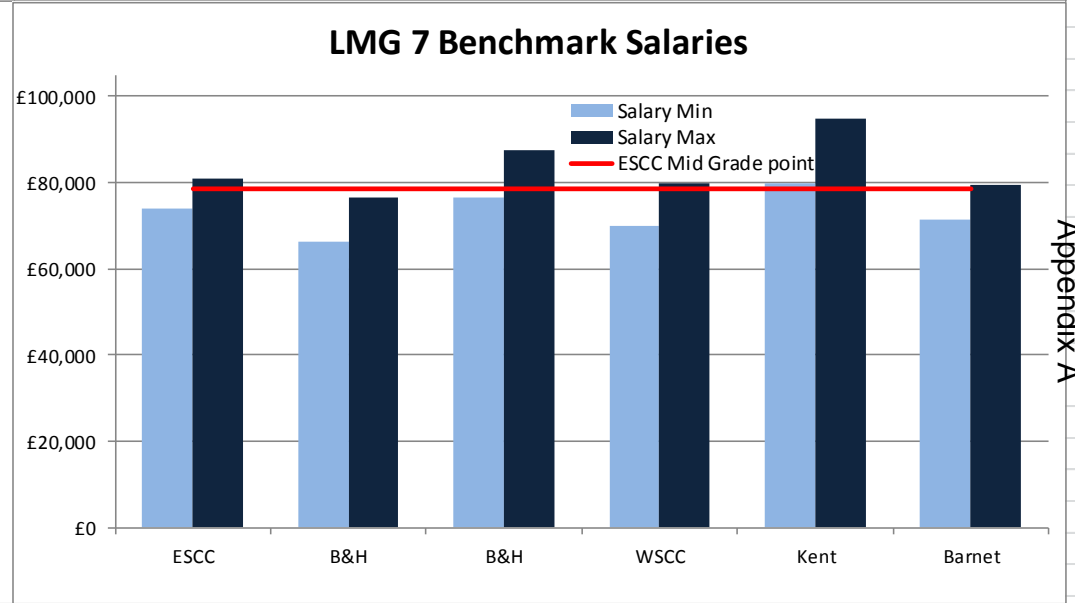
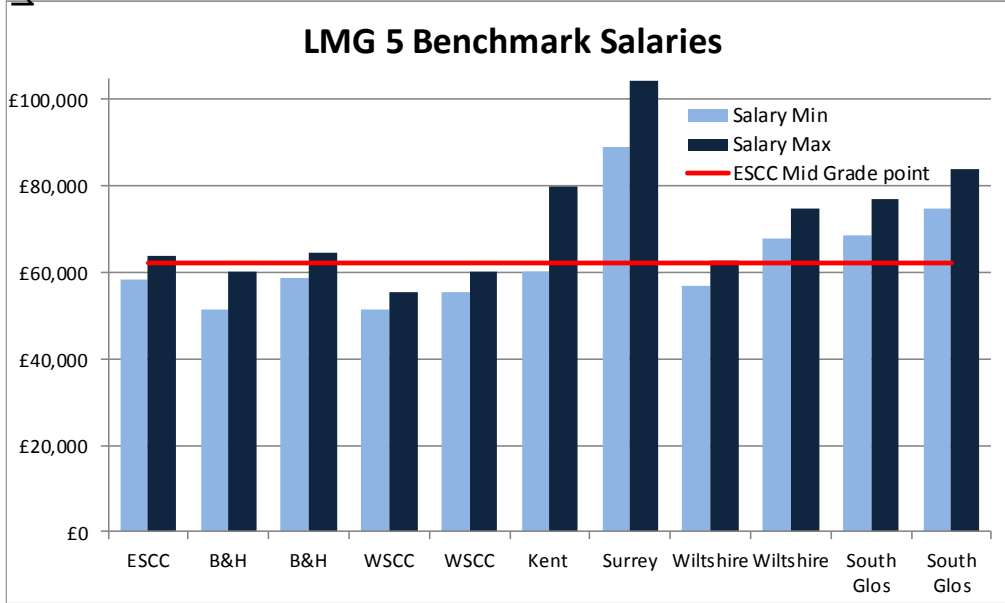
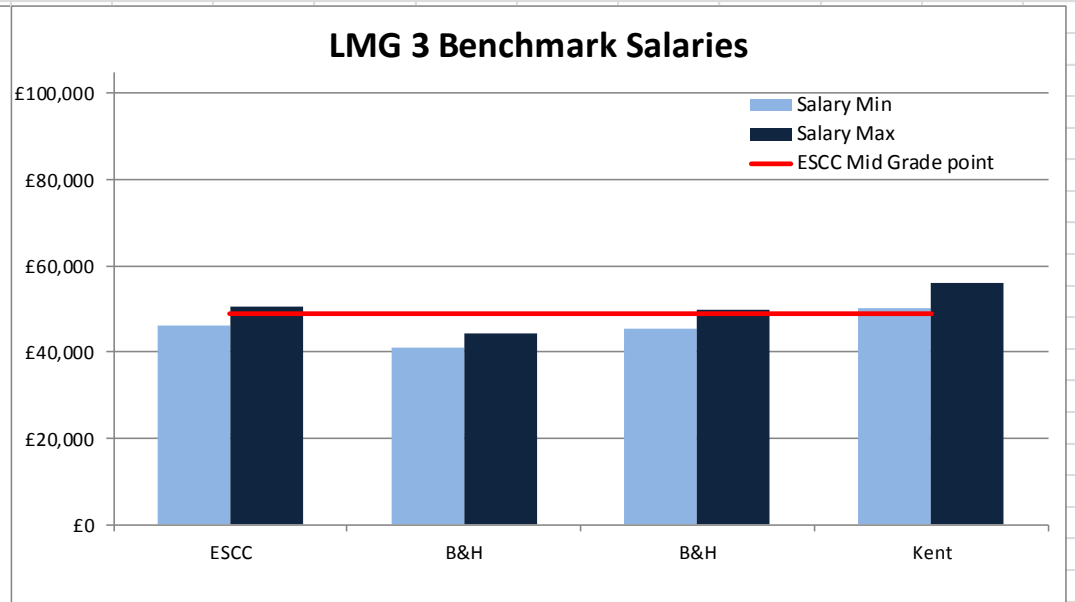
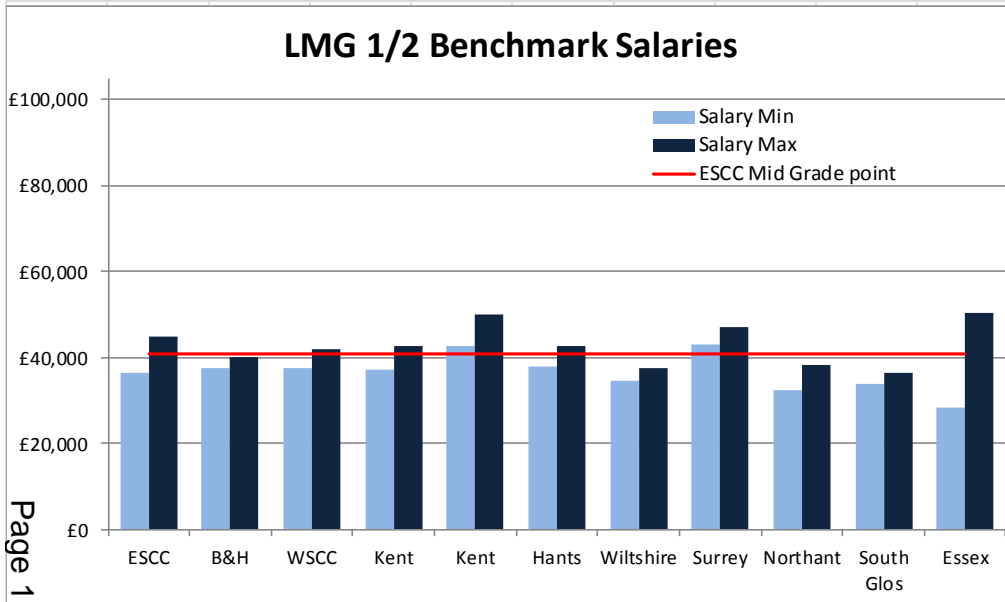
3.1 The Governance Committee is recommended to determine the pay offer for LMG Managers to be negotiated with Unison for 2016/17 as being equivalent to the National pay offer when known.

**KEVIN FOSTER**  
**Chief Operating Officer**

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LMG Benchmarking Figures to comparative salary levels in ESCC



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**Salary Scales 2016/17 showing 1% increase : LMG Managers**

Grade	Current Salary	Plus 1%
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SS13 Current	National Pay Negotiations 1%
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LMG 1	£ 36,417	£36,781
	£ 37,510	£37,885
	£ 38,634	£39,020
	£ 39,796	£40,194

£36,771	£37,139
£38,130	£38,511
£39,540	£39,935

LMG 2	£ 40,991	£41,401
	£ 42,224	£42,646
	£ 43,493	£43,928
	£ 44,800	£45,248

LMG 3	£ 46,145	£46,606
	£ 47,531	£48,006
	£ 48,962	£49,452
	£ 50,427	£50,931

LMG 4	£ 51,947	£52,466
	£ 53,505	£54,040
	£ 55,109	£55,660
	£ 56,766	£57,334

LMG 5	£ 58,475	£59,060
	£ 60,221	£60,823
	£ 62,040	£62,660
	£ 63,901	£64,540

LMG 6	£ 65,824	£66,482
	£ 67,796	£68,474
	£ 69,831	£70,529
	£ 71,922	£72,641

LMG 7	£ 74,083	£74,824
	£ 76,309	£77,072
	£ 78,607	£79,393
	£ 80,960	£81,770

LMG 8	£ 83,389	£84,223
	£ 85,896	£86,755
	£ 88,476	£89,361
	£ 91,137	£92,048

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