



GOVERNANCE COMMITTEE

TUESDAY, 5 MARCH 2019

10.30 AM (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, Rupert Simmons and David Tutt

A G E N D A

- 1 Minutes of the meeting held on 22 January 2019 (*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 Pay Policy Statement 2019/20 (*Pages 5 - 14*)
Report by Chief Operating Officer
- 6 Review of Scrutiny and Regulatory Committees (*Pages 15 - 16*)
Report by Assistant Chief Executive
- 7 Amendment to Constitution - Health and Wellbeing Board Terms of Reference (*Pages 17 - 22*)
Report by Chief Executive
- 8 Pension Board
Report by Chief Operating Officer (to follow)
- 9 Local Managers' Pay 2019/20 (*Pages 23 - 26*)
Report by Chief Operating Officer
- 10 Chief Executive, Chief Officers' and Deputy Chief Officers' Pay 2019/20 (*Pages 27 - 34*)
Report by Head of Human Resources and Organisation Development
- 11 Any other items previously notified under agenda item 4

PHILIP BAKER
Assistant Chief Executive
County Hall, St Anne's Crescent
LEWES BN7 1UE

25 February 2019

Contact Andy Cottell, 01273 481955,
Email: andy.cottell@eastsussex.gov.uk

GOVERNANCE COMMITTEE

MINUTES of a meeting of the Governance Committee held at Committee Room - County Hall, Lewes on 22 January 2019.

PRESENT Councillors Keith Glazier (Chair), Godfrey Daniel, David Elkin, Rupert Simmons and David Tutt

ALSO PRESENT Councillor Richard Stogdon

24 MINUTES OF THE MEETING HELD ON 13 NOVEMBER 2018

24.1 RESOLVED – that the minutes of previous meeting of the Committee held on 13 November 2018 be confirmed and signed as a correct record.

25 REPORTS

25.1 A copy of the reports referred to below are included in the minute book

26 ANTI MONEY LAUNDERING POLICY

26.1 The Committee considered a report by the Chief Operating Officer regarding a revised Anti-Money Laundering Policy.

26.2 The Committee RESOLVED to approve the Anti-Money Laundering Policy as set out in Appendix 1 of the report

27 APPOINTMENT TO OUTSIDE BODIES

27.1 The Committee considered a report by the Assistant Chief Executive regarding appointments to the East Sussex Fire Authority and the Local Government Association Coastal Issues Special Interest Group.

27.2 The Committee RESOLVED to: (1) appoint Councillor Earl-Williams as a Council representative on the East Sussex Fire Authority for the period to May 2021; and

(2) appoint Councillor Elkin as the Council's representative on the Local Government Association Coastal Issues Special Interest Group for the period to May 2021.

28 LOCAL MANAGERS' PAY 2019/20

28.1 The Committee considered a report by the Chief Operating Officer in relation to the Local Manager Group pay award for 2019/20.

28.2 The Committee RESOLVED to agree the pay award for the Local Managers Group for the financial year 2019/20 as being 2% in line with the national (NJC) award

Report to: Governance Committee

Date of meeting: 5 March 2019

By: Chief Operating Officer

Title: Pay Policy Statement

Purpose: To consider the pay policy statement for 2019/20

RECOMMENDATIONS

The Governance Committee is recommended to recommend to the County Council the updated pay policy statement for 2019/20 as set out in Appendix 1.

1 Background

- 1.1 The Localism Act 2011 requires local authorities to formulate and publish a pay policy statement on the pay of its Chief Officers and the relationship between these pay levels and the rest of the workforce, excluding schools. This policy statement has to be approved annually by full Council by 31 March.
- 1.2 At its meeting on 27 March 2012, County Council agreed that the Governance Committee should have formal responsibility for the approval of posts at Chief Officer, Deputy Chief Officer and Assistant Director level with a remuneration package of £100,000 or more, provided the existing grade bands and terms and conditions are applied and any proposed exceptions to these are reported to full County Council. The actual appointment decision will continue to be made using existing delegations. Any proposed exceptions to this would require the approval of the full County Council.

2 Pay Policy Statement

- 2.1 The Localism Act 2011 requires local authorities to prepare an annual pay policy statement relating to the remuneration (total pay packages) of its Chief Officers, as defined by statute, Deputy Chief Officers (and, by definition, Assistant Directors), the Monitoring Officer and its lowest-paid employees, excluding schools. The pay policy also has to state the relationship between the remuneration of Chief Officers and the remuneration of its employees who are not Chief Officers.
- 2.2 The Hutton report of Fair Pay in the Public Sector recommended the publication of an organisation's pay multiple as a means of illustrating the relationship between the remuneration arrangements for Chief Officers in comparison with the rest of the non-schools workforce in the form of a ratio. The ratio is currently (March 2018) 7.14 to 1, the same as the December 2017 ratio of 7.14 to 1. The pay multiple is published on our website with the Pay Policy Statement and will be updated in March 2019.
- 2.3 It is necessary to include definitions and the authorities' policies relating to levels and elements of remuneration including all additional payments and benefits in kind. The statement must also indicate the approach to the payment of Chief Officers on ceasing employment, including eligibility for the award of additional pensionable service and on the engagement or re-engagement of Chief Officers previously made redundant or accessing a local government pension.
- 2.4 The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 placed a new requirement on all employers with 250 or more employees to publish gender pay data on the gov.uk website by 31 March 2018. The median gender pay gap for 2017/18 was 7.18% and the gender pay report for East Sussex County Council is published on our website with the Pay Policy Statement.

2.5 The Government has also undertaken a number of consultations over the last couple of years in relation to reforming public sector exit payment terms. All of the below were due to be implemented in 2018 but implementation has been delayed and no expected implementation date has currently been announced:

- (i) Recovery of exit payments - the Small Business, Enterprise and Employment Act 2015 includes provisions to enable the recovery of exit payments made to individuals who return to the public sector within 12 months of receiving an exit payment.
- (ii) Exit payment cap — the Government intends to introduce a cap of £95,000 on public sector exit payments (including pension strain costs etc.) to implement its manifesto commitment to cap six-figure exit pay-outs.
- (iii) Exit payment terms (compensation) — the Government are considering further reforms to the calculation of compensation terms and to employer funded early retirement in circumstances of redundancy, including the introduction of a maximum salary on which an exit payment can be based and the tapering of a lump sum compensation as they get closer to their normal retirement age. The maximum salary is currently proposed to be £80,000.

2.6 Whilst the existing pay policy statement remains a valid statement of the County Council's remuneration arrangements at present, it will need to be updated to reflect the outcome of the above consultations once known. Attached at Appendix 1 is a copy of the pay policy statement for 2019/20.

3. Recommendations

3.1 The Governance Committee is recommended to recommend to the County Council the updated pay policy statement for 2019/20 as set out in Appendix 1.

KEVIN FOSTER
Chief Operating Officer

Contact Officers:
Sarah Mainwaring, Head of HR & OD
Tel. No. 01273 482060
Email: sarah.mainwaring@eastsussex.gov.uk

Ruth Wilson, Lead Consultant – Pay and Reward
Tel No 01273 481762
Email: ruth.wilson@eastsussex.gov.uk



Pay Policy Statement

Date: January 2019,

Approved by East Sussex County Council at its meeting on

Document summary

Policy on the pay of Chief Officers, Deputy Chief Officers and Assistant Directors in relation to the rest of the local government workforce, excluding schools.

Enquiries

Reward, Policy and Projects Team, 01273 481762

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Key points

- The annual pay policy statement will be approved by full Council each year and published on the Council's website by 31 March.
- Elected members will take decisions on matters concerning the pay of Chief Officers and Deputy Chief Officers through the Governance Committee including approval of any annual pay award. This Committee also approves any annual pay award offered to managerial staff employed on local pay and conditions.
- The Chief Officer salary bands are published on the County Council's website, along with the salary scales for all other staff groups.
- The County Council uses job evaluation to determine the grade of its posts and has adopted two schemes; the HAY scheme for managerial posts and the NJC (local government) Single Status scheme for staff below management level.

1. Background to the pay policy statement

- 1.1. The Localism Act 2011 requires local authorities to prepare a pay policy statement for each financial year. This statement has to be approved by the full County Council, annually.
- 1.2. The statement must set out the authority's policies for the financial year relating to the remuneration of its Chief Officers, the remuneration of its lowest paid employees and the relationship between the remuneration of its Chief Officers and the remuneration of its employees who are not Chief Officers.

2. Definitions

- 2.1. **Chief Officers:** Statutory and non-statutory Chief Officers of the County Council, all of whom report to the Chief Executive as the Head of the Authority's paid service. This definition is based on the interpretation provided in the Localism Act with reference to the Local Government and Housing Act 1989.
- 2.2. **Deputy Chief Officers:** All posts reporting directly to a Chief Officer, whether paid on Deputy Chief Officer pay bands or Assistant Directors paid on Local Managerial Grades. This definition is based on the interpretation provided in the Localism Act with reference to the Local Government and Housing Act 1989. The Localism Act specifies that the **Monitoring Officer** is also included.
- 2.3. **Lowest paid employees:** all staff paid on the lowest salary point of the local single status pay spine; currently (January 2019) £16,394 per annum for full time staff. All non-managerial employees are paid on a pay spine which commences at this level, hence the selection of this point as the lowest salary point.
- 2.4. The Localism Act defines **remuneration** as including; salary under a contract of employment or payments made under a contract for services, bonuses, charges, fees or allowances, any benefits in kind, any enhancement to pension entitlement and any amounts payable on the Chief Officer ceasing to hold office.
- 2.5. The publication of the '**pay multiple**' as a determinant of the relationship between the pay of the Chief Executive and that of the rest of the workforce was recommended by the Hutton report on Fair pay. This is a calculation in the form of a ratio between the median average earnings across the organisation and the highest paid employee. The pay multiple will be published on the County Council website and monitored annually.

3. Remuneration of Chief Officers

- 3.1. The Chief Executive, Directors and Deputy Directors of the County Council are paid on local pay bands for Chief Officers and Deputy Chief Officers. These posts are evaluated using the Hay job evaluation scheme and are paid on the relevant band according to the size of their job as determined on the job evaluation scheme.
- 3.2. Assistant Directors are defined as 'Deputy Chief Officers' for the purposes of the Localism Act as they report directly to Chief Officers. These posts are also evaluated using the HAY job evaluation scheme and paid on the County Council's Local Managerial Grades (LMG). All the County Council's managers are paid on these scales and have a common scheme of terms and conditions of service.
- 3.3. The County Council's salary scales are published on the County Council website <http://www.eastsussex.gov.uk/jobs/workingateastsussexcountycouncil/salaries/default.htm>
- 3.4. In accordance with standard council policy, new employees are normally appointed to the minimum point of the pay scale unless there is a good reason for appointment at a higher point on the scale. This would be approved at a senior level and, in the case of Chief Officer appointments, by the Chief Executive in consultation with the Lead Member.
- 3.5. Incremental progression within a salary band would normally take place on 1 April each year until the maximum point of the scale is reached and is subject to the achievement of agreed operational targets. This is standard policy for all managers across the County Council.
- 3.6. Annual pay awards for Chief Officers and Deputy Chief Officers are subject to local pay determination by the Governance Committee. Annual pay awards for managers paid on Local Managerial Grades, including Assistant Directors, are negotiated with UNISON annually and approved by the Governance Committee. These pay awards are determined with reference to economic indicators including the rate of inflation (CPI), turnover rates, level of other public sector pay awards and market position. The local pay awards for these staff groups were 1% in 2016/17, 1% in 2017/18 and 2% in 2018/19. The pay award for 2019/20 will be determined by the Governance Committee at its meeting on 5 March 2019.

4. Remuneration of employees who are not Chief Officers

- 4.1. The remuneration of employees below management level is subject to the 'National Agreement on Pay and Conditions of Service of the National Joint Council for Local Government Services' commonly known as the 'Green Book'.
- 4.2. The 'Green Book' contains a national basic framework for conditions of service but also allows for local variation on certain specified conditions of service, including the pay structure. The County Council and the local trade unions have been working closely together over a number of years to implement these local variations via Local Collective Agreements. In broad terms, these have provided for a range of changes to terms and conditions of employment, including the following:
 - the adoption of the National Joint Council Job Evaluation Scheme for determining the grade of posts on the local single status pay spine;

- the implementation of local East Sussex Single Status pay scales containing 13 non-overlapping grades. A copy of the current set of pay scales is published on the County Council's website.
 - a harmonised arrangement of paying up to two additional increments for work undertaken at weekends within the normal working week.
- 4.3. The headline terms of the nationally negotiated pay awards have been applied to the local single status pay scales since their introduction in 2003. Consequently, in 2018/19 a tapering percentage was applied which provided for a 9.2% increase to be applied to the bottom of the local Single Status scales, reducing to 2% for spinal column points 14 and above. For 2019/20, the pay award also provides for a tapering percentage to be applied: 5.92% on the bottom spinal column point, reducing to 2% for spinal column points 18 and above. This also takes account of the National Living Wage in both years.
- 4.4. Staff, who are not Chief Officers, working in Education Advisory roles or as Educational Psychologists are paid according to the national salary framework for Soulbury staff with associated terms and conditions.

5. Other elements of remuneration

- 5.1. The County Council does not operate a formal performance-related pay system and therefore there are no bonus payments, earn back systems or other regular payments paid to Chief Officers beyond the annual increments referred to in paragraph 3.5 above.
- 5.2. The County Council's honorarium scheme applies to all staff, including Chief Officers, and rewards the performance of additional duties and responsibilities over and above an employee's normal workload for a temporary period. It includes reward for an exceptional contribution to a project or piece of work and for high standards of personal achievement and quality of work. There are three levels of payment against specified criteria and a payment of 2.5%, 5.0% and 7.5% of salary may be awarded for the period during which the additional duties/responsibilities were undertaken. The decision to award an honorarium payment to a Chief Officer would be taken by the Chief Executive and in the case of the Chief Executive; the Leader of the Council.
- 5.3. The County Council does not award additional fees to Chief Officers for undertaking local election duties.
- 5.4. The County Council's special merit payment scheme, which allows a flat rate payment of up to £1000 in recognition of a particular "one-off" contribution or a substantially increased workload, applies to all staff, including Chief Officers. The decision to award a merit payment to a Chief Officer would be taken by the Chief Executive and in the case of the Chief Executive, the Leader of the Council.
- 5.5. Out of pocket expenses incurred during the course of employment will be met by the County Council provided that the expenses are directly related to employment and are approved as reasonable. This is in line with standard County Council policy.
- 5.6. The standard County Council mileage payments are also paid to Chief Officers for mileage travelled on Council business. These are 45p per mile for contracted car users, 25p per mile for optional car users, 20p for travel in connection with training and 12p per mile for leased car users.

- 5.7. The County Council operates a car leasing scheme which is open to all employees but only attracts an employer contribution for staff who are expected to travel at least 4000 business miles per annum and leased car users are then reimbursed the 'fuel' element of their business travel. The employer contribution is £1600 per annum and the higher contribution for travel in excess of 7500 miles per annum is £2675.
- 5.8. The County Council has a market supplements policy that provides for an additional payment to aid the recruitment and retention of staff that work in areas where there is evidence of a skills shortage. These are rarely applied and have to be approved by the Chief Executive and relevant Chief Officer.
- 5.9. The County Council operates a pay protection policy which allows for the current pay rate of an employee to be protected if they are redeployed into a lower graded role or have a reduction of hours as a result of a restructure. Pay protection is for up to 10% of the current salary for a period of 1 year.

6. Relationship between the remuneration of Chief Officers and that of the wider workforce

- 6.1. Apart from the differences in pay scales as described in paragraph 3 above, there are minimal differences in entitlement to remuneration between Chief Officers, Deputy Chief Officers and the rest of the workforce as the County Council is working towards harmonisation of terms and conditions of service between staff groups. The main differences between the remuneration of employees below managerial level and the local managerial grades are:
 - i) Managers employed on local terms and conditions are not entitled to payment of any additional allowances beyond the basic rate of pay whereas employees below management level are able to claim for regular working outside standard working hours, for example, overtime or weekend working increments.
 - ii) Managers employed on local terms and conditions have their annual pay award approved locally by the Governance Committee, as described in paragraph 3.6, whereas employees below management level usually receive an award in line with the national pay award.
- 6.2. The 'pay multiple' will be calculated each year and will be published on the County Council's website with other pay information suggested in the code of recommended practice on data transparency. Historical information will be retained in order to monitor the pay multiple over time.

7. Tax Avoidance

- 7.1. The Council is committed to tackling all forms of tax avoidance and therefore encourages the direct employment of staff and pays them via the payroll system. In a few circumstances where it is more appropriate to engage people on a self-employed basis, the Council offers a contract for services and follows guidelines to ensure that the correct employment status is identified. When a need arises for an 'interim' appointment, recruitment is normally secured using the Council's agency contract arrangement.

8. Appointment or Re-engagement of Chief Officers

- 8.1. Posts with proposed salary packages greater than £100,000 will be approved by the Governance Committee prior to appointment, provided the salary package being considered is in line with existing pay scales that also apply to other Chief Officers and Deputy Chief Officers undertaking similar duties and responsibilities. Chief Officers and Deputy Chief Officers will be appointed on one of the established grade bands appropriate to the post. Any proposed exceptions to this would require the approval of the full County Council.
- 8.2. The policy for appointing or re-engaging any member of staff who has previously been made redundant by this authority, should be on the following basis:
- the re-engagement should be for a fixed term, not exceeding one year (in exceptional circumstances this may be extended);
 - the rate of pay applied to the work undertaken by the re-engaged employee should be that appropriate to the work to be done and not the grade which applied to the employee in the employment that they were made redundant from;
 - the arrangement must provide financial/operational advantage to the County Council and must be approved by the appropriate Chief Officer
- 8.3. If an officer in receipt of a local government pension is employed or re-employed it is our policy to apply the Local Government Pension Scheme rules on abatement for any benefits accrued in the Local Government Pension Scheme before 1st April 2014. This ensures that the pension is abated if the combined income exceeds that of the former employment. There are currently some exceptions to this where flexible retirement has been approved in accordance with Local Government Pension Scheme provisions and a business case having been approved at Chief Officer level. Following a review of this policy the County Council has ceased to have a Flexible Retirement Policy and no new applications are accepted.

9. Termination of Employment of Chief Officers

- 9.1. Any compensation payments made to Chief Officers and Deputy Chief Officers on ceasing to hold office or to be employed by the authority will be made on the same basis as any other employee in line with the County Council's 'managing change' policies.
- 9.2. The Local Government Early Termination of Employment (Discretionary Compensation) England and Wales Regulations 2006 require local authorities to formulate and publish their policy on making discretionary payments on early termination of employment within the parameter of up to 104 weeks' pay. In the event of an employee being made redundant or applying for voluntary severance, the County Council's managing change policy contains details of the circumstances in which a redundancy payment is payable. The payment is calculated on the basis of the statutory redundancy payment multiplied by 1.75. This equates to a maximum of 52.5 weeks' pay. For the purposes of calculating the enhanced (non statutory) proportion of this payment, the employee's gross weekly salary will not be considered to include pension contributions made by the employer, or any other payments that are not normally made direct to the employee.

- 9.3. The Local Government Pension Scheme regulations provide for access to pension benefits without reduction from the age of 55 in the event of an employee being made redundant. The managing change policy stipulates that where a proposal is in place for a Chief Officer, Deputy or Assistant Director to be made redundant, this must be approved by the Chief Executive
- 9.4. Where a severance package for an individual employee exceeds £30,000 it must be approved by the Chief Executive. A severance package that exceeds £100,000 must be approved by the Governance Committee with the components of the package listed separately.

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Report to:	Governance Committee
Date of meeting:	5 March 2019
By:	Assistant Chief Executive
Title:	Review of Scrutiny and Regulatory Committees
Purpose:	To review the number of councillors appointed to scrutiny committees and the Regulatory Committee size and structure

RECOMMENDATION

The Governance Committee is recommended to:

- 1) maintain the current number of councillors appointed to scrutiny committees; and**
 - 2) retain the Regulatory Committee in its current form and size.**
-

1 Background

1.1 Following consideration by Governance Committee, Full Council on 27 March 2018 approved a new scrutiny committee structure.

1.2 In April 2018 Governance Committee requested that a report considering the number of councillors appointed to the scrutiny committees and the need for the Regulatory Committee be brought back to the committee in early 2019 to enable any changes to be made before the Annual Council meeting in May. These areas have been brought together in this report.

2 Size of scrutiny committees

2.1 The new People and Place Scrutiny Committees are larger than the predecessor committees – comprising 11 Members each, compared to seven previously. The increased size was designed to reflect both the broader remits and smaller number of committees, and the move towards a commissioning model of scrutiny, with the larger committees providing a greater pool of Members from which Review Boards and other working groups could be drawn.

2.2 Members expressed mixed feedback about the proposed size of committees during the 2018 review of scrutiny arrangements. Some Members expressed concern that larger committees would be unwieldy and difficult to manage. Others queried whether the size could be increased to involve more Members, for example an increased presence from opposition groups.

2.3 Comparison with the size of the scrutiny committees of other top tier local authorities in the south east indicates that committee size ranges from 8-16 Members, with most committees between 10 and 13 Members. This suggests that the current size of ESCC committees is typical. It should be noted that the People Scrutiny Committee includes four statutory education co-optees, bringing the overall size of the existing committee to 15.

2.4 Practical considerations are also relevant. Issues such as the availability of Members to fill seats and attend meetings, and increased challenges in supporting and managing large meetings have been taken into account. These practical issues mitigate against increasing the size of committees.

2.5 There is no evidence suggesting a need to change the size of committees. The new committees have proved manageable to support and have moved towards a commissioning model which involves the formation of more sub-groups from the main committee.

3 Regulatory Committee

3.1 Governance Committee requested consideration of the need for the Regulatory Committee, in the context of whether a different structure would release Members and places for other committees, including scrutiny committees, or reduce demands on Member time. The Regulatory Committee, currently 18 Members, rarely meets but acts as a pool from which other committees and panels needed to fulfil the Council's non-Executive regulatory functions are drawn. This includes the standing Planning Committee and ad hoc panels drawn as required, for example the Discretionary Transport Appeal Panel and the Commons and Village Green Registration Panel.

3.2 The basis of the current model is that the pool of Regulatory Committee Members can receive the necessary training to enable them to be a Member or substitute on Planning Committee and to participate in the other relevant panels as required. The larger size of the committee minimises the risk of inaccuracy, as there is a sufficient pool of Members from which to identify substitutes or panel Members, potentially at short notice. As the committee rarely meets, the demands on Member time are not great, with the main demand being in relation to training which is relatively infrequent.

3.3 Comparison with the Regulatory Committee arrangements of other top tier local authorities in the south east has identified a variety of arrangements with some Councils operating a similar arrangement to ESCC with a Regulatory Committee acting as a pool and others operating a combined Planning and Regulatory Committee. In the combined model the committee tends to be larger than our current Planning Committee and often includes a number of designated substitute Members, making a similar total number to the current ESCC Regulatory Committee. This suggests that there would be little reduction in the overall number of Members involved in this alternative model and potentially an increased number of Members required to attend regular meetings.

3.4 Reducing the size of the current Regulatory Committee would have minimal impact on the make-up and distribution of seats on other Council committees, including scrutiny, due to proportionality rules which ensure political balance is reflected in committee memberships. The rules mean that the number of seats available to each political group across all committees would reduce proportionately.

3.5 No concerns have been raised about the current Regulatory Committee arrangements by either Members or officers outside of the Governance Committee request.

4 Conclusions and recommendations

4.1 ESCC arrangements are in line with other authorities in the south east in terms of the number of councillors appointed to scrutiny committees and there is no evidence suggesting a need to change the size of committees. Consideration of the Regulatory Committee arrangements has not identified a requirement to make changes.

4.2 Governance Committee is therefore recommended to maintain the current number of councillors appointed to scrutiny committees and to retain the Regulatory Committee in its current form and size.

PHILIP BAKER
Assistant Chief Executive

Contact Officer: Claire Lee, Member Services Manager
Tel. No. 01273 335517
Email: claire.lee@eastsussex.gov.uk

Report to: **Governance Committee**

Date: **5 March 2019**

By: **Chief Executive**

Title: **East Sussex Health and Wellbeing Board (HWB) amendments to Terms of Reference**

Purpose: **To seek approval on the recommended changes to the membership, meeting structure and governance of the Health and Wellbeing Board.**

RECOMMENDATIONS

The Governance Committee is recommended to recommend the County Council to approve the revised terms of reference for the East Sussex Health and Wellbeing Board as set out in appendix 1.

1. Background

1.1 The East Sussex Health and Wellbeing Board (HWB) has undertaken a review of how it functions, as it has been in its current form since it was set up as a shadow board in 2011. The review aimed to ensure that the Board was working as effectively as possible in the light of the current health and social care landscape and to see whether there were lessons to be learned for the operation of similar boards elsewhere. The review also enabled the HWB to consider the outcome of the Care Quality Commission (CQC) local system reviews that took place during 2017/18.

1.2 As part of the review, desktop research was carried on other authorities' HWBs. In the light of this work and discussions at the HWB, it was agreed that the future shape of the board should be underpinned by the following principles:

- The Health and Wellbeing Board should provide whole system leadership for the health and wellbeing of the people of East Sussex and the development of sustainable and integrated of health and care services.
- East Sussex is the appropriate geographical building block for priority setting for the health and social care system. Given the variation across the county and the multiplicity of organisations, a smaller geographical focus may well be appropriate for specific work, but the county is the primary planning unit.
- A robust and up-to-date evidence base will be used to agree priorities and devise plans.
- There will be strong and effective engagement and communications between residents, communities, commissioners and providers.
- There will be a compelling shared vision for health and social care in East Sussex that clearly explains our joint purpose to residents, communities and staff/volunteers in all organisations.
- Plans and accountability for delivery must be clear and robustly exercised.
- The partnerships and bodies involved in the local system must be coherent, well-articulated and connected by strong infrastructure.
- The HWB needs to work effectively both in and outside meetings. The meetings should be timed so that they can deal with relevant issues and all members need to contribute to ensure meetings are effective and relevant.
- The core test must be "does this feel right for East Sussex?"

1.3 A workshop was held on 12 October 2018 to develop the changes needed to turn these principles into practice, informed by the outcomes of a questionnaire completed by HWB members over the summer. The HWB agreed a number of changes to the way it worked to enhance its effectiveness as a result. These were:

- An enhanced role for NHS providers.

- Better induction for new members of the board to ensure they understood current issues and responsibilities.
- An agreed meeting structure that sets out:-
 - A work programme is to be agreed annually for the Board's four meetings each year which is reviewed at each meeting.
 - Meetings are to focus on agreeing the strategic plan and reporting on progress, in addition, considering those items the Board is required to approve by law.
 - Time is to be set aside during at least half the meetings for a workshop on an identified theme, put forward by the members of the Board and agreed by the Chair and Vice Chair.
- Time to be set aside at meetings for less formal discussion.
- Ensuring the board acted as an effective strategic and influencing, rather than commissioning, body and had a focus on prevention as well as tackling existing issues.
- Ensuring there was a strategic influence over the newly formed East Sussex Health and Social Care Executive Group.

2. East Sussex Health and Wellbeing Board – Terms of Reference

2.1 The Governance Committee is asked to recommend the County Council to agree the revised terms of reference attached at Appendix 1, which reflect the changes agreed by the HWB. The key changes are:

- Membership - full membership of the Board is extended to include the major current health providers who deliver services in East Sussex. It is proposed that Brighton and Sussex University Hospitals NHS Trust (BSUH) and Maidstone and Tunbridge Wells (MTW) NHS Trust will be invited to be Observers with speaking rights.
- New HWB members will be provided with an induction to Health and Social Care and the role of the HWB.
- Role and Function - a reference to prevention has been added and reference to commissioning has been removed.
- Deliver and review the Health and Wellbeing Strategy - removal of reference to the Board reporting its views on the CCGs' contribution to the delivery of the Joint Health and Wellbeing Strategy; and, a reference about strategic influence over the newly formed East Sussex Health and Social Care Executive Group has been added.

Becky Shaw Chief Executive

Contact Officers: Sarah Feather
 Tel: 01273 335712
 Email: sarah.feather@eastsussex.gov.uk

BACKGROUND DOCUMENTS None

East Sussex Health and Wellbeing Board - Terms of Reference

Constitution

The East Sussex Health and Wellbeing Board (the Board) includes representation from all bodies in East Sussex with major responsibilities for commissioning and providing health services, public health and social care.

Membership:

- 4 Members* of the County Council chosen by the Leader of the Council
- 2 Members* representing the five District and Borough Councils
- East Sussex County Council Director of Public Health
- East Sussex County Council Director of Adult Social Care and Health
- East Sussex County Council Director of Children's Services
- *Chief Executive of East Sussex Healthcare NHS Trust
- *Chief Executive of Sussex Community NHS Foundation Trust
- *Chief Executive of Sussex Partnership NHS Foundation Trust
- One representative from each East Sussex Clinical Commissioning Groups (CCG)
- One representative of NHS England South
- One representative of Healthwatch East Sussex**

* New HWB members

* To avoid conflict of interest Members must be different from the Health and Overview Scrutiny Committee Member.

**To avoid conflict of interest Healthwatch East Sussex will not be members of the Health and Overview Scrutiny Committee Member or any Council Scrutiny Committee.

The Board will be chaired by an elected Member of East Sussex County Council.

A Deputy Chair will be chosen from among the CCG representatives.

The quorum for a Board meeting shall be half of the membership including at least one elected Member of the County Council and one representative of the CCGs.

In the event of equal votes the Chair will have the casting vote. All members of the Board will be entitled to vote.

Observers

In addition to the Members listed above, additional non-voting observers from relevant agencies will be invited attend to assist in achieving the Board's objectives. The invited observers with speaking rights are:

- One Member* from each of the three Borough and District Councils within East Sussex that are not voting representatives
- Chief Executive of East Sussex County Council
- One representative of the East Sussex Voluntary and Community Sector
- Chief Executive of Brighton and Sussex University Hospitals NHS Trust
- Chief Executive of Maidstone and Tunbridge Wells NHS Trust
- Sussex Police and Crime Commissioner
- Chief Fire Officer East Sussex Fire and Rescue Service

Principles of the Board – the principles have been removed as they are now included as part of the role and function of the board.

Role and Function

- To provide whole system leadership for the health and wellbeing of the people of East Sussex and the development of sustainable and integrated health and care services.
- To provide strategic influence over the commissioning and provision of health, public health and social care services in East Sussex.
- To strengthen democratic legitimacy by involving democratically elected representatives and patient representatives in commissioning and provision decisions across health and social care and provide a forum for challenge, discussion, and the involvement of local people.
- To bring together the NHS, the council and others to develop a shared understanding of the health and wellbeing needs of the community using robust and up to date evidence.
- To drive local commissioning and delivery of health care, social care and public health and create a more effective and responsive local health and care system **that reduces the need for health and social care in the longer term and/or prevents the need for a more expensive service.**
- Jointly undertake responsibilities for addressing population health need and **for commissioning working together to inform strategic planning of** health and social care, through oversight of integrated investment plans Better Care Fund, Improved Better Care Fund and any other responsibilities delegated to the HWB.
- To have a relationship with the East Sussex Strategic Partnership to strengthen the engagement of wider range of stakeholders in all determinants of health.

These functions will be delivered through the following activities:

Identify needs and priorities

1. Publish and refresh the East Sussex Joint Strategic Needs and Assets Assessment (JSNAA), using a variety of tools, evidence and data including user experience, to ensure that the JSNAA supports commissioning and policy decisions and identification of priorities.

Deliver and review the Health and Wellbeing Strategy

2. Review and update the Joint Health and Wellbeing Strategy regularly to ensure the identified priorities reflect the needs of East Sussex that clearly explains our joint purpose to residents, communities, staff and volunteers in all organisations
3. Ensure the council, CCGs and NHS providers contribute to the delivery of the Joint Health and Wellbeing Strategy and integrate its agreed objectives into their respective plans.
4. Review recommendations from the East Sussex Health and Social Care Executive Group with regard to transforming services and the overall strategic investment patterns to meet population health needs and deliver outcomes, reflecting national policy where this is appropriate.
5. Oversee and hold partners to account for the implementation of agreed plans.

Ensure achievement of outcomes

6. Communicate and engage with local people about how they can achieve the best possible quality of life and be supported to exercise choice and control over their personal health and wellbeing.
7. Have oversight of the use of relevant public sector resources across a wide spectrum of services and interventions, with greater focus and integration across the outcomes spanning healthcare, social care and public health.
8. Work in partnership with the Sustainability and Transformation Partnership (STP) to improve outcomes for East Sussex residents and hold the STP to account for delivery in East Sussex of its parts of the system.

Reporting

9. Propose recommendations regarding the work of the Health and Wellbeing Board to:
 - East Sussex County Council;
 - East Sussex CCGs; and
 - NHS provider Trusts
10. Direct issues to and receive reports from the appropriate Scrutiny Committees of the County Council, and the East Sussex Strategic Partnership.

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Report to: Governance Committee

Date of meeting: 5 March 2019

By: Chief Operating Officer

Title: LMG Managers' Pay 2019/20

Purpose: To agree the pay award for LMG Managers for 2019/20

RECOMMENDATIONS

The Governance Committee is recommended to agree the pay award for LMG Managers for the financial year 2019/20 as being 2% (in line with the national NJC award)

1 Background

1.1 At its meeting on 22 January 2019, the Governance Committee received a report with regards to the 2019/20 pay offer for LMG Managers to be negotiated with Unison. Following due consideration the Committee agreed the offer to be made as 2%, in line with the national NJC award.

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. On 21 March 2017, the CPI was replaced by a new measure: the Consumer Prices Index, including owner occupier's housing costs (CPIH). This extends the CPI to include a measure of the costs associated with owning, maintaining and living in one's own home (owner occupiers' housing costs OOH), along with council tax. This is the most comprehensive measure of inflation. The CPIH 12 month inflation rate was 2% in December 2018, down from 2.2% in November 2018 (Office for National Statistics, 16 January 2019).

2.2 For the three months ending December 2018, the median pay settlement across the whole economy remained at 2.5%, consistent with the overall median of 2.5% for the economy during 2018 (IDR). During 2018, average weekly earnings for employees in Great Britain in real terms (that is, adjusted for price inflation) increased by 1.1% excluding bonuses and 1.2% including bonuses compared with a year earlier (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 Sept 2018 is 4.03%. For comparison purposes, for the period April to Sept 2017 it was 2.54% and for April to Sept 2016, 2.63%

Pay Negotiations 2019/20

2.7 Following the Governance Committee's decision on 22 January 2019, negotiations with UNISON have taken place and local managers have indicated their acceptance of the 2% pay offer, equivalent to the national pay offer for 2019/20.

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

3. Recommendation

3.1 The Governance Committee is recommended to agree the pay award for LMG Managers for the financial year 2019/20 as being 2% (in line with the national NJC award).

KEVIN FOSTER
Chief Operating Officer

Contact Officers:

Sarah Mainwaring, Head of HR & OD

Tel. No. 01273 482060

Email: sarah.mainwaring@eastsussex.gov.uk

Ruth Wilson, Lead Consultant, Reward

Tel No 01273 481762

Email: ruth.wilson@eastsussex.gov.uk

**Local Managerial Grades (LMG)
Salary Scale**



<i>Grade Scale point 01/04/2018</i>			<i>Proposed 2%</i>
LMG 1	5	£37,892	£38,650
	6	£39,029	£39,810
	7	£40,198	£41,002
	8	£41,408	£42,236
LMG 2	9	£42,651	£43,504
	10	£43,933	£44,812
	11	£45,254	£46,159
	12	£46,614	£47,546
LMG 3	13	£48,013	£48,974
	14	£49,456	£50,445
	15	£50,946	£51,965
	16	£52,469	£53,518
LMG 4	17	£54,051	£55,132
	18	£55,672	£56,785
	19	£57,341	£58,488
	20	£59,065	£60,246
LMG 5	21	£60,844	£62,061
	22	£62,660	£63,913
	23	£64,553	£65,844
	24	£66,489	£67,818
LMG 6	25	£68,490	£69,860
	26	£70,542	£71,953
	27	£72,659	£74,112
	28	£74,834	£76,331
LMG 7	29	£77,083	£78,625
	30	£79,400	£80,988
	31	£81,791	£83,427
	32	£84,240	£85,925
LMG 8	33	£86,766	£88,502
	34	£89,375	£91,163
	35	£92,060	£93,901
	36	£94,827	£96,724

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Report to: **Governance Committee**

Date of meeting: **5 March 2019**

By: **Head of Human Resources & Organisation Development**

Title: **Chief Executive, Chief Officers' and Deputy Chief Officers' pay 2019/20**

Purpose: **To consider the position in relation to the pay award for the Chief Executive, Chief Officers and Deputies for 2019/20.**

RECOMMENDATIONS

The Governance Committee is recommended to determine the pay offer for the Chief Executive, Chief Officers and Deputy Chief Officers for the financial year 2019/20 as being 2.0% (in line with the recent national NJC awards).

1 Background

1.1 Chief Officers' pay is locally determined and annual increases approved by this Committee normally take effect on 1 April.

1.2 The national (NJC) pay award is relevant to this local determination 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. Historically, the local pay award for the Chief Executive, Chief Officers and Deputy Chief Officers has generally mirrored the national award.

1.3 Any consideration of a pay increase must, however, take into account the savings targets and significant financial challenges facing the Council, as well as the significant leadership role required to enable the Council to respond to these appropriately.

2 Supporting information

2.1 The Consumer Prices Index including owner occupiers' housing costs (CPIH) 12 month inflation rate was 2% in December 2018, down from 2.2% in November 2018 (Office for National Statistics, 16 January 2019). The CPIH rate extends the CPI to include a measure of the costs associated with owning, maintaining and living in one's own home (owner occupiers' housing costs OOH), along with Council tax. This is the most comprehensive measure of inflation.

2.2 For the three months ending December 2018, the median pay settlement across the whole economy remained at 2.5%, consistent with the overall median of 2.5% for the economy during 2018 (IDR). During 2018, average weekly earnings for employees in Great Britain in real terms (that is, adjusted for price inflation) increased by 1.1% excluding bonuses and 1.2% including bonuses compared with a year earlier (Labour Market Statistics, ONS).

2.3 For the three months ending December 2018, wage growth in the private sector was 3.5% and 2.8% in the public sector. The annual rate of inflation across the UK fell to 2.1% in December 2018, down from 2.3% in the previous month (Trading Economics, Jan 19).

Pay Negotiations 2019/20

2.4 The national NJC local government services pay award was agreed in April 2018 and in broad terms, provided for a two-year deal covering the period 1 April 2018 to 31 March 2020. It gives a headline increase of 2% each year, with more at the bottom end of the pay spine to take account of National Living Wage increases.

2.5 Set against this background, the national JNC pay award for both Chief Executives and Chief Officers were also agreed as 2% for each year, thereby providing parity with the local government services award.

Benchmarking

2.6 An assessment of the market position in relation to the Chief Executive, Chief Officers and Deputies' pay levels has been undertaken. Attached at Appendix 1 is high level benchmarking data in relation to other similar sized local authorities and our closest neighbours. As can be seen from this, our pay rates are broadly in line and the majority have confirmed that their pay awards will mirror the national position.

2.7 Attached at Appendix 2 is high level benchmarking data in relation to a wider public sector data set, including 'not for profit' organisations, provided by Korn Ferry Hay (specialists in pay and reward). This shows the Chief Officers and Deputies' pay rates as being within the lower to median quartile range and the Chief Executive within the median to upper quartile.

2.8 In considering this data further, it is important to recognise that Councils do not have consistent structures so it is not possible to be confident that we are comparing on a 'like for like' basis. It is, however, useful to note that a number of Councils have introduced the role of 'Executive Director', which sits between the Chief Executive and departmental Chief Officers, thereby providing additional senior strategic capacity. This is not a layer that exists within East Sussex.

2.9 A further relevant factor is the context in which the Council is currently operating. The scale of the leadership challenge, running a complex organisation and services in the face of financial challenge, complex needs and multiple risks is significant. Working collaboratively and in partnership is vital to support the challenges around service reconfiguration and integration and our senior leaders have significant external facing roles in addition to the services they manage. This is particularly the case at the Chief Executive level where national recognition in relation to the funding pressures facing Councils has been achieved through lobbying, and work around the core offer, undertaken this year. Given this context, it is essential that our pay rates are appropriately competitive to enable us to recruit and retain highly skilled and effective leaders to ensure the best delivery of services to the residents of East Sussex.

2.10 The Chief Executive, Chief Officers and Deputy Chief Officers received a pay award of 2% for the financial year 1 April 2018 to 31 March 2019 to mirror the national award. For the year prior to this they received an award of 1%, again, in line with the national pay award.

Financial Implications

2.11 The Chief Executive, Chief Officer and Deputy Chief Officer pay bill is approximately £1.5m per annum including on-costs. If we were to mirror the current national JNC offer, this would provide for an offer of 2%, which would cost approximately £31k including on-costs. This can be met within the agreed revenue budgets for 2019/20.

2.12 Attached at Appendix 3 is a copy of the current Chief Executive, Chief Officer and Deputy Chief Officer salary scales showing the impact of a 2% uplift.

3. Conclusion and reasons for recommendations

3.1 The Governance Committee is recommended to determine the pay offer for the Chief Executive, Chief Officers and Deputy Chief Officers for the financial year 2019/20 as being 2.0% (in line with the recent national awards).

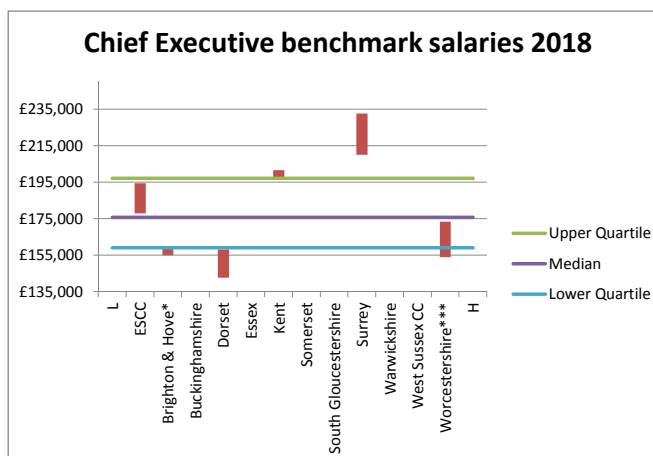
Sarah Mainwaring
Head of Human Resources & Organisation Development

Contact Officer: Ruth Wilson, Lead HR Consultant, Pay and Reward
Tel. No. 01273 481762
Email: ruth.wilson@eastsussex.gov.uk

Comparison against similar sized or neighbouring authorities

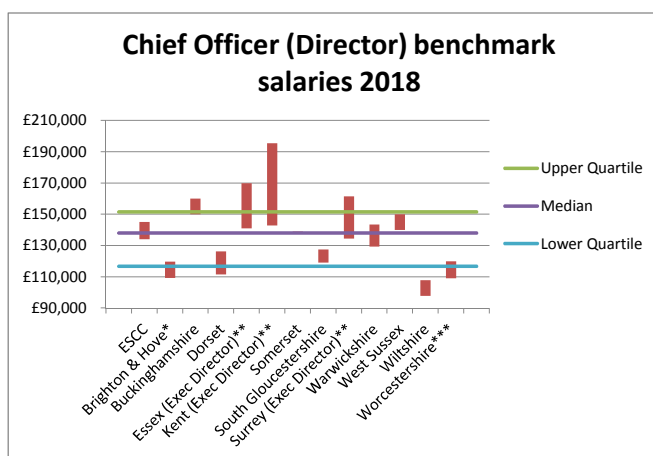
Chief Executive

	Min Salary	Max Salary
ESCC	£ 178,007	£ 194,507
Brighton & Hove	£ 155,000	£ 159,999
Buckinghamshire		200,000
Dorset	£ 142,814	£ 158,116
Essex		195,000
Kent	£ 196,522	£ 201,587
Somerset		159,198
South Gloucestershire		158,855
Surrey	£ 209,984	£ 232,683
Warwickshire		165,240
West Sussex CC	£ 190,000	£ 190,000
Worcestershire**	£ 154,038	£ 173,421



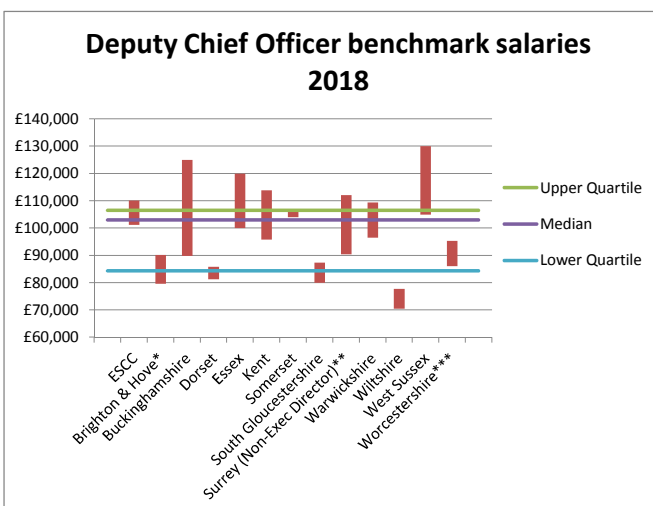
Chief Officer (Director)

	Min Salary	Max Salary
ESCC	£ 133,996	£ 145,061
Brighton & Hove	£ 109,253	£ 119,658
Buckinghamshire	£ 150,000	£ 160,000
Dorset	£ 111,630	£ 126,281
Essex (Exec Director)*	£ 141,000	£ 170,000
Essex (Non-Exec Director)*	£ 121,000	£ 140,000
Kent (Exec Director)*	£ 142,969	£ 195,509
Kent (Non-Exec Director)	£ 120,006	£ 142,695
Somerset		137,970
South Gloucestershire	£ 119,141	£ 127,502
Surrey (Exec Director)*	£ 134,595	£ 161,514
Warwickshire	£ 129,449	£ 143,593
West Sussex	£ 140,000	£ 150,000
Wiltshire	£ 97,898	£ 107,925
Worcestershire**	£ 109,035	£ 119,938



Deputy Chief Officer

	Min Salary	Max Salary
ESCC	£ 101,207	£ 110,147
Brighton & Hove	£ 79,599	£ 90,212
Buckinghamshire	£ 89,797	£ 125,000
Dorset	£ 81,305	£ 85,850
Essex	£ 100,000	£ 120,000
Kent	£ 95,811	£ 113,876
Somerset	£ 104,052	£ 106,131
South Gloucestershire	£ 79,951	£ 87,413
Surrey (Non-Exec Director)*	£ 90,470	£ 112,161
Warwickshire	£ 96,501	£ 109,367
Wiltshire	£ 70,493	£ 77,715
West Sussex	£ 105,000	£ 130,000
Worcestershire**	£ 86,041	£ 95,326



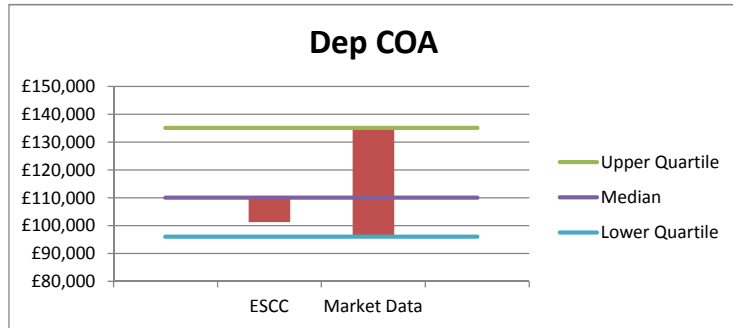
*Org structure includes Executive Director posts at a higher level

** reduced salaries by moving to 35 hour week

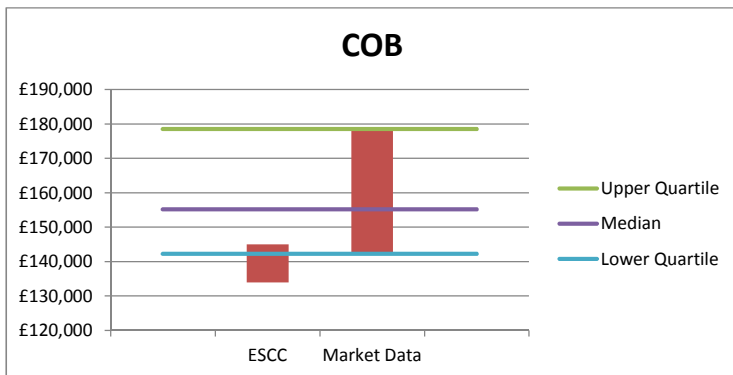
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Comparison against Korn Ferry Hay data set

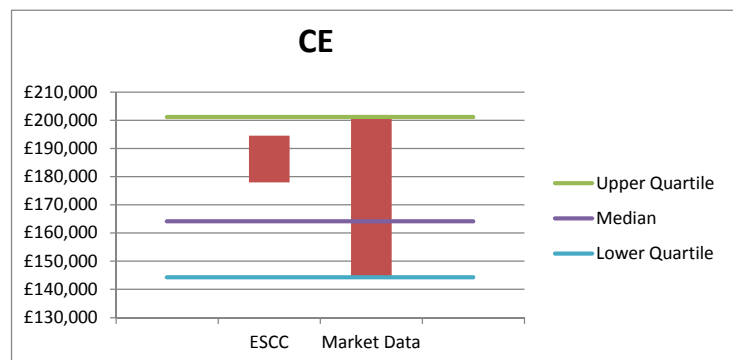
	<i>Min Salary</i>	<i>Max Salary</i>
ESCC	£ 101,207	£ 110,147



	<i>Min Salary</i>	<i>Max Salary</i>
ESCC	£ 133,996	£ 145,061



	<i>Min Salary</i>	<i>Max Salary</i>
ESCC	£ 178,007	£ 194,507



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Chief Officer Salary Scales

	01/04/2018	Proposed 2% increase 01/04/2019
Deputy Chief Officer - Band A	£101,207	£103,231
	£104,243	£106,328
	£107,198	£109,342
	£110,147	£112,350
Deputy Chief Officer - Band B (Not currently in use)	£107,197	£109,342
	£110,147	£112,350
	£113,101	£115,363
	£116,048	£118,368
Chief Officer - Band A (Not currently in use)	£126,512	£129,042
	£130,303	£132,909
	£133,996	£136,676
	£137,685	£140,439
Chief Officer - Band B	£133,996	£136,676
	£137,685	£140,439
	£141,371	£144,198
	£145,061	£147,962
Chief Executive	£178,007	£181,567
	£183,343	£187,010
	£188,843	£192,620
	£194,507	£198,397

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