

MINUTES

EAST SUSSEX COUNTY COUNCIL

MINUTES of a MEETING of the EAST SUSSEX COUNTY COUNCIL held at Council Chamber - County Hall, Lewes on 11 FEBRUARY 2020 at 10.00 am

Present Councillors John Barnes MBE, Matthew Beaver, Colin Belsey, Nick Bennett, Bill Bentley, Bob Bowdler, Tania Charman, Charles Clark, Martin Clarke, Godfrey Daniel, Philip Daniel, Angharad Davies, Chris Dowling, Claire Dowling, Deirdre Earl-Williams, Simon Elford, David Elkin (Chairman), Nigel Enever, Michael Ensor, Kathryn Field, Gerard Fox, Roy Galley, Keith Glazier, Darren Grover, Carolyn Lambert, Tom Liddiard, Laurie Loe, Carl Maynard, Ruth O'Keeffe MBE, Sarah Osborne, Peter Pragnell, Pat Rodohan, Phil Scott, Jim Sheppard (Vice Chairman), Daniel Shing, Stephen Shing, Alan Shuttleworth, Rupert Simmons, Andy Smith, Bob Standley, Richard Stogdon, Colin Swansborough, Barry Taylor, Sylvia Tidy, David Tutt, John Ungar, Steve Wallis, Trevor Webb and Francis Whetstone

51 Minutes of the meeting held on 3 December 2019

51.1 RESOLVED – to confirm as a correct record the minutes of the County Council meeting held on 3 December 2019 as a correct record.

52 Apologies for absence

52.1 Apologies for absence were received on behalf of Councillor Phil Boorman.

53 Chairman's business

DAVID AMIES

53.1 The Chairman referred to the death in January of a former colleague, David Amies who had represented the Battle division from 1981 to 1989. On behalf of the Council the Chairman offered his condolences to David's family and friends. The Council stood in silence as a mark of respect to David Amies.

NEW YEAR'S HONOURS

53.2 On behalf of the Council, the Chairman congratulated all those who lived or worked in East Sussex who were recognised in the New Year's honours.

CHAIRMAN'S ANNOUNCEMENTS

53.3 The Chairman reported that he and the Vice-Chairman had attended a number of events since the last Council including the Wealden Works annual awards event to celebrate young people's achievements, the opening of the Grove Theatre, Eastbourne, the Bangladesh Victory Day and Human Rights Day at Eastbourne Town Hall, a Holocaust memorial event in Eastbourne, the national apprenticeship week event in Lewes and a number of carol services.

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CHINESE NEW YEAR

53.4 The Chairman reported that the Chinese New Year had begun on 25 January and wished all a happy Chinese New Year.

PRAYERS

53.5 The Chairman thanked Reverend Steve Daughtery for leading the prayers before the meeting.

PETITIONS

53.6 The following petitions were presented by members immediately before the meeting:

Councillor Daniel Shing	- calling on the County Council to rebuild damaged areas and repair potholes in St John Road, Polegate
Councillors Stephen Shing	- calling on the County Council to reinstate £5m funding for walking and cycling strategies
Councillor Stephen Shing	- calling on the County Council to resurface Coopers Hill, Willingdon
Councillor John Ungar (on behalf of Councillor Rodohan)	- calling on the County Council to introduce parking restrictions and residents' permits for streets around Hartfield Square and Upperton Gardens area, Eastbourne

54 Questions from members of the public

54.1 Copies of questions from Gabriel Carlyle from St Leonards on Sea and Andrea Needham from Hastings and the answers from Councillor Fox (Chair of the Pension Committee) are attached to these minutes.

55 Declarations of Interest

55.1 There were no declarations of interest

56 Reports

56.1 The Chairman of the County Council, having called over the reports set out in the agenda, reserved the following for discussion:

Cabinet report - paragraph 1 (Reconciling Policy, Performance and Resources) and paragraph 3 (Annual Report for Looked After Children's Services)

NON-RESERVED PARAGRAPHS

56.2 On the motion of the Chairman of the County Council, the Council ADOPTED those paragraphs in the reports that had not been reserved for discussion as follows:

Cabinet report – paragraph 2 (Council monitoring), paragraph 4 (Treasury Management Policy and Strategy) and paragraph 5 (Conservators of Ashdown Forest budget)
Governance Committee report paragraph 1 – (Procurement and Contract Standing Orders), paragraph 2 (Constitutional changes arising from the withdrawal from the European Union),

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paragraph 3 (officer employment procedure rules) and paragraph 4 (Pension Board – change to quorum)

57 Report of the Cabinet

Paragraph 1 – Reconciling Policy, Performance and Resources

57.1 Under Standing Order 23, the Council agreed that the speeches of the Leaders of the five groups (or their nominees) on paragraph 1 of the Cabinet's report be extended beyond five minutes.

57.2 Councillor Bennett moved the adoption of paragraph 1 of the Cabinet's report.

57.3 The following amendment was moved by Councillor Webb and seconded:

Delete paragraph 1.41 of the Cabinet's report and replace with:-

(1) approve, in principle, the draft Council Plan at Appendix 1 and authorise the Chief Executive to finalise the Plan in consultation with the relevant Lead Members;

(2) approve the net Revenue Budget estimates totalling £403.4m for 2020/21 as set out in Appendices 2 (Medium Term Financial Plan) and 3 (Budget Summary) and authorise the Chief Operating Officer, in consultation with the Chief Finance Officer, Leader and Deputy Leader, to make adjustments to the presentation of the budget to reflect the final settlement and budget decisions subject to the following amendments:

- 1. Reverse the proposed saving for I-SEND EHCP Assessment Services for one year
£188,000*

Total of proposed revenue amendments - £188,000

To be funded by:

- 2. A draw from Financing Reserve - £188,000*

Total of proposed revenue funding amendments - £188,000

(3) in accordance with the Local Government Finance Act 1992 to agree that:

- (i) the net budget requirement is £403.4m and the amount calculated by East Sussex County Council as its council tax requirement (see Appendix 6) for the year 2020/21 is £300.9m;*
- (ii) the amount calculated by East Sussex County Council as the basic amount of its council tax (i.e. for a band D property) for the year 2020/21 is £1,492.02 and represents a 3.99% (2% of which relates to the Adult Social Care precept) increase on the previous year;*

(4) advise the District and Borough Councils of the relevant amounts payable and council tax in other bands in line with the regulations and to issue precepts accordingly in accordance with an agreed schedule of instalments as set out at Appendix 6;

(5) note the fees and charges set out in Appendix 10 that have been increased above inflation;

(6) approve the Capital Strategy and Programme as set out at Appendix 9;

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(7) note the Medium Term Financial Plan forecast for the period 2020/21 to 2022/23 as set out in Appendix 2 and amended by the proposals in paragraph (2) above;

(8) note the comments of the Chief Finance Officer on budget risks and robustness as set out in Appendix 7; and

(9) note the comments from the engagement exercises as set out in Appendix 8.

57.4 A recorded vote on Councillor Webb's amendment was taken. The amendment was LOST, the votes being cast as follows:

FOR THE AMENDMENT

Councillors Charman, Godfrey Daniel, Philip Daniel, Field, Grover, Lambert, O'Keeffe, Osborne, Rodohan, Scott, Daniel Shing, Stephen Shing, Shuttleworth, Swansborough, Tutt, Ungar, Wallis and Webb.

AGAINST THE AMENDMENT

Councillors Barnes, Beaver, Belsey, Bennett, Bentley, Bowdler, Charles Clark, Martin Clarke, Davies, Chris Dowling, Claire Dowling, Earl-Williams, Elford, Elkin, Enever, Ensor, Fox, Galley, Glazier, Liddiard, Loe, Maynard, Pragnell, Sheppard, Simmons, Smith, Standley, Stogdon, Taylor, Tidy and Whetstone.

ABSTENTIONS

None

57.5 The following amendment was moved by Councillor Philip Daniel and seconded:

Delete paragraph 1.41 of the Cabinet's report and replace with:-

(1) approve, in principle, the draft Council Plan at Appendix 1 and authorise the Chief Executive to finalise the Plan in consultation with the relevant Lead Members;

(2) approve the net Revenue Budget estimates totalling £402.0m for 2020/21 and authorise the Chief Operating Officer, in consultation with the Chief Finance Officer, Leader and Deputy Leader, to make adjustments to the presentation of the budget to reflect the final settlement and budget decisions with the following amendments to the estimates as set out in Appendices 2 (Medium Term Financial Plan) and 3 (Budget Summary)

- 1. Additional expenditure for caring for carers, in consultation with the Carers' Forum £100,000*
- 2. Additional expenditure for SEND funding to reduce caseworker loads - £200,000*
- 3. Additional expenditure on locality family staffing and support - £300,000*
- 4. Additional expenditure on an employment and budget structure review £500,000*
- 5. Reduce the regular Council Tax increase to 1.5% from 1.99% in 2020/21 only (noting there will be an associated ongoing annual impact on resources) - £1,433,000*
- 6. Less a reduction in contingency arising from amendment 5 - £10,000*

Total of proposed revenue amendments - £2,523,000

To be funded by:

- 7. Reduce property maintenance budget - £50,000*
- 8. Reduce communications budget - £500,000*
- 9. Reduce waste management budget - £300,000*

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10. Reduce cultural strategy budget - £40,000
11. Remove capital schemes funded by one off revenue and borrow to fund – £1,242,000
12. Less estimated annual cost of borrowing - £109,000
13. Use of transformation reserve to fund the employment structure and budget review - £500,000

Total of proposed revenue funding amendments - £2,523,000

(3) in accordance with the Local Government Finance Act 1992 to agree that:

(iii) the net budget requirement is £402.0m and the amount calculated by East Sussex County Council as its council tax requirement for the year 2020/21 is revised to £299.4m;

(iv) the amount calculated by East Sussex County Council as the basic amount of its council tax (i.e. for a band D property) for the year 2020/21 is £1,484.91 and represents a 3.5% (2% of which relates to the Adult Social Care precept) increase on the previous year;

(4) advise the District and Borough Councils of the relevant amounts payable and council tax in other bands in line with the regulations and to issue precepts accordingly in accordance with an agreed schedule of instalments to be revised as amended by proposals in paragraph (2) above;

(5) note the fees and charges set out in Appendix 10 that have been increased above inflation;

(6) approve the Capital Strategy and Programme as set out at Appendix 9;

(7) note the Medium Term Financial Plan forecast for the period 2020/21 to 2022/23 as set out in Appendix 2 and amended by the proposals in paragraph (2) above;

(8) note the comments of the Chief Finance Officer on budget risks and robustness as set out in Appendix 7; and

(9) note the comments from the engagement exercises as set out in Appendix 8.

57.6 A recorded vote on Councillor Philip Daniel's amendment was taken. The amendment was LOST, the votes being cast as follows:

FOR THE AMENDMENT

Councillors Philip Daniel, Field, Grover, Lambert, Osborne, Rodohan, Daniel Shing, Stephen Shing, Shuttleworth, Swansborough, Tutt, Ungar and Wallis.

AGAINST THE AMENDMENT

Councillors Barnes, Beaver, Belsey, Bennett, Bentley, Bowdler, Charman, Charles Clark, Martin Clarke, Godfrey Daniel, Davies, Chris Dowling, Claire Dowling, Earl-Williams, Elford, Elkin, Enever, Ensor, Fox, Galley, Glazier, Liddiard, Loe, Maynard, Pragnell, Scott, Sheppard, Simmons, Smith, Standley, Stogdon, Taylor, Tidy, Webb and Whetstone.

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Councillor O'Keeffe

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57.7 The following motion was moved by Councillor Bennett to adopt paragraph 1 of the Cabinet report.

(1) approve, in principle, the draft Council Plan at Appendix 1 and authorise the Chief Executive to finalise the Plan in consultation with the relevant Lead Members;

(2) approve the net Revenue Budget estimate of £403.4m for 2020/21 as set out in Appendices 2 (Medium Term Financial Plan) and 3 (Budget Summary) and authorise the Chief Operating Officer, in consultation with the Chief Finance Officer, Leader and Deputy Leader, to make adjustments to the presentation of the Budget Summary to reflect the final settlement and budget decisions;

(3) in accordance with the Local Government Finance Act 1992 to agree that:

- (i) the net budget requirement is £403.4m and the amount calculated by East Sussex County Council as its council tax requirement (see Appendix 6) for the year 2020/21 is £300.9m;*
- (ii) the amount calculated by East Sussex County Council as the basic amount of its council tax (i.e. for a band D property) for the year 2020/21 is £1,492.02 and represents a 3.99% (2% of which relates to the Adult Social Care precept) increase on the previous year;*

(4) advise the District and Borough Councils of the relevant amounts payable and council tax in other bands in line with the regulations and to issue precepts accordingly in accordance with an agreed schedule of instalments as set out at Appendix 6

(5) note the fees and charges set out in Appendix 10 that have been increased above inflation;

(6) approve the Capital Strategy and Programme as set out at Appendix 9;

(7) note the Medium Term Financial Plan forecast for the period 2020/21 to 2022/23 as set out in Appendix 2;

(8) note the comments of the Chief Finance Officer on budget risks and robustness as set out in Appendix 7; and

(9) note the comments from the engagement exercises as set out in Appendix 8.

57.8 A recorded vote on Councillor Bennett's motion was taken. The motion was CARRIED with the votes being cast as follows:

FOR THE MOTION

Councillors Barnes, Beaver, Belsey, Bennett, Bentley, Bowdler, Charles Clark, Martin Clarke, Davies, Chris Dowling, Claire Dowling, Earl-Williams, Elford, Elkin, Enever, Ensor, Fox, Galley, Glazier, Liddiard, Loe, Maynard, Pragnell, Sheppard, Daniel Shing, Stephen Shing, Simmons, Smith, Standley, Stogdon, Taylor, Tidy and Whetstone.

AGAINST THE MOTION

Councillors Philip Daniel, Field, Grover, Lambert, Osborne, Rodohan, Scott, Shuttleworth, Swansborough, Tutt, Ungar and Wallis.

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ABSTENTIONS

Councillors Charman, Godfrey Daniel, O’Keeffe and Webb

Paragraph 3 (Annual Progress report for Looked After Children’s Services)

57.9 Councillor Glazier moved the reserved paragraph of the Cabinet’s report.

57.10 The motion was CARRIED after debate.

58 Questions from County Councillors

58.1 The following members asked questions of the Lead Cabinet Members indicated and they responded:

Questioner	Respondent	Subject
Councillor Osborne	Councillor Maynard	Role of the Sussex Resilience Forum regarding plans to deal with coronavirus and briefings for councillors in relation to the coronavirus
Councillor Field	Councillor Simmons	Possible opportunities for improvements to the rail network in East Sussex in light of the HS2 funding announcement
Councillor Shuttleworth	Councillor Claire Dowling	Timescale for the publication of the Cycling and Walking Strategy
Councillor Scott	Councillor Bennett	Timing of the passporting Disabilities Facilities Grant to borough and district councils
Councillor Godfrey Daniel	Councillor Claire Dowling	Policy regarding the repair of potholes
Councillor Whetstone	Councillor Bennett	Centrally held budgets
Councillor Stephen Shing	Councillor Claire Dowling	Spend on pothole/road surface repairs and compensation paid for injury and damage caused by potholes/road surface issues
Councillor Charman	Councillor Claire Dowling	Funding available from the government for the installation of vehicle charging points and the funds drawn down by the County Council
Councillor Daniel Shing	Councillor Glazier	Comparative performance of the County Council
Councillor Whetstone	Councillor Claire Dowling	Production of electric cars

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Questioner	Respondent	Subject
Councillor Stephen Shing	Councillor Claire Dowling	Work undertaken by utility companies on the highway

WRITTEN QUESTIONS PURSUANT TO STANDING ORDER 44

58.2 Two written questions were received from Councillors Davies and Field for the Lead Member for Economy and the Lead Member for Transport and Environment. The questions and answers are attached to these minutes. The Lead Members responded to supplementary questions.

THE CHAIRMAN DECLARED THE MEETING CLOSED AT 12.47 pm

The reports referred to are included in the minute book

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QUESTION FROM MEMBERS OF THE PUBLIC

1. Question from Gabriel Carlyle, St Leonards on Sea, East Sussex

In October 2018, in a written answer to a question from a member of the public, the Chair of the East Sussex Pension Committee stated that the East Sussex Pension Fund's exposure to oil and gas producers was 'in the region of 4% of the fund total investments', or about '6.5% of its total equity investments.' This, it was explained was 'constituted by direct investments of £6.2m around 1.6% of the Fund's direct equity investments and an estimate of its indirect investments of around 7.5% (circa £138.8m)' (Response by the Chair of the Pension Committee to question from Frances Witt, 16 October 2018, <https://tinyurl.com/145mresponse>).

What is the East Sussex Pension Fund's current exposure to oil and gas producers (both in absolute value and as a percentage of the Fund), and how are these split between direct and indirect investments?

Response by the Chair of the Pension Committee

The Fund monitors its exposure to companies with fossil fuel reserves using the industry definition developed by MSCI. On this basis, the total level of investment at 30 September was estimated at £175m, or 4.5% of total Fund assets. The total level of exposure, and changes over time, is monitored on a quarterly basis by the Pension Committee, which was presented with the September 2019 report at its meeting on 25 November 2019 -

<https://democracy.eastsussex.gov.uk/ieListDocuments.aspx?CId=373&MId=3997&Ver=4>

2. Question from Andrea Needham, Hastings, East Sussex

According to the UN-backed Principles of Responsible Investment (PRI), which represents investors with \$86 trillion of assets under management, the ever-worsening impacts of climate change are going to produce an inevitable policy response on the part of the world's governments. Indeed, they predict "an inevitable policy response by 2025 that will be forceful, abrupt and disorderly because of the delay creat[ing] considerably greater disruption than many investors and businesses are prepared for today."

A recent analysis by Carbon Tracker concluded that 'oil projects developed pre-2025 may never generate the value expected at sanction if [such a] policy response is not anticipated' ('Handbrake Turn: The cost of failing to anticipate an Inevitable Policy Response to climate change', 31 January 2020, <https://www.carbontracker.org/reports/handbrake-turn>). As an illustrative measure, they note that 'oil assets that enter production in 2019-2025 are modelled as having an aggregate NPV 50% lower if calculated based on a flat oil price from start-up equal to the maximum that results post-IPR, rather than the one we model as prevailing beforehand.'

Do the East Sussex Pension Committee and its fund managers agree that such a policy response is inevitable and, if so, what do they anticipate will be the likely financial impact on the Fund, given its current trajectory?

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Response by the Chair of the Pension Committee

We delegate stock selection to our investment managers. Our active equity manager, Longview, has no exposure to fossil fuel assets, and our passive managers are constrained by their mandate to replicate the indices, albeit one of the Fund's passive mandates has been designed to have a lower exposure to companies with high levels of carbon emissions. We are not in a position to comment on the details of either of these reports or on the likely financial impact on the Fund. We are as concerned as the questioner about the possible implications of climate change, and we question our managers on this front regularly.

WRITTEN QUESTIONS PURSUANT TO STANDING ORDER 44

1. Question by Councillor Davies to the Lead Member for Economy

As the third contract with BT for superfast Broadband finishes this summer, there will still be 2-3% of “hard to reach” households/businesses with no Broadband or very poor coverage.

Will East Sussex County Council guarantee to find funding for these last few people to receive superfast broadband so that there is equity across the county?

Answer by the Lead Member for Economy

We are not in a position to give any guarantees about funding but we can certainly guarantee to do all we can to achieve our ambition of as close to 100% superfast coverage as possible. As of today, superfast coverage is 97% across the county compared to only 63% when the County Council and BDUK jointly-funded project began in May 2013.

There is a clause in each of the three contracts that requires BT to return funding to East Sussex County Council as customer take up of superfast services rises above BT forecasts. To date, take up has consistently been higher than forecasts. This means that there will be “gainshare” funding which can be used for re-investment in broadband infrastructure although we are not yet in a position to know exactly how much that will be. In addition to that, the Chancellor has committed £5bn of public funding to support the rollout of full-fibre, 5G and other gigabit-capable networks to the hardest-to-reach 20% of the country. Whilst we have no detail on that yet we will certainly make sure that we secure our share of the funding when it becomes available

2. Question by Councillor Field to the Lead Member for Transport and Environment

What happens to the heat generated at the Energy from Waste plant at Newhaven?

Answer by the Lead Member for Transport and Environment

Currently the heat generated (steam) at Newhaven Energy Recovery Facility is converted back into water through the closed loop cycle water system.

The Newhaven Heat Network Partnership was set up in collaboration with the Government’s Heat Network Delivery Unit, East Sussex County Council, Veolia, Lewes District Council and Eastbourne Borough Council to investigate, by way of feasibility study(s), whether we can use excess heat from the Energy Recovery Facility to provide heat and hot water to the businesses of Newhaven through a network of pipes around the town. The feasibility study concluded in October 2016 that there was not a sufficient 'base load' to progress.

There is another round of funding in progress for a further study. Further detailed information regarding current funding and progress can be sought from Susie Mullins: Susie.Mullins@newhaventowncouncil.gov.uk.