



**GOVERNANCE COMMITTEE**

**TUESDAY, 28 JANUARY 2020**

**11.30 AM (OR AT THE CONCLUSION OF THE CABINET, WHICHEVER IS THE LATER)**  
**COMMITTEE ROOM - COUNTY HALL, LEWES**

**MEMBERSHIP** - Councillor Keith Glazier (Chair)  
Councillors Nick Bennett, Godfrey Daniel, Rupert Simmons and David Tutt

**A G E N D A**

- 1 Minutes of the meeting held on 20 September 2020 *(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 Update to Procurement and Contract Standing Orders *(Pages 5 - 8)*  
Report by Chief Operating Officer
- 6 Constitutional changes arising from withdrawal from the European Union *(Pages 9 - 10)*  
Report by Assistant Chief Executive
- 7 Amendment to Constitution - Officer Employment Procedure Rules *(Pages 11 - 14)*  
Report by Chief Operating Officer
- 8 Appointment to Outside Body - Access Joint Committee *(Pages 15 - 16)*  
Report by Assistant Chief Executive
- 9 Pension Board - Terms of reference and appointment of a member *(Pages 17 - 18)*  
Report by Chief Operating Officer
- 10 Local Managers' Pay 2020/21 *(Pages 19 - 22)*  
Report by Chief Operating Officer
- 11 Partnership Working with West Sussex County Council *(Pages 23 - 24)*  
Report by Chief Operating Officer
- 12 Any other items previously notified under agenda item 4

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

20 January 2020

Contact Andy Cottell, 01273 481955,

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## GOVERNANCE COMMITTEE

MINUTES of a meeting of the Governance Committee held at Committee Room - County Hall, Lewes on 20 September 2019.

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

### 17 MINUTES OF THE MEETING HELD ON 16 JULY 2019

17.1 RESOLVED – that the minutes of the previous meeting of the Committee held on 16 July 2019 be confirmed and signed as a correct record.

### 18 REPORTS

18.1 Copies of the reports referred to below are included in the minute book.

### 19 CUSTOMER EXPERIENCE ANNUAL REPORT

19.1 The Committee considered a report by the Director of Communities, Economy and Transport on the customer experience annual report.

19.2 The Committee RESOLVED to:

- 1) note the progress of the Customer Project Board in the implementation of a series of measures to improve customer experience and agree recommendations for 2019/20 and beyond as set out in the report;
- 2) note the number and nature of complaints made to the Council in 2018/19; and
- 3) note the contents of the Local Government and Social Care Ombudsman's annual letter to the Chief Executive.

### 20 AMENDMENT TO THE CONSTITUTION - SCHEME OF DELEGATION TO OFFICERS

20.1 The Committee considered a report by the Director of Communities, Economy and Transport on proposed amendments to the Scheme of Delegation to Officers.

20.2 The Committee RESOLVED: to recommend the County Council agree to amend the Scheme of Delegation to Officers as set out in Section 2 of the report

### 21 TRAVEL ON COUNTY COUNCIL BUSINESS POLICY

21.1 The Committee considered a report by the Chief Operating Officer regarding proposed amendments to the Travel on County Council Business Policy.

21.2 The Committee RESOLVED: to approve the following changes to the Travel on County Council Business Policy:

- the removal of the 20p per mile rate used for journeys to and from training; and
- a shift in the policy approach to determining eligible distance for reimbursement as set out in the report.

## 22 RE-ENGAGEMENT OF PREVIOUSLY REDUNDANT EMPLOYEES

22.1 The Committee considered a report by the Chief Operating Officer regarding the re-engagement of previously redundant employees.

22.2 The Committee RESOLVED (by 3 votes to 2): to approve the changes to the Council's Managing Change Policy and Voluntary Severance Scheme as set out in the report.  
*[Councillors Godfrey Daniel and David Tutt voted against this resolution]*

## 23 EMPLOYEE LOANS POLICY AND SCHEME OF DELEGATION TO OFFICERS

23.1 The Committee considered a report by the Chief Operating Officer regarding amendments to the Employee Loan Policy and the Scheme of Delegation to Officers.

23.2 The Committee RESOLVED:

1) approve the scope of the employee loans policy being extended to provide for funding a rental deposit and associated costs for employees of the County Council; and

2) recommend the County Council to agree to amend the Scheme of Delegation to Officers as set out in paragraph 2.5 of the report

## 24 EXCLUSION OF PUBLIC AND PRESS

24.1 The Committee RESOLVED to exclude the public and press from the meeting for the remaining agenda items on the grounds that if the public and press were present there would be disclosure to them of exempt information as specified in paragraphs 1, 3 and 5 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended), namely information relating to any individual, or information relating to the financial or business affairs of any particular person (including the authority holding that information) or information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

## 25 DRAFT DECISION OF THE LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN

25.1 The Committee considered a report by the Assistant Chief Executive regarding a draft decision of the Local Government and Social Care Ombudsman.

25.2 The Committee RESOLVED (by 4 votes to 1) to agree the approach to be adopted in relation to the draft decision of the Local Government and Social Care Ombudsman.  
*[Councillor David Tutt voted against the resolution]*

Date: **28 January 2020**

To: **Governance Committee**

By: **Chief Operating Officer**

Title of report: **Update to Procurement and Contract Standing Orders (PCSOs)**

Purpose of report: **To request approval to update procurement thresholds in line with regulatory changes**

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## RECOMMENDATIONS:

The Governance Committee is recommended to recommend the County Council to:

1. approve the proposed changes to thresholds in the Procurement and Contract Standing Orders as set out in the report and Annex 1; and
  2. delegate authority to the Director of Procurement in consultation with the Chief Operating Officer and the Assistant Chief Executive to make further changes to the thresholds in the Procurement and Contract Standing Orders to reflect any changes made by the Government
- 

## 1 Background

- 1.1 The Procurement and Contract Standing Orders (PCSOs) set out how the Council governs spending by Officers on goods, works and services, on consultants and contractors, and on direct care services. They cover all spend with external suppliers regardless of the source of funding (for example; revenue, capital, ring-fenced government money and/or any grant or third-party funding).
- 1.2 They have four main purposes:
  - To ensure that the Council meets its statutory duty to deliver **best value for money** and creates healthy competition and markets for the goods, works and services purchased.
  - To be **transparent** to our residents about how the Council spend their money.
  - To ensure that public money is spent **legally and fairly**.
  - To support **sustainability and social value** objectives, and our public sector **equality** duty, encouraging local small businesses.

## 2 Supporting information

- 2.1 The PCSOs reflect the regulatory thresholds in the Public Contracts Regulations 2015. These thresholds are adjusted by the EU every two years and the latest update was effective on 1 January 2020.
- 2.2 The revised regulatory thresholds are as follows:

Threshold	2019 Threshold	2020 Threshold
Opportunities advertised nationally	£25,000	£25,000
Goods and Services to be tendered	£181,302	£189,330
Health & Social Care to be tendered (Light Touch Regime)	£615,278	£663,540
Works to be tendered	£4,551,413	£4,733,252

- 2.3 It is therefore recommended that the PCSO's be amended to reflect the revised thresholds as set out in Annex 1. No changes have been made other than inserting the revised thresholds where appropriate.
- 2.4 With the departure of the UK from the European Union, it is not known whether the Government will wish to continue the current practice or make further changes to the Public Procurement Regulatory Thresholds. It is therefore requested that authority to make further changes to thresholds in the PCSOs to reflect any further changes be delegated to the Director of Procurement in consultation with the Chief Operating Officer and the Assistant Chief Executive.

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

Contact Officer: Stephanie McCann - Head of Procurement  
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A	B	C	D	E	F	G	H	I	J
Aggregate value including extensions	Purchase Card permitted?	Procurement Method?	How should you approach the market?	Who leads procurement?	Must the contract be formally advertised?	What type of contract is required?	Who must approve the contract award?	Who signs the contract on the Council's behalf?	Contract Award Notice needed?
<b>£0 to £24,999</b>	Yes if within rules & guidance and card limits	One written quote	Email / Call Supplier. Use a local supplier if they offer value for money	Service Officer	No	Standard Terms (see Council's website)	Budget Holder	Not Required – (Approval of Purchase Order)	No
<b>£25,000 to £189,329</b>	Only in formal emergency cases (see section 4.2)	Minimum of two quotes, but seek at least three. If using a framework, follow the rules for its use.	Contact Sourcing Solutions, who will lead sourcing activity	Sourcing Solutions	Yes, must be published via Contracts Finder	Standard Contract in line with agreed level of risk and complexity	Assistant Director for the Service or delegated manager	Under £100k Assistant Director or delegated manager Over £100k: Authorised Signatories via Legal Services	Yes – on Contracts Finder
<b>£189,330 to £999,999</b>	No	Goods and Services – Tender Works – Competitive quotation	Issue Tender via Procurement	Procurement	Yes, as required by Public Contracts Regulations	Contract in line with agreed level of risk and complexity	The relevant Chief Officer or Lead Cabinet Member	Under £500k: Authorised Signatories in Legal Services Over £500k: Sealed as a deed via Legal Services	Yes – as required by Public Contracts regulations
<b>£1m and over</b>	No	Works - up to £4,733,252 - Competitive quotations Works and Concession Contracts over £4,733,252: Full Tender or other compliant route Goods and Services: Full Tender or other compliant route Health, educational, cultural and social care related services above £663,540: Light Touch Regime Tender	Issue Tender via Procurement	Procurement	Yes, as required by Public Contracts Regulations	Contract in line with agreed level of risk and complexity	The relevant Chief Officer or Lead Cabinet Member	Sealed as a deed via Legal Services	Yes – as required by Public Contracts regulations

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Report to: **Governance Committee**

Date of meeting: **28 January 2020**

By: **Assistant Chief Executive**

Title: **Constitutional changes arising from withdrawal from the European Union (EU)**

Purpose: **To seek authority to make amendments the Council's Constitution, instruments and agreements following the United Kingdom's withdrawal from the European Union**

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## **RECOMMENDATIONS**

**The Governance Committee is recommended to recommend County Council to agree:**

- 1) to amend the County Council's Constitution as set out in paragraph 2.1 of the report;**
  - 2) to agree to the wording set out at paragraph 2.2 being inserted in Part 1 of the Council's Constitution; and**
  - 3) to delegate authority to the Assistant Chief Executive to amend the Council's Constitution, policies, procedures and guidance or any other legal instrument or agreement to reflect any changes in legislation arising from the United Kingdom's withdrawal from the EU**
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## **1 Background and context**

1.1 On the 31 January 2020 the United Kingdom will leave the European Union. The European Union (Withdrawal) Act 2018 (the EUWA) will end the supremacy of EU law and will convert directly applicable EU legislation into domestic law. Unless or until changed by Parliament the legislation will generally have the same effect as before the UK left the EU.

1.2 Transitional provisions are set out in the EUWA which means that anything done or in force before exit day and which relates to any element of retained EU law is preserved.

1.3 The County Council's constitution contains a number of provisions which arise from legislation from the EU or which refer to Directives or Regulations linked to EU legislation. It will be necessary for these constitutional references to be amended to take account of the departure of the United Kingdom from the EU on 31 January and to make any further changes needed to accommodate the transition arrangements as provided in UK primary legislation.

1.4 It is necessary for all references to EU legislation, obligations and directives within the Council's Constitution and in any policies and internal guidance to be amended to take account of these changes. As a precaution authority is also sought to amend any legal instrument or agreement to which the County Council is a party which may be required to ensure continued effect and to preserve the rights and interests of the Council.

## **2 Conclusion and recommendations**

2.1 It is recommended that the references to EU legislation, obligations and directives within the Council's Constitution, policies, practices and guidance are amended to "retained" EU legislation, obligations and directives.

2.2 The Constitution and the legislator framework referred to within it is kept under review, but it is also recommended to include an advisory note in the Constitution reminding users that we are in a period of transition:

*References to legislation including statutory instruments contained within this Constitution may have been superseded and therefore substituted by changes derived from the European (Withdrawal) Act 2018 ("the Act") and subordinate legislation introduced following the United*

*Kingdom's exit from the European Union. Users should check references contained within to ensure that they are up to date.*

2.3 It is recommended that authority be delegated to the Assistant Chief Executive to make any changes to the Council's Constitution, policies, practices and guidance documents to reflect changes in legislation arising from the UK's withdrawal from the EU and to make changes to any other affected legal instrument or agreement to which the County Council is or will be a party.

PHILIP BAKER  
Assistant Chief Executive

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**Report to:** Governance Committee

**Date of meeting:** 28 January 2020

**By:** Chief Operating Officer

**Title:** Amendment to the Constitution – Officer Employment Procedure Rules

**Purpose:** To consider a minor amendment to the Constitution relating to the appointment of chief officers and deputy chief officers

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## RECOMMENDATIONS

**The Governance Committee is recommended to recommend the County Council to agree to the Constitution being amended as set out in this report.**

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### 1 Background

1.1 The Officer Employment Procedure Rules are set out in Part 4 – Rules of Procedure, of the Constitution. Paragraph 4 provides for the appointment of chief officers and deputy chief officers. A copy is attached at Appendix 1.

1.2 The Council's Scheme of Delegation to Officers delegates authority to the Chief Executive to: (1) appoint to Assistant Director posts where there is no competitive process; and (2) in consultation with Group Leaders, to make temporary appointments to Assistant Director roles.

### 2 Supporting information

2.1 The significant majority of appointments to posts at this level are made through the usual recruitment and appointment process as set out in the Officer Employment Procedure Rules. There are, however, a few circumstances where, in support of the needs of the service, to avoid unnecessary delay and in the interests of administrative efficiency, a temporary appointment to a role at this level is the most appropriate course of action and in these circumstances, the delegation to the Chief Executive is operated.

2.2 The Governance Committee will be aware that at its meeting on 18 December 2019, Cabinet approved the proposal for East Sussex County Council to work with West Sussex County Council as an improvement partner, including sharing the services of the Chief Executive of East Sussex County Council and other officers as required. A number of the potential benefits to this arrangement were detailed in the report, ranging from working with local NHS and other partners through to transport and infrastructure projects. It is therefore anticipated that other senior officers will have a positive contribution to make to the development and delivery of the service improvement plans with West Sussex County Council, and the consequential benefits that this could have for ESCC and may therefore be involved in this work.

2.3 One of the key principles in entering into the arrangement is that East Sussex County Council should not suffer any detriment, whether financial or in service delivery. It is anticipated that some of the support will only be required on a temporary basis. It will be important to ensure that where other senior officers are involved in supporting WSCC's improvement plans, there remains sufficient capacity and resource in ESCC to ensure the continued delivery of our efficient and high quality services.

2.4 In support of this, a further benefit of operating such temporary arrangements is that it provides the opportunity for our succession planning arrangements to be tested and individuals to have the opportunity to work at a higher level for a temporary period.

2.5 It is therefore proposed that the delegation to the Chief Executive in Paragraph 4 of the Officer Employment Procedure Rules is amended to state: *Authority has been delegated to the Chief Executive to: (1) appoint to Assistant Director posts where there is no competitive process; and (2) in consultation with Group Leaders, to make temporary appointments to **Chief Officer and Assistant Director** roles.*

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

3.1 Amending this delegation will ensure that the Council is able to respond swiftly to any temporary movements at a senior officer level whilst safeguarding the continued high level delivery of our services. The delegation includes the requirement for temporary appointments to be undertaken in consultation with Group Leaders thereby ensuring Members are still involved in the process appropriately.

3.2 Set against the above background, the Governance Committee is recommended to agree a minor amendment to the Constitution to delegate to the Chief Executive the authority to make temporary appointments to Chief Officers (and Assistant Directors) in consultation with Group Leaders.

**Kevin Foster**  
**Chief Operating Officer**

Contact Officer:  
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**Extract from: Constitution – Part 4 – Rules of Procedure  
Officer Employment Procedure Rules**

**4. Appointment of chief officers and deputy chief officers**

(a) A committee or sub-committee of the Council will appoint chief officers and deputy chief officers. That committee or sub-committee must include at least one member of the Cabinet.

(b) An offer of employment as a chief officer or deputy chief officer shall not be made if an objection is received from a member of the Cabinet which is well founded in the opinion of the Chief Executive or the Monitoring Officer.

(c) A deputy chief officer means a person who, as respects all or most of the duties of his/her post, is required to report directly or is directly accountable to a chief officer.

*(Note: Authority has been delegated to the Chief Executive to: (1) appoint to Assistant Director posts where there is no competitive process; and (2) in consultation with Group Leaders, to make temporary appointments to Assistant Director roles)*

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**Report to:** Governance Committee

**Date:** 28 January 2020

**By:** Assistant Chief Executive

**Title of report:** Appointments to Outside Bodies

**Purpose of report:** To agree the appointment of a substitute member of the ACCESS Joint Committee

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## **RECOMMENDATION:**

**The Governance Committee is recommended to appoint a Councillor as a substitute Council representative on the ACCESS Joint Committee for the period to 11 May 2021**

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## **1. Supporting Information**

1.1. The County Council is the administering authority of the East Sussex Pension Fund (ESPF). The County Council is also, in its capacity as administering authority of the ESPF, one of the 11 local authority members of the ACCESS pool. The ACCESS pool is an investment vehicle established in response to the requirement that Local Government Pension Schemes (LGPS) pool their assets in order to take advantage of economies of scale.

1.2. The decision-making body of the ACCESS pool is the ACCESS Joint Committee, which consists of one elected councillor appointed by each Council from the councillors who are *“serving as a member of the Committee of a Council which discharges the functions of that Council as pension administering authority”*. In the case of the County Council this is the Pension Committee. The Governance Committee appointed Councillor Gerard Fox, who is Chair of the Pension Committee, to the ACCESS Joint Committee for the period to May 2021.

1.3. The Constitution of the ACCESS Joint Committee also provides each council with the option to appoint a substitute, provided they meet the same eligibility requirements as the appointed member. The Governance Committee has not to date appointed a substitute but is recommended to do so to ensure that ESPF representation on the Joint Committee is maintained in situations where the appointed member cannot attend.

1.4. Political proportionality does not apply to either the member or substitute, but they must be from the Pension Committee.

## **2. Recommendations**

2.1 The Committee is asked to agree to the appointment of a Councillor as the Council's substitute representative on the ACCESS Joint Committee for the period until 11 May 2021.

PHILIP BAKER  
Assistant Chief Executive

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Background Documents

None

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**Report to:** Governance Committee

**Date:** 28 January 2020

**By:** Chief Operating Officer

**Title of report:** East Sussex Pension Board – Appointment of member and amendment of quorum

**Purpose of report:** To consider the appointment of an employer representative to the Pension Board and to consider amending the quorum of the Pension Board.

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**RECOMMENDATION – The Governance Committee is recommended to:**

- 1) appoint Councillor Chris Collier to the Pension Board as an employer representative for a term ending on 4 June 2021; and**
  - 2) recommend the County Council to agree to amend the Constitution in relation to the quorum of the Pension Board as set out in paragraph 2.7 of the report**
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## **1. Background**

- 1.1 The Local Government Pension Scheme (Amendment) (Governance) Regulations 2015 require each administering authority (East Sussex County Council) to establish a Local Pension Board for the purposes of “assisting” the Scheme Manager (the Pension Committee). The Council established the East Sussex Pension Board in compliance with the regulations.
- 1.2 The Council agreed to delegate authority to the Governance Committee to (i) determine the selection process for appointment to the Pension Board and (ii) appoint to, and remove from, the Pension Board. The Governance Committee is also responsible for recommending to Council proposed amendments to the constitution, including the terms of reference of committees and panels.

## **2. Supporting information**

- 2.1 The 2015 Regulations allow the administering authority to determine the Local Pension Board’s membership, provided that there is an equal number of employer and member representatives; the manner in which they are appointed and removed; and the terms of appointment.
- 2.2 Membership of the East Sussex Pension Board comprises three employer and three member representatives and an independent, non-voting Chair. The quorum of the Pension Board is four of the six voting members, with the Chair not counting towards the quorum. All appointments to the Board, including the independent Chair, are made by the Governance Committee. The term of office for Board members shall be four years, or such time as agreed by the Governance Committee.

### **Pension Board appointment**

- 2.3 At its meeting on the 4 June 2019, the Governance Committee appointed the nominees from the East Sussex District and Borough Councils and Brighton & Hove City Council to the two vacant positions on the Pension Board. The terms of these appointments were for two years to mitigate the risk of replacing a large portion of the Pension Board at the same time.
- 2.4 In September 2019 Councillor Doug Oliver tendered his resignation from the Pension Board. The Council has subsequently sought a new nomination from the East Sussex District and Borough Councils to fill this vacancy.

2.5 The following nomination has been received:

Representing	Organisation	Pension Board Nomination	Proposed Term of Office
Employer	One representative for East Sussex District and Borough Councils	Cllr Chris Collier	4 June 2021

### Amendment of the quorum

2.6 The 9 September 2019 meeting of the Pension Board was inquorate due to apologies from three members. The Chair and other Members present requested that: “given that today’s meeting was inquorate, a report to the Governance Committee should be made to reduce the quorum of the Board to three voting members including at least one employee and one employer representative.”

2.7 It is proposed to amend the terms of reference as follows:

#### *Attendance and quorum*

(xxxiv) ~~Four~~ **Three** of the voting members of the Pension Board **including at least one member and one employer representative** shall represent the quorum for Board meetings to discharge business. The Chair or Vice Chair must be present for any meeting to proceed.

(xxxv) *Advisors and co-opted persons do not count towards the quorum.*

2.8 The current quorum of four is higher than the standard half of committee members for all other Council committees, so the amendment will bring it into line with the rest of the Council’s governance arrangements. The stipulation of at least one employer and one member representative will ensure a degree of representation from both sides.

### 3. Conclusion and reasons for recommendation

3.1 The Committee is recommended to agree to the appointment of the Pension Board employer representative as set out in the report. Having reflected on the term of membership and the impact of seeking all representations every 4 years, including the potential loss of knowledge and experience from the Board, it was previously agreed that a phased approach to the term of office for Board members will be taken.

3.2 The previously agreed appointment was for a 2-year term, with subsequent appointments then to be made for 4 years. It is proposed that the Pension Board member for the East Sussex District and Borough Councils be appointed until June 2021 in line with the previous term’s end date.

3.3 The Pension Board quorum is currently higher than those of other committees of the Council. This leads to a higher risk of meetings being inquorate. It is recommended that the Governance Committee recommends County Council agree to amend the Constitution in relation to the quorum of the Pension Board as set out in paragraph 2.7 of the report.

#### KEVIN FOSTER

#### Chief Operating Officer

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Background Documents:  
None

**Report to:** Governance Committee

**Date of meeting:** 28 January 2020

**By:** Chief Operating Officer

**Title:** LMG Managers Pay 2020/21

**Purpose:** To appraise the Governance Committee of the considerations in relation to the LMG pay award for 2020/21

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## RECOMMENDATIONS

**The Governance Committee is recommended to defer consideration of the pay offer to be made to LMG Managers until the outcome of the national pay negotiations is known for the reasons set out in this report.**

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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. Accordingly, two reports are presented: the first, usually in January, seeking agreement to the offer and the second, usually 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.

### 2 Supporting information

2.1 The NJC pay claim was submitted by the Joint Trade Union side (UNISON, GMB and UNITE) to the national employers in July 2019. In headline terms, the claim is for:

- a real living wage of £10 per hour to be introduced for NJC scp 1 and a 10% increase on all other NJC pay points;
- a one day increase to the minimum paid annual leave entitlement as set out in the Green Book;
- a two hour reduction in the standard working week as set out in the Green Book (i.e. to 35 hours per week); and,
- a comprehensive joint national review of the workplace causes of stress and mental health throughout local authorities

2.2 In response, the national employers held a series of regional pay briefings throughout September and October at which Councils were consulted on the claim and invited to provide feedback and comments.

2.3 Following this the national employers met in early November where they decided that they were not in a position to respond to the pay claim "until the impact of the general election is known, which they do not expect until the New Year". A copy of the letter from the national employers is attached at Appendix 1.

2.4 Whilst the outcome of the general election is now known, the impact this will have on the national pay negotiations is not. The Queen's Speech on 19 December 2019 contained the pledge that the national living wage will increase to reach two-thirds of median earnings within 5 years (projected to be around £10.50 an hour in 2024), provided economic conditions allow. It is not currently clear what this will mean for the national pay negotiations.

2.5 Set against this background, there are two options with regards to the local pay negotiations for LMG Managers:

Option 1 – to defer consideration of the pay offer to be made to LMG Managers until the outcome of the national pay negotiations is known, or

Option 2 – to make a local pay offer to LMG Managers regardless of the national position. In the event this is the preferred option, a further report will be provided to the Governance Committee setting out key supporting information such as current economic indicators (eg CPI, RPI etc) and pay benchmarking data.

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

3.1. The Governance Committee is asked to consider whether it wishes to make a local pay offer to LMG Managers or defer consideration until the outcome of the national pay negotiations is known.

3.2 It is worth noting that in the event the Committee decides to defer consideration, that would be on the basis that there is no obligation on the part of the Council to accept parity with the national award when known. Deferment would also mean that we would have more information about the pay position in other authorities.

3.3 Given the current significant level of uncertainty around the pay position, the Committee is recommended to agree option 1 i.e. to defer consideration of the pay offer to be made to LMG Managers until the outcome of the national pay negotiations is known.

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

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## National Employers for local government services

Jon Richards, Rehana Azam, Jim Kennedy  
Trade Union Side Secretaries  
NJC for Local Government Services  
c/o UNISON Centre  
130 Euston Road  
London NW1 2AY

5 November 2019

Dear Jon, Rehana and Jim,

### **LOCAL GOVERNMENT PAY 2020**

Following on from the recent regional pay briefings at which councils were consulted on your Side's pay claim, the National Employers met earlier today to receive feedback and discuss next steps.

The National Employers decided that they will not be in a position to respond to your claim until the impact of the outcome of the general election is known, which they do not expect until the New Year.

I shall continue to keep you informed of developments through the usual channels.

Yours sincerely,

*Naomi Cooke*

**Naomi Cooke**  
**Employers' Secretary**

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**Report to:** Governance Committee

**Date of meeting:** 28 January 2020

**By:** Chief Operating Officer

**Title:** Partnership Working with West Sussex County Council

**Purpose:** To seek the Governance Committee's agreement to a proposal to make a financial payment to the Chief Executive in recognition of the significant additional responsibilities arising out of being appointed as Chief Executive of West Sussex County Council

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## RECOMMENDATIONS

**The Governance Committee is recommended to agree an additional payment to the Chief Executive of East Sussex County Council of £31,603 gross in recognition of the significant additional responsibilities that will be entailed as a result of being appointed as shared Chief Executive across both East and West Sussex County Councils.**

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### 1 Background

1.1 The Governance Committee will be aware that at its meeting on 18 December 2019, Cabinet approved the proposal for East Sussex County Council to work with West Sussex County Council as an improvement partner, including sharing the services of the Chief Executive of East Sussex County Council and other officers as required.

1.2 The purpose of this report is to set out a proposal to make a financial payment to the Chief Executive in recognition of this significant additional responsibility.

### 2 Supporting information

2.1 Section 4 of the Local Government and Housing Act 1989 states that all local authorities must designate one of their officers as its Head of Paid Service. At both East and West Sussex County Councils, the Chief Executive is designated to that role.

2.2 As a statutory role, the Head of Paid Service has a number of specified duties as set out in the relevant legislation. In essence, the role of Head of Paid Service is one of management of the authority's staffing resource, including the co-ordination of functions. When combined with the role of Chief Executive, the role is the key link between the Administration of a local authority and the delivery of that authority's duties and responsibilities, along with its core priorities, through its officers.

2.3 The agreed partnership arrangement between East and West Sussex County Councils provides for both Councils to remain as separate sovereign authorities. Accordingly, the shared Chief Executive will therefore undertake the statutory Head of Paid Service role across two organisations, including working with two Cabinets, two Full Councils and indeed, all other elected Members, as well as senior officers and partners across both Councils.

2.4 Given the significant additional responsibilities this will entail, it is appropriate that some form of additional remuneration is made to the Chief Executive in recognition of this. Under the agreed arrangement, East Sussex County Council will remain the employer of the Chief Executive, with a fundamental principle being that East Sussex County Council does not suffer any financial detriment. It is agreed that the cost of the Chief Executive be split equally between the two Councils. By agreeing to share the Chief Executive, ESCC will make a saving of circa £104,246 per annum<sup>1</sup> on the cost of the Chief Executive's remuneration.

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<sup>1</sup> Based on 19/20 gross salary with the additional payment of £31,603k included, plus on-costs for NI and pension contributions

2.5 It is difficult to establish a benchmark against which to assess any proposed payment as no other two County Councils have entered into an arrangement to share the services of a Chief Executive. For the purposes of assessing responsibility when compared with other Councils, the two Councils combined have a gross budget of £2.09bn and a population of 1.4M. In order to understand how this compares in the sector, benchmarking has been undertaken against other large County Councils.

2.6 The table below sets out key comparative data:

Authority	Gross budget 2018/19 £bn	Population M	Chief Exec Salary £
<b>ESCC and WSCC combined</b>	<b>2.09</b>	<b>1.4</b>	<b>Proposed £230,000</b>
Hampshire County Council	1.99	1.3	£220,518
Surrey County Council	1.67	1.1	£219,409

2.7 Whilst the table above provides an indication in terms of scale based against two indices, population and budget, it does not reflect the fact that role will be the Head of Paid Service and therefore leading the officer team to deliver the priorities of the two separate organisations rather than one big organisation and is therefore significantly more complex, with greater responsibility.

### 3. Conclusion and Recommendations

3.1 As can be seen from this data, the combined budget and population served of East and West Sussex County Councils are more than either Hampshire or Surrey County Councils. Alongside this, there is the additional complexity of leading the officer team of two separate, sovereign Councils as noted above. It is therefore proposed that an additional payment of £31,603 gross is made to the Chief Executive of East Sussex County Council in recognition of these significant additional responsibilities.

3.2 This additional payment will take the overall remuneration of the shared Chief Executive to £230,000 per annum gross.

3.3 The Governance Committee is therefore recommended to agree an additional payment to the Chief Executive of East Sussex County Council of £31,603 gross, in recognition of the significant additional responsibilities that will be entailed as a result of the current postholder having been appointed as shared Chief Executive across both East and West Sussex County Councils.

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