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East Sussex County Council

Meeting of

East Sussex County Council

on Tuesday, 13 October 2020

at 10.00 am

NOTE: *As part of the County Council's drive to increase accessibility to its public meetings, this meeting will be broadcast live on its website and the record archived. The live broadcast is accessible at: www.eastsussex.gov.uk/yourcouncil/webcasts/default.htm*

EAST SUSSEX COUNTY COUNCIL

To the Members of the County Council

You are summoned to attend a meeting of the East Sussex County Council to be held at County Hall, Lewes, **on Tuesday, 13 October 2020 at 10.00 am** to transact the following business

Note: County Councillors will be joining the meeting remotely

1 **Minutes of the meeting held on 7 July 2020** *(Pages 5 - 32)*

2 **Apologies for absence**

3 **Chairman's business**

4 **Questions from members of the public**

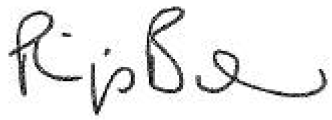
5 **Report of the Cabinet** *(Pages 33 - 48)*

6 **Report of the Governance Committee** *(Pages 49 - 52)*

7 **Report of the Lead Member for Adult Social Care and Health** *(Pages 53 - 56)*

8 **Questions from County Councillors**

(a) Oral questions to Cabinet Members
(b) Written Questions of which notice has been given pursuant to Standing Order 44



County Hall
St Anne's Crescent
LEWES
East Sussex BN7 1UE

PHILIP BAKER
Assistant Chief Executive

5 October 2020

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MINUTES

EAST SUSSEX COUNTY COUNCIL

MINUTES of a MEETING of the EAST SUSSEX COUNTY COUNCIL held at Council Chamber - County Hall, Lewes on 7 JULY 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, Daniel Shing, Stephen Shing, Alan Shuttleworth, Rupert Simmons, Andy Smith, Bob Standley, Richard Stogdon, Colin Swansborough, Barry Taylor, Sylvia Tidy, David Tutt, Trevor Webb and Francis Whetstone

9 Minutes of the meeting held on 12 May 2020

9.1 RESOLVED – to confirm as a correct record the minutes of the County Council meeting held on 12 May 2020.

10 Apologies for absence

10.1 Apologies for absence were received on behalf of Councillors Jim Sheppard, John Ungar and Steve Wallis. On behalf of the Council the Chairman sent Councillor Ungar his best wishes.

11 Chairman's business

11.1 The Chairman reminded all attending that holding remote meetings is a learning process and that the Council endeavouring to maintain business as usual as best we can.

PETITIONS

11.2 The following petitions were presented before the meeting by members:

Councillor Charman	- calling on the County Council to ban the use of Glyphosate on roadsides, pavements and green spaces in Hastings
Councillor Galley	- calling on the County Council to consider road safety improvements at Tyes Cross at the Plawhatch Lane/Grinstead Lane junction and the Plawhatch Lane/twittern from Chilling Street

12 Questions from members of the public

12.1 Copies of the questions received from members of the public and the answers from Councillor Fox (Chair of the Pension Committee) and Councillor Claire Dowling (Lead Member for Transport and Environment) are attached to these minutes.

13 Declarations of interest

13.1 The following members declared personal interests in items on the agenda as follows:

Member	Position giving rise to interest	Agenda item	Whether interest was prejudicial
Councillor Grover	Employee of the East Sussex Fire and Rescue Service	Item 9	No

14 Reports

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

Cabinet report – paragraph 2 (Council monitoring quarter 4), paragraph 3 (coronavirus update), paragraph 4 (East Sussex Environment Strategy) and paragraph 5 (Ashdown Forest Trust)
Governance Committee report – paragraph 4 (Health and Wellbeing Board terms of reference)
Standards Committee report – paragraph 1 (annual report)

East Sussex Fire Authority report (April meeting) – paragraph 2 (Risk Management Plan)

NON-RESERVED PARAGRAPHS

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

Cabinet report – paragraph 1 (Council monitoring quarter 3)
Governance Committee report – paragraph 1 (Pension Board and Pension Committee terms of reference), paragraph 2 (Review of the Members' Allowances Scheme), paragraph 3 (Virtual meetings supplementary Standing Orders including additional recommendation circulated regarding Councillor Ungar) and paragraph 5 (disciplinary process for senior officers)

15 Report of the Cabinet

Paragraph 1 (Council monitoring quarter 4), Paragraph 3 (Coronavirus update), Paragraph 4 (East Sussex Environment Strategy) and Paragraph 5 (Ashdown Forest Trust Fund)

15.1 Councillor Glazier moved the reserved paragraphs of the Cabinet's report.

15.2 The motions were CARRIED after debate.

16 Report of the Governance Committee

Paragraph 4 (Health and Wellbeing Board terms of reference)

16.1 Councillor Glazier moved the adoption of the paragraph.

16.2 The following amendment moved by Councillor Lambert and seconded was LOST:

The County Council agrees to refer the terms of reference of the Health and Wellbeing Board back to the Governance Committee with a request that the Committee consider the allocation of the 4 County Councillor places on the Board being made on a politically proportionate basis

16.3 The motion moved by Councillor Glazier was ADOPTED after debate

17 Report of the Standards Committee

Paragraph 1 (Annul report)

17.1 Councillor Stogdon moved the reserved paragraph of the Standards Committee report.

17.2 The motion was CARRIED after debate.

18 Questions from County Councillors

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

Questioner	Respondent	Subject
Councillor Rodohan	Councillor Claire Dowling	Request for reconsideration or postponement of the implementation of increased parking charges in Eastbourne Town Centre
Councillor Godfrey Daniel	Councillor Claire Dowling	Possibility of review of decision to increase parking charges in Hastings
Councillor Stephen Shing	Councillor Claire Dowling	Use of Glyphosate on highways etc in East Sussex

18.2 One written question was received from Councillor Field for the Lead Member for Resources. The question and answer are attached to these minutes. The Lead Member responded to a supplementary question.

19 Reports of the East Sussex Fire Authority

19.1 Members commented on paragraph 2 of the East Sussex Fire Authority's report (April meeting).

THE CHAIRMAN DECLARED THE MEETING CLOSED AT 12.59 pm

The reports referred to are included in the minute book

QUESTION FROM MEMBERS OF THE PUBLIC

Note: Questions 1 to 48 relate to the East Sussex Pension Fund exposure to fossil fuel investments, the response to climate emergency and related issues. The answer to these questions is set out after question 48 below

1. The same or similar questions were asked by:

Lynne Salvage, Hastings, East Sussex
Andrea Needham, Hastings, East Sussex
Esme Needham, Hastings, East Sussex
Rosalind Price, Brighton
Nick Perry, Hastings, East Sussex
Karen Stewart, Eastbourne, East Sussex
Lucinda Westwood, Eastbourne, East Sussex
Jane Sweeney, Ditchling, East Sussex
Ross Beale, Lewes, East Sussex
Colin Pope, Fairlight, East Sussex
Benjamin Diss, Brighton
Chrys Brookes, Hastings, East Sussex
Susan Goodwin, Brighton

In June BP's Chief executive Bernard Looney sent an email to staff explaining that: "The oil price has plunged well below the level we need to turn a profit. We are spending much, much more than we make - I am talking millions of dollars, every day." As of 30 September 2019, the total value of the East Sussex Pension Fund's fossil fuel investments was estimated at £175m. What is their estimated current value?

2. The same or similar questions were asked by:

Ian Bunch, Hastings, East Sussex
Kate Christie, Forest Row, East Sussex
Dinah Prior, Seaford, East Sussex
Pauline Goubert, Bexhill on Sea, East Sussex
Nick Redman, Bexhill on Sea, East Sussex
Emily Slater, Lewes, East Sussex
Sophie Mamalis, Brighton
Nicola Browne, Hastings, East Sussex
Alinah Azadeh, Lewes, East Sussex
Alison Morris, Newhaven, East Sussex
Chloe Edwards, Lewes, East Sussex
Andrew Simpson, Lewes, East Sussex
Angela Evans, Forest Row, East Sussex
Christopher Paterson, Lewes, East Sussex
Matthew Bird, Lewes, East Sussex

New research recently found that the dramatic melting of Greenland's ice sheet last summer – which saw near-record rates - was largely down to a persistent zone of high pressure over the region. The fate of this ice sheet will be a crucial determinant in sea level rise.

One of the paper's authors explained that: 'This melt event is a good alarm signal that we urgently need to change our way of living to hold [back] global warming because it is likely that the [UN climate body's] projections could be too optimistic for [the] Arctic'.

Given the mounting number of 'alarm signals' such as this, isn't it high time that the East Sussex Pension Fund stopped investing in the fossil fuel companies that are driving the climate crisis?

3. Question from Georgia Taylor, Forest Row, East Sussex

New research recently found that the dramatic melting of Greenland's ice sheet last summer – which saw near-record rates - was largely down to a persistent zone of high pressure over the region. The fate of this ice sheet will be a crucial determinant in sea level rise. One of the paper's authors explained that: 'This melt event is a good alarm signal that we urgently need to change our way of living to hold [back] global warming because it is likely that the [UN climate body's] projections could be too optimistic for [the] Arctic'. Also, according to the executive director of the International Energy Agency: "This year is the last time we have, if we are not to see a carbon rebound". Noting that the stimulus packages created this year will determine the shape of the global economy for the next three years – and that within that time frame global emissions must start to fall sharply and permanently, or climate targets will be put out of reach – he has said that: "The next three years will determine the course of the next 30 years and beyond … If we do not [take action] we will surely see a rebound in emissions. If emissions rebound, it is very difficult to see how they will be brought down [sufficiently] in future." Given this stark reality, and the reality that fossil fuel is no longer a good financial investment, it is catastrophic and a bizarre form of self-harm for the East Sussex Pension Fund to continue investing in the fossil fuel companies that are driving the climate crisis. Please can you tell us, the citizens of East Sussex, by when you will divest the East Sussex Pension Fund from fossil fuels?

4. The same or similar questions were asked by:

Mary Castelino, Hastings, East Sussex
Tessa George, Lewes, East Sussex
Becky Francomb, Seaford, East Sussex
Julia Waterlow, Lewes, East Sussex
Patricia Shorter, Brighton
Anne Massey, Hove
Susan Murray, Lewes, East Sussex
Adrienne Hunter, St Leonards on Sea, East Sussex
Felix Lozano, Winchelsea, East Sussex
Duncan Taylor, Lewes, East Sussex
Alison Birrell, Lewes, East Sussex
Siou Hannam, Newhaven, East Sussex
Helen dAscoli, Lewes, East Sussex
Anne Duke, Ringmer, East Sussex
Penny Jones, Lewes, East Sussex
Tamsim Wharton, Lewes, East Sussex
Duncan Fordyce, Lewes, East Sussex

The executive director of the UN Global Compact recently stated that the coronavirus pandemic is "just a fire drill" for what is likely to follow from the climate crisis. Noting that “the overall problem is that we are not sustainable in the ways we are living and producing on the planet today” she said: “We need to see leadership to drive this”. How can East Sussex County Council possibly provide such leadership while it continues to invest scores of millions of pounds of local people’s pensions in fossil fuels?

5. The same or similar questions were asked by:

Anthony Hack, Hastings, East Sussex
Mike Morrison, Brighton
Richard Boyle, Eastbourne, East Sussex
Ruth Drake, Hastings East Sussex
Jennifer Howells, Horam, East Sussex
Alyson Fixter, St Leonards on Sea, East Sussex
Anne Valder, Peacehaven, East Sussex
Wendy Maples, Lewes, East Sussex
Katie Vandyck, Lewes, East Sussex
Alice Ross, Lewes, East Sussex
Anthony Bradnum, St Leonards on Sea, East Sussex
Sarah Hitchings, Lewes, East Sussex
Hans-Joachim Hinze, Ditchling, East Sussex
Rebecca Topping, Wadhurst, East Sussex

The International Energy Agency is projecting substantial declines in demand for fossil fuels for 2020 (oil 9%, coal 8% and gas 5%) while solar and wind grow by 16% and 12% respectively. It may now be very difficult to get back to former levels of demand before renewables get big enough to supply all the growth. Given this, what assumptions are the East Sussex Pension Fund’s fund managers and investment consultants currently making regarding future demand for fossil fuels?

6. The same or similar questions were asked by:

Adam Rose, Eastbourne, East Sussex
Mike Morrison Brighton
Kathy Bor, St Leonards on Sea, East Sussex
Penny Hyde, Friston, East Sussex
Jason Evans, Saltdean, East Sussex
Manuela McLellan, Hastings, East Sussex
Darren Dowd, Lewes, East Sussex
David Smith, Eastbourne, East Sussex
Jane Johnson, Eastbourne, East Sussex
Paul Bellack, Lewes, East Sussex
Denzil Jones, Lewes, East Sussex
Frances Royston, Crowhurst, East Sussex
Michael Barnard, Bexhill on Sea, East Sussex
Nicola Reese, Saltdean
Ian Halloran, Herstmonceux, East Sussex
Charles Secrett, Brighton
Gabrielle Lord, Lewes, East Sussex
Mary-Jane Wilkins, Lewes, East Sussex
Rik Child, Brighton
Sophie Streeter, Bexhill on Sea, East Sussex
Robert White Eastbourne, East Sussex

Lisa Stewart, Hove
Carol Mills, Eastbourne, East Sussex
Josie Darling, Brighton
Denise Spinney, Forest Row, East Sussex
Ilona Brunzel, Bexhill on Sea, East Sussex
Alice Cope-Stephens, Burwash, East Sussex
Gillian Watson, Lewes, East Sussex
Abby Nicol, St Leonards on Sea, East Sussex
Adam McCormick, Eastbourne, Est Sussex
Krzysztof Szaniawski, Lewes, East Sussex
Melissa McClements, Brighton
Jane Wigan, St Leonards on Sea, East Sussex
Amber Scott, Forest Row, East Sussex
Jane Wright, Lewes, East Sussex
Chris Garland, Lewes, East Sussex
Susan Tyler, St Leonards on Sea, East Sussex
Rob Handy, Lewes, East Sussex
James Martin, Seaford, East Sussex
Rosie Sauvage, Hove
John Enefer, Hastings, East Sussex
Lucy Newman, Lewes, East Sussex
Bob and Carol Turner, Eastbourne, East Sussex
Persephone Pearl, Brighton

Last October East Sussex County Council declared a ‘climate emergency’. How can it possibly reconcile this declaration with its ongoing investment (£175m as at 30/09/2019) in the giant oil and gas companies like BP and Exxon – the very companies that are driving this ‘emergency’?

7. Question from Dean Robinson, Hastings, East Sussex

What steps are being taken to reduce investment in fossil fuel, un-ethical companies, un-sustainable technologies, or funds.

8. Question from Andrew Durling, Pevensey, East Sussex

Given that much of the Eastbourne and Pevensey area of East Sussex is a low-lying coastal community at ever increasing risk of experiencing catastrophic flooding due to the rise in sea level caused by rapid climate change, itself caused primarily by fossil fuels, how can East Sussex County Council ethically justify continuing to invest, within its Pension Fund, in the very fossil fuels that are threatening the lives, homes and businesses of many East Sussex residents, my family included?

9. Question from Summer Milford, Brighton, East Sussex

Given the catastrophic impact of burning fossil fuel on the global climate and the urgent need to mitigate the effects of climate change, will the council commit to switching to green investments for the East Sussex Pension Fund, and end all investment in fossil fuels immediately?

10. Question from Janice Vango, Eastbourne, East Sussex

As an ESCC pensioner, I am so very concerned about the Council investing £175million in fossil fuels.

Could you explain the justification for this, with fossil fuels becoming an increasingly poor investment?

11. The same or similar questions were asked by:

Bella Willink, Forest Row, East Sussex
Jane Munro, Winchelsea Beach, East Sussex
Amanda Jobson, Hastings, East Sussex
Joan Coffey, St Leonards on Sea, East Sussex
Caroline Donegan, Ticehurst, East Sussex
Nancy Bertenshaw, Lewes, East Sussex
Katherine Beaven, Forest Row, East Sussex
Tessa George, Lewes, East Sussex
Tim Beecher, Brighton
Carol Bullock, Brighton
Denise Spinney, Forest Row, East Sussex
Kate Edmunds, Alfriston, East Sussex
Martin Taylor, Eastbourne, East Sussex
Ting Plaskett, Eastbourne, East Sussex
Nuala Friedman, Lewes, East Sussex
Chris Hemsley, Brighton
Holly Atkins, Lewes, East Sussex
Ann Bloomfield, St Leonards on Sea, East Sussex
Fiona MacGregor, St Leonards on Sea, East Sussex
Felicity Goodson, Eastbourne, East Sussex
Doris Moorhead, Lewes, East Sussex
David Duke, Ringmer, East Sussex
Jules Charrington, Newhaven, East Sussex

Noting that the Covid-19 crisis has demonstrated how urgent it is to tackle the climate emergency, the former governor of the Bank of England recently declared that the climate crisis is one “that will involve the whole world and from which no one can self-isolate”.
Isn’t it time for East Sussex County Council to stop sticking its head in the sand and stop investing in the very fossil fuel companies that are at the heart of the climate emergency?

12. The same or similar questions were asked by:

Ella Drauglis, St Leonards on Sea, East Sussex
David Hallett, Piddinghoe, East Sussex
Jan Parker, Lewes, East Sussex
Les Gunbie, Brighton
Helen Whithouse, Brighton
Steve Pine, Brighton
Julie Morehead, Lewes, East Sussex
Frances Royston, Crowhurst, East Sussex

Ros Clayton, Bexhill, East Sussex
Liz Halloran, Herstmonceux, East Sussex
Eveline Tijs, Hastings, East Sussex
Antonio Serrano, Bexhill, East Sussex
Julia Desch, Hailsham, East Sussex
Liz Mandeville, Lewes, East Sussex
Sarah Macbeth, St Leonards on Sea, East Sussex
Rona Drennan, St Leonards on Sea, East Sussex
Adrian Ross, Lewes, East Sussex
Frances Witt, Lewes, East Sussex
Sue Fasquelle, Lewes, East Sussex
Jane Carpenter, Lewes, East Sussex
Kerry Jackson, Seaford, East Sussex
Patricia Tinning, Lewes, East Sussex
Zoe Axworthy, Brighton
James Herbert, Lewes, East Sussex
Vanessa Jewell, Lewes, East Sussex
Sanchia Silk, Eastbourne, East Sussex
Linda McVeigh, Brighton
Ed Richardson, Lewes, East Sussex
Anthony Shuster, Lewes, East Sussex

What is the current value of the East Sussex Pension Fund's investments in fossil fuels and how does it square these investments with its declaration of a 'climate emergency' last October?

13. The same or similar questions were asked by:

Urmilla Stoughton, Eastbourne East Sussex
Patricia Lardner, Eastbourne, East Sussex
Claire Barnard, Brighton
Annabel Faraday, Fairlight, East Sussex
Joanna Laurie, Hastings, East Sussex
Marisa Guthrie, Plumpton, East Sussex
Sally Attwood, Lewes, East Sussex
Somesh De Swardt, Forest Row, East Sussex
Claire Wyatt, Forest Row, East Sussex
Louise Holloway, Lewes, East Sussex
Alison Beech, Ringmer, East Sussex
Mark Webb, Eastbourne, East Sussex
Alison Campbell, Alciston, East Sussex

According to the executive director of the International Energy Agency: This year is the last time we have, if we are not to see a carbon rebound". Noting that the stimulus packages created this year will determine the shape of the global economy for the next three years – and that within that time frame global emissions must start to fall sharply and permanently, or climate targets will be put out of reach – he has said that: "The next three years will determine the course of the next 30 years and beyond … If we do not [take action] we will surely see a rebound in emissions. If emissions rebound, it is very difficult to see how they will be brought down [sufficiently] in future." Given this stark reality isn't it time for the East Sussex Pension Fund – and this Council – to show leadership on this issue and commit now to divest (over the next five years) from the fossil fuel companies that are driving the climate crisis?

14. Question from Jen Rouse, Hastings, East Sussex

We are - according to the UN, the WHO, the government and the council's own declaration - in a global climate emergency. As I write, Fatih Birol, executive director of the International Energy Agency, has publicly stated that “This year is the last time we have, if we are not to see a carbon rebound.” Yet as of Sept 2019 ESCC still has £175m invested in fossil extraction companies like BP and Exxon, whose activities are destroying our climate daily. What concrete, definable action will the council commit to on record today, at this meeting, in order to divest these funds immediately, discharge its duty to serve the residents of East Sussex, ensure a green recovery from the pandemic, and bring its actions in line with its own stated goal that '100% of assets (are to) be compatible with the net zero-emissions ambition by [approximately] 2050 in line with the Paris agreement’?

15. The same or similar questions were asked by:

Erica Smith, St Leonards on Sea, East Sussex
Alison Cooper, St Leonards on Sea, East Sussex
Roy Francomb, Seaford, East Sussex
Hugh Dunkerley, Brighton
David Stopp, Eastbourne, East Sussex
Simon Mercer, Brighton
Dorothy Amos, Hastings, East Sussex
Sarah Sawyer, Lewes, East Sussex
Jane Wilde, Eastbourne, East Sussex
Ian Cairns, Seaford, East Sussex
David Hoare, Newhaven, East Sussex
Maureen Duffy, Lewes, East Sussex
Natasha Hull, Hastings East Sussex
Sally Boys, Eastbourne, East Sussex
Martin Chick, Brighton
Stuart Hedges, Lewes, East Sussex

The big fossil fuel companies are relying upon sustained future growth in demand for fossil fuels. For example, BP and Total both spent more during the first quarter of 2020 on capital projects than they received from operations, yet still paid dividends to shareholders. Given the huge collapse in demand for fossil fuels this year, owing to the coronavirus pandemic, and the continued rapid rise in demand for renewables, does the East Sussex Pension Committee really believe that the fossil fuel companies’ predictions are likely to be borne out? If their predictions are not borne out then what would be the likely impact on the value of the East Sussex Pension Fund’s continued investments in these companies?

16. Question from Michael Turner, Hastings, East Sussex

A Climate Change emergency has been declared because serious climate disasters like flood, fire & storm are becoming more frequent around the world. Surely now is the time to divest your pension funds away from oil & gas into renewable ‘greener’ energy sources? Crucially, change must now come & I know that you are as concerned as I am that catastrophic environmental breakdown is now a reality. So please, will you do your bit to help secure a cleaner, more sustainable future for life on Earth?

17. The same or similar questions were asked by:

Alex Hough, Eastbourne, East Sussex
Bob Morton, Brighton
Joe Faulkner, Hastings, East Sussex
Martina O'Sullivan, Brighton
Peter Murray, Lewes, East Sussex
Shiri Goldsmith, Lewes, East Sussex
Brian Seller, Lewes, East Sussex
Chris Williams, Lewes, East Sussex
Alan Russell, St Leonards on Sea, East Sussex
Jeanette Taylor Eastbourne, East Sussex
Manek Dubash, Lewes, East Sussex
Clarissa Meek, Seaford, East Sussex
Bridget Mutter, Lewes, East Sussex
Donna Lonsdale, Seaford, East Sussex

The East Sussex Pension Committee has publicly agreed that the East Sussex Pension Fund's 'long-term goal is for 100% of [its] assets to be compatible with the net zero-emissions ambition by [approximately] 2050 in line with the Paris agreement'. Can the chair of the Committee give a single example of an oil or gas major that is currently aligned with such a goal?

18. Question from Tony Collins, St Leonards on Sea, East Sussex

East Sussex County Council (ESCC) currently has huge sums (£175m as at 30/09/2019) invested in fossil fuels (oil, coal and gas), the main driver of the climate crisis. These investments are made through the East Sussex Pension Fund (which also covers Brighton & Hove).

Even before COVID-19 the supply of fossil fuels was being disrupted by the forces of cheaper renewable technologies. But now the pandemic appears to have brought forward the point of peak demand for fossil fuels (which we may well already have passed), revealing the overcapacity and fragility of the whole fossil fuel system and creating the prospect of big losses for investors like ESCC.

With the rise of renewable energy, and the rapidly falling costs in this sector, is it not time for ESCC to disinvest from fossil fuels and to adopt a more socially and financially responsible approach to its pension and other investments? There are many good options in the renewables sector for an ambitious and responsible investor.

19. Question from Kay Densley, Hove

Given that recent circumstances have made fossil fuels less financially lucrative, will the council now stand by its commitment for a greener and cleaner environmental future, by moving the council staff pension fund and other investments away from such investments and towards other initiatives. In line with the high percentage of staff from the sub councils who have called for such a strategy.

Failing this, will they at least set up an alternative pension fund so that staff can make their own choice about how their money is invested.

20. Question from Barbara Echlin, Bexhill on Sea, East Sussex

Given the imperative to keep the rise in global average temperature to below 1.5 degrees why does the East Sussex Pension Fund still invest heavily in fossil fuels which are main drivers of rising temperatures?

21. The same or similar questions were asked by:

John Dugdale, Hastings, East Sussex
Karl Horton, Hastings, East Sussex
Nick Tigg, Lewes, East Sussex
Alison Bell, Lewes, East Sussex
Christopher Sumners, Seaford, East Sussex
Jamie Cave, Lewes, East Sussex

While alignment with the Paris Climate Agreement requires immediate and sustained contraction of both supply and demand for fossil fuels, $1 trillion is currently being spent annually on expanding the supply of fossil fuels. Why is the East Sussex Pension Fund continuing to invest in these companies given its stated goal 'for 100% of assets to be compatible with the net zero-emissions ambition by [approximately] 2050 in line with the Paris agreement'?

22. Question from Nicholas Jagger, Brighton

How is it possible to maintain your fiduciary duty to pensioners and contributors, such as myself, to the East Sussex Pension Fund while maintaining fossil fuel investments. Oil investments are at historic lows and Shell amongst other oil and gas majors are not offering dividends this year. If you had divested earlier you would have avoided this loss. However, as the pool majors will be continuing to write off assets for at least the next two years, divesting now is better than hanging on to these failing investments. Past failure to divest and any future failure to divest in fossil fuels opens the pension fund trustees and their advisors to legal penalties for avoiding their fiduciary duty and destroying the value of the pension fund.

23. Question from Sylvia Goddard, Lewes, East Sussex

In view of the recognised climate 'emergency', and the East Sussex Pension Fund's stated goal for 100% of its assets to be 'compatible with the net zero-emissions ambition in line with the Paris agreement', can the chair of the Committee

- give a single example of an oil or gas major that is currently aligned with such a goal? (noting that "an oil company pledging to *reduce the emissions intensity* of its products is not the same as reducing its *overall emissions*" [my emphasis], and that Sarasin investment management firm wrote to Shell in July 2019: 'It cannot be in the interests of the millions of people whose long-term savings are invested in your company, for you to produce fossil fuels in such volume that planetary stability is threatened', here, pp.5-6)

- desist from referencing 'resilience' as if this allowed us "not worry too much about coming disruptions such as climate change"? (William E. Rees, co-originator of ecological footprint analysis, here, p.60)

24. Question from Sarah Gorton, Brighton

The International Energy Agency chief in a report published ion 18th June 2020 stated that the world has only six months in which to change the course of the climate crisis and prevent a post lockdown rebound in greenhouse gas emissions that would overwhelm efforts to stave off climate catastrophe. The IEA , the world's gold standard for energy analysis set out a global blueprint for a green recovery. Last October East Sussex County Council declared a 'climate emergency'. These words mean nothing without action to back them up. How can ESCC possibly reconcile this declaration with its ongoing investment (£175m as at 30/09/2019) in the giant oil and gas companies like BP and Exxon – the very companies that are driving this 'emergency'?

25. Question from Chris Yarrow, Mayfield, East Sussex

Please can you explain to me why the Council is not selling, as fast as possible, all its holdings in fossil fuels before their share prices drop any lower, and reinvesting in renewable energy sources, whose products have a reliable and fast-growing market."

26. Question from Sue Bolton, Forest Row, East Sussex

Acknowledging the care and hard work put in by East Sussex Council Pension managers, and recognising how the profitability for the fossil fuel industry is declining increasingly rapidly, is now the time for the East Sussex Council Fund to divest from investing from such companies before the value starts to tumble, as is being predicted by international media?

27. Question from Judy Scott, Hastings, East Sussex

Why are ESCC delaying divestment of fossil fuels?

28. Question from Imogen Makepeace, Lewes, East Sussex

Siberia's recent heatwave, and high summer temperatures in previous years, have been accelerating the melting of Arctic permafrost. This is the permanently frozen ground which has a thin surface layer that melts and refreezes each year. As temperatures rise, the surface layer gets deeper and structures embedded in it start to fail as the ground beneath them expands and contracts. This is what is partly to blame for the catastrophic oil spill that occurred in Siberia in June 2020, when a fuel reservoir collapsed and released more than 21,000 tonnes of fuel – the largest ever spill in the Arctic."

https://theconversation.com/siberia-heat-wave-why-the-arctic-is-warming-so-much-faster-than-the-rest-of-the-world-141455
When ice melts (snow and and ice are white), less heat can be reflected back. More ocean (dark in colour) is exposed, which absorbs more heat, which accelerates absorption of heat which speeds up ice sheet loss.

The Arctic has sometimes been described as the canary in the coal mine for climate breakdown. Well it's singing pretty loudly right now and it will get louder and louder in years to come.

Given the mounting number of 'alarm signals' such as this, isn't it high time that the East Sussex Pension Fund stopped investing in the fossil fuel companies that are driving the climate crisis?

29. Question from John Currell, Brighton

As a member of the East Sussex Pension Scheme I am very concerned that investments are continuing in very poorly performing, polluting, and risky, fossil fuel companies. Such investments run a substantial risk of becoming 'stranded' assets in the near future, with the consequent loss of substantial sums for pensioners, whilst environmentally sustainable investments have proved to be much more effective, and safer, over the last few years (see the article in the Guardian from 13th June 2020 titled 'ethical investments outperform traditional funds').

Please can East Sussex explain in detail how they have assessed the risk of fossil fuel investments performing poorly, or even becoming 'stranded' over time, and what that risk assessment result was. And also how that risk compares with the lower risks of investing in clean energy companies.

30. Question from Arnold Simanowitz, Lewes, East Sussex

At the Pension Committee meeting on the 22 June 2020 the committee considered the report of PIRC. In that report PIRC set out the compliance of the committee with the new Stewardship Code principles. It was noted that with regard to explaining the outcomes of the committee's engagement escalation the committee was not compliant.

Can the Chair of the committee give that explanation now or when will he be able to do so?

31. Question from Susan Nelson, Lewes, East Sussex

Last October East Sussex County Council declared a 'climate emergency' and now needs to take action to address the emergency. The executive director of the International Energy Agency commenting on the choices that we need to make following the Corona Virus pandemic stated: "The next three years will determine the course of the next 30 years and beyond … If we do not [take action] we will surely see a rebound in emissions. If emissions rebound, it is very difficult to see how they will be brought down in future." An important element in securing our future is too move away from an economy based on the use of fossil fuels. Why is the East Sussex Pension fund continuing to invest in companies such as BP and Exxon?

32. Question from Emily O'Brien, Newhaven, East Sussex

As a Green Party District Councillor and Lewes District Council Cabinet member, I find it astonishing that despite a declaration of climate emergency by yourselves and many of

the organisations you are investing on behalf of - including our District Council - you are failing to act decisively on this issue.
Additionally, I myself hold an East Sussex Pension from a former employment. I personally call on you to make better choices on my behalf.
Clearly fossil fuels are a declining investment - if the Bank of England say it's time to get out, then it's well past time. Please act now to save your pension holders' futures (we will need to live off these pensions) and to enable us to play the part we want to play in tackling climate change.

33. Question from Carolyn Trant, Lewes, East Sussex

In the light of the last three month period of reflection due to the corona virus and time to re-assess our way of life at a local as well as national or global level, and in the light of ESCC admission of the climate crisis, what plans are now being made for implementation of new policies to begin to systematically address the crisis issue by issue; you could begin with the ESSC investment in oil and gas companies to fund pensions....
The East Sussex Pension Committee has publicly agreed that the East Sussex Pension Fund’s ‘long-term goal is for 100% of [its] assets to be compatible with the net zero-emissions ambition by [approximately] 2050 in line with the Paris agreement’. Can the chair of the Committee give a single example of an oil or gas major that is currently aligned with such a goal?

34. Question from Judith Knott, Lewes, East Sussex

The Oxfordshire Local Government Pension Fund now has a target to reduce emissions within their portfolio by 7.6 per cent per year. It recently switched another six percent of assets into a new Sustainable Equities Fund being developed by Brunel. Bearing in mind the increasing financial risks of fossil fuel investment, isn't it time East Sussex County Council required its pension fund to draw up its own fossil - free road map?

35. Question from Milly Hawkins, Lewes, East Sussex

What is the current value of the East Sussex Pension Fund’s investments in fossil fuels? How does it square these investments with its declaration of a ‘climate emergency’ last October, and what date will it commit to, to stop all investment by ESCC pension funds in fossil fuel companies?

36. Question from Brendan Clegg, Crowborough, East Sussex

United Kingdom Climate Change Act 2008
Declaration of a Climate Emergency by HM Government
Declaration of a Climate Emergency by East Sussex County Council
Declaration of a Climate Emergency by Wealden District Council
Declaration of a Climate Emergency by Brighton and Hove Council
Declaration of a Climate Emergency by Rother District Council
Declaration of a Climate Emergency by Hastings Borough Council
Declaration of a Climate Emergency by Eastbourne Borough Council
Declaration of a Climate Emergency by Lewes District Council

With detailed reference to the above, please explain the logic and reasoning behind ESCC continuing to invest £175million in carbon producing fossil fuel companies through the county pension fund?

37. Question from Hilary Pogge van Strandmann, Ripe, East Sussex

I am a previous ESCC employee receiving its pension. I am concerned above all else about climate change and the fact that we are close to or past the tipping point. I avoid using fossil fuel as much as I possibly can, either for heating, travel or in the use of plastics. Why do I then have to receive a pension based on investment in the fossil fuel industry, knowing that this is driving us irrevocably towards climate disaster?

38. Question from Michael Ryan, St Leonards on Sea, East Sussex

I am a in receipt of an East Sussex County Council pension as a retired senior social worker for the county. I respectfully submit that it is now the urgent need of the times to switch investment from the declining asset of fossil fuels -because, too, of their urgent global heating threat to our human lives and those of next generations. This issue is now an incontestable matter except to the most closed of minds.
I believe that it is within the capability of fund managers to shift investments to those with both a solid future and those playing their parts in keeping us on track with the Paris Agreement i.e. renewable energies in all its forms.

39. Question from Louise Burden, Ringmer, East Sussex

Why is ESCC still investing in oil and gas? I have an ESCC pension and I'm horrified to think that it is being invested in such an unsustainable way.

40. Question from John Oughton, Ditchling, East Sussex

Given that East Sussex County Council have declared a climate emergency, how can investment in fossil fuel industries be morally acceptable.
Further, given the accelerating move away from fossil fuels globally, particularly since the coronavirus pandemic, do you not feel that such investments represent an unacceptable level of financial risk?

41. Question from David Allen, Brighton

Why does the Pensions Committee/ESCC Pension Fund Management continue to ignore potential returns of 5% per annum given by investing in community-energy companies based locally, for e.g. Brighton Energy Coop or Brighton & Hove Energy Services Company? Surely a straight swap of the existing funds currently invested in fossil-fuel companies into this alternative investment in renewable-energy makes improved financial sense in terms of comparative returns, provides protection from the risk of stranded-assets in the fossil-fuel sector and carries increased social licence in the current context of the climate-emergency?

42. Question from Catherine Tonge, Eastbourne, East Sussex

The Covid_19 crisis has exposed the precarious nature of investment in fossil fuels (and associated organisations such as airlines and airports). As somebody who will rely on your pension offer, please can you outline what measures you intend to take to ensure you divest from these financially unsustainable and unstable markets to protect the pension fund in the long term?

43. Question from Gabrielle Lewry, St Leonards on Sea, East Sussex

Peak fossil fuel demand for European electricity came in 2007 when solar and wind were just 4% of total electricity supply. As renewables took market share in a market with falling demand, wholesale prices fell, and the impact on the industry was dramatic. $150bn of assets were written down, and the capitalisation of the sector fell very significantly.

Likewise, after coal demand peaked in 2014, UK public pension funds lost nearly a billion dollars as the value of their coal investments plummeted (Financial Times, 11 October 2015 , Almost $1bn wiped off the value of UK pensions' coal investments).

With the date of peak demand for fossil fuels rapidly approaching (or possibly even in the past now, following the systemic shocks caused by the COVID-19 pandemic), what steps is the East Sussex Pension Fund taking to ensure that it doesn't fall victim to the same fate as these earlier investors?

44. Question from Paul Bazely, Brighton

At a meeting of the Council which I attended, it was agreed that you would ask your financial advisors whether it was possible to redirect investments away from fossil fuel companies. I would like to ask whether you have a response yet? If not, why not? Several months have elapsed since your decision. If they have, what is their response and how do you propose to act on it? I agree with the council that we should be engaging the industry and not threatening them. But deciding where to invest our money is the only way to engage with them that will allow their board members to act positively, as they are bound by financial obligations in the same way as our pension fund is. They need a financial excuse to change behaviour otherwise their shareholders will not allow it. So do them a favour and allow their forward-looking board members to argue for a change of direction by giving them a financial incentive to do so.

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

At the 22 June Pension Committee Councillor Fox stated that that the overall portfolio changes that are currently in train should reduce the Fund's fossil fuel exposure 'from around 4% to around 2%'. Over what time frame is this reduction expected to take place?

At the same meeting the Committee was also told, by Henry Brown from Vigeo Eiris, that BP now has an Energy Transition Rating (ETR) of 47 /100. Does this rating take into account BP's 20% stake in Rosneft, which BP has excluded from its "net zero" emissions target despite it accounting for 29% of BP’s total production in 2019?

46. Question from Mary Andrews, Brighton

I understand that the East Sussex Pension Fund agreed to follow the guidelines of the Paris agreement. Investing in fossil fuels is contrary to this...why are these investments still planned to be made?

47. Question from Jim Endersby, Lewes, Brighton

I understand that East Sussex County Council (ESCC) currently has around £175m invested in fossil fuels through the East Sussex Pension Fund. Why? Not only are these fuels contributing massively to climate change, renewable energy is getting more competitive every day. Please invest in the future -- a clean, green future -- not in fossil fuels

48. Question from Nicola Weale, Bexhill, East Sussex

East Sussex Pension Committee has agreed that the East Sussex Pension Fund’s ‘long-term goal is for 100% of [its] assets to be compatible with the net zero-emissions ambition by [approximately] 2050 in line with the Paris agreement’. Alignment with the Paris climate agreement requires immediate and sustained contraction of both supply and demand for fossil fuels

Time is running out . According to the executive director of the International Energy Agency: “This year is the last time we have, if we are not to see a carbon rebound”. Noting that the stimulus packages created this year will determine the shape of the global economy for the next three years – and that within that time frame global emissions must start to fall sharply and permanently, or climate targets will be put out of reach – he has said that:

The next three years will determine the course of the next 30 years and beyond … If we do not [take action] we will surely see a rebound in emissions. If emissions rebound, it is very difficult to see how they will be brought down in future.”

The big fossil fuel companies are relying upon sustained future growth in demand for fossil fuels. For example, BP and Total both spent more during the first quarter of 2020 on capital projects than they received from operations, yet still paid dividends to shareholders.

Given the huge collapse in demand for fossil fuels this year, owing to the coronavirus pandemic, and the continued rapid rise in demand for renewables, does the East Sussex Pension Committee believe that the fossil fuel companies’ predictions are likely to be borne out? If their predictions are not borne out then what would be the likely impact on the value of the East Sussex Pension Fund’s continued investment in these companies?

Response by the Chair of the Pension Committee to questions 1 to 48 above

The East Sussex Pension Fund's (ESPF) principal fiduciary responsibility is to provide pensions that are affordable to its stakeholders and members. To this end, it must have attention to adequate diversification of risk, limiting of fund volatility & provision of sufficient income from its holdings to pay the pensions. The Fund is not owned by East Sussex County Council, but by the 76,792 scheme members and 128 employer contributors, of which the County Council is one employer. The Fund approach has to balance the interests and views of all pension scheme members and stakeholders, rather than be swayed by one particular view.

Environmental, Social and Governance (ESG), and sustainability issues are not easily resolved matters for a pension fund. They require a thorough rationalisation of the investment approach and systematic management of risk, along with acknowledgement of the uncertainties that exist. Such decisions are best advanced in a methodical and balanced way. Climate and Sustainability are one of a number of significant risks faced by the Fund.

The Pension Committee and officers have undertaken a considerable amount of work on ESG matters over the last 3 years. The Pension Committee on 22 June 2020, considered a number of reports that demonstrate the proactive approach being taken to address and debate ESG issues. The link below provides the papers and a webcast of the meeting:

https://democracy.eastsussex.gov.uk/ieListDocuments.aspx?CId=373&MId=4447&Ver=4

The Pension Committee received a report by PIRC, which audits the Fund's ESG response, that identifies ESPF as a leader among LGPS funds and specifically among the ACCESS LGPS pool partners.

In the past 9 months, the fund has established two Working Groups: one to explore long run investment challenges to the fund, which includes sustainability, and another to explore its approaches to ESG issues.

The Fund embraces the United Nations Principles of Responsible Investment and the UK Stewardship Code. Its Responsible Investment approach is assisted and informed by its membership of and collaboration with the Local Authority Pension Fund Forum, Climate Action 100+ and the Institutional Investors Group for Climate Change. It also seeks to monitor its portfolio carbon footprint and assess the extent to which underlying holdings are making progress in aligning with the energy transition.

Commodity prices are inevitably volatile with the economic cycle. The Fund tries not to allow short-term price movements to influence its long run strategy. The Covid-19 related global economic collapse with its associated dip in oil demand from around 100m barrels per day to 75m barrels per day is one of the most extreme events experienced since the Great Depression. It may or may not advance peak oil or accelerate the energy transition. This remains uncertain. Nevertheless, we believe that it is prudent for oil companies to revalue their reserves and capital expenditure assumptions closer to the long-run real average price of oil ($60). However, this does not change the underlying nature of the global economy which is highly fossil fuel dependent. Indeed, according to JP Morgan, the recent collapse in oil capital expenditure points to a 4.2m barrel per day supply deficit by 2022, rising to 6.8m bpd by 2025.

The ESPF has for some time consciously sought an underweight exposure to fossil fuel companies due to the uncertainties around the pace and direction of the energy transition, whilst acknowledging that 80% of the world's energy comes from fossil fuels. Before the pandemic, the global economy was forecast to double in size by 2050 and energy demand from a projected 9.5 billion people will rise by an estimated 30-50%. The energy transition will be challenging both in terms of the pace of renewables deployment and the development of complementary technologies which support cleaner products and processes. Such a transition will require substantial if declining proportionate and ultimately absolute recourse to oil and gas products.

The Committee regularly debates the merits of Engagement vs. Divestment in relation to fossil fuels. It does not currently recognise blanket divestment from entire sectors as an effective or fiduciary approach. Indeed, a blanket divestment from fossil fuels would have meaningful operational implications for ESPF. Nor is it viewed as a sensible approach by any of the fund managers with whom we have engaged. Institutional engagement with the large oil & gas companies is more likely to drive change. We see this recently with the announcements made by a number of oil companies like BP, in the wake of pressure from institutional investment groups with whom ESPF collaborates. Such companies, while providing services that current day consumers cannot do without, also offer the potential to be a vehicle for change.

Aside from Energy Incumbents, substantial financing for new renewable energy projects comes from both general and specialist infrastructure investment funds. The Fund is seeking to identify general and specialist infrastructure funds that have a significant focus on creating these new types of energy infrastructure. It is the Fund's aspiration, where the economics make sense, to make a substantial contribution to building new capacity in this area.

Local Government Pension Funds typically follow an investment model which includes a proportion of their equity exposure in passive index funds and it is within this passive exposure that the Fund is mainly exposed to fossil fuels as cited in many of public questions presented to Full Council. Ordinarily, passive funds are viewed as a cheap and efficient way to gain global equity market exposure. But there is a fiduciary argument that, given the great uncertainties imposed by the energy transition, it would be better to gain market exposure by Active Managers who do extensive due diligence over the stocks held in their portfolios, or via recourse to funds which filter and weight sector holdings in favour of the most carbon and resource efficient entities.

Drawing all of these points together. The Committee decided at its 22 June 2020 meeting to substantially reduce its exposure to passive funds. A by-product of this move will be that the Fund's direct fossil fuel company exposure will fall by as much as 50% from its current £137.8m as of 31 March 2020 (~4% of Assets Under Management) once a number of new manager selections have been made. At the same time, the Committee made a long run strategic commitment to double its infrastructure exposure to 8% of assets (~£300m), some of which, it is hoped, will raise its exposure to renewable energy assets. The Fund Actuary's assessment is that these changes support meeting the Fund's projected liabilities and with a level of greater certainty.

49. The same or similar questions were asked by:

David Wilson, Hastings, East Sussex
John Faulkner, Hastings, East Sussex
Christine Knag, Hastings, East Sussex
Marwan Mohammed, St Leonards on Sea, East Sussex
Katy Colley, Brede, East Sussex
Guy Harris, Udimore, East Sussex
Robert Blizard, St Leonards on Sea, East Sussex
Khosrow Poolad, St Leonards on Sea, East Sussex
Philip Colley, Brede, East Sussex
Pat Luthra, Westfield, East Sussex

I am deeply concerned to see the research published by the Palestine Solidarity Campaign (PSC), which has shown that the East Sussex Pension Fund has approximately £132,085,000 invested in 64 companies complicit in Israel's abuses of Palestinian human rights.

Israel is engaged in grave violations of Palestinian human rights and international law. This includes the illegal military occupation and settlement of Palestinian land in the West Bank and East Jerusalem, as affirmed by the UN Security Council, and the UK government; the inhumane land, sea and air blockade on Gaza, deemed a flagrant violation of international human rights and humanitarian law by UN experts; the denial of the fundamental human right of dispossessed Palestinian refugees to return to the land from which they, or their family members, were expelled, in violation of UN Resolution 194.

Of particular concern are the investments in 4 companies that the United Nations has recently highlighted in its list of companies involved in Israel's illegal settlement economy. This is a database of companies involved in Israel's settlements in the occupied West Bank, including East Jerusalem.

Israel's settlements on occupied land are illegal under international law and the International Criminal Court prosecutor has decided to investigate their construction as a war crime. The 4 companies are Bank Hapoalim, Paz Oil Company, Israel Discount Bank and Bezeq. Another company causing particular concern is Elbit. This company is Israel's biggest private arms manufacturer. The firm constructs the drones used by Israel to bombard Palestinian civilians to death during its successive wars against the population of the Gaza Strip. In its major assault in 2014, Israel killed more than 2,200 Palestinians there, including 550 children. Surely any ethical investment fund can never have any association with companies that are complicit with such breaches of international law. Can you assure me that you will investigate these companies and take action to divest from them?

I will also ask if you have any other companies in your portfolio that: supply the Israeli military with weapons and other technology used to oppress Palestinians, provide technology and equipment used to maintain Israel's infrastructure of military occupation, such as its checkpoints and the apartheid wall, provide investment and other activity in Israel's illegal settlements in the West Bank and East Jerusalem, based on stolen Palestinian land.

Please divest from any such company.

Response by the Chair of the Pension Committee

Although the East Sussex Pension Fund (the Fund) does not directly hold investments relating to the named companies in this enquiry, the Fund, when investing LGPS fund monies is required to follow The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (the 2016 Regulations) and guidance as set out by the Secretary of State. The Fund continues to have the right, should it wish, to disinvest or boycott on non financial grounds provided it meets the requirements of the Investment guidance. In making such a decision the Fund will seek to follow its published Responsible Investment policy, balance the duties they have to all scheme stakeholders, weigh up the potential financial impact and take into consideration the views of beneficiaries.

Should the Fund wish to consider non-financial considerations in relation to investment decisions, members' views will be effectively communicated to, and considered by, the administering authorities as an intrinsic part of this investment decision making processes. Otherwise, the Supreme Court judgement does not change the fundamental role or duties of LGPS administering authorities in relation to their investment or other powers and confirms that administering authorities remain responsible for the investment decisions of their respective funds.

50. Question from Anne Wells, Robertsbridge, East Sussex

As a 72 year old resident in Robertsbridge I am appalled to discover that the East Sussex Pension Fund (of which I am a recipient) has a huge amount of money invested in companies which are known to be connected with the ongoing, unjust actions of successive Israeli Governments upon the Palestinian people's basic human rights.

I don't need to tell you how the Palestinians continue to suffer daily under the ILLEGAL occupation of Palestinian land and settlements in the West Bank and East Jerusalem. This is even acknowledged by our Government as well as the United Nations.

To be clear, the 4 companies are Bank Hapoalaim, Paz Oil Company, Israel Discount Bank and Bezeq. Israel's biggest arms manufacturer Elbit which I understand there is a connection with ESCC investment also.

It is completely unacceptable and against basic principles for my County Council to invest this way and I implore you to take action asap to divest from them.

As a recently retired Parish Councillor in East Sussex and also a retired employee of East Sussex Probation Service I must make representation against this investment in the ESCC Pension Fund. The Palestinians go on and on, suffering under oppression. The ESCC surely has a duty to invest elsewhere and ethically.

Will there be an investigation into these companies and if found to be implicated will action be taken to divest from them?

Response by the Chair of the Pension Committee

Although the East Sussex Pension Fund (the Fund) does not directly hold investments relating to the named companies in this enquiry, the Fund, when investing LGPS fund monies is required to follow The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (the 2016 Regulations) and guidance as set out by the Secretary of State. The Fund continues to have the right, should it wish, to disinvest or boycott on non financial grounds provided it meets the requirements of the Investment guidance. In making such a decision the Fund will seek to follow its published Responsible Investment policy, balance the duties they have to all scheme stakeholders, weigh up the potential financial impact and take into consideration the views of beneficiaries.

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51. Question from Felicity Goodson, Eastbourne, East Sussex

Why is East Sussex County Council taking so long to implement, the centrally funded Covid-19 infrastructure, where other councils have installed improvements last month, This would ensure health and safety, through social distancing, as the unlocking takes place.? Lives have been put before economy, so why is the Council dragging its heels and not acting as swiftly as the DFT has requested?

Response by the Lead Member for Transport and Environment

Since the Secretary of State's announcement on 9 May that £250m of funding would be made available to local authorities to implement temporary transport measures, we started developing a programme that could be implemented in the county to encourage more walking and cycling, support safe social distancing and help restart the local economy as the Covid-19 restrictions are eased.

The extent of the programme was always predicated on the amount of funding that would be made available to the County Council from Government to deliver such measures across the County and assessing the impacts that any such measures would have on enabling safe social distancing and access to shops and businesses in our high streets, jobs, medical facilities and schools.

We received confirmation from Government on 27 May that the Council would be indicatively allocated £2.395m which would be available in two tranches. The first tranche of funding, £479,000, was available for the delivery of temporary measures focussed on reallocating road space for pedestrians and cyclists, for example road closures, widened footways, pop up cycle lanes and measures to promote safe social distancing, that could be delivered quickly and easily.

The programme for this first tranche, based on the Government funding available and our assessment of the impact and deliverability of potential schemes, was submitted to

Government on 5 June. We received confirmation from Government in late June that they had approved our submission and we had been allocated additional monies, increasing our first tranche funding to £535,000, as our submission was particularly strong.

Following approval of the package of measures by the Government we expect to receive the funding imminently. In accordance with the Department for Transport's requirement, we have 8 weeks upon receipt of the funding to deliver these measures.

The package is split into two sections – countywide measures and site specific schemes.

We have already started rolling out the countywide measures to reinforce the safe social distancing message. This includes nearly 2,000 'Covid-19 – Keep Apart' signs in our high streets and local centres, our seafront areas and our larger village centres.

In addition, we are introducing pavement markings at over 200 bus stops in the county to again advise passengers to keep apart whilst waiting for their bus. Finally, working with our Borough and District Councils and seeking input from local walking and cycling groups on potential locations, we will be rolling out bike racks at 40 sites across the county in the coming weeks.

In parallel, we have been working with East Sussex Highways to develop the designs for the 16 site specific schemes identified in the package. Rather than rushing a scheme out onto the ground, we need to make sure these schemes are designed so that they are safe for all users. So over the next couple of weeks, we will be completing the designs as well as undertaking safety impact assessments and engaging with key stakeholders on the proposals to seek their views. Subject to local consultation and where necessary advertising temporary traffic regulation orders, the proposed schemes will be implemented as soon as practicable within the eight-week deadline set by the Government; so by 1 September at the latest.

In terms of tranche 2, we understand this will be available to enable authorities to install further, more permanent measures to cement walking and cycling habits, and where applicable enable the implementation of schemes planned in Local Cycling and Walking Investment Plans. However, we are awaiting further guidance from Government on the timescales for any submissions and their expectations on when the funding would need to be spent by.

Therefore we are delivering the tranche 1 package measures within the timescales given by Government which will support safe social distancing, encourage more walking and cycling and support the local economy as the Covid-19 restrictions ease.

52. Question from Laurence Holden, Burwash, East Sussex

It has come to my notice that the East Sussex Pension Fund portfolio has shares in 4 companies that the United Nations has highlighted in its list of companies involved in Israel's illegal settlement economy. These companies are clearly complicit in Israel's breaches of international law.

Israel's settlements on occupied land are illegal under international law and the International Criminal Court prosecutor has decided to investigate their construction as a war crime. The 4 companies are Bank Hapoalim, Paz Oil Company, Israel Discount Bank and Bezeq. Another company that concerns me is Elbit. This company is a large Israeli arms manufacturer. It is noted for its production of armed drones. These have been responsible for killing several hundred men, women and children in the Gaza strip. Until recently, the bank HSBC had a large holding in Elbit. After representations from people explaining the death and destruction that Elbit weapons have been responsible for, HSBC divested from Elbit.
Will you consider the 4 companies mentioned for divestment?
Will you follow the HSBC's ethical decision and divest from Elbit?
I understand that your portfolio includes other companies that are complicit in Israeli breaches of international law. My final question is: will you carry out an analysis to pinpoint other companies in your portfolio that:

- supply the Israeli military with weapons and other technology used to oppress Palestinians,
- provide technology and equipment used to maintain Israel's infrastructure of military occupation, such as its checkpoints and the apartheid wall,
- provide investment and other activity in Israel's illegal settlements in the West Bank and East Jerusalem, based on stolen Palestinian land?

Will you consider divesting from them?

Response by the Chair of the Pension Committee

Although the East Sussex Pension Fund (the Fund) does not directly hold investments relating to the named companies in this enquiry, the Fund, when investing LGPS fund monies is required to follow The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (the 2016 Regulations) and guidance as set out by the Secretary of State. The Fund continues to have the right, should it wish, to disinvest or boycott on non financial grounds provided it meets the requirements of the Investment guidance. In making such a decision the Fund will seek to follow its published Responsible Investment policy, balance the duties they have to all scheme stakeholders, weigh up the potential financial impact and take into consideration the views of beneficiaries.

Should the Fund wish to consider non-financial considerations in relation to investment decisions, members' views will be effectively communicated to, and considered by, the administering authorities as an intrinsic part of this investment decision making processes. Otherwise, the Supreme Court judgement does not change the fundamental role or duties of LGPS administering authorities in relation to their investment or other powers and confirms that administering authorities remain responsible for the investment decisions of their respective funds.

53. Question from Mursheda Chowdhury, Hastings, East Sussex

Will the Council abide by an ethical investment policy by divesting from companies that have been involved in human rights abuses in the Occupied Territories in Palestine?

It has come to light through the Palestine Solidarity Campaign that the East Sussex Pension Fund has investments in the region of over £132 million in 64 companies that

are complicit in human rights abuses of Palestinians. These abuses are well-documented by the United Nations, for instance, the murder of over 2200 Palestinians, including 550 children during Operation Protective Edge in 2014. One of the companies is Elbit, Israel's largest private arms manufacturer which constructs drones that have been used to destroy the lives of so many Palestinians over the years. The military infrastructure is used to make the everyday lives of Palestinians unbearable, with daily humiliations e.g. stripping of men and boys at checkpoints, arresting and harassing children as well as the psychological and physical torture of people who are trying to somehow make a life under severe restrictions of basic essentials: food, water, medicines and access to healthcare. These are conditions that no human being would willingly want to live under, and would not tolerate for their children, including, I'm sure Council members.
Yet, by investing in companies that enable fellow human beings to be treated in this way, we are at best, turning a blind eye to human suffering, or at worst, endorsing and encouraging such inhumanity. No human being deserves to be abused, whatever their identity, which is an accident of birth.

I would urge the Council to take the opportunity to scrutinise all its investments and divest from companies that produce weapons, machines of torture and technology that are used all over the world, as well as in Palestine, to murder and abuse human beings. In addition companies operating on Settlements in the Occupied Territories, which are illegal according to International Law, are doing so on stolen land from which Palestinians have been have forcibly removed, with their homes and livelihoods destroyed. Again, I do not think anyone would willingly submit to this and I would urge Council members to imagine themselves in this situation. Yet, this has been going on for over 70 years for Palestinians and still going on today, so we cannot use historical distance as an excuse (as in the cases of other settler-colonial examples of land-grabbing e.g. United States and Australia) for being inactive.

I know I share this view with all people, including many Israelis, who respect universal human rights. As a signatory to the UN Declaration of Human Rights, the U.K. must be scrupulous in abiding by its precepts, otherwise we remain in a hypocritical position. It may fall on local Councils, such as Hastings, to lead the way.

Response by the Chair of the Pension Committee

Although the East Sussex Pension Fund (the Fund) does not directly hold investments relating to the named companies in this enquiry, the Fund, when investing LGPS fund monies is required to follow The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (the 2016 Regulations) and guidance as set out by the Secretary of State. The Fund continues to have the right, should it wish, to disinvest or boycott on non financial grounds provided it meets the requirements of the Investment guidance. In making such a decision the Fund will seek to follow its published Responsible Investment policy, balance the duties they have to all scheme stakeholders, weigh up the potential financial impact and take into consideration the views of beneficiaries.

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WRITTEN QUESTIONS PURSUANT TO STANDING ORDER 44

1. Question by Councillor Field to the Lead Member for Resources

In December 2003 I asked the Lead Member for Corporate Resources (Councillor Bagshawe) if the works then being undertaken at Westfield House would make the building DDA compliant. The inference I drew from her answer was that plans were being looked at to make this possible. Nothing happened. It is now 2020 and more money is being spent on the building therefore:

1. When this work is complete will the building be compliant with the Equalities Act and be fully accessible?
2. Taking into account new ways of working with much less activity on the County Hall site is the retention of this building necessary?

Answer by the Lead Member for Resources

1. The most recent works have been to the replacement of all windows, to improve energy efficiency, and for external redecoration, noting the site is within the Lewes Conservation Area.

This building was subject to a full DDA audit in 2004 and 2009 which identified some level of improvement needed to access arrangements, and which were undertaken at that time to bring it up to compliant and accepted standard. Westfield House is included within the ongoing maintenance programme for the campus, and this does include recommendations for further improvement work (following a review of the Fire assessment), and a refresh of issues such as a new handrail, additional markings and signage, and treatment to some localized trip hazards. These works are part of the 2020/21 maintenance programme.

2. The recent investment in the asset is still seen as a long term benefit whatever its future use.

The Council is reviewing its core office estate and will be using the increased levels of remote and agile working arising from our response to the Coronavirus pandemic to inform this. The use of Westfield House is part of this review and in addition it is part of the review of the wider St Anne's campus and options for the future use of the St Anne's school site.

REPORT OF THE CABINET

The Cabinet met on 14 July and 2 October 2020. Attendances:-

Councillor Glazier (Chair) (2)
Councillors Bennett (2), Bentley (2), Claire Dowling (2), Maynard (2), Simmons (2), Standley (2) and Tidy (2)

1. Council Monitoring - Quarter 1 2020/21

1.1 The Cabinet has considered a report on performance against the Council Plan, Revenue Budget, Capital Programme, Savings Plan and risks for quarter 1 2020/21. Broad progress against the Council's four strategic priority outcomes is summarised below and an overview of finance and performance data is provided in the Corporate Summary at Appendix 1. Strategic risks are reported at Appendix 7.

Carry over report for Council Plan 2019/20

1.2 Five 2019/20 Council Plan measures were carried over from quarter 4 reporting. Measures are carried over, when action has been completed, but the outturn data was not available for reporting at year-end. Outturns for these measures are summarised in Appendix 2. The final outturn for 2019/20 shows that 82%, 50, of the 61 Council Plan measures were green, while 18%, 11, were red; exceeding the 80% target for the year.

Council Plan 2020/21 amendments and variations

1.3 The Council Plan 2020/21 and the Portfolio Plans 2020/21 – 2022/23 have been updated with available 2019/20 outturns and performance measure targets; all plans are published on the Council's website. There are five education measures where no targets can be set this year because assessments or exams are cancelled due to COVID-19, these are for the Early Year's Stage, Key Stage 2 and Key Stage 4. Targets remain for future years. The Corporate Summary (Appendix 1) contains a forecast of performance against targets.

1.4 Given current circumstances, finance reporting has been split into Planned Budgets/Business as Usual (non-COVID) and COVID related items. The details of non-COVID related over and underspends in each department are set out in the relevant appendices, and show a total forecast overspend of £1.1m. The main headlines are:

- Adult Social Care (ASC) is currently forecast to overspend by £0.2m. This comprises an overspend of £0.6m in the Independent Sector, offset by an underspend of £0.4m in Directly Provided Services due mainly to lower demand in day centres.
- Business Services (BSD) net overspend of £0.7m mainly consists of £0.4m of savings that are unlikely to be made in 2020/21 plus a £0.2m increase in rent at St Mark's House following a rent review.
- For Children's Services (CSD) there is net overspend of £0.7m. Pressures of £1.4m in Early Help and Social Care have resulted from new Looked After Children (LAC) agency placements and in-house foster placements over and above those anticipated: while the budget allowed for an overall increase in placements of 2 per month, the increase, in June in particular (where there were 4 new placements solely for residential agency), has been higher than both the budget and the trendline from within the forecasting model. It is also likely that while the increase is not directly related to COVID-19, some of the increase is indirectly related to it.

There are also pressures in Locality within Early Help and Social Care on the Social Work staffing budgets. These pressures have been offset in part by a forecast underspend of £0.7m in Central Resources as a result of efficiencies and pay cost controls.

- Communities, Economy and Transport (CET) is showing an underspend of £0.5m which is mostly due to reduced pre-COVID waste volumes.

1.5 Within Treasury Management (TM) and other centrally held budgets there is an underspend of £2.7m before the impact of COVID.

- There is currently an estimated £1.6m underspend on TM, created in part by capital slippage and the potential external borrowing requirement built into this year's budget of £0.7m. At the moment there is sufficient cash resources (investments) to fund this year's Capital Programme. The strategy to delay borrowing until needed is prudent, i.e. the Council would borrow at 1-2% and earn just 0.10% investing, which would create credit risk and a cost of carry.
- During the quarter a short term loan of £10m was taken to cover any potential cashflow shortfalls arising from COVID, arranged through one of the Council's Brokers. It cost £3k including brokerage and was fully repaid on maturity in May 2020. No long term borrowing was undertaken in the quarter and no further cost effective opportunities have arisen during Q1 to restructure the existing PWLB or wider debt portfolio.
- The pension estimates when the budget was set in February 2020 were based on preliminary figures for the outcome of the triannual actuarial review. Now that the outcome is known, there is an in-year forecast underspend of £1.0m due to a lower secondary pensions contribution required by the actuary. This will be reflected in the MTFP for future years.
- The underspend on centrally held budgets will be used to offset service overspend in the first instance.

1.6 The general contingency of £3.9m and the remaining underspend of £1.6m on centrally held budgets after offsetting service pressures would, per normal practice, be transferred to reserves for use in future years. However, this will now be used to offset COVID-19 pressures in year, where they are not covered by the funding provided for by Government. The tables at paragraph 1.15 provide a summary.

1.7 Capital Programme expenditure for the year is projected to be £84.5m against a budget of £97.4m, a net variation of £12.9m. Of the net variation position, £1.7m relates to planned programme activity, and £11.2m are COVID related (£13.0m of slippage offset by an estimated £1.8m overspend). It should be noted that £12.0m of the COVID related slippage relates to Local Enterprise Partnership (LEP) schemes being delivered by, or in partnership with, others, where those organisations control the timetable.

1.8 Of the £1.7m planned programme variation (non-COVID related**)**; there is £0.2m net underspend, £4.7m of slippage to future years, partly offset by (£3.2m) of spend in advance. The main variances include:

- Community Match Fund - low take up from parish councils means slippage of £0.686m is anticipated;
- Exceat Bridge Replacement – anticipated slippage of £0.766m due to extended consultations with stakeholders;
- Newhaven Port Access Road – it is projected that the project risk contingency and after construction costs totalling £0.854m will not be spent in 2020/21 as this is

dependent on when the Port complete their part of the works. The timing of expenditure is therefore largely outside of the Council's control;

- Westfield Lane – capital works are expected to be completed this financial year. Slippage of £0.600m relates to the contingency element of the budget to cover project risks that will potentially occur in 2020/21;
- Schools Basic Need Programme - slippage of £1.756m is projected for Hailsham Secondary school to reflect an updated project start date. There is also anticipated spend in advance of (£3.040m) at Reef Way due to the contractor being able to bring works forward to the current financial year.

1.9 The details of COVID related pressures in each department are set out in the relevant appendices, and show a total forecast overspend of £36.5m. The main headlines are:

- ASC is currently forecasting £19.4m, primarily due to relief payments to providers, hospital discharge costs and spend on PPE.
- Within BSD, the total of £1.3m includes IT costs for remote working, loss of income streams due to closure of various premises and the likelihood that the savings target within ESCC's contribution to Orbis is now unlikely to be made in 2020/21.
- The COVID related pressures for CSD total £8.0m; primarily on LAC and Home to School Transport budgets (HTST). The HTST budget has been impacted by school closures which have reduced expenditure in Q1, but costs are forecast to increase when schools reopen fully in September with the expected changes needed to meet social distancing requirements.
- There is a pressure of £7.9m for CET, the most significant areas being a decrease in Car Parking income plus the Waste Service has seen increased collection volumes and costs of reopening household waste sites with social distancing.

1.10 Within Centrally Held Budgets and Corporate Funding there are further COVID related pressures of £1.2m, the key areas being:

- Estimated risk of reduced investment income within TM (£0.7m);
- Levies, Grants & Other includes £0.6m Emergency Assistance Grant for Food and Essential Supplies which will be fully utilised in-year, £0.3m PPE for Corporate Buildings and £0.1m increase in bad debt provision; and
- Estimated risk of reduced proceeds from the Business Rates pool with Districts and Boroughs of £0.3m. We are working to get further clarity with the Districts and Boroughs.

1.11 There have been three tranches of COVID-related funding allocated by MHCLG for use by ESCC:

Tranche 1	£16.3m
Tranche 2	£9.8m
Tranche 3	£3.6m
Total	**£29.7m**

It is estimated that, based on current profiles, this funding will be fully utilised by the end of August 2020, leaving a funding shortfall of £8.4m for revenue. As per normal practice, this will be mitigated by general contingency and the remaining underspend in centrally held budgets, leaving £2.9m to be funded from the Financial Management reserve. The tables at 1.15 provide a summary.

1.12 When setting the annual budget, Council agrees a contingency as part of its budget. This is made up of a formula based general contingency budget, which for 2020/21 was set at £3.850m, and a £10m General Fund Contingency, in line with CIPFA best practice, to meet in-year financial challenges. Effective budget management is also supported by financial procedures, which enable monies to be vired between budgets, our reserves strategy and the annual Chief Finance Officer's Robustness Statement. At this stage there is no requirement to revise the budgets, as a consequence of COVID-19 or any other financial risk, however, should that arise it will be brought back to Cabinet, within the quarterly monitoring reports.

1.13 The COVID related pressures and slippage in the Capital programme total £11.2m; of which there is a £1.8m overspend (adding to the funding shortfall), £1.0m slippage relating to schemes within the Council's control, and £12.0m of slippage relating to schemes where delivery is outside of the Council's control. The main variances include:

- Business Services various – A combination of temporary site closures, difficulty of acquiring materials and other COVID-19 implications are estimated to increases costs across various schemes by £0.732m;
- Highways Core Programme - The projected overspend of £0.478m is mainly due to the anticipated full year impact of implementing and maintaining social distancing requirements including transportation to and from sites in smaller groups than normal; social distancing marshals and other on-site measures; and the increased costs of some materials as a result of the pandemic.
- A risk factor has also been applied to the forecast relating to the general availability of commodities for capital works which could increase costs across the sector later in the financial year, although this is uncertain at this stage, an estimate of £0.522m has been made;
- Special Provision in Secondary Schools - anticipated slippage of £0.829m to 2021/22 as a result of COVID-19-related supply chain delays and new working practices for social distancing.

1.14 COVID-19 related slippage of £12.0m relates to Local Enterprise Partnership (LEP) schemes where delivery is outside of Council's control. The majority of these schemes rely on public involvement in terms of surveys and transport monitoring which have been delayed by COVID-19. The South East Local Economic Partnership (SELEP) have granted a six-month COVID-19 extension to their Local Growth Fund schemes.

1.15 The tables below summarise the unfunded COVID costs and management of the revenue unfunded deficit.

Unfunded COVID Costs	**£m**
Capital	1.762
Revenue	8.376
Total unfunded COVID costs per July return to MHCLG	**10.138**

Summary of Revenue Variances	£m	
	Non-COVID	**COVID**
Service Budgets	(1.058)	(36.509)
Central Budgets	6.582	(1.181)
Central Resources	-	(0.346)
Subtotal Variances	**5.524**	**(38.036)**
less COVID Grant - tranches 1 to 3		29.660
Unfunded COVID costs (revenue)		**(8.376)**
less Non-COVID variance		5.524
Deficit to be funded from reserves		**(2.852)**

1.16 The Strategic Risk Register, Appendix 7, was reviewed and updated to reflect the Council's risk profile. Risk 1 (Roads), Risk 4 (Health), Risk 5 (Reconciling Policy, Performance & Resource), Risk 6 (Local Economic Growth), Risk 7 (Schools), Risk 8 (Capital Programme), Risk 9 (Workforce) and Risk 10 (Recruitment) all have updated risk controls. Risk 12 (Cyber Attack), Risk 15 (Climate) and Risk 16 (COVID-19) all have updated risk definitions and controls. Risk 14 (No Trade Deal Brexit) has been reinstated onto the Strategic Risk Register with updated risk definition and controls to reflect the risk of the Brexit transition period ending with no agreed trade deal between the UK and EU.

Progress against Council Priorities

Driving sustainable economic growth

1.17 The Transport for the South East (TfSE) Shadow Partnership Board met in July and approved the 30-year transport strategy, which sets an ambitious 2050 vision for the region. The Board also approved the proposal for statutory status, which sets out the powers and responsibilities that will help to achieve the 2050 vision. The proposal has received the formal consent of the 16 local transport authorities and has been submitted to the Secretary of State for Transport, alongside the final transport strategy (Appendix 6).

1.18 Skills East Sussex met three times in quarter 1 to support the development of the East Sussex Recovery Plan and to continue to deliver against the Skills East Sussex Strategy. The Careers East Sussex sector task group met in quarter 1 and agreed to amend its career campaign to support recovery and refocus on addressing unemployment (Appendix 5).

1.19 30 carriageway asset improvement schemes were completed in quarter 1, to maintain or improve the conditions of the county's roads (Appendix 5).

1.20 Over 40 businesses were approved to receive a business support grant in quarter 1. Businesses were also supported to created 21.5 jobs through business support programmes. Locate East Sussex helped one business to remain in the county during quarter 1 (Appendix 5).

1.21 During Q1 nine contracts which qualified for the Social Value Measurement Charter, with a total value of over £5m. £317,000 of social value commitments were made as part of the contracts, equating to an outturn of 6.3%. The social value commitments included support and advice being offered to small and medium sized enterprises, work initiatives for priority groups, careers advice and volunteering to support local community projects (Appendix 3).

1.22 All apprenticeship training has been switched from physical place-based learning to online in response to COVID-19. None of the Council staff apprentices have dropped out of their apprenticeship and based on this success we are exploring further use of remote online learning approached and techniques without apprenticeship providers (Appendix 3).

Keeping vulnerable people safe

1.23 There were over 21,000 people identified as extremely vulnerable to COVID-19 in East Sussex in Q1 who were shielded. Staff from across the Council, including from Homeworks, Libraries, Children's Services and the Parking Team made calls to these vulnerable people to ensure support was in place for them, and provide advice on the types of support available and how to access it. A new food distribution service was set up in April, for people who were shielding but hadn't received their food parcels from Government. 8,000 food boxes have been delivered and over 1,700 calls handled through the shielded helpline (Appendix 2).

1.24 Since April the Council has been issuing supplies of PPE across the county to organisations including care providers, GPs, pharmacies and crematoriums. To 17 July over 1.2m items of PPE have been issued, including masks, gloves, aprons, waste bags, body bags and eye protection (Appendix 2).

1.25 The Council has played a key role in establishing Community Hubs, alongside district and borough councils, Voluntary Action organisations and other voluntary, community and social enterprise organisations. Over 6,000 people have been in contact with their district or borough council to receive support from the Community Hubs, with many more also accessing support through other avenues. The partners in the Community Hubs have begun to work on how the hubs can continue to support vulnerable people during the next phase of the pandemic (Appendix 2).

1.26 Public Health Services have led on significant work to keep pace with developments in COVID-19 guidance, data production and test and trace services. These include: a Clinical Cell that responds to internal and external queries and works with teams across the Council and districts and boroughs; development of a Local Outbreak Plan; production of a weekly Data Surveillance and Analysis report; and the development of a number of COVID-19 recovery projects (Appendix 2).

1.27 The number of children subject to a Child Protection (CP) plan has increased significantly, from 50.9 per 10,000 at the end of 2019/20, to 55.3 at the end of quarter 1. Reasons for the increase include increased stress within families due to COVID-19, and a reluctance to end plans during the pandemic. The rate of Looked After Children (LAC) have remained stable, with a rate of 56.5 per 10,000 at the end of 2019/20 reducing slightly to 56.4 in quarter 1. Foster carers have worked hard to prevent disruption to their placements, but there has been an increase in children moving between placements and the need to source more expensive options for children (Appendix 4).

1.28 The new Regional Adoption Agency, Adoption South East, went live on 1 April 2020, with the Council leading on behalf of Brighton and Hove City Council, West Sussex County Council and Surrey County Council. The launch went well, with a number of creative responses to COVID-19 being implemented (Appendix 4).

1.29 The Safer East Sussex Team have been working with the National Scams Team to raise awareness amongst the voluntary and community sector and the community of the types of scams that have emerged during the lockdown. The exploitation training, which has a focus on fraud and scams, has been adapted so it can be delivered virtually (Appendix 2).

1.30 Domestic and sexual violence and abuse services have been able to continue to provide support to vulnerable people during the pandemic, utilising different models of delivery. 1:1 support is now being offered virtually, and victims are responding well to the offer with face to face meetings increasing as lockdown eases, where this is appropriate, and the risk has been assessed. Group work had to be postponed, but alternative methods are being developed to reintroduce this support as soon as possible (Appendix 2).

Helping people help themselves

1.31 The Council has supported the allocation of 1,187 laptops and tablets to the most vulnerable Year 10 pupils in the county. The Council was the first local authority in the country to place an order for laptops under the Department for Education scheme, to try and ensure all pupils could continue to learn from home during the pandemic. The Council has also worked in partnership with Uni Connect and the Hastings Opportunity Area, to order over 200 additional devices for vulnerable learners (Appendix 4).

1.32 Since Government closed schools to pupils in March, with the exception of vulnerable children and those with keyworker parents, the Council has worked with schools on innovative ways to keep their school communities together, keep pupils engaged and support attendance for key groups. East Sussex had some of the highest numbers of vulnerable children and young people in school and also some of the highest proportion of secondary schools open. Between 6 – 10 July, 159 of the 187 schools in the county opened their doors to more than 12,600 pupils. Schools have been supported to fully open for all pupils in September in line with the DfE guidance. The Council is developing a communication campaign to give parents and carers confidence in returning their children and young people to school at the start of the academic year (Appendix 4).

1.33 The East Sussex Health and Social Care Plan and integration programme has been paused since March, to enable the health and social care system to focus on the response to COVID-19. The response has included adapting the governance system to ensure there is coordination across the whole system, for example in hospital discharge and mutual aid support to care homes. In May we started the process to revise and restore the integration programme (Appendix 2).

Making best use of resources

1.34 IT&D supported almost all staff from office-based to remote working in Q1, in response to COVID-19. Staff and teams are working effectively and productively and have employed new ways of working that ensures that services we provide continue to be delivered and performance and oversight is maintained. With more people working from home there was an increased demand for tools to help people collaborate remotely, including audio and video calls. The rollout of Microsoft Teams was accelerated to make it widely available, and WhatsApp was made available for frontline staff within Children’s Services to help them maintain contact with vulnerable young people. A soft phone solution was deployed, enabling staff who take calls from customers to continue to receive these calls at home in the same way as they would in the office. While sickness levels have been low many staff have been on the frontline of supporting vulnerable service users. Therefore the “Time to TALK” campaign was further promoted which included utilising our 100+ Mental Health First Aiders to attend at virtual team meeting and offer 1-1 support sessions. (Appendix 3).

1.35 The Council has introduced a number of campaigns to support staff through the pandemic, ‘Time to TALK’ utilises over 100 Mental Health First Aiders to help people cope with any mental health issues they may have. We have also used the staff communication platform, Yammer, to host a dedicated wellbeing campaign using a different theme each week; with a focus on subjects such as emotional support, managing remote teams and self-care (Appendix 3).

1.36 Lobbying has continued in quarter 1, alongside our partners in the County Councils Network (CCN) and South East 7 to raise and maintain the Government's awareness of the financial cost of the COVID-19 pandemic, and the need for full compensation of additional costs and income lost in the response. The Leader met regularly with local MPs, and the Chief Executive and Leader continue to regularly engage with ministers and civil servants to make representations on the provisions councils need to continue the COVID-19 response and play an active role in recovery (Appendix 6).

2. Reconciling Policy, Performance and Resources – State of the County

2.1 The State of the County report is part of the Council's Reconciling Policy, Performance and Resources (RPPR) process, its integrated business and financial planning cycle. This report contains the normal elements included in the report, the demographic evidence base; the national and local policy context; an update on our medium term financial planning position and Capital Programme. However, the coronavirus pandemic has had a profound impact on our communities and services which we are not yet fully able to quantify and reflect in our future service offer and finances.

2.2 This report sets out the current position and evidence base and gives our current understanding of how we will need to reset our services to deal with the future, as we learn to live with the reality of a world with COVID-19 and the significant impact this has on people's lives; manage the legacy impacts of the initial wave of infection; and respond to potential new waves of infection for the foreseeable future. The RPPR process, bringing together our policy, business and financial planning and risk management, provides the vehicle for the Council's service and financial recovery and reset.

2.3 In developing our medium and longer term plans we will need to have regard to the broader context in which we will be working. This includes:

- The impact of operating in an economy which is in recession. The Government will have to consider how it begins to pay off the borrowing it has made – this could mean a mixture of higher taxation, with possible impact on economic recovery and reductions in public service expenditure. Both would impact on the Council's income and ability to spend.

- The lasting impact the pandemic will have on young people in terms of education and employment opportunities.

- The impact of the end of the transition phase of Brexit on the economy, our responsibilities and our access to goods and services.

- The conclusion the Government might draw from the pandemic in terms of public services – for example will lessons learnt in the response help to shape a solution for better integration in health and social care and what will be the effect on the role of local government in the future?

- What has the impact been on our supply chains and what does that mean for our choices about commissioning and direct provision?

- The impact of the pandemic on our public and Voluntary and Community Sector (VCS) partners – we need to build on the positive aspects of the work with them during the emergency to tackle issues in the future, including the increased need that is likely to exist in our communities as a result of the pandemic.

- The uneven nature of recovery both for our services and for society and the economy, and the impact of future waves of infection on both.

Current Position

2.4 The coronavirus pandemic is different to other emergency situations, in that recovery is not about moving back to a pre-COVID-19 world, but considering how our services, communities and businesses need to adapt to and change to the new reality of coronavirus being with us for the next year as a minimum; while managing the recovery from and legacy impacts of the initial wave of infection. Although national restrictions are gradually being lifted in light of declining rates of transmission, at a local level we expect to be taking steps to keep transmission rates low and deal with potential outbreaks for some time, which will have an impact on our resources and the way we deliver services.

2.5 Recovery needs to be considered in a number of timeframes:

- Immediate: preparatory work that, subject to resource, be undertaken during the response phase in preparation for recovery;
- Medium term - first weeks and months: living with the virus and social distancing and making sure our services can operate in this new context; and
- Longer term: first year and beyond, the world post vaccine.

2.6 Recovery will not be linear; we are likely to see waves of infection in the future which may necessitate moving in and out of some measures of emergency provision. Nor will it be even across services. Adult Social Care, for example, will be dealing with the consequences of the early rate of infection and the decisions which were made, whilst trying to maintain services required as the health service begins to move towards business as usual and needing to react to any further waves of infection.

2.7 The emergency has necessitated new ways of working and has given rise to new partnerships and possibilities. These may offer opportunities to create a positive legacy for the future as we develop our recovery plans. As we move into our recovery we need to think about:

- What did we stop doing that should remain stopped?
- What did we stop doing that we should bring back?
- What have we started doing that we need to stop?
- What have we started that should continue?
- Are there totally new things that we might need?

2.8 The local and national policy context at Appendix 9 sets out the latest thinking on these issues, although plans will continue to develop over the summer as more information on what living with COVID-19 looks like for the future emerges.

2.9 We need to use our existing political and business planning processes to develop our plans. COVID-19 is now a reality to be taken into account in our plans, not an episode from which we will move on. The following principles will guide the planning of COVID-19 recovery for East Sussex County Council services and the Council's wider support for residents and businesses:

1. our usual business planning process (RPPR), led by Cabinet and CMT, will be used to undertake recovery planning, adjusting our current priorities and ambitions where required for 2020/21; and medium/long- term planning from 2021/22 and beyond, as we gain further insights into the impact of the pandemic;

2. the Council's Core Offer, Priority Outcomes and subsidiary Delivery Outcomes will be reviewed and revised as needed to ensure they are the right for recovery plans, recognising the fundamental changes that have taken place in society and the way it works, and building on the positive lessons we have learnt (see paragraphs 2.28 and 2.42 below). Some services we set up in response to the pandemic may need to continue into the foreseeable future and the impact of decisions we have taken could have long lasting service and financial consequences (for example in ASC);

3. the Council's financial resource allocations for current and future years will be reviewed and revised to take account of changes in availability and priorities; and

4. learning from what has worked well and what has not during the crisis will be fully considered in recovery planning and long-term planning for services and partnerships.

2.10 As always, we will ensure that in recovery planning:

- What we do represents good value for money;
- Our activities are transparent and we can be held to account;
- We operate as One Council and focus on key areas for County Council action;
- We prioritise the investment available for front line service delivery by maximising the resources available to us;
- We remain true to our purpose and carry out all we do professionally and competently; and
- We remain ambitious, optimistic and realistic about what can be achieved.

Demographic and Demand Changes

2.11 Appendix 8 sets out the key factors in relation to demography, housing, deprivation, health and economy affecting the county and the impact they are having on demand for our services. Much of this data relates to a pre-pandemic world. The main trends impacting the county council are:

2.12 **Older People -** form a high proportion of the population of the County which has an impact on the demand for services and the Council's finances. This group is particularly likely to be impacted by COVID-19 and the long-term effects on their health and wellbeing will need to be considered as part of our longer-term planning.

2.13 **Children and Young People** – there will be a small rise (2.2%) in the number of children and young people in the county over the next three years. The number of pupils in primary schools has plateaued and will start to fall from 2021/22. Secondary pupil numbers are expected to continue to increase and peak around 2025/26. We are planning 500 additional permanent school places to meet demand between 2019/20 and 2025/26. The attainment of our most disadvantaged pupils is below the regional and national rate.

2.14 542 children had Child Protection Plans at the end of March 2020, a rate of 50.9 per 10,000 children. This is above the expected rate compared to the Income Deprivation Affecting Children Index (IDACI) but is linked to the relatively low numbers of children who are in care placements. The focus continues to be ensuring the right children are made subject to plans for the right amount of time.

2.15 **Economy** - the latest year for which there are figures is 2018/19 and these showed a small decrease in the proportion of the working age population in full time employment (73.6% compared to 74.6% in 2017/18). Employment was lower than in England 75.6% and the South East 78.4%. The Alternative Claimant Count which shows the number of people claiming any unemployment related benefit e.g. Universal Credit (seeking work), Job Seekers Allowance etc in February 2020 was 3% in East Sussex compared to 3.2% for England. Youth (18-24) unemployment is higher at 4.4%, with the highest rate in Hastings (7.3%). Public administration, education and health are the largest employment sectors in the County, with retail being the next largest sector.

2.16 The long-term impacts of COVID-19 on the economy are yet to be fully understood, but the number of people in East Sussex claiming Job Seekers Allowance and Universal Credit and seeking work more than doubled between March and May 2020; 68% of businesses in East Sussex are furloughing staff; and 30% have accessed loans, grants and or business rates relief.

2.17 **Climate change –** CO2 emissions were falling in all sectors in East Sussex except transport before the pandemic. The long-term changes as a result of new ways of working have yet to be seen but could contribute to meeting the Council’s climate change targets.

Medium Term Financial Plan

2.18 When the 2020/21 balanced budget was approved by Full Council on 11 February 2020, the deficit on the Medium Term Financial Plan (MTFP) to 2022/23 was £9.322m. Updating the MTFP for normal factors (such as inflation and an additional year) prior to the impact of COVID-19, the position would have been a deficit budget position by 2023/24 of £8.123m:

Medium Term Financial Plan	2021/22 £m	2022/23 £m	2023/24 £m
Total Budget Deficit / (Surplus)	**(0.185)**	**6.542**	**8.123**
Annual Budget Deficit / (Surplus)	**(0.185)**	**6.727**	**1.581**

2.19 The pandemic and its impacts has caused such an unprecedented level of financial uncertainty that at this point, it is not possible to present a draft MTFP to 2023/24. It is planned to work through the details required to bring forward an updated MTFP in the autumn.

2.20 At a national level, Government funding that ESCC will receive between 2021/22 – 2023/24 is yet to be confirmed. The Spending Review (SR) 2019 was for a single year, therefore funding will need to be announced for SR20, the date of which is still to be confirmed. Additionally, the Fair Funding Review and Business Rate Retention reform have been delayed until at least 2021/22. In order to allow the MTFP to be developed, it is essential that some level of certainty of Government funding is received.

2.21 At a local level, the impact of the pandemic and economic downturn on income collection rates for Council Tax, growth on the Council Tax base and the levels of Business Rates have yet to be understood and modelled out. There is the potential for a significant reduction in the collection of Council Tax in 2020/21, which will be managed through the Collection Fund in 2020/21, with the deficit having to be accounted for in 2021/22-2023/24. The delay in the Business Rates Retention reform and the impact of business failure arising from the economic downturn has the potential to significantly reduce income in 2021/22 onwards. Government has announced that Council Tax and Business Rates deficits can be spread over three years, rather than requiring repayment next year; and an apportionment of irrecoverable Council Tax and Business Rates losses between central and local government for 2020/21 will be agreed in the next Spending Review. We will not know the implications of these provisions for the MTFP until the local impact on Council Tax and Business Rates has been modelled and the apportionment has been agreed.

2.22 The COVID-19 financial data return for June has been submitted to MHCLG. This shows expenditure to be incurred and projected lost income from coronavirus to be £17m greater than the funding we have received. This impacts 2020/21 and it is unclear how this can be projected into 2021/22. If further Government funding is not forthcoming to meet this pressure, then this will need to be managed through the use of reserves for 2020/21. On 2 July, Government announced an additional £500m un-ringfenced funding for COVID-19 spending pressures and at the time of writing we await detail of allocations. An income guarantee, where all relevant losses over and above the first 5% planned income from sales, fees and charges will be compensated for at a rate of 75p in every pound, was also announced and we await guidance on how this will work in practice.

2.23 There are no unallocated reserves that can be used to meet ongoing pressures in 2021/22 and beyond, therefore, it is essential that the Government’s future financial settlement recognises the burden falling on local authorities as a consequence of COVID-19, as the pressures are exceptional and beyond what could reasonably be planned for.

2.24 The MTFP should also factor in the budget requirements for services. Over the summer services will be working to review their core service offers, as recovery from COVID-19 gathers pace. Until this work is complete it is not possible to model out a set of balanced budget scenarios.

2.25 Proposed savings of £3.251m were included in 2021/22, when the budget was set. Given the circumstances, these savings will need to be reviewed as the MTFP is developed.

Capital Programme

2.26 The approved programme has now been updated to reflect the 2019/20 outturn and other approved variations and material non-COVID-19 related updates, revising the gross programme down to £570.3m to 2029/30. The details are set out in Appendix 10, together with the revised programme.

2.27 The Capital Strategy to 2029/30 will be revised once we understand the post-COVID-19 Council Plan and related considerations that are being developed over the summer, alongside potentially more certainty regarding Government funding.

Council Priority Outcomes

2.28 The Council's business and financial planning is underpinned by its four priority outcomes, which provide a focus for decisions about spending and savings and will direct activity across the Council. The current four priority outcomes are:

- Driving sustainable economic growth;
- Keeping vulnerable people safe;
- Helping people help themselves; and
- Making best use of resources.

The priority outcome that the Council makes the "best use of resources" is a test that is applied to all activities.

2.29 Each priority outcome is supported by a number of delivery outcomes, which shape Council Plan performance measures and targets. These are set out at appendix 11.

2.30 We will need to review both our priority and delivery outcomes to ensure the priorities we are working to deliver, and the way we measure the performance of our activities and services, remain appropriate in the new post-COVID19 operating context. Particular consideration will need to be given to:

<u>Driving sustainable economic growth -</u>

2.31 This priority outcome and its subsidiary delivery outcomes drive our work to support a thriving economy in East Sussex, which is key to the wellbeing of the county.

2.32 The coronavirus pandemic has had a marked impact on the local and national economy. As more evidence of the impact on employment levels, on business start-ups and closures, on which industries have shrunk and grown and on how workplaces are now operating becomes available we will need to consider if there are new trends that mean we need to change where we focus our efforts to support delivery of this priority to improve the prosperity of our local communities. Such trends could be increased remote working, high levels of youth unemployment, growth in social care labour market gaps, or new digital skills requirements.

<u>Making best use of resources -</u>

2.33 The County Council remains committed to working with our partners, residents and businesses to tackle the climate emergency. The County Council has set a target for its own activities to be carbon neutral as soon as possible, and in any event by 2050. In June, Cabinet agreed both the corporate Climate Emergency Plan, setting out actions to be taken towards achieving this goal; and the East Sussex Environment Strategy, setting out actions we will take with our partners to protect and enhance the local natural environment and tackle and adapt to climate change.

2.34 It is important that our priority to "make best use of resources" is viewed in this context and its interpretation is not just confined to making best use of resources in terms of money.

2.35 Our ambitions for carbon neutrality need to be embedded within our business and financial planning. This is why our existing Council Plan includes 'ensure all Council activities are carbon neutral as soon as possible and in any event by 2050' as a delivery outcome of 'making best use of resources', as the priority is applied to all activities and is a touchstone for all that we do. Progress towards carbon neutrality is a test that should be applied in the same way we consider whether we are securing best value for public money and that resources are used in a way that deliver maximum benefits for residents.

2.36 Cabinet agreed that this priority outcome should therefore be expanded to “making best use of resources in the short and long term” to better reflect that the Council’s decisions should be guided by a test priority that we ensure sustainability of our resources, both in terms of money and environmental assets.

Core Offer

2.37 The Core Offer also underpins our business and financial planning and represents a level of service below which we should not go in order to meet the needs of residents, not only for the services we provide but to play our part in supporting them in their wider health and wellbeing needs. This includes access to well-paid jobs, decent affordable housing and good mental and physical health. The East Sussex Core Offer is attached at appendix 12.

2.38 The Core Offer model provides a helpful framework for us to review the Council’s activities in the aftermath of the initial emergency response to the pandemic and begin to shape the reset of our service and financial offer from 2021/22 onwards.

2.39 We will need to review whether the activities within the current Core Offer, and the volumes of those activities, are regarded as core to meeting residents’ needs in the new operating context. We will need to consider where local need for services and prioritisation of services have diverted from our current Core Offer as a result of the pandemic and whether the offer should be amended to include these in the longer term. We will also need to consider if there are existing elements of our core offer that are no longer priorities in the new operating context.

2.40 Particular consideration will need to be given to:

- Shielding and community hubs – whether there is a requirement and we have the resources to continue this activity, with our partners, to help people requiring support to manage life under COVID-19 restrictions;

- Outbreak Management – what role we will be required to play in managing local outbreaks, set out in our Local Outbreak Management Plan;

- Mental Health support – whether additional support will be required given the impact of COVID-19 on residents’ emotional and mental wellbeing; and

- Building Use – if there are changes that can be made to the use of our building estate, to more effectively support the Council’s operations and service delivery.

2.41 As set out above, future funding levels are uncertain. As more information becomes available in the coming months, we will work up scenarios of revenue funding and use both this and the new assessment of the core work the Council must do to meet residents’ need to shape our business planning for 2021/22 onwards.

2.42 Cabinet has agreed that officers work over the summer to undertake a review of the Core Offer, as set out in the paragraphs above, and to report back to Members on next steps in the autumn.

Lobbying and Communications

2.43 Work has begun to understand the impact of coronavirus on East Sussex residents and changes in how this impact is felt on the county over the coming months. The three-part plan is to carry out:

1. A streamlined online survey open to all via social media, web and email. This will give a fast and wide-ranging snapshot of general issues and attitudes among residents. A two-week survey was carried out in June.

2. Two cross-sectional resident surveys - one this summer and another near the end of 2020. Each will be a telephone survey of at least 1,000 residents, to give a fully representative sample of the population across East Sussex. Asking many of the same questions at different points in time will allow us to gauge both residents' current experience and attitudes and how those evolve with the pandemic and recovery.

3. Individual surveys by specific theme, service area or demographic group. There will be many other pieces of resident research and engagement, often more detailed, commissioned by individual services or partners, such as the recent Healthwatch East Sussex survey or work with business representatives.

2.44 This survey work will feed into our lobbying of Government both as a council and in partnership with others locally and nationally, including with our MPs, to ensure the full impact of the pandemic on our communities is understood and addressed in future policy and funding decisions.

2.45 In the absence of the anticipated Fair Funding Review, our lobbying will continue to call for certainty of future funding for local government. This will be paramount to ensuring we secure adequate resource to deliver what will be required to support East Sussex residents, communities and businesses in the wake of the coronavirus pandemic, including opportunities to continue positive preventative work that could most effectively manage future need.

Next Steps

2.46 Work will continue over the summer to understand the impacts on our services of the coronavirus pandemic and to reset and reopen our services when appropriate.

2.47 The Cabinet agreed that the Council's Priority and Delivery Outcomes and Core Offer will be reviewed to take account of this impact. Officers will report back to Members in the autumn with an updated assessment of our priorities, service demand and funding expectations to inform more detailed business and budget planning for 2021/22 and beyond.

2.48 Members will continue to be consulted on plans as they are developed through Cabinet, County Council, Scrutiny Committees, Whole Member Forums and specific engagement sessions throughout the 2020/21 Reconciling Policy, Performance and Resources process

2 October 2020

KEITH GLAZIER
(Chair)

REPORT OF THE GOVERNANCE COMMITTEE

The Governance Committee met on 2 October 2020. Attendances:

Councillor Glazier (Chair)
Councillors Bennett, Godfrey Daniel, Simmons and Tutt

Councillors Field and Stephen Shing spoke on this item

1. Notice of Motion – Virtual meetings

1.1 The following Notice of Motion has been submitted by Councillor Field:

Since lockdown remote working has been shown to be a very effective way for the Council to conduct its business. Without specific permission from the Government to continue in this way we shall have to revert to face to face meetings after the next County Council elections.

This Council resolves to ask Central Government to change the rules to enable Local Authorities to make their own decisions as to whether to hold virtual and/or physical meetings from May 2021.

1.2 In line with County Council practice, the matter was referred by the Chairman to the Governance Committee for consideration to provide information and inform debate on the Motion.

Supporting Information

1.3 The current situation with regard to Coronavirus has led to widespread disruption to social and business activities, including Council meetings. In light of Government guidance on social distancing the holding of physical meetings at County Hall has been suspended since March. The temporary national regulations enacted in April 2020 to allow Council meetings to be held virtually remain in force until 7 May 2021 (the day after the scheduled date for local government elections). Unless the temporary regulations are extended, or replaced with similar permanent legislation, it will not be legally permissible in most cases for Members to attend formal meetings remotely from 8 May 2021 (there is more flexibility in relation to Executive – Cabinet and Lead Member – meetings).

1.4 In Wales, permanent legislation is already in place to enable a level of remote attendance by Members via video conferencing. The Welsh statutory guidance on remote attendance indicates that this was intended to make it easier for those who, for instance, may have to travel long distances, those with domestic responsibilities and those in employment to attend. Meetings can only take place remotely if not prohibited by the local authority's standing orders/rules of procedure. It is therefore up to each local authority to decide whether it wishes to make remote attendance available. However, the Welsh legislation does, in normal circumstances, require a minimum of 30% of those eligible to attend to be present at the main meeting place (this has been amended during coronavirus restrictions).

1.5 Members have adapted impressively to virtual meetings, embracing both the technology and the different procedures and etiquette involved in holding meetings in this way. The public have remote access to all public formal meetings via a webcast. From a practical point of view virtual meetings are running smoothly on Microsoft Teams.

1.6 Members have been invited to provide feedback on their experiences of virtual meetings and this informed a recent review of the arrangements by the Member ICT and Development Reference Group. Overall, the Reference Group was very positive about virtual meetings and the way they are running. The benefits of reduced travel in terms of carbon emissions, time and cost savings were also welcomed. Member feedback indicated that the larger meetings - full Council, Cabinet and Scrutiny Committees – are viewed as less suited to the virtual format due to the nature of discussion and debate amongst larger numbers of attendees and the length of meeting. Some Members have found the technology and interaction with others via a screen to be challenging, and the loss of informal networking at County Hall outside of the meetings themselves was also noted. However, feedback also indicated that some Members wish to continue meeting remotely longer-term, especially for certain meetings which are seen as well suited to the format. These are generally the shorter meetings with fewer attendees where the benefits of reduced travel and greater flexibility are particularly apparent, and the meeting format adapts well to a video conferencing approach.

1.7 The Notice of Motion to the County Council is to ask the Government to allow local authorities to make their own decisions in relation to the ability to hold virtual meetings after May 2021. There are a number of benefits to virtual meetings including a reduction in travel time, costs and emissions and greater flexibility with diary management (which may be of particular benefit to councillors who work or have caring responsibilities). However, virtual meetings are also reported to result in a loss of informal contact with other councillors and officers and require additional support in relation to the technology and related issues. It is likely, therefore, that if remote attendance was to be allowed on a permanent basis, the Council would wish to have flexibility to choose whether and how to make use of this provision in order to best meet the Council and Members' needs.

1.9 The Committee recommends the County Council to:

✡ 1) reject the Notice of Motion

2. Coronavirus Temporary Arrangements

2.1 In May 2020 the County Council agreed recommendations from the Committee in relation to a number of temporary measures to help enable the County Council's business to be conducted efficiently throughout the period of disruption due to Covid-19. A copy of the report considered by the Committee is attached as Appendix 1. The Council agreed that the measures would be reviewed at the October meeting of the Council or as soon as practicable thereafter.

2.2 The temporary measures approved by the Council were:

- to approve the approach in relation to Lead Member decisions being made virtually and to its continuation;
- to agree that the Leader will assume all the powers of the Cabinet where required;
- to agree delegations to officers in relation to the functions of the Planning, Pensions and Governance Committees and the Discretionary Transport Appeal Panel;
- to agree that Member non-attendance related to Covid-19 be considered as an absence approved by the Council;
- to agree that the Chief Executive (or in her absence the Assistant Chief Executive) be authorised to cancel or postpone meetings, in consultation with the relevant Chair or Cabinet Member;

2.3 Since May a large number of virtual meetings have been held under the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority Police and Crime Panel Meetings) (England and Wales) Regulations 2020 which were enacted by

Government to enable councillors to attend remotely during Covid-19 restrictions; these regulations are currently in place until 7 May 2021. In general, the holding of virtual meetings has been a success, councillor attendance at such meetings has been good and decision making has largely continued as normal. As a result, there has no need to rely on or use the measures outlined above. However, there remains a risk that there could be practical and capacity constraints in the coming months which will place unavoidable limitations on the holding of meetings. It is therefore proposed that the temporary measures previously agreed be extended until July 2021 to ensure that provision continues to be in place to allow essential business to be conducted in the event of disruption to meetings. This will allow the Governance Committee, which will be appointed in May following the election, to make recommendations to the Council.

2.4 In July 2020 the County Council considered and agreed recommendations from the Committee regarding a supplementary section of Standing Orders to formalise the approach to virtual meetings, taking the provisions of the national regulations into account. The supplementary Standing Orders confirmed the position of what constitutes a valid formal virtual meeting until the expiry of the Regulations in May 2021 and therefore also support the continuation of core County Council business during the pandemic.

2.5 The Committee recommends the County Council to:

✡ 1) agree to the continuation of the measures previously agreed by Council and set out in paragraph 2.2 of the report; and

2) review these measures at the July 2021 meeting of the Council or as soon as practicable thereafter.

2 October 2020

KEITH GLAZIER
(Chair)

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REPORT OF THE LEAD MEMBER FOR ADULT SOCIAL CARE AND HEALTH

The Lead Member for Adult Social Care and Health met on 25 September 2020. Attendances:-

Councillor Maynard (Lead Member)

Councillors Glazier and Sheppard

1. Notice of Motion – UNISON Ethical Care Charter

1.1. The following Notice of Motion has been submitted to the Chairman of the County Council by Councillors Webb and Scott:

That East Sussex County Council should sign up to the UNISON Ethical Care Charter as soon as possible.

1.2. In line with County Council practice, the matter was been referred by the Chairman to the Lead Member for Adult Social Care and Health for consideration to provide information and inform debate on the Motion.

1.3. In 2012, UNISON conducted a national survey of homecare workers entitled Time to Care. The online survey was open to homecare workers who were either UNISON members or non-members and attracted 431 responses between June and July of 2012. The survey concluded that working conditions and the quality of care provision are intrinsically linked.

1.4. In response to these findings, Unison launched the Ethical Care Charter in 2013 which is attached at Appendix 1. This calls for councils to sign the Charter and commission homecare services which establish a minimum baseline for the safety, quality and dignity of care by ensuring employment conditions which:

a) do not routinely short change clients, and

b) ensure the recruitment and retention of a more stable workforce through more sustainable pay, conditions and training levels

1.5. Since it was launched in 2013, 46 of 151 councils with responsibility for social care have signed the Charter.

1.6. The current value of the home care provision in East Sussex is just over £20m (including extra care). Home Care is a significant proportion of adult social care provision representing 12.3% of service provision. The number of clients receiving home care is steadily increasing as more people are being supported to stay living in their own homes and the number of hours individuals receive is also growing as the levels of need and frailty increase. The number of home care packages provided has increased by 10% over the last three years, with approximately 2,000 packages being provided at any one time.

1.7. Three main providers hold approximately 53% of Home Care client packages. More broadly, fifteen providers hold 83% of the market in total. The current County Council contract is focused on longer term home care to support people to remain living in their own homes, hospital discharge and home based carers' respite. The annual fee increase levels for Home Care over the last three years are shown below:

Year	Fee increase
2017/2018	Up to 16.99% on the hourly rate (hourly rates were reset by individual geographic patch)
2018/2019	4.0% increase on the hourly rate
2019/2020	3.81% increase on the hourly rate
2020/20201	For Home Care, the percentage increase will be 5.6% on the hourly rate

	Additionally, Adult Social Care will cease commissioning 15 minute calls for all new care packages from the 6th April 2020 - the minimum call time to be commissioned, with effect from the 6th April 2020, will be 30 minutes

1.8. Adult Social Care and Health meets regularly with unions at a Departmental Joint Consultative Committee and the Unison Ethical Care Charter was discussed on 4 October 2019. Work is underway to re-commission home care services as the current contract ends in 2021. The departmental project group that is taking this work forward considered the implications of signing the Charter by applying this to existing contractual arrangements.

1.9. The Charter sets out a range of principles and three stages for implementation. Appendix 2 sets out an assessment of whether the current County Council contract fully currently meets, partially meets or does not meet the requirements of the Charter. A commentary on each principle is also provided in Appendix 2, with further consideration of key points set out below in the report. In summary Appendix 2 shows that one principle is not currently being met within the existing contract with all the other principles being met or partially met.

1.10. Fifteen-minute home care calls have been a significant area of focus for Unison and the Charter states:

- *The time allocated to visits will match the needs of the clients. In general, fifteen-minute calls will not be used as they undermine the dignity of the clients*

Service and financial modelling has been undertaken about local usage of fifteen-minute calls, in addition to discussions with providers and operational staff. As a result, an operational decision was made on 11 February 2020 to end fifteen-minute calls for home care. This decision means that each home care call commissioned will be delivered for a minimum of thirty minutes. Incremental implementation of this change began in April this year, starting with new clients. There is still however value in retaining fifteen-minute calls in extra care settings.

1.11. The following principle in Stage 1 of the Charter is rated as partially met:

- *Visits will be scheduled so that homecare workers are not forced to rush their time with clients or leave early to get to the next one on time.*

From the data collected from home care providers, Adult Social Care and Health can identify the details of call times and sufficient travel time between calls. We do not however have the capacity to routinely report on this and in the case of providers submitting paper invoices there is no mechanism to monitor these arrangements. In addition, whilst the scheduling of visits will identify sufficient travel times between calls, there are inevitably occasions where homecare workers will be held up due to traffic, or travel time will take longer than anticipated. This is a particular challenge given the rural and urban make up of East Sussex.

1.12. The requirements in Stage 2 of the Charter are assessed as all being partially met, with details set out in Appendix 2. For example, the Charter requires that zero-hour contracts will not be used in place of permanent contracts. In practice larger providers offer a range of full contracts of employment and zero hours contracts. There are also a number of smaller providers who still only offer zero-hour contracts. Local home care providers who offer zero-hour contracts believe that they offer a flexible option for both employers and workers. By law, workers on zero hours contracts have several rights, including the right to the National Minimum Wage and National Living Wage.

1.13. Stage two of the Charter requires:

- *All homecare workers will be regularly trained to the necessary standard to provide a good service (at no cost to themselves and in work time)*

This is a contractual requirement and the Adult Social Care and Health Training Team offer a comprehensive range of training opportunities, free of charge, to the independent sector. The Care Quality Commission monitor training as part of their regulatory regime, but Adult Social Care and Health are unable to resource routine monitoring for all providers on adherence to this requirement, therefore it is not possible to state it is fully met.

1.14. Stage three of the Charter requires:

- *All homecare workers will be covered by an occupational sick pay scheme to ensure staff do not feel pressured to work when they are ill in order to protect the welfare of their vulnerable clients.*

This is the only principle within the Charter which Adult Social Care has assessed as not being met. Occupational sick pay schemes are not a contract requirement. Feedback from local providers indicates that this would be the most challenging area of the Charter to comply with, due to the financial implications of offering occupational sick pay schemes with the resulting increases in costs and concerns about sustainability of their businesses.

1.15 East Sussex contractual arrangements with homecare providers largely adhere to the principles of the Charter. There are however challenges in agreeing to all the principles in the Charter. This relates to the likely increased costs that would result both in terms of fee rates and additional management and contract monitoring arrangements. The potential increased costs have to be balanced against the requirement to direct resources to maximising the level of care the County Council provides to meet local need.

1.16 There is a strong commitment across the County Council, care providers and unions to work in partnership to ensure the best possible terms and conditions for staff and standards of care

1.15. The Lead Member for Adult Social Care and Health recommends to the County Council to:

✡ 1) welcome the significant increase and scale of people being supported at home and the quality of the care services provided and commissioned; and

2) reject the Notice of Motion for the reasons set out in the report

25 September 2020

COUNCILLOR CARL MAYNARD
(Lead Member)

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