



GOVERNANCE COMMITTEE

TUESDAY, 27 JANUARY 2026

10.30 AM, OR AT THE CONCLUSION OF CABINET, WHICHEVER IS LATER, IN THE COUNCIL CHAMBER, AT COUNTY HALL, LEWES

MEMBERSHIP - Councillor Keith Glazier, OBE (Chair), Nick Bennett, Bob Bowdler, Chris Collier, Johnny Denis and David Tutt

A G E N D A

1. Minutes of the meeting held on 16 December 2025 *(Pages 3 - 4)*
2. Apologies for absence
3. Disclosures of interests

Disclosures by all members present of personal interests in matters on the agenda, the nature of any interest and whether the member regards the interest as prejudicial under the terms of the Code of Conduct.
4. Urgent items

Notification of items which the Chair considers to be urgent and proposes to take at the appropriate part of the agenda. Any members who wish to raise urgent items are asked, wherever possible, to notify the Chair before the start of the meeting. In so doing, they must state the special circumstances which they consider justify the matter being considered urgent.
5. East Sussex Pension Fund - Pension Board membership *(Pages 5 - 6)*
Report by the Chief Finance Officer
6. Scheme of Members' Allowances - Index for Annual Adjustment to Allowances *(Pages 7 - 8)*
Report by the Deputy Chief Executive
7. Any other items previously notified under agenda item 4

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19 January 2026

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Agenda Item 1

GOVERNANCE COMMITTEE

MINUTES of a meeting of the Governance Committee held at Council Chamber, County Hall, Lewes on 16 December 2025.

PRESENT: Councillors Keith Glazier, OBE (Chair), Nick Bennett, Bob Bowdler, Chris Collier, Johnny Denis and David Tutt.

ALSO PRESENT Councillors Godfrey Daniel, Penny di Cara, Aidan Fisher, Roy Galley, Paul Redstone, and Stephen Shing.

37. MINUTES OF THE MEETING HELD ON 11 NOVEMBER 2025

37.1 RESOLVED – that the minutes of the previous meeting of the Committee held on 11 November 2025 be confirmed and signed as a correct record.

38. REPORTS

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

39. PAY POLICY STATEMENT

39.1 The Committee considered a report by the Chief Operating Officer regarding the pay policy statement for 2026/27.

39.2 The Committee RESOLVED to recommend to the County Council to approve the updated pay policy statement for 2026/27 as set out in Appendix 1 of the report.

40. REIMBURSEMENT FOR ELECTRIC VEHICLE MILEAGE

40.1 The Committee considered a report by the Chief Operating Officer regarding the reimbursement of electric vehicle mileage at the HMRC advisory fuel rate for home charges as standard.

40.2 The Committee RESOLVED to approve the following changes to the Travelling on County Council Business Policy:

- 1) where applicable, electric vehicle mileage is reimbursed at the HMRC advisory fuel rate for home charges as set out in paragraph 2.1 of the report; and
- 2) where applicable, exceptions as set out in paragraph 2.2 of the report will apply.

41. SCRUTINY ACTIVITY UPDATE

41.1 The Committee considered a report by the Deputy Chief Executive that provided an overview of the scrutiny activity being undertaken by the People, Place and Health Overview Scrutiny Committees, and on the work of the Audit Committee.

41.2 The Committee RESOLVED to note the updates on Scrutiny and Audit Committee activity and the current work programmes as set out at Appendices 1-4 of the report.

Agenda Item 5

Report to: Governance Committee

Date of meeting: 27 January 2026

By: Chief Finance Officer

Title: East Sussex Pension Fund – Pension Board membership

Purpose: To extend the term of a scheme member representative on the Pension Board by 2 years.

RECOMMENDATION:

The Governance Committee is recommended to extend the term of Neil Simpson as a scheme member representative of the Pension Board for 2 years to 28 February 2028.

1. Background

1.1 The Local Pension Board of the East Sussex Pension Fund was set up to meet the requirements of the Public Service Pension Act 2013, requiring Funds in the Local Government Pension Scheme to have a Pension Board, whose duties are to provide governance oversight and advice to the Administering Authority. The Pension Board is not a decision-making body.

1.2 The Pension Board is required to have an equal number of member and employer representatives and individuals can be appointed for a 4-year term with the option for a 2-year extension. Currently the Pension Board consists of 3 employer and 3 member representatives together with an independent chair. Changes to the Pension Board membership are expected during 2026.

1.3 Under the East Sussex County Council's Constitution, appointments to the Pension Board, and the extension of terms for people already appointed, are reserved to the Governance Committee.

2. Supporting information

2.1 In February 2026, Neil Simpson, one of three scheme member representatives' term of office is due to end. Neil Simpson would like to be considered for having his term extended.

2.2 To avoid significant turnover in the membership of the Pension Board and the associated loss of knowledge and expertise, Officers recommend that Neil Simpson's term be extended by 2 years to 28 February 2028, rather than going through the full process required for a full term of 4 years. In addition to mitigating the risk of a loss of knowledge across the Pension Board, this will also help to avoid unnecessary increases in the turnover of Pension Board members.

3. Conclusion

3.1 The Governance Committee is therefore recommended to extend Neil Simpson's term on the Pension Board by a period of 2 years.

IAN GUTSELL
Chief Finance Officer

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Agenda Item 6

Report to:	Governance Committee
Date of meeting:	27 January 2026
By:	Deputy Chief Executive
Title:	Scheme of Members' Allowances – Index for Annual Adjustment to Allowances
Purpose:	To consider the proposals regarding the use of an index to allow for the annual adjustment of allowances.

RECOMMENDATIONS:

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

- 1) agree that provision should continue to be made in the Scheme of Members' Allowances for an annual adjustment of allowances by reference to an index;
- 2) agree that the index should continue to be the percentage increase in the salaries of East Sussex County Council managers who are on locally negotiated pay; and
- 3) agree that the index is applied to the Scheme of Members' Allowances until the full review of the Scheme of Members' Allowances takes place as part of the Local Government Reorganisation process.

1 Background

1.1 East Sussex County Council operates a Members' Allowance Scheme, which outlines the types of remuneration and support available to elected Members for their responsibilities and duties. The scheme includes payments for basic allowances, special responsibilities, and covers travel, subsistence, and other expenses related to official Council business. These allowances are set to compensate Members for time spent and obligations carried out during their roles as representatives of the County Council.

1.2 The Local Authorities (Members' Allowances) (England) Regulations 2003 allow for the Members' Allowances Scheme to make provision for an annual adjustment of allowances by reference to such index as may be specified by the authority. Where an authority has regard to an index for the purpose of annual adjustment of allowances it must not rely on that index for longer than a period of 4 years before seeking a further recommendation from the Independent Remuneration Panel. In the absence of an agreed index to allow for annual adjustments to members' allowances there would be a need for the Independent Remuneration Panel to meet each year and report to the Governance Committee which would subsequently report to the County Council on any possible adjustment to members' allowances.

1.3 The annual adjustment mechanism used for the East Sussex County Council Scheme of Members' Allowances was last approved by the Full Council in March 2022, where it was agreed that the allowances should continue to be indexed to the percentage increase (average percentage of lump sum increases for the 2022/23 financial year) mirroring the National Joint Council (NJC) award in the salaries of managers who are on locally negotiated pay. The annual adjustment to members' allowances has been linked to any increase in Local Managerial Grade (LMG) managers pay for over 23 years.

1.4 In November 2025, the Governance Committee considered the Scheme of Members' Allowances in the context of the Council's proposal for Local Government reorganisation

submitted to Government, the outcome of which is not known at this stage and the Government decision expected in March 2026. If approved, LGR will result in a unitary council and will lead to potentially significant changes to the roles and functions of Members, which it is anticipated will impact on the Scheme of Members' Allowances.

1.5 In December 2025, the Full Council resolved to agree to postpone the full review of the Scheme of Members' Allowances scheduled for 2026, with a view to the process commencing in 2027 ahead of implementation for Vesting Day in 2028. However, should Government not proceed with LGR, to agree that a review be carried out and reported to Council in the autumn of 2026. It was also noted that a review of the annual adjustment mechanism will take place in compliance with the Regulations as set out in paragraph 1.2.

2 Supporting information

2.1 The Independent Remuneration Panel met in January 2026 and has considered the continued use of an index to allow for the annual adjustment of allowances together with one written representation from a County Councillor and comparative information from other County Authorities. The Panel was of the view that an index should be used and supported the existing arrangement whereby the annual adjustment reflected any increase in the salaries of managers on locally negotiated pay.

2.2 The Panel recommends that provision should continue to be made in the Scheme of Members' Allowances for an annual adjustment of allowances by reference to an index and that the index should continue to reflect the percentage increase in the salaries of managers who are on locally negotiated pay.

2.3 The Panel was of the view that the indexing is applied to the Scheme of Members' Allowances for the period of one year having regard to the current proposals for LGR in East Sussex and anticipated elections in 2027 to a new authority which would consist of a larger number of members and incorporate different responsibilities. Although the Panel recommend that the index is only relied on for one year, the timescales in relation to LGR process will be worked through pending the decision by Government and therefore it is recommended that the index is relied on until a full review takes place as part of the LGR process.

3 Conclusion and reasons for recommendations

3.1 In order to continue with the use of an index for the annual adjustment of allowances the views of the Independent Remuneration Panel had to be sought. The Panel supported the use of the previous index.

3.2 It is therefore proposed that the Committee recommends the County Council agree that provision should continue to be made in the Scheme of Members' Allowances for an annual adjustment of allowances by reference to an index and that the index should continue to be the percentage increase in the salaries of managers who are on locally negotiated pay for a period of one year to be applied until the full review of the Scheme of Members' Allowances takes place as part of the LGR process.

PHILIP BAKER

Deputy Chief Executive

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