

COUNTY COUNCIL – 16 OCTOBER 2018

QUESTION FROM MEMBERS OF THE PUBLIC

1. Question from Marie Hennelly, Eastbourne, East Sussex

The pavements in Eastbourne are currently in a disgraceful condition and getting worse. Too many residents are tripping on uneven pavements and requiring treatment at our local hospital. Residents, visitors etc are deterred from using some pavements as the risk of injury is very high. I ask that East Sussex County Council, on behalf of the residents of Eastbourne, undertakes a funding programme from the Eastbourne Controlled Parking scheme including fines, to roll out a programme of improvements to the pavements in Eastbourne commencing 2019/2020. This programme to be reviewed annually over the first 5 years.

Response by the Lead Member for Transport and Environment

Thank you for your question, I receive a lot of enquiries about maintenance of pavements across the county and this is a priority area for the County Council. In 2017/18 the County Council provided an additional £300,000 per annum for pavement maintenance and now invests £1.6m each year maintaining pavements across the county. But with over 2400km of pavement across the county our maintenance has to be prioritised on the basis of need, we do not allocate our maintenance budgets by geographical area or by town or village.

The County Council has invested over £720,000 in the maintenance of pavements in Eastbourne over the last couple of years, including the following roads: Link Road, Victoria Drive, Pevensey Road, Cornfield Lane, Seaside, East Dean Road, Sevenoaks Road, Bedford Grove, Meads Street, Austen Walk, Ashgate Road, Woodpecker Road and Swallow Close. And next month we are planning maintenance in Shakespeare Walk and Carrol Walk.

You call for Parking Surplus to be used for pavement maintenance. Whilst parking surpluses can be used for the maintenance of pavements, the County Council (in conjunction with Eastbourne Borough Council) is investing £2.0m from parking surplus into the Town Centre Regeneration Scheme improving the pavements in Terminus Road, Cornfield Road and Gildridge Road. We are also using parking revenues to replace all of the pay and display parking machines in Eastbourne with new modern machines which will further deplete parking surpluses for several years.

In the meantime, if you have concerns about the condition of particular pavements in the town perhaps you would be good enough to let me, or your local county councillor know, and we can arrange for the Highway Steward to carry out an inspection and arrange appropriate repairs. Alternatively you could report these to our Highways Contact centre on 0345 6080193 or customer@eastsussexhighways.com

2. Question from Malcolm Pither, Seaford East Sussex

Demand for a People's Vote on the final terms of Brexit is growing. Campaigners point out that none of us voted for a bad deal or no deal that would wreck our economy. Nor do they accept that either is inevitable. If the Brexit deal is rejected by Parliament then the public should have the democratic right to determine our own future by a People's Vote on the final Brexit deal.

Will East Sussex County Council join other councils in supporting the demand for a People's Vote?

Central government has prepared papers on the economic impact of Brexit. What research has been done to assess the impact of Brexit on East Sussex, particularly on the impact on our businesses and associated supply chains? What plans has the County Council put in place for Brexit?

Response by the Leader and Lead Member for Strategic Management and Economic Development

The Council has not asked for a further referendum on Brexit.

It has done no specific research into the effects of Brexit on the County or its businesses or their supply chains. As your question says this work is being done nationally and is augmented by input from business organisations. Replication of this work ahead of firm national proposals would not be a good use of the Council's resources.

We understand that the Government is looking at a number of work streams in relation to Brexit:

- citizens' rights
- Workforce
- Trading Standards (particularly in relation to weights and measures at ports)
- Structural Funds
- Ports and Borders
- Community Cohesion
- Economy

And we will work with them to understand any impacts there might be for the County Council.

3. Question from Hugh Dunkerley, Brighton

In a December 2017 response to a question from a member public, Councillor Stogdon pointed to the climate change disclosure resolution at last year's ExxonMobil AGM – backed by 62% of shareholders – as an 'important' result of its engagement policy.

What is the Fund's assessment of Exxon's response to this disclosure resolution: its Energy and Carbon Summary, published this February?

Response by the Chair of the Pension Committee

The resolution made it clear to the ExxonMobil Board of Directors that climate change risks are important to shareholders. Creating the report has forced the Board to consider these risks in their business model and making them accountable for them. This is a step in the right direction and shows through active shareholder engagement it can get those companies it is invested to improve their corporate behavior. Improvements made by these engagements lead to an increase in the long term value of the Fund's investments. The Committee believes that these can be maximised by collaborating with other likeminded investors to increase the pressure for change and encourages improvements to be made.

4. Question from Patricia Patterson-Vanegas, Forest Row, East Sussex

Earlier this year, the former deputy controller of New York State, Tom Sanzillo, wrote in the Financial Times that "any engagement with the fossil fuel industry, short of a demand for managed decline and a halt to new fossil fuel investment, has become financially unsound." (Stop reasoning with the oil majors and sell their shares instead, Financial Times, 8 March 2018, <https://www.ft.com/content/b5346cac-1e45-11e8-a748-5da7d696ccab>). Will the Pension Committee set a deadline for the oil and gas companies that the East Sussex Pension Fund is invested in to agree to these demands, divesting if they fail to do so?

Response by the Chair of the Pension Committee

The Committee has delegated individual stock selection to its active investment managers as they are best placed to carry out the detailed research on companies.

Simply disinvesting from a particular category or group of companies is likely to reduce the Fund's ability to secure the best realistic return over the long-term whilst keeping employer contributions as low as possible. Furthermore, it denies the opportunity for the Fund to influence companies' environmental, human rights and other policies by positive use of shareholder power, a role the Committee takes very seriously. The Committee has reserved the right to apply ethical or environmental criteria to investments where relevant and appropriate on a case by case basis.

5. Question from Frances Witt, Lewes, East Sussex

What is the current value of the Fund's investments in oil and gas, and what percentage of its total equity assets does this represent? How are these figures anticipated to change once the East Sussex Pension Fund has enacted its decision to '[put] 11% of the Funds held in [its] passive investment portfolio into the UBS Climate Aware Fund' (Written answer to Hugh Dunkerley, 15 May 2018)?

Response by the Chair of the Pension Committee

The Pension Fund estimates its exposure to Oil and Gas producers are in the region of 4.0% of the fund total investments, which would represent 6.5% of its total equity investments. This is constituted by direct investments of £6.2m around 1.6% of the Fund's direct equity investments and an estimate of its indirect investments of

around 7.5% (circa £138.8m). The exact figure invested via our indirect investments is not available due to the nature of the investments. The exposure to Oil and Gas producers in the indirect passive investments are determined by the index that the committee has set the manager to track.

The investment into the climate aware fund took place in June 2018 and has been incorporated into the figures provided above.

6. Question from Richard Moore, Lewes, East Sussex

Does the East Sussex Pension Committee accept that:

(a) 'The global energy system is transitioning from a global system based mainly on fossil fuels to one based mainly on renewable energy sources'; and

(b) that, based on the evidence of past energy transitions, 'the most important phase for financial markets is the peaking phase, the point at which demand for the old energy source peaks' ('2020 Vision: Why you should see peak fossil fuels coming', Carbon Tracker, September 2018, <https://www.carbontracker.org/reports/2020-vision-why-you-should-see-the-fossil-fuel-peak-coming>)?

Response by the Chair of the Pension Committee

To mitigate asset risk the Pension Fund's strategic asset allocation benchmark invests in a diversified range of asset classes.

The Pension Committee is committed to actively exploring carbon light options and smart beta approaches to our investment in order to reduce inadvertent exposure to those fossil fuel companies with unsustainable business models and those companies involved in very high carbon intensive businesses, taking into consideration the Committee fiduciary duties and potential financial and non-financial risk.

7. Question from Councillor Johnny Denis, Ringmer, East Sussex (on behalf of Emily O'Brien, Newhaven, East Sussex)

Recently, despite the dire state of finances and clear public opposition, the County Council committed to spending £23 million on the Newhaven port access road part 2, comprising a concrete flyover onto historic Tide Mills Beach in Seaford Bay. The council refused to let the public see the business case until the after the funding was already a 'done deal'.

Surprisingly, when the business case was finally released, it did not fully explore the obvious alternative route through the new Eastside South business park just 150m away. As well as being far shorter and therefore cheaper, this route would avoid the need for the complex and expensive - and visually entirely inappropriate - concrete flyover. At the time, the business park was awaiting construction so this was the perfect time to integrate a new road layout. Yet this option is only touched on briefly and immediately dismissed, supposedly because of the difficulties of crossing the

Pargut flood bank and the need to improve the existing level crossing with the port area.

These two difficulties identified might to some of us seem a little on the minor side, compared to building a concrete flyover spanning not only the flood bank but both the creek and the railway line. Never mind the challenge of construction within a flood zone, within a designated local wildlife site, and on the edge of a national park. Or the difficulties of building onto shingle - noting that the recent construction nearby required foundations 60m deep.

My question is, therefore, is why does the business case contain no full detailed and comprehensive analysis of the relative costs and benefits of this route option vs the flyover option?

Response by the Lead Member for Economy

The question raised by Ms O'Brien has previously been the subject of much correspondence between her and the CET Department, as well as having also been discussed in correspondence between her and the Department for Transport.

The issue of alternative alignments for the road has also been comprehensively addressed within our business case, which is publically available on our website (<https://www.eastsussex.gov.uk/roadsandtransport/roads/roadschemes/newhaven-port-access-road/funding-and-delivery/>) and sections 2.8 and 3.4 in particular refer.

There are also a number of inaccuracies within Ms O'Brien's assertions. The business case was available on our website on 23 July 2018; the funding announcement was not made by the Department for Transport until 20 August 2018. Therefore it is not correct to state that "*The council refused to let the public see the business case until after the funding was already a 'done deal'.*" It is also unlikely that "*recent construction nearby required foundations 60m deep*". Whilst the ground conditions in Newhaven do present some engineering challenges, the foundations for the bridge will be in the order of 35-40m deep.

The particular alternative route described by Ms O'Brien was not fully appraised for a number of reasons. Firstly, because the parcel of land over which the suggested alternative route would cross is an allocated site for development, so to re-route the Newhaven Port Access Road through there would restrict the development potential of that site. Secondly, any such link would still need to cross over the Pargut Flood bank and so still require earthworks and a structure similar to that shown on the plan at Figure 19 of our business case. Thirdly, the suggested route would also bring traffic out onto Beach Road and so Port traffic would still have to cross level crossings to gain access into the Port. Nationally, Network Rail are increasingly looking to close level crossings, or limit their use, and any intensification in use of the level crossings into the Port would not have been supported. The road layout under construction through the Eastside South Business Park that Ms O'Brien suggests as an alternative route to the approved Newhaven Port Access Road scheme, is an internal road layout for the business park only and so is neither designed for, nor able to accommodate, through traffic that would be generated by the Port.

In conclusion, the proposed alignment of the Newhaven Port Access Road, for which we have planning approval and the funding to deliver, is the most appropriate as it will provide better access into the Port and remove the constraints on the Port's development, maximise the development opportunities within the Newhaven Enterprise Zone and resolve the current amenity and environmental impacts generated by existing traffic on Railway Road and Beach Road.