

MINUTES

EAST SUSSEX COUNTY COUNCIL

MINUTES of a MEETING of the EAST SUSSEX COUNTY COUNCIL held at Council Chamber - County Hall, Lewes on 3 DECEMBER 2019 at 10.00 am

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

42 Minutes of the meeting held on 15 October 2019

42.1 RESOLVED - to confirm as a correct record the minutes of the County Council meeting held on 15 October 2019 as a correct record.

43 Apologies for absence

43.1 Apologies for absence were received on behalf of Councillors Phil Boorman, Charles Clark, Martin Clarke, Deirdre Earl-Williams, Kathryn Field, Andy Smith and Steve Wallis.

44 Chairman's business

PROJECT RULDOLPH

44.1 The Chairman reminded all councillors that each Christmas presents are collected at the main council offices in Eastbourne, Hastings and Lewes for children whose families live in financial crisis and who would not otherwise receive a present. This project is very much valued by the Children and families and I would ask that you support the project by donating a gift by the deadline of 13 December. There is also a cash box for any councillor wishing to make a donation . The Chairman thanked all those who had already donated including the Hippodrome Theatre in Eastbourne who had donated a number of family tickets.

CHAIRMAN'S ACTIVITIES

44.2 The Chairman reported that he and the Vice Chairman had attended a number of events since the last County Council meeting including a number of Remembrance Services. In November, they had hosted a Tea Party in Bexhill to celebrate, on behalf of the Council, the work of volunteers in East Sussex. The Chairman reported that he was in awe of the contribution that the many thousands of volunteers make every day and that the event was a small token to show our appreciation for these unsung heroes. The Chairman had also attended a Drive Safe Stay Alive event.

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PRAYERS

44.3 The Chairman thanked Father Jim Horton for leading the prayers before the meeting.

PETITIONS

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

Councillor Osborne - calling on the County Council to work with Sussex Police to enforce the 7.5 tonne limit on HGVs through Ditchling and to find a sustainable solution

Councillors Rodohan - calling on the County Council to install parking restrictions in Arundel Road, Eastbourne between St. Anne's Road and Carew Road

Councillor Ungar calling on the County Council to address the poor state of the road, pavement, kerbs and gutters in Osborne Road, Eastbourne following roadworks undertaken in August 2019.

45 Questions from members of the public

45.1 Copies of questions from Gabriel Carlyle from St Leonards on Sea, Julia Hilton from Hastings, Frances Witt from Lewes and Arnold Simanowitz from Lewes and the answers from Councillor Fox (Chair of the Pension Committee) are attached to these minutes. Supplementary questions were asked and responded to.

46 Declarations of Interest

46.1 There were no declarations of interest

47 Reports

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

Cabinet report - paragraph 1 (Reconciling Policy, Performance and Resources), paragraph 2 (Scrutiny Review of the Changing Care Market: Adult Social Care Workforce) and paragraph 3 (Scrutiny Review of Support for Unaccompanied Asylum Seeking Children)

People Scrutiny Committee report - paragraph 1 (Scrutiny Review of the Changing Care Market: Adult Social Care Workforce) and paragraph 2 (Scrutiny Review of Support for Unaccompanied Asylum Seeking Children)

48 Report of the Cabinet

Paragraph 1 – Reconciling Policy, Performance and Resources

48.1 Councillor Glazier moved the reserved paragraph of the Cabinet report

48.2 The motion was CARRIED after debate

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Paragraphs 2 (Scrutiny Review of the Changing Care Market) and 3 (Scrutiny Review of the Support for Unaccompanied Asylum Seeking Children)

48.3 The Chairman reminded the Council that he was taking paragraphs 2 and 3 of the Cabinet report with the report of the People Scrutiny

49 Report of the People Scrutiny Committee

PARAGRAPH 1 – SCRUTINY REVIEW OF THE CHANGING CARE MARKET: ADULT SOCIAL CARE WORKFORCE

49.1 The Chairman reminded the Council that he was taking paragraph 1 of this report with paragraph 2 of the Cabinet report.

49.2 Councillor Davies moved the adoption of paragraph 1 of the Scrutiny Committee report.

49.3 Councillor Glazier moved the adoption of paragraph 2 of the Cabinet's report. The motion, including the recommendations, was CARRIED after debate.

49.4 The motion to adopt paragraph 1 of the Scrutiny Committee's report, including the recommendations, was CARRIED after debate on the basis that implementation would be in accordance with the recommendations of the Cabinet.

PARAGRAPH 2 – SCRUTINY REVIEW OF THE SUPPORT FOR UNACCOMPANIED ASYLUM SEEKING CHILDREN

49.5 The Chairman reminded the Council that he was taking paragraph 2 of this report with paragraph 3 of the Cabinet report.

49.6 Councillor Davies moved the adoption of paragraph 2 of the Scrutiny Committee report.

49.7 Councillor Glazier moved the adoption of paragraph 3 of the Cabinet's report. The motion, including the recommendations, was CARRIED after debate.

49.8 The motion to adopt paragraph 2 of the Scrutiny Committee's report, including the recommendations, was CARRIED after debate on the basis that implementation would be in accordance with the recommendations of the Cabinet.

50 Questions from County Councillors

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

Questioner	Respondent	Subject
Councillor Osborne	Councillor Claire Dowling	Consideration of a formal agreement being entered into between East Sussex and West Sussex County Councils allowing residents living close to the county border to use the nearest Household Waste Recycling Site without incurring a charge.
Councillor Lambert	Councillor Claire Dowling	Budget for installation of dropped kerbs

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Questioner	Respondent	Subject
Councillor Tutt	Councillor Glazier	Opportunity for Group Leaders to consider the possibility of a Transformation Programme for East Sussex
Councillor Godfrey Daniel	Councillor Standley	The benefit Public schools with charitable status have in relation to waste disposal costs when compared with state funded schools
Councillor Whetstone	Councillor Claire Dowling	Disposal of waste across county borders at Household Waste Recycling sites
Councillor Stephen Shing	Councillor Claire Dowling	Whether the introduction of charging for certain items at HWRS has resulted in an increase in fly-tipping and the income received over the past 12 months as a result of the introduction of charging
Councillor Whetstone	Councillor Glazier	Trusteeship of Ashdown Forest and funding of the Conservators
Councillor Stephen Shing	Councillor Claire Dowling	Recent flooding of many roads in the County and gully emptying policy.

WRITTEN QUESTIONS PURSUANT TO STANDING ORDER 44

50.2 There were no written questions from councillors.

THE CHAIRMAN DECLARED THE MEETING CLOSED AT 11.28 am

The reports referred to are included in the minute book

QUESTION FROM MEMBERS OF THE PUBLIC

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

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

What are the corresponding figures for the Fund's exposure to oil and gas in the year's 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017 and 2019? Also, what was the Fund's exposure to coal producers for the years 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018 and 2019?

Response by the Chair of the Pension Committee

The costs incurred in analysing a large number of historic investment portfolios, bearing in mind the number of different investment managers that have been employed by the Fund over the last ten years, and the fact that managers have not been measuring these exposures until more recently, would be substantial. The Fund is focused on understanding its current exposures and how these change going forward.

2. Question from Julia Hilton, Hastings, East Sussex

The East Sussex Pension Fund's Responsible Investment Policy states that 'The Fund will incorporate climate risk assessment as part of the annual investment strategy review (considering the Fund's investment strategy under a range of climate change scenarios, including a 2°C scenario).'

Were any 2°C scenarios considered at this year's annual investment strategy review? If they were then what was the Fund's assessment of the climate risk posed to it under such scenarios by its continued investment in oil and gas companies?

Response by the Chair of the Pension Committee

The ability to factor in alternative climate scenarios in the Annual Investment Strategy Review is quite recent. One feature of the Asset Liability Modelling carried out in 2019 was consideration of the impact on future funding levels under alternative scenarios and we can build on that analysis in the investment strategy review planned for early 2020. This leads into the discussions on the general level of investment risk being taken and high level strategy rather than providing a steer on individual companies or sectors at this stage. The Fund will look in more detail at portfolio risks as part of the forthcoming review.

3. Question from Frances Witt, Lewes, East Sussex

Does the East Sussex Pension Committee accept the conclusion of the the recent report Investing in a time of climate change – the sequel (<https://bit.ly/2KOqtPo>) from the institutional investment advisor Mercer that: ‘Advocating for and creating the investment conditions that support a “well-below 2⁰C scenario” outcome ... is most likely to provide the economic and investment environment necessary to pay pensions ... over the timeframes required by beneficiaries.’?

And, if so, how does it reconcile this conclusion with its continued investment in the five largest publicly-traded oil and gas majors (ExxonMobil, Royal Dutch Shell, Chevron, BP and Total) who have together spent over \$1bn of shareholder funds over the last four years trying to undermine the 2015 Paris climate agreement in an effort to maintain the social and legal license to operate and expand their fossil fuel operations?

Response by the Chair of the Pension Committee

Mercer's report on climate change summarises some of the possible scenarios for the future, and the Fund and its advisors are fully cognisant of the risks involved in some of the more pessimistic ones. Mercer's view and approach is just one of many amongst advisors, and that needs to be borne in mind when evaluating their models and recommendations. The Fund notes that they suggest four activities investors might take to help mitigate climate change, all of which the Fund and its managers are currently undertaking, in some cases for many years. Details and examples are contained in the ESG statement, recently published.

The fourth and last of these is screening out companies deemed to be irresponsible or not acceptable to profit on. The Fund states among its beliefs that it will use evidence-based long-term appraisal when making investment decisions. The Committee has together with its advisors considered a policy of divestment from the oil majors but is firmly of the view that that action would not result in a better outcome from a climate-change perspective, quite apart from the extra costs and risks involved, which the Fund's employers and members would eventually have to pay.

4. Question from Arnold Simanowitz, Lewes, East Sussex

On 15 October 2019 this Council declared a climate emergency. Presumably the Pension Committee therefore accepts that there is such an emergency. If there is an emergency what steps is the Pension Committee going to take to deal with that emergency or does the declaration just amount to words?

Response by the Chair of the Pension Committee

The Committee, with its advisors, is well aware of the potential risks from climate change. The Fund's decisions have implications for members and employers in the long-term, and therefore takes these risks seriously. However, it is also important that the Fund makes decisions with due consideration of all factors, not just the single issue of climate change. That does not mean the Fund and its Advisors are doing nothing. The Fund has spent more time on discussing how best to mitigate Climate Change than almost all other LGPS Funds, and the ESG statement reviews some of the actions we have taken. A full Strategy Day on this subject was held in 2017 to which Climate

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Change Activists were invited to make their point and to listen to the arguments on both sides.

Decarbonisation, energy innovation and climate policy continue to surprise and evolve. The fund is mindful that although the climate challenge is internationally accepted and the need for abatement recognised, policy is yet to settle into a set of concrete agreed long term actions with respect to key sectors and even where agreement is found policy approaches and priorities differ between countries. Moreover, history indicates that policy has a tendency to alight on one solution, observe unintended consequences, only to settle on another solution as understanding becomes more complete or technological advancement supersedes a decade or so later. Cementing an investment strategy at one snapshot in time with current technologies is imprudent. Prudence requires a continual re-evaluation of risk and opportunity which moves with new information.