

MINUTES

EAST SUSSEX COUNTY COUNCIL

MINUTES of a MEETING of the COUNTY COUNCIL held at County Hall, Lewes on 9 FEBRUARY 2021 at 10.00 am

Present Councillors John Barnes, 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, 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, Sarah Osborne, Peter Pragnell, Pat Rodohan, Phil Scott, Jim Sheppard (Vice Chairman), Daniel Shing, Stephen Shing, Alan Shuttleworth, Rupert Simmons, Andy Smith, Bob Standley, Richard Stogdon, Colin Swansborough, Barry Taylor, Sylvia Tidy, David Tutt, John Ungar, Steve Wallis, Trevor Webb and Francis Whetstone

41 Minutes of the meeting held on 1 December 2020

41.1 RESOLVED – to confirm as a correct record the minutes of the County Council meeting held on 1 December 2020 as a correct record.

42 Apologies for absence

42.1 Apologies for absence were received on behalf of Councillor Simon Elford.

43 Chairman's business

KEITH BRIDGER

43.1 The Chairman referred to the death in January of a former colleague, Keith Bridger who had represented the Bexhill North Division from 1997 to 2005 and during his time as a county councillor was also the Leader of the Labour Group. The Chairman and other councillors paid tribute to Keith Bridger and on behalf of the Council the Chairman offered condolences to Keith's family and friends. The Council remained silent as a mark of respect to Keith Bridger.

TILLEY AWARDS

43.2 The Chairman reported that five partnership projects from across the UK had been recognised as leaders in the Problem Solving and Crime Prevention Programme for this year's Tilley Awards. This year the local partnership, made up of staff from both Sussex Police and ESCC, was voted the winner for the Neighbourhoods category, tackling anti-social behaviour and crime within Uckfield, with excellent results for local young people. The winning five projects, selected from 92 entries from police forces and partner agencies across the country, would now present their project at this year's National Problem Solving Conference in September 2021, before an overall winner is announced.

MINUTES

NEW YEAR'S HONOURS

43.3 On behalf of the Council the Chairman congratulated all those who lived or worked in East Sussex who were recognised in the New Year honours.

44 Questions from members of the public

44.1 Copies of the questions received from members of the public and the answers from Councillor Fox (Chair of the Pension Committee) are attached to these minutes.

45 Declarations of Interest

45.1 There were no declarations of interest.

46 Reports

46.1 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 3 (scrutiny review of becoming a carbon neutral council) and paragraph 4 (annual report of looked after children's services)

Place Scrutiny Committee report – paragraph 1 (scrutiny review of becoming a carbon neutral council)

NON-RESERVED PARAGRAPHS

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

Cabinet report – paragraph 2 (council monitoring) and paragraph 5 (treasury management policy and strategy)

Governance Committee report – paragraph 1 (bylaws for local nature reserve)

47 Report of the Cabinet

Paragraph 1 – Reconciling Policy Performance and Resources

47.1 Under Standing Order 23, the Council agreed that the speeches of the Leaders of the 5 Groups (or their nominees) on paragraph 1 of the Cabinet's report be extended beyond 5 minutes.

47.2 Councillor Bennett moved the adoption of paragraph 1 of the Cabinet's report.

47.3 The following amendment was moved by Councillor Tutt and seconded:

Delete paragraph 1.56 of the Cabinet's report and replace with:-

(1) approve, in principle, the draft Council Plan 2021/22 at Appendix 1 and authorise the Chief Executive to finalise the Plan in consultation with the relevant Lead Members;

(2) approve the net Revenue Budget estimates totalling £416.7m for 2021/22 as set out on Appendix 3 (Medium Term Financial Plan) and 4 (Budget Summary) and authorise the Chief Executive, in consultation with the Chief Finance Officer, Leader and Deputy Leader, to make adjustments to the presentation of the Budget Summary to reflect the final settlement and budget decisions with the following amendments:

MINUTES

1. *Potential Investment Areas in the MTFP - £980,000: recognising that focused work is still to be undertaken to determine actual investment, it is requested that consideration is given to the potential investment of: -*
 - a. *Training and information on respite services – indicative £100,000*
 - b. *A grant fund to support voluntary sector resilience – indicative £200,000*
 - c. *Adult Social Care mental health support – indicative - £200,000*
 - d. *Community Hubs resilience – indicative £380,000*
 - e. *Business resilience and recovery – indicative £100,000*
2. *Additional one off expenditure on child mental health to assess the impact of the pandemic on need - £200,000*
3. *Additional permanent SEND support for schools - £200,000*
4. *Additional permanent increased advice and support to primary schools - £200,000*
5. *Additional revenue contribution for 3 years to capital to increase repairs to pavements - £200,000*
6. *One-off use of Priority Outcomes and Transformation reserve to accelerate the preparation of the Climate Emergency Plan and to contribute to rectifying the environmental damage from tree felling - £250,000*
7. *Additional cost of borrowing a further £1,000,000 for Climate Emergency Plan actions - £38,500*

Total of proposed revenue amendments - £2,068,500

To be funded by:

8. *Potential Investment Areas in the MTFP - £980,000: consideration of use of budget as areas of investment are developed.*
9. *Use of the Priority Outcomes and Transformation reserve - £250,000*
10. *Use of COVID-19 reserve for child mental health - £200,000*
11. *Chief Operating Officer: deletion of role - £88,500*
12. *Reduce venue hire budget - £100,000*
13. *Reduce communications budget - £200,000*
14. *Reduce Governance and Organisational Development - £100,000*
15. *Reduce waste management budget - £150,000*

Total of proposed revenue funding amendments - £2,068,500

(3) in accordance with the Local Government Finance Act 1992 to agree that:

- (i) the net budget requirement is £416.7m and the amount calculated by East Sussex County Council as its council tax requirement (see Appendix 6) for the year 2021/22 is £310.4m;*
- (ii) the amount calculated by East Sussex County Council as the basic amount of its council tax (i.e. for a band D property) for the year 2021/22 is £1,544.04 and represents a 3.49% (1.5% of which relates to the Adult Social Care precept) increase on the previous year;*

(4) advise the District and Borough Councils of the relevant amounts payable and council tax in other bands in line with the regulations and to issue precepts accordingly in accordance with an agreed schedule of instalments to be revised as amended by proposals in paragraph (2) above

(5) note the fees and charges set out in Appendix 10 that have been increased above inflation;

MINUTES

(6) *approve the Capital Strategy and Programme as set out at Appendix 9 with the following amendments;*

*Increase highways capital maintenance works for repairs to pavements - £200,000
Add Climate Emergency Plan, with areas of investment including (a) Electric Vehicle charging points (b) Low carbon heating (c) Solar panels and electrical storage - £1,000,000*

Total of proposed capital amendments - £1,200,000

(7) *note the progress with the Council Plan and Budget 2020/21 since quarter 2 at Appendix 2;*

(8) *note the Medium Term Financial Plan forecast for the period 2021/22 to 2023/24 as set out in Appendix 3 and amended by the proposals in paragraph (2) above;*

(9) *note the comments of the Chief Finance Officer on budget risks and robustness as set out in Appendix 7; and*

(10) *note the comments from the engagement exercises as set out in Appendix 8.*

47.4 A recorded vote on Councillor Tutt's amendment was taken. The amendments was LOST, the votes being cast as follows:

FOR THE AMENDMENT

Councillors Philip Daniel, Field, Grover, Lambert, O'Keeffe, Osborne, Rodohan, Daniel Shing, Stephen Shing, Shuttleworth, Swansborough, Tutt, Ungar and Wallis.

AGAINST THE AMENDMENT

Councillors Barnes, Beaver, Belsey, Bennett, Bentley, Bowdler, Charles Clark, Martin Clarke, Davies, Chris Dowling, Claire Dowling, Earl-Williams, Elkin, Enever, Ensor, Fox, Galley, Glazier, Liddiard, Loe, Maynard, Pragnell, Sheppard, Simmons, Smith, Standley, Stogdon, Taylor, Tidy and Whetstone.

ABSTENTIONS

Councillor Charman, Godfrey Daniel, Scott and Webb

47.5 The following motion was moved by Councillor Bennett to adopt paragraph 1 of the Cabinet report:

1) approve, in principle, the draft Council Plan 2021/22 at Appendix 1 and authorise the Chief Executive to finalise the Plan in consultation with the relevant Lead Members;

(2) approve the net Revenue Budget estimate of £416.7m for 2021/22 as set out in Appendix 3 (Medium Term Financial Plan) and 4 (Budget Summary) and authorise the Chief Executive, in consultation with the Chief Finance Officer, Leader and Deputy Leader, to make adjustments to the presentation of the Budget Summary to reflect the final settlement and budget decisions;

(3) in accordance with the Local Government Finance Act 1992 to agree that:

- (i) the net budget requirement is £416.7m and the amount calculated by East Sussex County Council as its council tax requirement (see Appendix 6) for the year 2021/22 is £310.4m;*

MINUTES

- (ii) *the amount calculated by East Sussex County Council as the basic amount of its council tax (i.e. for a band D property) for the year 2021/22 is £1,544.04 and represents a 3.49% (1.5% of which relates to the Adult Social Care precept) increase on the previous year;*

(4) advise the District and Borough Councils of the relevant amounts payable and council tax in other bands in line with the regulations and to issue precepts accordingly in accordance with an agreed schedule of instalments as set out at Appendix 6

(5) note the fees and charges set out in Appendix 10 that have been increased above inflation;

(6) approve the Capital Strategy and Programme as set out at Appendix 9;

(7) note the progress with the Council Plan and Budget 2020/21 since quarter 2 at Appendix 2;

(8) note the Medium Term Financial Plan forecast for the period 2021/22 to 2023/24 as set out in Appendix 3;

(9) note the comments of the Chief Finance Officer on budget risks and robustness as set out in Appendix 7; and

(10) note the comments from the engagement exercises as set out in Appendix 8.

47.6 A recorded vote on Councillor Bennett's motion was taken. The motion was CARRIED with the votes being cast as follows:

FOR THE MOTION

Councillors Barnes, Beaver, Belsey, Bennett, Bentley, Bowdler, Charles Clark, Martin Clarke, Davies, Chris Dowling, Claire Dowling, Earl-Williams, Elkin, Enever, Ensor, Fox, Galley, Glazier, Liddiard, Loe, Maynard, Pragnell, Sheppard, Simmons, Smith, Standley, Stogdon, Taylor, Tidy and Whetstone.

AGAINST THE MOTION

None

ABSTENTIONS

Councillors Charman, Godfrey Daniel, Philip Daniel, Field, Lambert, O'Keeffe, Osborne, Rodohan, Scott, Daniel Shing, Stephen Shing, Shuttleworth, Swansborough, Tutt, Ungar, Wallis and Webb.

Paragraph 3 (Scrutiny review of becoming a carbon neutral council)

47.7 The Chairman reminded the Council that he was taking paragraph 3 of the Cabinet report with the report of the Place Scrutiny Committee.

Paragraph 4 (Annual progress report for looked after children's services)

47.8 Councillor Glazier moved the reserved paragraph in the Cabinet's report.

47.9 The motion was CARRIED after debate.

MINUTES

48 Report of the Place Scrutiny Committee

Paragraph 1 (Scrutiny review of becoming a carbon neutral council)

48.1 The Chairman reminded the Council that he was taking paragraph 1 of this report with paragraph 3 of the Cabinet's report.

48.2 Councillor Bowdler moved the adoption of paragraph 1 of the Scrutiny Committee's report.

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

48.4 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.

49 Questions from County Councillors

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

Questioner	Respondent	Subject
Councillor Field	Councillor Glazier	Supplementary questions in relation to public questions at County Council meetings
Councillor Ungar	Councillor Maynard	Covid vaccinations for care home workers
Councillor Shuttleworth	Councillor Bentley	Capacity in East Sussex to offer counselling, refuge places etc to victims of domestic abuse/violence
Councillor Godfrey Daniel	Councillor Standley	125 year Free School Lease for the Ropemakers' Academy, Hailsham
Councillor Stephen Shing	Councillor Glazier	Performance of contractors and contract monitoring during the current pandemic
Councillor Fox	Councillor Bennett	Promotion of decarbonisation programme and electric vehicles
Councillor Daniel Shing	Councillor Claire Dowling	Policy for the granting of licenses for adverts and notices on street furniture

49.2 Four written questions were received from Councillors Osborne, Lambert and Stephen Shing for the Leader and the Lead Member for Transport and Environment. The questions and answers are attached to these minutes. The Leader and Lead Member responded to supplementary questions.

THE CHAIRMAN DECLARED THE MEETING CLOSED AT 1.42 pm

The reports referred to are included in the minute book

MINUTES

QUESTIONS FROM MEMBERS OF THE PUBLIC

Note: Questions 1 and 2 relate to a similar issue. The answer to these questions is set out after question 2 below

1. The same or similar questions were asked by:

Debbie Smith, Eastbourne, East Sussex

Ann Newton-Marcial, Eastbourne, East Sussex

Since June 2020, there have been a growing number of emails sent to the County Council objecting to the East Sussex Pension Fund's investments in companies complicit in abuses of human rights and violations of international law. These violations relate to Israel's settlements on occupied land which are illegal under international law; the International Criminal Court prosecutor is investigating their construction as a war crime.

The chair of the Pension Committee has made some helpful comments, stating that Responsible Investment Principles are 'at the heart of all investment decisions and provides increased transparency and monitoring of these investments.' Also, he acknowledged that companies mentioned in the questions 'operate and profit from stolen land.' Any pension fund operating with ethical and responsible principles would surely be divesting from such companies.

A commitment by the Pension Committee chair indicated that the fund will divest from some of the complicit companies in due course. These companies are included in the United Nations list of companies involved in Israel's illegal settlement economy. The United Nations High Commissioner for Human Rights (OHCHR) has undertaken a lengthy and extensive process of engagement with these companies. The pension fund has investments in 13 of these companies. They are: Bank Hapoalim, Bezeq, Booking.com, Delek Group, Expedia Group, First International Bank, General Mills, Israel Discount Bank, Mercantile Discount Bank, Mizrahi Tefahot Bank, Motorola, Paz Oil Company and TripAdvisor. This is far more than any other local government pension fund. The vast majority have no investments in these companies at all.

- Please will you specify which of the above 13 companies you plan to divest from and provide a timetable for divestment?

Elbit Systems produces a range of banned weapons including cluster munitions, weaponised white phosphorus and flechette projectiles. It produces the weaponised Hermes 450 and 900 drones. All these weapons have been used repeatedly to target the civilian population in Gaza. The Norwegian state pension fund has divested from Elbit. So have numerous other funds such as Dutch pension giant ABP, Sweden's largest pension fund Första AP-Fonden, Danish bank Danske Bank, AXA, Folksam (Sweden), ABN AMRO and Europe's largest bank HSBC. Norges Bank, the central bank of Norway, excludes Elbit Systems due to 'particularly serious violations of fundamental ethical norms.' There are only 3 local government pension funds with investments in Elbit. This company is clearly regarded as toxic, a company that any pension fund with ethical and 'responsible' policies would keep clear of.

- Will the Pension Committee confirm that the fund intends to divest from Elbit Systems, and if so, please state when?

MINUTES

- Could the Pension Committee chair confirm that the Fund's investments in Elbit Systems and the 13 companies named on the UN Human Rights Office list run counter to the Fund's 'Responsible Investment Principles?'
- Do you accept that, regardless of whether these assets are pooled or held in segregated portfolios, it is the pension fund's obligation, in line with its own 'Responsible Investment Principles,' to ensure that it does not invest in companies operating from stolen land?
- Do you intend to implement screening and due diligence procedures to ensure that scheme members' money is not used to support the violation of international law relating to other companies not mentioned here?

2. Question from Nicholas Swabey, Eastbourne, East Sussex

As a retired teacher from the Eastbourne area, myself and a number of colleagues were angered and dismayed to hear that our pension funds have originated from investments which have been made in the occupied Palestinian territories (oPts) by Israeli armed forces. It is even more disturbing that East Sussex are only one of three local government pension funds that have done this and in particular, the Israeli arms manufacturer Elbit who specialise in producing banned weapons including cluster bombs, weaponised white phosphorous projectiles as well as lethal Hermes 450 and 900 drones which have resulted in the deaths of many adults and children in both Gaza and the West Bank.

I gather our pensions are invested in 13 other companies, all of which are active in the occupied Palestinian territories . This occupation is illegal under international law and the International Criminal Court prosecutor is investigating Israel for both the illegal settlements as well as war crimes.

The 2020 High Court decision backed members in their campaign to get Councils such as East Sussex to disinvest in these companies.

This is a serious issue and it would be inappropriate and immoral if these investments were to continue. In fact, unless I, and others who have chosen to write to you about this situation do not have a satisfactory outcome, then I will contact the NEU, the Teachers Pension company, many other members and also the press.

My questions to the Chair of the Committee are:

- 1) Will the Pension Committee confirm that the fund intends to divest from Elbit Systems along with the 13 other companies involved in the occupied territories (list available). If so, when will this happen?
- 2) Would you clarify whether the Fund's investments in these 14 companies goes against the 'Responsible Investment Principles'?
- 3) How will the Fund monitor , screen and implement due diligence procedures to ensure that member's money is not used to support the violation of international law? Frankly, I and others are really surprised about these investments and will not accept excuses that the Funds cannot be sold off. Many other Funds have achieved this both at home and abroad and the issue will not go away; in fact, the momentum for change has only just started!

Response by the Chair of the Pension Committee to questions 1 and 2 above

The response to these questions draws upon much of what was explained in the response to the questions raised at the December Full Council. The Pension Fund Committee has not met in the intervening time since the last Full Council, so policy and strategy has not changed in relation to this area.

MINUTES

The East Sussex Pension Fund (ESPF; the Fund) as at 31 December 2020 held exposure to 4 of the 112 UN listed companies within its passive equity mandate and has no exposure to Elbit Systems. Of these four companies only one is recognised as a “Business enterprises involved in listed activities” - Expedia group which is an American online travel shopping company for consumer and small business travel. The remaining three are recognised as “Business enterprises involved as parent companies”, these are Booking Holdings Inc, General Mills and Motorola.

In addition, the Fund held exposure to three of the same companies within its Smart Beta passive manager; one being Expedia and the other two Booking Holdings Inc and General Mills.

The UN list of 112 companies was submitted to the Human Rights Council under resolution 31/36 on Israeli settlements in the Occupied Palestinian Territory in February 2020. This Database is subject to an annual revision and its likely a number of these companies will have been removed.

The Funds Smart Beta Investment Manager Storebrand carry out up to date screening of the companies they are exposed to and as at quarter 1 of 2021 Storebrand’s data provider Sustainalytics (Human Rights Radar) used for screening does not capture any of these companies.

According to Amnesty International both the travel companies were considered to be profiting by listing properties and attractions within Israeli settlement. These companies are not currently listed within the whoprofits.org database. Who Profits from the Occupation is “an independent research centre dedicated to exposing the commercial involvement of Israeli and international corporations in the ongoing Israeli occupation of Palestinian and Syrian lands”. General Mills has a plant producing baking products at one settlement. Some business activities within the occupied territories contribute more to legitimise the situation than others. After screening and analysis by the sustainability team these three companies do not meet the degree of severity that would trigger an exclusion. It is worth mentioning however that there are currently 38 companies who are on the exclusion list due to Human Rights and International law reasons including Elbit Systems which is specifically referred to in the questions.

ESPF does not directly invest in any specific company; instead it invests through a combination of holdings in passive index funds and active fund managers. As the owner of an index fund, we are passive recipients of the index and we can’t pick and choose the constituents of the global or regional indices and there is no way in which the fund can influence the holdings in that index or divest from an asset without divesting from the whole strategic asset allocation. Ordinarily, passive funds are viewed as a cheap and efficient way to gain global equity market exposure with reduced volatility and this is actively encouraged by the Ministry of Housing Communities and Local Government guidance as an intrinsic part of investment strategy for Local Government Pension Scheme (LGPS) funds due to the lower costs associated with investing in these funds compared to active mandates.

To divest from these four companies would require ESPF to disinvest from its entire passive mandate. This means we would need to sell the exposure to over 6,000 companies worth over £400m to remove four companies from the portfolio worth £0.7m. This is a major strategic decision and will result in significant final cost to the fund which

MINUTES

is not in the interests of the funds beneficiaries to take such a decision solely on these grounds, as it's is not good stewardship of capital to take this action.

At the Pension Committee meeting in November 2020, the Committee instructed officers and investment consultants to carry out a detailed analysis as to the remaining passive mandate holding where these companies are still held as to whether this strategic allocation is a good fit for the portfolio in light of the regional exposure, income generation and Responsible Investment beliefs that the Pension Fund holds. This will be discussed in detail at the March Pensions Committee. At this stage we cannot speculate what the Committee will agree in relation to this part of the Pension Fund strategic asset allocation. Responsible investment principles will apply to any strategic change or manager change within the fund, but this is much further reaching than a single topic.

In making any investment decision the Fund will seek to follow its published Investment Strategy Statement and its Statement of Responsible Investment (RI) Principles, to balance the duties they have to all scheme stakeholders, weigh up the potential financial impact and take into consideration the views of beneficiaries where any non-financial factor is taken into account. Responsible investment is a substantial factor in driving returns alongside other investment considerations and the fund has outperformed its benchmark in all its reporting periods. The fund is not an "Ethical" or "unethical" investor, it is a responsible steward of capital where we identify and mitigate financial risks and we are guided by the legal principle of fiduciary duty where our primary function is to pay pensions to the fund beneficiaries when they become due. The objectives of the pension fund RI policy are to reduce the likelihood that Environmental, Social and Governance (ESG) issues and Climate Risk will negatively impact asset values and returns and inform stakeholders on the action the Fund is taking to address these risks. The Fund's investment policy cannot be influenced by outside parties or by personal, political or moral beliefs. The Funds Responsible Investment Principles are that the fund is an active asset owner with the aim to influence governance through voting and engagement. This is an integral part of what makes a business sustainable, successful and a suitable investment target. Engagement through voting can effect corporate change and influence businesses to derive a broader social benefit.

One of the engagement groups the Fund is a member, LAPFF (Local Authority Pension Fund Forum), have been liaising with Palestinian and Jewish interest groups in respect of 17 companies operating in the region where member funds, including ESPF, have some investment. The LAPFF Research and Engagement partner has written to, and arranged several engagement meetings with, those companies including requests of human rights impact assessments of these companies. There has been push back from some of the companies on the grounds that the UN list is political and existing legal requirements ensure human rights compliance. LAPFF will continue to engage.

All the fund's active managers screen companies in which they invest on the Fund's behalf and the Fund itself carried out significant due diligence in appointing the manager where it appoints direct. Due to changes in investment regulations in 2016, all LGPS funds are required to invest via investment pools. The Fund is part of the ACCESS LGPS investment pool. Where the Fund is invested through the pool into an asset class or investment manager the fund reviews due diligence approaches taken by the pool to ensure managers have appropriate screening in place and consider ESG factors when investing the funds money.

MINUTES

Touching on the unique item in the second question. ESPF is an LGPS Fund (Local Government Pension Scheme). The ESPF does not administer pensions to Teachers. Teachers Pensions are provided through the Government run Teacher's Pension Scheme which is not associated with either East Sussex County Council (ESCC) or ESPF. ESPF is a Pension Scheme set up through legislation specifically for employees eligible for the LGPS within ESCC; eligible employees of District, Borough, City and Parish Councils within the County; non-teaching staff within Schools and Academies within the County; admitted bodies as approved by the Pensions Committee; or bodies approved by the Secretary of State.

If members of the ESPF would like to discuss investment strategy, or how their pension is administered then we would suggest that they correspond with the Fund where detailed explanations of the regulatory environment in which the Fund is run can be clearly explained. Decisions relating to Pension Fund investments are not the decisions of ESCC's Full Council.

Note: Questions 3 to 7 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 7 below

3. The same or similar questions were asked by:

Eveline Tijjs, Hastings, East Sussex
Anna Newington, St Leonards on Sea, East Sussex
Andrea Needham, Hastings, East Sussex
Adam Rose, Eastbourne, East Sussex
Emily Price, Hastings, East Sussex
Dinah Morgan, Lewes, East Sussex
Polly Charlton, Brighton
Sofie Greatorox, St Leonards on Sea, East Sussex
Virginia Vilela, St Leonards on Sea, East Sussex
Jason Evans, Brighton
Barbara Dye, Seaford, East Sussex
Antony Gordon, Heathfield, East Sussex
Sally Phillips, Hastings, East Sussex
Michael Gilbert, Brighton
Cherry Lavell, Polegate, East Sussex
Tessa George, Lewes, East Sussex
Caroline Donegan, Ticehurst, East Sussex
Michael Bernard, Bexhill-on-Sea, East Sussex
Esme Waldron, Brighton
Sue Fasquelle, Lewes, East Sussex
Lynda Russell, St Leonards on Sea, East Sussex
Teresa Rowe, Bexhill, East Sussex
Mary-Jane Wilkins, Lewes, East Sussex
Oliver Darlington, Lewes, East Sussex
Sarah Rigg, Brighton
Serena Penman, Lewes, East Sussex
Richard Boyle, Eastbourne, East Sussex
Dinah Pryor, Seaford, East Sussex

MINUTES

Fiona Kennedy, St Leonards on Sea, East Sussex
Iain Sheard, Battle, East Sussex
Duncan Armstrong, Lewes, East Sussex
Tim Beecher, Brighton
Lisa Mackenzie, Battle, East Sussex
Sue McDonnell, St Leonards on Sea, East Sussex
Sarah Ward, Hastings, East Sussex
Gary French, St Leonards on Sea, East Sussex
Angie Lynn, Brighton
Ian Bunch, Hastings, East Sussex
Jassy Denison, Newhaven, East Sussex
Susan Murray, Lewes, East Sussex
Nicola Reese, Saltdean
Rosemary Sawtell, Lewes, East Sussex
Jane Wigan, St Leonards on Sea, East Sussex
Andrew Durling, Pevensey, East Sussex
Mike Cope, Bexhill on Sea, East Sussex
Hugh Dunkerley, Brighton
Jiva Masheder, Brighton
Nicky Bishop, Battle, East Sussex
Barbara Echlin, Bexhill, East Sussex
John Hughes, Hove
Steve Penfold, Hove
Andrea Corso, St Leonards on Sea, East Sussex
Carol Mills, Eastbourne, East Sussex
Melissa McClements, Brighton
Katie Gaster, Polegate, East Sussex
Julia Turner, Brighton
Rosie Sauvage, Hove
Frances Witt, Lewes, East Sussex
Sally Attwood, Lewes, East Sussex
Carol Turner, Eastbourne, East Sussex
Su Knight, Eastbourne, East Sussex
Suzy Miller, Forest Row, East Sussex
Ian Green, Forest Row, East Sussex
Manuela McLellan, St Leonards on Sea, East Sussex
Andy Moore, Hastings, East Sussex
Richard Pike, Forest Row, East Sussex
Kathy Bor, St Leonards on Sea, East Sussex
Ella Seabrook-Wafer, Lewes, East Sussex
Fiona MacGregor, St Leonards on Sea, East Sussex
Philippa Beagley, Hastings, East Sussex
Alick Mackenzie, Battle, East Sussex
John Gray, Bexhill-on-Sea, East Sussex
Polly Gray, Bexhill-on-Sea, East Sussex
Adriana Pavel, Battle, East Sussex
Nicky Beele, Eastbourne, East Sussex
Mark Havers, Brighton
Sarah Macbeth, St Leonards on Sea, East Sussex
Andrew Wedmore, Robertsbridge, East Sussex
Luke Burrough, Brighton
Grant Angus, Brighton

MINUTES

Christina Thair, Brighton
Jane Johnson, Eastbourne, East Sussex
Arnold Simanowitz, Lewes, East Sussex
Liz Abbott, Bexhill-on-Sea, East Sussex
Adrian Briggs, Lewes, East Sussex
Adrian Ross, Lewes, East Sussex
Claire Finn, Hove
Nicola Harries, Brighton
Helen Jenney, Lewes, East Sussex
Sarah Hazlehurst, Brighton
Maria Preciado, Brighton
Jennifer Howells, Horam, East Sussex
Anna Jasinski, Hastings, East Sussex
Robert Robertson, Lewes, East Sussex
Christopher Hemsley, Saltdean, East Sussex
Tobias Jackson, Hastings, East Sussex
Annabel Faraday, Fairlight, East Sussex
Adrienne Hunter, St Leonards on Sea, East Sussex
Bev Ward, St Leonards on Sea, East Sussex
Julia Hilton, Hastings, East Sussex
Angie Ingman, St Leonards on Sea, East Sussex
Simon Beal, Hastings, East Sussex
Anne Fletcher, Seaford, East Sussex
Dave Carey-Stuart, St Leonards on Sea, East Sussex
Edward Richardson, Ringmer, East Sussex
Jane Wright, Lewes, East Sussex
Susan Tyler, St Leonards on Sea, East Sussex
Susan Churchill, Hastings, East Sussex
Gill Tremenheere, Hastings, East Sussex
Helen Frederick, Seaford, East Sussex
Tony Harris, Brighton
Ian Barry, Brighton
Anne Massey, Hove
Heather Atchison, Brighton
Gabriel Carlyle, St Leonards on Sea, East Sussex
Gabrielle Lewry, St Leonards on Sea, East Sussex
Nic Carter, Hastings, East Sussex
John Enefer, Hastings, East Sussex
Rebecca McCray, St Leonards on Sea, East Sussex
Alison Cooper, St Leonards on Sea, East Sussex
Alan Chapman, Lewes, East Sussex
John Lynes, St Leonards on Sea, East Sussex
Linda Jeal, Hastings, East Sussex
Ann Kramer, Hastings, East Sussex
Paul Homer, St Leonards on Sea, East Sussex
Anthony Bradnum, St Leonards on Sea, East Sussex
Marie Casey, Hastings, East Sussex
Chris Petts, St Leonards on Sea, East Sussex
Jilly Hall, Hastings, East Sussex
Lucy Paffard, St Leonards on sea, East Sussex
Sharon Moore, Hastings, East Sussex
Luke Manders, Lewes, East Sussex

MINUTES

Holly Rose, Hastings, East Sussex
Anna Weatherston, Hove
Erica Smith, St Leonards on Sea, East Sussex

Does the East Sussex Pension Committee accept that, because burning fossil fuels is the key driver of global warming, the goals of the Paris Climate Agreement (to keep global warming to 'well below 2 °C', pursuing 1.5°C) cannot be achieved without the rapid alignment of the big fossil fuel companies with a 1.5°C pathway?

By a 1.5°C pathway we mean one that: (a) yields a 50% or better chance of keeping global warming below 1.5°C; and (b) does so without assuming the future creation of global scale 'negative emissions technologies' (ie. ones that remove carbon dioxide from the atmosphere) that don't currently exist.

Members of the public have now submitted this question over 200 times (to the October and December Full Council meetings) without receiving an answer.

4. Question from John Hopkinson, Eastbourne, East Sussex

The time for polite terminology is long past. This country's leaders, and ESCC leaders, committed some time ago to a policy of Divestment of Fossil Fuels. It has failed. Please do not rush to exculpate yourselves - the policies have failed. Our banks and pensions consortiums and other organisations continue to invest in fossil fuels without let or hindrance from authorities like you. The people know that governments lie to them. But for the ESCC to declare a "climate emergency" in October 2019 and yet do little or nothing to actively pursue cutting back on the carbon footprint potential of all the tools in its box is not just an apathy, it is a deception.

All of you are human beings - most of you have children and perhaps many grandchildren. Go now and explain to those children what you are doing and ask them if it is enough. I challenge you. For it is their future, not yours. Forget that you are members of a grand organisation that calls itself by some supercilious title, you are parents of children who you are condemning by your inaction to lives of hardship.

We do not know what is ahead. We can only act on the science, and all the science over recent decades has pointed to the increasing damage that will occur as a result of climate change. Damage not just to humans but to all living creatures on our world. And it is accelerating. These things will happen, it is already too late to stop some of the effects. We shall tip beyond that point of 1.5deg over pre-industrial levels that has for some time now been the tipping point for all nations to observe and act to prevent.

ESCC has rejected calls to publicly commit to divesting the East Sussex Pension Fund from fossil fuels - oil, coal and gas industries. I ask what is now the ESCC's commitment to that "climate emergency"? And what is its agenda to achieve that commitment?

5. Question from Juliet Russell, Hastings, East Sussex

As a Sussex resident I am compelled to ask you why you are still investing in fossil fuels and furthermore register my complaint at you doing so

6. Question from Gemma McFarlane, Seaford, East Sussex

ESCC declared a climate emergency in October 2019.
The burning of fossil fuels is the main driver of global warming.

Why is the ESCC Pension Fund still investing in oil and gas when there are better alternatives both in terms of financial returns and climate change mitigation?

President of the European Investment Bank, Dr Werner Hotter said in January
"Europe needs a serious departure from past use of fossil fuels in order to meet climate targets.
To put it mildly, gas is over".

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

As a member of the ESCC Pension Fund I am gratified at some progress in reducing Pension Fund investment in fossil fuels in line with the Council Climate Emergency declaration -but the process is incomplete. I do not want any members money at risk in Pension Fund investment in this declining asset that contradicts the scale of the crisis and the emergency declaration

The Biden government in the USA is now forcefully confirming this latter point.

Response by the Chair of the Pension Committee to questions 3 to 7 above

Firstly, in response to question 3 where 135 individuals sent the same question through. The question asked in December was whether as Chair of the Pension Committee I can give a single example of an oil and gas major that is currently aligned with a 1.5^oc pathway, as we stated in December, the research shows that there are none, despite some bold moves by European companies. According to the Transition Pathway Initiative five oil and gas majors are on track to align with the Paris emissions pledges, three of which are getting closer to a 2^oc climate pathway by 2050 but additional measures are required.

Question 3 is a new question asking if we accept that big fossil fuel companies need rapid alignment to enable the 1.5 °C pathway. The relationship between the burning of fossil fuels and climate change is well established and accepted, as is the reliance of the global economy on these fuels for 80% of its primary energy, and indeed the failure of most Paris signatories to align their nationally determined contributions (NDCs) with its objectives. The Fund can only respond to the physical policies and guidance that emerge from Government because of its Climate commitments, while identifying the associated risks and opportunities to its portfolio. The inevitability of an energy transition and the risks and opportunities associated with that is strongly entrenched in the Fund's Responsible Investment document. The Fund's engagement policy is supportive of this alignment and we are actively trying to influence companies that are not aligned with the Paris agreement to ensure they are on a suitable transition pathway. While the Pension Fund recognises a rapid increase of scale and actions are required to reduce the risks of climate change it is also conscious of the challenge of this and that a just transition is integral to many of the global commitments adopted by countries within the Paris agreement. It is necessary to ensure the transition is shaped by shifts in service, labour markets, changes in technologies and that the transition is equitable within the workforce, regions, communities and industries; a rapid alignment may not be

MINUTES

consistent with this and the transition needs to be managed across the world through policy.

East Sussex Pension Fund (ESPF; the Fund) have a policy of Engagement and not Divestment. The Minister for Pensions gave a very clear steer in a recent speech to the Professional Pensions Investment Conference about how he expected Funds to deal with climate-related risks. The approach that he outlined explicitly discourages blanket divestment as a broad strategy, favouring instead strong company engagement, the adoption by Pension Funds of absolute and intensity based Greenhouse Gas metrics, mandated The Task Force on Climate-related Financial Disclosures (TCFD) reporting, and triennial portfolio climate scenario testing, while encouraging Funds to embrace opportunities associated with decarbonisation and green infrastructure.

<https://www.gov.uk/government/speeches/pension-schemes-and-climate-related-risks>

ESPF is already pursuing all of these avenues. The Fund's exposure to fossil fuels has fallen from 6.6% of AUM since 2015 to 1.9% at the end of December 2020. The Fund has outperformed its benchmarks over the last 5 years and enjoys strong solvency levels.

The decision by East Sussex County Council (ESCC) to declare a climate Emergency is separate to the Pension Fund strategic investment decisions. The ESPF is not owned by ESCC, ESCC it is the Administering Authority for the Fund and one of 128 employers within the Fund. The ESPF has an obligation to provide defined pension benefits as laid down in statute and political or personal views cannot be taken into account in managing these assets. The 2016 Local Government Pension Scheme (LGPS) investment regulations require the Pension Fund to invest in a wide variety of investments and invest via an LGPS investment pool. Under the new regulation's, manager selection sits with the investment pool rather than with the individual Pension Fund. The Fund does not directly invest in any specific company; instead it invests through a combination of holdings in passive index funds and active fund managers. The Fund's principal fiduciary responsibility is to provide pensions to the fund beneficiaries. To this end, it must have attention to adequate diversification of risk, limiting of fund volatility and provision of sufficient income from its holdings through dividends to pay the pensions. As a responsible investor it must reconcile the unfolding energy transition with its need for income to pay those pensions and it has an overriding interest in maximising the investable set of companies in its portfolio. Climate Risks are therefore managed at a whole portfolio level via Manager diversification and via engagement by the Institutional Investors Group on Climate Change (IIGCC).

The Fund's recent investment decisions clearly illustrate its attention to managing the risks and opportunities associated with climate change and the energy transition and it has taken substantial measures this year:

ESPF was one of the first LGPS Funds to undertake regular carbon foot-printing of its assets. It has recently taken ground-breaking action by placing half of its index fund exposure into an Index Fund which specifically seeks to invest in a manner consistent with achieving the long term goals of the Paris Agreement, tilting to green revenues, removing the traditional fossil fuel energy sector and its supply chains, replacing them with one focused on Climate Solutions. Additionally, ESPF has invested a quarter of its equity exposure in Impact Funds which profit from solving Climate and Sustainability related challenges.

MINUTES

ESPF is a United Nations' Principles of Responsible Investment (PRI) signatory, a member of the Climate lobbying organisation(s) IIGCC/CA100+ and has undertaken to report in line with the strengthened 2020 UK Stewardship code and promote reporting aligned with the TCFD. It encourages all its Active Managers to align their engagement with the objectives of the IIGCC.

WRITTEN QUESTIONS PURSUANT TO STANDING ORDER 44

1. Question by Councillor Osborne to the Leader and Lead Member for Strategic Management and Economic Development

It would appear that in some councils the rule about councillors having to face re-election after an absence of six months is not subject to any of the provisions about maternity leave. Some councils use their discretion to agree that a woman can be missing for more than six months in particular circumstances, but there is no rule.

Can the Lead Member confirm that East Sussex County Councillors taking maternity or paternity leave will not be subject to re-election either after a six-month absence or after an agreed period of statutory leave?

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

Whether a Member is granted a dispensation in relation to a period of absence is a matter for Full Council to consider and not just me as Leader. While I can't respond for other members of the Council I would be supportive of such a request. I would also expect that they and the residents that they represent are properly supported during this period.

2. Question by Councillor Lambert to the Lead Member for Transport and Environment

East Sussex County Council declared a climate emergency in October 2019 and set a target of achieving carbon neutrality from its activities as soon as possible.

Part of the climate emergency comes from car emissions, and in particular, from cars left standing with their engines running. One in ten urban roads breached legal levels for the toxic gas NO₂ and nearly 800 stretches of monitored road fell short of the minimum standard. (*The Times*, 19 December 2020). The tragic death of Ella Kissi-Debrah from an asthma attack with the coroner's finding that the failure of the local authority to reduce pollution levels to legal limits was a contributory factor in her death, highlights the urgency of reducing emissions.

We therefore need to take urgent action to avoid this as much as possible. Under Section 42 of the Road Traffic Act of 1988, a fixed penalty fine can be issued by local authorities for allowing an engine to run while stationary.

Will the County Council write to all schools, including nursery schools and colleges in the county asking them to advise parents to switch off their car engines when collecting children from school? Will the County Council further work with partner authorities to put up notices reminding people to switch off their car engines when parked and to apply for the right to issue fixed penalties under the Road Traffic (Vehicle Emissions Fixed Penalty Regulations 2002/1808)?

Answer by the Leader and Lead Member for Transport and Environment

The Sussex Air quality partnership, which is hosted by ESCC, carried out a Defra-funded project in 2018-19 which included:

- 1) anti-idling interventions at 25 schools in Sussex, which was delivered by the charity Living Streets.

MINUTES

- 2) An assessment of the air quality impact of idling outside 4 of these schools, which was carried out by nationally-recognised air quality experts from the Environmental Research Group at Imperial College.

Living Streets concluded that: 'the most surprising outcome was that our data and observation showed that most parents and carers were not idling outside schools'.

The Environmental Research Group, for their part, were unable to find conclusive results from the air quality assessment.

In other words, whilst there are no doubt instances at some schools where idling of vehicles by parents or carers at school drop-off and pick-up times is contributing to poor local air quality, it doesn't appear to be as widespread as is commonly believed to be the case.

Nevertheless, Sussex Air partners, including the County Council and its district and borough partners, have put up a number of anti-idling signs, including outside some schools and by some level crossings. What is unclear at this stage is what difference these signs make to idling behaviour.

In view of the available evidence, the County Council doesn't believe that it's appropriate or effective to write to all schools in the county asking them to advise parents to switch off their car engines when collecting children from school. What the County Council will continue to do is work with schools to support them to increase the number of pupils who walk or cycle to and from school. For example, through the use of Defra funding we have secured, we have delivered projects with schools specifically aimed at improving air quality. These have included organising the temporary closure of streets outside schools during drop-off and pick-up times to encourage walking and cycling and we are working with Sustrans to explore extending this to other schools. We are also working with Sustrans to deliver educational sessions on air pollution and assisting pupils and parents or carers to plan walking and cycling routes to and from school. We feel that this is a more practical and effective way to support behavioural change that will lead to a real improvement in local air quality.

This will also be supported through the delivery of the East Sussex Local Cycling & Walking Infrastructure Plan. By working with key local partners ESCC will look to increase the cycling and walking network across the county alongside delivering travel behaviour change programmes, with schools being a key target audience.

3. Question by Councillor Lambert to the Leader and Lead Member for Strategic Management and Economic Development

The rollout of the Covid vaccination has raised significant concerns about communication and accessibility of the Clinical Commissioning Group. Despite briefings arranged for councillors, no links were provided so that councillors could keep residents updated with regular, accurate information about the rollout of the vaccinations. The email link that was provided, did not work. The website does not explain who the members are or give details of names and contact addresses, including for the Director of Communications and Chief Executive. This lack of accessibility meant that the many councillors receiving numerous emails from anxious residents were unable to provide re-assurance or a clear timetable on the rollout of the programme. Residents were also

MINUTES

confused by the lack of local vaccination centres and why GPs in some areas were administering the vaccine but not in others.

Will the Leader of the Council write to the Chief Executive of the Clinical Commissioning Group asking for clearer information to be provided on the website and for more clarity on the work of the CCG?

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

The Director of Adult Social Care has been in contact with the Clinical Commissioning Group (CCG) in East Sussex who are very sorry to hear the concerns that have been raised about the communication in relation to the Sussex COVID-19 Vaccination Programme and have provided the following information about how the programme is now working:

There are now a range of ways for those in the eligible groups, as set nationally, to be offered and receive the vaccination:

1. GP led vaccination services are in place across our communities, established in primary care network areas, providing the vaccination to registered patients at the specific GP practices;
2. Three larger vaccination centres have now opened in Sussex (Eastbourne, Brighton and Crawley);
3. Three pharmacy led services (Midhurst in West Sussex, and Ore and Ticehurst in East Sussex) to provide additional choice for people in where they receive their vaccination.

People in the priority groups can book appointments at the above services via the national booking system after receiving an invitation letter.

4. A roving service is in place to visit care homes and those who are housebound and who cannot attend a vaccination site.

To support this programme, a range of communications approaches are being utilised to ensure the public, partners, stakeholders and the media can be kept updated on the detail of how services are working, the latest programme news and developments. This includes:

- A Daily Update (weekdays). The highlights of these updates, together with links to the full briefing, are included in the County Council's normal twice weekly Member updates.
- A twice weekly stakeholder communication that provides the latest data on uptake and percentages of the population who have received the vaccination.
- Virtual face to face briefings, drop in sessions for the voluntary and community sector.
- Attendance at community, public and patient meetings.

Further to this, a public campaign has been launched for Sussex – “When will I get my jab” – to further support effective communication around the programme and engagement with our communities.

MINUTES

The Sussex COVID-19 vaccination programme is system wide and involves health and social care partners in planning and delivery. As such, an area of the Sussex Health and Care Partnership (SHCP) website has been developed to hold all of the latest information, including the communications products such as the Daily Updates, about the programme. The main section is available here: www.sussexhealthandcare.uk/get-my-jab and the latest briefings can be found here: <https://www.sussexhealthandcare.uk/keepsussexsafe/sussex-covid-19-vaccination-programme/stakeholder-briefings/>

This website is for the Partnership and provides information on what the SHCP is and who is involved (<https://www.sussexhealthandcare.uk/about-us/>), but it does not hold information about the leadership of any of its individual partners. Information on the Chief Executive of East Sussex CCG and leadership team is available on the CCG's website at the following link: <https://www.eastsussexccg.nhs.uk/about-us/our-governing-body/members/>

Locally, the NHS recognises the high interest in the vaccination programme and a dedicated email address has been established to support residents to ask their questions and receive timely and accurate information - sxccg.vaccineenquiries@nhs.net. We would encourage all residents and Councillors to use this and the team will be able to respond to you as quickly as possible.

In light of the above response from the CCG, the Leader and Lead Member for Strategic Management and Economic Development does not consider it necessary to engage further with the CCG on this matter.

4. Question by Councillor Stephen Shing to the Leader and Lead Member for Strategic Management and Economic Development

Due to COVID-19 and the uncertainty on when lockdown and restrictions will ease, it is unknown whether the coming County Council elections in May 2021 could go ahead. As a member of the IT references group, I am aware that the council is going to provide a new laptop to new council members, I wondered whether the council would consider delaying the order for those laptops and any other equipment until we know the election date?

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

As you will be aware, Government has now confirmed that the elections will go ahead on the 6 May. Officers are therefore continuing to make preparations based on this date and this includes the planned renewal of Member computer equipment.

To ensure that new devices are available in May to replace the current 2in1 machines, which have reached the end of their lifespan, it is recommended that a period of eight weeks be allowed from ordering the new devices to deploying them. This allows time for manufacturing, shipping and for IT & Digital to prepare the devices for Members. Consequently, an order will be placed by early March. An update will be provided to the Member Reference Group on 22 February.