



Meeting: Hampshire Pension Fund Panel and Board

Date And Time Thursday, 28th July, 2022 at 10.00 am

Enquiries to members.services@hants.gov.uk

Carolyn Williamson FCPFA
Chief Executive
The Castle, Winchester SO23 8UJ

Additional Item(s):

Please find below, for consideration at the next meeting of the Hampshire Pension Fund Panel and Board, details and reports of additional agenda item(s) that were unavailable when the agenda was printed.

Agenda No Item

6a GOVERNANCE: RESPONSIBLE INVESTMENT SUB-COMMITTEE APPOINTMENTS (PAGES 3 - 6)

To consider a report from the Director of Corporate Operations asking the Panel and Board to agree appointments of members and deputies to the Responsible Investment sub-committee.

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HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Pension Fund Panel and Board
Date:	28 July 2022
Title:	Governance: Responsible Investment Sub-Committee Appointments
Report From:	<i>Director of Corporate Operations</i>

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Purpose of this Report

1. To ask the Panel and Board to agree appointments of members and deputies to the Responsible Investment sub-committee.

Recommendation

2. That the committee appoints members and deputies to the Responsible Investment sub-committee, noting that for the four politically proportionate Hampshire County Council members this should currently be on the basis of three Conservatives and one Liberal Democrat.

Responsible Investment sub-committee

3. The terms of reference for a Responsible Investment (RI) sub-committee specify that the sub-committee's membership will be reviewed annually by the Panel and Board 'following the principle that appointments will rotate annually where practical and taking proportionality requirements into account'. In agreeing that deputies are appointed to the RI sub-committee the Panel and Board hoped that they would be drawn where possible from previous members of the RI sub-committee. Furthermore the terms of reference specify that the committee is to be made up as follows:
 - four County Council members,
 - one scheme member representatives,
 - one employer representative.

4. In its third year of operation the membership of the sub-committee has been as follows:

Members

- Cllr Kemp-Gee
- Cllr Thacker
- Cllr Mellor
- Cllr Dowden
- Ms Gowland
- Dr Bartle

Deputies

- Cllr Glen
- Cllr Hiscock
- Cllr Taylor
- Mr Wood

5. For 2022/23 the County Council's proportionality requires that the County Councillors appointed should be three Conservative members and one Liberal Democrat member.

Climate Change impact assessments

6. Hampshire County Council utilises two decision-making tools to assess the carbon emissions and resilience of its projects and decisions. These tools provide a clear, robust, and transparent way of assessing how projects, policies and initiatives contribute towards the County Council's climate change targets of being carbon neutral and resilient to the impacts of a 2°C temperature rise by 2050. This process ensures that climate change considerations are built into everything the Authority does.
7. The Pension Fund itself has a negligible carbon footprint, but it recognises that the companies and other organisations that it invests in will have their own carbon footprint and a significant role to play in the transition to a lower carbon economy. Therefore the Pension Fund recognises the risk that environmental, social and governance (ESG) factors including the impact of climate change can materially reduce long-term returns.
8. The Pension Fund has a role to play as an investor, in ensuring that its investment managers are suitably considering the impact and contribution to climate change in their investment decisions and acting as a good steward to encourage these companies to play their part in reducing climate change. This is explained further in the Pension Fund's RI policy [InvestmentStrategyStatementincludingRIpolicy.pdf \(hants.gov.uk\)](#). The policy established the RI sub-committee, which is considered in this report. The sub-committee gives the Panel and Board greater capacity to consider the ESG factors associated with the Fund's investments, including climate change.

REQUIRED CORPORATE AND LEGAL INFORMATION:**Links to the Strategic Plan**

Hampshire maintains strong and sustainable economic growth and prosperity:	no
People in Hampshire live safe, healthy and independent lives:	no
People in Hampshire enjoy a rich and diverse environment:	no
People in Hampshire enjoy being part of strong, inclusive communities:	no
OR	
This proposal does not link to the Strategic Plan but, nevertheless, requires a decision because: For the ongoing management of the Hampshire Pension Fund.	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

DocumentLocation

None

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- The need to remove or minimise disadvantages suffered by persons sharing a relevant protected characteristic that are connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic that are different from the needs of persons who do not share it;
- Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

2. Equalities Impact Assessment:

Equality objectives are not considered to be adversely affected by the proposals in this report as the proposals do not directly affect scheme members.