

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Pension Fund Responsible Investment Sub-Committee
Date:	20 October 2020
Title:	Scheme Member Communication
Report From:	<i>Deputy Chief Executive and Director of Corporate Resources</i>

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Purpose of this Report

1. The purpose of this report is to update the sub-committee on communication to and from scheme members since their last meeting.

Recommendation

2. That the communication to and from scheme members on RI issues is noted.

Executive Summary

3. The sub-committee's terms of reference include the action to engage directly and indirectly with scheme members and employers to hear representations concerning Environmental, Social or Governance issues as appropriate. Since the sub-committee's last meeting the Pension Fund has published its first annual report on RI requesting comments from scheme members, has received one deputation to the Pension Fund Panel and Board and received a number of ad-hoc pieces of correspondence.
4. Although the Pension Fund continues to receive correspondence expressing strong views, particularly on investments that relate to climate change, the correspondence to date has been received from a very small minority of the nearly 179,000 scheme members.

RI Annual Report Responses

5. The Pension Fund's first RI annual report was printed and sent to all the Fund's 43,000 pensioners with their annual pension payslip in April 2020. It was also included in the Fund's full Annual Report, which is published on the

Pension Fund’s website. The RI annual report invited scheme members to share their thoughts on RI. The Pension Fund received seven responses from pensioners to the RI annual report expressing a range of views as shown in the table below.

Table 1 – RI annual report responses

Policy goes too far – should focus primarily on financial returns	Support the current policy	Policy doesn’t go far enough on investing in arms and low-carbon	Other – style of the report
2	3	1	1

Scheme employers

6. In July 2020 the Pension Fund received views from a small number of employers in the Fund on the subject of investing in companies involved with fossil fuels. Of these, two of the employers wanted the Pension Fund Panel and Board to change its current policy and disinvest from companies involved with fossil fuels, and one did not.

Deputations

7. In the last 6 months two deputations have been received on RI, specifically on investments that relate to climate change. The Chief Executive received a written deputation in response to an Officer Decision that was taken in March 2020 when the Pension Fund Panel and Board was unable to meet as a result of the Coronavirus pandemic. A deputation was also made to the Pension Fund Panel and Board meeting on 24 July 2020. Both deputations were on behalf of a group of scheme members of the Fund that were in favour of changing the Pension Fund’s RI policy; to disinvest from companies with involvement with fossil fuels to mitigate the effects of climate change, and to undertake further work to seek the views of Pension Fund scheme members on this issue. Since the deputation five members of the group wrote to confirm their support for the views expressed. The Chief Executive and Chairman of the Pension Fund Panel and Board both responded to the individual deputations received to outline the Pension Fund’s current position.

Other correspondence

8. The Pension Fund received 5 responses from an online form completed by scheme members asking the Pension Fund to support making climate change its top priority for RI, find out whether a significant majority of scheme members would support excluding investment in fossil fuels, and invest in renewable energy.

9. There have also been two other pieces of correspondence from scheme members again in relation to climate change, supporting the Pension Fund making further reductions in the carbon footprint of its investments and divesting from businesses that burn fossil fuels. In addition an email was received by the Pension Fund that called for the Fund not to invest in companies who had business with the Israeli government.

REQUIRED CORPORATE OR 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 of 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 ASSESSMENTS:

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.