

## HAMPSHIRE COUNTY COUNCIL

### Decision Report

<b>Decision Maker:</b>	Pension Fund Responsible Investment Sub-Committee
<b>Date:</b>	5 March 2021
<b>Title:</b>	Scheme Member Communication
<b>Report From:</b>	<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 its last meeting in October 2020.

#### **Recommendations**

2. That the sub-committee approves the Annual Update on RI activities to be published to scheme members.
3. That the communication to and from scheme members on RI issues is noted.

#### **Executive Summary**

4. The sub-committee's terms of reference include the actions:
  - 'to engage directly and indirectly with scheme members and employers to hear representations concerning Environmental, Social or Governance issues as appropriate',
  - 'to report annually on the Pension Fund's Responsible Investment to demonstrate progress to the Pension Fund's stakeholders'.
5. Since the sub-committee's last meeting in October 2020 the Pension Fund has received two deputations to the Pension Fund Panel and Board and received a number of ad-hoc pieces of correspondence.

6. 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.
7. In reviewing the suitability of its budget and resources at its meeting in December 2020, the Pension Fund Panel and Board agreed to a budget of £20,000 per annum to enhance communication with stakeholders.

### **RI Annual Update**

8. The Pension Fund's first RI Annual Update was published in 2020. The update was printed and included with pensioners' payslips (sent to all 43,700 pensioners in April 2020), published on the Pension Fund's website, and included in the Pension Fund's Annual Report in July 2020.
9. The update report for 2021 has been written taking into account feedback received on the report last year and subsequent discussions at the Pension Fund Panel and Board, with a focus on making the report more accessible to non-specialist readers. A small amount of the budget agreed by the Panel and Board to enhance communications has been used to commission the County Council's Communications and Marketing teams to assist in this process. The draft is included as Annex 1 to this report for the sub-committee's approval.

### **Deputations**

10. In the last 6 months two deputations have been received on RI, both on the subject of investments that relate to climate change. In November 2020 and February 2021 different representatives of the Dirty Money Campaign spoke to the Panel and Board. These deputations called on the Pension Fund to take a number of actions, including taking action to manage the Fund's investments in line with the Paris Agreement and a maximum 1.5 degree climate increase scenario and asking all members of the ACCESS pool to become members of the Net Zero Asset Owners Alliance.

### **Other correspondence**

11. There have also been four other pieces of correspondence from scheme members. These have been in relation to the risk of climate change and encouraging the Pension Fund to commit to the Task Force on Climate Change Financial Disclosure (TCFD). TCFD is included elsewhere on this agenda. This correspondence has included follow-up questions from a representative of the Hampshire Pension Fund Action Group, who has previously made a deputation to the Pension Fund Panel and Board.

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

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

**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.