

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Pension Fund Panel & Board
Date:	28 July 2022
Title:	Governance: Deputations to the Panel and Board
Report From:	Director of Corporate Operations

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Purpose of this Report

1. This report outlines a proposed amendment to the rules regarding deputations made to the Pension Fund Panel and Board and its sub committees. It asks the Panel and Board to support and recommend proposed changes to the County Council's Constitution to Cabinet for its recommendation to the County Council for approval.

Recommendations

2. That the Pension Fund Panel and Board recommends the proposed changes to the County Council's Standing Orders set out at Appendix 1 to Cabinet for its endorsement and recommendation to the County Council for approval.
3. That the Pension Fund Panel and Board recommends the proposed changes to the Pension Fund Panel and Board's Terms of Reference, as set out at Appendix 2, to Cabinet for its endorsement and recommendation to the County Council for approval.

Background

4. The Pension Fund Panel and Board is governed by its Terms of Reference which are set out at Part 1 Chapter 8 of the Constitution. Meetings of the Panel and Board are also governed by the County Council's Standing Orders, which are set out in Part 3 Chapter 1 of the Constitution.
5. In respect of deputations, the rules are set out in Standing Order 12. Amongst other things, these state that deputations shall consist of not more than four people who are local government electors for the administrative area of Hampshire County Council (see Standing Order 12.2.2).

6. This precludes deputations being received at Panel and Board meetings from scheme members (active, deferred and retired) of the Hampshire LGPS who live outside of the Hampshire County Council area (including in Portsmouth or Southampton). It therefore excludes deferred or retired members who may have moved away from Hampshire, as well as active members who work for employers in the Hampshire scheme, but who may not live in the Hampshire County Council area.
7. To ensure fairness and reasonable opportunities for engagement, it is considered that members of the Hampshire Local Government Pension Scheme who live outside of Hampshire should be allowed to make deputations to the Panel and Board, or its sub committees. In order to enable this, the County Council's Standing Orders and the Panel and Board's Terms of Reference need to be amended.
8. Proposed amendments to the County Council's Standing Orders are set out in Appendix 1. Proposed amendments to the Pension Fund Panel and Board's Terms of Reference are set out in Appendix 2.
9. As the proposed changes are amendments to the County Council's Constitution, they need to go to full Council, on the recommendation of Cabinet.

Climate Change Impact Assessments

10. 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.
11. 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. This is captured in the Pension Fund's governance framework. Therefore the Pension Fund recognises in its Risk Register, which forms part of the Business Plan, that the risk that environmental, social and governance (ESG) factors including the impact of climate change can materially reduce long-term returns.

12. 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 Responsible Investment (RI) policy [InvestmentStrategyStatementincludingRIpolicy.pdf \(hants.gov.uk\)](#) which is part of part of the Investment Strategy Statement.

CORPORATE OR LEGAL INFORMATION:

Links to the Strategic Plan

This proposal does not link to the Strategic Plan but, nevertheless, requires a decision because the Pension Fund Panel and Board are required to keep their governance arrangements under review.

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.)

Document

Location

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 the Scheme. The proposals do allow for greater participation and inclusion of all Scheme Members by enabling deputations to be received where they currently cannot be received.