

HAMPSHIRE COUNTY COUNCIL

Officer Decision Record

(Non-Executive Decision)

Decision Maker	Chief Executive
Title	Pension Fund Responsible Investment (RI) Policy Review
Date	27 March 2020

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1. The decisions

- 1.1. That the updates to the RI policy contained in Annex 1 of this report, based on the feedback from MJ Hudson Spring are approved.
- 1.2. That the suggested RI roadmap for Hampshire from MJ Hudson Spring is noted and the proposal for the baseline RI assessment of the Fund's investment managers is approved.

2. Reasons for the decisions

- 2.1. To enable the Pension Fund to progress in the implementation of its RI policy following expert advice from the consultants MJ Hudson Spring.

3. Other options considered and rejected

- 3.1. The Pension Fund could not follow the advice of the specialist RI consultants it has employed in updating its policy and further monitoring its investment managers but this would risk falling behind the RI standards that are becoming expected of LGPS funds.

4. Conflicts of interest:

To record conflicts of interest declared by any Member who is consulted in the process of taking this decision:

- 4.1. None.

5. Delegated Authority

- 5.1. This decision has been taken on the basis of a general delegation as set out in Part 3, Chapter 4 of the County Council Constitution.

6. Dispensation granted by the Head of Paid Service

N/A

7. Supporting information

Review of the RI policy

- 7.1. The Pension Fund's revised RI policy was originally agreed in July 2019. The specialist RI consultants, MJ Hudson Spring, were commissioned to review the policy and recommend to the Pension Fund where improvements could be made. MJ Hudson Spring provided feedback to the Pension Fund Panel and Board at a training session on 28 January 2020.
- 7.2. Following the changes recommended by MJ Hudson Spring the Fund's RI policy has been amended and is contained in Annex 1 to this report with tracked changes. There are a small number of other changes and it has been restructured in line with MJ Hudson Spring's framework for RI:
- a) Rationale and definition
 - b) Investment strategy
 - c) Framework and approach
 - d) Exercising of rights attached to investments
 - e) Monitoring and reporting

RI Roadmap

- 7.3. MJ Hudson Spring's feedback included a suggested RI roadmap for the Pension Fund, shown in Appendix 1. The roadmap includes suggestions for further improving and developing the Pension Fund's approach to RI, starting with greater transparency of the Fund's investment managers' RI capabilities and the ESG risks in the Fund's holdings, which can be incorporated into future RI reporting. It is recommended that MJ Hudson Spring are commissioned to conduct a baseline RI assessment of the Fund's investment managers and a small sample of the Fund's alternative investments for an approximate cost of £20,000.

Approved by:

John Coughlan, Chief Executive

Date: 27 March 2020

Appendix 1

Hampshire's suggested RI roadmap

FOR DISCUSSION

