

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Pension Fund Panel and Board
Date:	25 March 2022
Title:	Governance: ACCESS business plan
Report From:	<i>Director of Corporate Operations</i>

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Purpose of this Report

1. To present the 2022/23 ACCESS business plan for approval by the Panel and Board.

Recommendations

2. That the Panel and Board approves the ACCESS business plan for 2022/23 and the share of costs that the Hampshire Pension Fund will pay.

Executive Summary

3. The Pension Fund Panel and Board has received a number of reports on the progress of forming the ACCESS pool and in addition receives the minutes of the ACCESS Joint Committee meetings.
4. Hampshire is a member of the ACCESS pool alongside the following ten other LGPS funds:

Cambridgeshire	Kent
East Sussex	Norfolk
Essex	Northamptonshire
Hertfordshire	Suffolk
Isle of Wight	West Sussex
5. According to the terms of the ACCESS Inter-Authority Agreement (IAA) the ACCESS Joint Committee is required to agree a business plan for the forthcoming year which it recommends to the individual ACCESS authorities for their agreement.

6. The 2022/23 business plan was agreed by the ACCESS Joint Committee for recommendation to the member authorities at its meeting on 6 December 2021 and is contained in Annex 1. The business plan sets out ACCESS's workplan of activities for the current year and the estimated budget to complete the work which is a total of £1.37m, of which Hampshire's one eleventh share would be £124,000.

2021/22 activities

7. ACCESS has continued its work to transfer assets to the pooled Authorised Contractual Scheme (ACS) managed by Link, and has provided the necessary governance and other support for pooled investments. The key activities completed in 2021/22 were:
 - Increasing the size of the ACS to £23bn (including sub-funds for all of Hampshire's active equity investments).
 - Ongoing monitoring of the contract with Link Fund Solutions as the Operator of ACCESS's ACS.
 - Appointing an implementation advisor (MJ Hudson) to take forward the pooling of illiquid investments.
 - Reviewing a draft Responsible Investment policy, produced with the assistance of ACCESS's appointed advisor, Minerva.
 - Working with the pool's appointed consultant (MHP Engine) to review the approach to communications.
8. Actual costs in 2021/22 are estimated at £1.06m (£97,000 per authority), £0.18m lower than the approved budget.

2022/23 business plan

9. The main activities for ACCESS in 2022/23 will be:
 - Actively managed listed assets: further pooling of active listed assets within the ACS.
 - Alternative / illiquid assets: the first full year's activity on the implementation of pooled alternative assets.
 - Passive assets: ongoing monitoring and engagement with UBS.
 - Governance: the continued application of appropriate forms of governance throughout ACCESS.
 - ACCESS Support Unit (ASU): an external review of the ASU.

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. 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. 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. For investments made through the ACCESS pool, these activities will take place as part of the pool and be governed by ACCESS's Responsible Investment policy, which is part of ACCESS's business plan to develop further.

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.