

Public Document Pack

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26 March 2022

Dear Member,

County Council - Friday, 1 April 2022

Please find enclosed the briefing notes for the motions to be debated at the meeting of the County Council to be held on Friday, 1 April 2022.

| Agenda No | Item |
|------------------|-------------|
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|-------------------------------------|---------------|
| 12(a) Motion on Growth Deals | (Pages 3 - 4) |
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Briefing note on factual background information attached.

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| 12(b) Motion on Pension Divestments | (Pages 5 - 6) |
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Briefing note on factual background information attached.

Yours sincerely

Tony Kershaw
Director of Law and Assurance

To all members of the County Council

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County Council – 1 April 2022

Item 12(a) – Notice of Motion by Cllr Boram

Growth Deals – Briefing Note

West Sussex County Council has signed tailor-made Growth Deals with each district and borough council area, with the first deal signed in December 2016 in Crawley and the last deal agreed in Horsham in October 2018.

Growth Deals deliver against each of the four priorities in Our Council Plan and support our work to tackle climate change.

The deals each aim to support a sustainable and prosperous economy and help people and communities to fulfil their potential by developing the principles of closer working relationships to support our local places to continue to grow, develop, and meet the challenges of a changing economic landscape. The deals seek to make the best use of resources by aligning of respective capital funding to unlock private sector investment and leverage government or third-party regeneration funds to invest in stimulating growth by the creation of new jobs, employment space and the delivery of sustainable homes, to date the Growth Programme has attracted £141m of external funding, including levelling up and LEP funding. Each deal contains specific measures and investments to support growth and also to retain current markets.

In each area the Growth Deals identify how the County Council will work with district and borough councils to deliver growth priorities. The Growth Deals include a range of projects and initiatives that have and will transform places in West Sussex including:

- Major Town Centre redevelopment and regeneration proposals that support areas to be more sustainable and connected by increasing walking and cycling opportunities and updating public spaces.
- Working with developers and funders to facilitate strategic housing development sites within respective Local Plans.
- Site acquisition and redevelopment to secure essential commercial space.
- Securing key infrastructure (transport, health, digital, education etc.) to support the delivery of strategic development including substantial investment in public transport.
- Maximising growth outcomes from land in public ownership and supporting the aspirations of the Government's One Public Estate programme.
- Focusing resources effectively and efficiently to attract investment.
- Supporting the retention and creation of high value jobs.

The impact of the COVID-19 pandemic has been significant, with some places, sectors, businesses and workers particularly hard hit. The County Council adopted an [Economy Plan](#) in November 2020 in response to these challenges. The headline actions have been refreshed for 2022/23 to set out where the

Council is best placed to support recovery and the future prosperity of the West Sussex economy.

There are nine priority themes within the Plan:

Themes 1-3 reflect the economic landscape for Crawley and the wider Gatwick Diamond, and for the coastal and rural economies.

Themes 4-5 focus on supporting business start-ups, existing businesses, and employment and skills.

Themes 6-7 focus on two key sectors we will prioritise - the visitor economy, with its links to hospitality, and the health and social care market.

Themes 8-9 focus on the opportunities around digital infrastructure and the application of digital technology to boost business productivity and enhance digital skills, as well as the importance of embedding climate change and the environment in our approach.

As part of the development of our Economy Plan, the County Council assessed the growth programmes with district and borough council partners. It was concluded that the programmes in each location are mature and have each been rationalised and prioritised as the deals have progressed from when they were first signed. The current projects continue to be priorities for the area and these discussions led to all district and borough deals being maintained.

The responses also highlighted several deals are coming towards the end of the planned activity with several key projects completing by the end of 2024. Discussions have begun in Adur, Arun, Crawley and Worthing to refresh the deals and consider the future priorities and further conversations are planned with other partners as delivery of the current programmes conclude.

These refresh conversations will consider the impact of the pandemic including the future of employment space as new ways of working trends become clearer and learning from the previous deals will help shape our approach. The conversations will also be underpinned by the outcome of the governments levelling up agenda and future funding arrangements and will have an increased focus on climate change and the future of the public sector office to consider the best use for our assets.

The key outputs of the programmes will continue to be to sustain and increase jobs, free up land for development, create new homes and employment space, deliver improved sustainable transport, and improve town centre public realm.

Lee Harris

Director of Place Services

County Council – 1 April 2022

Item 12(b) – Notice of Motion by Cllr Baxter

Pension Divestments – Briefing Note

The West Sussex Local Government Pension Fund is one of 87 separate funds which are administered under the Local Government Pension Scheme ('LGPS') in England and Wales. West Sussex County Council has a formal statutory role to administer the Fund on behalf of 87,000 members and over 200 contributing employers and does so through its Pensions Committee. The primary duty of the Committee in relation to the Fund is to be able to pay, from the Fund, the pensions of those employees of the Council and all the other employers who participate in the Fund. To do so, the Council invests the contributions paid by those employers and the members of the Fund.

The ring-fenced assets of the Fund do not belong to either the members of, nor to the participating employers in, the Fund. Instead, the Committee acts in the capacity of a 'fiduciary' in investing the Fund assets for the beneficiaries. This means that it has a legal duty of care to exercise its powers, including its investment powers, in the best interests of the members of the Fund.

The Committee also has obligations to invest in line with the LGPS Investment Regulations which, amongst other things, require that an Investment Strategy Statement ('ISS') is published. The Pension Committee's Investment Strategy Statement sets out financial and non-financial considerations, how it integrates environmental, social and governance (ESG) issues throughout its investment decision-making process and how risk and financial returns are balanced. The Statement is consulted on with employers.

The implementation of the Investment Strategy and day-to-day investment decisions are delegated to several specialist investment managers. The Pensions Committee requires that these portfolio managers to perform their stewardship role actively to support investment to identify and generate long-term sustainable growth. In turn portfolio managers invest considerable resources to support their research-driven investment decision-making, long-term stewardship, and engagement with companies on matters including climate change.

The following are highlighted as examples of the Committee's discharge of its commitment to sustainable investment in line with its Strategy Statement:

- The Pension Committee's request that its investment in the LF ACCESS Global Alpha Paris-Aligned Equity Fund includes additional guidelines to screen out carbon intensive companies that do not or will not play a major role in our energy transition has been approved. It is anticipated that this will be effective from May 2022.
- The LF ACCESS Global Equity Fund – Macquarie, which the Council is invested in, excludes companies that directly, or through the entities they control, derive more than 5% of revenue from extracting or refining fossil fuels, or that control or generate power (more than 5%) from fossil fuels.

- The Fund has also recently invested in a core infrastructure fund advised by JP Morgan which has significant exposure to renewable energy globally.

Katharine Eberhart

Director of Finance and Support Services