

Governance Committee

18 January 2021

Notice of Motion on Pension Investments

Report by Director of Law and Assurance

Summary

Cllr Michael Jones submitted a notice of motion to the Council on 6 November 2020, calling on the Council to invite the Pensions Committee to divest its investments of fossil fuel companies as soon as practicable. The motion was initially referred to the Pensions Committee for consideration but, following a review, this motion is now to be considered by the Governance Committee as the responsible Committee for pensions matters as an employer in the scheme. The Council may only make a request of the Pensions Committee in its capacity as an employer as it cannot direct the discharge of the Committee's responsibilities to the Pensions Fund.

Recommendation

The Committee is asked to agree a response to the motion to be submitted to the Council for consideration as part of the Council's debate of the motion.

Proposal

1 Background and context

1.1 Cllr Michael Jones submitted a notice of motion to the Council on 6 November 2020, calling on the Pensions Committee to divest investments of fossil fuel companies as soon as practicable. The wording of the motion is:

'In line with the principles previously supported by this Council in taking strong local action to address the climate emergency and recognising the strength of public opinion, as evidenced by the large demonstration at the full County Council meeting in February 2020, this Council calls on the West Sussex Pensions Committee to take all necessary steps to divest all of its investments from fossil fuel companies as soon as practicable.'

1.2 The Council briefing note by the Director of Finance and Support Services containing factual background information on pensions investments which was submitted to the Council meeting is attached at Appendix 1.

1.3 The motion it is being considered by the Governance Committee as the responsible committee for pensions matters as an employer within the West Sussex Pension Fund, rather than by the Pensions Committee which has delegated authority from the Council as the scheme administering authority and

in that capacity its members discharge a trustee role in relation to the Pension Fund and its beneficiaries. The Council may determine whether to make the request of the Pensions Committee but it should not be for the Pensions Committee to advise the Council on the motion ahead of such a debate as the Council would be acting in its role as an employer within the Scheme.

- 1.4 The Committee should consider whether it wishes to advise the Council to make the request referred to in the Motion. The Pensions Committee would then consider the request in light of the content of the Motion and the Council's reasons for making the request. Alternatively, the Council could decide to leave such matters for the Pensions Committee to consider in line with its statutory responsibilities and established policies.

2 Proposal details

- 2.1 The Committee is asked to consider its response as an employer within the Local Government Pension Scheme to the motion on pension investments for submission to the next meeting of the County Council.
- 2.2 Following discussion of the matter, it is open to the Committee to make a response asking Council to either support the motion or reject the motion as appropriate, or it may consider that the motion would benefit from amendment.

3 Other options considered (and reasons for not proposing)

- 3.1 These are set out in the report above.

4 Consultation, engagement and advice

- 4.1 Not applicable.

5 Finance

- 5.1 Not applicable.

6 Risk implications and mitigations

- 6.1 Not applicable.

7 Policy alignment and compliance

- 7.1 Not applicable.

Tony Kershaw
Director of Law and Assurance

Contact Officer: Charles Gauntlett 033 022 22524,
charles.gauntlett@westsussex.gov.uk

Appendices

Appendix 1: Briefing note – Pension Investments

Background papers

None