

COUNTY COUNCIL – 12 JULY 2022

QUESTIONS FROM MEMBERS OF THE PUBLIC

1. Question from Bernard Brown, Battle, East Sussex

A recent Code of Conduct Complaint was referred to an external investigator. The Standards Committee convened a Hearings Sub-Committee in April 2022 with delegated authority to consider the Investigator's findings. The Sub-Committee determined the matter in private, but as yet no formal report back to the Standards Committee has been made and no Minutes of the Sub-Committee Hearing have been published. The Sub-Committee also determined the matter should be exempt from the public.

Will the Chair of the Standards Committee advise what was the estimated cost of this External Investigation paid to a third-party limited company consultancy firm, and considering there is very limited visibility of the Sub-Committee outcome, even to elected Members, was this a good use of council taxpayers money?

Response by the Chair of the Standards Committee

The sum paid to the company referred to in your question to investigate the matter was £2,405.50 (inclusive of VAT)

Any alleged breach of the Code of Conduct for Councillors is taken seriously by the County Council, and it is important that such issues are thoroughly investigated by a suitably experienced independent professional, which was the case. I consider it therefore was an appropriate use of taxpayers' money.

2. Question from Arnold Simanowitz, Lewes, East Sussex

Does the East Sussex Pension Fund accept the reality that, despite many years of toothless shareholder 'engagement', the climate plans of BP, Chevron, ENI, equinor, ExxonMobil, Repsol, Shell and Total Energies all remain 'grossly insufficient to the bare minimum required for limiting warming to 1.5°C' ('Big Oil Reality Check: Updated Assessment of Oil and Gas Company Climate Plans', Oil Change International, May 2022, https://priceofoil.org/content/uploads/2022/05/big_oil_reality_check_22_v09-final.pdf, page 2)? For example, none of these companies has committed to stop approving new extraction projects, none has stopped lobbying and ads that obstruct climate solutions, and all have plans that rely heavily on carbon sequestration or offsets.

Response by the Chair of the Pension Committee

The Fund's principal role is to invest to secure the best financial return for its beneficiaries, balancing risk and return so we can provide pensions on time and in full which are affordable. It is not for the Pension Fund to carry out intensive research into the company's climate plans as listed in this question, some of which are not within the underlying holdings of the Fund. Fund officers administer the data for over 82,000 scheme members and make payments to more than 23,000 pensioners. The

Funds investment managers carry out engagement activities and voting on behalf of the Fund and they have significant resources to engage with the Boards of underlying companies. In addition, the Fund is a member of collaborative engagement groups such as the Institutional Investors Group on Climate Change (IIGCC) who are also able to provide support and advice to the Fund and use the power of collective investments when engaging with industry and policy makers. The Fund also expects investment managers to be members of IIGCC.

The Fund has a policy of engagement with companies on a number of issues, not just relating to climate change, including human rights, governance structures, and biodiversity plans. The Fund is an active steward of its investments, and this is essential to protect beneficiaries' investments; and enables the Fund to invest in a diverse universe of investable assets and generate the necessary returns to pay pensions. An engagement report is published quarterly, and the Fund is also due to submit its Stewardship report. Both reports include engagement activities and outcomes from engagement. Engagement is a long-term iterative process and where companies are not engaging there are escalation routes for investors.