

## Wiltshire Pension Fund Committee

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### MINUTES OF THE WILTSHIRE PENSION FUND COMMITTEE MEETING HELD ON 14 SEPTEMBER 2023 AT WEST WILTSHIRE ROOM - COUNTY HALL, BYTHESEA ROAD, TROWBRIDGE, BA14 8JN.

#### **Present:**

Cllr Richard Britton (Chairman), Cllr Kevin Small (Vice-Chairman), Cllr George Jeans, Cllr Gordon King, Cllr Christopher Newbury, Mike Pankiewicz and Claire Anthony

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#### 101 **Apologies**

Apologies for absence were received from Cllr Stuart Wheeler and Cllr Vijay Manro.

#### 102 **Minutes**

The minutes of the meeting held on 13 July 2023 were presented for consideration, and it was,

#### **Resolved:**

**To approve and sign the minutes as a true and correct record.**

#### 103 **Declarations of Interest**

There were no declarations of disclosable interests.

#### 104 **Chairman's Announcements**

The Chairman noted that Tracy Adams had recently resigned from her position as an Employer Body Representative with the process to recruit a replacement under way.

The Chairman and Committee placed gratitude towards Liam Robson, Investment and Accounting officer, who was set to leave his post.

It was noted that Cllr George Jeans would have to leave the meeting at 10:30am to attend another meeting.

#### 105 **Local Pension Board minutes (Part I)**

The Committee reviewed the minutes of the Local Pension Board meeting held on 10 August 2023, and it was,

#### **Resolved:**

**To note the minutes of the Local Pension Board meeting on 10 August 2023.**

106 **Public Participation**

No statements or questions were submitted.

107 **Responsible Investment Update**

Jennifer Devine, Head of Wiltshire Pension Fund, provided an update on responsible investment. The update covered the following points, that following feedback, a table had been included to show progress. Additionally, an item around equality, diversity and inclusion had been taken to the August Pension Board meeting due to increased emphasis from the Pension Regulator, with a recommendation agreed to have a joint training session on the topic. It was also noted that the Q2 voting report had been appended to the agenda and that the Stewardship report had been submitted to the FRC and the Fund has had signatory status to the 2020 Stewardship Code renewed.

The Committee discussed the update with comments received on but not limited to, seeking clarity as to the extent in which the Committee was involved in voting on shares and investment, to which it was noted that this depended on who the investment was with.

At the conclusion of debate, it was,

**Resolved:**

**The Committee:**

**Agreed to use the report as a basis for monitoring the progress that is being made towards implementing responsible investment policy;**

**Noted the progress made against the Responsible Investment Plan 2023/24 actions and discussed whether any additional actions were needed at the current time;**

**Approved that a joint training session on equality, diversity and inclusion is arranged for the Local Pension Board and Committee.**

108 **Responsible Investment Policy**

Jennifer Devine, Head of Wiltshire Pension Fund, presented the draft responsible investment policy 2023. The presentation covered that this was the third annual revision of the policy with a summary provided within the report to what changes had been made.

The Committee discussed the report in detail, with the following comments received but not limited to how the report used the wording “well below 2 degrees”, to which it was clarified that this was to be in line with the Paris Agreement. In addition, clarity was provided that regarding the climate commitments within the report, commitments 1,2 and 3 had been in place for a couple of years and that commitments 4 and 5 were new with it outlined that these had been set with the best financial interests of the Fund in mind. An example was cited of improving the EPC ratings of residential properties as this in turn would mean lower vacancies due to having an incentive for residents to stay due to having lower bill costs. In turn from a selling perspective such properties would be attractive and add value to the local community. It was suggested by officers that climate modelling would be redone within the next year and brought back to the Committee to assess whether the objectives should be changed.

A further suggestion was made that commitment 5 was inline with the existing policy in place as it was concerned with helping the worst carbon emitting investments to improve. It was additionally clarified that within the report, the newest element was a framework on biodiversity, which was consistent with the existing climate commitments. Further clarity was also added in relation to how short term the Fund would monitor investments which would fall under a definition of a fossil fuel company, however if their activities were moving away from fossil fuel use, then the fund would be happy to continue to invest in them in order to help finance real-World change.

At the conclusion of debate, it was,

**Resolved:**

**The Committee approved the Responsible Investment Policy 2023.**

*Cllr Christopher Newbury voted against the recommendation.*

109 **Climate update and progress**

Jennifer Devine, Head of Wiltshire Pension Fund, provided an update on climate and progress. The presentation covered the following points that the report was in line with the TCFD requirements and included both progress and real examples in practice. It was noted that officers had been to visit some investments and work was taking place on the top ten emitters with transparency provided on where the Fund has got to and what is to follow.

The Committee received a presentation from Mercer on Analytics for Climate Transition (ACT), which had been included within the agenda pack. The presentation provided detail on ACT as well as a summary of the progress made towards the Net Zero approach and of the current fund commitments in place. In addition, two areas to strengthen targets were outlined as being

Stewardship/Engagement and Alignment. Furthermore, data was provided in relation to the decarbonisation path as well as engagement targets relating to the top ten contributors to carbon footprint. Enhancements and next steps were also outlined.

The Committee discussed the update with comments received on but not limited to how it was positive that the anonymised report from Mercer had been included within Part 1 of the agenda, as well as it clarified that the report would not be going back to the Wiltshire Council Climate Team unless requested, as it would be important to distinguish between work streams due to separate targets. It was suggested that it would be positive to see an introductory section in relation to why the Fund was involved in decarbonisation. Officers clarified that this was included in the Fund's own climate report.

At the conclusion of debate, it was,

**Resolved:**

**The Committee agreed:**

**To use the report as a basis for monitoring the progress that is being made towards the Fund's target of net zero emissions across all portfolios by 2050.**

**To approve the Climate Report for publication.**

110 **Annual Report and accounts**

Jennifer Devine, Head of Wiltshire Pension Fund, presented the draft annual report and accounts. The presentation covered the following points that officers had gone through the accounts in detail, with it noted that the numbers had not changed since the accounts were presented at the Committee's last meeting. It was noted that the report contained information on how the Pension Fund was run, and that due to length it would be published alongside a mini-magazine version as well as a one-page fact sheet. Additionally, it was stated that the report had not been audited.

The Committee discussed the report and accounts with comments received on but not limited to that it was suggested that an explanation be added to the report as to why the auditing had been delayed in order to be open and transparent. Additionally, clarity was provided in relation to benefits paid out and contributions received.

At the conclusion of the discussion, it was,

**Resolved:**

The Committee approved the proposed publication of the unaudited annual report and accounts 2022/2023 and summary documents, and authorise officers to make any necessary minor amendments following the conclusion of the audit.

111 **Office Space**

Jennifer Devine, Head of Wiltshire Pension Fund, presented a proposal for new office space.

After which, it was,

**Resolved:**

The Committee approved the new ways of working and associated spend of £84,605 per annum.

112 **Date of Next Meeting**

The date of the next meeting was confirmed as 5 October 2023.

113 **Urgent Items**

There were no urgent items.

114 **Exclusion of the Public**

It was,

**Resolved:**

To agree that in accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the business specified in Minute Numbers 15 - 19 because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraphs 1 & 3 of Part I of Schedule 12A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public.

115 **Minutes**

The private minutes of the meeting held on 13 July 2023 were presented for consideration, and it was,

**Resolved:**

To approve and sign the minutes as a true and correct record.

116 **Local Pension Board minutes (Part II)**

The private minutes of the Local Pension Board meeting held on 10 August 2023 were presented for consideration, and it was,

**Resolved:**

**To note the minutes as a true and correct record.**

117 **Consultation Response**

Jennifer Devine, Head of Wiltshire Pension Fund, presented a draft response to the consultation on LGPS pooling.

At the conclusion of the discussion, it was,

**Resolved:**

**The Committee approved that the draft consultation response is submitted, subject to any amendments as discussed and agreed in the meeting.**

118 **Quarterly Investment update**

Chris Moore, Accounting and Investment officer, presented a report on the Fund quarterly investment performance. The presentation provided an outline of the investment performance of the fund to 30 June 2023.

At the conclusion of the discussion, it was,

**Resolved:**

**The Committee agreed to use the investment reports and the update provided by officers and advisers at the meeting as a basis for monitoring the investment performance and implementation of the strategic asset allocation.**

119 **Manager Presentation - PineBridge**

The Pension Fund Committee received a presentation from Steven Oh and Kevin Wolfson, Managing Directors of PineBridge.

(Duration of meeting: 10.00 am - 1.35 pm)

The Officer who has produced these minutes is Ben Fielding - Senior Democratic Services Officer of Democratic Services, direct line 01225 718656 or e-mail

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