

Wiltshire Pension Fund Committee

PART I MINUTES OF THE WILTSHIRE PENSION FUND COMMITTEE MEETING HELD ON 5 SEPTEMBER 2022 AT THE COUNCIL CHAMBER, COUNTY HALL, BYTHESEA ROAD, BA14 8JN.

Present:

Cllr Richard Britton (Chairman), Cllr Steve Heyes (Vice-Chairman),
Cllr George Jeans, Cllr Jonathon Seed, Cllr Kevin Small, Mike Pankiewicz and
Claire Anthony

170 **Apologies**

Apologies were received from Tracy Adams and Councillor Gordon King.

171 **Minutes**

The minutes of the meeting held on 28 July 2022 were presented for consideration, and it was,

Resolved:

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

172 **Declarations of Interest**

There were no declarations.

173 **Chairman's Announcements**

With the agreement of the Committee, it was determined that Agenda Item 13 on the agenda, Presentation from Magellan, would take place as the first substantive item.

174 **Public Participation**

There were no statements or questions submitted.

175 **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 the items at Minute Numbers 176, 182 and 183, because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraph 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.

176 **Presentation from Magellan**

The Committee received a presentation from representatives of Magellan Financial Group.

This provided updates on organisational changes, fund performance, risk analysis and impact of various factors impacting the investments managed by Magellan.

The Committee thanked Magellan for the update, which would be further discussed in relation to the Investment Quarterly Progress Report.

177 **Responsible Investment Update and Progress Report**

A report was presented by Liam Robson, Pension Fund Accounting and Investment Officer, along with Jennifer Devine, Head of Wiltshire Pension Fund and other officers, to update the Committee on Responsible Investment issues and actions agreed at previous meetings.

The Fund Annual report had included a climate change report, in line with the requirements of the Task Force on Climate-related Financial Disclosure (TCFD). It was also reported the Fund had submitted a full stewardship report to the Financial Report Council as directed to apply for signatory status to the 2020 Stewardship Code. This had been successful and would be formally confirmed shortly.

Details were also provided on the investment theme of education as determined by the Committee as one of its three themes. There had been engagement with investment managers to understand how they would incorporate this theme, for example whether they were investing in companies providing educational services, or involved in reskilling and upskilling with new technology.

The Committee sought additional details from officers. It was confirmed whilst delivering on the themes including a positive social approach was aimed for, financial returns was the priority of any investment. It was stated the managers took the factors and themes chosen seriously when making their decisions.

Questions were raised relating to affordable housing portfolios, with Mercer working to find appropriate managers and help identify appropriate metrics, such as number of houses and type of houses delivered as well as financial returns. Details were also sought on moving to a data baseline of 2019 instead of 2020 for decarbonisation, with this being to align with Brunel and other funds as well as provide further data points for comparison.

Resolved:

To note the progress made against the responsible investment plan actions.

178 **Climate Update and Progress Report**

The Head of Wiltshire Pension Fund, Jennifer Devine, presented a report in relation to the Fund's goal to protect investments from climate change risk, and safeguard the financial future of the Fund.

The report set out progress toward the target of net zero carbon emissions by 2050. On decarbonisation the Fund was on track with its target as measured by the carbon footprint, but it was noted absolute emissions was more challenging. The Fund was working with Brunel on developing a climate solutions portfolio, and the Committee considered a proposed response to Brunel in relation to its Climate Stocktake.

It was noted that there was not a standardised measurement for monitoring environment, social and governance factors, with managers often having their own scoring methodologies.

The Committee discussed the report and presentation. Queries were raised on engagement with education on the subject, and in relation to innovation with infrastructure as contributing toward targets. The Committee agreed that the proposed statement on climate change should be sent to Brunel, for inclusion in the Brunel climate stocktake, with the addition of the Fund's priority Sustainable Development Goals.

Mercers also provided a detailed update relating to the net zero target, as set out in the report. In response to queries it was stated the Fund had set slightly more ambitious targets than Brunel due to more exposure to utilities and having more opportunities to divest, but it was not significantly different from other comparable funds.

Details were sought on the work being undertaken by companies to more 'green' solutions, and harmonisation of requirements for funds in this area. Questions were also raised on affordable housing allocations, with additional details in the Mercers report.

At the conclusion of discussion, it was,

Resolved:

- 1) To note the progress being made towards the Fund's target of net zero emissions across all portfolios by 2050;
- 2) To approve the statement to be provided to Brunel for the climate stocktake, with the addition of the Committee's priority Sustainable Development Goals;
- 3) To approve the plans for reporting on climate risk via a single report in early 2023

A break was taken from 1155-1200

Councillor Jonathon Seed left the meeting at 1200.

179 **Responsible Investment Policy**

The Head of Wiltshire Pension Fund, Jennifer Devine, presented a brief report on updates to the Responsible Investment Policy.

It was then,

Resolved:

To approve the Responsible Investment Policy 2022.

180 **Date of Next Meeting**

The date of the next meeting was confirmed as 6 October 2022.

181 **Urgent Items**

There were no urgent items.

182 **Investment Quarterly Progress Report**

Chris Moore, Pension Fund Accounting and Investment Officer, presented the investment quarterly progress report.

Following discussion, it was,

Resolved:

- 1) To agree to use this report to monitor private markets investment progress quarterly and to use the appended Brunel private market report 6 monthly;
- 2) To delegate the Head of Wiltshire Pension Fund, after consultation with the Chairman, to explore the feasibility of appointing external specialists

to undertake a review of the estimated fee savings accrued through the creation of the Brunel Pension Partnership , and to make an appointment if appropriate.

183 **Minutes**

The Part II (Private) minutes of the meeting held on 28 July 2022 were presented for consideration, and it was,

Resolved:

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

(Duration of meeting: 10.00 am - 12.40 pm)

The Officer who has produced these minutes is Kieran Elliott of Democratic Services, direct line 01225 718504, e-mail kieran.elliott@wiltshire.gov.uk

Press enquiries to Communications, direct line (01225) 713114 or email communications@wiltshire.gov.uk

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