



## Pension Fund Committee

**Date:** Wednesday, 8 September 2021  
**Time:** 10.00 am  
**Venue:** MS Teams with Outside Broadcasting

**Membership: (Quorum 3)**

Andy Canning (Chairman), Peter Wharf (Vice-Chairman), John Beesley, David Brown, Bobbie Dove, Ray Bryan, Howard Legg, Mark Roberts and Adrian Felgate

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**Chief Executive:** Matt Prosser, South Walks House, South Walks Road, Dorchester, Dorset DT1 1UZ (Sat Nav DT1 1EE)

**For more information about this agenda please telephone Democratic Services on 01305 221000 or David Northover [d.r.northover@dorsetcc.gov.uk](mailto:d.r.northover@dorsetcc.gov.uk)**



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### Public Participation

To receive questions or statements on the business of the committee from town and parish councils and members of the public.

Public speaking has been suspended for virtual committee meetings during the Covid-19 crisis and public participation will be dealt with through written submissions only.

Members of the public who live, work or represent an organisation within the Dorset Council area, may submit up to two questions or a statement of up to a maximum of 450 words. All submissions must be sent electronically to [susan.dallison@dorsetcouncil.gov.uk](mailto:susan.dallison@dorsetcouncil.gov.uk) by the deadline set out below. When submitting a question please indicate who the question is for and include your name, address and contact details. Questions and statements received in line with the council's rules for public participation will be published as a supplement to the agenda.

Questions will be read out by an officer of the council and a response given by the appropriate Portfolio Holder or officer at the meeting. All questions, statements and responses will be published in full within the minutes of the meeting. **The deadline for submission of the full text of a question or statement is 8.30am on xxxx.**

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## Questions to Pension Fund Committee on 8 September 2021

### Vicki Elcoate

"Councillor Canning told me earlier this year that the data in the UK Divest Report for Friends of the Earth of February 2021 was out of date for Dorset Council ([https://www.divest.org.uk/wp-content/uploads/2021/03/UKDivest\\_Report.pdf](https://www.divest.org.uk/wp-content/uploads/2021/03/UKDivest_Report.pdf)). He said that since those figures, which related to the 2019/2020 financial year, Dorset Council had undertaken a major strategic review of its pension fund investments. He promised an update after March 2021. The question is: what is the current amount of investment in fossil fuels (I understand these are indirect investments)? The figures provided by the Friends of the Earth report are for the amount in £s of investments and the % that is of the overall investments. It would be useful to have it in the same format to compare. So this is not a question about the carbon footprint or the carbon intensity of the investments. The figure in the Friends of the Earth report was £128 million in indirect investment in fossil fuels. This put Dorset in the top 10 of local authority pension funds for fossil fuel investments. What is the current figure?"

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### Tracee Cossey

It is clear that pension funds exposed to the fossil fuel system in the coming decade will face a rollercoaster ride of disruption, write-downs, financial instability and share price deratings as markets adjust (Hobcraft, 2020) in UK Divest.

[https://www.divest.org.uk/wp-content/uploads/2021/03/UKDivest\\_Report.pdf](https://www.divest.org.uk/wp-content/uploads/2021/03/UKDivest_Report.pdf)

Does Dorset Council see itself as ultimately responsible for any losses incurred to themselves and their Pension Fund Members by refusing to insist on 100% divestment from fossil fuels now or are Brunel Investments responsible?

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### Linda Dean

I am a Dorset County Council Pension Fund Member and I do not want my money to be invested in companies that make money from fossil fuels, for environmental reasons, given that we are all facing a Climate Emergency.

On June 1, 2021, in a Money-Saving Expert Environmental Poll on 'How important is protecting the environment to you?' the top choice for all age categories was: 'I'm happy to pay more & make changes for green options.'

I choose environmentally- friendly, green energy providers for my utilities and ensure environmentally sustainable criteria are in place before making any other financial investments, where possible. I would therefore like my Council Pension money not to be invested in such companies. There must be other DCC pension fund members who would feel as I do, at this critical time in our global climate situation.

Will Dorset Council commit to polling all its Pension Fund Members to see whether a majority would prefer to divest from companies that profit from fossil fuels and to put their money in ethical/green investments, or ask whether they are happy with the current use of their money?

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### **Sandra Reeve**

Question 1 My question is for Councillor Andy Canning or, if he is not present, another member of the Committee

1. On June 15th, at the Pension Fund Committee the question below was asked by a member of the public, but did not, as far as I could tell, receive a direct reply. (The response was discouragingly made up of various 'copy and pasted' paragraphs, which were used to respond to several of the questions at that meeting.)

The question on June 15th was as follows:

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'Brunel Pension Partnership has made a 'net-zero by 2050' commitment. There is a clear contradiction here between Brunel's date and Dorset Council's own stated target of 2040. Surely according to Dorset Council's own Climate and Ecological Emergency Strategy this is a 'Direct Action'. Will Dorset Council therefore be instructing Brunel to invest in order to meet Dorset Council's own 'net-zero by 2040' target date ?

Since that question to the Pension Fund Committee in June, we have had the IPCC report which indicates that a more radical change of gear is necessary if we are to have any possibility of limiting global warming to 1.5C.

I therefore feel that it is reasonable to repeat this question in the light of the IPCC's report's new and reliable information and to request a direct informed response.

My question is to Councillor Andy Canning

As one of the 'Direct Actions' within their Climate and Ecological Emergency Strategy, will Dorset Council's Pension Fund Committee be asking Brunel Pension

Partnership to adjust and cease their investments in fossil fuels in order to meet Dorset Council's own 'net zero by 2040' target, rather than Brunel's stated net-zero 2050 target?

2. Question 2 My question is for Councillor Peter Wharf or, if he is not present, another member of the Committee

I read the transcript of COP26 President Alok Sharma's speech at the first Net Zero Pensions summit, published June 1, 2021 in which he says:

'Today, green investments are smart investments.

In the majority of the world, renewables are cheaper than new coal and gas.

Putting your money in fossil fuels creates the very real risk of stranded assets.

He then supports and urges financial institutions to take the following steps:

First, commit to exit coal finance.

So that, together, we make COP26 the moment we consign coal power to the past where it belongs.

Second, increase investments in climate action in developing and emerging markets.

Thirdly, protect nature.

By 2025 ensure none of your investments contribute to deforestation.

And by 2030 ensure your investments are contributing to the restoration of the natural world.

Finally, disclose your climate risk in line with the Taskforce on Climate Related Financial Disclosures, or TCFD.

And points out that This will become mandatory across most of the UK economy in 2023.

And the government will shortly introduce regulations on what this means for pensions, to ensure trustees take account of climate change risk in each and every decision.

There is a real advantage in getting your house in order. And early.

And that in this vital year for climate action, the year of COP26, you are playing your

part in keeping 1.5 degrees alive.'

Will Dorset Council urge Brunel to sign up to the Glasgow Financial Alliance for Net-Zero (along with other major pension schemes, such as Aviva, BT Pension Scheme and the Church Commissioners of England) in particular to fulfil the requirement that by 2030 they can 'ensure that their investments are contributing to the restoration of the natural world?'

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### **Caz Dennett**

As a coordinator for South West Action on Pensions I have recently heard from Brunel Pension Partnership that, as part of their upcoming Climate Stocktake Consultation this autumn, they will be taking views from others than just the ten principal (Council / EA) stakeholders.

Given Brunel are opening up the conversation about its investment portfolios, to complement this exercise will Dorset County Pension Fund Committee now consult its own pensioner members' views, in particular on the question of ongoing and planned future investments in fossil fuel companies?

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### **Julie-Ann Booker**

Dorset Pension Fund Committee last met on 15 June 2021. Since then, on August 9, the Intergovernmental Panel on Climate Change (IPCC) published its sixth report.

UN Secretary General, António Guterres said that the report signals 'Code Red for Humanity'.

The report provides new estimates of the chances of crossing the global warming level of 1.5°C in the next decades, and finds that unless there are **immediate, rapid and large-scale reductions** in greenhouse gas emissions, limiting warming to close to 1.5°C or even 2°C will be beyond reach.

We are seeing now almost daily reports of the effects of climate change on communities around the world. In recent days New York and New Jersey. A few weeks ago it was Germany and Greece. There's been lives, homes and livelihoods lost. We have seen the destruction.

A key driver for climate change are the fossil fuel companies and the financial industry that supports it. Fossil fuel companies remain huge polluters, producing and selling fossil fuel products while scientists say we need a mass switch to renewable energy and efficiency. We have the technology to move to renewable energy sources and should be using all available financial resources to make this happen – including pension fund financial assets.

Fossil fuel companies are responding to the climate crisis with 'green' marketing, while their core business remains fossil fuels. Their adverts are using greenwashing to distract the public from the harm their products cause to people and planet. Some



of us are old enough to remember when giant tobacco companies did the same after the irrefutable damage their products caused were exposed – they carried on sponsoring sporting activities in the hope we would all think they were doing something good, so could be excused all the damage they were responsible for.

<https://www.clientearth.org/the-greenwashing-files/>

Dorset Council's strategy, agreed with their investment managers, Brunel Pension Partnership, is to divest at 7% per year, so it will take 15 years to divest completely – taking us to 2036. Hardly reflecting an **'immediate'** or **'rapid'** response to contribute towards large-scale reductions in greenhouse gas emissions. .

In the words of Alok Sharma (who is leading the coming COP26 climate summit), "The world is 'dangerously close' to running out of time to stop a climate change catastrophe ... we can't afford to wait two years, five years, 10 years – this is the moment." <https://www.bbc.co.uk/news/uk-58132939>

### **Question**

Given the IPCC report has been published since the last Dorset Pension Fund Committee meeting, when will the Committee be tabling an agenda item to discuss the report and it's warnings against the backdrop of the current Dorset pension fund investment strategy?

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