

I am a Dorset Council Pensioner, and I recently read an article in the New Scientist (Environment June 1st 2021) which had a strong impact on me. As a result I am asking Dorset Council : Will you please poll Pension Fund members to establish what demand there is among us for an ethical investment option, rather than us having to continue to invest in fossil fuels when we don't want to?

Many thanks

Pam Rosling

As a Dorset Pension Scheme member, I'd like to ask the following question of the Dorset Pension Fund Committee on 15th June.

On page 24 in the section entitled '**The fossil fuel age is ending—get out while you can**', the UK Divest report details the market uncertainty, oil price collapse and rapid switch of investments into the renewables sector:

"Local Government Pension Funds must treat these changes seriously, or risk substantial exposure to the coming collapse of fossil fuel companies in this world wide technology shift.

Unless action is taken soon, the £10 billion invested in fossil fuels by UK local government pension schemes could drastically reduce in value once the 'carbon bubble' bursts (see text box, p. 47).

The Bank of England (BoE) has said that in the UK up to £16 trillion of assets could be wiped out if the climate emergency is not addressed effectively (Partington, 2019).

Mark Carney, the former governor of the BoE has said, the longer the adjustment is delayed in the real economy, 'the greater the risk that there is a sharp adjustment' (Partington, 2019).

Local Government Pensions can and should act now to reduce their exposure to this risk, so they don't lose their members even more money in the transition than they already have."

https://www.divest.org.uk/wp-content/uploads/2021/03/UKDivest_Report.pdf

Given that Dorset Council is highlighted in this report as having the **third highest proportion of fossil fuel investment of all the UK local government pension schemes** in its pension fund, please could you let me know as a very worried member of your pension scheme **when** you will divest from fossil fuels and **how** your pension scheme members can ensure this happens quickly?

Many thanks,

Belinda Bawden

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In an answer given by the Chairman of Dorset Council's Pension Fund Committee on 10th September 2020, Brunel Pension Partnership were quoted as follows:

"On the issue of divestment, Brunel supports divestment from specific fossil fuel and other carbon-intense companies if they present a material investment risk – such as due to 'stranded assets' – but this is based on analysis by our asset managers. Brunel expects managers to take these decisions independently. ...We chose not to use exclusion lists with our active managers.... We will not issue exclusion lists..."

This means that Brunel is divesting from fossil fuel companies only when they present an investment risk - not when they present a risk to the planet.

Given that six other local government pension funds, half of all UK Universities, and over 1,250 institutions representing over \$14.5 trillion in assets have already committed to going fossil free, does the Committee recognise that its failure to instruct Brunel on this policy is at odds with its Climate & Ecological Emergency Strategy, which states, amongst other things, its intention to "Take DIRECT action to reduce our own carbon footprint... showing leadership as a large public sector organisation".

Many thanks,

Andrew Carey

' I would like Council to explain to me in greater depth the case for staying invested in fossil fuels and 'engaging'? which has been an argument used in the past by Brunel Pension Partnership/Dorset Council.

According to the report by UK Divest: "The argument for 'engagement' tends to be one made by asset owners who employ investment managers who won't or can't accept that there is a technology-driven transition occurring. This approach is like arguing: 'We're long-term shareholders in Blockbuster, the video rental store. We don't divest. We'll engage with them to adapt to the threat of low-cost live-streaming posed by this new disruptor called Netflix.'

And as the 'engagement' proceeds over the years, this one company goes bust as the world no longer uses videos, while others' share prices run away with themselves as the technology shift happens. So this approach of 'we'll decarbonise when markets decide to decarbonise' is clearly not a

risk management strategy. It is a 'do nothing, and hope a few meetings will help' strategy.

It is vital to realise that this is, at heart, a technology shift."(UK Divest- report)

https://www.divest.org.uk/wp-content/uploads/2021/03/UKDivest_Report.pdf

As representatives of Dorset Council, do you agree with this analysis? If not, what kind of effective, transformative engagement with the fossil fuel industry does Dorset Council perceive to be possible that persuades it to continue to invest 5% of the total value of its pension fund into fossil fuels through Brunel- please could you give me some actual examples?' Sandra Reeve

My name is Dr Sandra Reeve and my address is Westhay, Charmouth, Dorset DT6 6SD

Please can you confirm receipt of this question?

Thank you

Sandra Reeve

"Has the Dorset Council Pension Fund equity portfolio been assessed for carbon intensity and if so, how does this assessment compare to the weighted average carbon intensity of the MSCI All Country World Index (ACWI) at the same date, e.g. 178.5 tCO₂e/\$m as of 30th April 2020. If the fund has not been assessed against an internationally recognised benchmark such as this, are there any plans to do so?"

My name is Helen Sumbler

Could you confirm receipt of this request, please?

With best regards, Helen.

Vicki Elcoate,

1. 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). 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.

2. Brunel has made a 'net-zero by 2050' commitment. There is a clear contradiction here between Brunel's date and Dorset Council's own target of 2040. Surely this is a 'direct action' and Dorset Council should instruct Brunel to invest in order to meet their 2040 date?

It has come to my attention that Dorset pension funds are investing in companies involved in the exploitation of fossil fuels

Particularly but not exclusively in Shell, BP and BHP. In light of Dorset's statement to create a better environment in relation to climate change I feel

that to continue to support these companies with the investment of pension funds is contrary to the expressed intentions of the council.

I would ask you to please remove these investments and place them with companies which have a greener intentions.

Thank you, Alison Smith

I would like to submit the following question to the Pension Fund Committee for its meeting on Tuesday, 15th June, 2021

In Dorset Council's 'Making it happen action plan', the Council's Objective 1 includes the following action:

"Investigate decarbonising Dorset Council pension scheme" with the stated target: "Investigations carried out and reported to EAP by March 2021".

Have those investigations been carried out and have they been reported to the EAP? If so, what did the report say?

Many thanks,

Andrew Carey

In considering the possibility of stranded assets, The Brunel Pension Fund Carbon Metrics report analyses its potential relationship with fossil fuel reserves both probable and proven, and then examines the potential emissions from these reserves:

"Taking the reserves exposures discussed above, we can look at an assessment of potential future emissions that may incur from these reserves being realised. This metric is not included in the WACI figure (which focuses on current intensity) and so it is an important assessment of company's potential contribution to emissions via its stockpile of fossil fuels. We have been able to assess the potential emissions associated with the proven and probable reserves for companies within our Portfolios, as well as an overall Portfolio assessment." (Brunel Pension Partnership Carbon Metrics report).

This abstraction in the face of a climate emergency seems like madness to me. I am no finance expert but have done some research and the Custom Benchmark appears to only relate to comparative investment funds and **pays no attention to the health of the planet or to the science of climate change.**

"It is crazy that our banks and our pensions are investing in fossil fuels, when these are the very things that are jeopardising the future we are saving for". (Sir David Attenborough, Nov 2020).

Sir David is also not a financial expert, but is one of the most respected naturalists on the planet and his message on fossil fuels is quite clear. Dorset Action on Pensions (<https://dtaction.co.uk/pension-divestment/>) feel that Dorset Council should **stop investing** in fossil fuels and **start investing** in a greener future.

Question

Is Dorset Council seeking investments that are both good for the planet and good for returns as demonstrated by six other local government pension funds, half of all UK Universities, and over 1,250 institutions representing over \$14.5 trillion in assets who have already committed to going fossil free (Nauman, 2020). Or is it in fact risking the threat of stranded assets, and ignoring the health of the planet and the science of climate change?

Julie-Ann Booker

Dorset Action on Pensions

On May 26, a Dutch court ruled that Shell needed to cut its greenhouse gas emissions by 45% by 2030. This is a clear indication of what will happen across the board in the very near future.

BH, BP and Shell account for 40% of total direct investments across all local authority pension funds in the UK.

It is becoming clear that Investing in fossil fuels is increasingly costly. It's a financial risk—with UK Public Pensions losing £2 billion on oil investments in the last 4 years. It's also a political risk—with the UK public more concerned about climate change than ever before. (<https://www.moneysavingexpert.com/poll/2021/how-important-is-protecting-the-environment-to-you/>). On June 1 Cop 26 President Alok Sharma at the first NetZero Pensions Summit said: 'Putting your money in fossil fuels creates the very real risk of stranded assets.'

In the light of these facts on what basis is Dorset Council still prepared to risk its members funds and to continue to divest from fossil fuels at such a slow pace - 7% a year, which means that it will take 15 years to divest completely, so until at least 2036?

Please could you acknowledge receipt of my question.?

My name is Sandra Reeve,
