Pension Fund Committee

24 June 2025

Questions Submitted by the Public

Question 1 – submitted by Lisa Lobo

Does this committee agree that the Dorset County Pension Fund must not invest in companies enabling genocide, apartheid, and war crimes, nor those driving the climate emergency?

Both Dorset and BCP councils have recognised that the climate crisis is an emergency. However, over £75 million of the Dorset Pension Fund is invested in fossil fuel companies that are accelerating climate and ecological collapse. BCP Council states an intention to become carbon neutral by 2030, whilst Dorset Council has set a target for 2040. The threat posed by fossil fuel-led climate change is real and urgent. The UN has described us as being in a new era of global boiling with unprecedented extreme weather impacting every part of the globe with increasing frequency, and we are already seeing the impact of that within Dorset.

Meanwhile, the Dorset Pension Fund holds £173.9 million in companies complicit in Israel's multiple breaches of international law—including enforcing apartheid, maintaining the illegal occupation of Palestinian territories - as ruled by the ICJ last year, and carrying out a genocidal extermination campaign in Gaza that has seen over 55,000 Palestinians killed, over 18,000 of whom were children. Another 43,000 children have been orphaned. More and more people are now dying of starvation due to a deliberately enforced famine that the UK government calls "morally unjustifiable", whilst many of those that do try and access aid at the new militarized distribution centers are shot and killed whilst waiting for a bag of flour. Many more civilians continue to die from preventable causes due to the targeted destruction of Gaza's healthcare system, where every single hospital has now been bombed, and most are now completely out of service. Gaza has the highest number of child amputees in the world due to the indiscriminate bombing and the destruction of appropriate medical facilities and supplies, including even anaesthetic to relieve the pain of their limbs being torn apart. This Pension Fund invests directly in companies arming Israel - including BAE Systems, Elbit Systems, L3Harris, Leonardo and Lockheed Martin. There are many other investments in companies that are directly complicit in these atrocities and in the illegal settlements in occupied Palestinian territories - for which the ICJ urges sanctions and arms embargoes. It is not only morally unjustifiable for this Pension Fund to invest close to £174 million in companies complicit in these atrocities, but it may also be against International Law - facilitating the transfer of weapons and ammunition to Israel may constitute serious violations of human rights and international law.

So what concrete steps will this committee take to ensure public funds do not support these atrocities nor the destruction of our planet?

Response by Cllr Andy Canning

Thank you for taking the time to speak to this committee today on such an important and emotive subject. I am sure all members of the committee deplore the loss of life resulting from this conflict and all the many other conflicts currently happening around the world. We do not believe that the pension fund's investments support Israel's actions in Gaza nor are these investments accelerating climate change.

Later on today's agenda the Committee will be considering our response to a deputation calling on divestment from companies who provide weapons and military technology to Israel. It should be noted that the companies identified in the deputation are also suppliers to the UK, NATO and/or other allies, including Ukraine.

In relation to climate change, in September 2020, the Committee agreed a strategy of decarbonisation meaning a reduction in allocations of investment to companies which are high carbon emitters and trying to influence the demand for fossil fuels, not just their supply.

Since then, significant decarbonisation has been achieved through the transition of assets to the management of Brunel Pension Partnership, the pension fund's investment pooling manager, who are widely regarded as an industry leader in responsible investment. There have also been increased investments in renewables and 'green' technologies through Brunel's infrastructure funds.

Question 2 – submitted by Niaṁ Tickner

In 2023, BCP Council voted to stop investing pensions in risky fossil fuels. A strategy of 'decarbonisation by percentage' and engagement with asset managers has been adopted. However, this can inadvertently support increased fossil fuel production, especially considering corporate growth. Given the urgency of the climate crisis and the rapid transition we need, will the pension committee reconsider its current strategy and seriously consider divestment from the industry who are responsible for approximately 89% of CO2 emissions?

Response by Cllr Andy Canning

We believe that engagement with companies has more chance of achieving positive 'real world' impacts than divestment from those companies, which simply means a sale of ownership to other parties. As I said in my answer to the previous question, the Committee's current approach to the climate and ecological emergency was agreed nearly five years ago, so we should revisit our approach in more detail in the near future.

Question 3 – submitted by Julie-Ann Booker

Brunel Pension Partnership and ACCESS local government pension pools have been told to dissolve and their client authorities merge with one of the remaining six local government pension pools.

We understand the letter to local authority clients gave two main reasons for this decision. Namely a failure on the part of Brunel to consider a merger with another pool as a future option, and the lack of a plan to manage assets internally.

As you are aware, the government has asked both Brunel and ACCESS to provide an update by June, with an in-principle decision on future pooling arrangements expected by September. Given the huge implications of this the outlined timescale seems rather unreasonable and certainly a real challenge to achieve.

Once Dorset Council Pension Committee has analysed and assessed options for the future of our pension assets, hopefully the process and timetable for final decision making will be made public and members of the pension fund will be consulted with in some way.

No doubt you are having discussions with the other client authorities in the Brunel pool, with the option of all going to the same new pool being explored. The alternative being that some, or all, of the client authorities decide to move to different pools. Whichever option is chosen there will be significant costs involved in moving. It is unlikely that any new receiving pool will find it acceptable to pick up this cost. So you must be considering how this will be funded – hopefully not by the Dorset Council pension members.

We assume that one of the criteria you will need to use when assessing which new pool to go to will be how well their existing set-up and future plans align with the government's expectations.

Likewise that responsible investment will be a strong focus in your decision making process. Given the leading role Brunel has established on responsible investment you will no doubt want to seek for that to be continued in any future arrangement. Brunel's achievements being recently reflected by Faith Ward, Brunel Chief Responsible Investment Officer, recently being awarded an MBE for 'services to pensions and the environment'.

It also seems vital that Dorset Council and Bournemouth, Christchurch and Poole's Climate policies and/or transition plans will be preserved throughout this process.

Question: Given the above what are the key criteria you are going to use in assessing the suitability of alternative pools for Dorset Council's LGPS investments?

Response by Cllr Andy Canning

The criteria used to assess the suitability of alternative investment pools will include:

· Ability to meet the Government’s requirements

· Range of investment products offered and performance

· Approach to responsible investment

· Proposed governance arrangements

· People and culture

· Transition plans and costs

Including this criteria in our assessment will seek to ensure that the new investment pool best serves the needs of Dorset County Pension Fund and all of its members, whilst also aligning to the Governments vision for pooling.