

MINUTES of the meeting of the **SURREY PENSION FUND COMMITTEE** held at 10.00 am on 23 September 2022 at Woodhatch Place, Reigate.

These minutes are subject to confirmation by the Committee at its next meeting.

Members:

*= in attendance

- * Nick Harrison (Chairman)
- * David Harmer
- * Trefor Hogg (Vice-Chairman)
- * George Potter
- * Richard Tear
- * Robert Hughes
- Robert King, Borough & Districts
- Borough Councillor Steve Williams, Borough & Districts
- Kelvin Menon, Employers
- Philip Walker, Employees Scheme Members

42/22 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]

Apologies were received from Phillip Walker.

Tim Evans, Chairman of the Surrey Local Pension Board, attended the meeting.

43/22 MINUTES OF THE PREVIOUS MEETING [17 JUNE 2022] [Item 2]

The Assistant Director – Local Government Pension Scheme (LGPS) Senior Officer highlighted to members that the People, Performance and Development Committee had approved the appointment of the Independent Chairman of the Local Pension Board.

The Minutes were approved as an accurate record of the previous meeting.

44/22 DECLARATIONS OF INTEREST [Item 3]

There were none.

45/22 QUESTIONS AND PETITIONS [Item 4]

There were five questions from five members of the public. These and the responses were published as a supplement to the agenda. Supplementary questions and responses included:

1. Jennifer Condit asked on behalf of Lucianna Cole: was it the council's intention to publish all of the replies, including replies that were supplemental to filling out the questionnaire.

The Chairman responded that it was normal practice to publish the replies received including the supplementary replies provided in the free-format box and additional letters or emails. The LGPS Senior Officer stated that detail would be confirmed on how the responses could be accessed.

In regard to the consultation questionnaire, Cllr Williams stated that various points of concern had been raised on the consultation process during discussion at the previous meeting on the timing, nature of the consultation and the possibility of one of more public consultation events. When reading the consultation questions, Cllr Williams stated that he had come to the view that the consultation was a sham and should be restarted. There were also two questions that had been raised and discussed at committee which were not included on the consultation form. This included 1. Do you believe that the Surrey Pension Fund should take immediate steps to divest from fossil fuels? And 2. At what point should the Surrey Pension Fund aim to become a net-zero carbon fund. Should it be 2030, 2035, 2040 or 2050. Cllr Williams stressed that these questions should be included and that the consultation process should be stopped and restarted.

The Chairman confirmed that, following comments made by members of the committee, and as the consultation had already begun, item 16 would be discussed in public. Cllr Potter was concerned that the item was originally due to be held in private, and stressed that he did not agree with the decision to launch the consultation prior to approval from the Committee, and furthermore, that the consultation was not delayed due to the death of Her Majesty The Queen.

2. Jennifer Condit asked on behalf of Kevin Clarke: Mole Valley was not any employee but rather one of the 11 district and borough councils and as an employer it contributed over £2 million to the scheme last year and employees contributed over £600,000 and therefore the district council's view should have some weight, rather than just referring them to the public consultation on the policy. Furthermore, the fact that the policy did not specify a net-zero carbon date would mean that they would not find an answer within the consultation that aligned with their view.

The Chairman responded that they were asking all employers for input and that all feedback was important. All feedback would be taken into account and a response would be provided following the end of the consultation.

Cllr Williams reiterated the need to restart the consultation and also stated that there could be a need for a specific consultation between the district and boroughs within Surrey.

Cllr Potter raised concern that an employer of the Surrey Pension Fund had raised an issue separate from the consultation and the response was to ask that the district council provide feedback within the consultation, rather than responding separately. The Chairman confirmed that the service would be responding specifically to Mole Valley after the meeting.

3. Lindsey Coeur-Belle asked on behalf of Clive Teague: Border to Coast Pensions Partnership have said "infrastructure is a key asset class of our partner funds as they seek attractive investment opportunities and

diversification of risk". What is the carbon profile of the Surrey investments in the above funds, and can the committee assure the public that no investments from this fund is for fossil fuel exploration or extraction.

The LGPS Senior Officer asked that the member of the public write to the council to receive a detailed response, which was agreed.

Cllr Potter said he was surprised to read that the climate opportunities fund did not have any specific exclusion against investment in fossil fuel exploration or extraction and asked for clarification from the fund managers as to why the fund did not contain the exclusion. The Chairman agreed to receive an update on this at the next meeting.

4. Lindsey Coeur-Belle asked: we are facing an environmental and ecological emergency requiring immediate action. We can also add a climate scandal. We know the fossil fuel industry has acted immorally. We know that they have been aware for at least 40 years of the damaging impact on climate that burning fossil fuels would have. The public are now aware and may well ask members of this committee how long will they collude with the fossil fuel industry to destroy this planet, our home.

The Chairman responded that a response had been provided to the original question about adopting the Responsible Investment Policy, subject to consultation.

5. Jenifer Condit asked: do you see an opportunity to vary the nature of the engagement activity you undertake when you are confronted with such a very specific aggregates form of financing activity by the banks and companies creating such misery in the world, and in Surrey.

The Chairman responded that the scheme's key means of engagement was with the Local Authority Pension Fund Forum (LAPFF) and that they had been urged to focus on the role of banks, and would remind them of this during future meetings.

Cllr Potter ask why the scheme was not expressing to the Border to Coast Pension Partnership that there was concern about specific investments in financing Russian carbon projects. The Chairman agreed to engage with Border to Coast on this.

Actions / Further information to be provided:

Action A2/22 - Cllr Potter said he was surprised to read that the climate opportunities fund did not have any specific exclusion against investment in fossil fuel exploration or extraction and asked for clarification from the fund managers as to why the fund did not contain the exclusion. The Chairman agreed to receive an update on this at the next meeting.

A3/22 - Cllr Potter ask why the scheme was not expressing to the Border to Coast Pension Partnership that there was concern about specific investments in financing Russian carbon projects. The Chairman agreed to engage with Border to Coast on this.

46/22 FORWARD PLAN AND ACTION TRACKING [Item 5]

Speakers:

Neil Mason, LGPS Senior Officer

Key points raised during the discussion:

1. The LGPS Senior Officer highlighted that the forward plan was currently showing only the next two meetings as the items included were reliant on the approval of the 2023/24 business plan.
2. In regard to A8/21, Cllr Potter stated that they would prefer that year-on-year progress regarding responsible investments (RI) was still included within future annual reports, however noted that it may not be possible to provide details within this year's annual report as development of the RI policy was ongoing. The LGPS Senior Officer stated that this would be explored as part of the implementation of the RI policy.

Resolved:

The Committee noted the report.

47/22 LOCAL PENSION BOARD REPORT [Item 6]

Witnesses:

Tim Evans, Independent Chairman of the Local Pension Board

Key points raised during the discussion:

1. The Independent Chairman introduced the report and stated that the board continued to be assiduous in its questioning of officers regarding the governance and administration of funds. Attention was drawn to the revisions of the risk register, and completion of the turnaround programme.

Actions/ further information to be provided:

None.

Resolved:

The Committee accepted the changes to the risk register.

48/22 INVESTMENT MANAGER PERFORMANCE AND ASSET/LIABILITIES UPDATE [Item 7]

Witnesses:

Neil Mason, LGPS Senior Officer

Key points raised during the discussion:

1. The LGPS Senior Officer introduced the report and provided a brief overview.

2. Cllr Harmer asked how the discount rate was managed in the current circumstances. The LGPS Senior Officer confirmed that the evaluation had considered the long-term interest rate and inflationary elements. In addition, the investment strategy review, investment consultants and actuaries were working towards cashflows in light of current inflationary pressures.
3. Cllr Williams asked, in view of the rapidly changing economic environment, when the current algorithm for trends in long term interest rates was set and whether there was an intention to reset it. The LGPS Senior Officer said this information would form part of the update and evaluation report once the evaluation was approved by the committee.
4. Cllr Potter said there was no room for complacency in the current climate.

Actions/ further information to be provided:

None.

Resolved:

The Pension Fund Committee noted the main findings of the report in relation to the Fund's valuation and funding level, performance returns and asset allocation.

49/22 COMPANY ENGAGEMENT & VOTING [Item 8]

Witnesses:

Neil Mason, LGPS Senior Officer

Lloyd Whitworth, Head of Investment & Stewardship

Key points raised during the discussion:

1. The LGPS Senior Officer and Head of Investment & Stewardship introduced the report and provided a brief overview. The report could be found from page 59 of the agenda.
2. The Committee thanked officers for the comprehensive report.
3. In regard to engagement, Cllr Potter asked whether there were any cases where engagement had concluded and escalation was being carried out. The Head of Investment & Stewardship said that they could ask Border to Coast whether there were any specific areas on this. Legal and General did have a list of companies where they take exclusion and it was believed that there were 13 companies who would claim to be in that position. Furthermore, Members noted that, during the last annual review, Legal and General had excluded one additional company.
4. The Chairman highlighted that Legal and General's website included information on companies that had been excluded and the reasons why.
5. Cllr Williams asked for more information on the Corporate Action resolution category. The Head of Investment & Stewardship agreed to provide information outside the meeting.

Actions/ further information to be provided:

Action A4/22 - In regard to engagement, Cllr Potter asked whether there were any cases where engagement had concluded and escalation was being carried out. The Head of Investment & Stewardship said that they could ask Border to Coast whether there were any specific areas on this.

Action A5/22 - Cllr Williams asked for more information on the Corporate Action resolution category. The Head of Investment & Stewardship agreed to provide information outside the meeting.

Resolved:

The Pension Fund Committee:

1. Reaffirmed that ESG Factors were fundamental to the Fund's approach, consistent with the Mission Statement through:
 - a) Continuing to enhance its own Responsible Investment approach, its Company Engagement policy, and SDG alignment.
 - b) Acknowledging the outcomes achieved for quarter ending 30 June 2022 by Robeco in their Active Ownership approach and the LAPFF in its Engagement with multinational companies as at 30 June 2022.
 - c) Noting of the vote by the Surrey Pension Fund in the quarter ended 30 June 2022.

50/22 ANNUAL REPORT 2021/22 [Item 9]

Witnesses:

Neil Mason, LGPS Senior Officer

Key points raised during the discussion:

1. The LGPS Senior Officer introduced the report and provided a brief summary. Members noted that the report provided an update to the production of the 2021/22 Pension Fund Annual Report.

Actions/ further information to be provided:

None.

Resolved:

The Pension Fund Committee noted the content of the draft Annual Report, shown as Annex 1, and that the final version of the report was to be completed in consultation with the Chair.

51/22 2022 VALUATION [Item 10]

Witnesses:

Neil Mason, LGPS Senior Officer

Key points raised during the discussion:

1. The LGPS Senior Officer introduced the report and provided a brief summary. Members noted that the valuation was on track and that a meeting was scheduled with larger employers to discuss early results which included Boroughs, Districts, the Police and Surrey County Council.

Actions/ further information to be provided:

None.

Resolved:

The Pension Fund Committee noted the report from Hymans Robertson, on the approach to the revisions to the Funding Strategy Statement, included as Annex 1 of the report.

52/22 LGPS UPDATE (BACKGROUND PAPER) [Item 11]

Witnesses:

Neil Mason, LGPS Senior Officer

Key points raised during the discussion:

1. The LGPS Senior Officer introduced the report and provided a brief summary. Members noted that Government had launched the consultation on TCFD for the Local Government Pension Scheme (LGPS) and that a response would be provided and shared with the Chairman of the Committee.
2. The LGPS Senior Officer stated that training courses on Fundamentals, and a government seminar run by the Scheme Advisory Board, were recommended for members of the Committee and also members of the Local Pension Board. Members were asked to contract the pension team for more information.
3. The Chairman stated he had requested officers include a summary of key points for attention within future reports.

Actions/ further information to be provided:

None.

Resolved:

The Pension Fund Committee noted the report.

Chairmans comments on agenda order

The Chairman informed the Committee that, following comments made by Members, Items 15, 16, 17 and 20 would be considered in public.

Cllr Potter raised concerns with the reasoning behind initially deciding to consider items 15, 16, 17 and 20 in private and requested clarification on the category selected to describe the reason for considering the information exempt. The Member went on to stress the democratic importance for marking information exempt only when necessary. The Chairman confirmed

that the information had been marked exempt under Paragraph 3, which was for information relating to the financial or business affairs of any particular person (including the authority holding that information). The Member further stated that Part 2, Paragraph 8 of Schedule 12A of the Local Government Act 1972 gave exemptions to Paragraph 3 (exempt information category) and that the council was possibly acting unlawfully by considering the item's cover reports as exempt information. The LGPS Senior Officer stated that he would speak with Legal and Democratic Services to discuss reasons for report publishing exemptions going forward.

Cllr Williams felt it was unfortunate that the public had not been able to access the previously exempt reports prior to the meeting, and requested that future exempt reports were provided with clear justification for their exemption. The Chairman stated that going forward justifications would be provided, and that the unrestricted reports from the meeting would be published within a supplementary agenda.

53/22 ASSET CLASS FOCUS - REAL ESTATE [Item 15]

Witnesses:

Neil Mason, LGPS Senior Officer
Lloyd Whitworth, Head of Investment & Stewardship
Anthony Fletcher, Independent Advisor

Key points raised during the discussion:

1. The Head of Investment & Stewardship introduced the report and provided a brief summary. Officers stated CBRE were doing well and, this year, their presentation was better than in the previous year. Officers however stated that CBRE had presented the Global Fund as of the end of March 2022, and the UK Fund as of the end of June 2022, which made comparison difficult with the volatility of Sterling through recent years. It was felt that for future reporting periods it would be helpful if CBRE could report on the same 12 month period. In regard to Board to Coast, officers stated there is a proposal to offer a global solution, similar to CPRE's approach, and a UK solution, which was considered attractive by officers, however there was still work to do to ensure it was a lower cost solution.
2. In regard to the proposed property fund, a Cllr Potter asked whether there would be the right balance of Global property investments and UK property investments and whether the Fund would have an input into the decision. The LGPS Senior Officer confirmed there was currently a 50% allocation to the UK and a 50% allocation to Global and that this was being reviewed as part of the Investment Strategy. Furthermore the Funds officers and advisors would be involved in the process and one of the conditions prior to any transition would be to receive a suitability report from the investment consultant, Mercer. Members further noted a formal decision would be brought to a future Committee meeting on how much to allocate.

Actions/ further information to be provided:

None.

Resolved:

The Committee noted the Fund's Real Estate holdings, respective funds' investment performance and review from the Fund's independent investment adviser.

54/22 RESPONSIBLE INVESTMENT POLICY UPDATE [Item 16]

Witnesses:

Neil Mason, LGPS Senior Officer
Lloyd Whitworth, Head of Investment & Stewardship
Mel Butler, Investment Strategy Manager
Amanda Jupp, Communications and Training Manager

Key points raised during the discussion:

1. The Head of Investment & Stewardship introduced the report and provided a brief summary. Officers noted the consultation had started in the previous week and would run for six weeks and complete on 23 October 2022. Around 110,000 people were being engaged by email. Full details would be found in the supplementary agenda published on 24 September 2022.
2. Members noted that the Responsible Investment Policy was approved at the Pension Fund Committee meeting of 17 June 2022, subject to consultation.
3. Cllr Williams stated the launch of the consultation was inappropriate as it should have been brought to the Committee prior to launch. The Member further stated there were a number of points related to the process, and the questions being asked within the consultation needed to be raised, and further stressed the consultation had started without the approval of the Committee.
4. In regard to the report's recommendations, Cllr Potter said they believed the recommendations had been changed from when the report was previously published prior to the original meeting being postponed.
5. A Member of the Committee said that the committee had previously approved the Responsible Investment Policy of 17 June 2022, subject to consultation, however the format of the consultation was not approved.
6. Cllr Hughes stated they felt the consultation should be constructed by experts rather than Members of the Committee and officers had carried out the consultation as previously agreed by the Committee.
7. Cllr Potter said it was good practice for the relevant committee to receive a copy of a consultation prior to publication.
8. Cllr Potter stated it was inappropriate that internal email updates had been paused out of respect for the death of Her Majesty The Queen, however the consultation still continued to be published during the period of mourning. The Member suggested that the consultation be paused to allow the committee to discuss it properly. The Chairman responded there was pressure to publish the consultation and it was understood that, during the period of mourning, certain business-as-usual should continue.
9. Cllr Williams said that the Committee had previously agreed the nature of the Responsible Investment Policy to be consulted on, not the consultation itself, and it was assumed that the consultation process

would still be approved by the Committee. The Member further stated that they believed the consultation should be paused to allow for further discussion.

10. The Chairman stated that he felt the consultation had been published in line with what was previously agreed. Officers had also consulted with and gained approval from the Chair and Vice-Chair regarding the consultation process, further to receiving expert advice from their engagement advisors, Minerva, and the Council's internal team changed with ensuring that consultations are carried out effectively and compliantly.
11. The LGPS Senior Officer explained that the Chairman was consulted and advice was sought from senior officers in the organisation as to whether the substantive work could progress during the period of mourning. The LGPS Senior Officer further said he was prepared to take criticism on whether the consultation should have been launched during the period of mourning and that this was something officers would take on board.
12. Cllr Potter reiterated their view that it was inappropriate to launch the consultation and stressed that, at the very least, the consultation should be extended.
13. In regard to the consultation itself, Members made the following comments:
 - a. Cllr Williams stated that clarification was needed on whether there would be any direct consultation or sessions with key stakeholders such as the borough and district councils. The Chairman confirmed there were no plans for a meeting with borough and district councils on this. The Member reiterated a meeting with the councils should be incorporated into the consultation process. Another Member of the Committee agreed it would be worthwhile to have a specific engagement activity with the employers, in particular, with the borough and district councils.
 - b. Cllr Williams said that a question related to whether the consultee believed the Surrey Pension Fund should take immediate steps to divest from fossil fuels should have been included within the consultation.
 - c. Cllr Williams said that that a question should have been included within the consultation related to the point in which the consultee believed the Surrey Pension Fund should become a net-zero carbon fund. 2030, 2035, 2040 or 2050.
 - d. In regard to Question I of the consultation, related to the 'engagement with Consequences' approach, Cllr Potter said that a question was needed on whether divestment action should be taken in specific areas in order for Question I to be worthwhile.
 - e. Cllr Potter said that research suggested 'agree' or 'disagree' questions within a consultation were loaded questions.
 - f. In regard to Question H of the consultation, related to climate risk, Cllr Potter said that there were no questions included on what net-zero should look like and what the timescale should be and so Question H was not worthwhile.
 - g. Cllr Potter said that Question H and Question I were useless unless the wording was amended. Therefore the Members stated the consultation should be amended or relaunched.

- h. That every question within the consultation should include a comment's box to allow the consultee to provide detail on their reasons for agreeing or disagreeing.
14. The Chairman stated creating a consultation was complicated and officers took best advice from the experts and that the consultation questions closely followed the draft Responsible Investment policy.
15. Cllr Williams reiterated it would be reasonable to hold a consultation meeting with representatives from employers and a representative of their employees.
16. Cllr Tear said it was a reasonable suggestion to extend the consultation, however a relaunch may confuse consultees and negatively impact the number of responses received.
17. Cllr Potter suggested that, in the event the consultation was not restarted, supplementary questions covering additional topics on what net-zero means for the consultee and timescales around this, should be included. The Chairman stated the Responsible Investment policy did not include a target date for net-zero and so it would not be appropriate to include a question on it within the consultation. Cllr Potter said that the policy would develop this and therefore it would be legitimate to include a question on it.
18. Cllr Potter reiterated that 'agree' and 'disagree' questions within consultations were not best practice.
19. Cllr Williams proposed the consultation was restarted. In response, another member of the committee raised concerns that a restart of the consultation could cause confusion and potentially bias the results.
20. The committee discussed the option of extending the consultation by two weeks. During the discussion, Cllr Hogg stated it would also be valuable to circulate a reminder to consultees to complete the consultation.
21. Cllr Potter stated that, as restarting the consultation was not a popular decision on the committee, he would suggest extending the consultation and circulating a reminder, but stressed there was a need to include a supplementary question related to net-zero and divestment.
22. Cllr Williams whether a two week extension was a suitable time period to circulate a consultation with supplementary questions and to organise a stakeholder meeting to consult employers directly. The Member further stated he did not believe a two week extension to be suitable and therefore a consultation relaunch was necessary. The LGPS Senior Officer stated he needed to discuss with colleagues the impact of a consultation extension.
23. The Chairman stated he supported a two week extension and circulation of a consultation reminder but did not support the addition of a supplementary question on net-zero. The reason for this is because there was a need to develop a view of net-zero before consulting on the topic. Following further discussion, the Chairman assured Members the committee would debate a topic on a net-zero target date when appropriate.
24. Cllr Williams moved a motion, seconded by Cllr Potter, to restart the consultation, and to include a question on net-zero as previously discussed. It was agreed to hold a recorded vote. Steve Williams and George Potter voted For the proposal. Nick Harrison, Trefor Hogg, David Harmer and Robert Hughes voted Against the proposal. There were no Abstentions. Therefore the motion was lost.

25. The Chairman moved a motion to extend the consultation by two weeks, to circulate a reminder to consultees to complete the consultation, to note a possibility of an extra committee meeting to take the consultation extension into account, and, following reaching a conclusion on net-zero, to consider whether a consultation was necessary. It was agreed to hold a recorded vote. Steve Williams, George Potter, Nick Harrison, Trefor Hogg, David Harmer and Robert Hughes voted For the motion therefore it was unanimously carried.

Actions/ further information to be provided

Action A6/22 - To extend the consultation by two weeks, to circulate a reminder to consultees to complete the consultation, to note a possibility of an extra committee meeting to take the consultation extension into account, and, following reaching a conclusion on net-zero, to consider whether a consultation was necessary.

Resolved:

It was agreed to extend the consultation by two weeks, to circulate a reminder to consultees to complete the consultation, to note a possibility of an extra committee meeting to take the consultation extension into account, and, following reaching a conclusion on net-zero, to consider whether a consultation was necessary.

55/22 TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) REPORT [Item 17]

Witnesses:

Neil Mason, LGPS Senior Officer
Lloyd Whitworth, Head of Investment & Stewardship
Steve Turner, Mercer

Key points raised during the discussion:

1. The LGPS Senior Officer introduced the report and provided a brief summary. The Committee were reminded that the consultation on TCFD from the Government had recently been issued and that a response would be provided. The representative from Mercer explained that they would support issuing the TCFD report as is, subject to any suggested changes. Looking ahead, officers stated that there were in a good position to provide reports in the future.

Actions/ further information to be provided:

None.

Resolved:

It was agreed that the Committee approve the Surrey Pension Fund TCFD report for the financial year 2021-22.

56/22 NET ZERO CONSIDERATIONS [Item 20]

Witnesses:

Neil Mason, LGPS Senior Officer

Lloyd Whitworth, Head of Investment & Stewardship

Steve Turner, Mercer

Key points raised during the discussion:

1. The representative from Mercer introduced the report and provided a brief summary of the presentation annexed to the cover report. The presentation noted by Members was published in a supplementary agenda on 24 September 2022.
2. Cllr Harmer said that they believed it was difficult to assess and conclude which areas to invest in and asked whether there was any documentation which assessed what life would look like in 2030, 2040 and 2050 to aid decision making. The representative from Mercer said they did not have the information available however, when conducting research, an approach was taken that having real world change was about changing behaviours of individual companies, as all would have an impact on global warming.
3. Cllr Williams asked whether views on net zero considerations were based on the current or future prospects. Officers explained that it was challenging to predict which companies would have the greatest impact on reducing the global carbon footprint. Members noted that officers would expect the investable universe of companies targeting 1.5c / 1.4c, for example, to increase overtime. However it was difficult to predict which specific companies would set a target and how it would be implemented.
4. Cllr Potter highlighted that the report provided information on an example portfolio made up of 1.5c aligned and net zero investments, however, the Member stated that the detail actually needed was information on the pathway which needed to be followed to become 1.5c aligned and net zero. In regard to the recommendation 1, the Member said that there was no analysis on the pathway to carbon net zero to consider. In regard to recommendation 2, the Member said that it was uninformed by advice or evidence and that they would be against confirming a net zero target date without consideration of the appropriate analysis on the implications. In response, the representative from Mercer explained that it was extremely difficult to provide the requested analysis and Mercer were unlikely to be in a position to provide it, and that the analysis circulated was provided to give the Committee a feel of the potential risk implications of targeting very ambitious timeframes for net zero earlier than 2050.
5. Following discussion, the Chairman proposed that the Committee move forward by noting the analysis provided but to withdraw Recommendation 2 for the time being. This proposal was agreed by the Committee.
6. Cllr Potter asked for detail on how the list of companies to be aligned with 1.5c had expanded within the last two and five years. Officers stated that they would expect the universe of companies aligned to expand and that the level of expansion would be greater than it was previously. Officers agreed to provide a response outside the meeting.

7. Cllr Williams said that they would welcome further analysis of how the investment universe of companies aligned with 1.5c or below would be expanded in the future.

Actions/ further information to be provided:

Action A7/22 - Cllr Potter asked for detail on how the list of companies to be aligned with 1.5c had expanded within the last two and five years. Officers stated that they would expect the universe of companies aligned to expand and that the level of expansion would be greater than it was previously. Officers agreed to provide a response outside the meeting.

Resolved:

The Committee noted the analysis of the Fund's investment consultant, Mercer, in respect of a pathway to carbon net zero.

57/22 EXCLUSION OF THE PUBLIC [Item 12]

Resolved: That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information under the relevant paragraphs of Part 1 of Schedule 12A of the Act.

PART TWO – IN PRIVATE

58/22 INVESTMENT MANAGER PERFORMANCE AND ASSET/LIABILITIES UPDATE [Item 13]

Witnesses:

Neil Mason, LGPS Senior Officer

Key points raised during the discussion:

1. The Committee considered a Part 2 report that provided an investment manager performance and asset/liabilities update.

Actions/ further information to be provided:

None.

Resolved:

The Committee noted the report.

59/22 COMPANY ENGAGEMENT & VOTING [Item 14]

Witnesses:

Neil Mason, LGPS Senior Officer

Lloyd Whitworth, Head of Investment & Stewardship

Key points raised during the discussion:

1. The Committee considered a Part 2 report that provided an update on company engagement and voting.

Actions/ further information to be provided:

None.

Resolved:

See Exempt minute - E-26-22

60/22 BORDER TO COAST PENSIONS PARTNERSHIP UPDATE [Item 18]

Witnesses:

Neil Mason, LGPS Senior Officer
Lloyd Whitworth, Head of Investment & Stewardship

Key points raised during the discussion:

1. The Committee considered a Part 2 report that provided an update on the Border to Coast Pensions Partnership.

Actions/ further information to be provided:

None.

Resolved:

See exempt minute – E-27-22

61/22 BORDER TO COAST PENSIONS PARTNERSHIP PATHWAY TO NET ZERO [Item 19]

Witnesses:

Neil Mason, LGPS Senior Officer
Lloyd Whitworth, Head of Investment & Stewardship

Key points raised during the discussion:

1. The Committee considered a Part 2 report that provided an update on the Border to Coast Pensions Partnership Pathway to Net Zero.

Actions/ further information to be provided:

None.

Resolved:

See Exempt minute - E-28-22

62/22 PUBLICITY OF PART 2 ITEMS [Item 21]

The Chairman informed the Committee that, following comments made by Members, Items 15, 16, 17 and 20 would be considered in public and papers published on the public website.

63/22 DATE OF NEXT MEETING [Item 22]

The date of the meeting was noted.

Meeting ended at: 13:40

Chairman