

**PENSION COMMITTEE – 29th February 2024**  
**PUBLIC QUESTIONS**

1. Questioner's name: Joanna Coull	Respondent's name: Cllr Lynden Stowe
<p>As I understand it, when Brunel was set up to administer the Gloucestershire County pension fund, alongside others in the pool, it sought independent advice on which fund managers should manage the investments in the various portfolios.</p> <p>For the UK Equities fund Invesco and Baillie Gifford were appointed. Baillie Gifford is well known for its green approach to investing, Invesco not so. In my own personal investment portfolio I have two Baillie Gifford funds. Both sustainable and both performing well.</p> <p>It seems that the most effective way to divest from fossil fuels, is not to invest in them in the first place. And for the pension fund to reach net zero as quickly as possible the best way is to invest with those fund managers who already invest ethically and sustainably with the net zero goal at the forefront of everything they do.</p> <p>I would like to know what would need to happen for pension fund members and contributors to be able to engage with Brunel, via the pension committee, to discuss the possibility of appointing more impact fund managers to manage the various portfolios”</p>	<p>The selection of the underlying investment managers that form the constituent parts of our portfolios is undertaken by Brunel and appropriately monitored and challenged by all the Partner Funds.</p> <p>For the vast majority of the portfolios, including that of the UK Equity Portfolio, that Brunel deliver for the Partner Funds, the portfolios are delivered through a bespoke regulated Authorised Contractual Scheme (ACS) vehicle.</p> <p>The use of the ACS vehicle means that we do not use an investment managers pooled fund, like that which you would use in your personal investment portfolio. An appointed investment manager will manage a bespoke portfolio for Brunel through the ACS, based upon investment guidelines agreed with them. Importantly, this approach enables Brunel to embed our Partnerships responsible investment policy and climate change policy into the investment process of the appointed managers.</p> <p>The Fund has committed to a net zero ambition of 2045 and we will continue to work with Brunel and our Partner Funds to ensure that our ambitions are met.</p> <p>We believe that the embedding of the partnerships responsible investment policy directly into the investment principles as outlined above, does lead to sustainable and impactful investing by the appointed managers. The Fund is committed to providing a full Taskforce for Climate Related Financial Disclosures (TCFD) report for 2023/24, which we believe will demonstrate this to all our stakeholders.</p>

<p><b>2. Questioner's name: Penny Kent</b></p>	<p><b>Respondent's name: Cllr Lynden Stowe</b></p>
<p>Last week's headline? FEBRUARY ON COURSE TO BE HOTTEST IN HUMAN HISTORY., PUTTING WORLD INTO UNCHARTED TERRITORY. The first half of February shocked weather watchers: 140 countries broke monthly heat records. Ocean surface heat continues to astonish observers and raises the likelihood of intense storms later in the year.</p> <p>Last night the BBC weather forecaster reported that the UK's rainfall so far this year has been 75% above average.</p> <p>Other organisations have recognised that the planet is now perilously close to irreversible tipping points and are setting far more ambitious targets for decarbonisation.</p> <p>Do the members of GCC Pension Committee sincerely feel that they are acting with the utmost urgency in addressing the Climate Emergency through their Pension Fund investment activities, or is there a possibility that they could, with more determination and ambition, achieve change at greater speed?</p> <p><i>Source: The Guardian Saturday 17th February 2024</i></p>	<p>The members of the Pensions Committee take most seriously their responsibilities to all key stakeholders in the governance of the Gloucestershire Pension Fund.</p> <p>In managing the Gloucestershire Pension Fund, the Committee has a fiduciary duty to both scheme employers and to scheme members. Investments must be exercised in achieving what is best for the financial position of the fund, balancing risk and return.</p> <p>In ensuring that the Committee complies with their fiduciary duties they also consider, after receiving appropriate advice, financial and non-financial risk factors in the selection of appropriate investments, which includes the risk of climate change to the investment universe.</p> <p>At its last meeting the Committee approved a draft Responsible Investment policy for the Gloucestershire Pension Fund which included setting a net zero target for the Fund of 2045. It also included targets for decarbonisation of the portfolio along the journey to 2045, by 2030. The draft policy will now be subject to consultation and be brought back to the Committee in June 2024.</p> <p>Details can be found here on the GCC website: <a href="https://www.gloucestershire.gov.uk/agenda-for-pension-committee-on-thursday-7-december-2023-10.00-am">Agenda for Pension Committee on Thursday 7 December 2023, 10.00 am (gloucestershire.gov.uk)</a></p>