

PENSIONS BOARD – 28 JANUARY 2022

Public Questions

1. Question received from Joanna Blackman

At the recent Pensions Committee meeting on 17th January, I gave a presentation on behalf of Fossil Free Shropshire, on the case for a speedy divestment from fossil fuels. I would like to hear Board members' response both to this and to the Committee's decision to reject the Council's divestment motion.

However, I am puzzled and disappointed to see that the opportunity for Board Members to raise any questions following the Pensions Committee's discussion and vote on the Council's divestment motion is in the exempt part of the meeting (item 9).

Surely all Board meetings could maintain the Committee's division into public and exempt items and address these separately within two separate agenda items?

Is there any reason in law why the Pensions Board could not consider the decisions made within the PUBLIC part of Pensions Committee meetings within the PUBLIC part of Board meetings?

Response

The Pension Committee have delegated authority to make the decisions in relation to the Shropshire County Pension Fund the Pension Board is not a decision making body but an oversight Committee. Several Pension Board members attended both the public and private parts of the Pension Committee meeting on the 17th January so heard all of the presentations, public statements and debate regarding the Council motion and the decisions made. The Pension Committee voted 4 2 in favour not to support the Council's motion and there have been public media statements issued following this meeting providing further information around the decisions taken.

All Pension Committee reports go to the Pension Board just for information, all Pension Board members are invited to the public and private parts of Pension Committee meetings. It has been agreed with the Chair that all reports are taken as one item on the agenda for members to note as public pension committee reports have already been debated and voted on in the public domain by Pension Committee who have delegated authority to make all decisions relating to the Pension Fund.

2. Question received from Martin Oddsocks

At its meeting on 17th January, the Pensions Committee rejected Shropshire Council's motion calling on the Fund to divest from fossil fuels over a 3 year timeframe (from July 2020).

The Pensions Committee received a Climate Risk Report prepared by LGPS Central, which relies on the IPCC's scientific assessment report of 2013, when an updated 2021 version was readily available.

Furthermore, the Committee has received questionable advice from Mercer including an assessment that a 4C global heating scenario would barely impact on its returns.

Are the Board satisfied that the Pensions Committee has acted legally, acted in keeping with its fiduciary duty and acted in the best interests of its members, contributing employers and other stakeholders?

Response

The Pension Board are satisfied that the Pension Committee have acted legally, acted in keeping with its fiduciary duty and acted in the best interest of its members, contributing employers and other stakeholders in all decisions it makes in relation to the Shropshire County Pension Fund and in accordance with proper advice and within a strict, robust and transparent governance process.