

**MINUTES OF A MEETING OF THE PENSIONS AND INVESTMENT COMMITTEE
HELD AT BY ZOOM ON FRIDAY, 17 JANUARY 2025**

PRESENT County Councillors

A E Jones
A Kennerley
C Kenyon-Wade
D A Thomas
D H Williams
P E Lewis

Trish Fretten (Employer Representative)
Chris Hurst (Pension Fund Manager, Secretary to the Board)
Jane Thomas (Director of Corporate Services)

Aon Representatives
Kenneth Ettles
Luke Hammond
Jennifer O'Neil

1. APOLOGIES

Apologies received from: Dafydd Edwards (Independent Chair, Powys Pension Board)

2. DECLARATIONS OF INTEREST

A E Jones, A Kennerley, C Kenyon-Wade, D H Williams, and P E Lewis declared interests as members of the Local Government Pensions Scheme. These are personal interests, not prejudicial interests in accordance with Paragraph 12(b) (iv) of the Members Code of Conduct 2016.

3. MINUTES

The Chair was authorised to sign the minutes of the Pensions and Investment Committee meeting held on 27 and 13 December 2024 as a correct record.

4. EXEMPT ITEM

RESOLVED to exclude the public for the following items of business on the grounds that there would be disclosure to them of exempt information under category 3 of The Local Authorities (Access to Information) (Variation) (Wales) Order 2007).

5. RESPONSIBLE INVESTMENTS BELIEFS

The Committee reviewed the report from Jennifer O'Neill an Aon representative and explained that a beliefs survey had been completed by the Committee in

2019 and 2024. The purpose of the survey was to ensure that investment approaches and engagement were aligned and fed into the strategies and policies for the Powys Pension Fund.

A reflection of the previous survey results were provided which illustrated a similar alignment to the present results. The survey included environmental, social and governance considerations including climate change and net zero elements.

A detailed observations summary was presented to the Committee with comprehensive explanations around each question which led to in depth discussions and how an evaluation of the completed surveys was conducted, including a mapping exercise to indicate alignment to the responsible investment policies.

The Pension Fund Manager added that the response to the recent government consultation around pooling included the impact on local investments and identifying appropriate opportunities.

It was concluded that growing knowledge, framework and policy development were key areas for the Committee and tools were available for environmental, social and governance areas to be reviewed further. A timescale showed the short, medium and long-term actions for the future which would be aligned with the Pensions Committee roadmap and agreed that a draft updated responsible investment policy would be provided to the Committee at the next meeting.

6. UPDATE ON NET ZERO

The Committee received a verbal update on from Kenneth Ettles an Aon representative. An outcome summary from the previous committee meeting was provided regarding suggested net zero targets. Due to challenging national changes, it was stressed that a formal audit trail was required to evidence the process and demonstrate decision making.

It was agreed that the valuation reports with the forecast graphs would be re-circulated and was suggested that additional learning and sharing of information could take place in which the Pension Fund Manager would consider a dedicated workshop to this subject, after a discussion was held around concerns raised around targets being set without assurances of available investment funds via LGPS pools.

It was agreed that Aon would provide updated information in three to six months.

Due to Powys being one of the smaller pension funds it was felt important that the Pension Fund Manager contact the WPP regarding opportunities and impacts on investments in local infrastructure.

7. INVESTING IN AREAS OF CONFLICT
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The Committee received the presentation from Kenneth Ettles an Aon representative. An overview provided background information and stressed that

updated guidance had been received from the Scheme Advisory Board who co-ordinated government guidance to all Local Government Pension Schemes nationally.

Views on investing in conflict areas and the importance of responsible investment were shared with key points and considerations discussed, including the uses of exclusion divestment policies. Highlights from the report covered the influence of pooled investors and the Powys Pension Fund with Asset Managers with emphasis placed on regular policy reviews to keep up to date with changes.

The Pension Fund Manager would consider an engagement process with stakeholders around investments, risk appetite and principles that should be considered.

8.	NATURAL CAPITAL
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Jennifer O'Neill and Luke Hammond from Aon presented to the Committee. They explained how nature-related risks and opportunities were linked to climate change, highlighting long-term concerns about declining natural capital, ecosystem services, and biodiversity, all often summarised as nature loss.

A graph illustrated the drivers of nature loss and their impacts, including climate change and pollution, showing data on a global biodiversity decline since the 1970s.

Investment Managers were actively increasing ways to better develop opportunities to investors that included both climate and nature loss aiming for nature positive investments.

Investment risks and opportunities were discussed, with a workshop suggested to enhance understanding. The Council's efforts on nature and climate were noted.

9.	WALES PENSION PARTNERSHIP UPDATE
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The Committee received the joint report from Aon and the Pension Fund Manager. The report demonstrated and provided assurance work conducted by the WPP in regard to investments where a dedicated responsible investment resource was in place. It provided a high-level overview of some WPP sub-funds including the benchmark status and environmental, social and governance metrics which were examined in more detail by the Committee.

It was noted that a report would be presented at Committee on a quarterly basis to include different sub funds, and was suggested an executive summary would accompany the report.

County Councillor P E Lewis (Chair)