

Investing South Lanarkshire Money for Positive Change

Notice of Motion

Motion received in terms of Standing Order No 20 on 12 September 2022, proposed by Councillor Kirsten Robb, seconded by Councillor Joe Fagan, as follows:-

“Motion pre-amble:-

- Recalls that in 2018, a motion passed calling for Strathclyde Pension Fund to keep their investments under continuous review with regards ethical investment and that in 2019, all political parties on South Lanarkshire Council recognised the climate emergency;
- Further recognises that the Strathclyde Pension Fund supports low carbon initiatives through its direct investment portfolio, but is concerned that the Fund retains large holdings, worth £836 million last year (1), in fossil fuel industries that are driving the climate and ecological crises and perpetuating global inequalities;
- Notes Strathclyde Pension Fund committee and board members must make their fiduciary duty paramount in all decision making and recognises that this duty is consistent with selecting investments according to ethical, environmental, social and governance criteria as well as financial return;
- Further notes recent analysis (2) showing companies on Strathclyde Pension Fund’s ‘Green List’ are still investing disproportionately in fossil fuels and heeds the calls from fund members themselves to divest (3). South Lanarkshire Council notes that many other major pension funds have already made and acted on commitments to fossil fuel divestment, demonstrating leadership on the climate emergency at the same time as protecting the long-term interests of their individual investors;
- Finally notes that South Lanarkshire Council’s Treasury Management strategy estimates investments of £154,551m in 2022/23; that it’s bankers are Natwest and Lloyds, who together invested \$25billion into financing fossil fuels 2016-20 (4), and, in Natwest’s case also funds firms accused of destroying tropical rainforests, fuelling the climate crisis further (5).

Motion:

Therefore, we believe that South Lanarkshire Council can show climate leadership by resolving to write to the Strathclyde Pension Fund Committee as follows:-

- Asking that it renews its commitment to fossil fuel divestment and vastly increases investments in projects bringing about positive change, as well as tackling the climate and ecological crises, with the intention of divesting from fossil fuel investments completely as quickly as possible, and no later than 2029;
- That it further considers how it can reinvest the Pension Fund members' hard-earned money to drive community wealth building and climate and ecological action within South Lanarkshire; and
- Asks that Strathclyde Pension Fund develop, in conjunction with the trade unions, a meaningful consultation mechanism with Fund members and that employers, such as South Lanarkshire Council, are consulted on the Fund's investment strategies and divestment policy.

And for South Lanarkshire Council to further demonstrate its own climate leadership by:-

- Reviewing its Investment Strategy and developing and implementing a Responsible Investment Policy to ensure that South Lanarkshire money is invested for positive change and does not fuel the climate and ecological crises; and
- Reporting back on work to incorporate sustainability into Treasury Management decisions to the Climate Change and Sustainability Committee.”

References

1. <https://foe.scot/resource/strathclyde-briefing/>
2. <https://www.channel4.com/news/energy-companies-investing-just-5-of-profits-in-renewables>
3. <https://unison-scotland.org/public-service-workers-want-an-ethical-local-government-pension-fund-says-unison/>
4. <https://www.bankingonclimatechaos.org/bankingonclimatechaos2021/#score-card-panel> and <https://www.ethicalconsumer.org/money-finance/climate-change-impact-ratings-banks>
5. <https://www.globalwitness.org/en/campaigns/forests/deforestation-dividends/#responses>