

MOTION TO EAST LoTHIAN COUNCIL
25 October 2022

Divestment of Lothian Pension Fund from Fossil Fuel Companies

It is noted that East Lothian Council unanimously approved the declaration of a Climate Emergency in 2019, and that following this declaration, the then-leader of the Council, Cllr Willie Innes, wrote to the Lothian Pension Fund on behalf of the Labour administration, making clear that 'as a group, we are of the view that it is time for Lothian Pension Fund to disinvest from fossil fuel shares'. A copy of that letter is annexed to this Motion.

This motion is intended to build on the good work done under Cllr Innes' leadership and asks the Council to state to Lothian Pension Fund our collective view that public pensions should not be invested in fossil fuel firms. This is in line with the wishes expressed by members through one major trade union, although it is noted that the Pension Fund does not currently have any mechanism for consultation with all members.

Motion

The Council therefore instructs the Council Leader Norman Hampshire to write to the Lothian Pension Fund

- a) to advise of East Lothian Council's position that LPF should act immediately to divest in Fossil Fuels to meet the aims of the Paris Agreement and keep the extent of global temperature rise to under 1.5C;
- b) to request that LPF, starting in 2023, produce an annual report on the extent and value of fossil fuel investment holdings, together with a clear strategy to divest from the same and annual updates on the progress of this divestment;
- c) to request that Lothian Pension Fund develop, in conjunction with the trade unions, a meaningful consultation mechanism with Fund members and that employers, such as East Lothian Council, are consulted on the Fund's investment strategies and divestment policy.

Proposed by: Councillor Shona McIntosh
Date: 13 October 2022

Seconded by: Councillor Brooke Ritchie
Date: 13 October 2022

Received by (officer): Jill Totney, Team Manager, Democratic & Licensing
Date: 13 October 2022

WI/WG

2 September 2019

For the attention of -

Bruce Miller, Chief Investment Officer, Lothian Pension Fund

David Hickey, Portfolio Manager, Lothian Pension Fund

Dear Mr Miller and Mr Hickey

Re: Climate Change Risk and Carbon Foot-printing

I am writing on behalf of the Labour Group administration of East Lothian Council.

At our full meeting of Council on 27 August 2019 there was unanimous support for a motion from our Labour administration as set out below.

CLIMATE EMERGENCY MOTION

There is a global climate emergency. The evidence is irrefutable and the science is clear. Warnings have been issued about the damage human beings are causing to the planet and how that damage has accelerated over the last 50 years.

The impacts of climate change are having a serious effect on our communities.

We believe that it is not too late for us to begin to turn things around but to do so requires transformative change and action now.

East Lothian Council therefore resolves to:

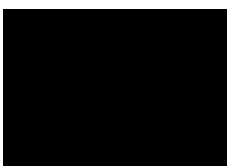
Declare a Climate Emergency that requires urgent action to make all our Council Services net Zero Carbon as soon as is reasonably practicable and in any case by 2045 and to lobby , support and work with all relevant agencies, partners and communities to fulfil this commitment. East Lothian Council will also commit to work with our communities and partners towards making East Lothian a carbon neutral county as well as enabling the county to deliver its part of wider national and international commitments.

We are also developing our Climate Change Strategy which in the consultation phase has seen a positive and ambitious response.

I am aware that a report on Climate Change Risk and Carbon Footprinting was discussed at a Responsible Investment event in October 2018. As a group, we are of the view that it is time for the Lothians Investment Fund to disinvest from fossil fuels shares. We appreciate that the Fund Managers have a fiduciary duty to its members for the sustainability of our pension schemes, but we do not believe that this should be to the detriment of our communities who are concerned about and experiencing the impacts of climate change. We also feel a duty to the poorest developing countries who are disproportionately impacted by climate change.

We, the members of East Lothian Council Labour Administration therefore ask that Lothian Pension Fund disinvest from, and cease any future investment in, fossil fuels.

Yours sincerely



Councillor Willie Innes

Leader East Lothian Council