

Public Questions to be presented under item 3 at the Pension Fund Committee meeting on Monday 13th December.

1. Question from Cambridge City Councillor Hannah Copley:

Dear Chair (Cllr Alison Whelan) and members of this Committee can I draw to your attention the following:

- In 2020 Bath & North East Somerset Pension Fund Committee looked at climate change modelling work undertaken by the Fund as part of the 2019/20 investment strategy review leading to a series of climate change objectives and asset allocation changes
- In July 2020 Calderdale Council's Cabinet agreed requested the West Yorkshire Pension Fund disinvests from fossil fuel companies.
- In September 2020 the Cheshire Pension Fund became one of the first in the country to report on the carbon footprint of its £6 billion investment portfolio.
- From Devon County Council "The Devon Pension Fund believes climate change poses significant risks to global financial stability and could thereby create climate-related financial risks to the Fund's investments, unless action is taken to mitigate these risks."
- For the East Riding (Yorkshire) Pension Fund the Committee recognises the significance and importance of Climate Change and the Fund's Investment Strategy Statement and Responsible Investment Policy cover the extent to which social, environmental, and ethical considerations including climate change are taken into account in the selection, retention and realisation of investments.
- Glasgow has asked the pension fund committee to formally commit to ending fossil fuel investment before the city hosts the major climate change conference, COP26.
- The Greater Manchester Pension Fund "are committed to reducing the environmental impact that our investments have. We aim for all our investments to have net zero carbon emissions ... in line with the Paris agreement on climate change."
- Islington Council decided to decarbonise their Pension Fund's investments by 2022, by reducing the fund's exposure to carbon emissions and reducing the fund's equities exposure to fossil fuel reserves.
- The South Yorkshire Pensions Authority reviewed its responsible investment and climate change policies at a meeting last week, in which it set a goal to become carbon neutral ... It called on the Authority's officers to come up with an action plan within six months.
- Waltham Council's decision to divest from fossil fuels helps tackle climate emergency and create a better environment.
- NEST is a public corporation. It is accountable to Parliament through the Department for Work and Pensions and is the largest pension scheme in the UK by membership with 9 million savers. It has a Climate Change policy to decarbonise its investment portfolio. Nest's CIO: "No-one wants to save throughout their life to retire into a world devastated by climate change"

A recent Chatham House Climate Risk Assessment Report from September 2021 stated that

“The world is dangerously off track to meet the Paris Agreement goals. The risks are compounding. Without immediate action the impacts will be devastating in the coming decades”. It is clear that business as usual is failing us. At every stage as individuals, communities, organisations and as members of local government we need to be doing absolutely everything within our power to rapidly decarbonise as part of a fair transition. As a society, we are suffering from the effects of the Coronavirus pandemic whilst in the background fossil fuel companies are orchestrating a mass greenwash exercise whilst simultaneously attempting to extract as much short term profit from our planet for as long as possible. The International Energy Agency says we can’t have any new oil, gas or coal development, yet fossil fuel companies are spending tiny fractions of their investing in renewables as compared to new oil and gas investments.

I cite the following three main reasons for divestment. Firstly, I put to you that divestment is a moral imperative. Secondly, I put to you that divestment promotes necessary societal and political change in the face of widespread greenwashing and lack of proportional change in behaviour from fossil fuel companies. Shareholder engagement with fossil fuel companies has not, and will not, lead to change on the scale and in the timeframe necessary. Finally, I put to you that investments in fossil fuel companies make poor financial sense. Overall, continuing to hold these investments in the fossil fuel industry is failing those alive now and future generations by not doing everything within the power of the committee to encourage the necessary social and political change both from fossil fuel companies and from wider society.

Will members of the Pension Fund Committee agree to support full divestment of the pension fund Fossil Fuel industry in order to send a strong signal to the fossil fuel industry and residents of the county of their commitment to climate action and their willingness to make a stand against the widespread greenwashing?

2. Question from Mr Jethro Gauld, Co-Chair of the East Cambridgeshire Climate Action Network:

Some of the big fossil fuel majors are recognising that the writing is on the wall for oil, coal and gas. Last year, [BP announced a £14billion asset write-down](#) acknowledging a shift towards renewable energy. There is a real risk of remaining invested in assets that will become *stranded assets*; the ownership of oil reserves that will now have to remain in the ground. [In 2015, UK local authority pension funds lost nearly £700million](#) when the market for coal collapsed. [Mark Carney, the governor of the Bank of England, issued a blunt warning in 2015](#) that investors, like pension funds faced “*potentially huge*” losses as action on climate change could make vast reserves of oil, coal and gas “*literally un-burnable*”. Other companies have show how the transition to clean energy can create new business opportunities and support high skilled jobs in the process. In just over a decade, the Danish energy company [Ørsted](#) has shifted from a predominantly coal based energy business to being a world leader in renewables particularly offshore wind, creating a multi-billion dollar business in the process.

This Council has declared a climate and ecological emergency. We now know Investments in fossil fuels are not only harmful to the environment but also put the sustainable future of pensions at risk. Other pension funds such as [Oxfordshire](#) and [Cardiff](#) have already committed to fossil fuel divestment.

Will the pension fund committee commit to full divestment of the pension fund from investments with exposure to fossil fuels and set a date for this to be completed by?

3. Burwell Environmental Group endorse the comments made by the East Cambridgeshire Climate Action Network

4. Question from Ms Lara Davenport-Ray:

On November 24, the Combined Authority Board resolved to implement the recommendations of the Independent Commission on Climate. The Commission's second recommendation states that climate change assessments should be undertaken for all decisions.

The management of Combined Authority staff pensions is overseen by this committee.

Given the Combined Authority Board's resolution to reduce the creation of carbon emissions, how can continued investment in fossil fuels, on behalf of Combined Authority employees, be acceptable?

5. Question from Ms Danette O'Hara:

As a pension fund member, I find continued investment in fossil fuels both morally untenable and financially imprudent.

As has been stated to me in previous correspondence, this committee considers a general policy of engagement over blanket divestment from fossil fuels.

What actions have this board undertaken with regards to engagement? Has this committee approached every organisation they hold investments with that is directly and indirectly involved with fossil fuels and, if not, which organisations have been excluded and why?

What was the intended outcome of the actions, how has the success of this engagement been measured and, by your criteria, has it been successful?

6. Mr Stuart Middleton, Chair, Peterborough in Transition:

The financial argument to divest is becoming increasingly salient. Fossil fuel divestment is a practical, legal and responsible way for pension funds to respond to the climate crisis and address the financial risk caused by continuing to invest in stranded assets.

Nationally, at least 6 local councils, 86 universities and the UK's biggest pension fund (NEST) have all committed to divest, not to mention countless respected institutions across the globe, including the cities of San Francisco and Oslo, as well as New York State. Recent analysis found that local government pension funds had suffered a £2 billion hit to oil investments since 2017. As the value of fossil fuels continues to decline, continuing to invest public money in this failing industry is becoming financially riskier and the imperative to divest from fossil fuels is ever more urgent.

Further, in the face of extraordinary economic challenges ahead, we need to reset and create a new economy that places the health of us all above the wealth of a few. Local councils must play a part in this by moving the money they manage out of fossil fuels and into socially useful investments in the local economy.

On behalf of Peterborough in Transition I ask what steps this committee is taking to end fossil fuel investments and invest in a green and equitable recovery for Cambridgeshire and Peterborough?

7. Question from Cambridge Friends of the Earth

Given the numerous statements made by the Councils making up the Combined Authority, regarding the steps they taking to mitigate Climate Change, how can it justify maintaining investments in the fossil fuel industry? Given the continued investment in the fossil fuel industry by the Combined Authority's Pension Fund, why should we believe any statements made by them regarding their proposed Climate Change mitigation measures?