

Response to Divest manifesto motion by Derbyshire County Councillors and Derbyshire District Councillors – April 2021

Proposed motion and email sent to councillors can be found at the end of this table on pp4.

Note that Chesterfield Borough Council, Amber Valley Borough Council, Bolsover District Council and High Peak Borough Council have passed motions in support of divestment:

Name of candidate	Party	Ward	Response
Paul Niblock	Libdems	Walton/West	As a prospective candidate in May's DCC elections I am happy to support this motion.
[sent by Becki Wood on behalf of labour group]	Labour group	all	<p>Thank you for your email, which has been discussed by Labour Group Councillors and given thorough consideration.</p> <p>Labour members of the Pension and Investment Committee have asked Officers to prepare a report for Committee which focuses on the portfolio performance of any investment relating to Fossil Fuels and the risk they present to the Derbyshire Pension Fund, along with a feasibility study on the divestment from that sector over a set period of time.</p> <p>Members are looking to such a report to ensure that any decisions they make relating to the rate of divestment from Fossil fuels are well-informed and well thought through.</p> <p>We are therefore considering the wording of the sample motion you have sent with a view to supporting the general commitment to divest from fossil fuels in an acceptable, feasible and socially responsible timescale which needs to be more clearly defined but ambitiously aims to fully divest by 2025, subject to the content of the report</p>
Barry Bingham	Libdems	Staveley North and Whittington	I support the motion.
John Boulton	Conservative	Walton/West	<p>I refer to your e-mail dated 17th January 2021 which asked for DCC councillors' support for a motion of divestment of the Derbyshire Pension Fund's investments in fossil fuel and mining companies.</p> <p>Please see the attached Carbon Reduction Briefing Note which clearly shows that the Derbyshire Pension Fund is taking an early lead in deploying its investment strategy in the right direction in order to address climate change issues.</p>
Stuart Swann	Conservative	Swadlincote	Thank you for your email outlining the wording for a potential motion relating to the Derbyshire Pension Fund and its investment strategy.

			<p>I take the threat and impacts of climate change extremely seriously and, it is my experience, colleagues throughout the Council share a positive desire to take appropriate action.</p> <p>I am not a member of the Pension Committee but, having had the opportunity to be briefed by the Pension Fund's administrators, there are clearly benefits in the strategy of engagement with companies to influence behaviour and to enhance value. Such influence, it is argued, would be lost through a divestment approach. As you're aware, the Fund takes a long-term approach to its stewardship activities and it is considered that a collaborative and co-ordinated engagement with other like-minded investors has the potential to drive changes to companies' business models with positive results in terms of climate change targets and solutions. This and other factors, such as the Fund's Responsible Investment Framework as well as its Climate Strategy, along with all relevant information, would be among my considerations should such a motion be placed before the Council.</p>
Mike Carr	Libdems	Derby	<p>Thank you for contacting me with regards to the pension fund.</p> <p>I agree with your objective, which I believe is to get society to reduce our dependency on fossil fuels. I also agree with you that the need to achieve this is urgent.</p> <p>I understand and support the objective of your motion, but disagree with the final sentence which in my view is too rigid and places what could be construed as illegal constraints on the fiduciary responsibility of the fund managers. I would prefer the motion to be amended so that the last sentence reads “</p> <p>“The Council therefore calls on the Derbyshire Pension Fund to fully engage with all fossil fuels stocks to encourage the business to redouble their efforts to invest in more environmentally and socially beneficial alternatives as quickly as reasonably and economically effective.</p> <p>As I am a Derby City Appointed Member I of course do not attend Derbyshire County Council Meetings so have no influence on the Council.</p> <p>As a pension Fund Committee Member I did attempt to tighten the timescales that the fund is proposing for its forward responsible investment strategy, but my suggestions were not taken up.</p> <p>I know your motion does not cover other issues but my view is that Tobacco companies are an equally valid targets for your lobbying and the pension fund should not be invested in them.</p> <p>Good luck with your campaign.</p> <p>To explain: If the fund was compelled by a non legal constraint to sell by a fixed date and as a consequence had to sell stock at a loss it would be in breach of its duty to obtain the best possible return on its investments. The fund managers need flexibility particularly as it invests for the very long term .</p>
Darren Yates	Green Party	Birdholme	<p>High Peak Green Party strongly supports the divestment motion. Fossil fuel driven industries such as transport and energy are the major contributors to climate change. it is obvious from often falling, very volatile, oil prices and moves away from coal that fossil fuels are not a good investment. The environmental</p>

			and financial arguments for divestment from fossil fuels are undeniable,. Even people who are doubtful about climate change should support this motion on financial grounds.
Dave Wells	Green Party	Amber Valley	Amber Valley Green Party supports the campaign to urge Derbyshire Pension Fund to divest from fossil fuels and to invest in renewables.
Joanna Collins	Green Party	High Peak	High Peak Green Party strongly supports the divestment motion. Fossil fuel driven industries such as transport and energy are the major contributors to climate change. it is obvious from often falling, very volatile, oil prices and moves away from coal that fossil fuels are not a good investment. The environmental and financial arguments for divestment from fossil fuels are undeniable,. Even people who are doubtful about climate change should support this motion on financial grounds.

Email sent to county councillors (copied to district councillors) in Jan 2021

In the last 4 years the value of oil company shares held by 56 local government pension funds has halved according to the Financial Times

[UK public pension funds suffer £2b hit to oil investments](#)

At the same time investments in more ethical and sustainable alternatives has proved a much better choice. Data from the investment firm AJ Bell shows that the average 10-year total return from UK non-ethical funds stood at 81% at the end of September 2020, while for UK ethical funds it was 104%. [‘We didn't want our pensions invested in anything that was causing harm’](#)

The Derbyshire Pension Fund, which affects over 280 employers in Derbyshire including all local councils, Derbyshire Police and Fire Authorities, colleges and schools, has millions of pounds invested in fossil fuel and mining companies. As well as this being incompatible with the climate emergency, this represents an enormous risk to people’s pensions and a huge loss of potential income.

There are many alternative investments that would be more socially and environmentally beneficial as well as financially less risky. Here are a few examples::

<http://islingtonnow.co.uk/islington-first-to-invest-150m-from-pension-scheme-into-housing/>
<https://www.socialhousing.co.uk/news/news/islington-council-pension-fund-looks-to-social-rent-housing-as-safer-investment-23422>
<https://blueandgreentomorrow.com/economy/westmill-solar-lancashire-pension-fund/>
<https://theenergyst.com/london-and-manchester-pension-funds-increase-stake-in-sses-clyde-windfarm/>

Derby City Council, Chesterfield Borough Council and Amber Valley Borough Council have all passed motions supporting divestment from fossil fuels.

The Derbyshire Pension Fund has agreed a new Climate Strategy with a commitment to aiming to achieve: a portfolio of assets with net zero carbon emissions by 2050; at least a 30% reduction in the carbon footprint of the Fund’s listed equity portfolio by the end of 2025; and investment of at least 30% of the portfolio in low carbon and sustainable investments by the end of 2025.

However we don’t think this goes far or fast enough to protect our pensions or the planet.

We are asking all councillors in Derbyshire whether they will commit to support the following motion? Please will you let us know before the end of February whether you agree with this motion or not. We will publish a list of councillor responses (including non-responses) in early March. Thank you.

Motion

Derbyshire County Council recognises, through its carbon reduction pledges, the considerable risks from climate change to our planetary life support systems. The Council further recognises the weight of economic evidence from reputable sources, including the Bank of England and Carbon Tracker, that climate change poses a serious risk to returns on investment for pension holders. Derbyshire County Council should demonstrate leadership on responsible investment and tackling climate change. The Council therefore calls on the Derbyshire Pension Fund to fully divest from all fossil fuels and to reinvest in more environmentally and socially beneficial alternatives by 2024.