

EX47. Motion referred to the Executive under Standing Order 31 from the meeting of Falkirk Council on 23 June 2021

At its meeting of 24 August 2021 the Executive agreed to continue consideration of a motion on the Falkirk Pension Fund to a future meeting (ref EX34).

Councillor Garner, seconded by Councillor Bouse, moved that:-

Council recognises that the Falkirk Pension Fund supports low carbon initiatives through its direct investment portfolio, but is concerned that the Fund retains large holdings in fossil fuel industries that are driving the climate and ecological emergencies and perpetuating global inequalities;

Council notes the Council's fiduciary duty as administering authority for the Falkirk Pension Fund must be paramount in all decision making around the pension fund;

Council notes the calls made over many years from campaigners on the issue of fossil fuel divestment and notes that many other major public and private institutions 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;

Council believes that in the year of the COP26 climate summit, when the eyes of the world will be on Glasgow we, Falkirk Council, must show climate leadership;

Council therefore resolves to ask the Pension Committee to make a formal commitment to fossil fuel divestment prior to COP26, with the intention of divesting completely as quickly as possible, and no later than 2030; and that it further considers how it can reinvest the Pension Fund Members' hard-earned money to drive a green recovery for the Falkirk council area;

Council notes that the newly created post of Climate change co-ordinator which will play a key role in identifying opportunities for investment, from potential investors including the pension fund, in to the transformational projects required to deliver a green transition and recover from the pandemic, and

Council notes that the oil and gas industry supports up to 135,000 jobs in Scotland and that these jobs are particularly important in and around Grangemouth. Council believes in a managed transition away from fossil fuels and a just transition for those employed by the oil and gas industry. This Council further notes that many of those companies that would be classified as 'fossil fuel' companies are also those which are making significant investments into the Research and Development of new clean technologies.

As an amendment, in substitution for the motion, Councillor Bissett, seconded by Councillor Coombes, moved that the Executive agrees:-

- (1) that the climate emergency requires action on a just transition from the use of fossil fuels and the move towards Net Zero but that any such action should be based on properly informed decisions;
- (2) that the Pensions Committee is not asked to make a decision prior to COP26 committing it to fossil fuel divestment with the intention of divesting completely as quickly as possible;
- (3) instead the Pensions Committee is asked to give wider consideration to the question of divestment including the extent to which divestment can take place without detriment to the interests of the all stakeholders in the fund and whether continuing to hold investments provides a platform to influence companies in the fossil fuel sector to move to a just transition, and
- (4) asks that any report setting out the consideration of these issues is reported back to the Executive following discussion at the Pensions Committee recognising that this may be a substantial piece of work that comes after COP26.

The Executive adjourned at 9.15am to allow member to consider the terms of the amendment and reconvened at 9.30am with all members present as per the sederunt.

In terms of Standing order 22.1, the vote was taken by roll call, there being 12 members present with voting as undernoted:-

For the motion (5) – Councillors Alexander, Bouse, Garner, Hughes and Meiklejohn.

For the amendment (7) – Councillors Bissett, Black, Coombes, Harris, Kerr, Munro and Nimmo.

Decision

The Executive agreed the amendment.