

Labour Amendment to IS Motion – Full Council, 24 March 2025

Investment of funds held by Haringey Council including with the Local Government Pension Scheme Ethical Pension Investments

Proposed by: ~~Cllr Lotte Collett~~ Leader, Independent Socialist Group Cllr Erdal Dogan, Labour Group

Seconded by: ~~Cllr Mary Mason~~, Independent Socialist Group Cllr Emine Ibrahim, Labour Group

This Council notes:

1. Haringey Council appreciates that while there is a general fiduciary duty which applies to both the Council investments and the pension fund there are legal and practical differences between the Councils' own investments and the status of the pension fund which is owned by and held on behalf of current and prospective recipients. That having been said any review of policy should include not investing in companies which violate standards set by the Council and ensuring the Council is both acting within its moral and ethical duties by using money it holds to the highest standards and using its influence to uphold these principles. At the outset, the Council notes that there is a distinction between funds controlled by the Council, which fall under the Executive, and funds controlled by the Haringey Local Government Pension Scheme, which fall under the responsibility of the Pensions Committee and Board (PCB) in accordance with the Council's Constitution. The PCB is a cross-party body of councillors, employee representatives, employer representatives, trade union representatives and independent advisors. This means that the Council, and Executive, do not play an active role in investments made by the Pension Fund, and are therefore not permitted to move to influence the Pension Fund's activities, as set out in legal and constitutional restrictions.
2. The standard which should be adhered to and subject such being on advice to being lawful is one of not using investments to gain from the sale of military weapons and/or parts including those used for surveillance and/or torture in wars either condemned by the United Nations, ICHR or the ICC. The standards to include the barring of investment in dangerous or harmful substances, environmentally harmful practices and the denial of human rights. The estimated value of the Haringey Pension Fund is £1.93bn.
3. It is correct and financially responsible that the PCB is self-autonomous and separate to the Council. This ensures effective, appropriate governance and depoliticises the financial management of scheme members' pensions.
4. The Chair of the PCB recently wrote to Government to urge that any decisions made in relation to the Local Government Pension Scheme are applied under an ethical

framework. The Chair urged that there should be requirements for the proposed 'megafunds' and pools to work closely with existing Administering Authorities to deliver ethical investment packages.

5. While the Executive must not and does not seek to intervene in the direction or policy of the PCB, it has asked the PCB to consider Environmental, Social and Governance issues as part of the development of their Responsible Investment Policy, which began last year and will conclude later this year, and will continue to monitor the development of this review.
6. A number of Pension Committees from other London Boroughs have previously stated a commitment to divest from companies involved in unethical practices, such as arms manufacturers, however they have been unable to do so in the immediate term because of the substantial and complex legal and financial obstacles involved. We will work with them to better understand these obstacles.
7. Separate to the Pension Fund the Council does have its own investments which are placed in line with the Treasury Management Statement (TMSS) that is approved by Full Council each year following review at Audit Committee. The TMSS includes the list of agreed counterparty (investment) types and investment limits.
8. In 2024/25, investments have been either with Money Market Funds or the Debt Management Office (DMO).
9. As reported to Audit Committee, at the end of December 2024, £20m was invested with two separate Money Market Funds and £44.5m with the Debt Management Office. The DMO is an Executive Agency of HM Treasury.
10. When investing in funds, the Council prioritises those that are to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.
11. Haringey Council also notes The Economic Activity of Public Bodies (Overseas Matters) Bill 2022-2023, introduced by the previous Conservative Government, has not been carried forward by the current Government and therefore has never been of influence to us or any local council.

~~Haringey Council also notes The Economic Activity of Public Bodies (Overseas Matters) Bill 2022-2023 of which Clauses 1 and 2 would forbid public authorities to make procurement or investment decisions based on their own moral or political disapproval of policies or conduct by foreign authorities and Clause 4 forbidding public authorities to make statements about boycott and divestment campaigns and their decisions in this respect, has not been carried forward by the current Government. Subject always to its fiduciary duties to both the tax payers of Haringey and its pensioners (both current and future) Haringey Council now has the~~

~~freedom to take human rights and other ethical considerations into account when making financial decisions.~~

This Council believes that:

- ~~1. All forms of racism, including anti-Palestinian racism, antisemitism and Islamophobia have no place in Haringey and we condemn any attacks on Palestinian, Jewish, and Muslim people. Haringey is one of the most diverse boroughs in the UK, and home to Muslim, Jewish and Christian peoples, and those of no faith, many of whom have relatives and friends in the Holy Land.~~All forms of racism have no place in Haringey and we condemn any attacks on people based on their background or belief. Haringey is one of the most diverse boroughs in the UK. We know the events around the world cause great pain for many in Haringey. Our communities have arcs that reach across the world and what happens globally reverberates powerfully here. We feel the trauma of these horrors intimately. One life lost is one too many. We will continue to engage with all of our communities in Haringey, especially those who are impacted by international affairs.
- ~~2. Councils must avoid investing the funds they manage, including the Local Government Pension Scheme, in corporations that facilitate breaches of international law. This includes arms and tech companies producing weapons and military and surveillance technology most recently used by Israel in its attacks on Palestinians, and the banking and investment institutions which finance these arms companies. Council Calls on those undertaking the reviews to seek as far as is lawful and in compliance with its fiduciary duties to seek to comply with this call.~~Councils should avoid investing the funds they manage in corporations that facilitate breaches of international law. This includes arms and tech companies and the banking and investment institutions which finance these arms companies.

2. This Council resolves to:

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- ~~1. With regards to its own investments and within lawful limits to divest from companies which are in breach of these standards and further recommends the Pension Fund in undertaking its review to also look to take forward these resolutions should they consider after advice that to do so would be lawful and in accordance with their duties to the fund also takes forward these resolutions.~~With regard to the Council's investment portfolio (estimated at £64.5m at the end of Quarter 3), of the £20m in Money Market Funds we will explore ways of divesting from any funds exposed to businesses involved in unethical practices.
- ~~2. Incorporate these standards and review relevant policies, to include divestment and alternative investments.~~With regard to the Pension Fund, the PCB will continue its work to develop its Responsible Investment policy.

3. ~~Call on our representatives on all relevant bodies to divest from any funds administered, including Local Government Pension Funds which are at variance with this motion to include companies on the UN's list of businesses involved in activities in the Occupied Palestinian Territories and deemed complicit in human rights abuses.~~ Work with other London councils committed to divesting from specific unethical investments to develop a better understanding of the legal and financial implications the implications of their decisions.