

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

### **Ethical Pension Investments**

Proposed by: Cllr Erdal Dogan, Labour Group

Seconded by: Cllr Emine Ibrahim, Labour Group

This Council notes:

1. 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 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.

This Council believes that:

1. 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 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. This Council resolves to:

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1. 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. With regard to the Pension Fund, the PCB will continue its work to develop its Responsible Investment policy.
3. 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.

