

November 2020

Response to Cllr Millson's Notice of Motion on Council Investments to County Council on 6 November 2020

Report by Tony Kershaw, Director of Law and Assurance

1. The Chairman of the County Council referred the notice of motion on Council investments (see Appendix), submitted by Cllr Millson to the County Council on 6 November 2020, to the Cabinet Member for Finance for consideration.
2. The motion called on the Cabinet Member to ensure the Council's investment advisers follow the United Nations Principles of Responsible Investment (UNPRI) for all of the Council's investments.
3. The Cabinet Member met Cllr Millson on 19 November to discuss the motion. In accordance with the [briefing note](#) (item 9(d)) submitted to County Council on 6 November, the Cabinet Member explained that he was supportive of the aim of the motion. He further explained that the requirement to ensure fund managers were signatories to the UNPRI was not currently included in the Treasury Management Strategy. He therefore confirmed he would ensure the Treasury Management Strategy Statement was updated to include this requirement when presented to full Council in February 2021. He also confirmed that the managers of the current pooled fund investments were signed up to the UNPRI. He would also ensure, with regard to any direct investments the council might make with corporates, that they also adhered to those principles.
4. The Cabinet Member recommends that Council supports the motion at its meeting on 11 December 2020.

Tony Kershaw

Director of Law and Assurance

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Appendix: Notice of Motion on Council Investments

Background papers

None

Notice of Motion on Council Investments

This Council welcomes the fact that the Pensions Committee's investment managers have signed up to the United Nations Principles of Responsible Investment which has been set up by the United Nations Environment Programme Finance Initiative (UNEP FI) to encourage asset owners and asset managers to:

- incorporate environmental, social and governance (ESG) issues into investment analysis and decision making;
- be active owners;
- seek disclosure of ESG issues; and
- promote the principles within the industry.

This Council therefore calls on the Cabinet Member for Finance to follow the lead of the Pensions Committee and to ask the Council's investment advisers to ensure they follow the United Nations Principles of Responsible Investment for all of the Council's investments. This will ensure that West Sussex County Council achieves a more ethical investment policy by incorporating matters like human rights and environmental issues, such as reducing reliance on fossil fuels (in line with the Council's Climate Change Strategy), into its investment decisions.