Questions from the public:

Question submitted by Mrs Smith

The Department of Levelling Up, Housing and Communities is proposing that all Local Government Pension funds should be transferred into less than 8 pools by 2025, with 5% of funds allocated to levelling up.

We see this proposed change as a severe curtailment of local democracy. It will mean that local councils have almost no control over their pension funds, to which the people they represent have contributed their earnings, handing the funds over to companies which could be controlled by government favoured consultants and hedge funds. We have seen the result of handing over public assets to private companies with the water companies.

What will be your response to the consultation and will South Yorkshire Pension Authority defend local democracy and oppose these proposed changes?

Question submitted by Mr Ashton

On page 3 of the Climate Change policy it states that SYPA "recognise that while active shareholder engagement should be the first option, the Authority encourages Border to Coast (and other fund managers) to consider actively reducing exposure to high-carbon intensity companies that fail to respond to engagement by not demonstrating a decrease in carbon intensity or carbon risk and/or by failing to develop credible plans for the transition to a low/no carbon economy."

While we approve of this statement it is, unfortunately, vague in detail. For example BP has recently scaled back on its climate targets (https://www.bbc.co.uk/news/business-64544110) and does not publish its scope 3 emissions, certain proof, if it were needed, that engagement is not working. Similarly, Shell are not increasing their investments in renewables (https://www.theguardian.com/us-news/2023/jul/16/big-oil-climate-pledges-extreme-heat-fossil-fuel). However, SYPA continue to invest in these companies.

Directly related to this, on page 11 of the Action Plan for Delivering the Net Zero Goal, you say that "The Authority will work through the Partnership to seek to define much clearer success criteria for climate engagements and clearer escalation of consequences up to and including divestment in the event of engagement not meeting those criteria."

In addition, also on page 11, you state that it is SYPA's intention to vote against the chair of companies that fail the first four indicators of the CA100+ benchmark. The first four indicators are desperately weak and companies like Shell and BP scrape through, just by publishing an ambition to be net zero by 2050 (indicator 1). We believe that the key CA100+ indicators are 3.3, 4.3, 5.1b and 6.1b which measure alignment or targets towards limiting warming to 1.5°C in the short and medium term, all of which are failed by Shell and BP.

Based on the above, we would like to ask:

1. At what point will SYPA decide that a company is not responding to engagement?

2. What targets/thresholds will be used and when will they be made public so that the authority can be held accountable?

3. Will SYPA consider the more stringent CA100+ tests (3.3, 4.3, 5.1b and 6.1b) of a company's ambitions as their benchmark?

4. At what point will divestment be considered?