

LGPS funds have £10bn invested in fossil fuels

By Maria Espadinha | February 23, 2021

Data crunch: Despite recent initiatives against climate change, Local Government Pension Scheme funds still have £9.7bn invested in fossil fuel companies, according to new research.

The report — published by environmental campaigners Platform, Friends of the Earth (England, Wales, and Northern Ireland), and Friends of the Earth Scotland — showed that fossil fuels represent 3 per cent of the total LGPS assets.

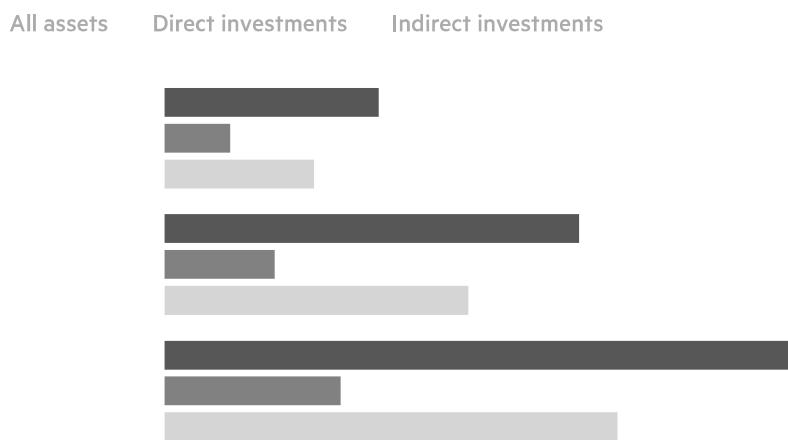
Instead of making risky bets on fossil fuels, let's channel the wealth in our pensions to local communities and build a better world beyond the pandemic

Robert Noyes, Platform

The analysis, based on the end of the 2019-20 financial year and using a list of the world's 200 biggest extractors of fossil fuels, showed that £7.1bn of the investments in fossil fuels were made indirectly through investment funds.

Greater Manchester, Strathclyde, West Yorkshire, and West Midlands are the councils with the largest pension fund investments in fossil fuels, the research concluded. Together, these schemes are responsible for nearly 25 per cent of all fossil fuel investments held by local authorities in the UK.

Local authority pension fund investments in fossil fuels



Source: Platform, Friends of the Earth Scotland and Friends of the Earth England Wales and Northern Ireland

The three local authority pension funds with the largest percentage of their assets invested in fossil fuel are Teesside, Dyfed and Dorset — all of which allocate around 5 per cent into these companies.

The research also showed that 10 companies account for 70 per cent of councils' direct fossil fuel investments, with BP, Royal Dutch Shell and BHP representing 40 per cent of all direct investments.

Robert Noyes, campaigner and researcher at Platform and the report's author, said: "After a decade of austerity and the devastating economic impact of Covid across the UK, local councils can and should be using their pension funds to support local investment priorities.

"Instead of making risky bets on fossil fuels, let's channel the wealth in our pensions to local communities and build a better world beyond the pandemic.

"Whatever your stake in your pension — imagine what world you want to retire into — and push your pension to invest in it," he added.

Total council fossil fuel investments in the UK

Fossil fuel value



Source: Platform, Friends of the Earth Scotland and Friends of the Earth England Wales and Northern Ireland



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