

Notice of Motion – 25 February 2025

Motion Title: Divestment of West Midlands Pension Fund investment from companies that supply armaments that enable conflict and terror

Proposer: Councillor Jeffcoat

Seconder: Councillor Tipper

“Council notes with concern the ongoing tragedy of global conflicts and terrorist attacks that often directly impact Sandwell given our diverse and tolerant residents and communities.

Full Council resolved at its meeting on 23 July 2024 to reiterate commitments to peace and endorsed international calls led by the United Nations to end the conflict in Gaza and to ensure immediate humanitarian aid to civilians and the unconditional release of all hostages.

Council further notes that nationally the Local Government Pension Scheme manages extensive investments from participating employers to support pension saving and provide benefits for millions of members working in public service. The regional West Midlands Pension Fund is administered by the City of Wolverhampton Council: Sandwell Council along with peer authorities has representation on the regional Pension Committee.

Council believes that public pension funds must not be used—directly or indirectly—to facilitate the harm of civilians or to enable violations of international law, and that the investment of public pension funds should not undermine a safe climate or human rights; instead, public pension funds should be invested to ensure both financial stability and respect for international law.

Council further believes that properly planned ethical investment will ensure that public pension funds remain healthy, sustainable and able to meet current and financial obligations to support its members. Government guidance indicates that whilst pension schemes should make the financial return their predominant concern, they may also take purely non-financial considerations into account provided that doing so would not involve significant risk of financial detriment to the scheme and where they had good reason to think that scheme members would support their decision.

Council therefore calls on the Leader and Cabinet to write to the West Midlands Pension Fund and the City of Wolverhampton Council as administering authority calling for the Fund to

1. Develop a clear plan to divest from companies involved either directly or indirectly in arms production and the supply weapons to regimes, terrorist or extremist organisations engaged in breaches of international law and human rights abuses.
2. Implement robust and transparent reporting mechanisms, including annual updates on investments in armaments, companies operating in occupied territories as defined in international law, and updates on progress towards divestment and outcomes of company engagements.

3. Explore alternative reinvestment in industries aligned with ethical and environmental priorities, such as renewable energy, social housing, and sustainable infrastructure.

Council further calls on the Leader and Cabinet to write to the Leaders of other Councils who are members of the West Midlands Pension fund setting out the terms of this Motion and encouraging them to debate and adopt this approach.