Tools for transition: filling the investment gap
Tuesday 8th December
Quaker Meeting House, 7 Victoria Terrace, Edinburgh

A symposium organised by
Scottish Environment LINK Economics Taskforce

Agenda

10.45	Arrive and register	
11.00	Welcome and introduction to the event	The need to know the arguments for investment in the transition to a low-carbon economy. **Matthew Crighton**, Convenor of LINK's Economics Taskforce
11.15	The changes needed, costs and investment gap	Chair: **Alexa Morrison, RSPB** • The case for low carbon infrastructure in Scotland and investment requirements. **Sam Gardner, WWF Scotland** • The investment gap for energy efficiency measures in our existing housing stock. **Elizabeth Leighton, Existing Homes Alliance** • The investment gap in low carbon transport infrastructure **Matt MacDonald**, **Sustrans** Questions and discussion
12.30	Using the powers of the Scottish Government	Raising finance: Scottish Government powers and the Scotland Act. **David Eiser, University of Stirling**
1.00	Lunch	
1.45	Where additional investment might come from	Chair: **Bruce Wilson, Scottish Wildlife Trust** • A Scottish Investment Bank. **Gemma Bone, University of Newcastle and Finance Innovation Lab** • Green Infrastructure QE and the use of green infrastructure bonds. **Frank van Lerven, Positive Money** • Scottish pension funds investing in low carbon infrastructure. **Dave Watson, UNISON** • Financing option for community energy. **Anne Schiffer, Friends of the Earth Scotland** • The Peatland Code as an example of attracting private finance. **Clifton Bain, RSPB and IUCN Peatland Programme** Questions and discussion
3.45	Campaigning on investments and divestments	Take stock of existing campaigns, share ideas for promoting green infrastructure and engaging decision-makers. Chair: **Matthew Crighton** • **Ric Lander, Finance campaigner, FoE Scotland** • **Adrian Shaw, Church of Scotland**
4.30	Ends	

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A note of the meeting
The symposium had the following aims:

- Build and strengthen alliances between LINK members and other organisations interested in this field;
- Establish the magnitude of the investment gap and develop understanding of different investment mechanisms;
- Be equipped to propose a strategy to address the investment gap; and share experiences of campaigns.

Matthew Crighton, Economics Taskforce Convenor, explained the context.

LINK and some of its members are pressing that manifestos for the 2016 Scottish elections should call for increased investment to hit emissions targest and move towards sustainability. The existing plans in RPP2 are not specific enough and do not identify the sources of investment needed to carry them out. RPP3 will be drafted by late 2016 and an extensive consultation has been promised on its contents. The investment gap can be filled by both public and private sectors and innovative ideas are needed.

Sam Gardner, WWF: The case for low carbon infrastructure in Scotland and investment requirements.

WWF Scotland has been scrutinizing government infrastructure investment, finding a striking difference between RPP2 and the SG infrastructure investment plans and that the infrastructure pipeline wasn't realigning to be compatible with climate change ambitions and targets. In response, WWF set up the Low Carbon Infrastructure Taskforce to identify and promote specific low carbon infrastructure projects with the aim of persuading the SG to fund them through realignment of the capital budget and to put in place policy support.

A short list of 10 projects has been drawn up to be narrowed down to three in the New Year which will become the focus of the campaign. Full details can be found in the report at bit.ly/1FSH1iN

The Low Carbon Infrastructure Taskforce is comprised of a broad range of individuals including engineers, lawyers, academics and it is trying to work with Government. By having ready packaged alternative investments with their benefits articulated it hopes to persuade Government to change capital expenditure. It recognizes the challenge of its asks which will mean real reductions in spending on other infrastructure compared to previous years. Sam acknowledged that the campaign would benefit from other strands of work with critical voices putting additional pressure on Government.

More information on https://scotlandswayahead.org.uk/

Elizabeth Leighton, Existing Homes Alliance: The investment gap for energy efficiency measures in our existing housing stock

Elizabeth Leighton outlined the Existing Homes Alliance's campaign for no-one in Scotland to be living in a hard to heat, draughty home by 2025, and a statement signed up to by 56 civic and voluntary organisations in Scotland. The Statement outlines the range of benefits this would bring such as helping to eradicate fuel poverty, providing jobs (8 – 9,000/yr), reducing carbon emissions, NHS savings, energy security. The Government has made energy efficiency a National Infrastructure Priority and the role of the campaign in giving the Government the 'confidence' to take this step was highlighted.

Meeting this energy efficiency target, defined as all homes upgraded to at least EPC rating of C or above by 2025, is a huge challenge for the Scottish Government: £10.7bn is needed in investment (£4.5bn from public funding) over 10 years, representing a four times increase in current spending on energy efficiency in the housing stock. A benefit:cost ratio of 2:1 makes this a 'high value' investment, comparing well with other infrastructure investments.

The main challenges are seen as:

- understanding housing as infrastructure,
- the cost,
- the balance of public to private funding,
- achieving the balance of regulations and incentives

Useful concluding thoughts included the benefit of highlighting the favourable CBA figures, the importance of incentives and support, that solutions need to have popular appeal and the need to be prepared ahead of budget day.

Comments and discussion:

The potential to retrofit existing homes through pre-fabrication models, citing an example in Denmark where a whole street was refurbished in one day using this technique.

The potential for Chinese investment

The need for energy infrastructure to be sustainable as well as low carbon

Would improved carbon budgeting be a way forward? The Scottish Government's obligation for carbon budgeting has some value as it is, but could be much better.

David Eiser, University of Stirling: Raising finance: Scottish Government powers and the Scotland Act.

To date the Scottish Government has had a significant spending budget, but it is nearly all made up from the block grant from the UK Government. Business rates and council tax have been the only revenue raising options.

The Calman Commission lead to the Scotland Act 2012. This gives:

- Partial devolution of income tax whereby SG receives a portion of income tax revenue from April 2016. There are restrictions on powers so that any change in rate has to be applied equally across all the bands making it regressive and increases unlikely to be popular.
- Land and business Transaction Tax (formerly stamp duty) from 2015.
- Landfill Tax
- Borrowing powers – limited on resource side but capital borrowing powers of up to to 10% of the capital budget (amounted to £300m last year)

Under the devolution arrangements, if Scottish revenues grow faster than those in rest of UK, the Scottish budget is 'better off' than without the new powers. Thus there are two ways that the SG can raise revenue from the new taxes: either by growing revenues in Scotland more quickly than the equivalent revenues in rest of the UK, or by increasing tax rates in Scotland

The Referendum Vow and Smith Commission will bring significant further powers:
- Full devolution of income tax allowing the SG to vary band thresholds and differentiate between bands when applying changes in rates.
- Half of VAT revenues to be kept by SG (although they can not vary the rate)
- Air passenger duty
- Aggregates levy
- Further borrowing powers – not defined at the time of the workshop

The table below gives the revenue raised by the various devolved powers for 2013/2014

		Revenue, 2012/14 (£bn)
Already devolved	Non-domestic rates	£2.5
	Council tax	£2
Scotland Act 2012	Landfill tax	£0.1
	Stamp duty (LBTT)	£0.4
	* 10p rate on income tax	£4.7
Smith proposals	** Income tax	£10.9
	Air Passenger Duty	£0.25
	Aggregates Levy	£0.05
	Assigned VAT	£5.0

Income tax:
* Changes to the 10p rate would being in considerable extra revenue:
Increase to 11p – extra £440m
Increase to 12p – extra £850m

** Raising the upper rate from 40p to 41p – extra £40 - £50m
Raising the additional rate from 45p to 50p – would only affect 0.5% of Scottish taxpayers and raise little revenue.

The Scottish Government is constrained by behavioural responses – for example people can change their working patterns or shift earnings into dividend income which is still under UK jurisdiction. For example , changes to the more progressive structure of the Land and Buildings Transaction Tax appears to have slowed sales and revenue is less than anticipated.

SG committed to reducing APD and Council Tax has been frozen since 2007 which has been costing an additional £70m per year.

Resource spending is constrained by cuts in the block grant (5% in real terms to 2019/2020) and commitments to health spending and other protected areas - childcare, tuition fees, undoing UK welfare cuts – this will imply real cuts for other departments in the region of 15%. On a more positive note, the grant for capital spend is to increase 5% in real terms over the same period and SG is fully utilizing its borrowing powers.

The afternoon session involved five presentations representing different ways that finance might be raised.

Gemma Bone, University of Newcastle and Finance Innovation Lab: A Scottish investment bank

The current banking system is unstable due to its lack of diversity. Two banks have 70% of the market share in Scotland and nearly all banks follow the same universal shareholder owned model. These banks have failed to provide needed investment and does not respond to local needs.

National investment banks are government-funded and strategic. A study found that countries with significant government ownership of banks were associated with higher growth rates. The German Investment Bank focuses most of its lending on renewable energy and 'transition'. There is a strong case for a Scottish national investment bank, linked into a network of local stakeholder banks as a means to generate significant amounts of financing in Scotland for long-term, low-carbon investment in socially useful projects which can be responsive to local needs and circumstances.

The Scottish National Investment Bank would be owned by the Scottish Government and Local Authorities with its mandate set democratically. It would be able to issue bonds, which are perfect for long-term 'patient' capital for low carbon infrastructure.

A report is to be launched by FoES in the New Year, calling on the SG to convene a taskforce to look at the proposals made and to find workable models for Scotland. Further thought is needed on tying these ideas in with those on QE and pension fund investment.

Frank van Lerven, Positive Money: Green infrastructure QE and the use of green infrastructure bonds

(note, since the workshop attention has been drawn to the different meaning of the term Green Infrastructure - EC definition: ' …… a strategically planned network of high quality natural and semi-natural areas …, which is designed and managed to deliver a wide range of ecosystem services and protect biodiversity'. Infrastructure designed more broadly to reduce carbon emissions could be described as 'low-carbon infrastructure.)

Frank brought a SNP quote to our attention: “[W]e will continue to maximize investment in our nation’s infrastructure, using both capital spending, new borrowing powers and a range of innovative finance mechanisms.” (SNP)

Quantitative Easing (QE) can be used as a monetary policy to ‘get the economy going’ through stimulating lending in specific sectors. A Scottish public investment bank could issue bonds, although currently these would need to be bought by the Bank of England, approved by UK Gov Treasury. The proposed Scottish Investment Bank could then either invest directly into strategic projects or it could make loans.

Current scope was described in terms of the option of recycling the previously issued bonds under QE that will mature at the end of this year and/or to lobby Westminster to change the Asset Class under current QE – ie change the types of bonds being purchased.

Frank also advised that low carbon infrastructure projects need to be ‘ready’ to invest in and, ideally, to be scalable to suit the investment forthcoming.

Dave Watson, UNISON: Scottish pension funds investing in low carbon infrastructure

Pensions funds are suited to low carbon infrastructure investment for several reasons: they seek long term cash flows; they include public money so should be responsive to public duties under Climate Change Act and be ethically invested, and, lastly, it is what the members want. The potential figures involved are enormous – Scotland’s largest pension scheme (local government) has £27bn in assets.

There are, however, barriers. Funds in Scotland are diverse in terms of size – the smaller funds do not have in-house expertise and investment regulations are very complicated. The conservative definition of fiduciary duty has been used against investments that are seen to be made for ethical reasons, although with increasing risks associated with high carbon investments this argument is holding less sway. A return of 5% is needed (as opposed to LA s being able to borrow and make loans at 3%). Lastly, culture amongst pension fund managers is entrenched and they are used to doing things a certain way.

In conclusion, it was noted that there is a lot of political interest and some member demand in the potential for pension fund investment which represents a major resource.

Anne Schiffer, Friends of the Earth Scotland: Financing options for community energy

Recent UK Government decisions, most importantly the scrapping of feed-in tariffs, have cut off many of the obvious funding options for community energy projects, meaning they will have to get more creative in finding sources of funding.

Options available include raising money through community share offers whereby shareholders become members of the scheme (but shares are not tradable on the stock exchange), and crowd funding such as Abundance. It was noted that banks had not been very forthcoming.

Clifton Bain, IUNC: The Peatland Code as an example of attracting private finance

The Peatland Code has been developed as a tool to attract investment in restoration of peatlands. Degraded peatland is responsible for significant CO2 emissions and it also causes water pollution and loss of biodiversity. Peatlands also represent an enormous carbon store – with Scotland's peatlands storing carbon equivalent to 25% of that stored in the Amazon Rainforest. They also store 75% of our drinking water.

Peatland restoration is an established, tried and tested mechanism. The costs and benefits of restoration have been quantified – a 100ha site over 30 yrs saves 22,000 CO^2 e and costs £180,000 in restoration/management. The Peatland Code outlines the procedure that will verify good practice to ensure returns are provided.

Businesses are interested in investing: for some, such as water companies, it results in reduced costs; it demonstrates responsibility towards the environment and interest in supporting natural capital; it has the possibility of meeting future environmental obligations, and it provides promotional opportunities for brands.

£300 m are need to delvier solutions for Scotland's peatlands. It requires shovel ready projects and a third party certification body.

Discussion/ comments

The Peatland Code offers no financial returns, and is currently sold on environmental returns such as carbon sequestration, biodiversity and water related returns. It could also be promoted in terms of building up skills in restoration and managing peatlands.

Regarding the mixed messages from Government - The SG needs to be more holistic – recommended video to watch - https://www.youtube.com/watch?v=eiBiB4DaYOM on smart energy systems.

The final sessions focused on campaigning on investments and divestments

Adrain Shaw described the process the Church of Scotland is going through in looking at their investments and the options for divestment. They have engaged with congregations and received a range of opinions from divesting to engaging with fossil fuel companies.

Observations include that Mark Carney's speech on the impact of climate change and the risk it imposes on financial markets was very influential and that this financial risk sits along side an ethical risk for the Church. Also the question arises, if we are going to engage with fossil fuel companies and the financial sector, how do we do this?

Ric Lander from Friends of the Earth Scotland spoke about divestment campaigns in Scotland, linking divestment to making finance accountable and democratic.

Some key points which emerged from the event:

- Press for major investment programme to meet emissions targets
- Generate and promote new models and new institutions
- Engage people in the RPP3 consultation and in taking positive actions
- Find ways of getting involved with corporates

Theexistinghomesalliance | scotland

Mind the gap

Investment gap for energy efficiency measures in our existing housing stock

Elizabeth Leighton
Policy Advisor, Existing Homes Alliance Scotland
www.existingshomesalliancescotland.co.uk

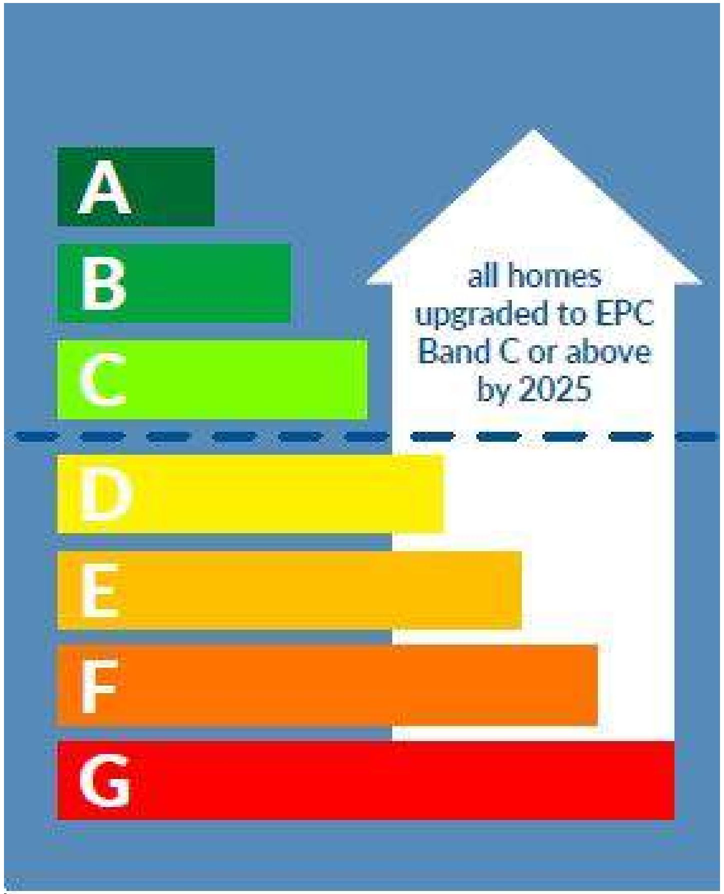
No one in Scotland living in a hard-to-heat, draughty home by 2025

Joint statement of organisations – December 2015

age Scotland
Association for the Conservation of Energy
ALACHO
Believe in children Barnardo's Scotland
BCA
BBA
British Lung Foundation Scotland
BEFS
BUILT ENVIRONMENT FORUM SCOTLAND
CHANGEWORKS
CIH Scotland
CHILD POVERTY ACTION GROUP IN SCOTLAND
CHILDREN & YOUNG PEOPLE'S Commissioner Scotland
The Church of Scotland
citizens advice scotland
ecosave
ENERGY ACTION SCOTLAND
energy agency
Energy Bill REVOLUTION
energy saving trust
FMB
Friends of the Earth Scotland
GMB
GMB@WORK
InstaGroup
ice
JOHN MUIR TRUST
Kingspan
KNAUF
mima
MP RENDERING
NATIONAL INSULATION ASSOCIATION
nus scotland
One Parent Families Scotland
the POVERTY ALLIANCE
RAWLPLUG
ROCKWOOL
RCGP
Royal College of General Practitioners
Royal College of Nursing
SAINT-GOBAIN
SNIPEF
Scottish Building Federation
scdi
SCVO
SEIA
Scottish Energy Installers Alliance
sfha
Scottish Federation of Housing Associations
stuc
SIP
SHARE
Shelter Scotland
UK GREEN BUILDING COUNCIL
UNISON Scotland
wetherby
WWF

What's needed?

- National Infrastructure Priority



Benefits

- Help eradicate fuel poverty
- Reduce emissions
- Fuel bill savings
- Jobs – 8-9000 per year – all over Scotland
- Save NHS up to £80m per year
- Energy security

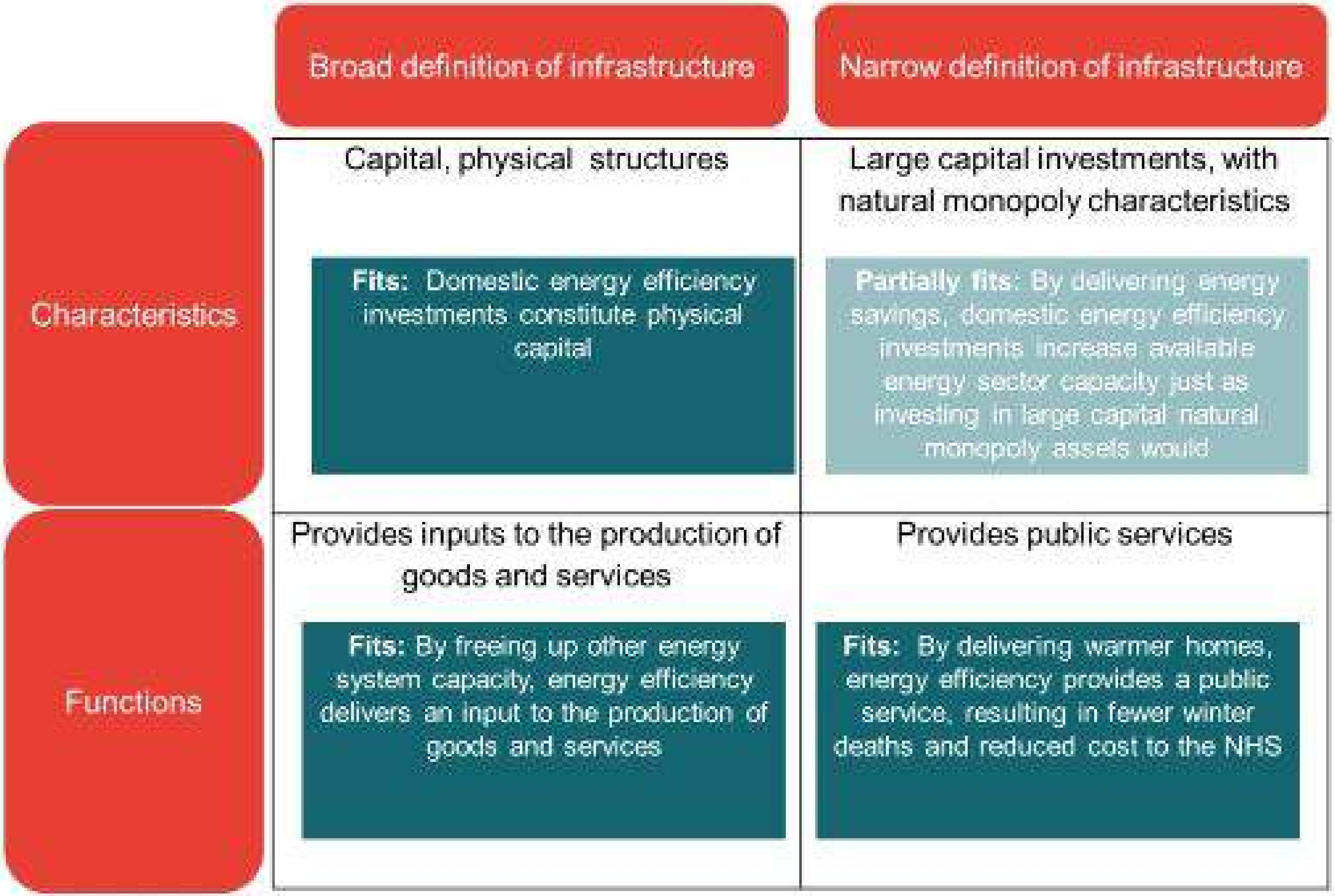
Making the infrastructure case

=

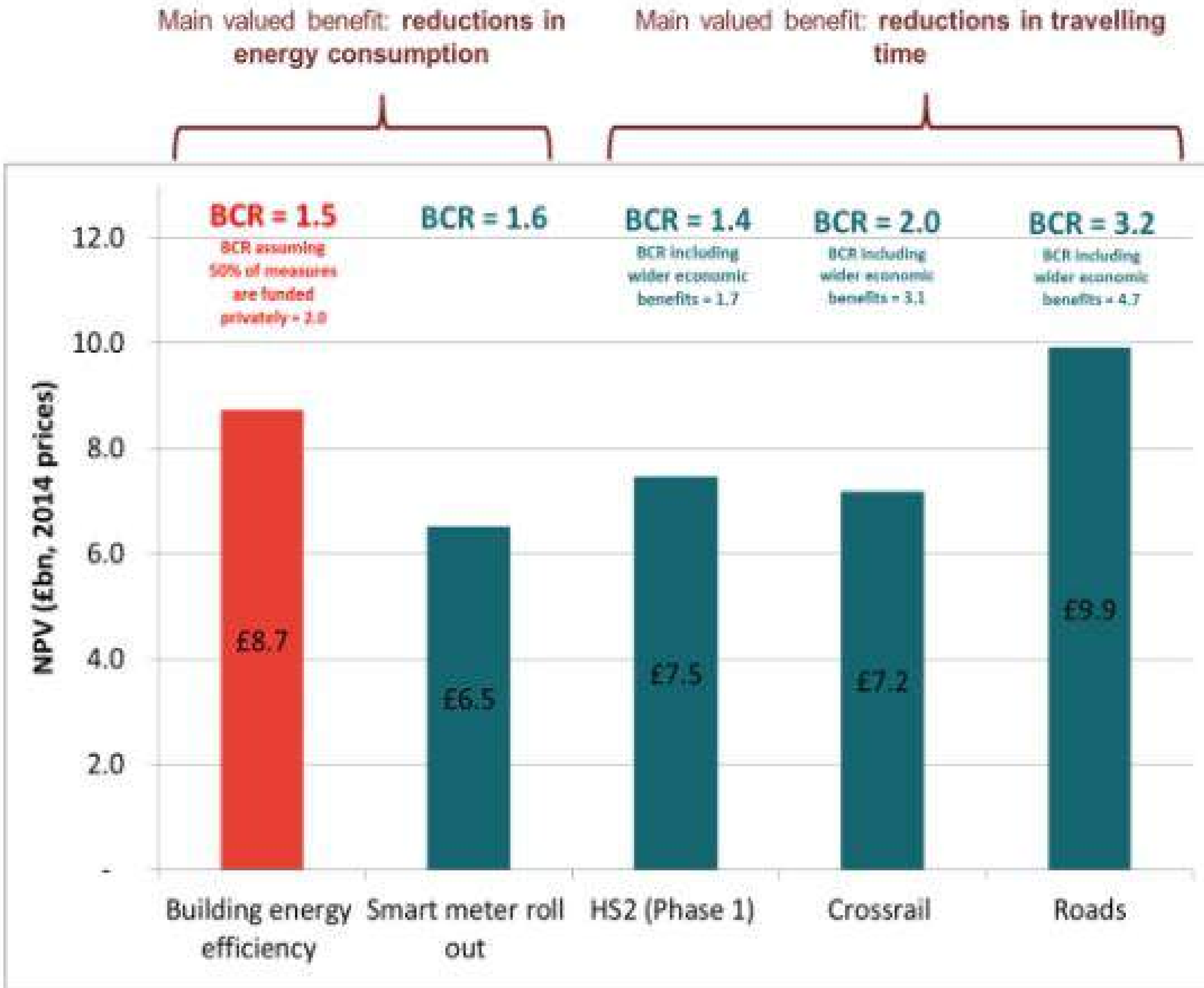
" Infrastructure is the backbone of any modern, successful and competitive economy" National Infrastructure Plan 2013 (HMT)

- Benefit : Cost ratio 2:1
- 'High Value for Money'

Figure 3. Is domestic energy efficiency infrastructure?



Source: Frontier Economics



Main valued benefit: reductions in energy consumption
Main valued benefit: reductions in travelling time
BCR = 1.5
BCR assuming 50% of measures are funded privately = 2.0
BCR = 1.6
BCR = 1.4
BCR including wider economic benefits = 1.7
BCR = 2.0
BCR including wider economic benefits = 3.1
BCR = 3.2
BCR including wider economic benefits = 4.7
NPV (£bn, 2014 prices)
12.0
10.0
8.0
6.0
4.0
2.0
-
£8.7
£6.5
£7.5
£7.2
£9.9
Building energy efficiency
Smart meter roll out
HS2 (Phase 1)
Crossrail
Roads

What's the investment gap?

£10.7 bn (£4.5 bn public funding)

£450 m pa

4 x level of current spend (15/16 £119m)

PLUS leverage £620m pa private funding

Key references

- Building the Future: The economic and fiscal impacts of making homes more energy efficient, 2014, Consumer Futures
- Economic impact of improving the energy efficiency of fuel poor households in Scotland, 2014, Consumer Futures Scotland
- Mind the Gap: Funding home energy efficiency to deliver Scotland's climate change and fuel poverty targets

Filling the gap - funding models

Combination of:

- Grants
- Loans – equity release, zero/low interest
- Energy Company Obligation
- European funding, Green Investment Bank?
- **Private landlord/owner investment**

Policies by housing sector:

<table>
<tr><th></th><th></th><th>High cost measures</th><th>Medium cost measures</th><th>Low cost measures</th></tr>
<tr><td rowspan="2">Owner occupier</td><td>Able to pay</td><td rowspan="2">SDLT Home Energy Adjustment
Home Energy Revolving Loan*
Help to Renovate
Low Income Area**</td><td colspan="2">SDLT Home Energy Adjustment
Consequential improvements
Help to Renovate
Low Income Area**</td></tr>
<tr><td>Low income</td><td colspan="2">SDLT Home Energy Adjustment
Consequential improvements
Home Energy Revolving Loan
Affordable warmth
Low Income Area**</td></tr>
<tr><td rowspan="2">Private rented</td><td>Able to pay</td><td rowspan="2" colspan="3">Minimum Standards
Total Cost of Occupancy
Home Energy Revolving Loan
Help to Renovate
Affordable Warmth
Low Income Area**</td></tr>
<tr><td>Low income</td></tr>
<tr><td rowspan="2">Social rented</td><td>Able to pay</td><td rowspan="2" colspan="3">Minimum standards
Total Cost of Occupancy
PAYS
Affordable warmth
Low Income Area**</td></tr>
<tr><td>Low income</td></tr>
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Challenges/opportunities

- Understanding housing as infrastructure
- ££££££££
- Balance of public / private funding
- Balance of regulations/incentives

Conclusion

- Vision C by 2025 (fuel poor sooner)
- £10.7 bn (£4.5bn public funding)
- Regulation – Warm Homes Bill
- Incentives/support/nudges
- Programme design and funding models?

The Scottish Government's revenue raising powers: opportunities and constraints

DAVID EISER

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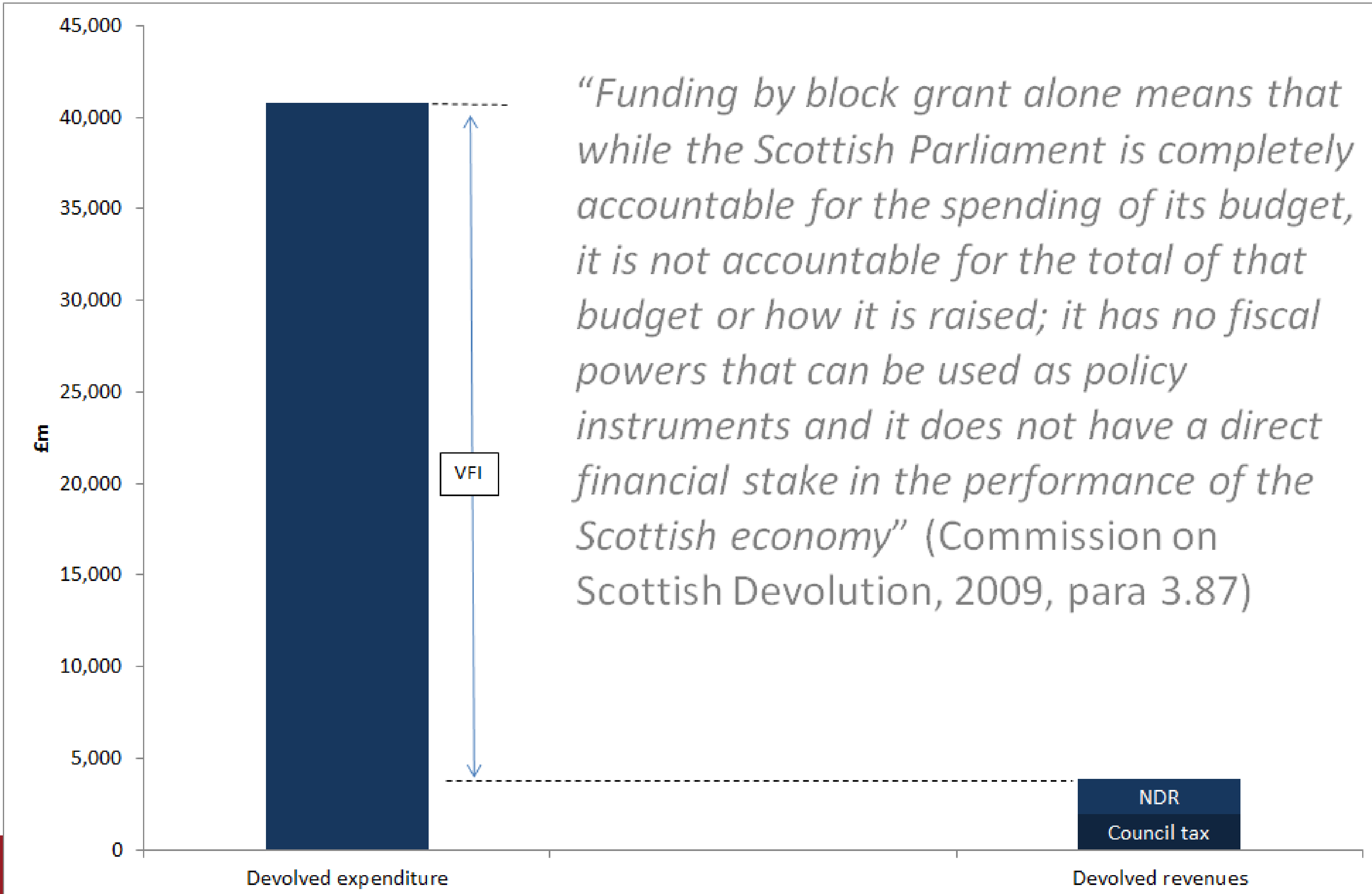
Devolved spending and revenues in Scotland: the evolving picture



"Funding by block grant alone means that while the Scottish Parliament is completely accountable for the spending of its budget, it is not accountable for the total of that budget or how it is raised; it has no fiscal powers that can be used as policy instruments and it does not have a direct financial stake in the performance of the Scottish economy" (Commission on Scottish Devolution, 2009, para 3.87)

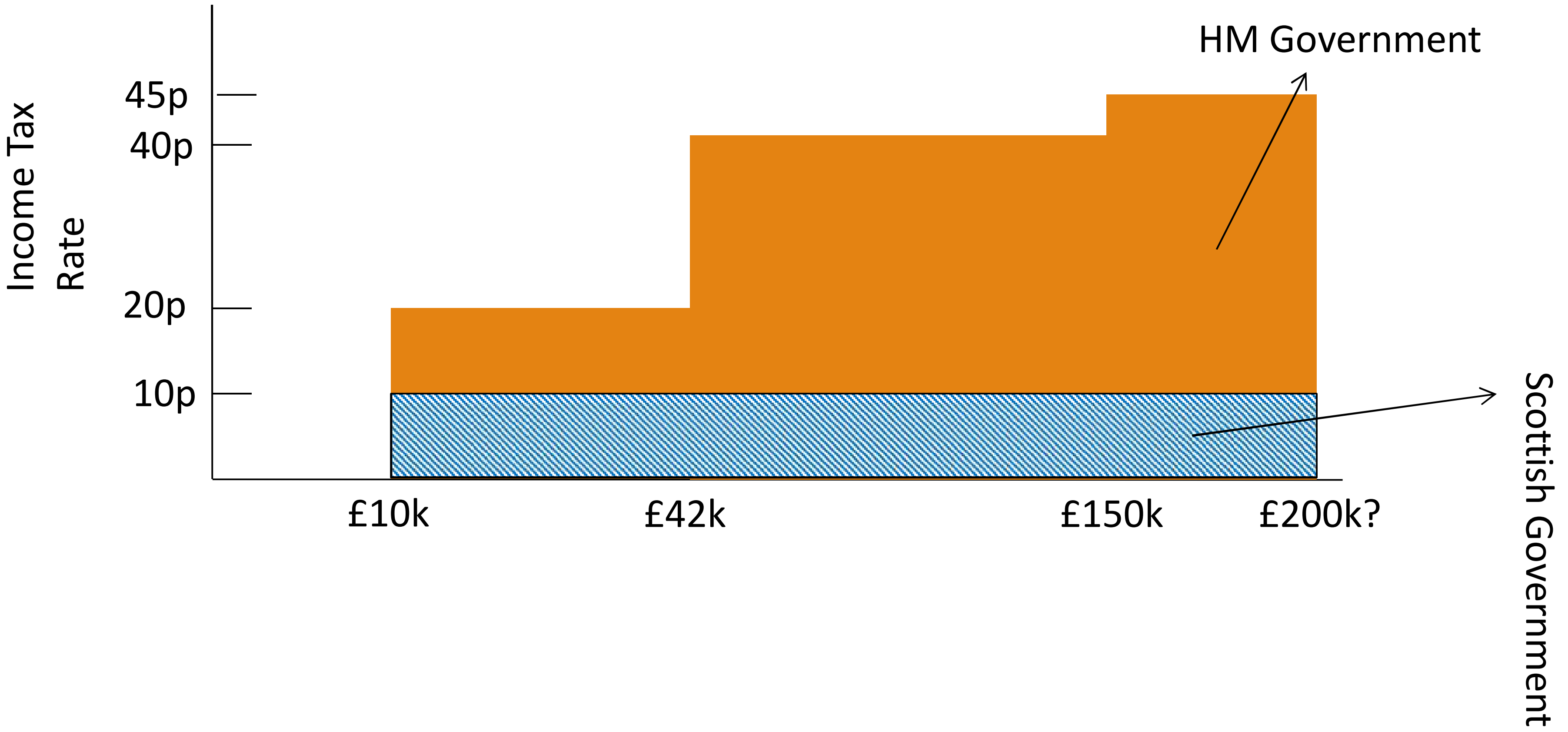
Scotland Act 2012

- Partial devolution of income tax (£4.7bn). From April 2016
- Land and Business Transactions Tax (formerly Stamp Duty): £0.4bn.
- Landfill tax (£0.1bn)
- Some borrowing powers:
  - On resource side, to cover variation in outturn from forecast
  - On capital side, ability to borrow up to £300m per year

Devolved revenues and the block grant

- In year that a tax is devolved, the value of revenues raised from new taxes is deducted from SG's block grant.
- In future years, Scottish revenues are expected to grow at same rate as those in rUK. This 'expected value' of revenues is deducted from Scotland's block grant.
- If Scottish revenues grow faster than those in rUK, Scottish budget is 'better off' than without powers. But if Scottish revenues grow slower than those of rUK, Scottish budget is worse off.
- Thus there are two ways that the SG can raise revenue from the new taxes:
  - By growing revenues in Scotland more quickly than the equivalent revenues in rUK
  - By increasing a tax rate in Scotland

Scotland Act 2012: 10p rate of income tax



The ‘vow’ and the Smith Commission

- Full devolution of income tax (on non-savings, non-dividend income)
- Assignment of half of VAT revenues raised in Scotland
- Air Passenger Duty
- Aggregates Levy
- Further borrowing powers?

The Scottish Government's evolving tax powers

	Revenue, 2013/14 (£bn)
Non-domestic Rates	£2.5
Council Tax	£2.0
Landfill Tax	£0.1
Stamp Duties (LBTT)	£0.4
10p rate of income tax	£4.7
Income Tax	£10.9
Air Passenger Duty	£0.25
Aggregates Levy	£0.05
Assigned VAT	£5.0

Already devolved

Scotland Act 2012

Smith proposals

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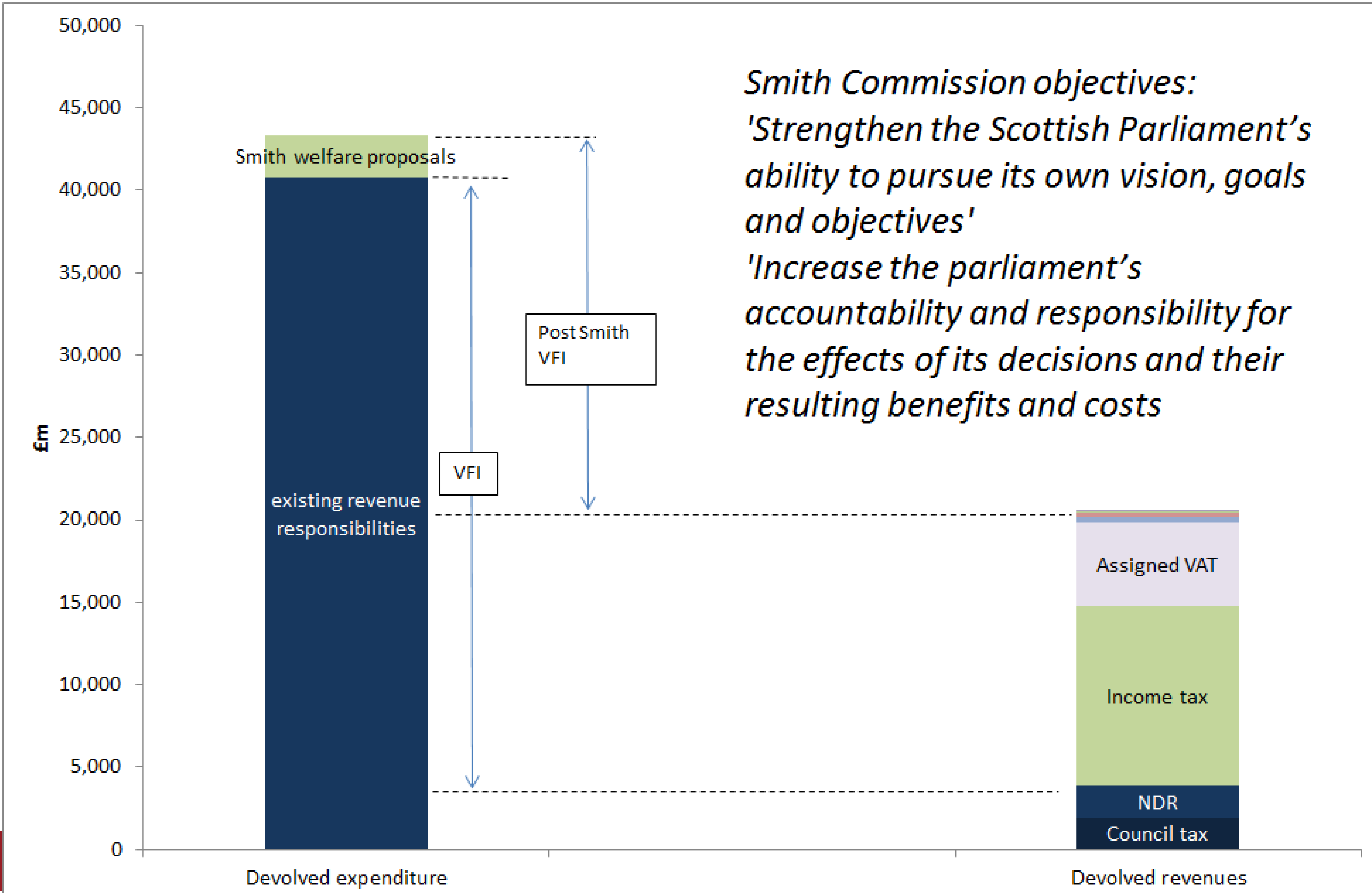
The ‘vow’ and the Smith Commission



Income tax: policy options and constraints

- **Changes to the 10p rate:**
  - Increase to 11p: revenues grow £440m
  - Increase to 12p: revenues grow £850m
  - Challenge: would be seen as regressive tax changes
- **Raising the upper rate from 40p to 41p**
  - Would raise about £40-£50m
- **Raising the additional rate from 45p to 50p:**
  - This would affect the 0.5% of Scottish taxpayers (0.3% of population) who pay the additional rate (income > £150,000)… little revenue raised
- **Constraints**
  - Behavioural responses to tax rises? May include: changes to work effort; changing participation in labour force; migration; tax avoidance/evasion; discouraging in-migration
  - Top 1% of income taxpayers account for around 20% liabilities
  - Evidence on responses subject to great uncertainty

Other tax-raising powers

- **Land and Buildings Transactions Tax (LBTT):**
  - More progressive structure seems to have slowed sales
  - Spending Review revised down forecasts of revenues by £100m
  - Will SG follow UK in raising LBTT on sales of buy-to-let or second homes?
- **Air Passenger Duty**
  - SG commitment to reduce APD by 50% by end of next Parliament
  - Justified on basis that long-run economic benefits will outweigh ST revenue costs
- **Council Tax**
  - Has been frozen since 2007/8
  - Freeze costs an additional £70m per year (i.e. £0.5bn now)
  - Will forthcoming report of Commission on Local Tax Reform influence a more fundamental redesign of local taxation?
- **Business rates (Non-Domestic Rates):**
  - From October this year, Local Authorities gained power to cut (but not increase) NDR

Constraints on the spending side

- **Resource spending:**
  - SG’s grant will decline by 5% in real terms to 2019/20
  - This is faster rate of decline than during the last parliament
  - If health spending is increased by 3% in real terms, implies 12% cut for other depts
  - Other ‘protections’: schools, childcare, concessionary travel, tuition fees, undoing UK ‘welfare cuts’
  - Taking into these protections implies real terms cuts >15% for other departments
- **Capital spending**
  - Grant for capital spend to increase 5% in real terms (from £3 to £3.2bn) over period to 2019/20
  - SG gained ability to borrow up to 10% of capital budget in April 2015
  - Fully utilising these borrowing powers in 2015/16

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Conclusions

- Scottish Government gaining substantial new revenue raising powers
- But likely to be economically and politically constrained in how it uses them
- Scottish budget likely to face further fiscal squeeze over the period to 2019/20
- To-date, Scottish Government shown limited appetite for tax rises
- Revenue-raising more likely in the context of 'undoing' cuts to welfare/ health?
- Reiterates importance of seeking innovative funding solutions, rather than reliance of 'traditional' fiscal policy

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Banking for the Common Good

Gemma Bone
Link Economics Workshop – Tools for Transition
8th December 2015

Banking System

- Instability– Highly concentrated system:
  - by size - 2 banks = 70% market in Scotland.
  - by type - universal, shareholder banks
- Failure to invest – Instead privileges wildly excessive speculative lending to projects which undermine environmental goals
- Unaccountable, Undemocratic – the system is structurally unable to respond to local (or even national) needs

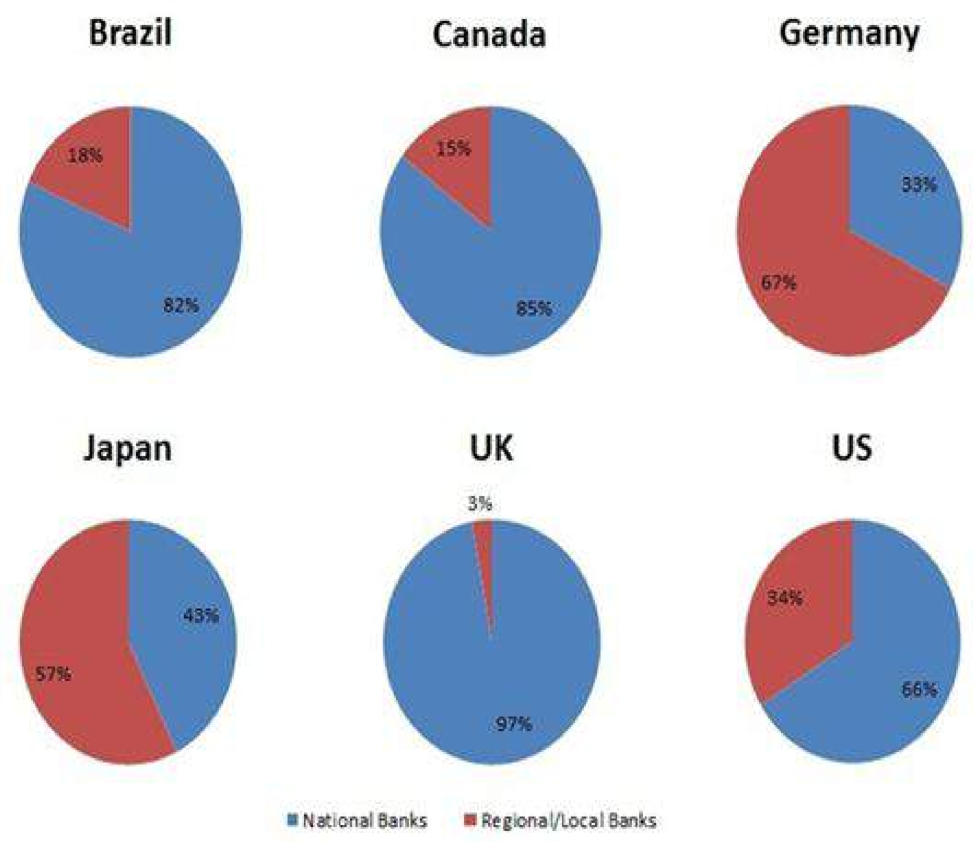
A Proven Success: Learning From Elsewhere

- National Investment Banks (NIB’s)
  - Government sponsored or funded institutions which provide strategic and long-term finance to industry
  - A study of 128 countries found that significant government ownership of banks between 1995-2007 was associated with higher growth of between 1.6-1.9% per annum
  - In most cases, NIB’s are structured at arms length from governments and do not add to public sector deficits
  - KfW, the German Investment Bank focuses the majority of its lending on renewable energy and what we would term ‘transition’ –even setting new standards for low energy housing.

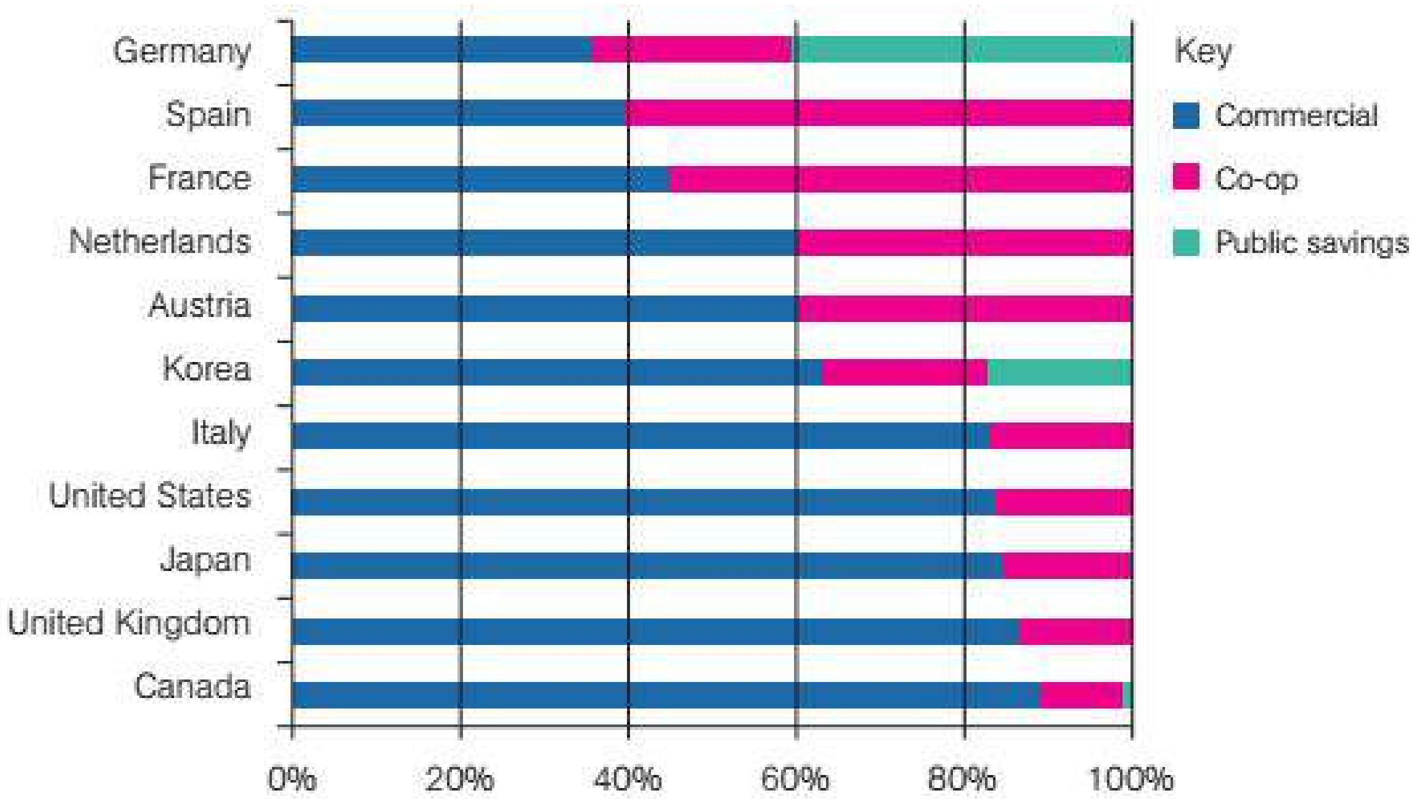
A Proven Success: Learning From Elsewhere

- Stakeholder Banks
  - Include German Sparkassen, Swiss Cantonal banks, credit unions in the US and Canada
  - Promote financial inclusion through explicit aims to serve the under-served and by providing an extensive branch network
  - Positive impact on local and regional development, extensive lending to SME's, have a rebalancing effect nationally
  - Make economies more stable and less subject to shocks
  - Often help to channel National Investment Bank funds down through to the local level using local expertise

Banking sector split of national and regional/local banks



Banks Market Share of Deposits by Ownership Type



What does this mean for Scotland?

- National Investment Banks can play a key role in financing investment in infrastructure and can create positive returns on these investments, helping long-term fiscal sustainability.

- Successful national investment banks tend to rely on a vibrant local, regional or municipal banking sector to distribute loans. As Scotland does not currently have such a sector, this would have to be developed in tandem with a National Investment Bank to ensure maximum social and financial returns.

- Local, regional and municipal 'stakeholder banks' in other developed countries add economic value by filling the gaps where commercial banks are unwilling to go - such as provision of patient capital, relationships with small businesses, serving the financially excluded, and maintaining a presence in remote rural areas. They also appear to have a positive impact on financial stability. This should be a key aim of any new banking system in Scotland.

A whole new system

- Scottish National Investment Bank
  - To leverage funds to invest in much needed infrastructure – public sector house building, local and national infrastructure, zero-carbon transition, and local banking
- People's Banking Network
  - To create banking systems architecture as a publically available good and to pool risks and rewards
- People's Banks
  - A network of small, local banks, driven by the needs of the local communities they serve

Scottish National Investment Bank

- Publicly owned by the Scottish Government and Local Authorities, built upon the current Scottish Investment Bank but given the power to act as a bank and leverage much greater sums for investment

- Mandate set democratically, but could be similar to European Investment Bank:
  - To promote sustainable development and employment potential
  - To promote economic and social cohesion and a safe, stable economy
  - To further environmental sustainability

- Would be able to issue bonds, perfect for long-term patient capital needed for new and renewable technologies (and more ethical pension funds!)

How much could it leverage?

- ‘Paid in’ capital versus ‘subscribed’ capital, able to leverage around 2.5 times the ‘subscribed’ amount.

- E.g. European Investment Bank
  - ‘Subscribed’ UK share = €39 billion | Total = €242.4 billion
  - ‘Paid in’ UK share = €1.9 billion (20%) | Total = €21.6 billion
  - Balance Sheet Total = €542 billion

- So, if there is currently an estimated £1.7 billion in Scottish pension funds which is currently invested in fossil fuels, even if we could only reinvest those funds into the SNIB as ‘paid in capital’, without adding any Scottish Government Funds, the SNIB would in theory have up to £8.5 billion in ‘subscribed capital’ which would then enable a further 2.5 of leveraging creating £21.25 billion of overall investment.

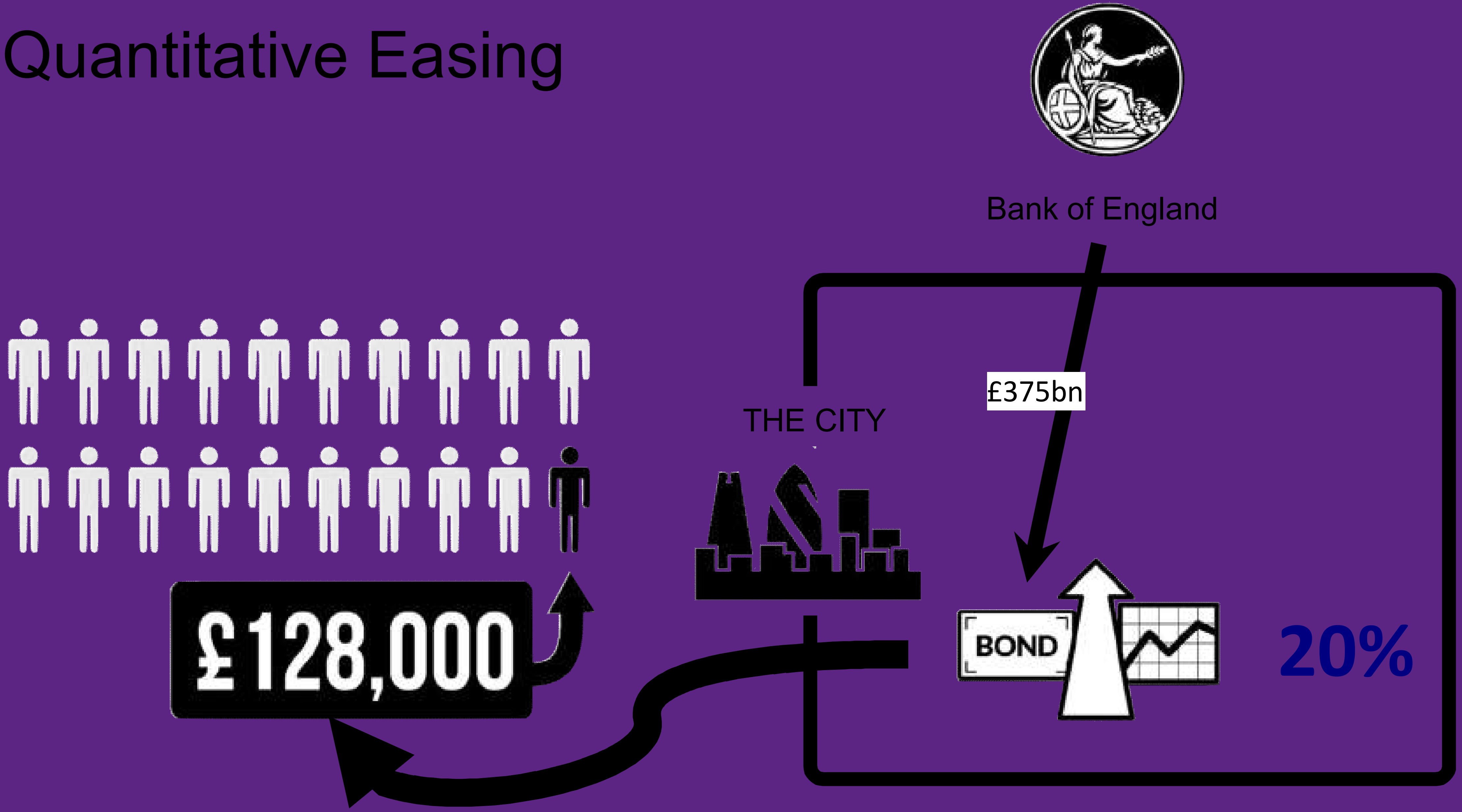
+

How do we create this system?

- We would like to see the Scottish Government convene a taskforce to look at these proposals in greater depth with a much wider consultation to find the exact workable models which can get around current constraints.
- Read our paper, think on the proposals, and join the discussion!
- In particular, it would be productive to look at how the mechanisms provided by a new Scottish banking system could tie in with ideas of Green QE and pension fund investment

PositiveMoney

Quantitative Easing



WHERE DOES THE MONEY GO?

51%

Housing

31%

Financial

8%

Non-financial business

8%

Credit cards and personal loans

There is an alternative…

“[W]e will continue to maximize investment in our nation’s infrastructure, using both capital spending, new borrowing powers and a range of innovative finance mechanisms.” (SNP)

No Reason The Money Created to Stimulate Lending, Could Be Used Instead to Stimulate Transition to Green Economy

Financing the Investment Gap

Monetary Policy Versus Fiscal Policy

Creating Green Tools That Can Help Transition To Green Economy

Corresponding Measures Definitely Required!!

Scotland Public Investment Bank

BOE

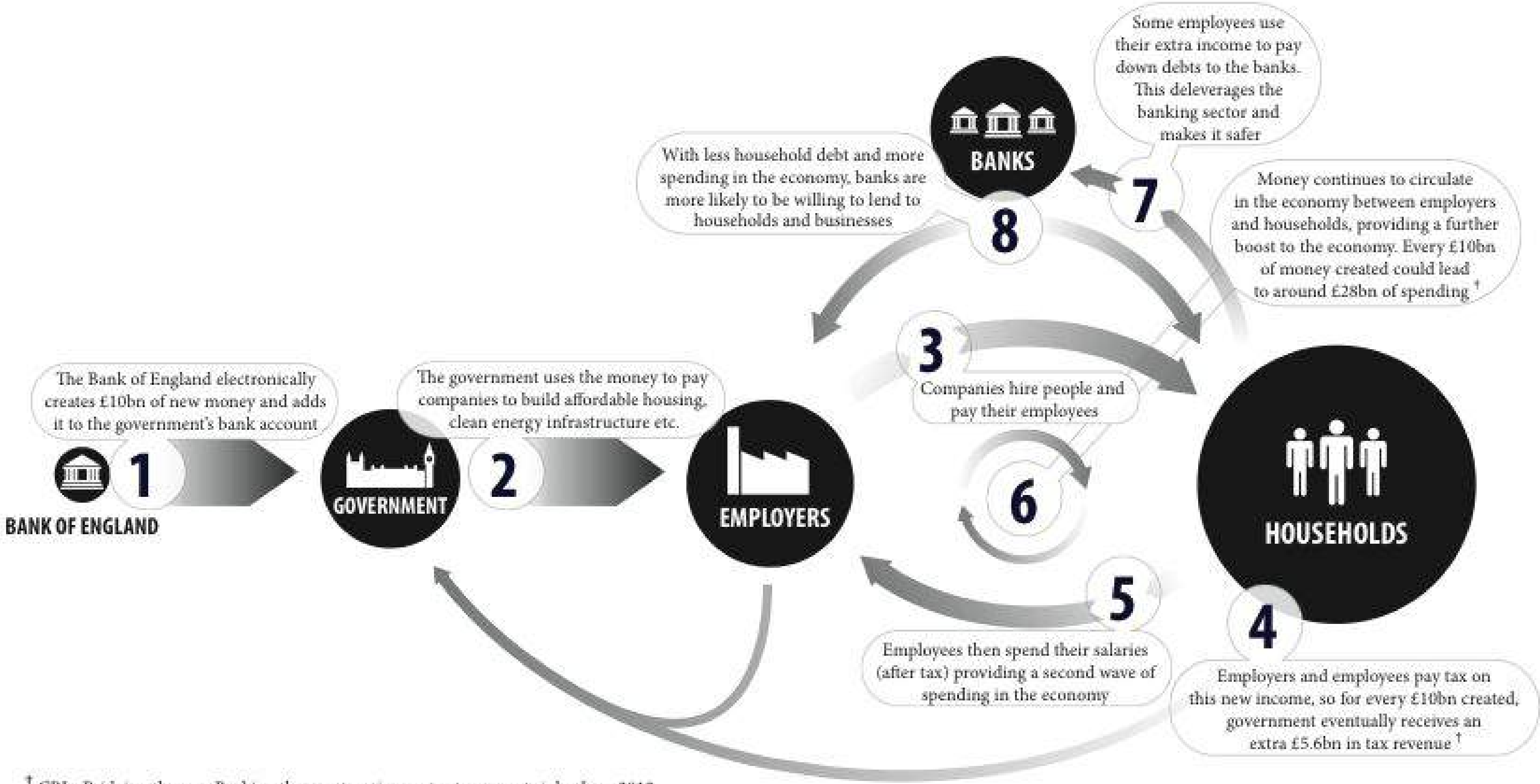
£££

Bonds

£££
(Loan)

Green Bonds
(Scott Business)

Green
Infrastructure
Projects



† CBI - Bridging the gap: Backing the construction sector to generate jobs, June 2012

Current Scope...RECYCLING QE

- Bonds will mature at the end of the year, roughly £20 billion on average
- Lobby Westminster to Change the Asset Class Under Current QE (Change the Types of Bonds Being Purchased)

Long-Term Scope...QE For People

Instead of Lowering Interest Rates to Stimulate Demand (Increasing Private Sector Debt)…

Update Available Toolbox for Monetary Policy so we can Stimulate in a Green Way

HOW
MUCH?

Money
Creation
Committee

WHAT
FOR?

Government

Green Infrastructure Projects

- Projects need to be Shovel Ready
- Ideally Scalable – so that projects can absorb more funding if more stimulus is deemed necessary

Common Criticisms

Hyperinflation

Lack of Democracy

Irreversibility

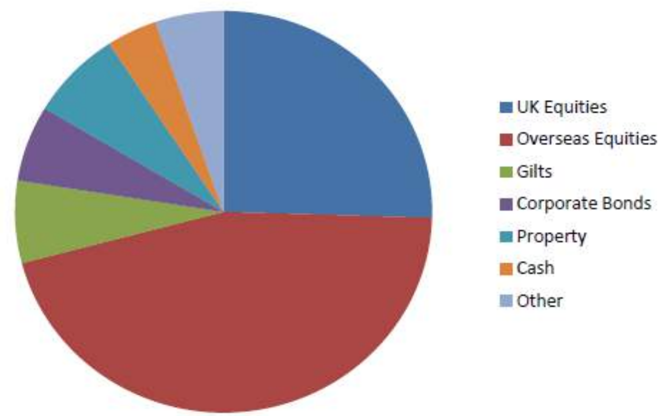
Scottish pension funds investing in low carbon infrastructure

Dave Watson
Head of Bargaining & Campaigns
UNISON Scotland

Scottish Local Government Pension Scheme

UNISON Scotland

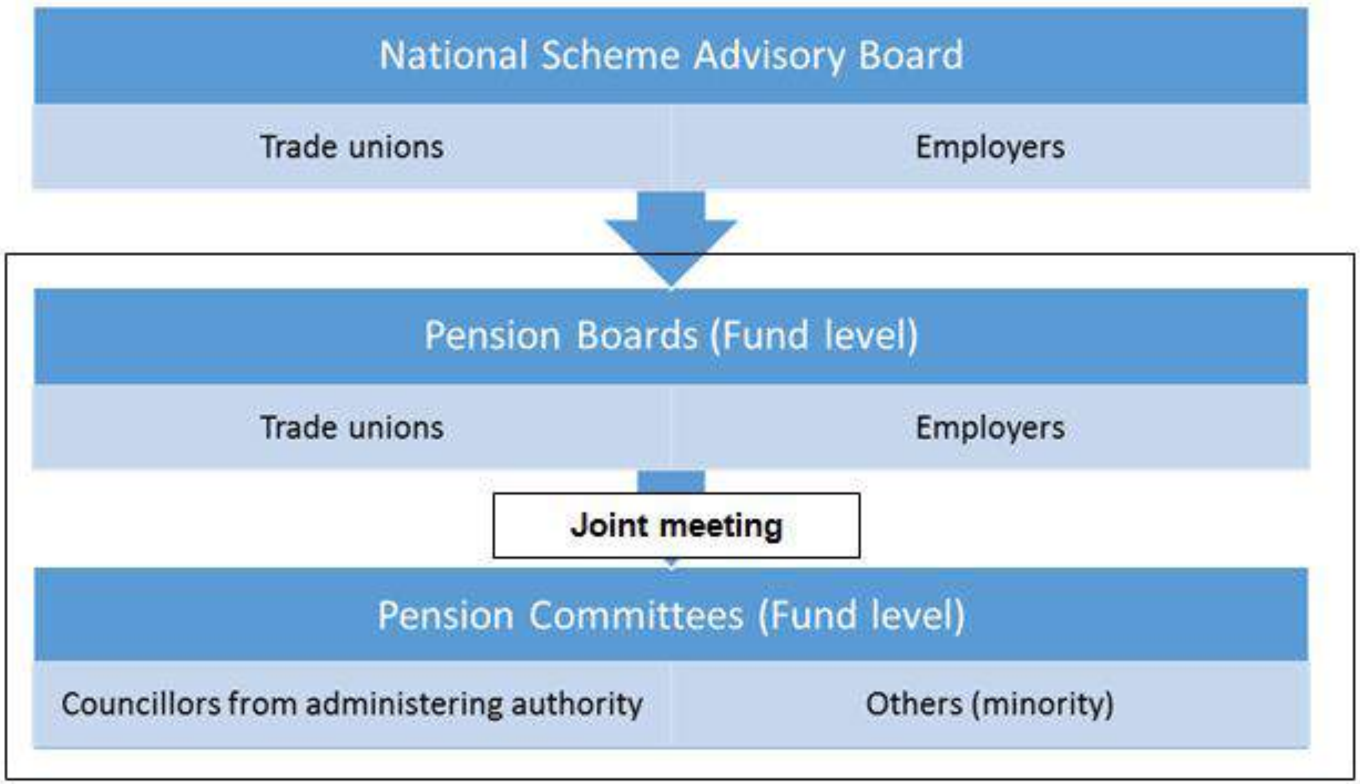
- Scotland's largest pension scheme
  - £27bn assets
- Only 'funded' public sector scheme
- Administered by11 individual funds
  - 217,000 active members
  - 125,317 deferred members
  - 162,808 pensioners
- Financially strong: 94% to 100% funded
- Exists to pay pension benefits



Asset Class	Proportion
UK Equities	26%
Overseas Equities	45%
Gilts	7%
Corporate Bonds	6%
Property	7%
Cash	4%
Other	5%

UNISON Scotland

Governance


National Scheme Advisory Board
Trade unions
Employers
Pension Boards (Fund level)
Trade unions
Employers
Joint meeting
Pension Committees (Fund level)
Councillors from administering authority
Others (minority)

Case for infrastructure investment

UNISON Scotland

- Long term cash flows
  - Ontario in Scottish gas networks
  - Alternative to low bond yields
- Active investment transaction costs
- Risky fossil fuel investments
- Public duties – Climate Change Act
- Public money, ethically invested
- What members want


Funding and building the homes Scotland needs

A proposal by the union UNISON to develop a new stream of finance to provide much needed social and affordable housing in Scotland

March 2012

Introduction

PUBLIC WORKS:

Barriers

- Scale of pension funds
  - Pooling funds in E&W
- Expertise
  - External Fund managers v In-House
  - Infrastructure knowledge
- Investment regulations
- Fiduciary duty
- Rate of return – 5%
- Culture


The Scottish Parliament
Pàrlamaid na h-Alba

Published 30th November 2015
SP Paper 840
5th Report, 2015 (Session 4)
Web

Local Government and Regeneration Committee

Report on Pension Fund Investment in Infrastructure and City Deal Spend

Conclusion

- Major Scottish financial resource
- Meet pension fund requirements in part
- Political and member demand
- Overcome barriers
- Pensions exist to pay pension benefits

COMMUNITY POWER
for people's ownership of renewable energy

Friends of the Earth Scotland

Financing community energy

Anne Schiffer, energy campaigner
Friends of the Earth Scotland

UK financial support mechanisms for renewable energy

- Renewables obligation certificates (ROCs) available until 2017
- Feed-in Tariff (FIT) pre-accreditation
- Seed Enterprise Investment Scheme (SEIS) and Enterprise Investment Scheme (EIS) will be merged
- FITs
- Renewable Heat Incentive (RHO)

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Former UK financial support mechanisms for renewable energy

Will close early

- Renewables obligation certificates (ROCs) ~~available until 2017~~
- ~~Feed-in Tariff (FIT) pre accreditation~~ scrapped
- ~~Seed Enterprise Investment Scheme (SEIS) and Enterprise Investment Scheme (EIS) will be merged~~ scrapped
- FITs will be drastically reduced
- Renewable Heat Incentive (RHO) ?

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Former UK financial support mechanisms for renewable energy

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- FITs will be drastically reduced
- Renewable Heat Incentive (RHO) ??

£2 billion instead !!!

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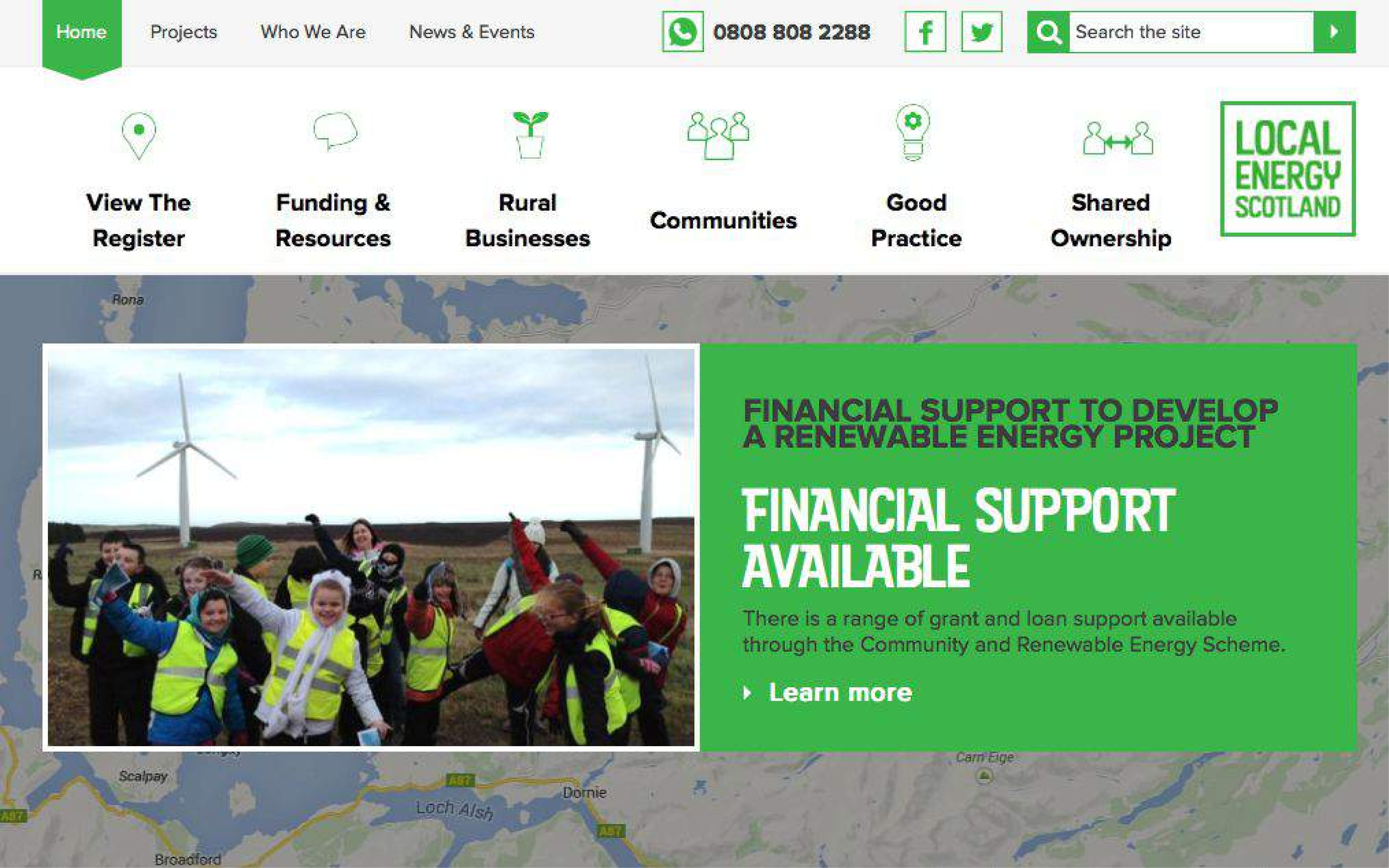
Scottish energy devolution?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Rural Businesses
Communities
Good Practice
Shared Ownership
LOCAL ENERGY SCOTLAND
FINANCIAL SUPPORT TO DEVELOP A RENEWABLE ENERGY PROJECT
FINANCIAL SUPPORT AVAILABLE
There is a range of grant and loan support available through the Community and Renewable Energy Scheme.
Learn more
Rona
Scalpay
Dornie
Loch Alsh
Broadford
Carn Eige
A87

View The Register

Funding & Resources

Rural Businesses

Communities

Good Practice

Shared Ownership

LOCAL ENERGY SCOTLAND

FINANCIAL SUPPORT TO DEVELOP A RENEWABLE ENERGY PROJECT

FINANCIAL SUPPORT AVAILABLE

There is a range of grant and loan support available through the Community and Renewable Energy Scheme.

Learn more

CARES

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500MW by 2020

"community & locally owned"

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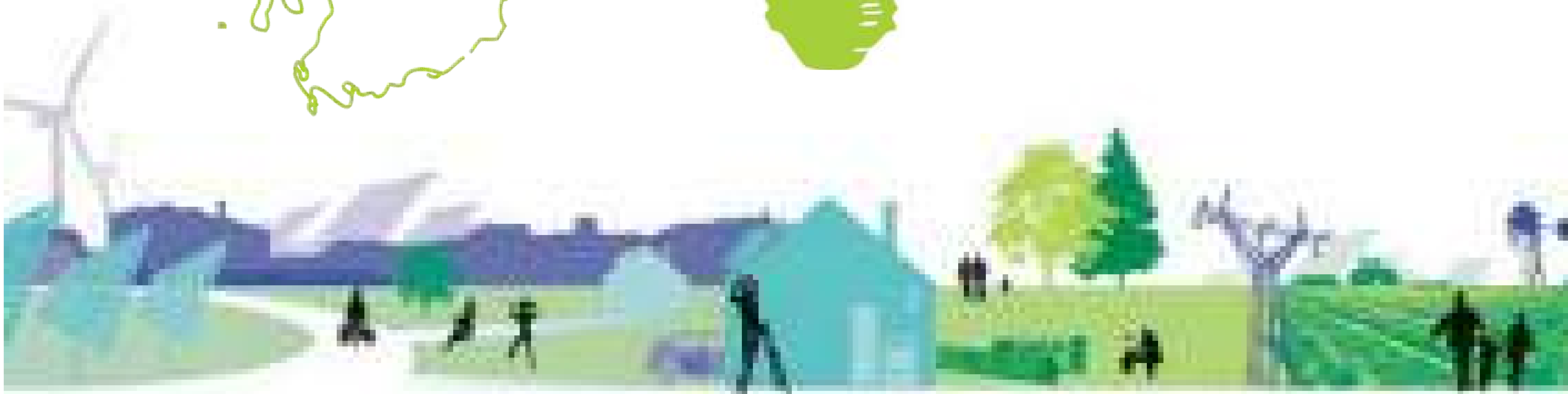
for people's ownership of renewable energy

Friends of the Earth Scotland

100% by 2020
domestic renewable electricity



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500MW by 2020

"community & locally owned"

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Friends of the Earth Scotland

500MW by 2020

"community & locally owned"

Met Oct 2015 :0)

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1GW by 2020

"community & locally owned"

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2GW by 2030

"community & locally owned"

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Raising money from people through shares

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Friends of the Earth Scotland

Raising money from people through shares

- Co-operatives outside of UK
- UK Community Benefit Societies (Bencoms)

Aberdeen
Dundee
Inner Seas
Glasgow
Dumfries
Newcastle
Middlesbrough
Belfast
Sligo
Isle of Man
Irish Sea
Kingston upon Hull
Ireland
Kilkenny
Cork
Birmingham
Norwich
Ipswich
Oxford
London
Bristol Channel
Plymouth
Brest
Rennes
Le Mans
Orleans
Tours
Auxerre
Troyes
Le Havre
Amiens
Paris
Nancy
Dijon
Zürich
North Sea
Denmark
Aalborg
Esbjerg
Odense
København
Halmstad
Växjö
Kalmar
Flensburg
Rostock
Hamburg
Szczecin
Berlin
Hannover
Leipzig
Hof
Czech Rep.
Brno
Munich
Linz
Vienna
Innsbruck
Austria
RESCoop.EU


Aberdeen
Inner Seas
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Denmark
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Kilkenny
Ipswich
Cork
Oxford
London
Leipzig
Bristol Channel
Plymouth
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Le Havre
Paris
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Orleans
Auxerre
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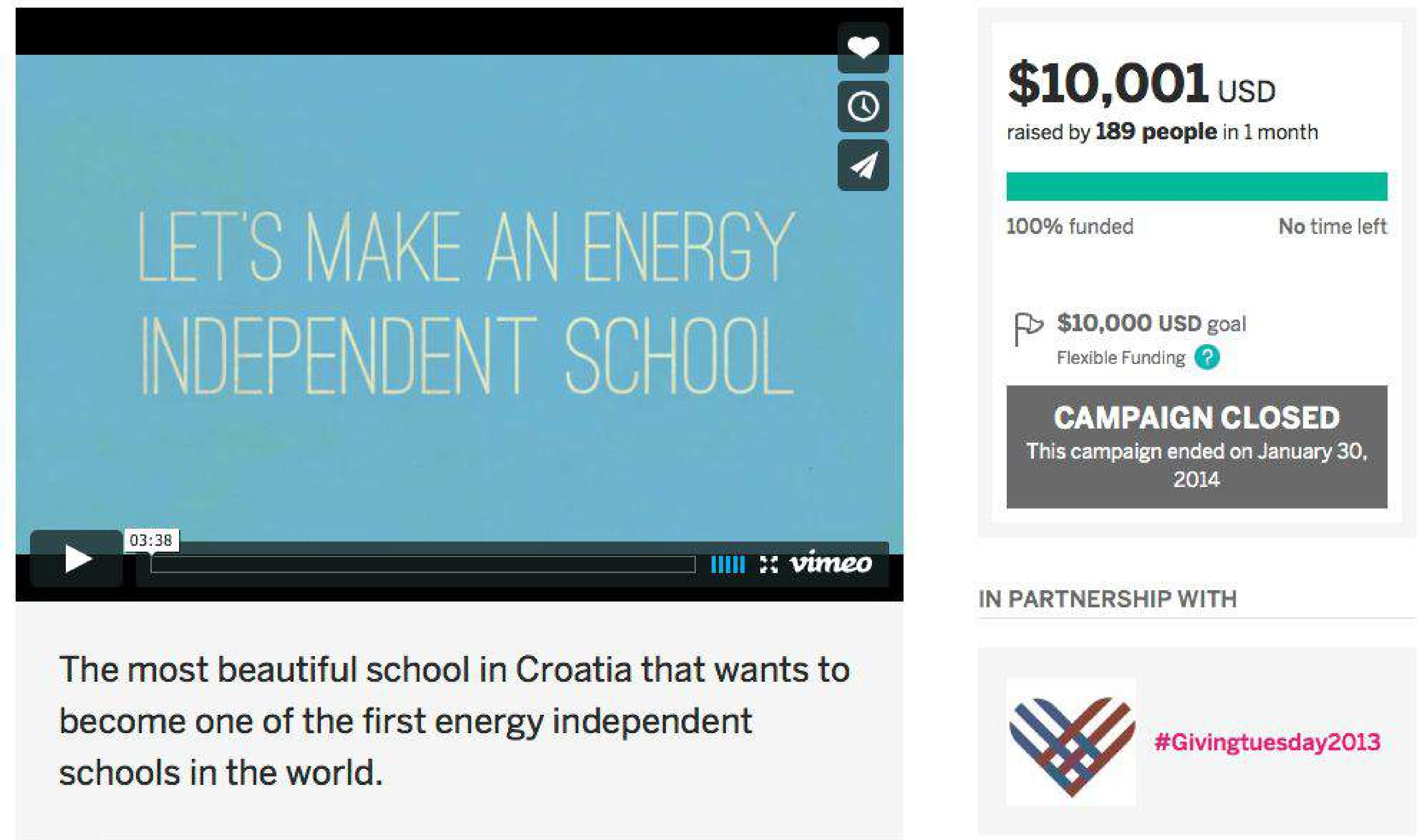
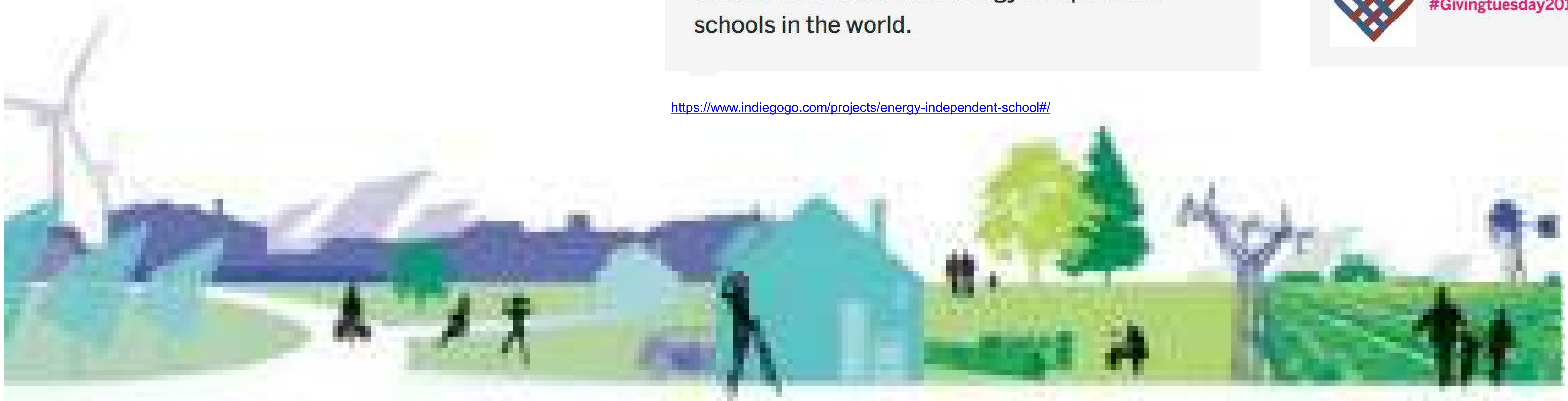
for people's ownership of renewable energy

Friends of the Earth Scotland

Raising money for projects through crowdfunding



https://www.indiegogo.com/projects/energy-independent-school#/



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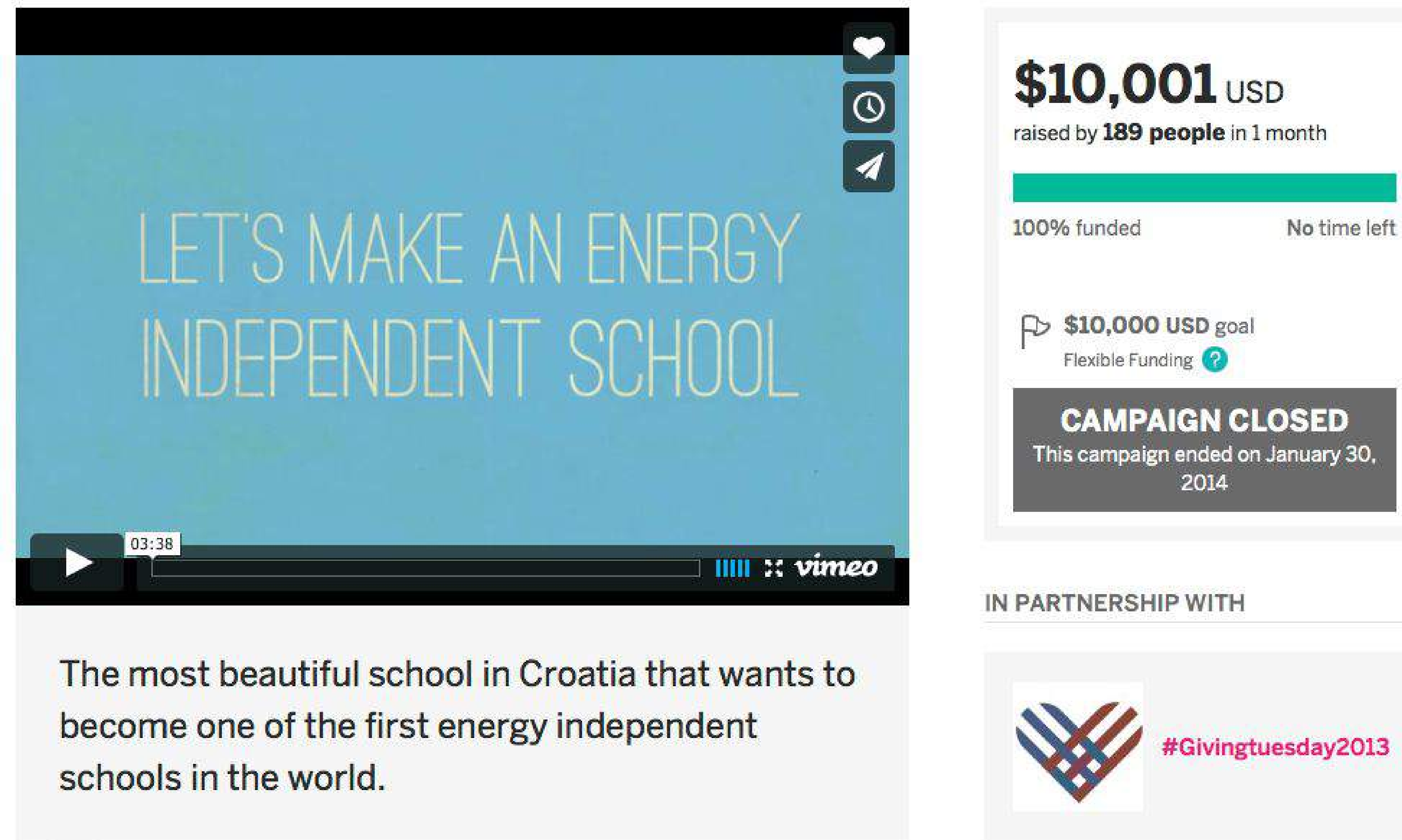
Raising money for projects through crowdfunding

- Microgenius
- Abundundance
- Indigogo



https://www.indiegogo.com/projects/energy-independent-school#/

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£14,281,102
invested in projects

14
projects funded

£917,283
returned to investors

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Climate Alliance

abundance.

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citizenergy

Your power.

Take part in the European energy revolution.


TELL THE BIG BANKS: NO MORE FOSSIL FUELS
DIVESTMENT DAY
03 05 14

If commercial (and ethical) banks fail to deliver, start your own

Fossil fuels

Communit
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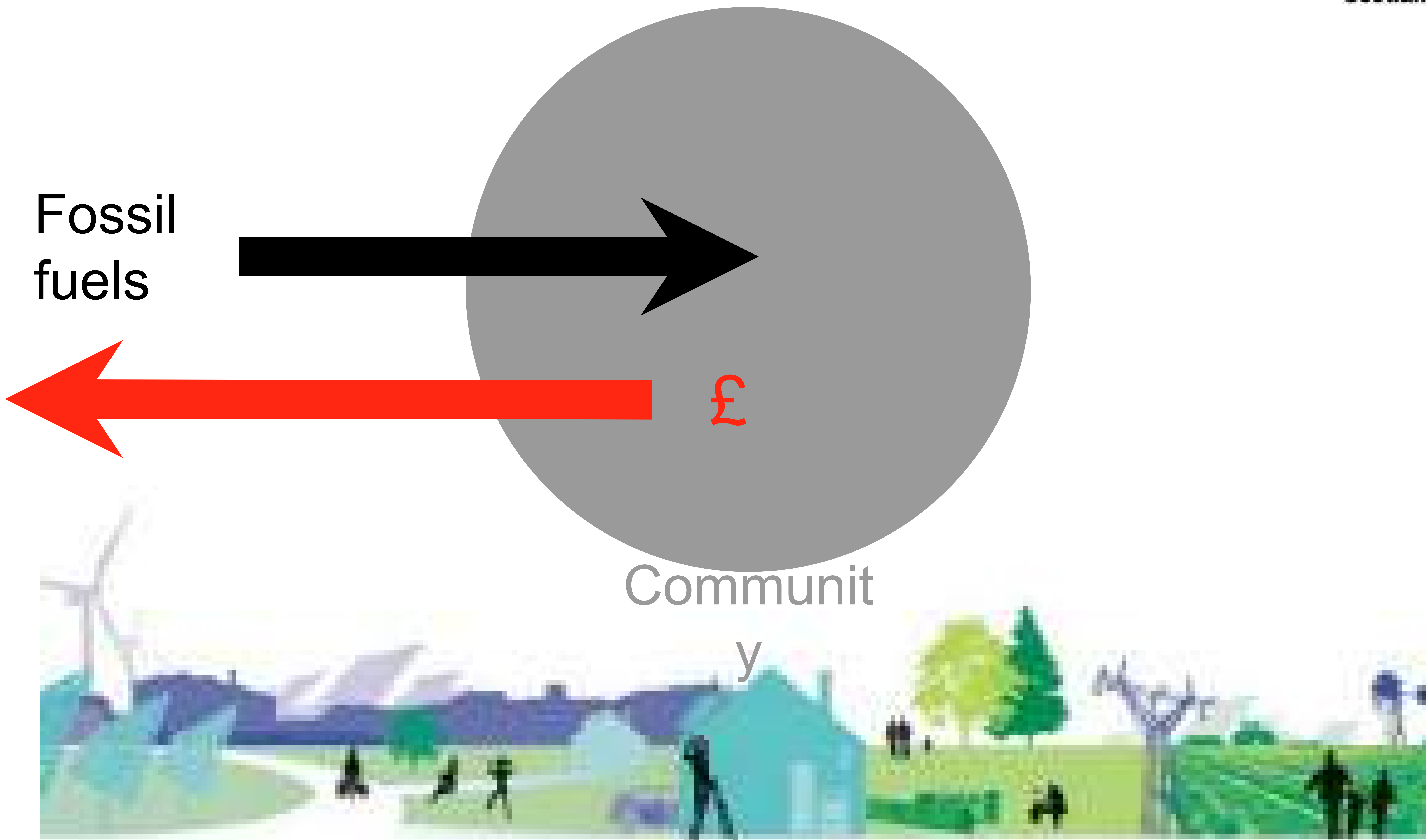
Fossil fuels
£
Communit
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for people's ownership of renewable energy

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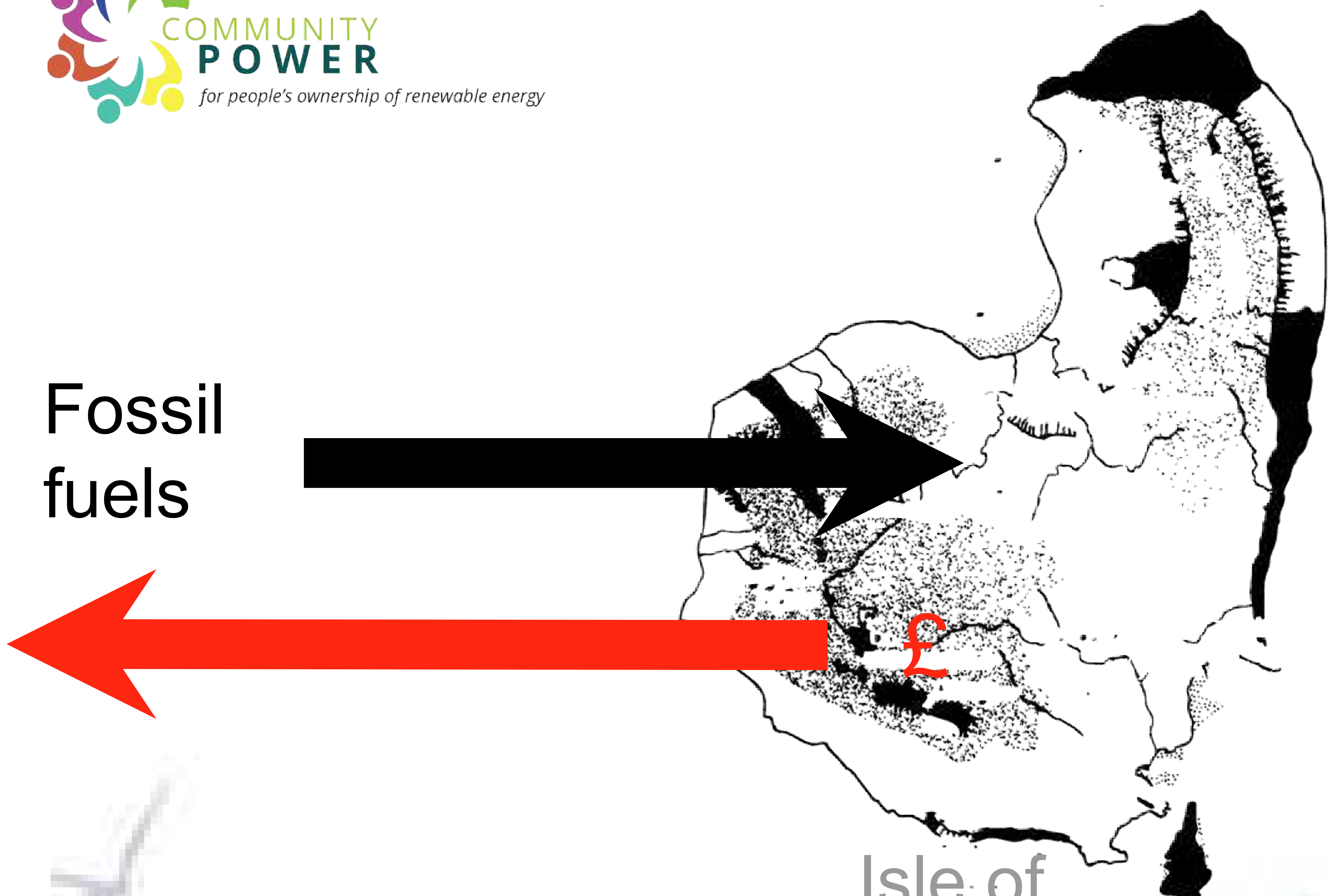
Fossil fuels



Isle of Eigg

COSTS OVER A 20-YEAR LIFE SPAN

€ 138 Million

https://www.youtube.com/watch?v=7gJpKb3kALg http://www.go100re.net/properties/cape-verde/

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- 1GW/2020; 2GW/2030 targets
- Energy devolution?
- Shares offers
- Crowdfunding
- Ethical banking that delivers
- Circular energy economies

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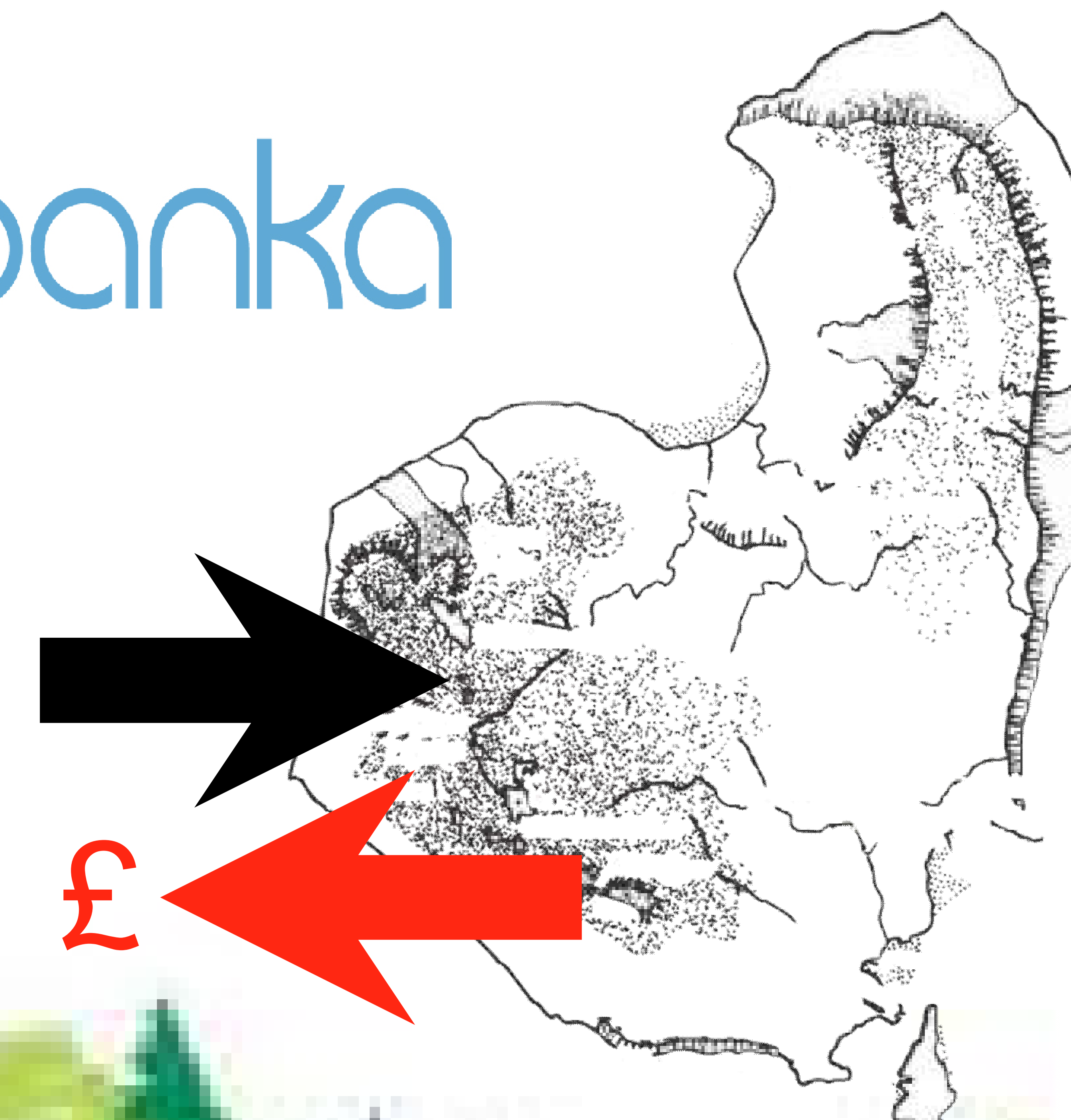
Your power.
Take part in the European energy revolution.

ebanka




Thank you for listening

COMMUNITY POWER
for people's ownership of renewable energy

Friends of the Earth Scotland

aschiffer@foe-scotland.org.uk
@AnneSchiffer1
www.communitypower.scot

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IUCN | National Committee United Kingdom

Peatland Programme

Introducing the

PEATLAND CODE

THE PEATLAND CHALLENGE

One million hectares of peatlands in good condition or under restoration management by 2020.

A secure peatland future depends on the benefits to society being reflected in the support given for sustainable peatland management.

IUCN | National Committee United Kingdom

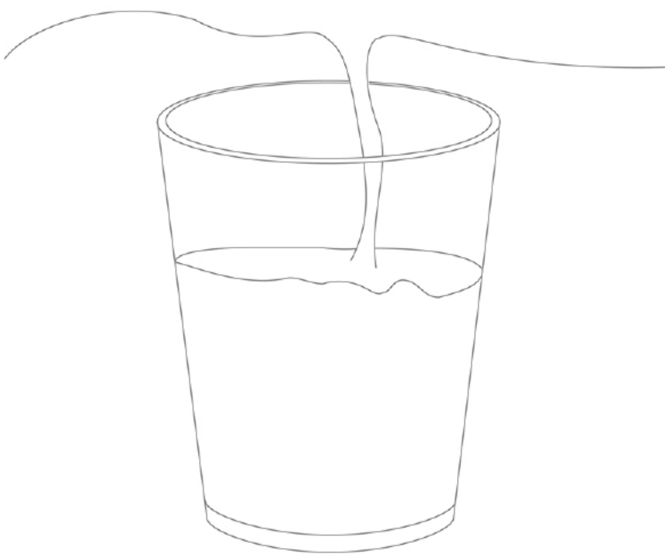
Peatland Programme

DID YOU KNOW...

UK peatlands store half the carbon of that held in the entire Peruvian rainforest – yet cover only 3% of the area

THAT IS **20 TIMES** AS MUCH CARBON AS IN UK WOODLANDS COMBINED

A 5% loss of our peatlands would equate to the total UK anthropogenic (man-made) emissions for a whole year...



AND THAT'S NOT ALL:
UK PEATLANDS STORE **75%** OF OUR **DRINKING WATER** AND PROVIDE HOMES FOR **WILDLIFE**.

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Peatland Programme

WE ARE ENTERING A NEW ERA

Peatlands are a prime example of a nature-based solution to global problems.

"Peatland restoration and conservation are the low hanging fruit for climate change mitigation"

Achim Steiner, United Nations

IUCN | National Committee United Kingdom

Peatland Programme

NOTHING IN LIFE IS FOR FREE

"Bees don't send invoices"

Pavan Sukhdev, Deutshe Bank
- Leader of 'The Economics of Ecosystems and Biodiversity' (TEEB)

£1 billion...
... just this year's
'invoice' from the bees*.

So, what's the invoice
from *Sphagnum* mosses?

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Peatland Programme

*Parliamentary Office for Science and Technology 2010

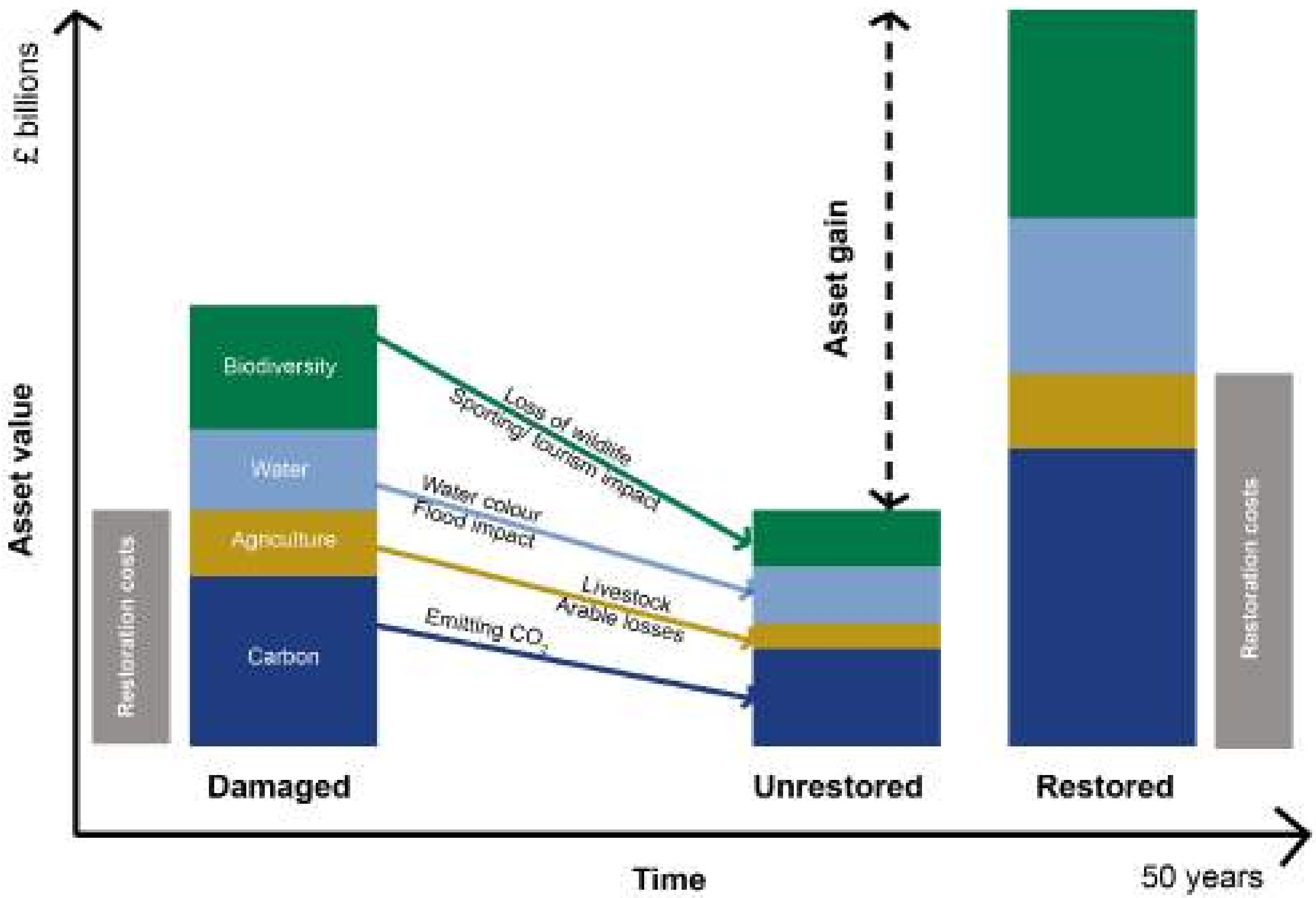
A DAMAGED BOG IS NO GOOD TO ANYONE

Yet, 80% of UK peatlands are damaged.

IUCN National Committee United Kingdom

Peatland Programme

PEATLAND NATURAL CAPITAL



THE COSTS

Peatland restoration – an established, tried and tested mechanism

100ha site over 30 years

GHG savings:
22,000 CO_2e
Equal to 12,000 cars annual emissions

Restoration/ management costs:
£180,000

Carbon market value in 2023:
£660,000

IUCN | National Committee United Kingdom

Peatland Programme

WHAT IS THE...

PEATLAND CODE

RSPB/SNH

IUCN | National Committee United Kingdom

Peatland Programme

KEY INFORMATION

PEATLANDCODE

A voluntary standard for peatland restoration projects in the UK that want to obtain private funding on the basis of their climate and other benefits.

- Stringent set of requirements for restoration projects
- Assurance for sponsors
- 18-month pilot phase (ended Summer 2015)
- Launched at the World Forum on Natural Capital in Edinburgh in November 2015
- Not an offsetting scheme.

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Peatland Programme

FOR BUSINESSES

PEATLANDCODE

There are several benefits available to businesses that sign up to the Peatland Code:

- Reduced cost (in some sectors)
- Supporting natural capital – a growing area of interest
- Demonstrate responsibility towards the environment
- Future possibility of meeting environmental obligations
- Promotion opportunity for brands and products associated with peatlands.

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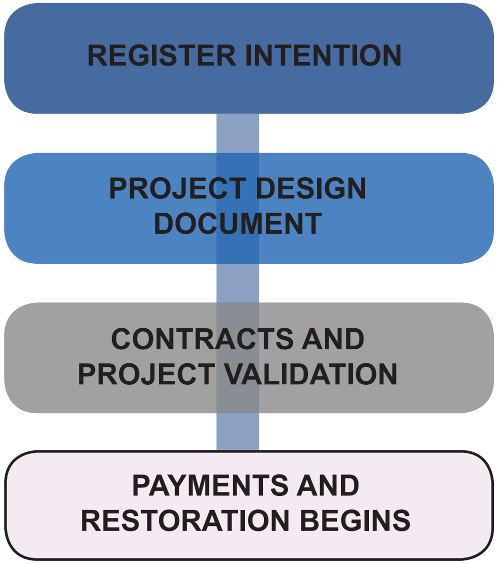
Peatland Programme

FOR LAND MANAGERS

PEATLANDCODE

The Peatland Code has been designed with advice from the land managing community.

- Any income associated is on top of agricultural payments via the Common Agricultural Policy (CAP)
- A minimum 30 year contract has been set
- Prices are negotiated with the business providing the funding:
  - Bi-laterally or via a Project Developer
  - To cover costs of restoration work plus maintenance payments – there is no set rate, this is agreed between the buyer and seller.



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Peatland Programme

NEXT STEPS

PEATLANDCODE

The process has only just begun, currently we are:

- Identifying ‘shovel ready’ projects
- Establishing a formal governing body
- Appointing a third party Certification Body(ies)
- Creating a restoration good practice guidance
- Identifying projects and potential buyers in this next phase
- Developing synergies with the Woodland Carbon Code
- Plan to obtain accreditation.

IUCN | National Committee United Kingdom

Peatland Programme

FIND OUT MORE

Web: www.iucn-uk-peatlandprogramme.org

Email: clifton.bain@iucn.org.uk

IUCN | National Committee United Kingdom

Peatland Programme

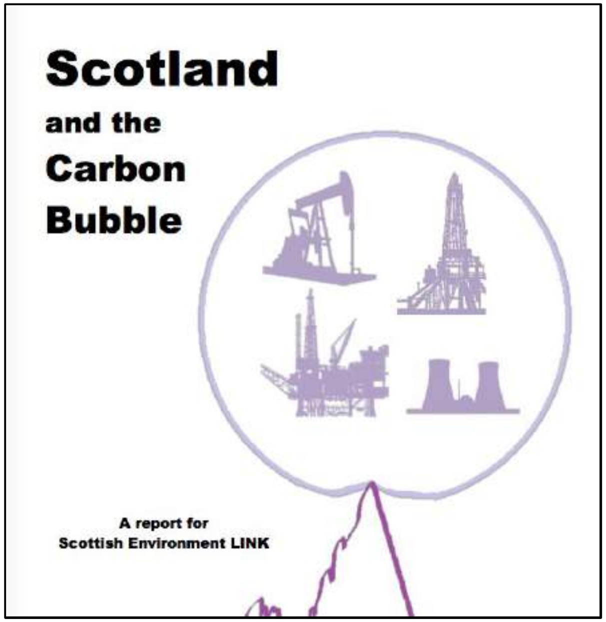
What practical things are happening now to **divest and reinvest?**

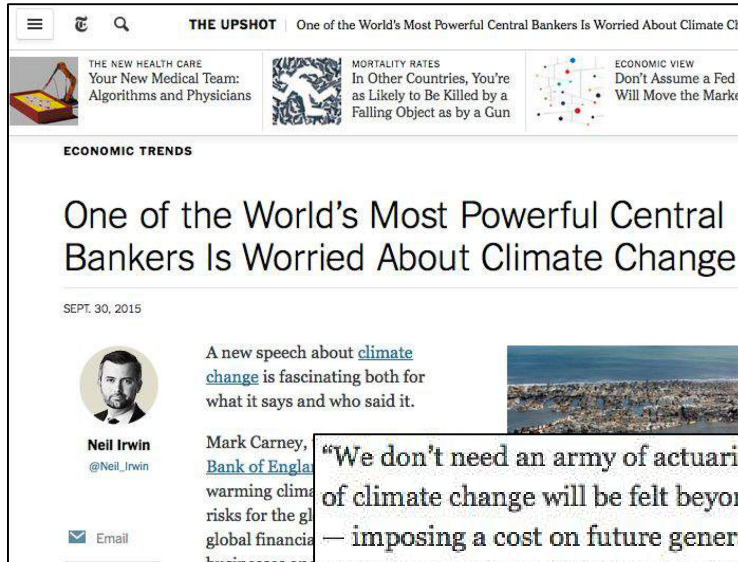
Ric Lander, Friends of the Earth Scotland

Friends of the Earth Scotland

DIVEST SCOTLAND

Making the financial case




THE UPSHOT | One of the World's Most Powerful Central Bankers Is Worried About Climate Cha

THE NEW HEALTH CARE
Your New Medical Team: Algorithms and Physicians

MORTALITY RATES
In Other Countries, You're as Likely to Be Killed by a Falling Object as by a Gun

ECONOMIC VIEW
Don't Assume a Fed A Will Move the Market

ECONOMIC TRENDS

One of the World's Most Powerful Central Bankers Is Worried About Climate Change

SEPT. 30, 2015

Neil Irwin
@Neil_Irwin

Email

A new speech about climate change is fascinating both for what it says and who said it.

Mark Carney,
Bank of Englar
warming clima
risks for the gl
global financia
businesses and

"We don't need an army of actuaries to tell us that the catastrophic impacts of climate change will be felt beyond the traditional horizons of most actors — imposing a cost on future generations that the current generation has no direct incentive to fix," he said. "In other words, once climate change becomes a defining issue for financial stability, it may already be too late."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Investment Strategy

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September 20, 2015 6:21 am

Green funds beat 'black' funds over 2 years

Chris Newlands

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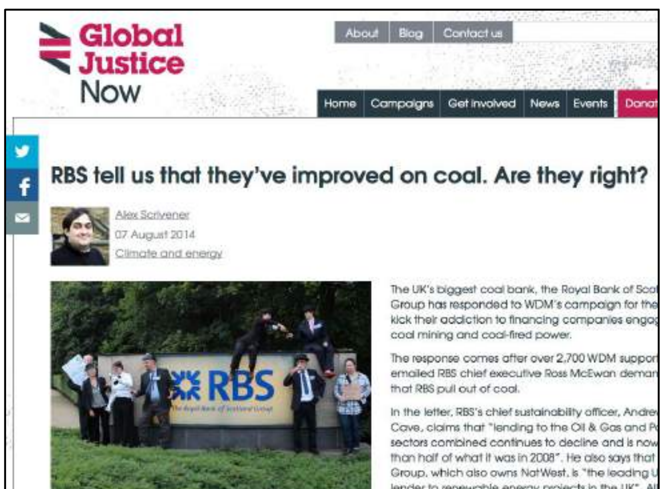
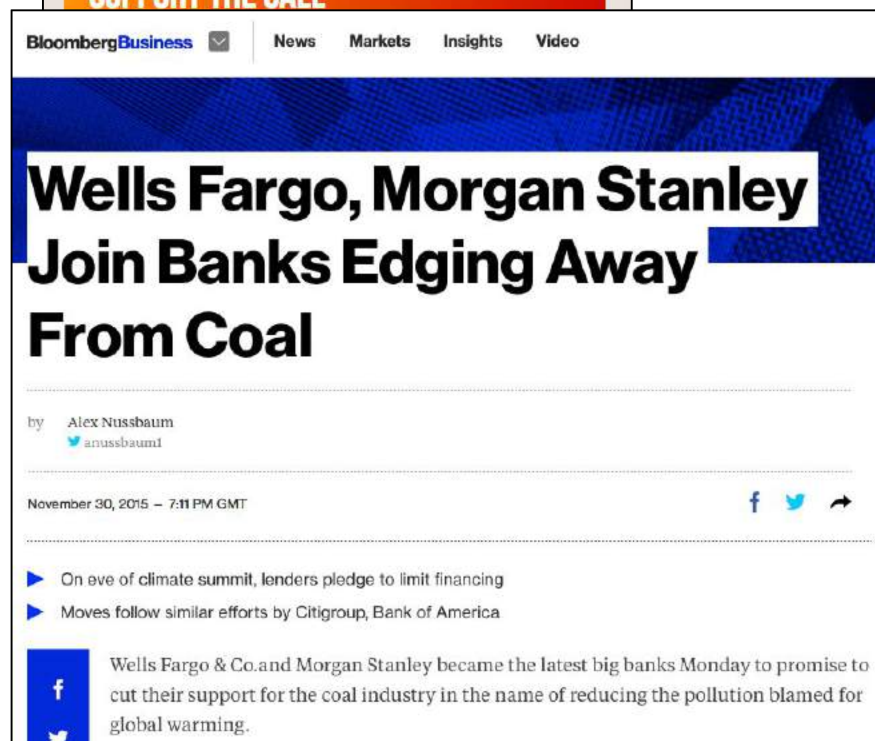
Campaigning on the big banks





Fossil free institutions

people & planet

rt football opinion culture business lifestyle fashion environment tech travel

e change wildlife energy pollution

Glasgow becomes first university in Europe to divest from fossil fuels

University court votes to divest £18m from fossil fuel industry in what campaigners call 'dramatic beachhead'

- Fossil fuel divestment: a brief history

NEWS

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Edinburgh University to divest from three fossil fuel companies

26 May 2015 Edinburgh, Fife & East Scotland

Universities divest for Paris

Two years after Glasgow students' trailblazing victory, a total of **17 universities** have now taken action to clean up their investments. The following universities have committed to go completely fossil free:

- University of Bedfordshire
- Oxford Brookes University
- University of Sheffield
- University of Surrey
- University of Warwick
- University of the Arts London
- SOAS, University of London
- University of Glasgow

A further eight universities have also divested from coal and tar sands, including Scotland's own Heriot-Watt University and University of Edinburgh. See the full global list here and find out about university divestment via People & Planet.

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Towards fossil free Churches

We believe that churches need to disinvest from fossil fuel companies if they are to retain their integrity in the face of climate change.

Divesting public pensions

Sunday Herald
20 September 2015
(3)

Scottish local authority pension investment in fossil fuel firms

RIO TINTO	£56M
BP	£39M
ENI	£33M
SHELL	£31M
EXXON MOBIL	£30M
TOTAL	£23M
BASF	£19M
STATOIL	£15M
HUSKY ENGRGY	£14M

Source: Friends of the Earth Scotland

Public sector pension funds in Scotland ploughing £1.7bn into 'dirty investments'

EXCLUSIVE
BY ROB EDWARDS

THE pension funds of 500,000 public sector workers in Scotland are investing nearly £1.7 billion into fossil fuel corporations.

An investigation by environmental groups has revealed the huge and increasing sums of money local government pension schemes are pouring into 'dirty investments' like coal, oil and gas companies – despite the dangers they pose to the planet.

The investments have been condemned by trade unionists, politicians and pension fund members.

They are demanding councils pull out of fossil fuels, and put money into clean energy, housing and other socially useful projects.

Multi-billion-pound pension funds covering hundreds of public sector bodies are run by 11 local authority organisations across Scotland.

Using Freedom of Information requests, researchers have calculated how much is being invested in major fossil fuel companies.

The total tops £1.6 billion, equivalent to £311 for every resident of Scotland.

The most money – £56 million – goes to the coal and metal mining giant, Rio Tinto, followed by £39 million to the UK oil company, BP and £33 million to the Italian oil firm, ENI.

Critics say that the market value of fossil fuels is falling as environmental risks become clearer, and action is taken to cut climate pollution.

Major Scottish bodies including Glasgow and Edinburgh universities and the United Reform Church have already moved to withdraw funds from fossil fuel firms.

Globally, around 400 institutions have decided to pull many billions of pounds worth of investments.

"Communities around the world are calling for an end to the environmental destruction that comes with coal mining, fracking and deep-sea oil," said Ric Lander from Friends of the Earth Scotland, one of the groups that compiled the data.

"Our pension money shouldn't be fuelling this damage.

"At a time when public resources are being squeezed, we should be redirecting this money to socially useful projects."

Dave Watson, Scottish organiser for the trade union, Unison, which has 90,000 members in the pension schemes, pointed out councils had a legal duty to cut carbon emissions.

"Divesting from fossil fuels is the prudent way for councils to meet both their fiduciary duty to members and their public law duties," he added.

Green MSP Alison Johnstone accused local authorities of being "reckless" with employees' money.

"Oil, gas and coal are running out, and the fossil fuel industry is no longer a sustainable, sensible investment choice," she said.

Independent councillor Jim Orr, a member of Edinburgh City Council's pensions committee, described fossil fuels as "unsustainable".

He called on pension scheme members to press for investment strategies to change.

Kirsty Noble, a member of the Strathclyde pension fund, urged councils to take the lead.

"These investments are increasingly risky and local authority funds seem to be overexposed," she said.

According to the Convention of Scottish Local Authorities (COSLA), investment strategies are regularly reviewed …

… from fossil fuels and reinvest into infrastructure fit for the 21st century."

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October 18, 2015 7:04 am

Environment Agency makes landmark pension move

Chris Newlands

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The UK's Environment Agency Pension Fund is to become the first scheme to … assets in accordance with the UN-agreed principles of preventing global temperatures from rising by more than 2C.

The landmark move will lead the £2.9bn pension scheme to cut its exposure t… by 90 per cent over the next five years and reduce its exposure to oil and gas b…

The decision comes after research published thi… month showed nearly a… …en wiped off the value of coal inv… …c pension funds over the past 18 … …pressure on schemes to pull out … …el companies.

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South Yorkshire Pension Fund Commits To Low Carbon Investments Ahead Of Paris Climate Talks

Monday, November 23rd, 2015 By

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Ahead of upcoming climate talks in Paris, South Yorkshire Pension Fund has committed to low carbon investment policies that exclude 'pure' coal and tar sands companies from its portfolio. The decision, taken at the Investment Board meeting, acknowledged that 'there should be a long term tilt towards a low carbon economy within its portfolios' and 'agreed to monitor carbon risk.' The fund invests over £317 million in fossil fuels, roughly 5.7% of total investments.

The Investment Board also formally confirmed it has divested from 'pure' coal and tar sands companies, noting that coal is the 'most polluting' fossil fuel. However, the board also emphasised policies of 'active engagement' with fossil fuel companies, rejecting suggestions to divest further.

Friday
The Scotsman
25 September 2015
[16]

Public sector pension pots 'at risk in dirty energy funds'

ILONA AMOS
ENVIRONMENT CORRESPONDENT

THOUSANDS of Scotland's teachers, social workers and other council employees could be at risk of losing their pension pots due to massive investments in "dirty energy", according to environmental campaigners.

New data reveals Scottish local government pensions investments plough £1.7 billion into oil, coal and gas companies.

The cash is part of £14 billion that is invested in fossil fuels by 4.6 million local government workers across the UK through their pension schemes.

Strathclyde has the largest holdings in Scotland, with £752 million of fossil fuel stocks. Only Greater Manchester has more, with a massive £1.3 billion of assets in the largest energy firms.

But environmentalists claim international action to battle climate change will leave fossil fuel investments worthless, creating a "carbon bubble" that will threaten funds exposed to them.

They say pension money should be put into projects that benefit the wider community while providing a secure return. The figures were revealed after campaign groups including Friends of the Earth (FoE) analysed data acquired through freedom of information requests, detailing the assets held in the 101 pension schemes covering the UK's 418 councils.

Ric Lander, the charity's finance campaigner in Scotland, said: "Communities around the world are calling for an end to the environmental destruction that comes with coal mining, fracking and deep-sea drilling. Our pension money shouldn't be fuelling this damage."

He added: "It is time for investors to listen to the call to invest in our future."

Unison Scotland's Dave Watson said councils should consider their climate change responsibilities when making investment decisions.

"Divesting from fossil fuels is the prudent way for councils to meet both their fiduciary duty to members and their public law duties," he said.

Strathclyde Pension Fund member Kirsty Noble said: "These investments are increasingly risky and the local authority funds seem to be overexposed to this risk."

A spokesman for Glasgow City Council said a divestment strategy had been considered but members had backed active investment as a way of influencing environmental performance.

Any pension fund must "carefully consider risk in relation to each of its investments and also its wider portfolio", he said.

The fund recently announced a £10m investment in small-scale renewables. Scottish organisations that have begun divesting include the University of Glasgow and United Reform Church.

PENSION POTS	
Strathclyde	£751,960,069
Lothian	£237,036,018
Tayside	£176,010,000
North East	£124,854,000
Falkirk	£105,761,222
Fife	£95,393,954
Highland	£60,896,800
Dumfries and Galloway	£49,857,200
Scottish Borders	£28,217,958
Shetland Islands	£26,778,255

Friends of the Earth Scotland

In the Scottish Parliament

MSPs call for council staff pensions to be used to build affordable homes

1 December 2015

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Council pension funds should invest more capital in local projects such as affordable housing despite the "risks" involved, according to a committee of MSPs.

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Fund will invest in 300 new houses

Tim Sharp, City Editor / Monday 14 April 2014 / Business

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FALKIRK Council Pension Fund has handed fund manager Hearthstone Investments a £30 million mandate to invest in social and affordable housing in Scotland.

It is the first tranche of money to be awarded to a new Housing Fund for Scotland, managed by Hearthstone, which the firm hopes will raise £250m to invest in Scottish homes.

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20th April 2015
12:12 pm

Liam O'Hare
@liam_o_hare

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Letter from Tavish Scott, John Finnie

Exclusive: "Coldly amoral" Scottish Parliament refuses to consider ethical investment policy as it could cost 2% of annual profits

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- Organisations wanting to support divestment can join the UK **Divestment Forum**
- **Email**: rlander@foe-scotland.org.uk

Friends of the Earth Scotland

DIVEST SCOTLAND