

MEETING: 11/5/2017

Ref: 13894

ASSESSMENT CATEGORY - Improving London's Environment

ShareAction

Adv: Joan Millbank

Amount requested: £80,038

Base: Southwark

Benefit: London-wide

Amount recommended: £80,000

The Charity

Set up in 2004 and initially called FairPensions, ShareAction (SA) is a charity which exists to promote corporate citizenship and responsible investment by major investors including pension funds, and to build a network of citizen savers to use their financial assets to achieve their financial objectives and influence change within the UK investment system to help protect the environment. It runs the Charities Responsible Investment Network, a service provided to charitable foundations and charities which wish to align the social and environmental outcomes of their investments with their grant-making priorities.

The Application

This application is a request for two year continuation funding. Over the last three years ShareAction's full-time Education Officer, funded through your grant, has built and supported a strong network of environmentally committed Londoners, educating them to better understand the links between their environment and their finances. The focus of the network has been to support 'Pension Power' teams (savers in the same pension scheme) to challenge their pension provider to consider the environment in their investment decision making. The current grant ends in June 2017. ShareAction wishes to continue this work, widen its reach across London and develop its savers (known as supporters) as advocates with other savers.

The Recommendation

Feedback from supporters is very positive with strong testimonials that describe how the education programme has taught them about how their money is invested and how these investments then shape and impact the environment. The stories also demonstrate the power of pension members to make positive change. The request provides you with a timely and strategically important opportunity to enable many more Londoners to become a force for environmental change. In Autumn 2017 approximately 1million Londoners will have a pension for the first time while increased awareness on London's air quality provides a high profile backdrop for connecting Londoners with their money and its environmental impact. ShareAction is also supporting the City of London Corporation's Green Finance Initiative through its work with banks. Past monitoring reports have been consistently 'good' and a recent learning visit by your grant officer confirmed ShareAction's positive work.

£80,000 over two years (£39,500; 40,500) to meet the cost of a full-time Education Officer with project running costs within its Education for the Capital in Environment and Finance initiative.

Funding History

Meeting Date	Decision
30/10/2013	£117,000 over three years towards the salary and costs of a three year programme of environmental education for London's residents.
03/06/2010	£37,750 towards the salary of the Director of Investor Engagement for a third year.

03/04/2008	£71,550 over two years (£35,050; £36,500) as a contribution towards the salary of the Director of Investor Engagement.
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Background and detail of proposal

ShareAction works with supporters to translate financial jargon into plain English and has helped supporters communicate environmental arguments in financial terms that pension scheme decision makers understand and respond to.

Over the past three years ShareAction have educated some 250 Londoners about how they can use their pension power to improve London's environment. It has built 10 pension power teams which have connected supporters in the same pension schemes, engaged and empowered them with financial and environmental knowledge and understanding. This has led to significant changes in pension schemes. For example, Scottish Widows has implemented climate risk audit across their main funds and are investigating the possibility of divesting from thermal coal while Legal & General have created a new low carbon pension product.

Over the next two years ShareAction plan to deliver 10 tailored training sessions for 'new' pension savers with the aim of attracting 100 more Londoners into Pension Power teams; continue to support existing supporters and support 100 of them to learn the skills to educate other savers; run 8 learning seminars to develop understanding of the link between environment and finance amongst savers and investment managers; and facilitate 10 working relationships between pension providers and their savers.

Financial Information

Due to a steady increase in membership and donations in the last two years the charity is in a healthy financial position. The Trustees have taken a decision to build their free reserves to mitigate their dependency on restricted funding. It has developed a fundraising strategy that actively seeks funds from new sources. Further, in 2016 it launched a match funding challenge following an offer of £10k per annum x 10 years from one donor; by December 2016 an additional £40k had been received and £52k pledged over the next two years.

Year end as at 31st January	FY 15/16 Audited/Examined Accounts £	FY 16/17 Draft Accounts £	FY 17/18 Forecast £
Income & expenditure:			
Income	1,031,043	1,207,688	1,894,961
- % of Income confirmed	n/a	n/a	82%
Expenditure	(935,259)	(1,116,489)	(1,794,602)
Total surplus/(deficit)	95,784	91,199	100,359
Split between:			
- Restricted surplus/(deficit)	(1,892)	(1,803)	0
- Unrestricted surplus/(deficit)	97,676	93,002	100,359
	95,784	91,199	100,359
Cost of Raising Funds	35,959	30,895	30,895
- % of income	3.5%	2.6%	1.6%
Operating expenditure (unrestricted funds)	304,654	334,456	497,300
Free unrestricted reserves:			
Free unrestricted reserves held at year end	297,473	392,056	492,415
No of months of operating expenditure	11.7	14.1	11.9
Reserves policy target	76,164	83,614	124,325
No of months of operating expenditure	3.0	3.0	3.0
Free reserves over/(under) target	221,310	308,442	368,090