

CHANCELLOR MUST RESIST RECKLESS CALLS TO SHELVE LOW-CARBON POLICIES

Investor trade body urges a “Budget for the Long Term”

- Chancellor must prove he’s learned lessons from Britain’s flooding in Budget 2014
- Investors say any omission of climate change risks to UK economy in Budget would be “reckless”

London, 17 March 2014 – Today, the UK Sustainable Investment and Finance Association (UKSIF) called on the Chancellor not to bow to “short-sighted” calls to cut measures that would boost the shift to a low-carbon economy in his Budget speech on Wednesday 19th March. Instead, UKSIF urged the Chancellor to heed the warning provided by the UK’s recent extreme weather.

Caroline Escott, Head of Government Relations, said:

“The recent record-breaking flooding highlighted the dangers posed to the UK and its economy by climate change. The Chancellor must resist the short-termist, short-sighted and reckless calls to shelve policies that will boost the move to a low-carbon economy and support long-term investment decisions.”

She continued: *“Instead, investors in the UK want to see a Budget which promotes a stable, coherent policy framework on climate change, resource security and other environmental issues as called for not only by UKSIF and its members but also by the Environmental Audit Committee in its recent report on Green Finance. George Osborne needs to provide a “Budget for the Long Term” which introduces a range of policies including boosting the Green Investment Bank’s borrowing powers and setting a 2030 decarbonisation target. Otherwise the value of the public’s pensions and savings may be put at risk.*

Investors will continue to make the case for long-term investment – for instance through UKSIF’s Ownership Day campaign on 25th March which will encourage pension funds to engage with investee companies on climate change risk and other issues – the Chancellor must commit to significant action now if the UK is to obtain the long-term financial and economic stability it so badly needs.”

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Interviews with Caroline Escott are available on request.

Notes to editors

The Budget 2014

The Chancellor of the Exchequer will give his 2014 Budget to Parliament on 19 March 2014.

The Budget, or Financial Statement, is a statement made to the House of Commons by the Chancellor of the Exchequer on the nation’s finances and the government’s proposals for changes to taxation. The Budget also includes forecasts for the economy by the Office for Budget Responsibility (OBR).

The Budget and the Finance Bill are annual events, in part because Income Tax and Corporation Tax are annual taxes which have to be renewed by legislation each year. By contrast, most UK taxes including all indirect taxes, Petroleum Revenue Tax and taxes on capital are ‘permanent’.

Environmental Audit Committee

The Environmental Audit Committee launched an inquiry into Green Finance in June 2013. This inquiry followed on from the Committee’s previous inquiries on a [green economy, environmental taxes and environmental aspects of Autumn Statement 2012](#). Issues examined included the main drivers behind institutional investors’ decision on their investors and how to reduce ‘political risk’ to investors from changes to the Government’s energy and environmental policies. The EAC [published](#) its report in March 2014.

UKSIF’s submission to the enquiry can be [found here](#).

Ownership Day

Ownership Day 2014 will take place on 25 March.

Ownership Day is a national UKSIF initiative to raise awareness of the financial benefits of active ownership and encourage investors to value high quality active ownership strategies. Active ownership is about using shareholder rights to improve corporate value over the long-term. It is in the interests of investors, companies and society because it encourages effective long-term wealth creation. See [here](#) for more information.

Activities include a Parliamentary Reception at which **Barry Parr** will speak. Mr Parr is the Founding Co-Chair of the Association of Member Nominated Trustees (AMNT), and a trustee and DC specialist at The Pensions Trust, one of the largest pension funds in the UK. The Reception is kindly hosted by **Paul Uppal MP** (a member of the No. 10 Policy Board and Parliamentary Private Secretary to Business, Innovation and Skills Minister David Willetts MP), who will be giving us an insight into the Government view on “stewardship” and related issues.

About the UK Sustainable Investment and Finance Association (UKSIF)

The UK Sustainable Investment and Finance Association (UKSIF) supports the UK finance sector as a global leader in advancing sustainable development through financial services. We promote and support responsible investment and other forms of finance that advance sustainable economic development, enhance quality of life and safeguard the environment. Founded in 1991, UKSIF has over 250 members including pension funds, asset managers, research providers, financial advisers, banks and non-governmental organisations. For more information, please visit www.uksif.org.