

WIRRAL COUNCIL

PENSIONS COMMITTEE

16 JULY 2019

SUBJECT:	COUNCIL MOTION
WARD/S AFFECTED:	NONE
REPORT OF:	DIRECTOR OF PENSIONS
KEY DECISION?	NO

1.0 EXECUTIVE SUMMARY

1.1 This report informs Members of a Wirral Council motion debated at the Council meeting on 18 March 2019.

2.0 BACKGROUND AND KEY ISSUES

2.1 An extract from the Council papers in relation to the motion is set out below.

FUTURE PENSIONS FIT FOR PURPOSE *(to be debated)*

Proposed by Councillor Pat Cleary

Seconded by Councillor Paul Doughty

Council welcomes the success of the Merseyside Pension Fund (MPF) in expanding its membership to over 137,000 and raising its fund value to £8.6 billion.

Council believes,

- the MPF has an important role to play in securing the future success and quality of life of our region by providing a reliable source of income to our ageing population and through its ability to invest funds wisely in the local economy.
- that climate change represents a systemic threat to the future value of financial assets and, as the Governor of the Bank of England has warned, a carbon budget consistent with the 2°C target laid down in the Paris Climate Accord “would render the vast majority of {fossil fuel} reserves stranded”.

Council therefore welcomes,

- the mandate from the Pensions Committee that MPF’s investment strategy be brought into line with the goals of the 2015 Paris Accord
- the recent launch on the London Stock Exchange by MPF of the All World Climate Balanced Comprehensive Factor Index with an initial funding of £400 million
- and the goals of the Index to achieve reductions in risk to future pensions via substantial cuts in exposure to companies with high fossil fuel reserves and high carbon emissions and increased exposure to companies with high exposure to “green” revenues

Council congratulates MPF officers on their efforts to protect its members from climate-related financial risk and looks forward to further, sustained work to fully align its investments with the goals of the Paris Accord.

3.0 RELEVANT RISKS

3.1 There are none arising from this report

4.0 OTHER OPTIONS CONSIDERED

4.1 No other options have been considered.

5.0 CONSULTATION

5.1 There has been no consultation undertaken or proposed for this report. There are no implications for partner organisations arising from this report.

6.0 OUTSTANDING PREVIOUSLY APPROVED ACTIONS

6.1 N/A

7.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

7.1 There are none arising from this report

8.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

8.1 There are no implications arising directly from this report.

9.0 LEGAL IMPLICATIONS

9.1 There are none arising from this report

10.0 EQUALITIES IMPLICATIONS

10.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?

(b) No because there is no relevance to equality.

11.0 CARBON REDUCTION AND ENVIRONMENTAL IMPLICATIONS

11.1 There are no carbon usage implications, nor any other relevant environmental issues arising from this report.

12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

12.1 There are none arising from this report.

13.0 RECOMMENDATION/S

13.1 That members note the report

14.0 REASON/S FOR RECOMMENDATION/S

14.1 It is important that Committee is informed of the views of the Fund's major stakeholders.

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APPENDICES

BACKGROUND PAPERS/REFERENCE MATERIAL

BRIEFING NOTES HISTORY

Briefing Note	Date

SUBJECT HISTORY (last 3 years)

Council Meeting	Date