

Clwyd Pension Fund & Divestment

1 - Outline

1.01 Flintshire County Council's pension scheme is the Clwyd Pension Fund. While the fund is run by FCC, and the pension committee hosted by FCC, this is done on behalf of all member authorities and Flintshire has no more or less a formal role in decision making regarding the fund.

1.02 Within Flintshire's structures, the Corporate Resources Overview & Scrutiny Committee holds responsibility for scrutinising the council's role as an employer in the fund. Not being an overview and scrutiny committee, the climate committee does not have specific scrutiny responsibilities, but can under the committee's terms of reference undertake any work of relevance to its objectives of reducing the council's direct and indirect carbon footprint.

1.03 Pension funds are major institutional investors and hold significant shares in fossil fuel extraction and trading companies. The Clwyd fund is no exception to this. Varying estimates have been produced, including a detailed list from Friends of the Earth of Clwyd's fossil fuel investments. Representatives of the pension fund have disputed this list.

1.04 According to the fund's strategy, it has an "ambitious" target to be carbon neutral by 2045. Flintshire's target is to achieve net zero by 2030. Other local government pension funds have earlier targets than Clwyd.

2 - Purpose of Inquiry

2.01 The committee will hold an inquiry with the objective of providing a detailed report setting out the considerations the council as an employer feels that the fund should make in setting its investment strategy insofar as fossil fuel investments are concerned.

2.02 The committee's report will take into account recommendations from various interested parties, and will propose a course of action consistent with the fund's fiduciary duty.

3 - Form of inquiry

3.01 The inquiry will take written evidence from any person or organisation who wishes to give it. The inquiry will actively seek written evidence from particular sources set out in Appendix 1. Requests for written evidence shall be issued in the name of the chair of the committee on behalf of the committee.

3.02 The inquiry will take oral evidence from persons or organisations invited to take part. The decision as to which persons or organisations are invited will rest with the chair, vice chair and rapporteur, on the advice of committee members. At a minimum, a representative of the Clwyd Pension Fund will be invited to give oral evidence. Requests for oral evidence shall be issued in the name of the chair of the committee on behalf of the committee.

3.03 Oral evidence sessions will be held in person except where the chair, vice chair and rapporteur direct otherwise. They will not be formal meetings of the committee and will not have any decision making role. As such, standing orders will not apply, however these sessions shall be chaired in a manner consistent with the spirit of standing orders.

3.04 In view of the relevance of this inquiry to their work, an invitation to observe oral evidence sessions and contribute to the drafting of the report will be extended to members of the corporate resources overview and scrutiny committee, and to all members of the Clwyd Pension Fund Committee, including those members not from Flintshire.

3.05 The rapporteur, chair and vice chair shall be responsible for co-ordinating the drafting of the committee's report. The rapporteur shall be responsible for drafting it. All committee members are encouraged to participate in the drafting of the report.

3.06 The report will be proposed for adoption at the March meeting of the Climate Committee. The report will contain recommendations for action, and the motion accompanying the report will detail the steps to be taken in relation to conveying these.

4 - Formal recommendations

4.01 That the committee commissions an inquiry into the climate performance and targets of the Clwyd Pension Fund.

4.02 That this inquiry shall take written and oral evidence as set out in section 3.

4.03 That the inquiry will report back to the committee at the March meeting.

4.04 That the committee appoint a rapporteur, who shall not be the chair or vice chair, to draft the report on behalf of the committee. If the chair and vice chair are from the same political group, the rapporteur shall not be from that political group.

Appendix 1 - List of persons and organisations from whom written evidence shall be actively sought

- Clwyd Pension Fund management
- Clwyd Pension Fund committee members
- The Chair of Corporate Resources Committee
- Members of Clwyd Pension Fund
- Fossil fuel extracting or trading companies in which the fund holds investments
- Third sector organisations with campaigns on pension fund fossil fuel divestment, including Friends of the Earth and Greenpeace
- Any other person who the rapporteur shall direct.