

AGENDA ITEM

REPORT TO EXECUTIVE SCRUTINY

26 FEBRUARY 2013

REPORT OF CORPORATE MANAGEMENT TEAM

TEESSIDE PENSION FUND INVESTMENT IN TOBACCO COMPANIES

SUMMARY

Executive Scrutiny Committee is asked to consider a referral from Council regarding the scope of the Housing and Community Safety Select Committee's review of tobacco control.

RECOMMENDATIONS

It is recommended that the issue of the investment in tobacco companies by Teesside Pensions Fund be referred to Housing and Community Safety Select Committee as part of their review of tobacco control.

DETAIL

1. A motion was submitted to Council on 23 January 2013 regarding Teesside Pension Funds investment in tobacco companies as follows:

"Smoking kills an average 339 people a year in this borough, by far the largest single cause of premature death. It kills around half of all life long smokers through cancer, cardio-vascular diseases and chronic lung disease. Half of those who are killed die in middle age. Smoking is also responsible for around half the difference in health inequalities between rich and poor.

In April 2013 Stockton Borough Council becomes responsible for improving public health and reducing health inequalities.

The Teesside Pension Fund currently has around £47.3 million invested in tobacco companies.

This Council calls on Teesside Pension Fund to:-

- a) seek the views of fund members (current, past and retired and including the other local authorities who are part of the fund) on divesting from tobacco
- b) seek the views of the Director of Public Health on this issue and to request him to seek the views of other Director's of Public Health in the Teesside Pension Fund.
- c) seek independent legal advice as to whether it will be permissible under the terms of the Framework Convention on Tobacco Control article 5.3 for Teesside Pension Fund to maintain investments in tobacco from April 2013
- c) seek independent legal advice on how Teesside Pension Fund can legitimately divest

from tobacco with a view to divesting from tobacco as soon as practicable.

2. Council resolved that:

"The issue of the investment in tobacco companies by the Teesside Pension Fund be referred to Housing & Community Safety Select Committee as part of their review of tobacco control."

FINANCIAL IMPLICATIONS

3. There are no direct financial or legal implications.

LEGAL IMPLICATIONS

4. There are no legal implications at this stage.

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