

MEMBER'S WRITTEN QUESTION



Member submitting the question: Cllr Chris Wood

Date received: 4/9/2025 7:58:38 PM

To the Cabinet Member for: mark.lowry@plymouth.gov.uk

Question: 'What is the impact of current financial events on the pension fund balance sheet and council's investments tied to the stock market.'

Answer:

Global Impact

President Trump's policy shift towards worldwide tariffs has caused significant volatility across markets with sharp movements in bond yields as well as turbulence in equity markets. The uncertainty around tariffs, reciprocal tariffs and the resulting inflation have led to concerns around slowing growth or potential global recession.

Council - Impact on Investments

The Council has limited direct exposure to the impact of US instigated financial events. This has been achieved by prioritising its investments by security ahead of liquidity and yield. It therefore does not have direct investment to the stock market.

Exposure to risk with the stock market is limited through holding long-term investments directed into pooled funds such as the Church of England, Charities and Local Authorities (CCLA) Investment Fund. These funds aim to provide income as well as capital growth over the long term (defined as five years) and are diverse, actively managed portfolios.

Short-term investments are predominantly made through money market funds as they provide a stronger security and offer instant diversification among a range of securities.

Council - Impact on Pension Fund

The Council has received the following statement (on 11th April) from Devon County Council who manage the Devon Local Government Pension Scheme (Devon LGPS):

'I am unable to provide a response in relation to Plymouth specifically as its share in the fund but at fund level, as of this morning the fund remains fully funded despite the recent and ongoing volatility. Obviously, this position could change but the funds' investments are well diversified in order to spread and reduce risk.'

This is obviously good news going into the end of the financial year and approaching the next triennial valuation which is due in October/November.

Signed:

A handwritten signature in dark ink, appearing to be 'M. 10' followed by a long horizontal stroke.

Date: 15 April 2025

Written questions:

- will be replied to within 10 working days
- will be published on the last Friday of each month