Funding the Future

If only local authority pension funds used their clout ...

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As Larry Elliott notes in the Guardian this morning:

The four biggest pension funds in the world in 2013 were the Japan government pension fund, the Norwegian government pension fund, the Netherlands national civil pension fund and the South Korea national pension fund.

Number five on the list was the UK local government combined pension funds, worth almost a third of a trillion dollars.

Except, as he then notes, the last is not true. It would be if the UK's local authority pension funds pooled their resources - which would, no doubt, increase their return to members - but right now they don't.

Colin Hines and I have argued for this many times, starting in 2002. We've met pension funds many times. And one day it might happen. That's helped by the fact that it has a new proponent, Birmingham city councillor, John Clancy. His new book, The Secret Wealth Garden, argues that the government should:

Amend local government investment regulations to require a 10 per cent shift of investments away from riskier foreign equities (stocks and shares) and property towards new holdings in regional and local investment bonds issued by regional banks, local councils, combined authorities, city-region authorities.

That sounds remarkably like the Green New Deal to me, but I don't care if that means we got the local regeneration we need.