

## **Cheshire Pension Fund MEMBERS FORUM**

**[www.cpfmembersforum.com](http://www.cpfmembersforum.com)**

**PRESS RELEASE (no 5) Nov 2018**

*In 2018 a number of local government pensioners from Cheshire, Warrington, and Halton formed their own CPF Members Forum. See Press Release 1 at [www.cpfmembersforum.com](http://www.cpfmembersforum.com)*

- *We believe that Cheshire Pension Fund for local government workers in Cheshire, Warrington and Halton, must invest in a more socially responsible manner.*
- *We campaign for Trustees to hold an AGM for members, and web pages for member discussions.*
- *We would like to see more openness by our fund, and more local investing.*

### **EXECUTIVE PAY, PERSIMMON, AND 'ENGAGEMENT'**

**There has recently been substantial national publicity regarding the Chief Executive of Persimmon, and his bonus of £75 million.**

**Persimmon is one of the continuing investments held by Cheshire Pension Fund.**

This month, Persimmon said Jeff Fairburn was stepping down at the request of the company because the controversy about his bonus was having a negative impact on the reputation of the business. He has collected a £75m bonus, awarded for "outstanding performance".

That bonus is linked to Persimmon's share price, which increased through the Help-To-Buy scheme. About half of Persimmon's homes are bought with the assistance of this taxpayer-backed scheme.

### **CHESHIRE PENSION FUND INVESTMENTS**

The CPF fund investments in Persimmon have been significant, and even increased. The scale of bonuses means Persimmon has been in the news throughout 2017 and 2018.

June 2018	Mar 2018	Dec 2017	Sept 2017	June 2017
£116,442	£50,702	£50,347	£36,442	£53,526

Persimmon have built a range of homes in Cheshire, Warrington and Halton. But this investment has continued the issue of excessive executive pay and bonuses, and lead to higher fees for our investment advisers. See Press Release 4 at [www.cpfmembersforum.com](http://www.cpfmembersforum.com)

### **'ENGAGEMENT' AND THE LAPFF**

When we have queried any controversial investments with Cheshire Pension Fund, we are told that the fund prefers 'engagement' with companies, rather than divesting, or ending investment in such companies.

'Engagement' is not carried out directly by Cheshire Pension Fund, but by the Local Authority Pension Fund Forum LAPFF on their behalf. This is explained on page 38 of the 2017 2018 Annual Report: "The Fund believes that the greatest impact on behaviour can be achieved when working together with others. It is a member of the Local Authority Pension Fund Forum (LAPFF) which exists to promote the investment interests of local authority pension funds and to maximise their influence as shareholders in promoting corporate social responsibility and high standards of corporate governance amongst the companies in which they invest."

However, LAPFF Quarterly Reports show no contact with Persimmon on Executive Pay. In 2017 and 2018 they sent just one letter to Persimmon, not about bonuses or salaries, but part of a wider

request to a number of companies about the UN Development Goals.  
<http://www.lapfforum.org/publications/qrtly-engagement-reports/>

## 'ENGAGEMENT' ON OUR BEHALF BY LAPFF IS CLEARLY NOT WORKING

Persimmon is a clear example of how 'engagement' is not working:

- The Help-To-Buy scheme is the basis the Persimmon profit..
- Tax-payer funding is behind the Persimmon profits and bonuses.

We have also asked why CPF has property investments that are mostly in the South-East, not here in the area of the fund employers and employees. We have queried a range of CPF investments, such as fracking companies, internet companies that avoid tax here in the UK, the impact on our high streets, other companies such as WONGA, tobacco companies, gambling and FOBT companies, armaments manufacturers, and CO2 producers.

We argue for more openness by CPF on investments, and press our case for an AGM, and webpages for discussions. See Press Releases at [www.cpfmembersforum.com](http://www.cpfmembersforum.com)

We say that CPF investment decisions are mostly made by London Investment Managers, regardless of the impact locally or nationally. We say that these Investment Advisers make considerable profits themselves, because our CPF Trustees give little guidance, except for high returns. Without an AGM or member discussion pages on the website, we say our Trustees do not know what members think.

We will argue for investing in local housing, telecomms, green energy projects, and other investments that benefit the local economy and communities in Cheshire, Warrington and Halton, the Northern Powerhouse, and produce sustainable growth for our families and future generations.

## BACKGROUND NOTES FOR EDITORS

1. In 2018 in Cheshire, concerned pensioners of the Cheshire Pension Fund, for employees in Cheshire, Warrington and Halton, formed their own Members Forum.
2. We have welcomed the 2018 pension regulations on the improved roles of Pension Trustees and how much they understand of wider ESG (Environmental, Social, and Governance) factors.
  - See <https://www.gov.uk/government/consultations/pension-trustees-clarifying-and-strengthening-investment-duties>
  - • **Environmental:** resource depletion, including water waste and pollution, deforestation.
  - • **Social:** working conditions, including slavery and child labour; health and safety; employee relations and diversity; ageing populations; social unrest; local communities, including indigenous communities; and income inequality.
  - • **Governance:** executive pay; bribery and corruption; board diversity and structure.
3. Cheshire Pension Fund <http://www.cheshirepensionfund.org/> covers over 93,000 members, from over 250 councils and local government organisations, including Cheshire West and Chester, Cheshire East, Warrington MBC, Halton MBC, and their housing associations, academies, parish councils, police staff, schools, and others in the wider Cheshire area.

For further information see [www.cpfmembersforum.com](http://www.cpfmembersforum.com) or [cpfmembersforum@gmail.com](mailto:cpfmembersforum@gmail.com)

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