

CPF MEMBERS FORUM

www.cpfmembersforum.com

PRESS RELEASE 41 (March 2024)

The 2024 Budget and Cheshire Pension Fund

Our Members Forum supports the announcements in the Chancellor's Budget Statement that will impact our LGPS (Local Government Pension Schemes). In recent Press Releases, we have challenged CPF on items which are now in the 2024 Budget Papers.

- CPF investment pooling with LGPS Central (Press Release 37 August 2023)
- CPF property portfolio (Press Release 32 September 2022)
- CPF investment in housing not in Cheshire (Press Release 40 Feb 2024)
- CPF investments in the UK (Press Release 39 January 2024)

2024 BUDGET PAPERS

Our Members Forum support the detailed Budget Papers proposals that LGPS funds could and should invest in local Childrens' Homes, as well as the new reporting requirements for all local government pension schemes including Cheshire Pension Fund.

- **Children's Homes (page 36):** The government will consult on what can be done to combat profiteering, bring down costs and create a more sustainable market for residential placements. It will work with the LGPS funds to consider the role they could play in unlocking investment in new children's homes.
- **Pooling (page 79):** From April 2024, a new standardised data return will require all LGPS funds to provide a summary of asset allocation, including UK equity investment, and greater clarity on progress of pooling.
- **UK Investing (page 57):** The government is concerned that the pensions industry only invests about 6% in UK equities.
 - Through the FCA, Defined Contribution pension funds will publicly disclose the breakdown of their asset allocations including UK equities.
 - From April 2024 the same requirements will apply to all LGPS funds in England & Wales.
 - *"The government will review what further action should be taken if this data does not demonstrate that UK equity allocations are increasing."*

CPF INVESTMENTS

In our Press Release 39 we asked why Cheshire Pension Fund was building 215 houses in Cheltenham, not Cheshire, Warrington or Halton, where houses are needed, and which would support growth and jobs in local industry and communities here.

Additionally, our members think there are wider issues with how our Cheshire pensions are managed, invested, and communicated to all members. Our Members Forum think that the councillors who manage CPF do not really know much about the £6 billion of investments, and often do not carry out enough "due diligence", leaving it to consultants.

Past press releases at www.cpfmembersforum.com have covered such areas as :

- Press Release 7 showed that CPF do not own any property at all in Cheshire, Warrington, or Halton.
- The property portfolio is mostly in the South of England, including a building in Central London which has an "exclusive" strip club in the basement.

- Local media in London reported how the Cheshire Pension Fund profits from the rent, yet many pensioners are low paid and female. CWAC have also refused permission for a similar establishment in Chester.
- In Press Release 38, we also show how CPF maintains investments of at least £120million in fossil fuels.
- In Press Release 33, we identified how CPF invest £7million in tobacco, yet Cheshire East mounted a Smoking Cessation Project in 2023 to pay smokers to stop.

Furthermore by investing in other funds such as Legal and General, CPF have told our members that they have no direct control of where those funds invest. Our Members Forum says that CPF should know that detail, yet publishes “greenwash” which fails to match the actual investments.

WHAT IS ESG INVESTING ?

The challenge facing all finance, banks, and pension funds is to invest wisely in our communities and in companies that make a positive impact for the future, not just produce “greenwash”. We do not wish to micro-manage any investments here, but our members think that our fund should have far more regard to sustainability and high ESG standards (Environmental, Social, and Governance).

CPF do not hold an AGM, but councillors and residents can challenge their councillors. Council Tax pays the “employers contribution” for local government pensions, so residents and taxpayers have the right to ask how the Cheshire Pension Fund invests.

We support more local investment in Cheshire through the property portfolio. Cheshire, Warrington and Halton all need housing, low-cost housing, or housing improvements.

Retrofitting installation would be far better for our community, and investments in renewable energy would be better than the £120 million CPF currently invest in fossil fuels.

WHY WE FORMED CPF MEMBERS FORUM

At March 2023, the CPF fund was valued at £6.25bn, with over 110,000 members, in over 300 employers in Cheshire, Warrington, and Halton. It is locally managed by ten councillors, with outside consultants. CPF do not recognise our Members Forum.

Our members say they prefer our pensions to be invested sustainably for the long term in areas such as infrastructure, and think that residents and council tax payers agree with us.

Local investing would support Cheshire jobs, businesses and communities, boost our economies, support our families, and form part of the national “levelling-up” agenda.

We will continue our campaign for an AGM, and for our pensions to be invested to ESG values (Environmental, Social, Governance) as a socially responsible pension fund for local government employees and pensioners.

We ask current employees and members of CPF to join us and help give a stronger voice with CPF. It is free, confidential, and has no commitment. Present employees are also welcome - it will be your pension one day !

Dave Plunkett 07974 112628 or David Challen 01244 671163

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