

Cheshire Pension Fund MEMBERS FORUM
www.cpfmembersforum.com **PRESS RELEASE (no 9) MAY 2019**

CHESHIRE HOUSING and our PENSION INVESTMENTS

Pension funds are among the largest investors in the UK. We argue that our pension funds and investment managers can divest funds, can exert pressure on companies into taking more responsibility, and could invest in socially responsible areas such as housing, transport, and renewable energy. Pension funds have voting rights at AGMs and can choose to invest in other areas. So far in our campaign we have queried some current CPF investments in a number of different areas. We have highlighted:

- CPF owned properties mostly in the South-East, not here in the areas of Cheshire, Warrington, and Halton, of the fund councils, employers and employees.
- We have shown that rent from one building in London includes a strip club.
- CPF investments in companies such as fracking, oil and gas that cause Climate Change and damage the future
- Companies such as WONGA, tobacco companies, gambling and FOBT companies, armaments manufacturers.
- CPF investments in companies that avoid UK Corporation Tax
- Investments in companies that “damage our high streets”.

In Cheshire we do not have a Members AGM or any open member discussion pages on the CPF website. Trustees do not know what their 100,000 members think.

Investments in Housing

An increasing number of other pension funds are investing in housing. Trustees and investment managers recognise the social and community value of local quality housing, especially low cost housing, and the long term investment values it generates.

The recent government briefing 'Tackling the under-supply of housing in England' [1] acknowledges there is no silver bullet to solve the problem, but stresses the role of local authorities. The 2015 Local Authority Housing Review supported housing investment from local authority pension funds, and other sources.

- Manchester “struck a groundbreaking deal with the Greater Manchester Pension Fund (GMPF) to build family homes for market rent and sale.” The council provided the land and GMPF put up the money. “Manchester believes it was the first time a council pension scheme had used its financial muscle to support a key council aim: building homes.” [2]
- South Yorkshire Pension Authority plans to increase its local investing efforts, committing £80m to lending aimed at supporting property development in Sheffield and extending an existing allocation to another Yorkshire-based property fund. SYPA has invested £25m in residential and socially orientated properties in the region, including offices and hotels in the south of the county – but has recently agreed an extension focusing solely on the residential market. [3]
- The Co-op Pension Fund plans to invest up to £50 million into the social and affordable housing market over the next 12 months, providing needed support into a

sector where demand is clearly outstripping supply. It said that across the UK, there are an estimated 1.15 million households on waiting lists for social homes, many of these are key workers who exceed the income threshold to qualify for social housing, but struggle to afford to buy their own home. It is thought that around 100,000 new social homes are needed each year to support the demand. The annual delivery of homes, however, has been just half of this figure**, and despite the increased size of the population, the amount of social housing stock has reduced considerably over the past 35 years. [4]

These examples show it can be done. We say that instead of commercial or industrial property elsewhere, Cheshire Pension Fund should invest in housing for Cheshire communities. Other funds show this is profitable and good for the communities they serve

This would certainly be better than rent from our London building - with a strip club.

If you are a Cheshire CPF pensioner, are you a member of the CPF Members Forum ? if not, it is free and carries no commitment, and we would welcome your support

NOTES FOR EDITORS

[1] <https://researchbriefings.parliament.uk/ResearchBriefing/Summary/CBP-7671>

[2] <https://www.insidehousing.co.uk/insight/insight/how-councils-are-using-their-pension-funds-to-build-homes-55103>

[3] <http://www.pensions-expert.com/DB-Derisking/South-Yorkshire-Pension-Authority-invests-80m-in-local-region>

[4] <https://www.co-operative.coop/media/news-releases/co-ops-pension-scheme-responds-to-uk-social-housing-crisis>

In 2018 a group of local government pensioners from Cheshire Pension Fund formed their own independent CPF Members Forum. www.cpfmembersforum.com

- We believe that Cheshire Pension Fund as a local government fund, should invest in a more socially responsible and sustainable manner for the people of Cheshire.
- We will campaign for Trustees to hold an AGM for members, and to provide web pages for members of the fund to share their views in open discussions.
- We would like to see more openness by our fund, and more local investing.

Cheshire Pension Fund <http://www.cheshirepensionfund.org> covers nearly 100,000 members, from nearly 300 councils and organisations in the wider Cheshire area, including Cheshire West and Chester, Cheshire East, Warrington MBC, Halton MBC, and housing associations, academies, parish councils, police staff, and school staff.

The Pension Fund Committee are listed on page 4 of the latest 2017 2018 Annual Report at <http://www.cheshirepensionfund.org/about-the-fund/investments/annual-reports/>

Our Members Forum welcomes the 2018 pension regulations on wider roles of Pension Trustees of ESG (Environmental, Social, and Governance) values in investing decisions.

See <https://www.gov.uk/government/consultations/pension-trustees-clarifying-and-strengthening-investment-duties>