

Recession, Dividends and the power of Pension Funds

With the UK now officially in recession after COVID, and with declining dividends by traditional investments, we question how Cheshire Pension Fund will face the uncertainty of Climate Change, the BREXIT deal, and a post COVID recovery.

As dividends for banks, oil companies and fossil fuels fall away, we argue instead that our pension fund must recognise the challenge of Net Zero:

- **DIVEST from companies without a future, and**
- **support investment with a strong and green future.**

We say that astute investors already know there are better companies to invest in, and which are already delivering a green recovery and clean energy transition. Otherwise funds may collapse, and need rescuing by taxpayers

Banks have been told by the Bank of England to stop paying dividends to assist the recovery after COVID, and an uncertain BREXIT deal. BP, Shell, Exxon, and Glencore, have all announced reduced dividends. Other established favourite investments by pension funds also have stopped their dividends or reduced them significantly..

At least 10 other local authority pension funds are redirecting their investments away from fossil fuels and into clean energy investments and infrastructure funds dedicated to new solar and wind energy. We say CPF should as well. The full impact of a UK recession will only be seen in the next 2020/2021 financial year, CPF is currently producing its annual report for 2019/2020 - before the impact of COVID.

We welcome the August 2020 launch by Warrington BC of their proposals to fund part of their ambitious Green Energy Strategy to reach 'net zero emissions by 2030'.

But we would also like to see the value of our £5 billion Cheshire Pension Fund used to help build the healthy and resilient economic future for families and industry in Cheshire, which will be even more necessary for the sustainable recovery after COVID.

Our member driven campaign starts locally by asking for an AGM, and formal recognition. CPF do not have member discussion pages on their website. We say that CPF fund managers are out of touch with what 100,000 members think.

We support the views of the Committee on Climate Change, for green energy, housing, insulation, and IT infrastructure.

Climate Emergencies were declared by all four councils within the Cheshire Pension Fund (CWAC, Cheshire East, Warrington, and Halton). But we question what that now means in a recession, and how to stay on a target towards Net Zero. **None of the council resolutions suggested "divestment" by Cheshire Pension Fund.**

Our Members Forum urge action by the councils and councillors that manage our pension fund to get to Net Zero. After COVID and the recession, we know that means divestment, followed by sensible re-investments for Cheshire families, residents, and businesses.

NOTES FOR EDITORS

CPF MEMBERS FORUM www.cpfmembersforum.com

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

- We believe that our pension fund (for local government employees in Cheshire) should invest in a more socially responsible, resilient, and sustainable manner for the future.
- We campaign for recognition, for an AGM for members, and for CPF web pages to allow members of the fund to share their views in discussion pages.
- We would like to see more openness by our fund, and investing in Cheshire.

Cheshire Pension Fund www.cheshirepensionfund.org has nearly 100,000 members, from 300 councils and organisations in the four councils of Cheshire West and Chester, Cheshire East, Warrington, Halton, as well as local housing associations, academies, parish councils, police staff, and school staff. Every resident pays part of their Council Tax as the Employers Contribution.

We query why CPF still have investments in areas such as fracking, oil and gas, properties mostly in the rest of England, payday loan companies, tobacco, gambling, gaming, and the “Big Six” companies that avoid UK Corporation Tax by clever accounting practices.

To give us a stronger voice with the fund, we ask all pensioners of Cheshire Pension Fund, as well as all current employees paying into the fund for their future pension, to join our independent CPF Members Forum. It is free, confidential, and has no commitment,

UK in Recession 12 August 2020 – ONS

<https://www.bbc.co.uk/news/business-53753189>

All Party Parliamentary Group on Sustainable Finance

<https://uk100.org/appg/>

Warrington Borough Council has launched a green investment scheme that will enable local residents to help fund a new solar farm, as part of its ambitious Green Energy Strategy to reach net zero emissions by 2030

<https://www.businessgreen.com/news/4019317/council-issued-green-bond-enables-residents-invest-solar-farm>

CCC Committee on Climate Change - June 2020 Progress Report

<https://www.theccc.org.uk/publications/>

In its annual report to Parliament, the Committee provides comprehensive new advice to the Government on delivering an economic recovery that accelerates the transition to a cleaner, net-zero emissions economy and strengthens the country's resilience to the impacts of climate change. The report shows that reducing greenhouse gas emissions and adapting to climate change are integral to the UK's recovery package.

The report urges Ministers to seize the opportunity to turn the COVID-19 crisis into a defining moment in the fight against climate change.

www.cpfmembersforum.com

Dave Plunkett 07974 112628 or David Challen 01244 671163