

CPF MEMBERS FORUM

www.cpfmembersforum.com

PRESS RELEASE 33 (October 2022)

Smoking Cessation & CPF Investments in Tobacco

On 18 July 2022 Cheshire East published a paper at the Adults and Health Committee on Providing Financial Incentives to Support Smoking Cessation.

The £116,500 expenditure and pilot project methodology were summarised in the press release "Council approves pilot smoking cessation incentive scheme"

https://www.cheshireeast.gov.uk/council_and_democracy/council_information/media_hub/media_releases/council-approves-pilot-smoking-cessation-incentive-scheme.aspx

CPF INVESTS £7 MILLION IN TOBACCO

Following that Committee meeting, we emailed Cheshire East to point out the double standard while our own CHESHIRE PENSION FUND has long-standing investments in tobacco. In response were told by Cheshire East:

- that CPF "holdings in tobacco companies have already been reducing over time, and currently make up less than 0.1% of the portfolio".

The CPF investment portfolio was valued at £6,904,143,472 at the end of Financial Year 2021/2022. So we have replied that "less than 0.1% of the portfolio" means nearly £7 million is invested in tobacco.

We argue that up to £7 million of tobacco investments by CPF undermines any cessation project, and the hard work of people in our Cheshire councils and local health services.

It is undeniable that tobacco ruins lives. Therefore all investing in tobacco is damaging, especially by a council pension fund investing for dividends and profits.

Not all CPF investment details are shown on the CPF website, so the true scale of tobacco investing is unclear. CPF invest "passively" through funds run by London fund managers and say they have no control over passive investments. But details on the website for the end of financial year 2021/2022 show L&G investments in tobacco:

<https://www.cheshirepensionfund.org/members/about-us/how-we-manage-our-investments/investment-holdings/>

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|-------------------------|-----------------|
| • PHILIP MORRIS | JAPAN TOBACCO |
| • BRIT AMERICAN TOBACCO | IMPERIAL BRANDS |

CHESHIRE PENSION FUND

Four Cheshire East councillors are on the Committee of CPF, and manage the fund with other councillors from CWAC, Warrington, and Halton, page 4 of latest Annual Report:

<https://www.cheshirepensionfund.org/members/about-us/annual-report/>

Cheshire Pension Fund has over 100,000 members. Council and other employees in Cheshire East pay a percentage of their salary for their pension into CPF. Council Tax, paid by all Cheshire East residents, then also pays for the Employers Contribution.

The Responsible Investment Statement and ESG Investing is on page 191 of the Annual Report. But CPF maintains investments in tobacco, gaming, gambling, tax avoiders, social media, outsourcing companies, zero hours employers, armaments, companies in Russia,

most fossil fuel companies, and other sectors. The CPF property portfolio is mostly in the south-east, with no property in Cheshire. The CPF investment in Wonga a few years ago only ended after it was publicised, but other finance companies remain in the portfolio.

We say that our own local government pension fund should care much more how it invests for the future, and invest to Environment, Social and Governance standards.

REAL ALTERNATIVES TO TOBACCO INVESTMENTS

Our CPF MEMBERS FORUM formed a few years ago to campaign for an annual meeting for members, and also for CPF to invest to invest to higher ESG standards.

We challenge how CPF communicate with its members, and how parts of our pensions are invested, and our members say many CPF investments have serious health and well-being impacts that should concern the councillors and managers running the fund.

But Cheshire Pension Fund do not accept the need for any divestment.

Our members say that CPF could instead invest in UK infrastructure and in UK healthy outcomes, as well as low-cost housing, green energy, insulation, broadband, IT communications, and education and training.

Cheshire Pension Fund is one of the largest of the 86 LGPS funds in England and Wales, with significant investing power for net zero, levelling up, and growth. The national LGPS (Local Government Pension Scheme) fund is administered locally by local councillors on pension committees, but together the 86 funds are the eighth largest scheme in the world, with 6.1 million members, with investments valued in 2022 at £333 billion.

CPF MEMBERS FORUM

Our members wish to see our CPF pensions invested sustainably for the future and for their families, through health, housing, agriculture, transport, communications, and sustainable energy, and to

- invest in growth for UK Infrastructure as identified in the White Paper on Levelling Up, and the Growth Plan rather than infrastructure elsewhere.
- invest in health, housing, commerce and industry here in Cheshire, and not only in the rest of the country and the south-east.
- invest in green energy such as insulation, tidal projects, or plastics recycling, and preferably in local Cheshire industries.
- develop investments for green energy with councils in Cheshire, Warrington, and Halton, such as solar panels and insulation on all schools and council buildings.

JOIN OUR CAMPAIGN

Our Members Forum campaigns for improved communications by CPF.

- It is 2022, but CPF do not hold our email addresses, so cannot contact us.
- We would like CPF to hold members meetings, many other LGPS funds do.
- We would like some “member-only” discussion pages on the CPF website

CPF have refused to recognise our Members Forum. We urge all CPF pensioners and council employees currently paying into their pension to join us via our website to support our campaign.

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