

CPF MEMBERS FORUM

www.cpfmembersforum.com

PRESS RELEASE 47 (January 2025)

Our Review of 2024...

The national LGPS system faces a major challenge. In the 2024 Pension Investment Review, the Treasury issued an Interim Report in November, with a consultation on the 86 LGPS schemes and the eight pools. [LGPS: Fit For The Future](#)

The LGPS proposals look at “*... how tackling fragmentation and inefficiency can unlock the investment potential of the scheme, including through further consolidation. This is in the best interests of members, employers, local communities and the wider UK economy*”. Nationally the LGPS spends around £2 billion each year on fees and costs, as well as facing questions on the low level of UK Investments.

Our Members Forum is concerned about how our Cheshire pensions are invested to ESG standards, how CPF will respond to the review, the low level of pooling, and the review. The outcomes may mean that the councils, councillors, and CPF management will have much less accountability, and be left with only the tasks of collecting and paying pensions.

We have argued that CPF should conduct more due diligence and be more curious on how and where our pensions are invested, including questioning the bonuses and fees paid to the advisers. Our concern is whether CPF will face the challenge of the Fit For The Future review, or will CPF want to see little change and carry on as before.

- CPF Committee minutes showed that two councillors did not attend any of the first three meetings in 2024, even though the meetings were online via Teams.
- And six councillors out of the ten serving on the CPF Committee, did not attend the June 2024 meeting.
- We asked whether the June meeting was quorate for decisions, and were told “*The Committee is an advisory panel, not a decision-making body. Its Terms of Reference therefore do not specify any quorum requirements.*” And that “*Under the Council’s constitution the Chief Operating Officer, who is also, the Council’s Section 151 officer has delegated responsibility for the management and administration of the Fund*”
- The Head of CPF retired in 2024, but no replacement has been announced.
- A new chair of CPF Board was appointed in 2024, but not announced in CPF News.

Cheshire Pension Fund Investments...

In our [PR42](#) we challenged the lack of evidence in the revised CPF Responsible Investment Policy, and the use of greenwash to defend the continuing policy of “engagement”, rather than “divestment”. We have campaigned for greater member involvement, improving communications by using emails from the fund to all pensioners and members, as well as for investments to higher ESG (Environmental, Social and Governance) standards.

In November 2024, CPF published the [CPF 2023 - 2024 Annual Report](#) showing a valuation of over £6.6 billion, with 114,000 members, and with 341 employers.

- Page 36 shows only 30% was invested in the UK.
- Page 113 shows pooling with LGPS Central was just 30.7%
- Page 113 also shows 28.1% invested with L&G, a private company.

New [MHCLG](#) profiles now show asset classes, pooling levels, and levels of UK investing for every LGPS fund. The CPF profile (attached) lists £450 million invested in Hedge Funds, an asset class which is not listed in the revised [April 2023 Investment Strategy Statement](#).

LGPS Central Pooling investments...

LGPS Central is the pool owned and managed by CPF and seven partner funds. But LGPS Central had the lowest level of transfers of all pools, at just 46% of partner funds, which we think has never been explained. Many other LGPS funds have already transferred all their investments over to their respective pool. Two pools manage 100% of available assets.

A major proposal in the LGPS Review is for every fund to transfer 100% of their investments to their pool by 31 March 2026, but currently CPF have transferred 30%.

The [LGPS Central](#) website lists many details on their values, ESG claims, responsible investing, stewardship, net zero intentions, sustainability claims, and the TCFD.

- But in October we asked LGPS Central why their “Climate Fund” continues to hold investments in fossil fuel companies of nearly £100 million (including BHP, Rio Tinto, Petroleo Brasiliero, Petronet, Tokyo Gas, Qatar Fuel, Repsol, Iberdrola, Shell, Exxon Mobil, Chevron, Conocophillips, and others).
- We also asked, see [PR45](#), about LGPS Central investments in tobacco companies such as BAT, Imperial and Japan Tobacco, when illness caused by tobacco has such an impact on the NHS. Alarmingly the LGPS Central response was that it “*...does not make investment decisions driven by moral or ethical considerations*”

Our 2024 Campaigns...

Our press releases at www.cpfmembersforum.com in 2024 have focussed on these issues and other relevant themes:

- [PR39](#) showed that indirect investments mean our pensions are invested by advisers and investment managers, so CPF may not know where they finally end up.
- In [PR39](#) and [PR40](#) we queried why CPF is building new homes in Cheltenham, not here, and also looked at the lack of investment in the CPF Property Portfolio here locally where employees, fund members and their families live.

In 2024 CPF still do not use emails to members, unlike other similar sized funds. Other funds also hold AGMs for members, and have website discussion pages. Oxfordshire have just announced they will divest from tobacco. [Oxfordshire Fund divests from tobacco](#)

CPF Members Forum

Our members say they would prefer to see our pensions invested in future growth locally, with investments in areas such as low-cost housing, IT systems, health systems, green energy companies, and home insulation. These would stimulate growth, and benefit residents and families here in Cheshire, Warrington and Halton where the fund is based.

If you agree that local government pensions in Cheshire could be invested to higher ESG standards, with more UK investments, please support our campaign. We hope that councillors, pensioners and members of CPF will join us to help give us a strong voice with Cheshire Pension Fund. CPF do not recognise our campaign.

Our Members Forum is free, confidential, and with no commitment.

We will continue our campaigns into 2025.....

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