

# CPF MEMBERS FORUM

[www.cpfmembersforum.com](http://www.cpfmembersforum.com)

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## Responsible Investing, or just Greenwash

### RESPONSIBLE INVESTING

CPF Members Forum are pensioners and members of Cheshire Pension Fund concerned about how and where our pensions are invested. This currently has a high profile, and is part of the national Pensions Investment Review. We also campaign for better communications to members, such as using emails, after all it is 2025.....

Our members would like to see our £6.6 billion Cheshire fund invest for growth locally and our families' futures, with productive investments in areas such as infrastructure, low-cost housing, IT systems, health systems, green energy companies, and home insulation. We think these types of investments would benefit all residents and our families here in Cheshire, Halton, and Warrington, where our local government fund for employees is based.

Our views match the increasing demands for sustainable, moral and ethical investments, now called ESG. This is investing that prioritises Environmental issues, Social issues, and corporate Governance. It is referred to as Responsible Investing or Impact Investing. This has become mainstream in the last few years, and most banks and funds produce glossy brochures, declare how they support ESG standards, and sign up to various codes.

But do they actually invest to their ESG values, and are these guidelines too weak ?

### CHESHIRE PENSION FUND

Last year in [PR42](#) we challenged the lack of evidence in the CPF Responsible Investment Policy to defend the continuing policy of "engagement", rather than "divestment". The [CPF 2023 - 2024 Annual Report](#) showed the fund had a valuation of over £6.6 billion, for 114,000 members, and with 341 employers. Details in the Annual Report show that :

- only 30% was invested in the UK (page 36).
- investments were made through other investment managers, including LGPS Central, which is wholly owned by CPF and seven other LGPS funds (page 113).

### LGPS CENTRAL

The eight funds are Cheshire, Derbyshire, Leicestershire, Nottinghamshire, Shropshire, Staffordshire, West Midlands, and Worcestershire. LGPS Central is authorised by the FCA, and invested 30% of our Cheshire pensions last financial year. The [LGPS Central](#) website lists many statements about their values, ESG claims, responsible investing, stewardship, net zero intentions, sustainability claims, and the TCFD.

However website details show investments in fossil fuels, arms, and tobacco companies. At the October 2024 meeting (which was inquorate) of the eight funds with LGPS Central, we asked a question about the continued investments in tobacco. LGPS Central responded it **"..does not make investment decisions driven by moral or ethical considerations"**.

This raises some important questions about council democracy, control, and ownership:

- Do the eight council funds that own LGPS Central agree with this statement,
- Does this match the LGPS Central claims on ESG and Responsible Investment,

- Is LGPS Central really controlled and managed by the eight funds,
- Who conducts due diligence on how and where our pensions are finally invested,
- Whether pooling through LGPS Central has saved overheads for the eight funds.

## “FIT FOR THE FUTURE”

The whole of the national LGPS system is currently part of the major Pension Investment Review. The Treasury issued an Interim Report in November 2024, with a consultation on the 86 LGPS schemes and national pooling companies. See [LGPS: Fit For The Future](#)

The proposals for the system 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, and faces questions on these costs and the low level of UK Investments.

## OUR QUESTIONS.....

Our Members Forum is concerned about how our pensions are invested to ESG standards. While we do not want to micro-manage any investments, we have argued that both CPF and LGPS Central should be far more curious about where our pensions are invested, including questioning the bonuses and fees to so many fund managers, advisers, and consultants.

We are concerned how CPF and LGPS Central will respond and match the challenges of the “Fit For The Future” review, and ESG and Responsible Investing, while LGPS Central has said that it “..**does not make investment decisions driven by moral or ethical considerations**”. We suggest that as owners of LGPS Central, the eight LGPS funds should be managing, controlling and directing how LGPS Central invests our pensions.

Ten councillors are nominated to manage the fund through the CPF Committee, for Cheshire, Warrington and Halton. But the minutes of these meetings show:

- Two of the ten councillors did not attend any of the first three meetings in 2024, even though the meetings were online via Teams.
- Six out of the ten councillors, did not attend the June 2024 meeting.
- We have 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.**” “**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.
- The December 2024 CPF Committee minutes are not yet on the CPF website.
- The October 2024 JC meeting with LGPS Central was inquorate.

Please support our campaign if you agree that local government pensions in Cheshire could be invested to higher ESG standards, and with more UK investments. CPF do not currently recognise 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.

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

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