Reflections by the former Chairman

When it occurred to me I no longer had a free pass into TPI – it is hard for an editor to refuse to print 'Chairman's Comment' – I decided to ask Helen what she wanted. She suggested I write something looking back over my four years since I stepped up from policy work to join the Board as Chairman (well, three and a half years – from September 2014). This is a nice, sensible – even safe – suggestion. But it has not been easy. For a start, I have the condition that most people of my age will recognise, that I can remember the events of 60 years ago with some clarity but the events of the last four years are something of a blur. But I'll do my best.

Some things have changed out of all recognition and some things have not changed at all. In the former category is the composition of the Board. When I decided to put my name forward (having made sure first that Eric Chalker would come with me) there were just two directors – Brian Peart and Harry Braund. Both had already served long and distinguished terms on the board, both were hoping to slip into the role of Grand Old Men. (Since both are still active in UKSA affairs from outside the board, members will be able to judge whether they achieved their ambition). Today it is very different. We have five directors, all of whom give up a lot of their time, all of whom show no sign of slowing down (with the exception of myself – I suppose my current phase could be described as 'planned obsolescence'), three of whom are actually young enough to have jobs. It's not a comfortable position, but it sure is an improvement on four years ago.

But some things have not changed at all, and sadly that includes the position of private investors. We have exactly the same rights as we had four years ago (actually, as we had ten years ago) and the fundamental flaws in the system of wealth creation through public corporations remain unchanged and unaddressed (though one happy consequence is that 'Responsible Investing' – written in 2009 – remains as relevant now as it was then). The general public remains as uninterested in the importance of the obligations of shareholding as it ever was (so we still have no political position – addressing our concerns brings no votes). And there has been no discernible improvement in public education in financial matters, so no improvement in the chances of creating a financially savvy voter class that make it politically sensible to support us.

Except that isn't quite true. A few straws in the wind:

- The last few years have seen a small but persistent increase in pressure for 'other stakeholders' to have a voice – those for whom Section 172 of the Companies Act states that directors must 'have regard for'. This might seem to have nothing to do with us as full shareholders – except we aren't are we? And it signals an acceptance that the current governance model needs to change and provides a legitimate channel through which our position can be argued.

- The Carillion and British Steel Pension affairs have been sufficiently striking to generate public interest, the Beaufort Securities affair will do so once the Committee report gets to be written, and public disgust with executive pay will rumble on as the egregious LTIPs of the last few years mature.

- A light has been shone on the self-satisfaction of the regulators – a number of professionals of my acquaintance have been appalled to discover what they did not know about how the system worked, not because of their carelessness but because of what has been concealed from them.

The combination of UKSA and ShareSoc on policy matters is creating the most active voice in the cause of individual investors since I joined UKSA 15 years ago. Still a minnow compared with our equivalent organisations in, for example, Sweden, the Netherlands and Australia, but it's a start. Oh dear, I think I'm going to be busy!

John Hunter

John served as Chairman of UKSA from 2014 to 2018 and remains an active member of UKSA's Board of Directors