

# The Local Government Pension Scheme (LGPS): A Guide for Campaigners

## Part 1: The Basics of the LGPS

### 1.1 What is the Local Government Pension Scheme?

The Local Government Pension Scheme (LGPS) is one of the largest public sector pension schemes in England & Wales (there is a separate LGPS Scotland). It is a national scheme with over 6 million members, who are current or former employees of local councils and other local government bodies. Some school support workers, as well as civilian staff of fire and police authorities are also part of the scheme. However, firefighters, teachers and nurses *are not* part of the LGPS, being covered by a different pension schemes.

The LGPS is divided into 86 local pension funds across England & Wales, each administered by a local council, called an **administering authority**. Administering authorities are often larger local councils, a full list can be found [here](#).

### 1.2 How is the LGPS Complicit in Israel's War Crimes?

Each of the 86 constituent funds of the LGPS make investments in order to achieve a return through which they can pay the pensions of their members.

PSC's research has found that LGPS funds collectively invest over £4.4billion in companies complicit in Israel's violations of Palestinian rights. This includes:

- Companies supplying weapons and military technology to Israel, used in its attacks on Palestinians.
- Companies conducting business activity in Israel's illegal settlements, on land stolen from Palestinians.
- Companies providing infrastructure for Israel's illegal military occupation of Palestinian land.
- Banks providing financing to companies conducting the above activities.

PSC, alongside the trade unions representing members of the scheme, are demanding that LGPS funds invest in a way that does not contribute to grave human rights abuses.

## Part 2: Governance of LGPS Funds

### 2.1 The Administering Authority

The administering authority is the local council which has responsibility for the LGPS fund. Administering authorities tend to be larger local councils. You can find a full list [here](#).

The administering authority will have two or three committees that have responsibility for different aspects of the administration and management of the pension fund.

This includes:

- **The Pensions Committee** (sometimes called pensions & investment committee). This committee is made up of elected local councillors and makes decisions on all matters concerning the fund's investments. It is responsible for setting the fund's investment strategy.
- **The Pensions Board**. This body helps the pension fund comply with the LGPS rules, including pensions legislation and guidance from the Pensions Regulator. The Pension Board is made up of equal numbers of employer and member representatives. It focuses on regulation and the processes involved in administering fund, and *not* on issues of investment and divestment.

### 2.2 The Pensions Committee

The **Pensions Committee** is the body with responsibility for the pension fund's investments. They are therefore the decision-makers.

The pensions committee is made up of elected local councillors. The representation of each political party on the council will determine the composition of the committee.

The pensions committee will also have a small number of co-opted members. This includes councillors from other councils whose employees are covered by the fund. For example, Hampshire Pension Fund, which is administered by Hampshire County Council, has co-opted a councillor each from Portsmouth City Council and Southampton City Council to sit on its pension committee.

In addition, the pensions committee includes a representative of scheme members, who is typically a non-voting member and is often selected from a trade union that represents the scheme's members, such as UNISON.

The pensions committee is responsible for publishing an Investment Strategy Statement, which outlines how the fund will deal with what are termed 'environmental, social and governance (ESG)' issues. This includes issues related to the fund's impact on the environment, human rights and society.

## Part 3: Investments

The administering authority will employ fund managers to manage its investments and provide advice and guidance.

Fund's invest in companies in two ways:

- Direct Investment: The fund buys shares or bonds of a company.
- Indirect Investment: The fund puts money into an investment fund, often managed by a large financial institution like Legal & General or Blackrock, which buys shares or bonds of companies.

Indirect investments will make up the majority of an LGPS fund's investments.

When looking at the fund's investments, you will hear a number of different terms. This includes **passively managed funds**. This means investment funds that 'passively' track a financial index (like the FTSE 100), and buy shares in all the companies in that index. Whereas **actively managed funds** are investment funds where stocks are picked by financial experts.

Council's may say that because the pension fund puts money in passively managed funds, it is difficult to divest from specific companies. However, this does not remove council's moral and legal responsibilities not to contribute to violations of international law and human rights. The council can still make a commitment to begin a process to divest its funds from companies enabling human rights abuses (e.g. arms companies supplying Israel) over a certain period of time – a year is reasonable.

### 3.1 Pooling

Since 2015, the government has encouraged LGPS funds to **pool** their assets by investing together in groups. There are currently eight investment pools: ACCESS Pool, Border to Coast Pensions Partnership, Brunel Pension Partnership, LGPS Central, Local Pensions Partnership Investments, London CIV, Northern LGPS, and Wales Pension Partnership. All LGPS funds are part of one of the investment pools. You can find out which on the pension fund's website.

Pooling means that pension fund's may need to work together to divest their assets from companies enabling human rights abuses. You can build alliances with Palestine solidarity groups in other areas that are covered by the pool.

Funds being pooled shouldn't be used as an excuse for inaction. For example, Waltham Forest Pension Fund, part of the London CIV pool, has [committed](#) to "work with other partners in divesting from the arms trade."

### 3.2 PSC's LGPS Complicity Database

PSC's LGPS [complicity database lists](#) the complicit investments of 63 LGPS funds. It lists all types of investment, whether its direct, indirect or part of a pooled fund.

Unfortunately, we are unable to list the investments of every LGPS fund because some council's do not provide us with adequate information in response to our Freedom of Information requests.

However, our research is indicative of the complicity **all** LGPS funds. If you don't know exactly where the pension fund invests, you can make the full and transparent disclosure of all investments a demand, alongside divestment from all companies enabling Israel's war crimes.

## Part 4: Campaigning

To begin, check PSC's [database](#) of complicit investments of LGPS funds. We are unable to list the investments for every fund because some council's do not provide us with adequate information on their investments in response to our Freedom of Information requests. It **does not** mean that they don't hold investments in complicit companies.

Our research is indicative of the complicity **all** LGPS funds. If you don't know exactly where the pension fund invests, you can make full and transparent disclosure a demand of your campaign.

As a first step, we want the Pensions Committees to pass a motion to commit to begin a process to divest from companies enabling Israel's genocide, such as arms companies supplying Israel with weapons and military technology. This will have an immediate impact on public opinion, other councils, and the corporations highlighted. In this motion, the committee should commit to a process with a reasonable timeline for implementing the motion, and commit to report on the implementation of the motion to future committee meetings.

### 4.1 Your Campaign

#### Step 1: Planning your Campaign

##### Campaign Strategy and Timeline

It is helpful to spend a bit of time drawing up a timeline outlining how you're going to take the campaign forward. First select a goal: a good initial goal may be for the fund to commit to divest from arms companies supplying Israel (as Waltham Forest Pension Fund has committed to do).

Think about the various tactics you can use as part of the campaign, such as petitions, letter writing to local councillors, trade unions passing model motions, and protesting at the full council or pensions committee.

Think about how and when you will use the tactics available to you to escalate the pressure.

Your timeline doesn't have to be complex, something like this will help visualise the steps in the campaign, and assign responsibility among your members for different areas.

Calendar			
When?	What?	Who?	Status:
	tactic 1		
	tactic 2		
	tactic 3		

## Power Mapping

Power mapping is useful exercise to help think about who holds power, and how you can influence them.

Identify the decision-maker (in this case the pensions committee) and then the key stakeholders that can influence them, such as local trade unions representing members of the scheme, sympathetic councillors, local political parties etc. Map the groups and individuals on two axes: firstly, how much influence they have over the decision-maker, and how sympathetic they are to the campaign.

Think about how you involve each of the people you identify in the campaign. E.g. if you have identified influential councillors who support your goal, you could ask them for a meeting, or ask a local trade union to write to them to request their support for the campaign.

You can find various models of how to do this, including by [The Commons Library](#) and [Beautiful Trouble](#).

## Building a Coalition

In this campaign we want to build strong local coalitions in support of our goal. You can find common cause with other campaigners for ethical investment, such as groups focused on climate justice or opposing war and militarism. This includes local Stop the War, CND, CAAT, Amnesty UK, and Friends of the Earth groups.

It's important to involve trade unions representing members of the scheme, as it's their deferred wages being invested. If you haven't made contact, reach out to the relevant UNISON branch secretary or international officer.

In building your coalition, do reach out to sympathetic councillors – think about Green, Labour and Independent councillors who have previously spoken out about Palestinian rights.

## **Step 2: Start a Petition**

### Petition

A petition to the council is a great way to start the public campaign. It is a way of demonstrating the depth of support for the goals of the campaign in your community. You can find a template petition [here](#), and examples used by other local campaigns [here](#).

While other councils whose employees are part of the pension fund may have influence, it's best to petition the administering authority (the decision-maker).

Consider how you want to host the petition. You could use your council's e-petition website. If you get a certain number of signatures (usually 2,000-3,000) from people who live, work or study in the area you are entitled to present the petition to the council. However, if you don't

get enough signatures on the first attempt you may be prevented from submitting a new petition on the same issue for a certain period of time.

Alternatively, you could also collect signatures through an online form, like a google form. This allows you to add in a question asking signatories to consent to being contacted further by your group. If you do go down this route, make sure you store and manage the data in accordance with GDPR (PSC can provide guidance on this), and make sure you collect the necessary information so that the signatures are counted as valid by the council, such as an address of where the person lives, works or studies in the area.

Create leaflets with a [QR code](#) linking to your petition, and gain signatures through street stalls and leafleting through letter boxes. You could consider door-knocking in areas where you have a high degree of support.

If you are collecting paper signatures do check your local council's rules on how these must be collected to be counted.

You may consider discussing with local trade unions whether they want to start a separate petition or letter specifically for members of the scheme to sign.

#### Model Motion

Trade union branches representing members of the scheme can pass a motion in support of the campaign. This raises awareness about the campaign, and allows the trade union to mobilise its members to get involved.

Find a model motion that can be adapted to suit your local campaign [here](#).

### **Step 3: Organise a Protest**

When you hand in your petition, you could organise a protest at the full council or pension committee meeting to demonstrate the level of support for the campaign. Make the protests vibrant and approachable, as we want to be able to engage with councillors and win them round to the campaign. Invite speakers from the local trades council and other campaigning organisations.

### **Step 4: Keeping the Pressure Up**

Don't be disheartened if the council doesn't agree to your demands straight away. Think about ways to keep the pressure up, such a letter writing campaign by encouraging your supporters to write to their local councillors to raise the issue in their own words. You can provide a template letter for your supporters to use.

Above all, stay focused. We know that we are making progress but at first it is likely to be uneven. In 1981, Sheffield City Council became the first local authority to pledge that it would cut all ties with apartheid South Africa. By 1985 more than 120 councils had taken some form of anti-apartheid action. We are in this for the long haul, but we are determined to win!

## Part 5: Resources

- [Template Petition](#)
- [Examples of local campaign petitions](#)
- [Leaflet](#)
- [Placard](#)
- [Model Trade Union Motion](#)



## Part 6: Glossary

**Administering Authority:** The Local Council with responsibility for the management of the LGPS fund.

**Actively Managed Investment Fund:** An investment fund which contains stocks selected by fund managers. It may still be based on a specific financial index, but fund managers will be 'active' in buying and selling different stocks.

**Bond:** A financial product representing debt issued by a government or company to be paid back at a certain date (maturity).

**Defined Benefit:** A pension scheme where members are assured of a certain level of pension benefits when they retire.

**Direct Investment:** The LGPS fund directly owns shares or bonds in companies.

**Environment, Social and Governance (ESG) issues:** Investment speak for issues related to the fund's impact on the environment, human rights and society. There are ESG screened investment funds which exclude companies which don't meet certain standards (ESG screened funds still often invest in complicit companies).

**Indirect Investment:** The LGPS fund puts money into an investment fund which contains shares and bonds.

**Passively Managed Investment Fund:** An investment fund which tracks a financial index (such as the FTSE 100), buying shares in the companies in that index.

**Pensions Committee:** The body with responsibility for the investments of the LGPS fund – made up of elected councillors from the administering authority.

**Pools:** Since 2015, the government has encouraged LGPS funds to form pools to invest together as groups of LGPS funds. There are eight investment pools across England & Wales. All LGPS funds are part of one pool.

**Scheme Member:** Someone who is part of the LGPS. They could be an active, deferred or pensioner member.

**Shares:** A unit of ownership in a company that can be bought or sold.