

# Fossil fuel divestment - Local authority pension funds Briefing, August 2015



President Obama, the Governor of the Bank of England and even Shell all agree that the vast majority of the world's fossil fuel reserves need to stay in the ground, to tackle climate change. So we need to increase the pressure on those still trying to extract yet more unburnable coal, oil, gas.

This is happening. The global divestment movement is showing that an ever-growing number of people and institutions see no future in investments in new coal, oil and gas. Big names like Rockefellers and the British Medical Association have joined **hundreds of other institutions** in announcing they will stop investing in fossil fuels.

Globally there are trillions of pounds in pension funds, much of it invested in fossil fuel companies. Pension funds are a big target, and within that local authority pension funds in the UK are huge - worth hundreds of billions of pounds.

So, campaigning to get local authority pension funds to go fossil-free is a big prize. But the situation will be different in every local area. There are loads of detailed guides to help you campaign: this two-side briefing summarises these and gives links to the longer guides.

Remember that even if it takes time, your work here is adding to the growing global pressure on institutions to take a stand against the faltering power of the fossil fuel industry. Divestment is a growing, and increasingly successful juggernaut – and you're helping drive it faster. And you can draw support from a growing community of groups, from Friends of the Earth and beyond, already active to get their councils fossil-free.

## How to get your local authority to divest – a ten-bullet summary:

- **GO FOR CASH RESERVES.** The biggest sums are in pension funds, but councils also have other pots of money. As a first step, you could ask your council to commit to having no direct investments in fossil fuels. Campaigns aimed at Oxford City Council and Bristol City Council have successfully made these moves.
- **RESEARCH YOUR LOCAL PENSION SCHEME.** The big money is in the pension funds. Your local council may have joined up with other local councils to run a merged fund. You can find out whether your council runs its own, or is in a merged scheme, [here](#).
- **KNOW WHO YOU'RE TARGETTING.** Fund managers, such as Aviva, do the investing, but they are guided by councils' "pension fund committee", which will include councillors and local workers. It is this committee which would decide on any divestment, which the fund manager would then implement. This Committee will be advised by council officers.
- **YOU HAVE A VOICE.** As a local person, you have a say in the local authority pension, even if you're not a council worker. Local Government pension funds have a split financial responsibility – to the fund beneficiaries, employers, and to local residents. Pension funds are made up of local people's contributions – so whether or not they are invested in planet-wrecking fossil-fuel industries is an issue for everyone.

- **GO FOR DIRECT FOSSIL FUEL HOLDINGS.** Your pension fund will have “direct” investments in fossil fuels – this information is in the new fossil fuel pension map (ready September 2015). But this is only part of it – your pension fund will have “indirect” investments, for example part of your fund may “track” the FTSE100 share index: many big fossil fuel companies, like BP, BHP Billiton and Shell, are in the FTSE100. Getting out of the direct investments will be easier than the indirect. If you have to go for one, go for direct investments first.
- **GET PUBLICITY, THEN ASK COUNCIL TO DISCUSS DIVESTMENT.** Use the fossil-fuel pension map (ready September 2015) to raise awareness of how much local money is going to coal, oil and gas. Write to local councillors, get a story in your local paper, put together a petition. Depending on the response, ask a friendly councillor to lodge a motion that the pension fund committee discusses divestment at their next meeting. The ultimate aim is a formal motion to divest passed in the right committee meeting.
- **IF YOUR COUNCIL IS NOT WARM, GO FOR COAL FIRST.** As a first step it may be easier to argue for divestment from the “worst” types of fossil fuels – such as coal and tar sands. Partial divestment may be an alternative if the council is not willing to divest from all fossil fuels at first.
- **MAKE ALLIES!** You will need support from people. Make allies with groups who represent fund members – for example UNISON trade union represents many council workers.
- **THERE’S LOADS OF EXTRA INFO YOU CAN USE.** You will probably need to write a briefing for councillors about why they should take divestment seriously. The good news is that others – such as fantastic groups in Huddersfield, Oxford, London and Edinburgh have done most of the hard work here, you can tailor this information according to your local area.
- **ASK FOR REINVESTMENT IN GOOD PROJECTS.** Suggest that funds could be reinvested in positive projects. Pension fund managers will always want to invest in “safe” investments; local renewables projects can be an example of this, such as Lancaster Council investing £12 million in [Westmill Solar Coop](#), the UK’s largest community owned solar farm, and Greater Manchester pension fund [investing in renewables](#).

## More detailed resources:

- Friends of the Earth [divestment webpage](#)
- Fossil-free UK guide to [general divestment](#) campaigning, and [extra resources](#)
- [Campaign strategy guide](#) from Oxford
- [Fossil-Free UK](#) resources for local government campaigns
- Examples of briefings for councillors – from [Edinburgh](#) and [London](#)
- Examples of [petitions to councils](#)
- [Six councils leading by example](#) – blog from Friends of the Earth Scotland
- [Reinvest information](#)
- Juggernaut – the [ever-growing list of global and UK divestment success](#)
- How to [contact your councillor](#)
- How to find out more about [your council’s pension scheme](#)
- [Join the email group](#) for people working on local authority campaigns

**Contact:** [divest@foe.co.uk](mailto:divest@foe.co.uk)