

## COUNTY COUNCIL – 8 OCTOBER 2024

### QUESTIONS FROM MEMBERS OF THE PUBLIC

**Note: Question 1 – 15 relate to the same issue. The answers to these questions are set out after question 15 below.**

#### **Question 1 - The same question was also asked by:**

Maryam Alnuaimi, Eastbourne, East Sussex  
Lydia Burke, Etchingam, East Sussex  
Helen Carey, Hastings, East Sussex  
Jane Carey, Hastings, East Sussex  
Marie Casey, Hastings, East Sussex  
Danielle Castelino, St Leonards on Sea, East Sussex  
Olivia Cavanagh, Hastings, East Sussex  
Emma Chaplain, Hastings, East Sussex  
Katy Colley, Brede, East Sussex  
Philip Colley, Brede, East Sussex  
Hannah Collisson, St Leonards on Sea, East Sussex  
Alison Cooper, St Leonards on Sea, East Sussex  
Colin Gibson, Hastings, East Sussex  
Oana Giuverdea, Hastings, East Sussex  
Rosemary Hudson, St Leonards on Sea, East Sussex  
Lorraine Langham, Cooden, East Sussex  
Emily Lister, Hastings, East Sussex  
Beryl Lovett, Hastings, East Sussex  
Jessica Luby, St Leonards on Sea, East Sussex  
Gustav Milne, Hastings, East Sussex  
Aiden Neal, Eastbourne, East Sussex  
Holly Newman, St Leonards on Sea, East Sussex  
Daniela Othieno, Hastings, East Sussex  
Katharine Shapiro, Hastings, East Sussex  
Emma-Jane Portway, St Leonards on Sea, East Sussex  
Alice Seymour, Hastings, East Sussex  
Carmen Soto-Pollock, Bexhill on Sea, East Sussex  
Debbie Smith, Eastbourne, East Sussex  
Martin Smith, Eastbourne, East Sussex  
Nick Swabey, Eastbourne, East Sussex  
Sam Telford, St Leonards on Sea, East Sussex  
Dominic Templeman, St Leonards on Sea, East Sussex  
Bob Walker, Northiam, East Sussex  
Andrea Weddell, Bexhill on Sea, East Sussex

In the past four years there have been numerous letters sent to the full council objecting to the East Sussex Pension Fund's (ESPF) investments in companies complicit in Israel's abuses of human rights and violations of international law. Thankfully, during this time the amount invested in complicit companies by the ESPF has been reduced. It stood at £132 million, but it still stands at £68 million. This is according to the PSC database.

Members of the public in the UK and throughout the world have been appalled at seeing

nearly a year of Israeli bombing throughout Gaza. These crimes have resulted in more than 41,000 deaths, the majority are civilians, almost half of them children. Over 70% of buildings and infrastructure have been destroyed, while over 90% of Palestinians in Gaza have been displaced, many multiple times.

Four years after the Pension Fund Committee first raised the issue, the ESPF still has four companies that are in the UN list of companies involved in the illegal settlement industry. It also has more than 20 companies that supply Israel with weapons and military technology. These include L3 Technologies, Northrop Grumman, Lockheed Martin, Raytheon and Rolls Royce.

There has been a growing number of pension funds, public bodies and institutions that have been divesting from companies complicit in Israeli war crimes. Recently the Waltham Forest Pension Committee announced that it will start the process of divesting from such complicit companies. It is updating its ethical investment policy, has started discussions with its asset pooling company the London CIV and has taken legal advice to help it assess its options.

Isn't it time that the East Sussex Pension Fund Committee also took such a principled position?

This is not just a moral question but also a legal one. In January 2024 a landmark ruling by the International Court of Justice (ICJ) - the World Court - affirmed that there is plausible evidence that Israel is committing genocidal acts against the Palestinian people in the Gaza Strip. The ICJ ordered Israel to "take all measures within its power to prevent genocidal acts, including preventing and punishing incitement to genocide." The UK is party to the Genocide Convention and has a binding obligation to employ all means reasonably available to prevent and deter further genocidal acts.

In July the ICJ confirmed that Israel's occupation of Palestinian land and treatment of Palestinians is unlawful and that it is under an obligation to bring to an end its unlawful presence "as rapidly as possible." It also stated that Israel is "under an obligation to cease immediately all new settlement activities and to evacuate all settlers from the Occupied Palestinian Territory."

This month the UN General Assembly echoed the ICJ and overwhelmingly passed the resolution demanding that Israel brings to an end, without delay, its unlawful presence in the Occupied Palestinian Territories. This means that all illegal settlements must be disbanded.

So while the ICJ orders Israel to prevent genocide and to disband its illegal settlements, the ESPF continues in its own complicity and in fact benefits from these violations of international law. It can be argued that the East Sussex Council has a legal responsibility to act now in order to keep within international law.

I therefore request that the ESPF:

Screen for all these complicit companies and pinpoint the ESPF funds in which they are held.

Start a process of divestment from these funds prioritising those that are overweight with

arms companies that supply Israel with weapons and military technology, and companies that are involved with the illegal settlement industry.

### **Question 2 – Jack Douglas-Deane, St Leonards on Sea, East Sussex**

My question concerns the morality of the East Sussex Pension Fund's (ESPF) investments in companies complicit in Israel's abuses of human rights and violations of international law.

Four years after the Pension Fund Committee first raised the issue, the ESPF still has four companies that are in the UN list of companies involved in the illegal settlement industry. It also has more than 20 companies that supply Israel with weapons and military technology. These include L3 Technologies, Northrop Grumman, Lockheed Martin, Raytheon and Rolls Royce.

Isn't it time that we, as a society, decide to stop funding these arms sales that directly destroy children, families, hospitals and schools. What does it say about us, if we add a few percentage points on a balance at the expense of a generation of people traumatised by genocide?

I therefore request that the ESPF:

- Screen for all these complicit companies and pinpoint the ESPF funds in which they are held.
- Start a process of divestment from these funds prioritising those that are overweight with arms companies that supply Israel with weapons and military technology, and companies that are involved with the illegal settlement industry.

### **Question 3 – Clem McCulloch, Hastings, East Sussex**

The East Sussex Pension Fund (ESPF) is concerned with providing a return on its investments in order to secure pensions for thousands of council workers and university, college, and academy staff.

Your website states:

"Political views must be disregarded when the Committee discuss issues or make decisions. Pension Committee members must act to safeguard the interests of those who they act on behalf of."

However, the question of whether investment in companies and industry facilitating Israel's war on the Palestinian people on Gaza and the Occupied Territories is a 'political issue' is increasingly moot.

Numerous international bodies including the International Court of Justice and the United Nations have lambasted Israel's war and demanded prevention of genocide and disbanding of illegal settlements. The UK has limited arms sales to Israel along with many other nations due to credible concerns of abetting genocidal war crimes.

The 2014 Law Commission Report spells out the fiduciary duties of pension fund trustees and managers, stating re. divestment:

*"In general, non-financial factors may only be taken into account if two tests are met:  
(1) trustees should have good reason to think that scheme members would share the concern; and  
(2) the decision should not involve a risk of significant financial detriment to the fund".*

YouGov polling in May 2024 showed the majority of UK voters backed an end to arms sales to Israel (56% to 17%) and a majority believed Israel is violating human rights in Gaza (59%

to 12%). These are the people whose money you manage - there is good reason to believe your scheme members share these concerns and would be horrified to think their future financial security rests on the torture and murder of tens of thousands of Palestinians.

These companies are also not the only ones making a return. The burden of proof that divestment would risk significant financial detriment should be on those calling to \*not\* divest, given the clear and inarguable moral path.

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Start a process of divestment from these funds prioritising those that are overweight with arms companies that supply Israel with weapons and military technology, and companies that are involved with the illegal settlement industry.

#### **Question 4 – Jennifer Bell, St Leonards on Sea, East Sussex**

Given the terrible slaughter of innocent civilians in Gaza and the West Bank by the Israeli IDF and the tens of thousands dead, maimed, injured and homeless, and given the massive amount of worldwide concern about Israel's tactics, humanitarian abuses and likely war crimes, I am asking this Council to cease its complicity in this devastation through its Pension Fund investments in Israel companies and all other companies worldwide who are responsible directly or indirectly for weapons used by Israel and to withdraw such investments with immediate effect. Will the Council advise me that it has done so before the end of October 2024?

#### **Question 5 – Grace Lally, St Leonards on Sea, East Sussex**

I would like to know whether the council is fulfilling its legal and moral obligations not to be complicit in genocide and therefore whether the council plans to divest the Local Government Pension Scheme (LGPS) fund it administers from, and end procurement contracts with, companies enabling Israel's grave violations of Palestinian rights.

Israel's genocidal assault on Palestinians in the Gaza Strip has killed tens of thousands of Palestinians - almost half of them children. 90% of Gaza's population has been displaced, many of whom multiple times. Nowhere in Gaza is safe: entire residential neighbourhoods have been levelled, UN schools sheltering the displaced, and hospitals treating the wounded, have been repeatedly targeted. Palestinians in Gaza are facing famine due to Israel's blockade and its targeting of life-sustaining infrastructure. In June 2024, UN experts declared that "Israel's intentional and targeted starvation campaign against the Palestinian people is a form of genocidal violence and has resulted in famine across all of Gaza."

In January, the International Court of Justice (ICJ), the world court, handed down an interim ruling affirming there is plausible evidence Israel is committing genocidal acts against the Palestinian people in the Gaza Strip. As a State Party to the Genocide Convention, the UK has a binding obligation to employ all means reasonably available to prevent and deter further genocidal acts.

In June, UN experts issued a statement demanding that both states and companies stop all arms transfers to Israel. In issuing their call, they outlined that financial institutions, such as banks and pension funds, investing in arms companies supplying Israel must cease, writing that financial institutions "failure to prevent or mitigate their business relationships with these arms manufacturers transferring arms to Israel could move from being directly linked to

human rights abuses to contributing to them, with repercussions for complicity in potential atrocity crimes.”

In July the ICJ confirmed that Israel's occupation of Palestinian land and treatment of Palestinians is unlawful and that it is under an obligation to bring to an end its unlawful presence “as rapidly as possible.” It also stated that Israel is “under an obligation to cease immediately all new settlement activities and to evacuate all settlers from the Occupied Palestinian Territory.”

In this situation can you confirm that the council will:

1. Divest the Local Government Pension Scheme fund administered by the council from companies complicit in Israel's genocide and apartheid against Palestinians. This includes arms companies supplying Israel with weapons and military technology; companies providing infrastructure for Israel's unlawful military occupation of Palestinian land; and companies conducting business activity in Israel's illegal settlements on stolen Palestinian land.
2. End procurement contracts with companies complicit in Israel's attacks. For example, terminate all banking arrangements with Barclays, which provides substantial financing to companies supplying Israel with weapons used in its attacks on Palestinians.

The recent defeat of the previous government's draconian attempts to restrict the right of public bodies to take ethical investment and procurement decisions means that there is no barrier to the council exercising its profound moral obligation not to contribute to Israel's grave violations of Palestinian rights.

#### **Question 6 – Susan Roberts, St Leonards on Sea**

I understand that the East Sussex Pension Fund is invested in companies complicit in Israel's violations of international law and illegal settlements. I want to know why that is still the case, particularly in the light of the recent findings of both the International Court of Justice and the International Criminal Court? Other councils have recognised their obligations under the Genocide Convention and are now divesting their funds. I expect the East Sussex Pension Fund to do likewise. If that is not the case, the public deserve an explanation. Please provide one.

#### **Question 7 - Tom Fryer, St Leonards on Sea, East Sussex**

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This month the UN General Assembly echoed the ICJ and overwhelmingly passed the resolution demanding that Israel brings to an end, without delay, its unlawful presence in the Occupied Palestinian Territories. This means that all illegal settlements must be disbanded.

So while the ICJ orders Israel to prevent genocide and to disband its illegal settlements, the ESPF continues in its own complicity and in fact benefits from these violations of international law. It can be argued that the East Sussex Council has a legal responsibility to act now in order to keep within international law.

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Start a process of divestment from these funds prioritising those that are overweight with arms companies that supply Israel with weapons and military technology, and companies that are involved with the illegal settlement industry.

#### **Question 8 – James Andrews, Eastbourne, East Sussex**

I have recently learnt that East Sussex Council has £68 million of its pension fund invested in companies including L3 Technologies, Northrop Grumman, Lockheed Martin, Raytheon and Rolls Royce, all of which are on the UN list of companies involved in the illegal settlement industry in Palestine.

Can I ask if your employees have been made aware of such investments? Additionally, what action is being taken to ensure that you are upholding your commitments to human rights?

#### **Question 9 – Dr Hilda Kean, Hastings, East Sussex**

I am pleased that because of the opposition sent to the East Sussex Pensions Fund over many years at least some of the amount donated to companies supporting Israeli abuse has been slightly reduced, due to the number of campaigning local people. However although a reduction of some millions occurred I understand that you are still giving £68 million to Israel to assist their ongoing, hostile, deaths of more than 41,000 women, men and children in Palestine.

I understand that the East Sussex gives these millions to L3 Technologies, Northrop Grumman, Lockheed Martin, Raytheon and Rolls Royce. I note that other councils have started to withdraw funding but do not think that you have taken any recent decision to remove such funds.

Ironically, the killing of 41,000 people in tiny Palestine in even less than ONE year is, by contrast, only 20,000 less than the figure of 60,595, that is people throughout Britain being killed by Nazi bombardment between September 1939 and May 1945 - during nearly SIX years!

I am sure that the East Sussex council, like many other councils and local and national communities, will commemorate in different ways British people, of those times, during the forthcoming November Remembrance Sunday.

Yet, how can support for such numbers be commemorated when there is clearly still an increase in the bombing of Palestinian civilians? How can you keep millions of pounds invested in arms companies that supply Israel with weapons and military technology, and companies that are involved with the illegal settlement industry?

While continuing to remember people who were bombed c 85 years ago please take a decision to remove investment from Israel continuing to bomb thousands of people in less than one year.

#### **Question 10 – Anne Wells, Robertsbridge, East Sussex**

I am a recipient of an ESCC pension and I have the following question for the Full Council Meeting of 8th October.

Although ESCC Pension Fund (which I receive) has less investment in dubious Israeli connected companies than before, I am aware that ESPF still has four companies that are in the UN list of companies involved in the illegal settlement industry. It also has more than 20 companies that supply Israel with weapons and military technology. These include L3 Technologies, Northrop Grumman, Lockheed Martin, Raytheon and Rolls Royce.

This is a moral and legal issue bearing in mind the recent ICJ judgement that Israel's continues its genocidal intent upon the people of Gaza. Also ruling that it is under an obligation to cease immediately all new settlement activities and to evacuate all settlers from the Occupied Palestinian Territory.

There is surely a moral duty now to screen for all these complicit companies and pinpoint the ESPF funds in which they are held. And to then start a process of divestment from these funds prioritising those that are overweight with arms companies that supply Israel with weapons and military technology, and companies that are involved with the illegal settlement industry.

### **Question 11 – Nina Heaton, Bexhill on Sea, East Sussex**

Doubtless, you will have received copies of the letter below. I would like to add a few thoughts for your consideration.

During WW2, the atrocities that were being perpetrated by the Nazis only gradually became apparent and the true scale of the horrors revealed and fully documented. This (in my view) modern-day holocaust and the true scale of the horrors that the Israelis are perpetrating on Gaza, the whole of Palestine and Lebanon are on full display for all to see. This genocide, this modern-day holocaust, is being live-streamed for all to see despite Israel's targeted assassinations of journalists (approximately 170 so far), closure of Al Jazeera and refusal to allow any press into Gaza.

It is clear from the huge numbers of people world-wide who have taken to the streets in vast numbers that the majority of humanity stands with Palestine. It is only the 'leaders' of Western 'democracies' and those who have vested financial interests in the arms trade who persist in attempting to maintain the endless stream of lies emanating from the Israeli state (40 beheaded babies etc) and dutifully parroted by the 'Establishment'.

Quite apart from the sheer amorality of investing in this genocide as well as the legal issues detailed below - there is a financial question as to how safe monies invested (either directly or indirectly) in Israel are. Moody's Credit Ratings has downgraded Israel twice recently. Forward-looking countries such as Netherlands/Norway have - at government level - massively divested from Israel. Companies such as Intel have refused to sign investment deals with Israel that were on the table. It is no longer considered to be a safe or stable place in which to invest.

Question 1.

In the light of Israel's clear intent to illegally re-settle/steal more Palestinian land and foment war plus its lengthening list (now in the thousands) of war crimes - can you tell me what steps ESPF will take to disinvest in companies that are on UN's list of illegal settlement activity?

Question 2.

It is unconscionable that ESPF has links with 20 companies that supply Israel with weaponry and military technology that is used to commit war crimes. With the burgeoning increase in countries and companies divesting from Israel and the international arms trade for ethical reasons, isn't it time that the East Sussex Pension Fund Committee also took such a principled position?

The choice is very simple:- You are either pro mass murder and genocide or you are with humanity.

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*Members of the public in the UK and throughout the world have been appalled at seeing nearly a year of Israeli bombing throughout Gaza. These crimes have resulted in more than 41,000 deaths, the majority are civilians, almost half of them children. Over 70% of buildings and infrastructure have been destroyed, while over 90% of Palestinians in Gaza have been displaced, many multiple times.*

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*There has been a growing number of pension funds, public bodies and institutions that have been divesting from companies complicit in Israeli war crimes. Recently the Waltham Forest Pension Committee announced that it will start the process of divesting from such complicit companies. It is updating its ethical investment policy, has started discussions with its asset pooling company the London CIV and has taken legal advice to help it assess its options.*

*This is not just a moral question but also a legal one. In January 2024 a landmark ruling by the International Court of Justice (ICJ) - the World Court - affirmed that there is plausible evidence that Israel is committing genocidal acts against the Palestinian people in the Gaza Strip. The ICJ ordered Israel to "take all measures within its power to prevent genocidal acts, including preventing and punishing incitement to genocide." The UK is party to the Genocide Convention and has a binding obligation to employ all means reasonably available to prevent and deter further genocidal acts.*

*In July the ICJ confirmed that Israel's occupation of Palestinian land and treatment of Palestinians is unlawful and that it is under an obligation to bring to an end its unlawful presence "as rapidly as possible." It also stated that Israel is "under an obligation to cease immediately all new settlement activities and to evacuate all settlers from the Occupied Palestinian Territory."*

*This month the UN General Assembly echoed the ICJ and overwhelmingly passed the resolution demanding that Israel brings to an end, without delay, its unlawful presence in the Occupied Palestinian Territories. This means that all illegal settlements must be disbanded.*

*So while the ICJ orders Israel to prevent genocide and to disband its illegal settlements, the ESPF continues in its own complicity and in fact benefits from these violations of international law. It can be argued that the East Sussex Council has a legal responsibility to act now in order to keep within international law.*

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### **Question 12 – Allie Stewart, St Leonards on Sea, East Sussex**

Why is the ESP investing in companies that are on the UN list of companies involved in the illegal settlement industry in Israel. Along with others that supply the Israeli government with weapons and military technology including: L3 Technologies, Northrop Grumman, Lockheed Martin, Raytheon and Rolls Royce?

In light of the Israel government's abuses of human rights and violations of international law, it is imperative that East Sussex County Council divest from companies that work towards supporting these companies through its pension fund. If no other reason than to ensure it is complying with international law. It is imperative to ensure that the Council is not, in some way, seen to be aiding or complicit in the appalling actions being taken by the Israeli government, which people across the world are witnessing. Especially, in light of legal steps being taken by the UN and International Court of Justice (ICJ).

In January 2024 a landmark ruling by the International Court of Justice (ICJ) stated there was plausible evidence that Israel is committing genocidal acts against the Palestinian people in the Gaza Strip. The ICJ ordered Israel to "take all measures within its power to prevent genocidal acts, including preventing and punishing incitement to genocide." The UK is party to the Genocide Convention and has a binding obligation to employ all means reasonably available to prevent and deter further genocidal acts.

Ethical investment surely must be a priority with public money. A growing number of pension funds, public bodies and institutions are divesting from companies complicit in Israeli war crimes. Recently the Waltham Forest Pension Committee announced that it will start the process of divesting from complicit companies.

The East Sussex Pension Fund Committee surely must also address taking a principled position.

This month the UN General Assembly echoed the ICJ and overwhelmingly passed the resolution demanding that Israel brings to an end, without delay, its unlawful presence in the Occupied Palestinian Territories. This means that all illegal settlements must be disbanded.

While the ESPF continues to fund companies complicit in these unlawful acts. In turn making its actions questionable on that basis, it can be argued that the East Sussex Council has a legal responsibility to act now in order to keep within international law.

I therefore request that the ESPF screen and divest from companies complicit in these actions and pinpoint the ESPF funds in which they are held. To also divest from arms companies that supply the Israeli government with weapons and military technology, and companies that are involved with the illegal settlement industry.

### **Question 13 – Lesley Levane, St Leonards on Sea, East Sussex**

I am aware that this letter is a standard one but I urge you to consider the contents carefully. I am a Jewish woman who, like many other Jewish and non Jewish residents of East Sussex

are horrified by what Israel is doing in Gaza and, indeed the West Bank and Lebanon. Opposing Israel's pulverisation of Gaza and Lebanon does not mean support for organisations such as Hamas and Hezbollah, which are designated terrorist organisations. For me there is a need to condemn all terrorism, including that carried out by State actors, in this case Israel. We are expected to recognise the impact of October 7th on Israel and Israelis (and I do) but not the impact for people in Gaza, the West Bank and Southern Lebanon of Israeli occupation, periodic bombardments (especially in Gaza), settlement expansion, settler attacks and much more that have been going on for many decades.

What follows is the standard letter prepared by those much more knowledgeable than me.

*In the past four years there have been numerous letters sent to the full council objecting to the East Sussex Pension Fund's (ESPF) investments in companies complicit in Israel's abuses of human rights and violations of international law. Thankfully, during this time the amount invested in complicit companies by the ESPF has been reduced. It stood at £132 million, but it still stands at £68 million. This is according to the PSC database.*

*Members of the public in the UK and throughout the world have been appalled at seeing nearly a year of Israeli bombing throughout Gaza. These crimes have resulted in more than 41,000 deaths, the majority are civilians, almost half of them children. Over 70% of buildings and infrastructure have been destroyed, while over 90% of Palestinians in Gaza have been displaced, many multiple times.*

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*There has been a growing number of pension funds, public bodies and institutions that have been divesting from companies complicit in Israeli war crimes. Recently the Waltham Forest Pension Committee announced that it will start the process of divesting from such complicit companies. It is updating its ethical investment policy, has started discussions with its asset pooling company the London CIV and has taken legal advice to help it assess its options.*

*Isn't it time that the East Sussex Pension Fund Committee also took such a principled position?*

*This is not just a moral question but also a legal one. In January 2024 a landmark ruling by the International Court of Justice (ICJ) - the World Court - affirmed that there is plausible evidence that Israel is committing genocidal acts against the Palestinian people in the Gaza Strip. The ICJ ordered Israel to "take all measures within its power to prevent genocidal acts, including preventing and punishing incitement to genocide." The UK is party to the Genocide Convention and has a binding obligation to employ all means reasonably available to prevent and deter further genocidal acts.*

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*This month the UN General Assembly echoed the ICJ and overwhelmingly passed the resolution demanding that Israel brings to an end, without delay, its unlawful presence in the Occupied Palestinian Territories. This means that all illegal settlements must be disbanded.*

*So while the ICJ orders Israel to prevent genocide and to disband its illegal settlements, the ESPF continues in its own complicity and in fact benefits from these violations of international law. It can be argued that the East Sussex Council has a legal responsibility to act now in order to keep within international law.*

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#### **Question 14 – Jon Griffith, Rye, East Sussex**

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Recently the Waltham Forest Pension Committee announced that it will start the process of divesting from such complicit companies. It is updating its ethical investment policy, has started discussions with its asset pooling company the London CIV and has taken legal advice to help it assess its options.

East Sussex should do the same - look for alternatives to its current investments, and commit itself to changing them, avoiding investment in any companies that contribute to the production of weapons, or which support settlements internationally regarded as illegal.

It is hard to believe that East Sussex doesn't have the capacity to make this change.

#### **Question 15 – Laurance Holden, Burwash, East Sussex**

Unfortunately, the Pension Committee has been unwilling to change course when numerous objections have been made over its investments – through funds – in companies that either supply the Israeli military or are involved in the illegal settlement industry.

The moral and ethical issues here don't seem to have any traction with the pension committee. Most people are appalled at the almost daily massacres carried out by Israel in Gaza – and now in Lebanon. We've seen the incinerated babies, the shredded remains of toddlers carried out of destroyed buildings, the thousands of orphans, the thousands of Gazans who have limbs amputated (without anaesthetics as Israel refuses to allow them into Gaza). I suspect that many of the 85,000 scheme members would be outraged to know that the fund has investments in companies that have made all this possible.

(NB. It's appreciated that the issue of investments in companies involved in the illegal settlement industry (on the UN list of complicit companies) has been discussed in the pension committee. But even here the issue was passed onto the LAPFF. A case of 'kicking it into the long grass.' Unfortunately the ESPF still has four companies that are on the UN list. This includes Motorola.)

So if moral/ethical issues aren't important, then surely the fund has legal obligations under international law so as not to be complicit in acts of genocide. Over the last few months this has become very clear. In January 2024 a landmark ruling by the International Court of Justice (ICJ) – the World Court – affirmed that there is plausible evidence that Israel is committing genocidal acts against the Palestinian people in the Gaza Strip. The ICJ ordered Israel to "take all measures within its power to prevent genocidal acts, including preventing

and punishing incitement to genocide.” The UK is party to the Genocide Convention and has a binding obligation to employ all means reasonably available to prevent and deter further genocidal acts.

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So while the ICJ orders Israel to prevent genocide and to disband its illegal settlements, the ESPF continues in its own complicity.

Then on June 24, UN experts issued a statement demanding that both states and companies stop all arms transfers to Israel. In issuing their call, they outlined that financial institutions, such as banks and pension funds, investing in armaments companies supplying Israel must cease, stating that financial institutions “failure to prevent or mitigate their business relationships with these arms manufacturers transferring arms to Israel could move from being directly linked to human rights abuses to contributing to them, with repercussions for complicity in potential atrocity crimes.”

Therefore the pension fund has a legal responsibility to act now in order to keep within international law.

The pension committee might shrug off its legal responsibility. There always seems to be a reason for not doing anything. A recent answer to a member of the public: “investment decisions cannot be for ethical or political purposes.” That doesn't need to be the answer. Recently the Waltham Forest Pension Committee announced that it will start the process of divesting from armaments companies that supply the Israeli military. It is updating its ethical investment policy, has started discussions with its asset pooling company the London CIV and has taken legal advice to help it assess its options. When will the ESPF do likewise?

Another reply: “Investment decisions must be directed towards achieving a wide variety of investments, and to provide a return, often several years into the future, balancing risk with return.” At the moment the fund's return is below the benchmark, 1.6% below during the most recent quarter. That's a potential shortfall of more than £70 million on the fund's £4.893 billion. A year ago the return was 1.8% below the benchmark, a potential shortfall of more than £80 million. So there are issues with the fund's present performance. Making changes to the fund, in particular divesting from the armaments companies that supply the Israeli military, won't necessarily reduce the fund's performance.

The pension fund committee often refers to the Principles of Responsible Investment (PRI). A major part of this is the implementation of environmental, social, and corporate governance (ESG) principles. The ESPF claims to adhere to ESG principles, though including companies like L3 Technologies, Northrop Grumman, Lockheed Martin, Raytheon in its fund suggests that it cannot possibly be doing this. Your second biggest fund, Storebrand, implements basic ESG principles. It has no armaments companies in its portfolio. There are more than 1,000 funds that implement ESG principles. None of them include armaments companies. Surely the committee can look at the wide range of funds available that don't hold complicit companies.

An objection that has been given is that selling existing funds is expensive. Spread over a period of time this will be mitigated. The fund does this anyway: more than a third of the portfolio has been sold and bought over the last five years.

Another objection to making changes to the fund is due to the restrictions of buying only into the ACCESS LGPS Pool. But most of the existing funds are not in the Pool.

There are very many courses of action that the pension committee can explore. I hope you will take on board the views of people in the East Sussex area and seriously go ahead to make changes to the fund.

I therefore request that the ESPF:

Screen for all these complicit companies and pinpoint in which of the ESPF funds they are held.

Start a process of divestment from these funds prioritising those that are overweight with arms companies that supply Israel with weapons and military technology, and companies that are involved with the illegal settlement industry.

### **Answer by Chair of the Pension Committee**

Under our legal obligation of Fiduciary Duty, the primary aim of the Fund is to provide pension benefits for members and their beneficiaries when due. To do this the Fund invests to secure the best financial return for its members balancing risk and return. The power of investment must be exercised for investment purposes, and not for any wider purposes. The Fund takes a risk-based approach in setting and implementing its investment strategy.

The Fund publishes its Investment Strategy Statement which includes the Responsible Investment Strategy and Funding Strategy Statement on its website, which clearly lays out the approach of the Fund when investing. The Fund also engages with its fund managers and with companies through collaborative engagement.

The Pension Committee issued a statement in July 2022 relating to Fund exposure of the companies flagged by United Nations Human Rights Office of the High Commissioner's ("OHCHR") A/HRC/37/39 Report as part of the Funds stewardship responsibilities to consider the operational impact on labour and other human rights issues, which can affect long term financial return of a company.

The Fund does not invest directly into any company or asset and invests in pooled vehicles, meaning there are multiple investors in the same investment vehicle. This means the Fund cannot dictate the underlying holdings of an Investment Manager. The Fund does not have sight of any investment transaction made by an investment manager and has no sight of what is owned on any given day. Responsibility for day-to-day interaction with companies is delegated to the Fund's investment managers, including the escalation of engagement when necessary.

Investment managers have a mandate to deliver investment returns within a specific asset class and will regularly change the underlying assets or holdings within the portfolio. As the Fund is directed by Government to pool its investments, it does not set the parameters of the investment mandate and cannot intervene in any sale or purchase within a portfolio. As a result, to remove any specific investment exposure to a company it would need to sell the entire investment manager position and procure and invest in segregated mandates.

The largest holding that the Fund has to companies flagged by United Nations Human Rights Office of the High Commissioner's ("OHCHR") A/HRC/37/39 Report is to Bookings.com. The Fund only has exposure to one of the five named companies which is a holding in Rolls Royce. The Fund has no exposure to L3 Technologies, Northrop Grumman, Lockheed Martin or Raytheon.

The Fund recognises that Environmental, Social and Corporate Governance ('ESG') issues can have a material impact on the long-term performance of its investments. Investors have a role in shaping and influencing company actions relating to human rights bringing the S of ESG into focus. Social performance of companies considers the operational impact on labour and other human rights issues of people and communities in which it engages.

The Fund is an active member of the Local Authority Pension Fund Forum (LAPFF), who carry out engagement on behalf of the member funds. We are supportive of the LAPFF position on the occupied territories, which seeks to encourage companies operating in that jurisdiction to review and have regard for the human rights of all individuals with whom they interact in the conduct of their operations.

### **Question 16 - Peter Diplock, Eastbourne, East Sussex**

I note that East Sussex County Council have agreed to consult on proposals to, amongst other things, reduce or stop altogether;

- Housing support services for vulnerable residents by 88%;
- Services at Milton Grange that help older people with mental and / or physical health needs;
- The Linden Court day service for adults with learning disabilities;
- Learning disability community support services.

These are preventative services, that, whilst not statutory, mean less cost in the longer term to the Council, and less hardship to the vulnerable people who rely on them. Those directly affected will be amongst the most vulnerable in our community. My question to Full Council is, if the proposals go through, what will happen to these residents and their families?

### **Answer by the Lead Member for Adult Social Care and Health**

The decision to consult on the proposals to reduce or remove a number of vital adult social care services has not been taken lightly, but the council is facing an unprecedented financial challenge that will require difficult choices to address the deficit, and will inevitably mean a reduction in the range and level of support that we are able to provide for some of our most vulnerable residents.

It is important to note that, at this stage, we are consulting on these proposals and no final decision has been made. At the same time as acknowledging the high level of anxiety and uncertainty these proposals cause for many people, the purpose of the consultations is to gather all of the relevant facts and information, as well as the views and suggestions of clients, their carers, residents and staff so that Members can make a fully informed decision in the new year. We would encourage everyone who has any involvement or an interest in any of the services under consultation to participate in the process and make their views known so that they can be considered when a final decision is made.

The consultations will also include an assessment to identify whether an individual or group will be disproportionately impacted by the proposal (including full Equality Impact Assessments) as well as consideration of adjustments to the proposals, any mitigations that could be put in place and whether alternative provision would be possible, practical or affordable.

It is fully accepted that every service or contract under consultation currently provides highly valuable support to East Sussex residents and the removal or reduction of some has the potential to increase demand for statutory services in the medium to long term. But, there is a compelling need (and legal requirement) to deliver a balanced Council revenue budget next year and these proposals, in our view, represent the least worst options.

Regardless of the outcome of the consultations, any individual with Care Act eligible needs will continue to have those needs met but, if the decision is made to close a service that they access, they may be met in a different way or through a different service. There are currently, no plans or proposals to specifically re-provision those purely preventative services but individuals currently using them would be able to access the remaining generic

preventive services(if appropriate) provided by the Council and statutory and voluntary partners.

**Question 17 – Roger Nutkins, Barcombe, East Sussex.**

The roads in East Sussex according to newspaper reports and my own experience are in an appalling state. Due to the huge number of potholes, they are dangerous and causing a lot of damage to cars. How has ESCC allowed this to happen, especially since they are receiving a high rate of council tax income and what immediate action are they going to take to sort this problem out.

**Answer by the Lead Member for Transport and Environment**

As a Highway Authority, East Sussex County Council (ESCC) is responsible for maintaining a safe highways network across the 2,000 miles of road in the county. As you note in your email, in recent years, maintaining the road network has been made increasingly difficult by significant real terms reductions in grant funding, which has been compounded by inflationary pressures in the highways maintenance sector. The severe cold and wet conditions over the last two winters in particular, has also taken a toll on the network.

In 2023/24 we increased our investment in highway maintenance by £15.7m over and above the planned programme, making a total investment in 2024/25 of almost £34m. However, it is estimated that the cost of improving all roads in the county to good condition would exceed £300m. As I am sure you will be aware, there are also other significant and vital demands on the Council's budgets for adult social care and for children's services in particular.

The Council is not required by the Highways Act to repair every defect on our roads and due to the budgetary pressures described we have robust policies in place to ensure we are clear what we will and will not repair across the highways network. All Highway Authorities operate in this way.

Specifically in relation to potholes, we prioritise repairs based on the depth, size and location of the defect. All potholes that meet the Councils' repair criteria are repaired within a set timescale depending on published criteria which can be viewed on our website at [Potholes | Our Guide to Highways | live.eastsussexhighways.com](https://www.eastsussexhighways.com).

Smaller potholes and other defects that don't meet our intervention criteria are added to our wider and ongoing patching programmes. I would also add that, whilst my expectation is that repairs are properly cut out and repaired with hot bitumen, there will be times when hot material is not available, or where it is not safe to carry out a permanent repair at a particular time. There will also be occasions where unfortunately other factors, such as the weather, will mean repairs may fail. Our team closely monitor the quality of repairs, and a number of audits are carried out weekly where samples of pothole repairs are reviewed. If repairs have not been done to an acceptable standard this will be addressed with our contractors and they are required to repair these at their own cost.

Looking forward, the pressures on our budgets are set to continue. Our net revenue budget for 2024/25 was agreed on 6 February at £538.1m. In order to set this balanced budget, the

council agreed to use £14 million of its limited reserves. Our planning assumptions show that in future years, the deficit will grow to £45 million in 2025/26 and we will not be able to adopt the same use of reserves to address this.

Noting these budget pressures, you ask in your email what we have done to seek more funding and I can assure you that we take every opportunity to raise these issues with local East Sussex MPs, Government Ministers and Officials. It is also worth noting that we fund highways maintenance at a significantly higher level than the funding the Government provides.

The Leader of the Council meets regularly with our MPs, and writes with updates on our financial position, most recently following the Council's formal agreement to the 2024/25 budget. He has also written to different Government Ministers across a range of funding issues. Notably, in May 2023, the Leader co-signed a letter with other county council Leaders in the region to the Prime Minister, Chancellor and the Secretaries of State for Transport and Levelling Up, Housing and Communities. The letter raised the significant under-funding for highway maintenance and also called for greater oversight of the work of utilities companies on the roads.

We also continue to draw on broader partnerships and networks to lobby on current priorities, including via the County Council's Network and through the Local Government Association. I am involved in national policy development conversations with the Department of Levelling Up, Housing and Communities as representative for the South East region on a national grouping of local authority chief executives and I can reassure you that I and the other local authority chief executives are strongly making the case for a fair and sustainable financial settlement for the sector.

### **Question 18 – Stewart Rayment, Hastings, East Sussex**

Re: [Lead Member for Resources and Climate Change - Tuesday, 3rd September, 2024](#)  
10.00 am

At this meeting Cllr. Nick Bennett decided on the proposed disposal of Land at Sandrock Hall Bends, The Ridge, Hastings. Despite the representations of Cllrs Sorrell Marlow-Eastwood and Peter Pragnell, and of resident Mr Peter Bailey, who might have been regarded as having some local knowledge of the site, Cllr Nick Bennett decided to proceed with the sale of the land.

Section 26.6 of the decision reads: Delegation of authority to the Chief Operating Officer to agree the terms of the Promotion Agreement and then to comply with and give effect to the provisions set out therein including but not limited to agreeing the terms of any future sale of the East Sussex County Council-owned site to achieve best value in accordance with s123 of the Local Government Act 1972 and to take all actions necessary to give effect to the recommendations in the report will facilitate an effective and efficient process.

In order to 'achieve best value' in the sale is the proposed purchase open to any party who might be interested in purchasing the site?

### **Answer by the Lead Member for Resources and Climate Change**

There will be an opportunity for potential purchasers to submit a bid to purchase land at a future date. The promotion agreement has been signed by the County Council, Hastings

Borough Council and two other landowners following Lead Member approval on 3 September.

The promoter will be working up a planning application to be submitted to Hastings Borough Council. The promoter is acting on behalf of all four landowners. Hastings Borough Council will then determine the planning application and there will be formal consultation as part of the normal planning process.

If planning permission is secured, all four landowners will agree to market the site. The site will be marketed reflecting the planning permission and also any planning conditions that relate to open space. At this point, any bidders can submit a bid for the combined land subject to the promoter agreement.

The Lead Member report sets out details about potential opportunities of ownership and management of open/green space for community groups, if planning permission was granted for the wider development. The decision would need to be considered by all four landowners.