

# The time for pension funds to invest directly in regeneration

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A magazine called New Start has featured the following statement this week:

*A housing scheme in Manchester is the latest development to fuel debate over the use of council pension schemes to invest in local projects. Austin Macauley assesses whether it's likely to open the floodgates*

*The case for using England's council pension funds to benefit local economies just got stronger... to the tune of £5bn. They are now worth a whopping £148bn, up from £143bn last year, according to DCLG statistics released this month. Expect that figure to bandied around over the next 12 months at any forum where the future of council borrowing or investment in local regeneration is being debated — accompanied by the question: why don't we make more use of council pension funds?*

*The answer is complicated and multi-faceted, but far too important to dodge.*

*At a time when local authority resources are stretched like never before, when funds available for regeneration and other local projects are thin on the ground, and when even the cheapest and easiest source of funding — the Public Works Loan Board (PWLB) — has become more expensive, why aren't councils looking at pension funds as a way to diversify their options?*

It's a question [I have asked for a decade](#). The time for an answer has arrived.

At a time when conventional pension fund investment policy is simply guaranteed to lose people money in the UK because of inept management, market corruption and excessive charges why aren't pension funds being invested in things that we really need, like housing, where the payback over a period of, say, 25 years is exactly the sort of return a pension fund needs?

Please read the article. [This is an idea whose time has come.](#)