

# Scheme Advisory Board



## Further Board statement on Palestine Solidarity Campaign's letter and position paper

### LGPS Scheme Advisory Board

18 September 2025

1. Having carefully considered the letter and [position paper](#) submitted by the Palestine Solidarity Campaign (PSC) on 27 August 2025 to LGPS Administering Authorities (AAs), the Board wishes to provide the following update. This statement is intended to support AAs in understanding the Board's current position and to assist AAs in determining their own appropriate next steps.
2. The Board is aware that the requested 21-day response deadline is approaching. As previously stated, the Board suggests that AAs prioritise providing a carefully considered response, tailored to their own investment policy. This statement offers further information to support that process.
3. The PSC position paper makes a compelling case that the most appropriate source for any guidance to LGPS AAs on the current humanitarian disaster in the Occupied Palestinian Territories (OPT) would be the UK government. As the government, rather than AAs, have the necessary legal expertise and resources to analyse the complex, dynamic situation that is evolving in real time. The Board has contacted Ministry of Housing, Communities and Local Government (MHCLG) officials to stress the need for a response to PSC's challenge as part of effective stewardship of the Scheme. The Board also intends to raise this with the new Minister for Local Government.
4. The Board has reached out to its legal advisers to consider whether further legal advice is needed on behalf of the Scheme. The Board has not yet decided whether further advice would be beneficial in assisting AAs consider their own individual action to the letter. In considering this, the Board are taking into account whether there are direct legal obligations on AAs to act in line with international humanitarian law (IHL) in their capacity as "organs of the state".
5. The Board notes that the PSC's latest analysis seems to conflict with the Supreme Court's ruling (in the case brought by the PSC to challenge earlier government guidance on investments) that the AAs function to invest LGPS money is not part of the "machinery of the state" but a quasi-fiduciary obligation owed to beneficiaries (who are themselves private citizens).

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6. The PSC position paper also argues that settled principles of IHL can be imported into common-law through judicial interpretation. Since fiduciary duty originates from common law, it is argued that its interpretation should align with international humanitarian law (IHL), even when applied within a statutory framework like the LGPS.
7. As currently understood, fiduciary duty does not require AAs to apply non-financial factors, they may do so at their discretion. Nigel Giffin KC's advice last year clarified that LGPS decision-makers must consider whether to apply non-financial factors within their responsible investment (RI) considerations and document this policy in their Investment Strategy Statement.
8. The Board strongly advises that where an AA does have a RI policy then they must be able to demonstrate that it is acted upon and kept up to date, as proper demonstration of Good Governance. Funds with such a policy will want to take account of the unfolding human rights issues in the OPT, as they would for other conflict-affected zones around the world, as they are clearly relevant considerations.
9. Funds should consider whether an appropriate response is to conduct heightened due diligence in relation to investments they hold to determine whether they are consistent with their own RI policy. The PSC's position paper accepts that there are varying degrees of connection between the investments that pension schemes may make and events in OPT. It is for AAs to determine their response to a further review, which might include engagement, divestment or a decision not to make further investments. Considering the connectedness of investments, the likely impact on the conflict of investment decisions and the financial detriment to the fund are all relevant considerations that funds should consider in any review.
10. The Board recognises the very strong feelings that many have on the situation and recommends that communications in the name of the Pension Committee or in relation to the LGPS function, should be drafted bearing in mind that the AA acts and speaks on behalf of the members of the scheme as a whole and not reflect personal or political views. In addition, AAs should acknowledge that any statements made on the situation in OPT may be controversial or divisive between members. Any statements made should not be framed in ways that

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significant numbers of scheme members might reasonably take exception to, even if it is believed that many or even the majority of members would support a statement being made in those terms.

11. To reiterate, the Board is mindful of the complexity and sensitivity of the issues raised, while it continues to engage with government and legal advisers, the Board encourages AAs to approach this matter with careful consideration of their fiduciary duties, R policies, and the need for balanced, inclusive communication. This update is provided to support AAs in navigating these challenges in a way that reflects Good Governance and the best interests of scheme members.

**Relevant further reading:**

[LGPS Scheme Advisory Board - Legal Opinions](#)