

Local Government Pension Scheme
Scheme Advisory Board

Alison McGovern MP
Minister of State (Minister for Local Government and Homelessness)
Ministry of Housing, Communities and Local Government
Fry Building
2 Marsham Street
SW1P 4DF
Sent via email to PSAlisonMcgovern@communities.gov.uk

13 October 2025

Dear Alison,

Local Government Pension Scheme (LGPS) Investments in Conflict Zones

I am writing on behalf of the Local Government Pension Scheme Advisory Board to ask for your support in dealing with a very important and difficult issue that is currently affecting each of the 86 administering authorities in England and Wales. I am referring to the calls to divest from investments that are seen to support the recent conflict in the Occupied Palestinian Territories.

Most administering authorities have also been sent a letter from the Palestine Solidarity Campaign (PSC) calling on them to divest from investments which PSC alleges not just support the prosecution of the recent conflict but create legal liabilities for administering authorities under UK law.

It is recognised that this allegation is not new, and the Board has previously provided legal and policy advice on it, however what is new is that the letter dated 27 August 2025 is accompanied by a lengthy and detailed [position paper](#) drawn up by leading counsel from Doughtie Street Chambers, expert in international human rights law. I believe that the Secretary of State was sent a similar letter.

It must be acknowledged that, being democratically led, LGPS funds will understandably come under immense scrutiny and pressure from scheme members, scheme employers and local citizens who all can have strong views on a variety of issues and conflicts around the world. This scrutiny is an issue the scheme has many years' experience in when it comes to dealing with highly charged, contested issues, even though these are not issues which elected councillors or pension officers are likely to be expert in.

However, more recently, administering authorities have been pressing us on whether the Board will take further legal advice to assess the merits of the claims made in the letter and position paper. The Board has in the past taken [legal advice](#) on the interaction between the fiduciary duty and responsible investment policies, which are set locally. We also took [specific advice](#) last year in relation to earlier allegations by PSC of criminal liability by administering authorities in relation to conflict in Gaza. We have been willing to take advice on those issues but feel we have reached the limits of what we are competent and what is appropriate to commission specific legal advice on. We can, of course continue to support administering authorities where we

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can and have recently discussed the possible options at our Responsible Investment Advisory Group.

Given the particularly fast moving and contested situation in Gaza, LGPS administering authorities require support from the Minister as the Responsible Authority for the Scheme. The Board is not well placed to determine whether a line has been crossed in the recent conflict, or the status of the on-going legal and diplomatic processes being pursued through United Nations bodies and the International Criminal Court. As the Minister responsible for the Scheme, with the support of the full diplomatic and legal resources of the British State, we feel that this is something we would reasonably expect you to advise us on the position of UK government policy.

In taking this view, we note that a previous Secretary of State did communicate his views on the appropriateness of further investments in Russia following the unlawful invasion of Ukraine. You are also the owner of the LGPS Investment Regulations and the associated statutory guidance which administering authorities must follow and are currently under review.

To be clear, we aren't looking for you to set the responsible investment policy in relation to human rights violations or conflicts (of which sadly there are many around the world). We understand that this is part of administering authorities' statutory and fiduciary duty. However, we do need you to advise the view of the UK Government when a specific legal liability may arise through holding conflict-related investments in a particular scenario.

In the absence of a view from UK Government, we will encourage administering authorities to keep under review and check that they are acting in accordance with their own responsible investment policies.

Yours sincerely,



Cllr Roger Phillips
Chair of the Board

CC. Teresa Clay, Head of Local Government and Fire Pensions, MHCLG

Published on www.lgpsboard.org.uk

Please reply to clair.alcock@local.gov.uk (Board Secretary)