



Ministry of Housing,
Communities &
Local Government

Alison McGovern MP

*Minister of State for Local Government and
Homelessness*

2 Marsham Street
London
SW1P 4DF

Our reference: MC2025/28652

Cllr Roger Phillips
Local Government Pension Scheme
Advisory Board
18 Smith Square
London
SW1P 3HZ

12 May 2026

Dear Cllr Phillips,

Thank you for your letter of 13 October regarding the Local Government Pension Scheme Investments in Conflict Zones. Following my response of 18 December and our meeting on 23 January, I wanted to follow up on this matter.

The Local Government Pension Scheme, as a public sector scheme, is rightly subject to particularly high expectations on responsible investment, and must maintain highest standards in managing financial risk, while retaining local control and displaying transparency and accountability in investment decisions.

I recognise that investments linked to conflict zones are a high profile and challenging issue for administering authorities, particularly given the pressures applied by some campaign groups. I would like to thank the Scheme Advisory Board for the support it has provided to authorities in managing these pressures. I hope this letter offers further clarity on the Government's position.

The Government's position is clear: decisions on boycotts, divestment and sanctions are matters of UK foreign policy and are for central government, not local authorities. It is therefore not appropriate for local authorities to adopt investment policies that go beyond or differ from UK Government sanctions or foreign policy positions.

This does not prevent authorities from setting or changing investment strategies for other reasons, particularly where required to meet their fiduciary duties to scheme members. Authorities must continue to act in line with the law and relevant guidance.

The Government will continue to keep the situation under review and will consider whether further guidance is needed as circumstances evolve.

Thank you again for writing on this important matter.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Alison', with a stylized, cursive script.

ALISON MCGOVERN MP

Minister of State for Local Government and Homelessness