Local Government Pension Scheme Advisory Board
Local Government Association
18 Smith Square
Westminster
London
SW1P 3HZ

Jim McMahon MP
Minister for Local Government, Devolution and Regional Growth
Ministry of Housing, Communities and Local Government
Fry Building
2 Marsham Street
SW1P 4DF

18 August 2026

Dear Jim,

Local Government Pension Scheme Advisory Board

On behalf of the Local Government Pension Scheme Advisory Board, I would like to welcome you back to your role as Minister for Local Government, Devolution and Regional Growth. I understand that part of your responsibilities includes the Local Government Pension Scheme in England and Wales (LGPS).

Since its creation, the Board has grown to become an essential part of the scheme's governance and administration landscape. I like to think that we have provided guidance and leadership on difficult issues, as well as taking the initiative in areas such as carrying out the first detailed analysis of the gender pensions gap in the public sector and making positive scheme benefit changes off the back of that.

As well as already having a good understanding of the scheme from your previous time as Local Government Minister, I know from our time together on the LGA's workforce board that you have a deep understanding and sympathy for the challenges currently facing local government.

A key challenge for the administering authorities (AAs) which administer the LGPS is currently dealing with the immense scrutiny and pressure from scheme members, scheme employers and local citizens who all can have strong views on a variety of issues – including conflicts around the world. For example, AAs last year were sent detailed legal arguments advanced by the Palestine Solidarity Campaign including claims of potential criminal liability of AAs arising from investments that might be connected to the conflict in Gaza. Counter-points were made to us from another body, the UK Lawyers for Isreal.

While AAs have had many years' experience in dealing with highly charged or contested issues, the Board is hearing that AAs are increasingly finding it hard to balance the significant legal, financial and reputational risk arising from uncertainty over the legal position in this area. While investment implementation is undertaken through LGPS pools, AAs remain responsible for setting investment strategy and responsible investment policy, and for ensuring those policies are carried out in accordance with the law and their fiduciary duties. The Board believes that AAs should be able to rely on support from the UK Government in navigating this novel and contested legal terrain.

We wrote to your predecessor seeking the previous Government's view on this issue, but the response did not address the central legal question raised.

I would therefore welcome an opportunity to meet with you urgently to discuss how

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we can best collectively address this challenge. In particular, the Board would welcome an opportunity to discuss whether the Government accepts the argument that the statutory functions exercised by administering authorities are sufficiently connected to the state so that they engage the international human rights law duties raised in recent correspondence.

The Board believes it is important that AAs continue to set and follow their responsible investment policies in line with their understanding of the fiduciary duty and should not feel pressured into changing course solely because legal action is being contemplated or threatened.

Given our previous work together, I hope we can have a frank and constructive discussion about the support AAs need.

I appreciate that your remit extends beyond the LGPS, but an early meeting would also provide an opportunity to discuss the wider opportunities and challenges facing the scheme. In particular, I would welcome continuing our discussions about how LGPS funds can support economic growth and control costs for employers while continuing to deliver the returns for members, which is of course our core purpose as a pension scheme.

I look forward to your response and to working with you once again.

Yours sincerely

Cllr Roger Phillips
Chair of the Board

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