

Local Government Pension Scheme Bulletin



Issue 8
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Employer Update – Correspondence from the Palestine Solidarity Campaign (PSC)

Dear Employers,

Leicestershire County Council Pension Fund (the Fund) would like to update you regarding recent correspondence you may have received from the Palestine Solidarity Campaign (PSC), which we are aware all LGPS funds have also received.

For context, the Scheme Advisory Board for England and Wales (the Board) had previously sought leading Counsel advice on behalf of the LGPS, from [Nigel Giffin KC](#) that was published in October 2024 following earlier letters from PSC. However, the latest contact from the PSC makes more extensive complex arguments than funds have received before, and it does not reference the Giffin advice. The previous advice from Giffin, summarised from [paragraph 78](#) onwards, stated that it does not believe LGPS funds are acting unlawfully by holding, and failing to divest from investments in companies which have been linked to the ongoing situation in the Middle East.

It is the [Boards view](#) that the Giffin advice still stands, though they recognise the situation is an evolving one, and they will need to look to consider whether, and if so what, further advice would be helpful to provide funds, and who would be best placed to provide that. The Board are also looking to write to the Local Government Minister to ask for a government statement on the issues raised – given these matters of international law are more for central government than funds to make, which the PSC paper does recognise.

The Fund is subject to government regulations regarding investment decisions ensuring funds are managed responsibly as set out in the Investment Strategy Statement (ISS) which outlines the Fund's approach to responsible investment, with day-to-day investment management decisions regarding which companies or other securities to buy or sell are made by specialist investment managers appointed by the

Fund's Local Pension Committee and Investment Sub-Committee. The Fund's ISS follows the government's rules on what it can and can't invest in and is regularly reviewed and considered by the Committee. The ISS sets out that the Fund does not exclude investments to pursue boycotts, divestment and sanctions against foreign nations and UK defence industries unless formal legal sanctions, embargoes and restrictions have been put in place by the Government. This is in line with the Giffin advice.

Given these factors it seems practical to wait to understand any outcomes from the Board, given the Fund, alongside all other LGPS funds contribute to it via a statutory levy. The Board have noted that while the letter has asked for a response within 21 days, they believe it is more important to take the necessary time to consider the arguments made and the appropriate response.

Following this, the Fund can consider this advice provided and consider whether any further external advice is required. The Fund will also seek considerations from LGPS Central, its pooling partner, and the Local Authority Pension Fund Forum who have their own expectations of companies within [conflict-affected and high-risk areas](#).

Employers do not need to do anything, and this does not impact on scheme members benefits.

Regards,

Ian Howe
Pensions Manager