PENSIONS COMMITTEE 19th SEPTEMBER 2025

PUBLIC QUESTION TIME

1. Question from Dr. Jamie Russell

Earlier this month, the Palestine Solidarity Campaign (PSC) issued a legal notice [1] to all councils in England and Wales overseeing a Local Government Pension Scheme (LGPS) fund. This included Shropshire Council and Telford & Wrekin Council.

The notice, written by legal experts, outlines that councils 'must take steps to divest from companies enabling and profiting from Israel's genocide, military occupation and apartheid against Palestinians' and the legal risks of not doing so.

This includes arms companies supplying the Israeli state with weapons which may be used to commit violations of international law such as the Geneva Conventions and the Genocide Convention; and companies involved in the financing and construction of Israel's illegal settlements on Palestinian land.

The £2b Shropshire County Pension Fund invests over £142m in these companies. [2]

These include Norththrop Grumman, which supplies the Israeli Air Force with missile delivery systems for its fighter jets and helicopters; and Honeywell, which supplies components for bombs, missiles, and drones used against Palestinian civilians including infants and children. There are many others.

Please can you tell me:

1. If the fund plans to divest from companies complicit in genocide, in accordance with international law?

2. If such divestment requires a vote from Full Council?

3. What the legal implications would be for the fund, its officers, and pension committee members if the fund is found to be complicit in genocide?

[1] https://palestinecampaign.org/wp-content/uploads/Position-Paper.pdf

[2] https://lgpsdivest.org/lgps-investments/

Response:

1) The Fund confirms that it has received the letter and legal opinion from the Palestine Solidarity Campaign along with a number of other pension authorities within the Local Government Pension Scheme.

   The Fund has a detailed statement on dealing with companies in conflict affected and high-risk areas and this is included as Appendix D to the public papers at item 8 which covers the letter received.

   The Fund has referred the matter to the Scheme Advisory Board (SAB) as the legal opinion is contradictory to the legal opinion obtained by SAB for funds in November 2024 and SAB has referred the matter to Central Government for clarity on the position and further guidance is awaited.

2) The Pensions Committee have control of the Fund and whilst decisions of full Council can be considered, they are not binding upon the Pensions Committee.

3) As advised under response to part one, the Fund is currently seeking further legal advice through SAB and Central Government on any implications of the latest legal opinion noting that it is contrary to the legal opinion received in November 2024.

2. Question from Ms Joanna Blackman

In July 2020, Shropshire Council voted to divest the £2 billion pension fund from fossil fuels. In January 2022, the Pension Fund Committee voted to ignore the wishes of full council. Today, the fund remains invested in companies that are directly responsible for pushing our climate towards collapse - with huge implications for Shropshire as well as the rest of the world.

The Liberal Democrats have a long history of supporting divestment from fossil fuels in pension funds. This includes initiatives and efforts by individual councillors and groups like the Association of Liberal Democrat Councillors and Campaigners (ALDC) to encourage councils to stop investing in fossil fuels.

Will the new Pension Fund Committee, chaired by the Liberal Democrats, commit to divesting the fund from fossil fuel companies which are not aligned with the Paris Agreement?

Response:

The Pensions Committee is an apolitical committee, and all members have been made aware of this position as part of their induction. The local government pensions scheme is set out in legislation and members are required to act in the best interests of the Fund.

The Fund provides committee members with full training on both the pensions regulations as set out by the Pensions Regulator and their fiduciary responsibility in respect of their role on the pensions committee to ensure that they are able to meet the objectives set out in the terms of reference within the Governance and Compliance statement.

The Fund has a transparent strategy in place to reaching net Zero by 2050 in line with the Paris agreement on climate change. This strategy is regularly reviewed, and the Fund issues an annual update on the climate impacts of its investments annually each year. The latest climate risk report from November 2024 which is available on the Funds website shows that the Fund through responsible investment practices has reduced its carbon footprint measured by normalised Finance emissions by 63.1% since 2020 and 62.9% on a weighted average carbon intensity basis.