

Summary of Legal Obligations on LGPS Funds to Divest from Companies Supporting Israeli Human Rights Violations

1. In the face of the almost incalculable devastation caused by Israel's military assault on Palestinians in the Gaza Strip, it is a moral and legal imperative that all levels of government take action to bring Israel's violations of international law to an end.
2. One lever the UK has to effect change is by divesting from companies which are aiding or assisting in Israel's violations of the most fundamental norms of international law. The Palestine Solidarity Campaign has commissioned a legal memorandum (**'the Position Paper'**) regarding local authority pension fund investments in such companies. The Position Paper has been prepared by counsel (Max du Plessis S.C., Tatyana Eatwell and Joshua Jackson), with the assistance of Deighton Pierce Glynn solicitors.
3. The Position Paper sets out the duties local and central government have to prevent and not assist Israel's violations of international law, and how those duties apply to public sector investments under the Local Government Pension Scheme (**'LGPS'**). It is summarised below.
4. We have written to administering authorities under the LGPS and the Secretary of State for Housing, Communities and Local Government, Angela Rayner MP, asking them to take action to divest public money from companies furthering Israel's violations of international law.

Section 1: Israel's unlawful actions

West Bank

5. Israel has illegally occupied the West Bank including East Jerusalem, and the Gaza Strip since 1967. Israel's military occupation violates the prohibition of the use of force under Article 2(4) of the UN Charter.
6. In the West Bank, including East Jerusalem, the establishment and expansion of illegal settlements, built on stolen Palestinian land, is a key plank of Israel's military occupation. The West Bank contains many Israeli settlements, is fragmented by walls and barriers, and is subject to a complex regime of Israeli military control. The maintenance and expansion of settlements is a means of entrenching military occupation, demographically engineering the population of the West Bank, and paving the way for annexation.

7. Through its settlement enterprise, Israel is committing serious violations of international humanitarian law ('IHL').¹ It is inherent in Israel's military occupation and settlement enterprise that it is violating the prohibition of racial discrimination and apartheid, as well as blocking the Palestinian people's right to self-determination.

Gaza Strip

8. Since October 2023, the Israeli military has systemically conducted indiscriminate and direct attacks against civilians and civilian objects on a massive scale, in breach of the fundamental IHL principles of distinction, proportionality, military necessity and precaution.
9. Tens, if not hundreds of thousands of Palestinians have been killed, and over 90% of residential buildings damaged or destroyed in violation of the prohibition on the extensive appropriation and destruction of property. There have been widespread attacks on hospitals and primary healthcare facilities.
10. Through massive indiscriminate aerial bombardment, mass destruction of civilian property, and arbitrary evacuation orders, the Israeli military has forcibly transferred the Palestinian population in Gaza. Over 90% of Palestinians in Gaza have been displaced and the territory rendered uninhabitable.²
11. Through its indiscriminate attacks, its blockade and restrictions on the entry of essential supplies and humanitarian aid into Gaza, Israel has violated the prohibition of deliberate starvation of civilians as a method of warfare.³ Gaza is on the brink of famine.
12. Israel has breached its obligations under the Genocide Convention, and - at the very least – Israel's actions have given rise to a very serious risk of genocide being committed.
13. These conclusions are consistent with: the ICJ's provisional measures of 26 January 2024, 28 March 2024 and 24 May 2024⁴; the ICJ's Advisory Opinion of 19 July 2024⁵; reports of several UN bodies; and the International Criminal Court (**ICC's**) Pre-Trial Chamber's unanimous decision on 21 November 2024 to issue arrest warrants for Israeli Prime Minister Benjamin Netanyahu and former Minister of Defence Yoav Gallant for bearing responsibility for a series of war

¹ Israel's settlement programme is violating the prohibition on occupying powers transferring its civilian population into occupied territory (sixth paragraph of Article 49 of the Fourth Geneva Convention), the prohibition on the extensive appropriation and destruction of property (Articles 46, 52 and 55 of the Hague Regulations, and Articles 53 and 147 of the Fourth Geneva Convention), and the prohibition on the forcible transfer of population (first paragraph of Article 49 and fourth paragraph of Article 85 of the Fourth Geneva Convention).

² In breach of the first paragraph of Article 49 and fourth paragraph of Article 85 of the Fourth Geneva Convention.

³ Articles 55 and 59 of the Fourth Geneva Convention.

⁴ Application of the Convention on the Prevention and Punishment of the Crime of Genocide in the Gaza Strip (South Africa v Israel)

⁵ The Legal Consequences Arising from the Policies and Practices of Israel in the Occupied Palestinian Territory, including East Jerusalem of 19 July 2024

crimes and crimes against humanity. The UN Special Rapporteur on the OPT, Amnesty International and Human Rights Watch have also made cogent findings that Israel is committing genocide, as have numerous Palestinian NGOs such as Al Haq, Palestine Centre for Human Rights⁶ and Defense for Children International – Palestine.⁷ And most recently, on 28 July 2025, two leading human rights organisations based in Israel, B’Tselem and Physicians for Human Rights, voiced their view that Israel is committing genocide against Palestinians in Gaza.⁸

Section 2: The UK’s legal obligations to act

14. Through the actions described above, Israel is violating **peremptory norms** of international law, which are fundamental international law obligations that must be adhered to in all circumstances, such as the prohibition on genocide, the prohibition of racial discrimination and apartheid, and the right to self-determination. Israel’s serious breaches of peremptory norms, its violations of the Geneva Conventions, and the serious risk of genocide in the Gaza Strip have consequences for the UK under international law.
15. The UK has a number of **‘prevention and non-assistance duties’**:
 - 15.1. The UK must not recognise, explicitly or implicitly, situations created by Israel’s serious breaches of peremptory norms.
 - 15.2. The UK must refrain from rendering aid or assistance to maintaining situations created by Israel’s serious breaches of peremptory norms.
 - 15.3. The UK is required to cooperate with other States and take all reasonably available measures to bring to an end any violations of peremptory norms by Israel, ensure respect of the Geneva Conventions, and prevent genocide.

⁶ [Generation Wiped Out: Gaza’s Children in the Crosshairs of Genocide](#) (Palestine Centre for Human Rights, December 2024).

⁷ Amnesty International Genocide Report; [Extermination and Acts of Genocide: Israel Deliberately Depriving Palestinians in Gaza of Water](#) (Human Rights Watch, 2024); Francesca Albanese October 2024 Report; UN Special Committee 2024 Report, § 69; B’Tselem Genocide Report; PHRI Genocide Report. See further the views expressed by Professor William Schabas, a leading authority on genocide: William Schabas, [Why Gaza genocide is strongest case before the ICJ](#) (Middle East Eye, 19 April 2025). Professor Schabas concluded that of all the genocide cases that have come before the ICJ under the Genocide Convention, South Africa’s case against Israel is the strongest. Further: “First, genocide is being perpetrated in Gaza or, at a minimum, there is a serious risk of genocide occurring”, is how it was put in [a recent letter of 26 May 2025](#) to the Prime Minister by lawyers, legal academics and former judges who are UK-based or qualified.

⁸ [A Health Analysis of the Gaza Genocide](#) (Physicians for Human Rights, July 2025); [Our Genocide](#) (B’Tselem, July 2025).

Section 3: Legal Responsibilities Applied to the Local Government Pension Scheme (LGPS)

16. The scope of the prevention and non-assistance duties is far-reaching and apply to the LGPS, which is one of the UK's largest public sector schemes.
17. PSC's research has found that LGPS funds have invested £12.2billion in companies which further Israel's violations of international law.
18. This includes substantial investments in companies which are involved in the supply of technology, surveillance equipment and weapons to the Israeli military, and the construction and financing of illegal Israeli settlements in the West Bank. These companies are referred to as '**Involved Companies**'
19. Responsibilities for the LGPS are divided between the Secretary of State for Housing, Communities and Local Government ('**the Secretary of State**') and local administering authorities (local councils which administer the pension funds).
20. Both are organs of the State whose acts (and failures to act) are attributable to the UK under the Articles of Responsibility of States for Internationally Wrongful Acts. This means both must comply with the UK's prevention and non-assistance duties.
21. The prevention and non-assistance duties require action from the Secretary of State and the local administering authorities in the following ways:
 - 21.1. The Secretary of State must produce guidance to administering authorities giving effect to the duties by requiring an end to investments in companies which aid or assist in the commission of Israel's grave violations of international law and make directions to administering authorities in the event of non-compliance.
 - 21.2. Local administering authorities must ensure their investment strategies give effect to the prevention and non-assistance duties. They must refrain from making new investments in Involved Companies and take reasonable steps towards divesting from such companies. They must do so irrespective of whether the Secretary of State produces guidance.
22. Companies with the closest connection to Israel's breaches of international law (such as the Involved Companies described in paragraph 18) should be divested from as a matter of priority.

Section 4: LGPS Regulation and Guidance

23. The regulations and guidance published by the government make clear that administering authorities must consider any factors that may affect the financial performance of their investments.
24. Administering authorities are also permitted to take non-financial considerations into account and can make investment decisions on the basis of those considerations. They can do so if two tests are met. Firstly, it would not involve a risk of significant financial detriment to the fund and secondly, they have good reason to believe that scheme members would support the decision.
25. These two tests are compatible with the actions that are required by the UK's prevention and non-assistance duties (described in paragraph 17). Refraining from limited classes of investments and taking reasonable steps towards divesting from Involved Companies would not contravene these duties.

Section 5: Domestic Law

26. The Secretary of State and the local administering authorities must make arrangements for divestment as a matter of domestic law.
27. That is because, in this particular case, the common law (meaning law developed through court decisions and precedents) gives effect to the UK's prevention and non-assistance duties. This is the case because: we are concerned with the most fundamental norms of international law; there are manageable standards for the domestic courts to apply because Israel's violations of those norms are well-established and clear;⁹ and the subject matter - local government investment decisions and the administration of local pension funds – is justiciable before domestic courts.
28. Israel's violations of international law and the UK's duties under international law are legally relevant considerations, which the Secretary of State and

⁹ See for example, Tom Dannenbaum and Alex De Waal – leading IHL and starvation experts – who have written this urgent caution on 30 July 2025 (see Tom Dannenbaum and Alex de Waal, [Time Has Run Out: Mass Starvation in Gaza and the Global Imperative](#) (Just Security, 30 July 2025):

“Conditions of life for Palestinians in Gaza are collapsing. Yesterday's Alert from the United Nations' Integrated food security Phase Classification (IPC) mechanism begins, “The worst-case scenario of Famine is currently playing out in the Gaza Strip.” All evidence points to a horrifying reality that the enclave has crossed the tipping point into a period of accelerating mass starvation mortality and societal devastation. As a matter of moral, legal, and basic human imperative, States with any leverage at all over the Israeli government must use that leverage now to bring this abomination to an end. To delay further does not bear contemplating. Time has run out. The moral obligation is palpable. The legal obligation is also clear. Pursuant to the duties to ensure respect for international humanitarian law (IHL) and to act if there is at least “a serious risk” that genocide is being, or will be, committed (on which we elaborate our views below), and given the gravity and urgency of the moment, no lawful measure can be eschewed in the effort to induce Israel to allow Gaza to be flooded with humanitarian assistance, to restore essential services, and to provide the conditions for the sustained, long-term recovery needs of Palestinians in Gaza in a context in which immediate humanitarian provision is necessary but will not be sufficient for survival.”

administering authorities must take into account and make inquiries in respect of when making decisions about LGPS investments in Involved Companies. In doing so, the only tenable view that they can reach is that LGPS funds must not enter investment relations which entrench and enable Israel's grave breaches of international law and must take reasonable steps to end existing investments.