

CHRIS HEATON-HARRIS MP



HOUSE OF COMMONS

LONDON SW1A 0AA

January 2017

*Dear Constituent,*

Thank you for contacting me about council investment decisions.

There are strong views on this issue and I appreciate that the Government's response will not have pleased everyone. However, it cannot be right for councils to have the power to make divisive decisions which set different parts of the community against each other. Such decisions would not be democratic or beneficial for community relations. Where councils make ethical, environmental or social decisions which are clearly in the best interests of local people and represent value for money for pension scheme members there will be no need for the Government to intervene.

Given the significant sums of public money at stake, however, it is right that the Government intervenes when councils fail to act within the prescribed regulatory framework. The power for the Secretary of State to intervene will help ensure that councils always pursue best practice. I should emphasise that intervention would only occur when it can be justified and where interested parties have been fully consulted.

I know that foreign investment was an important consideration for many people who responded to the consultation and the Government holds the opinions of the public in high regard. I want to be clear, however, that councils should not be making their own foreign policy decisions. Foreign policy is the preserve of the national Government. The decision of councils to boycott certain countries is likely to be at odds with national policy and unlikely to be in the best interests of the community or scheme members.

Councils should act responsibly and provide the best possible financial returns for taxpayers. The power of intervention will ensure that councils comply with UK policy and national regulations.

Ministers do not, by convention, sign any Early Day Motions as doing so is likely to breach the Ministerial Code's rules on collective responsibility. For this reason and the reasons set out above, I do not support EDM 586.

Once again, thank you again for taking the time to contact me.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Chris'.

**CHRIS HEATON-HARRIS MP  
MEMBER OF PARLIAMENT FOR DAVENTRY**