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|  To: All MPs  |  **Rt Hon Michael Gove MP** *Secretary of State for Levelling Up, Housing and Communities* *Minister for Intergovernmental Relations*  ***Department for Levelling Up,*** ***Housing and Communities*** 4th Floor, Fry Building 2 Marsham Street London SW1P 4DF   |

 19 June 2023

Dear Colleagues,

**ECONOMIC ACTIVITY OF PUBLIC BODIES (OVERSEAS MATTERS) BILL** **– INTRODUCTION TO THE HOUSE OF COMMONS**

I am pleased to announce that the Government has today introduced the Economic Activity of Public Bodies (Overseas Matters) Bill into the House of Commons, fulfilling an important manifesto commitment to *“ban public bodies from imposing their own direct or indirect boycotts, disinvestment or sanctions campaigns against foreign countries”*.

The Bill will stop public bodies pursuing their own foreign policy agenda, including with public money, through divisive boycotts, divestment and sanctions campaigns. There are three important reasons to do so.

1. First, we must ensure that the United Kingdom speaks with one voice internationally. Government diplomacy is hampered and undermined by public bodies running their own foreign policies.
2. It is wrong in principle for local authorities and public bodies to waste time and resources on counterproductive performative student-union-style acting, when they have key responsibilities such as planning, adult social care, waste and recycling, and local transport to prioritise. They should not repurpose the public institutions they control in pursuit of their own subjective political beliefs and agenda.
3. Boycott divestment policies pit communities against one another and undermine community cohesion. If there is a case for formal sanctions, they should be properly debated and determined by the Government under powers granted by Parliament.

I would like to make it clear that the Government is not restricting individuals’ right to freedom of speech. The legislation extends to public institutions only. The Government remains strongly committed to our long and proud tradition of free speech.

**Proposed measures**

The Bill will prevent “public authorities” - as defined in section 6 of the Human Rights Act 1998 - from conducting their own boycott, divestment and sanction campaigns against foreign countries or territories. This includes (in respect of their public functions): Government departments and agencies, including in the devolved administrations; non-departmental public bodies; local authorities; cultural institutions such as museums and galleries that receive significant public money; and universities, colleges and schools. This will include expressions of intent to boycott or divest, as this can cause harm in the same way as actual boycotts and divestments. The Bill will only deal with boycotts and divestments targeted at foreign countries or territories.

The ban will be in primary legislation and public bodies that do not follow the law will be open to judicial review. The Bill also includes an enforcement regime which provides powers for Ministers and regulators to investigate if they have strong grounds to suspect non-compliance, issue compliance notices and fine public bodies included within the ban. The Bill provides a power for Ministers to update a list of appropriate regulators as part of the enforcement regime.

The Bill will apply UK-wide. Boycotts and divestments against foreign countries and territories are foreign policy and therefore a reserved matter. We are engaging closely with devolved administrations and will continue to do so.

The Bill will work in harmony with the Procurement Bill, currently in its final stages in Parliament. The Bill will not hinder public bodies’ ability to exclude individual suppliers on a country specific basis under the Procurement Bill, where there is evidence of labour market misconduct (including modern slavery and human trafficking), or environmental misconduct.

**Exceptions to the ban**

As we have seen with Russia and Belarus, there are occasions where action by public bodies can support the HM Government advance its foreign policy. Therefore, a power in the legislation will allow the Government with the agreement of Parliament to permit action against a specific country or territory, which supports UK’s foreign policy. It is intended that there will not be a gap between commencement of the Bill and Russia and Belarus being exempted from the ban. The power to exempt countries from the ban can be used in the future, in response to world events and to remain in line with UK foreign policy. This power will not apply to Israel, the ‘Occupied Palestinian Territories’, or the Golan Heights given that BDS campaigns disproportionately target Israel, contributing to the horrific rise of antisemitism across the UK.

We are confident that this legislation will ensure there is a consistent approach to UK foreign policy and meet our 2019 manifesto commitment. I would be grateful for your support for the legislation. If you wish to discuss these measures further, I encourage you to contact my office to arrange a meeting with me or my ministerial colleagues.

With every good wish,



**RT HON MICHAEL GOVE MP**

*Secretary of State for Levelling Up, Housing and Communities*

*Minister for Intergovernmental Relations*