

**REPORT OF SERVICE DIRECTOR – FINANCE & PROCUREMENT****LOCAL AUTHORITY PENSION FUND FORUM BUSINESS MEETING****Purpose of the Report**

1. To report on the Local Authority Pension Fund Forum (LAPFF) business meeting and annual general meeting held in London on 21 January 2015.

**Information and Advice**

2. The Local Authority Pension Fund Forum was formed in 1990 to provide an opportunity for the UK's local authority pension funds to discuss investment and shareholder engagement issues. LAPFF currently has 62 members (shown at Appendix A) with combined assets of well over £100 billion and is consequently able to exert significant influence over companies in which funds are invested.
3. LAPFF exists 'to promote the long-term investment interests of UK local authority pension funds, and in particular to maximise their influence as investors to promote corporate social responsibility and high standards of corporate governance amongst the companies in which they invest'. It also:
  - a. Provides a forum for information exchange and discussion about investment issues.
  - b. Facilitates the commissioning of research and policy analysis of issues in a more effective manner than individual members could achieve.
  - c. Provides a forum for consultation on shareholder initiatives.
  - d. Provides a forum to consider issues of common interest to all pension fund administrators and councillors.
4. The business meeting and AGM were attended on behalf of Nottinghamshire Pension Fund by an officer representative.
5. The business meeting covered quarterly updates on changes in statute (concerning local pensions boards) and engagement with companies on corporate governance matters (covering executive pay, environmental impacts, labour practices, etc). However, the main focus of the meeting was to brief members on an issue relating to the interpretation of company accounts.
6. It was reported that the Financial Reporting Council has over a number of years consistently tried to obfuscate the definition of 'true and fair view', attempting to make this more complicated than it need be, and therefore creating an environment wherein errors such as the recently overstated profits of Tesco plc can easily arise.

7. LAPFF are therefore seeking to highlight their concerns with HM Treasury, and are pursuing legal clarification of the 1947 Companies Act which defined 'a true and fair view' in relatively simple terms, stemming from the account books that company directors themselves use for decision-making. Further updates from LAPFF will follow.
8. The AGM incorporated a brief discussion – under the Report of the Honorary Treasurer - on the Forum's future accommodation needs, and whether it is possible for the Forum to establish a permanent London base.

## **Statutory and Policy Implications**

9. This report has been compiled after consideration of implications in respect of finance, the public sector equality duty, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

## **RECOMMENDATION/S**

- 1) That the report be noted.

**Report Author:**  
**Ciaran Guilfoyle**  
**Investments Officer**

**For any enquiries about this report please contact: Simon Cunningham**

## **Constitutional Comments**

10. Because this report is for noting only, no Constitutional Comments are required.

## **Financial Comments (SRC 27/01/15)**

11. There are no direct financial implications arising from this report.

**Membership of LAPFF as at 21 January 2015**

- 1 Avon Pension Fund
- 2 Barking and Dagenham LB
- 3 Bedfordshire Pension Fund
- 4 Camden LB
- 5 Cheshire Pension Fund
- 6 City of London Corporation
- 7 Clwyd Pension Fund
- 8 Croydon LB
- 9 Cumbria Pension Scheme
- 10 Derbyshire CC
- 11 Devon CC
- 12 Dorset County Pension Fund
- 13 Dyfed Pension Fund
- 14 Ealing LB
- 15 East Riding of Yorkshire Council
- 16 East Sussex Pension Fund
- 17 Enfield LB
- 18 Falkirk Council
- 19 Greater Gwent Fund
- 20 Greater Manchester Pension Fund
- 21 Greenwich Pension Fund RB
- 22 Gwynedd Pension Fund
- 23 Hackney LB
- 24 Hampshire Pension Fund
- 25 Haringey LB
- 26 Harrow LB
- 27 Hounslow LB
- 28 Islington LB
- 29 Lambeth LB
- 30 Lancashire County Pension Fund
- 31 Lewisham LB
- 32 Lincolnshire CC
- 33 London Pension Fund Authority
- 34 Lothian Pension Fund
- 35 Merseyside Pension Fund
- 36 Newham LB
- 37 Norfolk Pension Fund
- 38 North East Scotland Pension Fund
- 39 North Yorkshire CC Pension Fund
- 40 Northamptonshire CC
- 41 Northern Ireland Local Government Officers Superannuation Committee (NILGOSC)
- 42 **Nottinghamshire CC**
- 43 Rhondda Cynon Taf
- 44 Royal Borough of Greenwich Pension Fund
- 45 Sheffield City Region Combined Authority

- 46 Shropshire Council
- 47 Somerset CC
- 48 South Yorkshire Pensions Authority
- 49 Southwark LB
- 50 Staffordshire Pension Fund
- 51 Surrey CC
- 52 Teesside Pension Fund
- 53 Tower Hamlets LB
- 54 Tyne and Wear Pension Fund
- 55 Waltham Forest LB
- 56 Wandsworth LB
- 57 Warwickshire Pension Fund
- 58 West Midlands ITA Pension Fund
- 59 West Midlands Pension Fund
- 60 West Yorkshire Pension Fund
- 61 Wiltshire CC
- 62 Worcestershire CC