

7 March 2024

Agenda Item: 8

REPORT OF SERVICE DIRECTOR – FINANCE, INFRASTRUCTURE & IMPROVEMENT

LOCAL AUTHORITY PENSION FUND FORUM ANNUAL CONFERENCE 2023

Purpose of the Report

1. To report on the Local Authority Pension Fund Forum (LAPFF) Conference 2023.

Information & Advice

2. The 2023 LAPFF Conference entitled 'Action + Impact' was held between 6 and 8 December 2023. In accordance with prior approval, and as part of the Fund's commitment to ensuring those charged with decision-making and financial management have effective knowledge and skills, the conference was attended by Cllr Stephen Garner with an officer attending some of the sessions online. Details of the main sessions are set out below. It should be noted that the views set out are those of the presenters, not of LAPFF or the Nottinghamshire Pension Fund.

Day one

3. ***A watershed moment: How can water companies better deliver environmental value?***
Richard Eadie, Head of Corporate Strategy, Sustainability & Transformation, Severn Trent Plc
How can investors promote positive environmental outcomes with water companies?
Simon Davy, Head of Real Assets, LPPI Moderator: Councillor Doug McMurdo, LAPFF Chair

The presenters illustrated both the opportunities and challenges of achieving environment outcomes for water companies.

4. ***Responding to the climate emergency: How are LGPS Funds and Pools managing climate-related financial risk***
Sian Kunert – East Sussex Pension Fund, Jane Firth, Border to Coast Pensions Partnership. Tom Harrington, GMPF/NLGPS, LAPFF Executive, Will Lidbetter, EAPF Member Representative and Pensions Committee Member
Moderator: Marika Mansley, PIRC Limited

A conversation considering how LGPS Funds and pools are approaching the management of climate-related risk.

5. ***The Success of Shareholder Resolutions in 2023***
Brad Lander, New York City Comptroller
Moderator: Councillor Doug McMurdo, Chair, LAPFF

Brad shared details of some of New York City's successful shareholder resolutions during 2023.

6. Escalating action: LAPFF Voting on Climate

Paul Hunter, PIRC Limited

Moderator: Councillor Mark Norris, RCT Pension Fund, LAPFF Executive

Paul described some of the climate related activity undertaken by LAPFF during the year.

7. Shareholder resolutions coming up in 2024

Lisa Hayles, Director of International Shareholder Advocacy, Trillium Asset Management, Martin Buttle, Better Work Lead, CCLA, Emma Pullman, Head of Shareholder Engagement & ESG, BCGEU

Moderator: Tom Harrington, GMPF/NLGPS, LAPFF Executive

Three presentations of upcoming Shareholder resolutions in 2024.

Day Two

8. Why Proxy Voting Choice is essential for investors in passive funds

Rob Skelton, First Actuarial, Georgia Stewart, Founder, Tumelo, Councillor Heather Johnson, LB Camden Pension Fund, Councillor John Gray, LB Newham, LAPFF Executive

Moderator: Tom Powdrill, PIRC Limited

A presentation about the opportunities and the importance for a proxy voting process to allow clients to vote based on their own policies.

9. The ESG Backlash: What should LGPS funds and pools expect from their asset managers?

Damon Silvers, Visiting Professor of Practice at University College London's Institute for Innovation and Public Purpose, and at Newcastle University,

Moderator: Councillor Doug McMurdo, LAPFF Chair, LAPFF Executive

The ESG backlash: How are asset managers responding?

John Hoeppner, Head of US Investment Stewardship, LGIM, Lisa Hayles, Director of International Shareholder Advocacy Trillium Asset Management, Juliette Vartikar, Sustainable Investing Director, UBS

Moderator: Councillor Toby Simon, Avon PF, LAPFF Executive

Two sessions considering the ESG backlash from the perspective of the LGPS, and the reaction of asset managers.

10. Avoiding a market for lemons: Should investors be concerned by the listing rules review?

Sir Philip Augar, independent commentator on Banks and other issues

Moderator: Tim Bush, PIRC Limited

Concerns that the review of the listing rules may lead to a reduction in requirements for listing companies.

11. Lead the Charge: Ensuring a clean and equitable EV supply chain

Speakers: Mat McDermid, Program Director, The Sunrise Project, Cecilia Mattea, Transport & Environment

Moderator: John Anzani, Lothian Pension Fund, LAPFF Executive)

Despite the benefits of electric vehicles, the potential negative environmental and social consequences of their manufacture need to be considered.

12. Seeing the unseen: What role can investors play in ending Modern Day Slavery

Lucy Mann, Senior Business Engagement Manager, Unseen UK

Moderator: Rachel Brothwood, WMPF, LAPFF Executive)

A presentation on the impact investors can have on this important issue.

13. Power of nature: How can investors manage nature-related risks and tackle the biodiversity crisis.

Isobel Rosen, Investor Outreach Analyst, FAIRR Initiative, Norah Berk, Senior Programme Manager, Nature Action 100 & IIGCC

Moderator: Cllr Rob Chapman, LB Hackney Pension Fund, LAPFF Executive

A consideration of the increasing concern over reducing biodiversity and nature-related risks.

14. Getting to net zero: the role of alternatives

James Penney, Chair, Darwin Alternatives, Paddy Dowdall, GLIL, Greg McClymont, Executive Director, Public Affairs, Policy & Strategy, IFM,

Moderator: Euan Miller, WYPF, LAPFF Executive

Despite the difficulty in assessing climate data alternative assets, these presentations illustrated the benefits that alternatives can offer in the journey to net zero.

Day Three

15. The Great Pay Divide: Is it a financial necessity?

Will Hutton, President of the Academy of Social Sciences, Co-Chair, The Purposeful Company and Observer Columnist, Sebastian Bachelier, Senior Programme Manager, Living Wage Foundation

Moderator: Councillor Ged Cooney, GMPF, LAPFF LTD)

A consideration of whether, in a competitive market we are attracting the best people into companies in the UK or whether we need to increase executive pay to compete with other markets such as the US.

16. Levelling up: What have Local Authorities Learnt from the Debate?

Barry Quirk, Special Advisor to the LGA on the Professional Development of Chief Executives

Moderator: Neil Sellstrom Tyne & Wear Pension Fund, LAPFF Executive

As the debate continues, and there are no easy answers there may be some lessons to learn.

17. Dave Fishwick, Burnley Savings and Loans (The Bank of Dave)

Moderator: Councillor Doug McMurdo, Chair, LAPFF Executive)

An entertaining and engaging session which illustrated some of the issues in the banking industry.

Statutory and Policy Implications

18. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability, and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATIONS

- 1) That Pension Fund Committee members continue to attend appropriate conferences to enable members to be kept up to date with the main national topics relating to investments.
- 2) That Members consider if there are any actions they require in relation to the issues contained within the report

Tamsin Rabbitts

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For any enquiries about this report please contact: Tamsin Rabbitts

Constitutional Comments (LPW 15/02/24)

19. The proposals in this report are within the remit of the Nottinghamshire Pension Fund Committee.

Financial Comments (TMR 30/01/24)

20. There are no financial implications arising from this report.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

None