

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

1. To report on the Local Authority Pension Fund Forum (LAPFF) business meeting held in London on 30 January 2019.

**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. In 2018 membership was also extended to cover pension fund pools. LAPFF membership currently stands at 79 funds and 5 pools (shown at Appendix A) with combined assets of over £230 billion. It is consequently able to exert significant influence over companies in which funds are invested.
3. LAPFF exists 'to assist Administering Authorities discharge their statutory responsibilities and promote the long-term investment interests of UK local authority pension funds. In particular, it seeks to maximise their influence as investors to promote corporate social responsibility and high standards of corporate governance amongst the companies in which they hold an interest, commensurate with statutory regulations'. 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 Forum 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 boards, committees and their supporting administrative staff, as well as to other interested parties from national, local and regional governments.
4. The business meeting was attended on behalf of Nottinghamshire Pension Fund by an officer representative.
5. The meeting noted the recent death of LAPFF Chair Ian Greenwood, who died in November after a short illness.
6. In its ongoing business the meeting was pleased to note that the independent ("Kingman") review of the Financial Reporting Council (FRC) had concluded that the FRC is not fit for

purpose, precisely in line with the criticisms developed by LAPFF over the past few years. LAPFF believes that the FRC needs to be replaced by a purely public-sector entity wholly answerable to government.

7. At the meeting an update on LAPFF's engagement work to December 2018 was provided. A copy of the latest engagement report is attached as background. For information, all LAPFF engagement reports can be found here:  
<http://www.lapfforum.org/publications/qrtly-engagement-reports/>
8. The meeting concluded with a presentation by Dr Barnali Choudhury from University College London School of Law on the Modern Slavery Act. She emphasized the need to include measures to address modern slavery in the company engagement process.

## **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 Pension Fund Committee members consider whether there are any actions they require in relation to the issues contained within the report.

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### **Constitutional Comments (KK 01/04/2019)**

10. This is an updating information report and Pension Fund Committee is the correct body for considering that information and any further action which members may wish to take in light of that information.

### **Financial Comments (TMR 16/04/2019)**

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

## **Background Papers**

- LAPFF constitution
- LAPFF Quarterly Engagement Report October to December 2018