



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) hybrid business meeting (held via Zoom and in person at the LGA) on 25 January 2023.

Information and Advice

2. LAPFF was formed in 1990 to provide an opportunity for the UK's local authority pension funds and pools to discuss investment and shareholder engagement issues. Membership currently stands at 86 funds and 6 pools (Brunel has recently let its membership of LAPFF lapse). A list of members is shown at Appendix A. 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 agenda included, among other things, a summary of a recent Executive discussion regarding tensions between the engagement expectations of pools and their constituent authorities, particularly on climate change and human rights. "As pools become more like third party fund managers, which may be a result of leadership, recruitment and pay, then it might be expected that attitudes of pools could be different to LAPFF fund members." LAPFF prefers to engage with company directors, whereas fund managers tend to engage only with a company's investor relations team, so this too could potentially create pool-fund tensions. The Executive requested that it be apprised of any such tensions within the membership that the situation may be assessed.
5. An update on LAPFF's engagement work in the previous quarter was presented. The engagement stories in the report covering the quarter to December 2022 related mainly

to mining and energy companies – BHP, Vale, Anglo American, Glencore, Rio Tinto, Drax. LAPFF has concerns about Drax's source of sustainable wood pellets to fuel its power plants, and its engagement with Drax on this matter is ongoing.

6. Copies of the latest engagement reports are attached as background, but all LAPFF engagement reports can be found on the LAPFF website:

<https://lapffforum.org/publications/category/quarterly-engagement-reports/>

Statutory and Policy Implications

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

Nigel Stevenson

Service Director – Finance, Infrastructure and Improvement

For any enquiries about this report please contact: Ciaran Guilfoyle

Constitutional Comments (KK 29/03/2023)

8. This is an updating information report and Nottinghamshire 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 03/04/2023)

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

Background Papers

- LAPFF constitution
- [LAPFF Quarterly Engagement Report October to December 2022](#)

Membership of LAPFF as at January 2023

Funds

- 1) Avon Pension Fund
- 2) Barking and Dagenham Pension Fund
- 3) Barnet Pension Fund
- 4) Bedfordshire Pension Fund
- 5) Berkshire Pension Fund
- 6) Bexley (London Borough of)
- 7) Brent (London Borough of)
- 8) Cambridgeshire Pension Fund
- 9) Camden Pension Fund
- 10) Cardiff & Glamorgan Pension Fund
- 11) Cheshire Pension Fund
- 12) City of London Corporation Pension Fund
- 13) Clwyd Pension Fund (Flintshire CC)
- 14) Cornwall Pension Fund
- 15) Croydon Pension Fund
- 16) Cumbria Pension Fund
- 17) Derbyshire Pension Fund
- 18) Devon Pension Fund
- 19) Dorset Pension Fund
- 20) Durham Pension Fund
- 21) Dyfed Pension Fund
- 22) Ealing Pension Fund
- 23) East Riding Pension Fund
- 24) East Sussex Pension Fund
- 25) Enfield Pension Fund
- 26) Environment Agency Pension Fund
- 27) Essex Pension Fund
- 28) Falkirk Pension Fund
- 29) Gloucestershire Pension Fund
- 30) Greater Gwent Pension Fund
- 31) Greater Manchester Pension Fund
- 32) Greenwich Pension Fund
- 33) Gwynedd Pension Fund
- 34) Hackney Pension Fund
- 35) Hammersmith and Fulham Pension Fund
- 36) Haringey Pension Fund
- 37) Harrow Pension Fund
- 38) Havering Pension Fund
- 39) Hertfordshire Pension Fund
- 40) Hounslow Pension Fund
- 41) Isle of Wight Pension Fund
- 42) Islington Pension Fund
- 43) Kensington and Chelsea (Royal Borough of)
- 44) Kent Pension Fund
- 45) Kingston upon Thames Pension Fund
- 46) Lambeth Pension Fund
- 47) Lancashire County Pension Fund
- 48) Leicestershire Pension Fund
- 49) Lewisham Pension Fund

- 50) Lincolnshire Pension Fund
- 51) London Pension Fund Authority
- 52) Lothian Pension Fund
- 53) Merseyside Pension Fund
- 54) Merton Pension Fund
- 55) Newham Pension Fund
- 56) Norfolk Pension Fund
- 57) North East Scotland Pension Fund
- 58) North Yorkshire Pension Fund
- 59) Northamptonshire Pension Fund
- 60) Nottinghamshire Pension Fund
- 61) Oxfordshire Pension Fund
- 62) Powys Pension Fund
- 63) Redbridge Pension Fund
- 64) Rhondda Cynon Taf Pension Fund
- 65) Scottish Borders Council
- 66) Shropshire Pension Fund
- 67) Somerset Pension Fund
- 68) South Yorkshire Pension Authority
- 69) Southwark Pension Fund
- 70) Staffordshire Pension Fund
- 71) Strathclyde Pension Fund
- 72) Suffolk Pension Fund
- 73) Surrey Pension Fund
- 74) Sutton Pension Fund
- 75) Swansea Pension Fund
- 76) Teesside Pension Fund
- 77) Tower Hamlets Pension Fund
- 78) Tyne and Wear Pension Fund
- 79) Waltham Forest Pension Fund
- 80) Wandsworth Borough Council Pension Fund
- 81) Warwickshire Pension Fund
- 82) West Midlands Pension Fund
- 83) West Yorkshire Pension Fund
- 84) Westminster Pension Fund
- 85) Wiltshire Pension Fund
- 86) Worcestershire Pension Fund

Pools

- 1) Border to Coast Pension Partnership
- 2) LGPS Central
- 3) Local Pensions Partnership
- 4) London CIV
- 5) Northern LGPS
- 6) Wales Pension Partnership