

LGA Special Interest Group Annual Report to LGA Board

SIG Name:	Local Authority Pension Fund Forum
Lead Member:	LAPFF Executive Committee
Lead Officer:	Doug McMurdo, LAPFF Chair

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Membership

Avon Pension Fund
 Barking and Dagenham Pension Fund
 Barnet Pension Fund
 Bedfordshire Pension Fund
 Bexley Pension Fund
 Border to Coast Pensions Partnership
 Brent Pension Fund
 Brunel Pensions Partnership
 Cambridgeshire Pension Fund
 Camden Pension Fund
 Cardiff & Glamorgan Pension Fund
 Cheshire Pension Fund
 City of London Corporation Pension Fund
 Clwyd Pension Fund (Flintshire CC)
 Cornwall Pension Fund
 Croydon Pension Fund
 Cumbria Pension Fund
 Derbyshire Pension Fund
 Devon Pension Fund
 Dorset Pension Fund
 Durham Pension Fund
 Dyfed Pension Fund
 Ealing Pension Fund
 East Riding Pension Fund
 East Sussex Pension Fund
 Enfield Pension Fund
 Environment Agency Pension Fund
 Falkirk Pension Fund
 Gloucestershire Pension Fund
 Greater Gwent Pension Fund
 Greater Manchester Pension Fund
 Greenwich Pension Fund
 Gwynedd Pension Fund
 Hackney Pension Fund
 Hammersmith and Fulham Pension Fund

Haringey Pension Fund
Harrow Pension Fund
Havering Pension Fund
Hertfordshire Pension Fund
Hounslow Pension Fund
Islington Pension Fund
Kingston upon Thames Pension Fund
Lambeth Pension Fund
Lancashire County Pension Fund
Leicestershire Pension Fund
Lewisham Pension Fund
LGPS Central
Lincolnshire Pension Fund
London CIV
London Pension Fund Authority
Lothian Pension Fund
Merseyside Pension Fund
Merton Pension Fund
Newham Pension Fund
Norfolk Pension Fund
North East Scotland Pension Fund
North Yorkshire Pension Fund
Northern LGPS
Northamptonshire Pension Fund
Northumberland Pension Fund
Nottinghamshire Pension Fund
Oxfordshire Pension Fund
Powys Pension Fund
Redbridge Pension Fund
Rhondda Cynon Taf Pension Fund
Shropshire Pension Fund
Somerset Pension Fund
South Yorkshire Pension Authority
Southwark Pension Fund
Staffordshire Pension Fund
Strathclyde Pension Fund
Suffolk Pension Fund
Surrey Pension Fund
Sutton Pension Fund
Swansea Pension Fund
Teesside Pension Fund
Tower Hamlets Pension Fund
Tyne and Wear Pension Fund
Wales Pension Partnership
Waltham Forest Pension Fund
Wandsworth Borough Council Pension Fund
Warwickshire Pension Fund
West Midlands ITA Pension Fund
West Midlands Pension Fund
West Yorkshire Pension Fund
Westminster Pension Fund

Wiltshire Pension Fund
Worcestershire Pension Fund

Chair - Councillor Doug McMurdo Bedfordshire Pension Fund
Vice-Chair – Councillor Rob Chapman, Hackney Pension Committee
Vice-Chair – Councillor John Gray, Newham Pension Fund
Hon Treasurer – Rachel Brothwood, West Midlands Pension Fund
Executive – John Anzani, Lothian Pension Fund
Executive – Rodney Barton, West Yorkshire Pension Fund
Executive – Councillor Glyn Caron, Greater Gwent Pension Fund
Executive - Ged Cooney, NLGPS
Executive – Tom Harrington, Greater Manchester Pension Fund
Executive – Councillor Yvonne Johnson, Ealing Pension Fund
Executive – Abigail Leech, Lancashire County Pension Fund
Executive – Councillor M Taqueer Malik, NESPF
Executive – Councillor Eddie Pope, Lancashire Pension Fund
Executive – Helen Price, Brunel Pension Partnership
Executive – Councillor Andrew Thornton, West Yorkshire Pension Fund
Executive – Jill Whitehead, Sutton Pension Fund

Aim

The Local Authority Pension Fund Forum (LAPFF) is the UK's leading collaborative shareholder engagement group. Formed in 1990, LAPFF brings together 82 public sector pension funds and six pools from across the UK with combined assets of over £300 billion, representing a majority of funds under management by local authorities.

LAPFF exists to promote the investment interests of local authority pension funds in the UK, and to maximise their influence as shareholders to promote corporate responsibility and high standards of corporate governance amongst the companies in which they invest.

Forum members meet quarterly to discuss and debate a broad range of investment issues concerned with shareholder responsibilities and engagement activities. During the year, members discuss papers on a wide range of topics, with meetings being serviced by PIRC Limited, as the appointed research and engagement partner to the Forum. Keith Bray, formerly County Treasurer at South Glamorgan County Council and Director of Finance at the City of Cardiff Council, is the Forum officer with the role of promoting the work of LAPFF generally and amongst existing and prospective members.

Key Activities / Outcomes of work undertaken

LAPFF provides a platform for discussion of investment issues and shareholder engagement for LGPS funds and pool companies. Member investment activities have important implications for beneficiaries, local communities and the wider economy. The collective influence gained by members collaborating on common concerns has an impact in relation to the companies in which they invest.

- During the year under review, LAPFF undertook 824 engagements including over 62 face-to-face meetings with companies, attending seven AGMs and issuing 16 voting alerts which primarily related to carbon risk reporting. LAPFF's work was been covered by a wide variety of UK and global media outlets.

- LAPFF's presence in the policy domain was maintained through a number of consultation submissions. A significant development on tax transparency was the Global Reporting Initiative's (GRI) consultation on a tax standard to add to its ESG reporting toolkit. The Forum responded to this consultation and supported its development and use. The Forum also engaged with the policymaking process through responses to government consultations and directly through meetings with politicians and policy makers. The importance of this can be seen most clearly in the Forum's engagement on the FRC and financial reporting standards. This has involved both engaging with MPs on Select Committees and, more widely, assisting MPs putting down Parliamentary Questions.

- The Forum engaged with a number of companies on employment standards including Ryanair. LAPFF has routinely engaged with unions and workers in previous years, recognising the important information these stakeholders can provide about investee companies. This has included speaking to unions about developments at Ryanair and having workers share their insights at a LAPFF investor briefing.

- Understanding and responding to the investment implications of climate change as a systemic risk continued to be a high priority for LAPFF members and a core element of the LAPFF work plan during the year, with direct company engagement across a number of sectors, including transport. In collaborative engagement with the Climate Action 100_ initiative, LAPFF co-led engagement with ArcelorMittal and National Grid as well as supporting engagement with a number of other companies. These engagements focused on a range of topics under the climate umbrella including target setting, capital allocation, climate accounting, climate lobbying and water risk management among others.

- A recurring theme for the year under review was increasingly around incorporating stakeholder engagement into the engagement process. LAPFF strongly believes that appropriate stakeholder engagement is fundamental in understanding the complete picture in cases where there are large-scale community impacts. Specifically, LAPFF has been the stakeholder liaison in the investor tailings dam initiative and facilitated calls between community representatives and the lead investors in the initiative, and has presented community statements to meetings of the initiative participants. LAPFF Executive members have also met with community representatives from Arizona, US and Madagascar in relation to Rio Tinto and BHP projects.

- LAPFF continued to extend its reach through regular meetings of the All Party Parliamentary Group (APPG) on Local Authority Pension Funds. The APPG is chaired by Clive Betts MP, chair of the Communities and Local Government Select Committee. Pooling and climate remained a prominent topic for discussion alongside opportunities for members in infrastructure investment. LAPFF also continued its programme of fringe meeting events during the party political conference season with meetings organised at the Labour, Conservative, Liberal Democrats and Scottish Nationalist Party conferences.