



Local Authority Pension Fund Forum
LAPFF Business Meeting minutes
Tuesday 25 March 2014

Minutes

1. Apologies

Received from:

Cllr Doug McMurdo	Bedfordshire Pension Fund
Cllr Terry Davies	Dyfed Pension Fund
Dylan Jones	Dyfed Pension Fund
Mark Lyon	East Riding Pension Fund
Nick Weaver	Hampshire Pension Fund
Cllr Peter Brayshaw	LB Camden
Howard Bluston	LB Harrow
Cllr Richard Greening	LB Islington
Cllr Alec Kellaway	LB Newham
Susan Martin	LPFA
Marlyn McConaghie	Lothian Pension Fund
Cllr Pat Glasman	Merseyside Pension Fund
David Murphy	NILGOSC
Alex Younger	Norfolk Pension Fund
Cllr Bert Turner	West Midlands Pension Fund

The Chair advised the meeting that Howard Bluston was unable to attend due to ill health. The Chair asked that a get well message be sent to Howard from LAPFF.

Present:

Liz Woodyard	Avon Pension Fund
Cllr Mike Drew	Avon Pension Fund
Geoff Reader	Bedfordshire Pension Fund
Gill Welbourn	Cumbria
John Shepherd	East Sussex Pension Fund
Alastair McGirr	Falkirk Pension Fund
Tom Harrington	Greater Manchester Pension Fund
Cllr Kieran Quinn	Greater Manchester Pension Fund
Keith Bray	LAPFF Officer
Peter Taylor	LB Camden
Cllr Toby Simon	LB Enfield
Cllr John Gray	LB Newham
Caroline Watson	LB Southwark
Cllr Nev Jackson	Lincolnshire CC
Cllr Cameron Rose	Lothian Pension Fund
Robert Mayes	Norfolk Pension Fund
Ciaran Guilfoyle	Nottinghamshire Pension Fund
Cllr Alastair Bews	North East Scotland Pension Fund
Caroline Mann	North East Scotland Pension Fund
Fiona Jump	Royal Borough of Greenwich Pension Fund
Caroline Watson	LB Southwark
Jane Firth	SYPA
Tim Byford	Staffordshire
David Evans	West Midlands Pension Fund
Geik Drever	West Midlands Pension Fund

Rodney Barton
Ian Greenwood

West Yorkshire Pension Fund
West Yorkshire Pension Fund

In attendance:

Tim Bush
Alix Foulonneau
Janice Hayward
Alan MacDougall
Tessa Younger

PIRC Ltd
PIRC Ltd
PIRC Ltd
PIRC Ltd
PIRC Ltd

2. Declarations of interest

None

3. Approve minutes of the LAPFF business meeting held on 22 January 2014

The minutes were agreed.

4. Note minutes of LAPFF Executive meeting held on 11 March 2014.

The minutes were noted.

5. Report of the Hon Treasurer

GD presented the report.

The report was noted.

6. Forum Officer's report

KB presented the report.

KB also raised two issues on behalf of member funds.

LAPFF had distributed a questionnaire on behalf of SYPA, so far SYPA have received 21 replies. It would be appreciated if more members could respond to the SYPA questionnaire.

LB Barking & Dagenham could not attend the meeting, and had asked KB to raise the issue of the Share Action letter to LAPF funds regarding the proposed drilling for oil in the Arctic by Shell.

TY advised that LAPFF had engaged and met previously with Shell but not specifically on the Arctic drilling issue.

It was agreed that a meeting request be sent to Shell to discuss the issues regarding the Arctic drilling. It was also agreed that a briefing note be prepared for LAPFF members in response to the Share Action report.

7. Shadow Pension Board update (verbal report)

KQ advised that the board were working on the call for evidence data. KQ also advised that a special meeting of the board had recently been scheduled with the minister but unfortunately the minister was unable to attend.

IG reported on the Investment and Engagement sub committee work. IG advised that the Counsel's opinion that had been commissioned on fiduciary would be available soon on the Pensions Board website.

Cllr Neville Jackson asked where the board was with regard to the original timetable, KQ advised that they were approximately six months behind.

IG advised that the report on LAPFF engagement would be presented at the next meeting of the Investment and Engagement Sub committee.

8. Barclays; pay and dividends

TB presented the report.

The recommendations were agreed.

9. Majority controlled companies update

TB presented the report.

IG proposed that a meeting is arranged with Schrodgers as an example of a well run family company.

The recommendations were agreed.

10. Quarterly engagement report

TY presented the report.

TY advised that Cllr Peter Brayshaw of LB Camden, had attended the Lonmin AGM on behalf of LAPFF and asked a question regarding progress on the 'five-point plan'.

LAPFF also met with Afren represented by Cllr Toby Simon to discuss executive remuneration. KB attended as an observer.

Cllr Simon also attended the meeting with Roche Holdings where discussions with the company focussed on pay with particular emphasis on the CEO pay of £8 million which is more than their competitors executives' remuneration.

LAPFF also met with the Hong Kong based Jardine Matheson for the first time, and was represented by Peter Brayshaw and Geik Drever. LAPFF discussed the importance of independent directors given that the Keswick family is a controlling shareholder and three family members are directors.

TB presented an update on reliable accounts, that included EU and the governance of the IASB, and a plan for the continued engagement with the banks.

The report was noted.

11. Training for members

TY presented the report.

The recommendations were agreed.

12. PRI Questionnaire response

The report was noted.

13. Pensions Board IE Sub committee report

The report was noted.

14. List of Business meeting dates, 2014 and 2015

The report was noted.

15. Presentation: Richard Murphy 'The Fair Tax Mark'

Richard presented the 'The Fair Tax Mark' which launched in February 2014. This is initially for UK based companies, and the aim is for companies to advertise that they have a low tax risk.

The Fair Tax Criteria is as follows:

Companies must:

- Have a tax policy that's published and avoids tax risk
- Be transparent about where they undertake what activities and indicate its scale
- Publish very clear tax data in their accounts – both numerically and with narrative explanation
- Make clear they don't avoid tax

Richard also set out areas where the Fair Tax Mark is encouraging better disclosure, such as the company's tax policy, tax risk, tax liabilities etc.

The goal of the Fair Tax mark is for tax reporting standards to deliver the information that consumers, investors, the investment community, companies and the accounting community need.

Richard asked the meeting whether LAPFF would want to be involved and what that input might be.

KQ thanked Richard for his presentation.

There followed a Q&A session with the members, some are included in these minutes.

Q: What will companies gain from 'The Fair Tax Mark'?

A: They will be able to display the logo on their materials. This will alert consumers, investors etc to the fact that they have adhered to the principles, thereby reducing risk and reputational damage.

Q: What do you want from the investor community and does it involve money/contribution.

A: Read the documentation and come to some of the meetings of the technical group.

Q: What is the Treasury's attitude to this?

A: Caroline Lucas has welcomed it, saying that it would have to be managed properly.

Q: Why not go to the government and ask what is legal and what is illegal and let the companies take the necessary action.

A: Some companies may operate in numerous countries and they can choose which law and which accounting system they want to use. What is legal is an extremely grey area.

16. Any other business

There was no other business.