

MEETING	PENSIONS COMMITTEE
DATE	20 JANUARY 2014
TITLE	18th ANNUAL LAPFF CONFERENCE “Licence to Operate – Holding Companies to Account”
PURPOSE	To inform the members of the Pensions Committee of the benefits gained from attending the conference
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1. INTRODUCTION

The LAPFF conference was held at the Highcliff Marriot Hotel in Bournemouth in December 2013 and was attended by Councillor John Pughe Roberts and Caroline Roberts, Investment Manager. A number of presentations were made from various bodies and individuals who are involved in trying to improve governance, sustainability and accountability for the benefit of businesses and their shareholders. Brief summaries of some of the presentations are included in this report.

2. ACTIVIST INVESTOR PANEL

The opening session was comprised several presentations on the impact that active engagement from shareholders can enhance the value of companies. The investors concerned illustrated how their close involvement with their investee companies improved the businesses. This type of investing involves detailed assessment of suitable investment and close working with the investee business over the longer term to achieve good returns.

3. NATIONAL LGPS PROCURMENT FRAMEWORK

Nicola Mark, Head of Norfolk Pension Fund gave a presentation on the procurement framework which has been set up for pension funds to collaborate on procurement and save time and money by removing the need to independently undertake full European union procurement. Individual funds can join the framework and then appoint a contractor in a 4 – 6 week period rather than a 6 – 9 month process. A number of funds are already using the frameworks.

Existing frameworks include:

- Actuarial and Benefit Consultancy Services
- Investment Consultancy Services
- Global Custody Services

The next framework will be Legal Services.

This is an opportunity to save costs and time when tendering for these services.

4. GOOD DIRECTORS

This presentation by Deborah Gilshan of RPMI Railpen Investments demonstrated the difference between good directors and bad directors. The qualities of a good company director include focus on culture and values, robust oversight of management and accountability to shareholders. She noted that UK board structures and engagement of directors tend to be better than US boards and she called for US independent directors to develop shareholder engagement strategies in order to establish respect and understanding and create a culture of no surprises. There are examples of best practice but many companies need to improve the effectiveness of their boards.

5. MEDIA STANDARDS DEBATE

An interesting presentation was given by Martin Hickman, co-author of 'Dial M for Murdoch' on the phone-hacking saga at News of the World. He explained the culture at the paper and the lack of governance which allowed the phone-hacking to take place. He stressed the need for improvement in media standards and reform of governance needed, including an independent Chairman of the Board. This is a matter that LAPFF have been pursuing with News International on behalf of its members.

6. CONCLUSION

The conference provided information about the work being done in the interests of all shareholders by LAPFF and other firms and individuals. A number of representatives of the larger LGPS funds in England and Wales commit significant time and resources to this process on behalf of all the LAPFF members and they have more influence on the businesses with which they engage as they have the backing of all the members in LAPFF.