

UK local authority funds to quiz FTSE350 companies on pay

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The UK's Local Authority Pension Fund Forum, which represents 52 schemes with a combined £90bn (€100bn) in assets, is to approach companies in the FTSE350 as part of a long-term research project into executive pay levels and will target companies for lobbying where it believes remuneration is not being adequately supervised.

The forum says the new research project aims to find out the basis on which remuneration committees "use their discretion" in setting top remuneration. LAPFF said it would use the data to encourage more informative company reporting on board pay and is seeking other institutional shareowners to join the project.

The pension fund body said it would review both the processes adopted by remuneration committees and the performance metrics employed.

The LAPFF is developing a target group of 15 companies to form the basis of its 2010 global focus list, where it approaches the company seeking to change its policy. As part of its research, it will also look at the role of UK remuneration consultants in helping set board pay.

Meanwhile, the London Boroughs of Enfield and Ealing are the latest pension funds to join the LAPFF.

Paul Reddaway, Enfield's Head of Treasury and Pensions said in a statement that the move would give it "a bigger voice in the world of corporate governance".

Bridget Uku, Ealing's treasury and investments manager, added: "Joining the LAPFF will enhance Ealing Pension Fund's responsible investment objective. We are delighted that our membership recognised the potential benefits of collaborative engagement."