



FOR IMMEDIATE RELEASE

**New report outlines how the next phase in UK climate policy can boost investment in the green transition**

<https://lapfforum.org/wp-content/uploads/2024/08/LAPFF-UK-CLIMATE-POLICY.pdf>

The Local Authority Pension Fund Forum (LAPFF) today has issued a report outlining how UK government can ensure policies support investment in climate action while boosting competitiveness and long-term growth.

The report produced by LAPFF, which represents 87 local authority pension funds and seven pool companies with £350bn AUM, acknowledges the significant progress achieved, including coal use being largely eliminated and the growth in renewable energy. However, the report (“Maximizing impact and competitiveness: LAPFF recommendations for UK climate policy”) states that the next stage of addressing the energy transition will be more challenging.

To deliver investment in the transition and make the UK a green finance centre, the report outlines attributes of good policy from an investor perspective. These include policy being:

- **Consistent:** a long-term consistent policy framework enables investors and companies to plan ahead, allocate resources to areas in confidence and supports the development of businesses able to use investor capital effectively.
- **Financially material:** market instruments such as charges for pollution and fiscal incentives need to be sufficient to impact risks and returns meaningfully. As fiduciary investors, asset owners cannot subsidise uneconomic investments but can help overcome market inertia and caution.
- **Technologically realistic:** meeting the climate change challenge will require new technologies. Policy should support this but should be balanced and neutral in its focus. In particular, it should avoid excess focus on technologies, which have failed to make progress in the past or are speculative and unproven.
- **Internationally competitive:** there is an international market for capital, and investors and companies will allocate to those markets with the greatest potential.

The report states that there have been past missteps in government policy which have risked investor confidence. The report highlights concerns about reliance on CCS and



recommends that support is focused on cost-effective, innovative climate solutions in key industrial sectors such as iron and steel, housing and transport and the general electrification of industry.

The report makes the case for focusing on short-term actions and ensuring a just transition that creates new employment opportunities. It outlines specific actions by sector, including expansion of onshore wind and storage, accelerating action on domestic heating (including through addressing skills shortages), and ensuring expansion of the EV rollout through a focus on affordability.

**Cllr Doug McMurdo, Chair of LAPFF, said:**

“LAPFF has engaged with many leading companies on their climate plans. However, if investors are to fully play their role in reducing the environmental, social and economic risks that climate change poses, then we need supportive government policies. This means having policy consistency with the right fiscal incentives and focused on deliverable solutions. Getting this right will help support long-term growth, advance the UK’s position as a green finance hub and ultimately deliver on our climate commitments.”

**ENDS>**

**07 August 2024**

**For further information:**

Alistair Tucker  
PIRC Ltd, (research and engagement partner to LAPFF)  
Email: [alistair.tucker@lapfforum.org](mailto:alistair.tucker@lapfforum.org)

**About the Local Authority Pension Fund Forum:** The Local Authority Pension Fund Forum (LAPFF) is a voluntary association of 87 public sector pension funds and seven pool companies based in the UK with combined assets of over £350 billion. It exists to ‘promote the long-term investment interests of local authority pension funds, and to maximise their influence as shareholders to promote corporate responsibility and high standards of corporate governance amongst the companies in which they invest.’ PIRC is the Research and Engagement partner to LAPFF.

<https://lapfforum.org/>.

**About the report**



A full copy of the report, 'Maximising impact and competitiveness: LAPFF recommendations for UK climate policy', can be found here: <https://lapfforum.org/wp-content/uploads/2024/08/LAPFF-UK-CLIMATE-POLICY.pdf>