

The information in this letter is only for the person or entity to which it is addressed.
The contents may not be made public by the recipient before the FRC publishes the
UK Stewardship Code signatory list on Wednesday, 30 August 2023.

Mr James Lake
London Borough of Hillingdon
Civic Centre
High Street
Uxbridge
UB8 1UW

Thursday, 24 August 2023

Application Outcome: Renewal Successful

Dear Mr Lake

Thank you for submitting your Stewardship Code application.

We are pleased that London Borough of Hillingdon continues to meet the expected standard of reporting and will remain a signatory to the UK Stewardship Code ('the Code').

We will update the list of signatories and reports on our website on **30 August 2023**. The UK Stewardship Code logo is included in the folder with this letter. Please note that your use of the logo is subject to the terms and conditions and the *UK Stewardship Code logo user guide*.

Please treat this letter as confidential until the FRC has updated the list. Once the FRC has updated the list of signatories, please publish your report on your website.

We reviewed your report and assessed it against the Code in a way that is proportionate to your organisation's size and type. This assessment was then reviewed to ensure it was fair and appropriate. A sample of reports reflecting a range of applicants was also reviewed by our panel of independent advisors to ensure consistency.

Below is a summary of the areas where we identified scope for further improvement when you submit your next report.

Feedback on your report

We have reviewed your new Stewardship Report and although it continues to meet the standard required to remain a signatory, there are several areas where you have not addressed our feedback. Your signatory status may be at risk if you do not address our feedback in future reporting.

With reporting on Principle 1, the information under the “Culture and values” heading is more relevant to the reporting expectation around the Fund’s investment beliefs. In future, you should explain the fundamental values that underpin your organisation’s stewardship approach and the behaviours of your people.

We note that with reporting on Principle 3, the case study concerning Isio has been repeated from your previous report. We welcome signatories providing illustrative examples from outside the reporting period in circumstances where they have not taken a particular action in the reporting period, but we would encourage you to explain where this is the case. Provide dates that clearly state when something occurred and explain why it was preferable to include it over a more recent example.

Principle 5 requires signatories to disclose their approach to review and assurance of stewardship activities. Your report notes that the Fund seeks external and internal assurance on its governance structure, and you do not seek external assurance on your stewardship approach. In future, you should explain the rationale for these methods, including why it is not appropriate to seek assurance on your internal stewardship approach. You should also explain how you have ensured that the content of your report is fair, balanced and understandable.

Your report has provided fewer examples of engagement with issuers than your previous report. The Code views engagement to be an essential stewardship activity, and we would encourage you to include more examples of your managers engaging with issuers on your behalf in your next report.

With reporting on Principles 9 and 11, we note that you have included several examples of engagement with London CIV and an example of London CIV engaging with their managers. This reporting is welcome, but it more relevant to expectations within Principle 7 and 8 concerning how you screen, select and monitor your external managers. Principles 9 to 11 are focused on engagement with issuers, and you should include case studies of your service providers and managers engaging with issuers on your behalf during the reporting period. Please ensure that these examples are sufficiently detailed, each explaining the objectives for the engagement, the methods of interaction, a description of what occurred, reflection on the outcome and if there are any next steps.

Your report still does not include any examples of you or your managers participating in collaborative engagement to influence issuers. You should aim to include some examples of this in your next report to address the expectations for Principle 10.

Next steps

The FRC will not publish a Review of Stewardship Reporting in 2023. This is necessary to allow the Stewardship Team to dedicate resource to a review of the policy and regulatory framework for stewardship which will begin this year. The guidance in our Reviews published in 2020, 2021 and 2022 remains relevant and we encourage you to refer to past Reviews as you prepare your next Stewardship Report.

This letter sets out our final decision for this assessment period and we do not discuss individual assessments. To remain a signatory, asset managers and service providers are required to submit a new report by 30 April 2024, and asset owners are required to submit a new report by 31 May 2024. Details about reporting periods and application deadlines are on the FRC's website.

Yours sincerely



David Styles
Director, Corporate Governance and Stewardship