



Minutes of the BCPP Joint Committee

Tuesday 13 March 2018 - Deloittes Offices, 1 City Square, Leeds, LS1 2AL

Present

Members

Councillor John Weighell (Chair)
Councillor Steve Bloundele, Councillor Mark Davinson,
Councillor Sue Ellis, Councillor Tim Evans, Councillor John
Holtby, Councillor Eileen Leask, Councillor Doug McMurdo,
Councillor Bob Stevens, Councillor Eddie Strenghiel, Councillor
Jeff Watson and Councillor Mel Worth

BCPP Ltd

Representatives Rachel Elwell, Chris Hitchen and Fiona Miller

Fund Officers

Amanda Alderson, Ian Bainbridge, Paul Campbell, Alison
Clark, Clare Gorman, George Graham, David Hayward, Neil
Mason, Chris Norton, Nick Orton, Jo Ray, Geoff Reader and
Gill Richards

Statutory Officer Representative(s) Julian Neilson

Apologies for absence were received from Tom Morrison

1 APOLOGIES FOR ABSENCE/DECLARATIONS OF INTEREST

The Chair welcomed everyone to the meeting. Apologies were noted as above.

There was no declarations of interest.

2 MINUTES OF THE MEETING HELD ON 16 JANUARY 2018

Cllr McMurdo requested an addition to his comments regarding the Partner Fund Director proposals and asked that "mention was made regarding how others might view conflicts" be added to paragraph six of the minute item.

It was also noted that Peter George was missing from the list of attendees and that John Harrison was the interim CIO and not the CEO as stated.

RESOLVED – That subject to the amendments above, the minutes of the meeting of the BCPP Joint Committee held on 16 January 2108 be agreed as a true record.

3 ADDITIONAL NON-EXECUTIVE DIRECTOR PROPOSALS - DAVID HAYWARD

A report was considered which set out a proposed role profile for two additional non-executive directors to be selected by the Joint Committee. The paper also made proposals for the conduct of the selection process.

Cllr McMurdo commented that he found the language used in the report confusing with the use of Administering Authority, Partner Fund and Shareholder. It was agreed to just use the word Shareholder, where appropriate.

It was noted that each Shareholder would be sent an invitation to put forward a suitably qualified candidate if they so wished.

Those candidates would then be asked to circulate a short supporting statement to all members of the Joint Committee not less than 14 days before the next meeting of the Joint Committee.

The Joint Committee would be balloted at the July meeting to select two candidates to be put to the Company's Board for approval and then to the Shareholders for consent to their appointment.

The Committee were informed that the criteria for nominees was:

- The nominee be an elected representative.
- The nominee be a fit and proper person in terms of FCA requirement.
- The nominee be able to commit a reasonable amount of time to the performance of the Director role.
- The nominee had the agreement of their "home" Authority.

It was noted that each Shareholder could nominate any of their elected members who fitted the criteria.

With regard to FCA requirements, it was felt that all elected members with the relevant experience would satisfy those requirements.

RESOLVED:

- i) That the Joint Committee agree the Role Profile as set out in Annex 1 to the report subject to amended wording as detailed above.
- ii) That Shareholders be sent an invitation to put forward suitably qualified candidates for election to non-executive director roles.
- iii) That those candidates would be asked to circulate a short supporting statement to all members of the Joint Committee (through the Secretariat) not less than 14 days before the next meeting of the Joint Committee.
- iv) That members of the Joint Committee would be balloted at the July meeting of the Joint Committee to select two candidates to be put to the Company's

board for approval and then to the Shareholders for consent to their appointment.

4 UPDATE ON NATIONAL WORKING GROUPS - JO RAY

A report was submitted which summarised highlights from the national working groups attended since the last meeting of the Joint Committee.

Members were asked to consider whether the report should be removed as a standing item on the agenda with any feedback from the cross pool groups incorporated elsewhere on future agendas.

The Committee felt that the report was still useful and requested that it continued to be a standing item on the agenda.

RESOLVED:

- i) That the report be noted.
- ii) That the Feedback on National Working Groups report continue to be a standing item on Joint Committee agendas.

5 BORDER TO COAST PROJECT UPDATE - FIONA MILLER

A report was submitted which provided an update on the implementation project including further work on planning, Financial Conduct Authority application process, procurement, recruitment, TUPE transfers and T&Cs development and implementation outturn.

Members noted that significant work had been undertaken on the project plan and on 12 February 2018 the final element of this, covering the operating model build, had been received.

The application for approval was submitted to the FCA on 1 February 2018 and the FCA had confirmed both receipt and that BCPP's case manager would be same as for the other pools' applications. Following Board approval, the second tranche of supporting information was submitted on 28 February 2018 together with responses to initial queries.

The Committee noted the top project risks and ongoing organisational risks; the team were working to mitigate these where possible.

Members also considered the implementation budget outturn, including any variances, which was attached as an appendix to the report.

RESOLVED:- That the Committee note the progress to date covering project implementation, associated risks identified and the budget outturn predicted.

6 BORDER TO COAST STRATEGIC UPDATE - RACHEL ELWELL

A report was submitted which gave the Committee a strategic update to February 2018.

Members noted that a number of strategic areas of work had been identified to enable the effective pooling of fund assets via Border to Coast. These included, among others, detailed planning on the funds to be launched in July 2018 and September 2018, selection of external managers, designing the investment processes, agreeing the governance process in Authorities required to approve the transition of assets into each sub-fund and the approach to transition management to ensure due process and value for money.

Much of the work was still ongoing but was due to be completed before the next Committee meeting in July.

The Committee discussed at length the launch of the sub-funds in the first phase which differed from the originally forecast timeline. The ACS prospectus for these sub-funds had been drafted and Border to Coast was currently discussing the proposed launch and sub-fund structure with the three internally managed funds.

The Committee were informed that Border to Coast's approach to the launch of the building blocks required by the Partner Funds in order to deliver each Fund's strategic asset allocation was to work collaboratively to ensure that the needs of the Partner Funds were taken into account in the design and timetabling of launch.

In terms of the actual transition of assets for each mandate, work had begun to ensure that assets would be transitioned safely and at minimal overall cost.

In order to transition assets effectively across multiple asset classes and jurisdictions, a number of specialist transition consultants would be used; it was anticipated that these would be selected using the LGPS National Frameworks transition management framework.

The Committee also discussed the risks associated with transition management.

RESOLVED: That the report be noted.

7 REVIEW OF AUTHORISED CONTRACTUAL SCHEME (ACS) PROSPECTUS - RACHEL ELWELL

A report was considered which allowed the Committee to review the key terms of the Border to Coast ACS Prospectus which was attached as an appendix to the report.

Work to finalise the prospectus was still ongoing and was due to be completed before the next meeting of the Committee. It was agreed that the full prospectus would be emailed to Members when it was available.

RESOLVED:

- i) That the Committee note the high level content contained in the ACS Key Prospectus Terms document as set out in Appendix 1 to the report.
- ii) That the Joint Committee agree the proposed approach to managing and revising the sign-off of the prospectus as set out in Section 4 and delegate the detailed review and comment on the ACS prospectus prior to submission to the FCA for approval to the Officer Operations Group in consultation with the Statutory Officers.

8 BORDER TO COAST TAX STRATEGY - FIONA MILLER

A report was submitted to enable Members to consider the BCPP Tax Strategy Framework.

Border to Coast will continue to liaise with HMRC with regards to its tax position, in collaboration with the Cross Pool Tax Sub-Group and in any other appropriate forum.

RESOLVED: That the Committee note the Tax Strategy Framework and also note that it would be published on Border to Coast's website.

9 MATTERS ARISING FROM BCPP LIMITED BOARD MEETINGS ON 24 JANUARY AND 20 FEBRUARY - CHRIS HITCHEN

C Hitchen updated the Committee on matters arising from the Board meetings held on 24 January and 20 February 2018, including the manual of corporate governance, risk framework, internal capital adequacy process, tax strategy and risk appetite.

RESOLVED: That the update be noted.

10 STANDING ITEM - UPDATE ON EMERGING MATTERS - RACHEL ELWELL/FIONA MILLER/IAN BAINBRIDGE

Cllr McMurdo requested sight of the Risk Register in the near future.

I Bainbridge reported that the 10 July meeting of the Joint Committee was the last scheduled meeting of the Joint Committee. A report on future meeting dates would be brought to the meeting on 10 July 2018.

R Elwell suggested the meetings should be timed for when the performance information would be available.

It was noted that the July meeting of the Committee would not be in the BCPP offices. Enquiries would be made as to room availability in Northallerton.

D Hayward reminded Members that the Joint Committee Chair and Vice-Chair elections would be held at the next meeting.

In reply to a question from Councillor Evans, R Elwell gave an update on the current BCPP job vacancies situation.

CHAIR