



## **BCPP Joint Committee**

**Date of Meeting:** 21<sup>st</sup> November 2018

**Report Title:** Joint Committee Terms of Reference

**Report Sponsor:** Ian Bainbridge, Chair Officer Operations Group

### **1.0 Recommendation**

1.1 The Joint Committee is recommended to express its views on

- the need to review the role of the Joint Committee
- the timing for undertaking a review
- whether to establish a Governance Working Group
- whether members wish to be involved

### **2.0 Role of the Joint Committee**

2.1 The Inter Authority Agreement (IAA) signed by the administering authorities of the partner funds in June 2017 sets out the arrangements for the Joint Committee and includes the agreed terms of reference.

2.2 The primary purpose of the Joint Committee is to exercise oversight over investment performance of the collective investment vehicles comprised in the Border to Coast pool.

2.3 These terms of reference cover the period to the operational commencement (first phase) as well as (second phase) post establishment and commencement of operations (second phase).

2.4 The terms of reference as set out in the IAA are still considered to be broadly reasonable and provide a good framework as to the remit of the Joint Committee. However, it should be recognised they were set at a time when the approach to pooling was still in its infancy and before the Company and the Joint Committee had been established and had a chance to mature.

2.5. There have also been occasions when the role and remit of the Joint Committee has become confused with the Shareholder role. To an extent this was inevitable in the early stages of establishing Border to Coast. This is possibly more the case where the roles are being filled by the same person.

- 2.6 As pooling develops and the role of the Joint Committee matures, it is reasonable that the role and remit of Joint Committee is revisited and further clarity is sought around the Joint Committee and Shareholder roles.
- 2.7 Any revisions to the role of the Joint Committee will require a Deed of Variation to amend the IAA, which would require unanimous approval of the Partner Funds. Depending on the governance arrangements of individual authorities the agreement to vary the terms of reference may require the approval of full Council for that administering authority, as this is where the initial approval for the IAA to establish the Joint Committee was granted. Adopting any change could be a lengthy process and should not be undertaken lightly.
- 2.8 It is important, therefore, that this exercise does not take place too early which may then result in the need for a further review in a relatively short period of time. It may be appropriate, for example, to wait until Border to Coast has been in operation for at least one year and has been through an annual cycle, or even longer until Border to Coast is considered to be in “steady state”.
- 2.9 When establishing Border to Coast a number of combined member and officer working groups were set up, one of which was the Governance Working Group. Members may consider it appropriate to set up a further group to help facilitate a review of the terms of reference.
- 2.10 Members’ views are requested on the need for such a review, its timing, and also whether and when a Governance Working Group should be established to take this initiative forward. If members wish to be involved, volunteers would be welcome.

**Report Author:**

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**Further Information and Background Documents:**

Inter Authority Agreement