



BCPP Joint Committee

Date of Meeting: 1st October 2020

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 terms of reference of the Joint Committee and how it operates.

2.0 Role of the Joint Committee

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

2.2 These terms of reference covered the period to the operational commencement (Phase 1) as well as post establishment and commencement of operations (Phase 2).

2.3 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.

2.4 These terms of reference were initially agreed in 2017 (copy Attached for Phase 2), at a time when the approach to pooling was still in its infancy and they were subject to a review by a governance working party in early 2019. The conclusion was that they were considered to be reasonable and not in need of change. It was however, noted that they should be kept under review as arrangements within the Border to Coast pool mature and as guidance from MHCLG develops.

2.5 Now that the Joint Committee has been operating for over three years and Border to Coast is moving more to an operational phase it is considered to be appropriate and good practice to reconsider the objectives of the Joint Committee, the terms of reference and also how the Joint Committee

operates in practice. This is supported by the Section 151 Officers and the Pension Fund Officers.

- 2.6 To initiate this process, some of questions we should consider include:
- What do we now consider the key objectives of the Joint Committee to be?
 - Are the terms of reference consistent to help achieve the key objectives?
 - How effective do we believe the Joint Committee is in meeting these objectives?
 - What improvements could be made to make the Joint Committee more effective?
- 2.7 The Joint Committee's views are asked on the existing terms of reference, the issues noted above and any observations they may have on how the Joint Committee has been operating and suggest any areas of improvement.
- 2.8 When considering these issues we need to be clear that the Joint Committee is not intended to replace the role and responsibilities of the individual Funds Pension Committee's. The two need to be complementary.
- 2.9 Subject to any feedback, the intention is to gather further views, undertake a review and report back to the Joint Committee with any suggested changes.

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Further Information and Background Documents:

Inter Authority Agreement

Terms of Reference of the BCPP Joint Committee

1. The primary purpose of the Joint Committee is to exercise oversight over investment performance of the collective investment vehicles comprised in the BCPP Pool.
2. The Joint Committee will provide effective engagement with the Authorities as the BCPP Pool vehicles are established and ultimately operated. It will encourage best practice, operate on the basis that all partners have an equal say and promote transparency and accountability to each Authority.

The remit of the Joint Committee is:

2.1 Phase 2 – Post Establishment and Commencement of Operations

- 2.1.1 To facilitate the adoption by the Authorities of relevant contracts and policies.
 - 2.1.2 To consider requests for the creation of additional ACS sub-funds (or new collective investment vehicles) and to make recommendations to the BCPP Board as to the creation of additional sub-funds (or new collective investment vehicles).
 - 2.1.3 To consider from time to time the range of sub-funds offered and to make Recommendations as to the winding up and transfer of sub-funds to the BCPP Board.
 - 2.1.4 To review and comment on the draft application form for each additional individual ACS sub-fund on behalf of the Authorities prior to the Financial Conduct approval (or the draft contractual documents for any new collective investment vehicle).
 - 2.1.5 To formulate and propose any common voting policy for adoption by the Authorities and to review and comment on any central policy adopted by BCPP.
 - 2.1.6 To formulate and propose any common ESG/RI policy for adoption by the Authorities and to review and comment on any central policy adopted by BCPP.
 - 2.1.7 To formulate and propose any common conflicts policy for adoption by the Authorities and to review and comment on any central policy adopted by BCPP.
 - 2.1.8 To agree on behalf of the Authorities high level transition plans on behalf of the Authorities for approval by the Authorities for the transfer of BCPP assets.
 - 2.1.9 To oversee performance of the BCPP Pool as a whole and of individual sub-funds by receiving reports from the BCPP Board and taking advice from the Officer Operations Group on those reports along with any external investment advice that it deems necessary.
 - 2.1.10 To employ, through a host authority, any professional advisor that the Joint Committee deems necessary to secure the proper performance of their duties.
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