



## BCPP Joint Committee

**Date of Meeting:** 24<sup>th</sup> November 2020

**Report Title:** Joint Committee Meeting Arrangements

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

### 1.0 Recommendation

1.1 The Joint Committee is asked to note the changes to the approach to operating the Joint Committee and to provide comments and views on the success or otherwise of these changes at the end of the meeting or after the meeting.

### 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 At the meeting of the Joint Committee on 1<sup>st</sup> October 2020 a report was presented which proposed that further consideration be given to these Terms

of Reference and the role and objectives of the Joint Committee and how it operates in practice.

- 2.6 This report generated a good debate and it was concluded that the Terms of Reference still appeared reasonable and the focus of any change should be on the approach to the meeting itself.
- 2.7 At the meeting on the 1<sup>st</sup> October it was resolved that “That the Officers consider potential changes and discuss options with the Chair and report back to the Joint Committee.”
- 2.8 The Officers have considered options along the lines discussed at the last Joint Committee meeting and discussed these proposals with the Chair of the Joint Committee. An email setting out the proposed changes was sent to the members of the Joint Committee on 9<sup>th</sup> November 2020. In summary the proposed changes are set out below:
- There is an enhanced Funds only session prior to the Joint Committee meeting where any issues can be discussed at length and we can identify issues to bring out at the formal meeting without Border to Coast being present. Having this enhanced Funds only session prior to the start of the formal Joint Committee meeting means we can invite Border to Coast into the Joint Committee meeting from the start of the formal agenda.
  - The current performance reports from Border to Coast, which are currently in the public part of the meeting are moved to the private part of the meeting to ensure that issues of concern can be fully debated and problem managers and potential action discussed. There would still be summarised reporting on performance in the public part of the meeting, but this would be much reduced.
  - Officers from the Funds will be asked to make comments and introduce the performance reports, rather than Border to Coast. This should help give the Funds more control and ensure that any issues of concern are raised and debated.
- 2.9 The proposed changes have been implemented for this meeting of the Joint Committee. It is suggested that the members views on how successful they have been are canvassed at the end of the meeting. It will be important to evolve the arrangements for the Joint Committee to ensure that it is effective.

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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.