



Minutes of the Border to Coast Joint Committee
Tuesday 28th November 2023 at 11:15am
Border to Coast Offices, Toronto Square, Leeds, LS1 2HJ

Present Members:	Chair: Cllr Doug McMurdo, Bedfordshire Pension Fund
	Vice-Chair: Cllr George Jabbour, North Yorkshire Pension Fund -----
	Cllr Doug Rathbone, Cumbria Pension Fund Cllr David Sutton-Lloyd, Durham Pension Fund Cllr Paul Hopton, East Riding Pension Fund Cllr Eddie Strengiel, Lincolnshire Pension Fund Cllr Jayne Dunn, South Yorkshire Pension Fund Cllr Nick Harrison, Surrey Pension Fund Cllr John Kabuye, Teesside Pension Fund Cllr Anne Walsh, Tyne & Wear Pension Fund Cllr Christopher Kettle, Warwickshire Pension Fund
Scheme Member Representatives:	Nicholas Wirz Lynda Bowen
Fund Officers	Andy Watkins, Bedfordshire Pension Fund Pete George, Cumbria Pension Fund
Statutory Officer Representative(s):	Paul Cooper, Durham Pension Fund Tom Morrison, East Riding & North Yorkshire Pension Funds Jo Kempton, Lincolnshire Pension Fund George Graham, South Yorkshire Pension Fund Neil Mason, Surrey Pension Fund Nick Orton, Teesside Pension Fund Paul McCann, Tyne & Wear Pension Fund Andy Felton and Victoria Moffett, Warwickshire Pension Fund
Partner Fund Nominated Non Executive Directors	Cllr David Coupe Cllr John Holtby
Border To Coast Representatives:	Rachel Elwell – Chief Executive Officer Joe McDonnell – Chief Investment Officer Chris Hitchen – Chair Mark Lyon – Deputy Chief Investment Officer Milo Kerr - Head of Customer Relationship Management

Graham Long – Head of External Management
Ewan McCulloch – Chief Stakeholder Officer
Fiona Miller – Deputy Chief Executive Officer
Jane Firth (Item 6)

Apologies: None received

1 APOLOGIES/DECLARATIONS OF INTEREST

The Chair welcomed everyone to the meeting including members of the public. Apologies were noted as above.

Members declared no further interests in addition to those included in the relevant register.

George Jabour declared a non-pecuniary interest in relation to the nature of his campaigning work, including the way public sector pension funds manage their funds.

2 MINUTES OF THE MEETING HELD ON 28 SEPTEMBER 2023

The minutes were received, and members asked to approve.

RESOLVED – *The minutes of the meeting held on 28 September 2023 be agreed as a true record.*

3 QUESTIONS FROM THE PUBLIC

A question had been received from Mr Sean Ashton, which the Chair had agreed should be responded to.

The Chair provided a response in terms of the Joint Committee's position and the approach taken by the Border to Coast company on the issues raised was explained. A full copy of the question and the response is appended to the minutes.

Members requested that the Secretariat develop a formal protocol for dealing with questions from members of the public.

4 JOINT COMMITTEE BUDGET

A report was presented updating the Joint Committee on the current position of the agreed budget confirming that the expenditure to date was £30,395.

It was noted that the budget may be slightly overspent by the end of the financial year however it was recognised that this was not an issue in terms of overall funds. It was also noted that the budget may need to be increased at the 2024/25 review in line with inflation.

RESOLVED – *To note the budget position for 2023/24.*

5 JOINT COMMITTEE EFFECTIVENESS REVIEW

George Graham presented a report outlining the proposal that the Joint Committee carry out a review of its effectiveness.

It was noted that an appropriate timescale for this to take place would be prior to the end of the municipal year to ensure that members involved have benefited from at least just short of 12 months membership.

Discussions took place around the procurement of the external facilitator, and it was noted that the intention would be to undertake this through an existing framework agreement.

RESOLVED – To approve an undertaking of an effectiveness review before the end of the current municipal year.

6 RESPONSIBLE INVESTMENT POLICIES ANNUAL REVIEW 2023

Jane Firth presented a report providing the Committee with an overview of the annual review process for the three Responsible Investment policies, highlighting the key changes for each policy.

Particular attention was drawn to the review of exclusions within the Responsible Investment Policy and the reduction in revenue thresholds resulting in an increased number of companies being excluded from the investment universe.

The review of the Voting Guidelines resulted in minor changes, as set out in the report, and the majority of the changes to the Climate Change Policy are a restructure of wording that reflects the work carried out to support Net Zero commitments.

It was noted that all three policies have been evaluated by Robeco using the International Corporate Governance Network Global Governance Principles.

Following discussions around voting and engagement, monitoring COP28 outcomes and private markets it was:

RESOLVED: To note the report and support taking the revised policies to Pensions Committees for comment and for them to consider adoption of the principles in their own RI policies in line with industry best practice.

7 RESPONSIBLE INVESTMENT UPDATE

Jane Firth presented a report providing the Committee with an update on the Responsible Investment activity undertaken by the Company on behalf of Partner Funds over the period since the last meeting.

Members attention was drawn to the engagement activity supporting priority themes as well as engagement undertaken by Robeco.

It was noted that the peak voting season has come to an end and that quarterly stewardship and voting reports produced by Border to Coast and Robeco for the quarter ended 30th September 2023 can be found on the Border to Coast website.

RESOLVED – *To note the contents of the report.*

8 SUMMARY OF INVESTMENT PERFORMANCE AND MARKET RETURNS

Joe McDonnell presented a report to update members on the quarter 3 market environment and fund performance. The report also included commentary on the medium-term investment outlook.

It was noted that in future reports, given the impact that China has on the economy, it would be differentiated from the rest of emerging markets.

Following discussion it was:

RESOLVED – *To note the contents of the report.*

Exclusion of the Public and Press

RESOLVED – *That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act and the public interest not to disclose information outweighs the public interest in disclosing it.*

9 DEVELOPMENT OF INVESTMENT CAPABILITIES

Milo Kerr presented a report to update members on the progress in the last quarter, highlighting the launch of a number of new investment propositions and setting out the progress in asset pooling.

It was however noted that further work was required to complete the original commitment to pool and the report set out potential options for transitioning un-pooled listed assets.

Following discussion it was:

RESOLVED

- 1. To recommend the plan to Shareholders for approval.**
- 2. To note the quarterly management information used to track pooling progress as set out in Appendix 3**

10 ALTERNATIVES 2024

Mark Lyon introduced a report presenting the proposed Alternative offerings to be launched in April 2024.

It was noted that existing and planned resources are considered sufficient to cover the launch of the new capabilities and that a full review of legal documentation has been carried out to ensure that it remains fit for purpose.

Members were informed that it is not anticipated that there will be any material operating model, capital, regulatory or procurement implications but this will be confirmed prior to implementation. It was also noted that the timeline is considered to be achievable and the importance of meeting the target date of 1 April 2024 was set out.

Following discussion, it was:

RESOLVED –

- 1. To note the contents of the report.**
- 2. To note the overview of the UK Opportunities offering and comment on the proposition.**
- 3. To delegate to Officers the authority to review the contractual documentation required to support the Alternatives 2024 launch.**

11 CEO REPORT

The Company's CEO submitted a report updating the Committee on activity across the whole range of the Company's activity.

Members were updated on the following key areas:

- Partner Fund collaboration.**
- An update on progress in relation to corporate functions including the expected outturn for the Operating Budget.**
- The key business risks to the organisation, noting that Political risk continues to be significant.**

Following discussion it was:

RESOLVED: To note the contents of the report.

12 INVESTMENT REVIEW QUARTER ENDED 20 SEPTEMBER 2023

Graham Long and Mark Lyon introduced a review of the performance and activity of the Border to Coast Investment Funds over Q3 2023 which set out detail in the following key areas:

- *Market Value.*
- *Performance.*
- *Market Background.*

Following discussion it was:

RESOLVED – To note the contents of the report.

13 STANDING ITEM - UPDATE ON EMERGING MATTERS

There were no matters to report that had not already been dealt with elsewhere on the agenda.

CHAIR