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Minutes of the Border to Coast Joint Committee

Tuesday, 25 March 2025 - Border to Coast Offices, Toronto Square, Leeds, LS1 2HJ

Present Members: Chair:
Cllr George Jabbour, North Yorkshire Pension Fund

Vice-Chair:
Cllr Doug McMurdo, Bedfordshire Pension Fund

Cllr David Sutton-Lloyd, Durham Pension Fund
Cllr John Holtby, East Riding Pension Fund (as substitute for Cllr Paul Hopton)
Cllr Eddie Strengiel Lincolnshire Pension Fund
Cllr Jayne Dunn, South Yorkshire Pension Fund
Cllr Robert Hughes, Surrey Pension Fund
Cllr Doug Rathbone, Cumbria Pension Fund
Cllr John Kabuye, Teesside Pension Fund
Cllr Ken Dawes, Tyne & Wear Pension Fund
Cllr Christopher Kettle, Warwickshire Pension Fund

Scheme Member Representatives:
Nicholas Wirz
Lynda Bowen

Fund Officers:
Mike Batty, Bedfordshire Pension Fund
Kate McLaughlin-Flynn, Cumbria Pension Fund
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
Paul McCann, Tyne & Wear Pension Fund
Chris Norton, Warwickshire Pension Fund

Partner Fund Nominated Non Executive Directors:
Cllr David Coupe

Border To Coast Representatives:
Rachel Elwell – Chief Executive Officer
Chris Hitchen – Chair
Fiona Miller – Deputy Chief Executive
Tim Manuel – Head of Responsible Investment
Ewan McCulloch - Chief Stakeholder Officer
Joe McDonnell – Chief Investment Officer

Milo Kerr - Head of Customer Relationship
Management

Secretariat: Jo Stone – South Yorkshire Pensions Authority
Gina Mulderrig – South Yorkshire Pensions Authority

1 APOLOGIES AND DECLARATIONS OF INTEREST

The Chair welcomed everyone to the meeting including members of the public.

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

Councillors George Jabbour, Doug McMurdo and David Coupe declared an interest in agenda item 7 and it was resolved they would leave the meeting during the item.

Councillor Holtby declared that he was attending the meeting on this occasion as a substitute for Councillor Hopton to represent East Riding Pension Fund but that he was also a Partner Fund Nominated Non Executive Director of the Company.

The following members declared that they held pensions that were part of the Local Government Pension Scheme:

Councillor Doug McMurdo
Councillor Jayne Dunn
Lynda Bowen
and Nicolas Wirz

The Chair introduced Councillor Robert Hughes and explained that he had taken on the role of Joint Committee member representing Surrey Pension Fund replacing Councillor Nick Harrison. The Chair expressed gratitude to Councillor Nick Harrison and to Councillor Jayne Dunn, who was in attendance representing South Yorkshire Pensions Authority on the Joint Committee for the final time, and praised their tremendous contributions to the Joint Committee.

The Chair summarised the recent meetings, training and events that had been attended by himself and members of the Joint Committee, including the two workshops that were organised to agree the LGPS: Fit for the Future consultation submissions. He also provided an update about the Joint Committee's Effectiveness Review, including the report that he had circulated. He stressed that he will continue to observe best practices as he meets with funds and pools around the country to incorporate in the work of the Committee.

2 QUESTIONS FROM THE PUBLIC

Four questions had been received from members of the public (Ms J Cattell, Ms A Whalley, Ms L Coeur-Bell and Mr Ashraf) that the Chair had agreed should be responded to. The Chair provided the responses prepared by the Border to Coast company in terms of the approach it takes as it acts in line with policies agreed by partner funds on the issues raised. A full copy of the questions and the responses is appended to the minutes.

3 MINUTES OF THE MEETING HELD ON 26 NOVEMBER 2024

The minutes were received, and members were asked to approve.

RESOLVED – That the minutes of the meeting held on 26 November 2024 be agreed as a true record.

4 JOINT COMMITTEE BUDGET

Neil Mason, Chair of the Officer Operations Group, presented the report detailing the Joint Committee budget position for 2024/25.

Members requested assurance that the budget adequately covered travel costs and expenses for any members or officers who are attending meetings to represent partner funds. The Chair of the Officer Operations Group assured the Joint Committee that forecast spend on travel and expenses was contained within the budget.

RESOLVED - Members

- a. Noted the budget position for 2024/25 and;***
- b. Agreed a budget of for 2025/26 of £50,000.***

5 CALENDAR OF MEETINGS

The most recently updated schedule of meetings was included in the agenda for members to note.

The Chair explained the complexities of finding dates to suit all parties and assured the Joint Committee that meeting invitations would be issued imminently to ensure maximum attendance.

RESOLVED – Members noted the scheduled dates for meetings of the Joint Committee, Border to Coast Conference and member workshops for the next three years.

6 SCHEME MEMBER REPRESENTATIVE ELECTION RESULTS

George Graham, as Secretary to the Joint Committee, presented the report to provide members with the result of the election for a Scheme Member Representative held during March 2025.

The Chair congratulated Lynda Bowen on her election as Scheme Member Representative.

RESOLVED – Members

- a. Noted the results set out in the body of the report and;*
- b. Appointed Lynda Bowen as Scheme Member Representative for a 3 year term.*

Councillors Jabbour, McMurdo and Coupe left the meeting prior to the commencement of item 7.

7 PARTNER FUND NON EXECUTIVE DIRECTOR ELECTIONS

Councillor Strengiel was elected by remaining members of the Joint Committee to Chair item 7 in the absence of the Chair and Vice Chair.

George Graham, as Secretary to the Joint Committee, presented the report to set out the process for selecting candidates for nomination to the Board of the Border to Coast Pensions Partnership Ltd as Partner Fund Non-Executive Directors.

RESOLVED – Members agreed that

- a. The elections to the specified roles should take place as set out in the body of the report and;*
- b. The Secretary to the Joint Committee should be authorised to transmit the nominations of successful candidates to the Company immediately following conclusion of the ballot.*

Councillor Jabbour, Councillor McMurdo and Councillor Coupe returned to the meeting for the remainder of the agenda. Councillor Jabbour resumed chairing duties.

8 GOVERNANCE CHARTER ANNUAL REVIEW

Milo Kerr, Head of Customer Relationship Management, presented the annual review of the Governance Charter (“the Charter”).

Members queried whether the review of the Charter was to be carried out annually. The Chief Executive Officer explained that it had been agreed not to review the Charter in the previous year due to ongoing work around the shareholder agreement but that the intent at least for the next few years was to review it annually, particularly given the potential changes that may come from the LGPS: Fit for the Future consultation.

Members asked whether there was scope to amend the Charter and include further detail on the roles and responsibilities of the Joint Committee, in particular the role of Scheme Member Representatives, and to add more detail on governance of the Border to Coast Pensions Partnership to ensure clarity and to balance the current focus of the Charter on investment.

The Chief Executive Officer proposed drafting additional wording on the roles and responsibilities of Scheme Member Representatives to be circulated to the Joint Committee for approval before the Charter was published. The Chief Executive Officer explained that any amendments to governance structure and arrangement details in the Charter would require review of the Border to Coast Shareholders' Agreement and Inter Authority Agreement and, as such, would be an intense piece of work. It was also advised that the LGPS Scheme Advisory Board plan to produce guidance on good governance in relation to new arrangements resulting from the Pensions Review and it would therefore be prudent to review the governance detail in the Charter following the implementation of the Pensions Review and the issuing of guidance rather than amending the existing Charter.

Members added that there was the expectation of Local Government Reorganisation in the administering authorities of the partner funds within the next year so reviewing the Charter again following any restructure and to include the developments in governance that follow the Pensions Review would be necessary.

RESOLVED - The Joint Committee approved the Governance Charter subject to the inclusion of additional detail on the role of Scheme Member Representatives before publication.

9 RESPONSIBLE INVESTMENT UPDATE

Tim Manuel, Head of Responsible Investment, presented the report to provide the Joint Committee with an update on the Responsible Investment activity and reporting of Border to Coast Pensions Partnership since the previous meeting.

The Chair of South Yorkshire Pensions Authority shared with the Joint Committee that the Authority had reviewed their RI policies earlier in the month and members had subsequently asked officers to undertake a project looking at options for measures to take when engagement with companies had failed to produce the required outcomes, such as exclusion, to inform development of RI policies when next updated.

The Chair added that potential measures to follow failed engagement attempts was a noted topic of discussion amongst other LGPS committees and pools and the Local Authority Pension Fund Forum and that every fund can use their platform for influence.

The Head of RI explained that work on the annual review of Border to Coast's RI policies and the 3 Year RI Strategy was upcoming and that it was important they reflect the views of all partner funds, and he looked forward to a structured consultation with Partner Funds, including the Joint Committee, to inform robust policies and strategy.

The Chair drew the value of receiving regular updates on RI activity from the company and encouraged future discussion and communication in preparation for next reviewing their RI policies and strategy.

Members welcomed focus on RI issues but also noted that the priority of the pool and partner funds remained providing benefits to scheme members and, as such, any RI policy or strategy needed to be underpinned by good financial performance.

RESOLVED - The Committee noted 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.

10 DEVELOPMENT OF ADVISORY CAPABILITY

Ewan McCulloch, Chief Stakeholder Officer presented the report outlining the proposed advisory model, the timeline for implementation, and giving a summary of the potential conflicts of interest and how they will be managed.

RESOLVED – Members noted the overview of the investment advisory capability and the design principles as set out in the report.

11 ANNUAL REVIEW OF STERLING INDEX-LINKED BOND, MULTI ASSET CREDIT AND STERLING INVESTMENT GRADE CREDIT FUNDS

Neil Mason, Chair of the Officer Operations Group, presented the annual review of the Sterling Index-Linked Bond Fund, Multi-Asset Credit Fund and Sterling Investment Grade Credit Fund.

Members noted the content of the report, investment performance, the effect of the volatility of the global market and measures officers plan to take to overcome any challenges to improvement in performance.

Members asked for more detail on how the carbon footprint of the Multi Asset Credit Fund could be measured. The Chief Executive Officer explained the progress made in improving the coverage and accuracy of measuring the carbon footprint of the MAC fund and the challenges still to overcome, and assured the Joint Committee that Border to Coast were working with leaders in the market to push development and effect change.

Officers agreed to provide training outside of the meeting to further explain how the MAC fund functioned and how it can be measured.

RESOLVED – Members noted the report.

12 OVERVIEW OF POOLING PROGRESS

Milo Kerr, Head of Customer Relationship Management, presented the report to give the Joint Committee an overview on the progress of pooling including Partner

Fund engagement, transition progress and plans, proposition launches and collective voice, as well as the risks to pooling.

RESOLVED – Members noted the report.

13 UPDATE ON EMERGING MATTERS

Rachel Elwell, Chief Executive Officer, gave the Joint Committee a verbal update on developments regarding the Pensions Review. It was explained that senior Border to Coast officers had met with the Minister for Pensions to discuss the pool's recent submission setting out the partnership's plans to meet the requirements set out in the LGPS: Fit for the Future consultation. The Chief Executive Officer commented that the meeting had been productive with Border to Coast Officers representing the whole partnership and detailing its specific position and vision. It is expected all pools will receive a response to the Pensions Review consultation in the coming weeks.

The Chief Executive Officer explained that Border to Coast was committed to ensuring it was in the best position to implement any changes and be resilient and sustainable whilst continuing to provide good performance. It was also explained that there was communication and collaboration with other LGPS pools. The Chair of Border to Coast Pensions Partnership added that preserving a good working culture and relationship with all funds was also a high priority.

Members thanked officers for their ongoing work in this area and acknowledged the challenges faced. It was requested the Joint Committee continue to be kept informed and involved with all future developments. Officers assured members that they would be kept updated and also offered assurance that the priority of the pool was serving scheme members and providing benefits and that assets would be managed to prioritise performance throughout any changes.

RESOLVED – Members noted the update.

Meeting closed 13:44

CHAIR

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