



Regulatory and Other Committee

Open Report on behalf of Andrew Crookham, Executive Director – Resources

Report to:	Lincolnshire Pension Board
Date:	09 January 2020
Subject:	Border to Coast Pension Board Chairs Meeting

Summary:

This report sets out the minutes from the Border to Coast Pension Board Chairs meeting held on Thursday 10 October 2019.

Recommendation(s):

That the Board note the minutes from the meeting.

Background

Meeting of Border to Coast Pensions Partnership Local Pension Board Chairs

Date and Time: 10 October 2019 12.00

Venue: Royal Armouries, Leeds

Minutes

Present:	Keith Bray - Warwickshire Roger Buttery – Lincolnshire Nicholas Harrison – Surrey (part) Guy Lonsdale – East Riding Colin Monson - Teeside Gerard Moore – Bedfordshire and Northumberland David Portlock – North Yorkshire Garry Warwick – South Yorkshire Jim Woodingfield – Tyne and Wear
In Attendance:	Nicholas Wirz – Scheme Member Representative on the Border to Coast Joint Committee Cllr Doug McMurdo – Chair Border to Coast Joint Committee Chris Hitchen – Chair Border to Coast Ltd George Graham – Fund Director SYPA – facilitator
Apologies:	Deirdre Burnett – Cumbria

1. **Border to Coast Joint Committee – Scheme Member Representation**

Chairs discussed with NW, DMC and CH the current position whereby there was one scheme member representative with a standing substitute who by custom was able to participate in the same way as the formal representative, resulting in a de facto position of two representatives. While no formal resolution was arrived at the broad consensus seemed to be that while regularising the current position would be beneficial the current position was a reasonable compromise given the divided views of elected members on the Joint Committee.

2. **Feedback from the Border to Coast Joint Committee**

NW outlined the business discussed at the recent meeting of the Joint Committee which had included elections for both the Chair and Vice Chair and a Non-Executive Director of the Company. The formal business had included a review of the performance to date of funds already launched and details of the funds currently working through the launch process.

3. **Holding Border to Coast to Account**

Chairs discussed the ways in which Boards might ensure that Border to Coast was being properly held to account. It was noted that there remained disparities between funds in the way information was shared with members of pension committees and Boards.

There was a feeling amongst Chairs that Local Pension Boards should concentrate on looking at things through a governance and compliance lens, in particular showing that decisions are made with due care and attention.

It was important for Boards to ensure that Funds were not allowing the “operator” tail to wag the dog.

There was some discussion around the potential conflicts of interest in relation to shareholder nominated Non-Executive Directors and a view that this signified “too cosy” a relationship. While this was not a universal view there was also discussion around the role of these Directors should the Company not perform adequately.

4. **TPR Deep Dive and the Good Governance Review**

Chairs discussed the broad conclusions coming out of these pieces of work and noted in particular that TPR’s focus was broadening away from COP14 and that they were moving in the direction of a single code which could present some challenges in the LGPS context.

It was noted that TPR seemed to have higher expectations of Boards with independent chairs, and was looking to Boards to have more than the minimum number of members in order to maintain a quorum.

The focus on the role of the s151 officer in both pieces of work was noted.

5. Duplication of Effort Between Boards and Committees and Reporting Between Board and Committee

Chairs accepted that there was always a risk of some duplication but shared means of ensuring that either specific activities were in effect delegated to the Board or the Board looked at things from a different perspective or in more depth than was possible at the Committee. This was particularly true of issues related to pension administration.

Reporting between the Board and Committee tended to take the form of the presentation of minutes from one to the other, or the consideration of specific recommendations if issues had arisen. Chairs reflected that they attended meetings of Pensions Committee at least periodically.

6. Managing Employer Diversity

Chairs highlighted the challenges posed in terms of representation by the increasing diversity in the employer base. It was accepted that it was difficult to achieve a truly representative employer side of a Board, and differing practice was shared.

7. Implications of the New CMA Regulations

It was noted that these did not have an implication for Border to Coast as an operator but that there was an implication for Funds with retained investment consultants and for those commissioning specific pieces of consultancy work although in the latter case the objectives would be set out in the brief.

Questions still remained about whether independent advisers required to be registered with the FCA in some way given that they were not involved in picking specific products or managers. This was an ongoing discussion.

Next Meeting: A date will be identified during May 2020.

Conclusion

Consultation

a) Have Risks and Impact Analysis been carried out?

Yes

b) Risks and Impact Analysis

The Pension Fund has a risk register which can be obtained by contacting the author of this report.

Background Papers

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