

**NORTH YORKSHIRE COUNTY COUNCIL****PENSION FUND COMMITTEE****14 SEPTEMBER 2017****LGPS POOLING ARRANGEMENTS****Report of the Treasurer****1.0 PURPOSE OF REPORT**

- 1.1 To update Members on progress towards the Government's announced proposal to pool the assets of LGPS funds.
- 1.2 To provide a formal view on Scheme Member representation on the Joint Committee.

**2.0 RECENT EVENTS**

- 2.1 The Joint Committee had its last meeting on 6 June 2017. A verbal update on this meeting and other BCPP developments will be provided at the meeting by the Treasurer and Chairman.

**3.0 NEXT STEPS**

- 3.1 The Committee has previously discussed Scheme Member representation within the governance arrangements intended for pooling. There have been further requests for such representation, particularly from trades unions. This matter has previously been discussed at Committee but BCPP are now being asked for a formal view on this issue.
- 3.2 The next Joint Committee is to be held on 20 October 2017. In this meeting the Chairs will be asked to present their Fund's formal position on Scheme Member representation on the Joint Committee. PFC Members are therefore asked to consider this matter and decide whether they support formal Scheme Member representation on the Joint Committee.
- 3.3 It should be noted that meetings of the Joint Committee will be public meetings so will be open to all parties. The issue of formal representation will therefore confer right to speak and whether or not the nominated Scheme Member representative can vote. It is also relevant to note the terms of reference for the Joint Committee which is attached as an **Appendix**.

#### **4.0 RECOMMENDATION**

- 4.1 Members are requested to provide a formal position on Scheme Member representation on the Joint Committee

GARY FIELDING  
Treasurer  
Central Services  
County Hall  
Northallerton

1 September 2017

## Terms of Reference of the Joint Committee

1. The primary purpose of the Joint Committee is to exercise oversight over the investment performance of the collective investment vehicles comprised in the BCPP Pool.
1. 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:

### 1.1 **First Phase – Period to April 2018 or operational commencement of the BCPP Pool (whichever is the later)**

- 1.1.1 To provide support and guidance to the work being undertaken by the Officer Operations Group to give effect to the pooling arrangements.
- 1.1.2 To consider issues and provide feedback on relevant proposals as they are developed, ensuring effective engagement with the Authorities to scrutinise and monitor project management arrangements and proposals for the appointment of advisers by the Authorities.
- 1.1.3 To oversee costs to deliver the BCPP Pool, obtaining approval from individual Authorities where necessary.
- 1.1.4 To monitor and scrutinise responsibilities for delivery of the project and relevant support arrangements.
- 1.1.5 To oversee and provide feedback on positions and conclusions deriving from work streams adopted by the Officer Operations Group.
- 1.1.6 To formulate processes and policies for appointment and termination of membership to the Joint Committee.
- 1.1.7 To propose and confirm contracts and policies required by the Authorities to commence transition to the BCPP Pool arrangements.
- 1.1.8 To provide support and guidance to the work being undertaken by the Officer Operations Group to do all things necessary to implement the final proposal, including preparatory work for asset transition.
- 1.1.9 To consider the initial range of sub-funds to be provided by the ACS and to make recommendations to the BCPP Board for the creation of those sub funds.
- 1.1.10 To review and comment on the draft ACS prospectus and supporting documents on behalf of the Authorities prior to the Financial Conduct Authority approval.

### 1.2 **Phase 2 – Post Establishment and Commencement of Operations**

- 1.2.1 To facilitate the adoption by the Authorities of relevant contracts and policies.
- 1.2.2 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).

- 1.2.3 To consider from time to time the range of sub funds offered and to make recommendations as to winding up and transfer of sub funds to the BCPP Board.
- 1.2.4 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 Authority approval (or the draft contractual documents for any new collective investment vehicle).
- 1.2.5 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.
- 1.2.6 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.
- 1.2.7 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.
- 1.2.8 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 Pool assets.
- 1.2.9 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.
- 1.2.10 To employ, through a host authority, any professional advisor that the Joint Committee deems necessary to secure the proper performance of their duties.