

# **Borders to Coast Pension Partnership (BCPP)**

# Statutory Duties

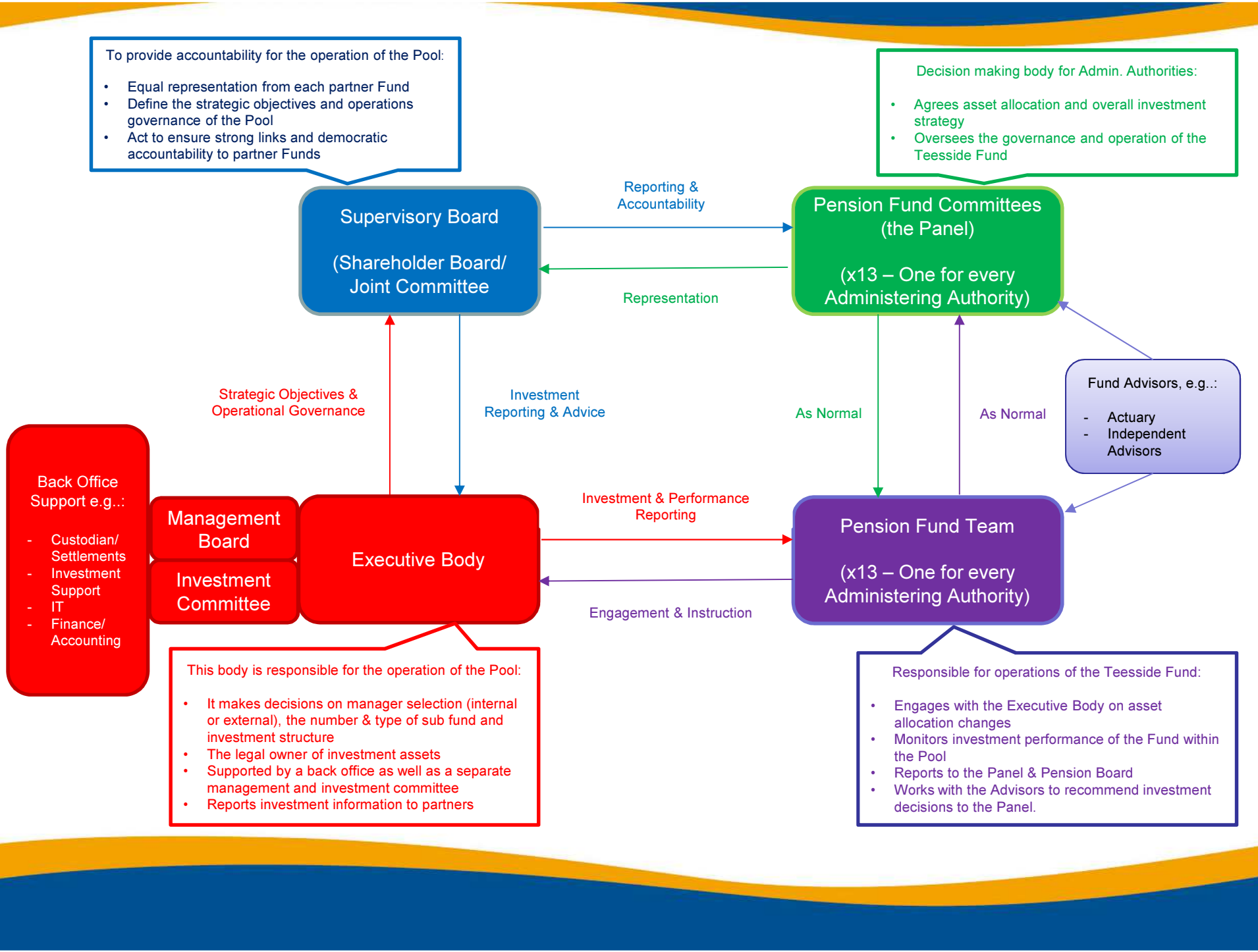
- **No change to statutory duties**
- **Pooling is a solution as regards the investment process only**
- **The Teesside Pension Fund & Investment Panel remains duty bound to run a properly governed pension fund under the same legislation and Regulations**
- **Pooling body becomes a single fund manager for 13 administering authorities**
- **Pooling body will engage with those authorities in much the same way as an external manager would engage**

# Criteria

- A. Scale: The 13 “Foundation Partner Funds” of BCPP have a combined asset base of £36bn (valuations as at 31 March 2015).**
- B. Strong Governance and Decision Making: Proposal is for a multi asset pool formed on the basis of “like-minded” beliefs, strong corporate governance philosophy, Financial Conduct Authority (FCA) registration (if necessary), internal fund management, and continuation of collaborative work across the LGPS.**
- C. Cost Efficiency and Value for Money: Generation of high level potential cost savings across the pool with the objective to enhance net investment returns.**
- D. Improved Capacity to Invest in Infrastructure: Achieved within a strong governance framework which recognises that asset allocation to infrastructure is an individual Fund decision, while how that investment is delivered is a BCPP pool decision.**

# Timetable

<b>19 February 2016</b>	<b>Deadline for initial proposal</b>
<b>15 July 2016</b>	<b>Deadline for detailed proposal</b>
<b>30 September 2016</b>	<b>Governance structure agreed</b>
<b>31 October 2016</b>	<b>Agreement on audit and risk considerations</b>
<b>30 November 2016</b>	<b>Agreement on legal structure</b>
<b>31 December 2016</b>	<b>Agreement on specifics of ACS vehicle structure</b>
<b>30 June 2017</b>	<b>Formation of internal investment management operation</b>
<b>31 December 2017</b>	<b>Full regulatory approval of internal investment management function</b>
<b>31 December 2017</b>	<b>Asset transition planning complete</b>
<b>1 April 2018</b>	<b>Commencement of asset transition to BCPP pool</b>
<b>31 December 2018</b>	<b>Full implementation of listed assets</b>
<b>Within 15 years</b>	<b>Completion of transfer of unlisted assets</b>



To provide accountability for the operation of the Pool:

- Equal representation from each partner Fund
- Define the strategic objectives and operations governance of the Pool
- Act to ensure strong links and democratic accountability to partner Funds

Decision making body for Admin. Authorities:

- Agrees asset allocation and overall investment strategy
- Oversees the governance and operation of the Teesside Fund

**Supervisory Board**  
(Shareholder Board/  
Joint Committee)

**Pension Fund Committees**  
(the Panel)  
(x13 – One for every  
Administering Authority)

**Back Office Support e.g.:**

- Custodian/  
Settlements
- Investment  
Support
- IT
- Finance/  
Accounting

**Management Board**

**Investment Committee**

**Executive Body**

This body is responsible for the operation of the Pool:

- It makes decisions on manager selection (internal or external), the number & type of sub fund and investment structure
- The legal owner of investment assets
- Supported by a back office as well as a separate management and investment committee
- Reports investment information to partners

Investment Reporting & Advice

Investment & Performance Reporting

Engagement & Instruction

As Normal

As Normal

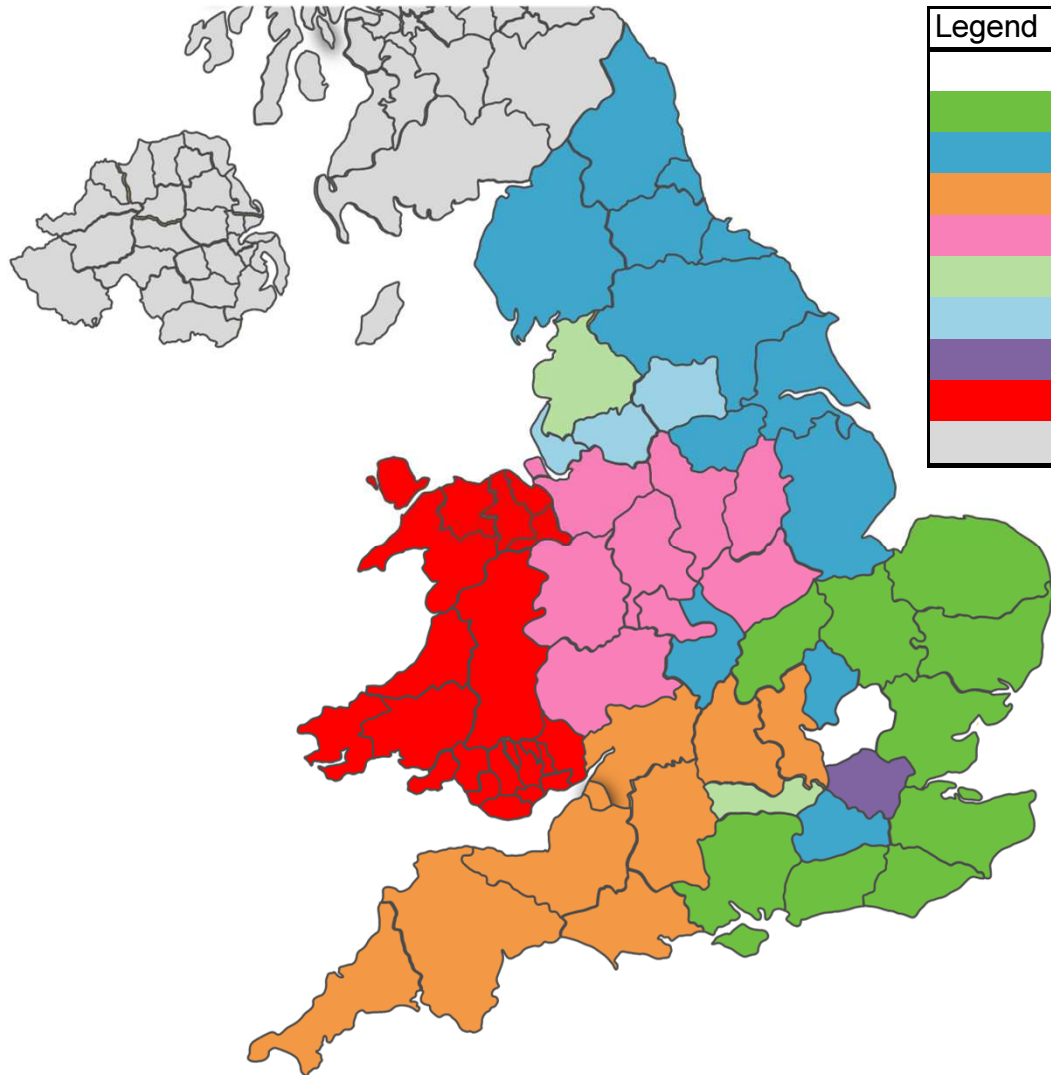
**Fund Advisors, e.g.:**











- Actuary
- Independent Advisors

**Pension Fund Team**  
(x13 – One for every  
Administering Authority)

Responsible for operations of the Teesside Fund:

- Engages with the Executive Body on asset allocation changes
- Monitors investment performance of the Fund within the Pool
- Reports to the Panel & Pension Board
- Works with the Advisors to recommend investment decisions to the Panel.



Legend	
	Unknown
	ACCESS
	Border to Coast
	Brunel / SW+
	Central
	Lancs/LPFA
	Northern Powerhouse / M62
	London
	Wales
	Scotland/NI/IoM



**Border to Coast: 13 Funds with £36bn**

Bedfordshire, Cumbria, Durham, East Riding, Lincolnshire, North Yorkshire, Northumberland, South Yorkshire, South Yorkshire Transport Fund, Surrey, Teesside, Tyne and Wear, Warwickshire

**Northern Powerhouse : 3 Funds with £35.7bn**

Greater Manchester, Merseyside, West Yorkshire

**Midlands: 9 Funds with £35bn**

Cheshire, Derbyshire, Leicestershire, Nottinghamshire, Shropshire, Staffordshire, West Midlands Integrated Transport Authority, West Midlands Pension Fund, and Worcestershire

**ACCESS: 10 Funds with £30bn**

Cambridgeshire, East Sussex, Hampshire, Isle of Wight, Kent, Norfolk, Northamptonshire, Suffolk, West Sussex, London Borough of Bromley

**London CIV: 31 Funds with £27.6bn**

31 participating London boroughs

**South West: 10 Funds with £23bn**

Avon, Buckinghamshire, Cornwall, Devon, Dorset, the Environment Agency, Gloucestershire, Oxfordshire, Somerset and Wiltshire

**Wales: 8 Funds with £12.3bn**

Carmarthenshire, Cardiff, Flintshire, Gwynedd, Powys, Rhonda Cynon Taff, Swansea, Torfaen

**ALM Partnership: 3 Funds with £13.7bn**

Berkshire, Lancashire, London Pensions Fund Authority

**Uncommitted**

Hertfordshire

