BORDER TO COAST PENSIONS PARTNERSHIP JOINT COMMITTEE

MINUTES of a meeting of the Border to Coast Pensions Partnership Joint Committee held in the Brigante Suite, Hilton Leeds City, Neville Street, Leeds, LS1 4BX on Wednesday, 23 September 2026.

Present Members:	**Chair:** Cllr Christopher Kettle, Warwickshire Pension Fund Cllr Geoffrey Seeff, Cambridgeshire Pension Fund Cllr Doug Rathbone, Cumbria Pension Fund Cllr Chris Fairs, Durham Pension Fund Cllr Paul Hopton, East Riding Pension Fund Cllr Aidan Fisher, East Sussex Pension Fund Cllr Paul Clark, Essex Pension Fund Cllr Ian Albert, Hertfordshire Pension Fund Cllr Sarah Emberson, Kent Pension Fund Cllr Raymond Condell, Lincolnshire Pension Fund Cllr Neil Swannick, North Yorkshire Pension Fund (substitute) Cllr Nick Everest, South Yorkshire Pensions Authority (substitute) Cllr Richard Tear, Surrey Pension Fund Cllr John Kabuye, Teesside Pension Fund Cllr Mike Smith, Tyne and Wear Pension Fund Cllr Scott Packer, West Northamptonshire Pension Fund (substitute) Cllr Richard Cherry, West Sussex Pension Fund
Scheme Member Representatives:	Nicholas Wirz Lynda Bowen Gareth Wall
Fund Officers:	Mike Batty, Bedfordshire Pension Fund Nick Orton, Durham Pension Fund Kate McLaughlin-Flynn, Cumbria Pension Fund Susan Greenwood, East Sussex Pension Fund Jody Evans, Essex Pension Fund

	Samantha Andrews, Essex Pension Fund Tom Morrison, East Riding & North Yorkshire Pension Funds Taryn Ahlberg, Hertfordshire Pension Fund Phillip Prasad, Hertfordshire Pension Fund Nick Buckland, Kent Pension Fund Jo Kempton, Lincolnshire Pension Fund Ben Barlow, Northamptonshire & Cambridgeshire Pension Funds Gillian Taberner, South Yorkshire Pension Fund Neil Mason, Surrey Pension Fund Andrew Lister, Teesside Pension Fund Paul McCann, Tyne and Wear Pension Fund Chris Norton, Warwickshire Pension Fund Rachel Wood, West Sussex Pension Fund
Partner Fund Nominated Non Executive Directors:	Cllr David Coupe & Cllr George Jabbour
Border To Coast Representatives:	Rachel Elwell – Chief Executive Officer Milo Kerr - Head of Customer Relationship Management Tim Manuel – Head of Responsible Investment Ewan McCulloch - Chief Stakeholder Officer Joe McDonnell – Chief Investment Officer Richard Batley – Investment Specialist
Secretariat:	Joel Cook, Kent County Council Maya Bundy, Kent County Council
Apologies:	Cllr Doug McMurdo, Bedfordshire Pension Fund Cllr Sam Gibbs, North Yorkshire Pension Fund Cllr Donna Sutton, South Yorkshire Pension Authority Cllr John Slope, West Northamptonshire Pension Fund

UNRESTRICTED ITEMS

1. Chair's Welcome
(Item 1)

The Chair welcomed Members and officers to the meeting and expressed his appreciation for their attendance ahead of the upcoming Border to Coast

conference. He highlighted the conference as an important learning opportunity at a significant time for the Local Government Pension Scheme (LGPS), providing valuable insight into its management, governance and oversight.

2. Election of Vice - Chair
(Item 2)

Cllr Condell proposed and Cllr Fisher seconded, that Cllr John Slope be elected Vice-Chair of the Border to Coast Pensions Partnership Joint Committee. There were no other nominations and Cllr Slope was declared Vice-Chair of the Committee.

The Chair expressed thanks to the outgoing Vice-Chair Cllr Doug McMurdo for his contribution to the success of the Border to Coast Pensions Partnership JC over the preceding years.

RESOLVED that Councillor John Slope be elected as Vice-Chair of the Border to Coast Pensions Partnership Joint Committee.

3. Apologies and Substitutes
(Item 3)

Apologies were received from Cllr Sam Gibbs, for whom Cllr Neil Swannick was substituting, Cllr Donna Sutton, for whom Cllr Nick Everest was substituting, Cllr John Slope, for whom Cllr Scott Packer was substituting, Cllr Doug McMurdo and John Lister, Chair of the Board.

4. Declarations of Interest
(Item 4)

There were no declarations of interest.

5. Minutes of the meeting held on 8 July 2026
(Item 5)

Minor amendments to the minutes were requested and agreed, including: that Phillip Prasad's Officer attendance be added, that Gareth Wall's attendance as Scheme Member Representative be added and that Kate McLaughlin-Flynn be removed from the attendance list.

RESOLVED: The Committee agreed that, subject to the above amendments, the minutes of the meeting held on 08 July 2026 were a true and accurate record.

6. Public Questions and Responses
(Item 6)

Two questions had been received from Alison Whalley on behalf of the BCPP Fossil Free Campaign Group.

The Chair thanked Ms Whalley for her question and welcomed Olwyn Hocking, a representative of the BCPP Fossil Free Campaign Group to the meeting.

It was confirmed that the question and answer were included in the published agenda pack for reference.

RESOLVED: The Committee reviewed and noted the questions received and the responses provided.

7. Schedule of Future Meetings
(Item 7)

The most recent calendar of future meetings was included in the agenda pack for Members to note.

RESOLVED: The Committee noted and approved the schedule of future meetings.

8. Joint Committee Budget
(Item 8)

The item was introduced by Neil Mason, Chair of the Officer Operations Group (OOG), who reported that expenditure of £96,764 had been incurred against the £100,000 Joint Committee budget, largely due to legal advice required in developing the Investment Management Agreement (IMA). He advised that further legal and officer costs were anticipated during the year, particularly in relation to the development of new investment services, and that an overspend was therefore expected.

In response to questions regarding the anticipated overspend, Paul McCann, Lead Officer for Tyne and Wear Pension Fund, advised that while no precise estimate was available, any overspend was expected to be modest. He indicated that the IMA review had been particularly resource-intensive and suggested that an overspend of approximately 10-20% was a reasonable estimate at this stage. He advised that a budget increase of around 20-25% would provide sufficient headroom should further costs arise during this exceptional year of increased partnership activity with Border to Coast.

Rachel Elwell, Chief Executive Officer, explained that the budget covered occasions where partner funds required separate legal advice, with most work ordinarily undertaken through existing company budgets. She supported a 20% budget increase for the remainder of the financial year and confirmed that a

further update would be provided in November when there was greater clarity on anticipated costs, including any work associated with the governance review.

In response to questions regarding the location of any surplus from previous years, Mr McCann explained that no surplus was held, as costs were recharged to partner funds on an equal basis rather than being retained in a separate reserve. He also confirmed that no further work was currently pending although future requests could arise. It was clarified that the host authority paid the costs and these were recharged to the partner funds.

Members discussed the need for a proposed increased to the Joint Committee budget for 2026/27 in light of expenditure incurred to date and the potential for further legal and governance-related costs during the remainder of the financial year. Following this discussion, Members endorsed a 20% increase in the budget, from £100,000 to £120,000.

RESOLVED: The Committee:

- **Notes the budget report**
- **Recognises a need for an additional £20k**
- **Endorses the proposed budget increase**

9. Investment Markets Update
(Item 9)

The item was introduced by Joe McDonnell, Chief Investment Officer - Border to Coast Pension Partnership, who highlighted the strong performance of global equity markets, with emerging markets outperforming developed markets and South Korea among the strongest performing markets. He advised that the US market had remained strong, supported by earnings growth, particularly within the technology sector and investment associated with Artificial Intelligence (AI).

Mr McDonnell also outlined the more challenging conditions in fixed income markets, stating that government bond yields had risen amid concerns over inflation, energy prices and fiscal deficits in a number of developed economies. Despite ongoing geopolitical tensions, he reported that equity markets had remained resilient and that overall investment performance across principal risk assets had been positive.

Members queried the continued resilience of markets in the context of rising energy prices, inflation and high bond yields. In response, it was explained that market expectations remained closely linked to political and geopolitical developments and that, without further progress in these areas, markets could become increasingly focused on economic challenges over the coming months.

Members queried the risks associated with continued investment in AI-related companies and sought further information on the potential implications of increasing concentration within passive investment strategies. Mr McDonnell explained that, whilst investment in AI had grown significantly and market concentration had increased, strong underlying profitability distinguished current

conditions from previous technology-led market corrections. He further explained that passive investment strategies were becoming increasingly concentrated in a smaller number of large technology companies and that passive investing should not necessarily be regarded as a lower-risk approach, as it may increase exposure to prevailing market trends and concentration risk.

In response to questions on trade wars, Mr McDonnell advised that trade restrictions were generally negative for global growth and stated that current market conditions reflected wider geopolitical and economic uncertainty. He added that the longer-term impact remained difficult to predict.

Members asked how the social risks and implications associated with AI were being considered. Tim Manuel, Head of Responsible Investment, explained that work was underway through an internal working group to better understand AI-related risks, opportunities and safety considerations. Ms Elwell added that AI was a significant area of focus across the investment industry and regulatory bodies, and that work was continuing to develop appropriate frameworks and governance arrangements in response to the pace of technological change.

Members sought further information on the risks arising from fiscal expansion and bond market conditions. In response, Mr McDonnell explained that higher bond yields had made government bonds more attractive, although significant liquidity remained in markets. He added that there was little evidence of greater fiscal restraint internationally and that concerns around government debt and deficits remained.

RESOLVED: The Committee noted the report.

EXEMPT ITEMS

RESOLVED that under Section 100A(4) of the Local Government Act 1972, that the press and public be excluded from the following items of business on the grounds that these would involve the likely disclosure of exempt information as defined under paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

10. Border to Coast Performance Update
(Item 10)

Mr McDonnell introduced the report and provided an overview of investment performance across Border to Coast's investment propositions during Quarter 2 2026. He highlighted positive performance across the majority of strategies, acknowledged that one equity strategy, the Global Equity Alpha Fund, continued to face challenges and advised on steps that had been taken to improve performance. He also provided an update on private market investments, outlining their long-term nature and that a number of propositions remained at an early stage of development.

Members sought further information on the categorisation of investment propositions and the criteria for enhanced monitoring. It was explained that categorisations took account of a range of factors, including changes to investment processes and propositions, rather than investment performance alone. Milo Kerr, Head of Customer Relationship Management, added that there was no prescribed timescale for a proposition to move between categories, as this depended on the circumstances of each case.

On the enhanced monitoring process, Ms Elwell also explained that there was a distinction between Border to Coast's monitoring of investment managers and propositions and the oversight undertaken by Partner Fund officers. She welcomed further discussion on how greater understanding of both processes could be supported through future reporting.

In response to Members' questions about the development of oversight arrangements, Mr Mason stated that an officer subgroup was working to establish a clear and proportionate oversight framework across the partnership. Ms Elwell added that this remained a work in progress and would develop alongside the pool's evolving services and capabilities. She explained that Members would see incremental changes over time, with a paper scheduled for the March 2027 meeting to set out the scope and timeline for the wider governance review.

RESOLVED: The Committee noted the report.

11. Annual Investment Proposition Reviews: Private Markets; Global Real Estate
(Item 11)

Mr Mason introduced the report, providing an overview of the Annual Investment Proposition Reviews undertaken over the quarter. This included the assessment undertaken by officers across the Partner Funds of the private markets portfolio, comprising private equity, private credit, infrastructure, opportunities and global real estate.

Members sought assurance on how hotel investments were monitored and managed, particularly where specialist operational expertise was required. Ms Elwell explained that the assets concerned were managed by third-party property managers, with Border to Coast focused on portfolio construction, financing and oversight. She added that specialist activities, including hotel management and valuations, were outsourced to external providers. Mr McDonnell also confirmed that the UK Real Estate team had been expanded to support oversight of this area of activity.

In response to questions regarding the review of real estate propositions, Ms Elwell explained that the scheduling of annual reviews was being reviewed to better align with portfolios for construction.

RESOLVED: The Committee noted the report.

12. Overview of Pooling Progress

(Item 12)

Mr Kerr introduced the report and provided an overview of pooling progress, including Partner Fund engagement, asset transitions, proposition development and key risks. He stated that 92% of assets across Partner Funds were under management by the Pool or forecast to come under management and provided an update on the expansion of the partnership and ongoing proposition developments. He also highlighted continued progress towards pooling assets and the development of new capabilities.

Ms Elwell reminded the Joint Committee that the annual satisfaction survey would shortly be issued and encouraged Members to provide feedback to help inform and support ongoing engagement with Partner Funds.

Discussion covered engagement with Scheme Member Representatives and Pension Boards and the future role of Pension Boards as governance arrangements evolved. Ms Elwell advised that further consideration would be given to how Pension Boards could be supported through information sharing and engagement and how their views could be reflected within future arrangements.

Members sought further information on the development of the asset allocation capability pilot and the criteria that would be used to assess its success. In response, Mr Kerr explained that the capability formed part of the future implementation model, sitting within the portfolio construction stage of the investment process. He emphasised that a key measure of success would be maintaining effective engagement with Partner Funds to ensure their preferences were reflected in implementation decisions.

In response to Members' queries regarding whether responsibility for strategic asset allocation should remain with individual funds or be delegated to the Pool, Mr Kerr explained that strategic asset allocation remained the primary mechanism for controlling investment risk and should continue to be determined by individual funds to reflect their funding levels, contribution rates, risk appetites, cashflow requirements and liquidity needs.

Members questioned Border to Coast's approach to local investment and how opportunities within individual administering authority areas would be supported. Ms Elwell explained that Border to Coast was continuing to work with Partner Funds and other stakeholders to identify suitable opportunities. She emphasised that opportunities should be capable of attracting investment from across the Pool and encouraged Members to put forward potential opportunities for consideration.

RESOLVED: The Committee noted the report.

13. Emerging Matters - Verbal Update

(Item 13)

The item was introduced by Ms Elwell, who reminded Joint Committee Members to complete the annual satisfaction survey in October.

RESOLVED: The Committee noted the verbal update.