



ACCESS JOINT COMMITTEE

MINUTES of a meeting of the ACCESS Joint Committee held at Islington Town Hall - Committee Room 4, Islington Town Hall, Upper Street, N1 2UD on Wednesday, 19th September, 2018.

PRESENT: Cllr Andrew Reid - Chairman (Suffolk CC), Cllr Richard Stogdon - Vice-Chairman (East Sussex CC), Cllr Susan Barker (Essex CC), Cllr Vanessa Churchman - substitute (Isle of Wight), Cllr Jeremy Hunt (West Sussex CC), Cllr Mark Kemp-Gee (Hampshire CC), Cllr Graham Lawman (Northamptonshire CC), Cllr Terry Rogers (Cambridgeshire CC), Cllr Ralph Sangster (Hertfordshire), Cllr Cllr Charlie Simkins (Kent CC), Cllr Judy Oliver (Norfolk)

ALSO PRESENT: John Wright (Hymans Robertson)

OFFICERS: Andrew Boutflower (Hampshire), Nicola Mark (Norfolk), Kevin McDonald (Essex), Alison Mings (Kent), Ola Owolabi (East Sussex), Patrick Towey (Hertfordshire), Paul Finbow (Suffolk), Jo Thistlewood (Isle of Wight), Mark Whitby (Northamptonshire), Rachel Wood (West Sussex) and Joel Cook (Kent)

UNRESTRICTED ITEMS

96. Minutes of the meeting held on 11 June 2018.
(Item. 3)

RESOLVED that the minutes of the meeting on 11 June 2018 were a correct record and that they be signed by the Chairman.

97. Board Representation [11:05 - 11:15].
(Item. 4)

1. Mark Whitby (Northamptonshire) provided an update in relation to the report, which detailed the request from Pension Boards that ACCESS consider the inclusion of Local Pension Board (LPB) and Scheme representatives within its meeting arrangements in some form.
2. Members discussed the need for LPB and Scheme member representation at ACCESS meetings in view of the transparency and communication already taking place via the individual Pension Committees at the administering authorities. It was also noted that the remit of the LPBs was related to receiving assurances that the investment activity undertaken by the administering authorities was appropriate and that therefore the strategic and facilitation nature of ACCESS' work was not necessarily relevant for detailed consideration or attendance.

RESOLVED that no formal changes to the attendance arrangements be made to include Local Pension Board representatives; and that a response be sent to the

LPBs from the Chair, on behalf of the Committee, setting out the reasons for the decision, notably that;

- Existing transparency arrangements were sufficient
- There were existing opportunities for LPB elected members to attend ACCESS meetings
- Engagement with LPBs was better undertaken at a local authority level

98. Business Plan and Budget - quarterly update [11:15 - 11:25].
(Item. 5)

1. Rachel Wood (West Sussex) provided an update on the business plan and budget, clarifying the risk ratings and providing context. She highlighted that the Tranche status was shown as red due to the cumulative minor delays rather than any individual significant risks or problems. Ms Wood also explained various ongoing work streams and outlined areas where the budget was at variance to the agreed budget – key points included:
 - Additional costs for strategic and technical advice in relation to the Prospectus and Financial Conduct Authority (FCA) application.
 - Ongoing project management and client unit costs due to the FCA delay and still pending appointment for permanent roles in the ACCESS Support Unit (ASU).
 - Governance review costs – legal advice, consultancy fees and training development.
 - Potential additional spend in relation to sub-fund manager selection processes (dependent on future Committee decisions).
2. Members discussed the business plan update, querying the continued interim arrangements costs, which was budgeted at £360k for the full year, but was now expected to be slightly higher in view of the additional spending pressures explained previously. Members were advised that the Governance review work had remained within the agreed budget, which was extended previously by decision of the Committee to cover the necessary legal and consultancy advice.
3. Members considered the amber risk issues relating to Decision making, sub-fund establishment, conflicting requirements in terms of the different administering authorities and expectations from government as well as risks relating to ongoing fund management issues. The discussions considered the necessity for overspend authority to be delegated to officers, within a set limit, to avoid unnecessary operational delays and to update the way spend should be managed and recorded in the longer term.

RESOLVED that;

- The business plan be noted
- The updated budget be agreed (additional forecast spend)
- The Committee agree to delegate authority to approve up to 10% overspends, in consultation with the Chairman, on relevant budget lines / workstream costs to the named lead officer responsible.

99. Motion to Exclude the Press and Public.
(Item. 6)

RESOLVED that, under Section 100A of the Local Government Act 1972, the press and public be excluded from the meeting for the following business on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 3 and 5 of Part 1 of Schedule 12A of the Act.

100. Exempt Minutes of the meeting held on 11 June 2018.
(Item. 7)

RESOLVED that the exempt minutes of the meeting held on 11 June were a correct record and that they be signed by the Chairman.

101. Hymans Update - Review of Progress [11:30 - 11:50].
(Item. 8)

1. John Wright (Hymans) introduced his presentation and provided an update on progress made and outstanding challenges for ACCESS.

RESOLVED that the update on progress and future challenges be noted.

102. ACS Establishment Update: Tranche 1 FCA Application, Tranches 2 & 3 sub-funds and Phase 2 update [11:50 - 12:30].
(Item. 9)

1. John Wright (Hymans) highlighted the recommendations with the formal report and provided an overview to give further context and background to the proposed approach for Phase 1 sub-funds launch and the proposal for Phase 2 sub-funds.
2. The Committee was advised regarding necessary steps to progress with sub-fund preparation and implementation in consultation with Link as the ACS provider.

RESOLVED that;

- The FCA Approval for the ACS and first Sub-fund be noted
- Link be requested to conduct a full market search for an appropriate Value Investment Manager in Global Equities
- Link be requested to run a competition process across existing fund managers (not Global Equity Value)
- The progress of bFinance on developing recommendations for Phase 2 fixed income and diversified growth sub-funds be noted.

103. Stock lending update [13:00 - 13:45].
(Item. 10)

1. Patrick Towey (Hertfordshire) introduced a report on the proposed securities lending programme, supported by Jessica Hynes of Mercer Sentinel.

RESOLVED that;

- The due diligence report on the proposed lending programme be noted

- The Committee agree the proposed changes and that Link be requested to sign the agreement with Northern Trust on that basis.

104. Governance arrangements update [13:45 - 14:00].
(Item. 11)

1. Nicola Mark (Norfolk) updated the Committee on progress with the Governance review, explaining that work continued in terms of reviewing the Inter-authority Agreement (IAA) and the development of training for Officers and Members.

RESOLVED that;

- The progress with Phase 3 of the Governance work be noted.
- The press releases and planned communications workshop be noted
- The Committee agree to extend the interim ASU arrangements (£96k)

105. ACCESS Support Unit update (s151 Officer meeting) [14:00 - 14:45].
(Item. 12)

1. Kevin McDonald provided an update on progress with the ASU implementation, including the preparation of interview panels.

RESOVLED that;

- The update report be noted
- That Cllr Lawman join the Chair and Vice-Chair as the third member of the three person interview panel for Programme Director candidates.

106. MHCLG Autumn progress report [14:45 - 15:00].
(Item. 13)

1. Rachel Wood (West Sussex) introduced the report and draft Autumn Progress Report for the Ministry of Housing, Communities and Local Government (MHCLG). She also outlined plans for Member attendance at upcoming meetings with the Minister. Members discussed the draft response and indicated amendments to be made prior to its submission, particularly in relation to infrastructure investment.

RESOLVED that;

- Cllrs Reid, Stogdon and Oliver be confirmed as the attendees for the meeting with the Minister
- The progress report be amended to highlight the challenges involved in using pooled systems for infrastructure investment, referencing the commitment of individual administering authorities' to infrastructure investment, but caveated in relation to the fiduciary duty to only invest in ways that will benefit the funds.

107. Items for information or advice from the committee [15:00 - 15:15].
(Item. 14)

No updates or information provided at the meeting.

108. Date of next meeting.
(Item. 15)

1. Members discussed future requirements for meeting venues.

RESOLVED that the date of the next meeting, 10 December 2018, be noted.

- (a) **FIELD**
- (b) **FIELD_TITLE**