



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 Monday, 10th December, 2018.

PRESENT: Cllr Andrew Reid - Chairman (Suffolk CC), Cllr Barry Abraham - substitute (Isle of Wight), Cllr Susan Barker (Essex CC), Cllr Mark Kemp-Gee (Hampshire CC), Cllr Graham Lawman (Northamptonshire CC), Cllr Terry Rogers (Cambridgeshire CC), Cllr Ralph Sangster (Hertfordshire), Cllr Charlie Simkins (Kent CC), Cllr Judy Oliver (Norfolk), Dr James Walsh - substitute (West Sussex CC),

ALSO PRESENT: John Wright (Hymans Robertson), Julie Hammerton (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), Sharon Tan (Suffolk) Jo Thistlewood (Isle of Wight), Mark Whitby (Northamptonshire), Rachel Wood (West Sussex), Margaret Lee (Essex s151) and Joel Cook (Kent - Clerk)

UNRESTRICTED ITEMS

109. Minutes of the meeting held on 19 September 2018.
(Item. 3)

RESOLVED that the minutes of the meeting on 19 September 2018 were a correct record and that they be signed by the Chairman.

110. Verbal updates - SAB / LPB representation [11:10 - 11:20].
(Item. 4)

1. Further to the Board Representation discussion in the previous meeting, it was agreed that pending the release of further guidance, the approved letters will not be sent.

RESOLVED that, providing the expected guidance had no significant impact on the issue, Mark Whitby (Northamptonshire) would send the relevant correspondence in line with the decision taken at the previous ACCESS meeting.

111. Business Plan & Budget - quarterly update [11:20 - 11:40].
(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 the delay to the initial sub-fund launch as well as Tranches 2 and 3.

2. The Committee was advised that the 2019-20 ACCESS Budget would be presented for consideration and approval at the 18 March 2019 meeting.
3. Members discussed the benefits of an annual work plan that would ensure time dependant items were written into agendas in advance.
4. Members requested that the budget monitoring table include a column showing the start of year forecast and total variance.
5. In response to a question regarding the legal costs incurred, it was explained that Governance workstream had required more legal advice than initially budgeted. However, the Committee was reassured that Officers expected the year-end spend to be in line with the forecast budget.
6. Further to the discussion at the previous meeting, Members noted that the budget was indicative and presented for monitoring purposes only. There was provision in the IAA for each Council to be invoiced for their share of any additional costs. It was clarified that the Inter-Authority Agreement stated the Joint Committee should make recommendations to the administering authorities regarding the Strategic Business Plan and then subsequently determine a budget necessary to achieve the outcomes set out in the Plan.

RESOLVED that;

- The business plan be noted.
- The Budget monitoring table should include a column showing the start of year forecast and total variance.
- it was confirmed that authority to implement decisions taken by the JC was delegated to the relevant officer or Council (including but not limited to entering into legal agreement, signing contracts and approving expenditure), in consultation with the Chair.

112. 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 & 5 of part 1 of Schedule 12A of the Act.

113. Hymans update - progress and challenges [11:40 - 12:00].
(Item. 7)

1. John Wright (Hymans) introduced his presentation and provided an update on the progress made and outstanding challenges for ACCESS.
2. He drew Members' attention to the meeting with Minister Sunak, attended by both Hymans and representatives from ACCESS. He felt the meeting was constructive overall, and that they were able to demonstrate to the Minister the positive work of ACCESS so far.
3. Whilst Minister Sunak saw infrastructure as a very suitable asset for pension liabilities, it would be down to Members of ACCESS to discuss their appetite for

such investment. There also needed to be clarity around what assets were included under this category.

4. Members were made aware of an upcoming consultation around the rules on pooling, which would update the 2015 guidance. The consultation was due to be published before the end of December 2018, and potentially would have a short response period.

RESOLVED that the update be noted.

114. ACS Implementation update [12:00 - 12:30].

(Item. 8)

1. Andrew Boutflower (Hampshire) updated the Joint Committee on the progress of launching the ACS and the sub-funds to be created within it.

RESOLVED that;

- Link be asked to undertake the necessary due diligence to set up sub-funds for the fixed income and diversified growth fund investment managers (as per table 2 of the report).
- All progress in launching the first phase of investment in sub-funds and identifying equity managers be noted.

115. Infrastructure update & next steps [12:30 - 12:40].

(Item. 9)

1. Andrew Boutflower (Hampshire) explained the background and current approach for illiquid assets. The area required substantial investigation, and the issue would be discussed further at a future meeting.
2. Whilst each authority was able to decide what it would invest in, it was explained that finding a common ground which appealed to a majority of ACCESS Members would increase the overall benefits.

RESOLVED that;

- Any pooling of illiquid assets would be via external specialist investment managers.
- The proposed 'first steps' for investigating the use of pooling for illiquid assets be undertaken:
 - Collate funds' strategic allocations to look at pool options,
 - Commission necessary legal advice for investment structures for illiquid investments,
 - Officers consider engaging with other pools and investment managers to discuss options
- The Joint Committee would consider illiquid pooling at a future meeting when more information was available.

116. Update on Governance arrangements [13:10 - 13:25].

(Item. 10)

1. Nicola Mark updated Members about the Governance work that was being undertaken. She reiterated that the document was a working document, as opposed to the IAA which would be static (once reviewed and approved).

RESOLVED that;

- The update be noted.
- The planned review by s151 Officers and Monitoring Officers be noted.
- Proposed training in early 2019 be noted.
- Feedback from Members to be incorporated in future edits as the Governance Manual progressed.

117. Communications Plan update [13:25 - 14:00].

(Item. 11)

1. Following a communications workshop in September, Hymans Robertson led a discussion around the key messages and pros/cons of a detailed communication plan / strategy.
2. The Chairman was clear that he wanted some key messages agreed by the Committee so that when he was interviewed on behalf of ACCESS he was confident that the messages he conveyed had been agreed.

RESOLVED that

- The Chair and Vice-Chair would be the spokespeople for ACCESS (media queries or interview requests should be referred to them)
- ACCESS Members could still comment on ACCESS activity, speaking as Members of ACCESS but not the formal spokespeople and should use the key messages once finalised.
- the Key Messages be updated as per discussion (Hymans revising drafts)
- Hymans be asked to develop Q&A to support communications planning and media engagement
- The Chair and Vice-Chair consider attending a half-day media training (funding for session approved by Committee - £2,500)

118. ACCESS Support Unit [14:00 - 14:45].

(Item. 12)

1. Kevin McDonald provided an update on the developments regarding the ACCESS Support Unit (ASU).
2. The Programme Director role had not yet been recruited to, so the leading authority, Essex County Council, had contacted specialist recruiters in order to assist the appointment to the post. The Committee was advised that this would result in an additional budget pressure, slightly mitigated by the lower recruitment costs incurred to date.
3. The roles of the Technical Lead Officers would be filled by LGPS staff from within member authorities. Section 151 Officers would be nominating individuals in the following weeks. It was expected that the OWG model for working remotely and meeting in a central location as needed would be adopted.

RESOLVED that;

- Update on ASU development and recruitment arrangements be noted.
- The Essex approach of using a recruitment company to recruit the ASU Programme Director (recognising the additional cost implications) be endorsed.

119. Items for information or advice from the committee [14:45 - 15:00].

(Item. 13)

1. Hampshire CC would be considering their Responsible Investment Policy. Members questioned if a common policy across the authorities could be established in the future. A short report would be written for the Committee that showed what each fund had in place for their Responsible Investment Policy and a possible direction of travel.
2. Essex CC had been approached by Local Government Chronicle (LGC) to discuss their experience of entering the ACCESS pool. Other authorities in the room had not been approached. Essex CC would speak on behalf of itself, and not the Joint Committee.

RESOLVED that the updates be noted.

120. Date of next meeting.

(Item. 14)

RESOLVED that it be noted the next meeting would be held on Monday 18 March 2019 – 11:00 to 15:00