



AGENDA

ACCESS JOINT COMMITTEE

Tuesday, 11th June, 2019, at 11.00 am

Ask for: **Joel Cook**

Committee Room 1 - Islington Town Hall
Upper Street, London N1 2UD

Telephone **03000 416892**

Tea/Coffee will be available 15 minutes before the start of the meeting in the meeting room

Membership

Chairman: Andrew Reid (Suffolk CC), **Cllr Adrian Axford** (Isle of Wight), **Cllr Susan Barker** (Essex CC), **Cllr Jonathan Ekins** (Northamptonshire CC), **Cllr Gerard Fox** (East Sussex CC), **Cllr Jeremy Hunt** (West Sussex CC), **Cllr Mark Kemp-Gee** (Hampshire CC), **Cllr Terry Rogers** (Cambridgeshire CC), **Cllr Ralph Sangster** (Hertfordshire) **Cllr Charlie Simkins** (Kent CC) and **Cllr Judy Oliver** (Norfolk CC)

UNRESTRICTED ITEMS

(During these items the meeting is likely to be open to the public)

1. Apologies/Substitutes

Apologies	Substitutes	LA
Mr C Simkins	Mr P Bartlett	Kent

2. Membership

To note the following membership changes:

Cllr Jonathan Ekins has replaced Cllr Graham Lawman as the Northamptonshire County Council representative.

Cllr Gerard Fox has replaced Cllr Richard Stogdon as the East Sussex County Council representative.

3. Election of Vice-Chair

4. Declaration of interests in items on the agenda

5. Minutes of the meeting held on 18 March 2019 (Pages 5 - 10)
6. Host Authority arrangements [11:10 - 11:15] (Pages 11 - 14)
7. ACCESS Annual Report [11:15 - 11:30] (Pages 15 - 18)
8. 2018/19 Out-turn & 2019/20 Business Plan Update [11:30 - 11:45] (Pages 19 - 28)
9. Motion to Exclude the Press and Public
PROPOSED 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.

EXEMPT ITEMS

(During these items, the meeting will likely not be open to the public)

10. MHCLG Consultation update [11:45 - 12:00]
11. ACS Implementation update [12:00 - 12:20] (Pages 29 - 40)
12. Contract Management update [12:20 - 12:40] (Pages 41 - 56)
13. Access Support Unit update [12:40 - 13:00] (Pages 57 - 76)

Lunch [13:00 - 13:30]

14. Governance arrangements [13:30 - 13:50] (Pages 77 - 164)
15. Items for information or advice from the committee [13:50 - 14:00]

Date of next meeting

9 September 2019
Islington Town Hall

Joel Cook
Clerk to the Joint Committee
03000 416892

Monday, 3 June 2019



ACCESS JOINT COMMITTEE

MINUTES of a meeting of the ACCESS Joint Committee held at Committee Room 4 - Islington Town Hall on Monday, 18th March, 2019.

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

ALSO PRESENT: Mark Paget (ASU), Clifford Sims (Squire Patton Boggs), 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), Ola Owolabi (East Sussex) Sharon Tan (Suffolk) Jo Thistlewood (Isle of Wight), Mark Whitby (Northamptonshire), Rachel Wood (West Sussex), and Joel Cook (Kent - Clerk)

UNRESTRICTED ITEMS

121. Minutes of the meeting held on 10 December 2018.
(Item. 3)

RESOLVED that the minutes of the meeting on 10 December 2018, subject to the correction of a minor error in paragraph 110, were a correct record and that they be signed by the Chairman.

122. 2019/20 Business Plan & Budget [11:10 - 11:30].
(Item. 4)

1. Alison Mings (Kent) provided an update on the business plan and current budget.
2. Members suggested that Sub-Fund Tranche 3a should be better distinguished from Tranche 3 in the Strategic Business Plan.
3. Members were also presented with the 2019-20 Budget for consideration and approval. The proposed budget had been reviewed by ACCESS s151 Officers in advance of the meeting.
4. Members requested that the cost of professional advice related to possible new structures (e.g. illiquid structures) be separated from the overall

Strategic and Technical costs budget line or be accompanied by a budget note.

5. In response to a question about auditing the accounts, it was explained that the host authority, Kent County Council, sought assurance from their auditors regarding record keeping. In future, the ASU would be audited by Essex's auditor. Individual Authorities were responsible for auditing their share of the costs. Historically, Kent's auditors had not provided formal assurance around record keeping as they had not deemed the costs to be significant, but the Joint Committee asked that this be requested in future.
6. In response to a question about the line of communication between the s151 Officers and the Joint Committee, Kevin McDonald (Essex) confirmed that the OWG was the conduit for communication, and also the expectation was that a s151 officer would be in attendance at future Joint Committee meetings (apologies had been received for this meeting).

RESOLVED that

- the updated business plan and 2018/19 forecast spend be noted;
- the business plan be recommended to the administering authorities; and
- The 2019/20 budget be agreed.

123. Motion to Exclude the Press and Public.

(Item. 5)

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.

124. Pooling Guidance Consultation [11:30 - 12:30].

(Item. 6)

1. Andrew Boutflower (Hampshire) updated the Committee on the new draft investment pooling guidance from MHCLG along with a proposed response by ACCESS.
2. The draft pooling guidance would replace the 2015 version. It was published on 3rd January 2019 to a limited group of parties with a response timeframe of 12 weeks (i.e. 28 March 2019).
3. Elements of the draft guidance had raised concern within the industry. For example, the Joint Committee felt the guidance was unclear around the fiduciary obligation of Pension Committee members.

4. In light of these concerns, ACCESS authorities had sought legal advice, and Norfolk CC had also taken their own legal advice through a QC. Clifford Sims (Squire Patton Boggs) gave a brief overview of the advice and confirmed that the two professional opinions were not in conflict.
5. The Joint Committee suggested that Norfolk's legal advice was also considered and taken into account in ACCESS' final response to the consultation. Cllr Oliver was in agreement.
6. It was noted that in addition to ACCESS submitting its collective response by 28 March 2019, individual administering authorities were still able to submit their own consultation response as well.

RESOLVED that

- the consultation that was published by MHCLG be noted;
- The cost of additional legal advice commissioned by Norfolk County Council be shared between administering authorities as a 'shared cost'; and
- Authority be delegated to Andrew Boutflower (Hampshire), in consultation with the Chairman, Vice-Chairman and Cllr Oliver (Norfolk), to amend ACCESS' draft response in line with the additional legal advice and to submit the final version on behalf of ACCESS by the deadline of 28 March 2019.

125. ACS Implementation update - Phase 1 & 2 and Illiquid Investment [12:30 - 12:45].
(Item. 7)

1. Andrew Boutflower updated the Joint Committee on the progress of launching the ACS, the sub-funds that would be created within it and investigation into pooling illiquid investments.

RESOLVED that

- The progress in launching the ACS investment sub-funds be noted;
- The progress in identifying options of pooling illiquid investments be noted.

126. Contract Management Update [12:45 - 13:00].
(Item. 8)

1. Mark Paget updated the Joint Committee on the first three months activity of the Authorised Contractual Scheme (ACS).
2. The contract for the provision of Operator Services for the Authorised Contractual Scheme (ACS) was awarded to Link Fund Solutions (LFS) in March 2018, with a Contracts Manager commencing in December 2018. Some areas had been identified for improvement and these were being addressed.

3. Members requested that Link Fund solutions, the provider of ACCESS' ACS, attend the next meeting to provide an update on their activity.

RESOLVED that the establishment of management protocols with the supplier and the activity that has taken place since the appointment of the Contracts Manager be noted.

127. ACCESS Support Unit update [13:30 - 14:00].

(Item. 9)

1. Kevin McDonald and Mark Paget provided an update on the developments regarding the ACCESS Support Unit (ASU).
2. Following the update from the previous meeting, Essex County Council had appointed a specialist recruiter to assist in the recruitment of the Director post (previously titled "Programme Director"). The selection process was underway, with the expectation the Chairman and Vice-Chairman of the Joint Committee would participate in the final interviews in late March.
3. The roles of Technical Lead Officers had been filled by LGPS staff from ACCESS Member authorities.
4. The role of the ASU Support Officer had also been filled and was due to commence during April.

RESOLVED that the updates be noted.

128. Governance update [14:00 - 14:15].

(Item. 10)

1. Nicola Mark (Norfolk) provided an update on Phase 3 of the Governance work, following the consultation with Section 151 Officers during January 2019.
2. Terms of Reference had been written for Section 151 Officers, setting out their responsibilities and a definition of their relationship with Joint Committee members.
3. It was clarified that the Terms of Reference for the Officer Working Group would be removed from the IAA (a static document) and included in the Governance Manual (a working document), which would allow their role to be adapted in future, once the ASU was fully implemented.
4. The need for training was reiterated, and officers advised this would take place around June time, though the detail was still being finalised.

5. The IAA had also been under review, to reflect necessary changes that had occurred since the pool was formed.
6. It was anticipated that the final documents for the IAA and Governance Manual would be sent to each authority's Monitoring Officer in late April for approval. The Joint Committee could expect to see the final versions of the documents at their next meeting, subject to approval.

RESOLVED that

- The actions taken to address feedback following the Section 151 meeting be noted;
- The revised timetable for completion of phase 3 governance deliverables be noted.

129. Communications Plan [14:15 - 14:30].
(Item. 11)

1. Responding to an identified need for clear communications to external parties, Sharon Tan (Suffolk) presented the Key Messages for ACCESS document, which had been written following a communications workshop hosted by Hymans and consultation with the OWG.
2. The internal, working document was created to aid ACCESS members answer questions, in order to promote greater clarity and ensure consistency. An updated document would be taken to the Joint Committee on a quarterly basis.
3. Members would be offered media training during April 2019.
4. A Member commented that the key messages could be quite complex to understand for LGPS members, who may not even be aware of the existence of ACCESS. It was clarified that individual authorities were responsible for communicating with their staff about ACCESS, though could of course use the key messages document as an aide memoir.
5. Members requested that an overall statement regarding policy changes be written that they could use if required.
6. A member requested that the use of the word "funds" was clarified, making it clear that the document was referring to "pension funds of administering authorities".

RESOLVED that the Key Messages document be approved, subject to the addition of a policy change statement and clarification of the word "funds".

130. Responsible Investment [14:30 - 14:45].
(Item. 12)

1. Alison Mings (Kent) updated members of the Joint Committee on the status of the Responsible Investment Policies of each administering authority in the ACCESS pool.
2. A brief review of the authorities' policies had shown that they were all broadly aligned with the existing ACCESS policy. Authorities would be undertaking an investment strategy review during 2019, so it was agreed that the subject be added to a future agenda of the Joint Committee.

RESOLVED that the content of the report is noted, and that an update be considered at a future meeting.

131. Items for information or advice from the Committee [14:45 - 15:00].
(Item. 13)

There were no additional items for information or advice.

132. Date of next meeting.
(Item. 14)

1. In response to comments from Members regarding future dates, the Clerk agreed to review plans and update Members in due course.

RESOLVED that it be noted the next meeting would be held on Tuesday 11 June 2019.

**ACCESS Support Unit &
s151 officer meetings**



ACCESS Joint Committee

Date: 11 June 2019

Report by: Officer Working Group

Subject:	ACCESS Support Unit & Secretariat
Purpose of the Report:	To provide an update on the provision of Secretariat services to the Joint Committee
Recommendations:	<p>The Joint Committee (JC) are asked to:</p> <ul style="list-style-type: none"> • note the content of the report; and • agree a 12 month extension to the provision of Secretariat services by Kent County Council until the end of July 2020.
Enquiries to:	<p>Name – Kevin McDonald E-mail – kevin.mcdonald@essex.gov.uk</p>

1. Purpose

- 1.1. The purpose of this report is to provide an update on the provision of Secretariat Services to the Joint Committee (JC) and recommend the continuation of the existing approach for a 12 month period.

2. Background

- 2.1. Following the adoption of an Inter Authority Agreement by eleven central, eastern and southern councils on 12 July 2017, the first formal meeting of the ACCESS JC took place on 31 July 2017.
- 2.2. Secretariat services to the JC have been provided by colleagues at Kent County Council. This had been determined by the Shadow Joint Committee and the arrangement was initially intended to be for a period of two years from July 2017.
- 2.3. At its meeting on 11 June 2018, the JC agreed that Essex County Council be the Host Authority for the ACCESS Support Unit (ASU) and Host Authority generally following the full establishment of the ASU.
- 2.4. The aim has been that the Secretariat function is ultimately included within the ASU.

3. The Inter Authority Agreement

- 3.1. Clause 9 of the Inter Authority Agreement (IAA) states the following:

9.1. On the Commencement Date Kent County Council will act as Host Authority on behalf of the Joint Committee and will designate one of its officers to be Secretary to the Joint Committee.

9.2. The role of Host Authority may be undertaken by any Council as agreed by the Joint Committee from time to time with the agreement of the Council concerned.

4. Discussions since the last JC meeting

- 4.1. Officers at Kent and Essex have reviewed the situation. Whilst it is felt that the aim of consolidating the Secretariat within the ASU Host Authority remains appropriate there are sound reasons to continue with Kent's provision for a further 12 months. These include:
 - whilst key steps have been taken to establish the ASU, these are not yet complete;
 - although the Pension Fund Governance Team at Essex (who would ultimately provide the ASU with JC Secretariat support) have commenced shadowing colleagues at Kent, a key member of staff is currently on maternity leave; and
 - the recognition of the detailed and comprehensive knowledge of ACCESS and the JC's workings built up by colleagues at Kent in general, and the current Secretary / Clerk in particular.
- 4.2. As a consequence Essex have asked Kent whether it would be possible to continue with the existing arrangement for a further 12 months. Kent have confirmed they are open to this suggestion, and that the intention is that the current Secretary / Clerk would continue to act as Secretary / Clerk to the Committee. This approach would enable both continuity and transition planning.

5. Recommendation

Joint Committee are asked to:

- 5.1. note the content of the report; and
- 5.2. agree a 12 month extension to the provision of Secretariat services by Kent County Council until the end of July 2020.

6. Financial implications

- 6.1. No overall change is expected to the total budget agreed at the March 2019 JC meeting.

This page is intentionally left blank

Annual Report



ACCESS Joint Committee

Date: 11 June 2019

Report by: Officers Working Group

Subject:	Annual Report
Purpose of the Report:	To submit to the Joint Committee the draft format for the ACCESS Annual Report
Recommendations	<p>The Committee is asked to:</p> <ul style="list-style-type: none"> ○ Approve the format of the ACCESS Annual Report. ○ Agree the approval process of the report for publication
Enquiries to:	<p>Name – Sharon Tan Tel – 01473 265636 E-mail – sharon.tan@suffolk.gov.uk</p>

1. Background

- 1.1 Pension funds have a regulatory requirement to publish an annual report to promote awareness of the scheme and provide members and stakeholders with relevant information in an accessible and consistent manner.
- 1.2 New guidance about what should be included in the report has been issued to the Pension Funds to reflect national developments within the scheme and this includes a section on Asset Pools.
- 1.3 Certain tables in the guidance have been specifically developed to promote consistency of disclosure to assist the MHCLG and Scheme Advisory Board in reporting on the progress and outcomes delivered by each of the asset pools.
- 1.4 ACCESS does not have a regulatory requirement to produce and publish an annual report on its activities, however by doing so, the report can be used by each of the Pension Funds in their Annual Reports and Accounts and in addition, can be used to promote the progress that has been made in establishing and transferring assets into the Pool by distributing it to other interested parties.

2. Format and content of the Annual Report

- 1.5 A draft format of the headings to be used and a summary of the content to be included in the report is attached as Appendix 1.

3. Publication

- 1.6 The report will be included in the Annual Reports and Accounts of each of the Pension Funds which will be presented to their Pension Fund Committees and then published in line with their local timetables. This will start happening during July 2019.
- 1.7 After the Pension Funds have published their Annual Report and Accounts the report will be sent to the media and other interested parties.

4. Recommendations

4.1 The Committee is asked to:

- Approve the format of the ACCESS Annual Report.
- Agree that the finalisation and approval for publication of the Annual Report be delegated to Sharon Tan (Suffolk) in consultation with the Chair of the Joint Committee.

ACCESS

Appendix 1

Background

Background on the ACCESS Pool

Governance

Outline of the governance set up of the Pool

The Operator

Link Fund Solutions Ltd appointment

Progress

Background and summary of proposals

Pooled Assets

Table summarising the pooled holdings:

Pooled Investments	£ billion
Total Pooled Investments	

Key milestones achieved in 2018/19

List of key milestones achieved in the year

Objectives for 2019/20

Narrative of the plans for the forthcoming year

Financial Management

Table of the Pool Set-Up Costs from 15/16:

	2015 – 2016	2016 – 2017	2017 – 2018	2018 – 2019
	£'000	£'000	£'000	£'000
Strategic & Technical Advice				
Legal				
Project Management				
ACCESS Support Unit				
Other				
Total Set Up Costs				

Fee Savings

Table demonstrating fee savings achieved from 15/16:

	2015 – 2016	2016 – 2017	2017 – 2018	2018 – 2019
	£'000	£'000	£'000	£'000
Set Up Costs				
Fee Savings				
Transaction Costs				
Net Savings Realised				

Expected v Actual Costs and Savings

Table comparing actual costs and savings compared to Business case submission to MHCLG:

	2017 – 2018		2018 – 2019	
	Actual	Budget	Actual	Budget
	In Year	Cumulative to date	In Year	Cumulative to date
	£'000	£'000	£'000	£'000
Set Up Costs				
Fee Savings				
Transaction Costs				
Net Savings Realised				

Environmental, Social and Governance

Narrative of ESG principles

Business Plan and Budget Quarterly Update



ACCESS Joint Committee

Date: 11 June 2019

Report by: Officer Working Group

Subject:	2018/19 Outturn and 2019/20 Business Plan Update
Purpose of the Report:	To provide an update on the activities undertaken since the last Joint Committee and associated spend
Recommendations:	The Committee is asked to note the 2018/19 outturn and updated business plan
Enquiries to:	Alison Mings (Alison.mings@kent.gov.uk 03000 416488)

1. Purpose

- 1.1 The Joint Committee is required to make recommendations to the ACCESS Authorities about the annual strategic business plan for the Pool. The strategic plan was agreed by the Joint Committee in April 2018 and referred to the relevant ACCESS Authorities.
- 1.2 The Joint Committee also determined the budget necessary to implement the business plan during 2018/19 (insofar as the costs will not be paid by ACCESS Authorities direct to the Operator) at their meeting in April 2018 and this has been charged to the relevant ACCESS Authorities.
- 1.3 This report updates the Joint Committee on the work undertaken to date and costs incurred in 2018/19.
- 1.4 The Joint Committee is also requested to agree the updated plan which includes activities now planned for 2019/20.

2. Business Plan Update

- 2.1 The key activities undertaken are as follows:

2018/19

- Access Support Unit (ASU) – contract manager and support officer recruited

- ASU functions mainly undertaken by third parties with contract management transferred to permanent staff in Q1 2019
- Tranche 1 and 2 sub funds onboarded

2019/20

- ASU recruitment completes
- ASU functions mainly undertaken by ASU officers and technical leads
- Review of the IAA completes
- Tranche 3, 4 and 5 sub funds onboarding
- Consideration of non-listed / illiquid assets

2.2 The table below shows progress against key items anticipated to be delivered since the last Joint Committee and completed by end March 2019, as well as the proposed activity in 2019/20.

2.3 As previously advised in 2019/20 ACCESS Support Unit (ASU) Officers employed by Essex as the Host Authority, together with the Technical Leads, will be taking over most of the functions of the ASU from the third-party providers.

2.4 It is anticipated that external advisors will be engaged in relation to the further work on the Governance arrangements for the ACCESS pool, in relation to the set-up of further ACS sub-funds as well as arrangements for the pooling of illiquid assets.

ACCESS Strategic Business Plan		
Key Milestone	2018/19	Anticipated 2019/20
Consider Legal Entity Consider the benefits and drawback of legal entity model for ACCESS pool.	Completed	N/A
Complete Governance Manual Work with external advisers to reflect decision making principles, communication strategy, policies and procedures, code of conduct etc in the Governance Manual	Substantially Completed	Will have residual cost relating to training.
Complete Review of Inter Authority Agreement Work with external advisers to reflect any changes resulting from the completion of the Governance Manual and review	Initial redrafting undertaken	Further redrafting required to reflect changes; mainly to the current operational elements of the Pool
Agree and establish ACCESS Support Unit Identify ASU resource requirements, roles and responsibilities for activities, scope and run recruitment activity and appoint	Third party providers appointed as interim ASU	ASU functions will be mainly undertaken by ASU Officers and Technical Leads
ASU Operation and BAU ASU Operation plus professional advice and support	Third party providers of interim ASU Contract manager recruited	ASU functions will be mainly undertaken by ASU Officers and Technical Leads ASU support officer recruited

		ASU Director to be appointed
Determination of Reporting Framework Reflecting investments within the sub-funds work with Link to ensure that reporting meets Authority, Pool, CIPFA and Government requirements		Work to be undertaken by the ASU officers and Technical Leads
Development of Reporting for the Joint Committee in respect of funds in the ACS - Quarterly investment performance - Information on investment and operational costs including the annual review of investment manager costs		Work to be undertaken by the ASU officers and Technical Leads
Agreement to joint policies Including communication, environmental social and governance and responsible investment.	N/A	Work to be undertaken by the ASU Officers and technical Leads
Approval and launch of Tranche 1 Sub-Fund Ensure sub-fund meets Link's due diligence requirements and ACCESS Authorities' value for money criteria (including transition activity). Work with Link to submit application to the FCA for approval of the ACCESS ACS and sub-fund set-up. Launch.	Completed with overspend on legal due diligence and consultancy advice	N/A
Approval and launch of Tranche 2 Sub-Funds As above	Completed	N/A
Approval and launch of Tranche 3 Sub-Funds As above	Substantially completed	2 sub-funds - transition activity Q1.
		Other sub-funds - some further due diligence required.
Establish Stock Lending Programme for ACCESS ACS Commission work from third party experts on the appropriate balance between risk and income for Link to implement for the ACCESS ACS sub-funds	Completed following appointment of Mercer. Programme in place.	N/A
Determine, approve and launch tranche 4 Sub-Funds As above and to include WSPF Baillie Gifford balanced mandate		Further due diligence required
Determine, approve and launch tranche 5 Sub-Funds As above but to also include manager search and selection activity by Russell.	Work commissioned from Russell	Further due diligence required
Consideration of approach to illiquid investments Consideration of requirements and implementation options for ACCESS Authorities' current and proposed investments in illiquid asset classes, including infrastructure.	Joint Committee agreed initial scope of work to be undertaken by Officers	Work to be undertaken by the ASU and Technical Leads using third party suppliers as required
Communication with MCHLG	Completed	Work to be undertaken by the

Providing updates to Government and responding to consultations		ASU using third party suppliers as required
Pool Wide Activities Professional support in relation to ACCESS Governance Structure includes JC, S151 and OWG and workstream meetings	Work commissioned from Hymans	Work to be undertaken by the ASU using third party suppliers as required

3. 2018/19 Budget Update

- 3.1 In agreeing the strategic business plan for 2018/19 the Joint Committee determined the budget necessary to implement the outcomes of the plan and meet the expenses of undertaking the Specified Functions. The costs set out in the 2018/19 budget were indicative based on the understanding of the resource requirements at the time.
- 3.5 For the Committee's information actual 2018/19 outturn costs were £1,247,501 and these compared with the original budget and revised budget together with the 2019/20 budget are included in the table below.
- 3.6 Actual costs for 2018/19 are lower than per the revised budget mainly due to lower ASU costs and lower external profession fees although external legal fees were higher mainly as a result of the additional work agreed for the review of the IAA and governance manual.
- 3.7 In line with the terms of the Inter Authority Agreement, each administering authority has already paid £105,000 being their share of the costs budgeted for the 2018/19 financial year. The final cost per authority is £113,409 and Kent as the Host Authority has invoiced each Council for its further share of the costs payable.

ACCESS 2018/19 outturn and Estimated Budget 2019/20

	Original budget 2018/2019 £	Sept Revised Budget 2018/2019 £	Actual 2018/2019 £	Estimated Budget 2019/2020 £	Notes 2019/20
ASU					
Interim ASU Support	360,000	451,773	328,734	-	
Internal Costs					
Internal Professional Costs	21,000	21,000	20,018	8,000	(1)
ASU Salaries (incl. on cost)			31,649	295,000	
ASU Operational	1,000	21,000	53,375	20,500	
ASU Host Authority Recharge			7,830	42,000	
ASU JC Secretariat Support				16,800	
Technical Lead Recharge Costs			9,599	93,000	
Internal Costs Total	22,000	42,000	122,472	475,300	
Interim ASU / ASU Total	382,000	493,773	451,206	475,300	
External Professional Costs					
Strategic & Technical	330,000	395,595	194,115	189,000	
Advice re new structures			92,000	175,000	(2)
Legal & Governance	215,000	290,647	341,680	207,250	
Project Management	230,000	247,205	168,500	156,000	
Professional Costs Total	775,000	933,447	796,295	727,250	
Total Costs	1,157,000	1,427,220	1,247,501	1,202,550	
Cost Per Authority	105,000	130,000	113,409	109,000	

(1) Includes Kent costs to September incl those related to the handover. From July JC support will be captured within ASU Essex Support

(2) Separate advice for Illiquids and assumes 2 absolute manager selections @ £25k and potential illiquid search(es) @ £50k

4. Risks

- 4.1 A summary of the key risks is attached at Appendix 1. This schedule summarises risks which have an amber or red status[excluding fund manager challenge risk].

5. Recommendations

- 5.1 That the Joint Committee notes the progress against the business plan and the outturn for 2018/19.

6. Consultation with Key Advisers

- 6.1 Hymans Robertson has been appointed to provide general / project support and technical advice to the ACCESS pool.

7. Background Papers

None

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Agenda Item 12

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 1, 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Agenda Item 13

Document is Restricted

This page is intentionally left blank

GOVERNANCE



Joint Committee

Date: 11 June 2019

Report by: Officer Working Group

Subject:	ACCESS GOVERNANCE update
Purpose of the Report:	The purpose of this paper is to update the Joint Committee (JC) on the progress of the Phase 3 Governance work, outlined to the Joint Committee at their meeting of 13 March 2019.
Recommendations:	<p>The Joint Committee is invited to:</p> <ul style="list-style-type: none"> • Note the revised timetable for completion of phase 3 governance deliverables • Sign off the governance manual as an operational document that will be continually updated by the ASU • Sign off the latest version of the revised IAA, on the basis that this is being reviewed by the MO's and that their comments will be taken into consideration before the final version is issued to Funds for execution
Enquiries to:	<p>Name – Nicola Mark Tel – 01603 222171 E-mail – nicola.mark@norfolk.gov.uk</p>

1. Purpose

- 1.1. The purpose of this paper is to update the Joint Committee (JC) on the progress of the Phase 3 Governance work, outlined to the Joint Committee at their meeting of 18 March 2019, and the subsequent associated extension of timescales for the delivery of this work.

2. Background

- 2.1. In June 2018 the JC agreed to Phase 3 of the Governance Workstream, which included reviewing the IAA alongside the completion of the Governance Manual, with a primary focus on ensuring consistency and clarity.
- 2.2. In September associated costs for this area of work was presented to the JC and it was agreed to include in the budget plan.
- 2.3. Following an initial meeting with the Section 151 Officers on 12th December 2018, there was a further meeting on 25th January 2019 where governance documents were discussed in detail.
- 2.4. At the meeting on 25th January 2019, a number of amendments were agreed with the Section 151 Officers and these were further discussed at their meeting on 15th March.
- 2.5. At the JC meeting on 18th March, the Committee were advised of the timetable and next steps for the finalisation of the key governance documents.

3. Progress since Joint Committee meeting on 18th March

- 3.1. Further meetings of the Governance Sub Group and Officer Working Group have taken place in line with the timetable below and further amendments have been made to the IAA and Governance Manual, which are now in final draft format.
- 3.2. SPB have also produced an IAA drafting guide which will explain the key changes to the original and the rationale for the changes.
- 3.3. Engagement with the Monitoring Officers will now take place via a webinar as it has been impossible to organise a timely face to face meeting. This will take place on 12 June. Monitoring Officers have been provided with an update on the status of the governance documents and have received an invite to the Webinar.
- 3.4. The webinar will be hosted by Squire Patton Boggs and will explain the rationale behind the changes made to the IAA (these will also be described in an IAA briefing note). It will also introduce the governance manual and its purpose; which is that it is an operational document and will be managed and updated on an on-going basis by the ASU.
- 3.5. Current versions of the revised IAA, governance manual and IAA briefing note are appended to this report.

- 3.6. Monitoring Officers will be asked to submit any queries via the Webinar and these will be answered at the time
- 3.7. Following the webinar, Monitoring Officers will be given two weeks to provide feedback on the documents. Depending on the feedback, a further call or meeting may be organised to discuss this. After this time, the revised IAA will be finalised.
- 3.8. Following finalisation of the IAA, each Authority will need to follow their own internal processes for execution/sealing. If changes are considered material this may involve requesting approval via Full Council.
- 3.9. Due to the change in approach in engaging with the Monitoring Officers, the original timetable has been extended and is outlined below. In particular, the governance documents are not in their final state for this JC meeting. However, copies of the most recent draft of the governance documents, including the IAA drafting guide, are included as an appendix to this report. It should also be noted that all decision-making regarding the IAA sits with the Administering Authorities, rather than the JC.
- 3.10. It is still recognised that governance training will be required for all those involved in ACCESS, including members of the Joint Committee, S151 Officers, Officers (e.g. members of the Officer Working Group) and the ACCESS Support Unit and remains a key deliverable of Phase 3 of the Governance Workstream. Training resources may also be used with individual Pensions Committees and Local Pension Boards, to ensure consistency of content and understanding.

4. Revised timetable for completion of the IAA review and finalisation of the Governance Manual

Shaded items are completed

Task	Date	Responsible party(ies)
S151 Officer meeting – revised ToR's discussed	15 th March	Section 151 Officers
Revised ToR's, revised IAA and governance manual finalised in draft and reviewed by GSG	w/c 8 th April	Squire Patton Boggs ACCESS Officers
Revised ToR's, revised IAA and governance manual issued to OWG for review & comment	w/c 15 th April	ACCESS Officers
OWG meeting – feedback taken from OWG on governance documents	25 th April	ACCESS Officers
Governance Sub-Group Meeting – final drafts revised; any required amends made	w/c 29 th April	Squire Patton Boggs ACCESS Officers
Email issued to Monitoring Officers outlining next steps	w/c 13 th May	ACCESS Officers
Governance report issued to Joint Committee; along with draft governance documents	4 th June 2019	ACCESS Officers
Joint Committee meeting – governance document	11 th June 2019	Joint Committee

recommendations considered		
Monitoring Officers webinar/ Webinar recording issued Draft governance documents issued	12 th June 2019	Monitoring Officers ACCESS Officers Squire Patton Boggs
Possible meeting of Monitoring Officers – feedback discussed and captured	TBC (likely to be late June)	Monitoring Officers Squire Patton Boggs
Feedback received from Monitoring Officers and final versions produced and signed off by the GSG	TBC (likely to be early July)	Monitoring Officers ACCESS Officers Squire Patton Boggs
Individual Authorities commence execution of revised IAA	TBC (likely to be mid- late July)	ACCESS Officers Monitoring Officers

5. Recommendation

5.1. The Joint Committee is invited to:

- Note the revised timetable for completion of phase 3 governance deliverables
- Approve adoption the governance manual as an operational document that will be continually updated and managed by the ASU, in consultation with the ASU's Host Authority Monitoring Officer.
- Endorse the latest version of the revised IAA and recommend it for further consideration by the administering authorities (via the Monitoring Officers)
- Note that the revised IAA may be further amended subject to further Monitoring Officer review and discussion prior to finalisation for progression via each Council's own governance arrangements as required.

6. Consultation with Key Advisers

- 6.1. Muse Advisory is providing governance advice to the ACCESS pool.
- 6.2. Squire Patton Boggs are providing legal advice.
- 6.3. Hymans Robertson are providing project management support.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank