



## AGENDA

### ACCESS JOINT COMMITTEE

**Monday, 9th March, 2020, at 11.00 am**

Ask for: **Joel Cook**

**Committee Room 1 - Islington Town Hall**

Telephone **03000 416892**

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

#### **Membership**

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

#### **UNRESTRICTED ITEMS**

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

1. Apologies/Substitutes
2. Declaration of interests in items on the agenda
3. Minutes of the meeting held on 9 December 2019 (Pages 1 - 4)
4. Meeting dates - 2020/2021

For Noting:

- 15 June 2020
- 7 September 2020
- 7 December 2020
- 8 March 2021

5. Governance Update (Pages 5 - 10)
6. Communications (Pages 11 - 14)
7. Business plan, budget & risk summary (Pages 15 - 24)

**8. 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 is likely to NOT be open to the public)*

- |  |                   |
|--|-------------------|
| <b>9. Risk Register</b>                  | (Pages 25 - 32)   |
| <b>10. Investment update</b>             | (Pages 33 - 48)   |
| <b>11. Sub-fund progress</b>             | (Pages 49 - 58)   |
| <b>12. Contract Management update</b>    | (Pages 59 - 88)   |
| <b>13. Link presentation (to follow)</b> |                   |
| <b>14. SAB engagement</b>                | (Pages 89 - 118)  |
| <b>15. Alternatives update</b>           | (Pages 119 - 120) |

Joel Cook  
Clerk to the Joint Committee  
03000 416892

**Friday, 28 February 2020**



## **ACCESS JOINT COMMITTEE**

MINUTES of a meeting of the ACCESS Joint Committee held at Committee Room 1 - Islington Town Hall on Monday, 9th December, 2019.

PRESENT: Cllr Mark Kemp-Gee - Chair (Hampshire CC), Cllr Susan Barker – Vice-Chair (Essex CC) Cllr Jonathan Ekins (Northamptonshire CC), Cllr Gerrard Fox (East Sussex CC), Cllr Andrew Garratt – substitute (Isle of Wight), Cllr Terry Rogers (Cambridgeshire CC), Cllr Judy Oliver (Norfolk), , Cllr Ralph Sangster (Hertfordshire CC) and Mr Charlie Simkins – (Kent CC).

ALSO PRESENT: Kevin McDonald (ASU Director) and Dawn Butler (ASU Support Officer), Clifford Sims (Squire Patton Boggs), Elizabeth Graham (Squire Patton Boggs)

OFFICERS: Andrew Boutflower (Hampshire), Glenn Cossey (Norfolk), Alison Mings (Kent), Michelle King (East Sussex), Paul Tysoe (Cambridgeshire) Sharon Tan (Suffolk) Jo Thistlewood (Isle of Wight), Mark Whitby (Northamptonshire) and Joel Cook (Kent - Clerk)

### **UNRESTRICTED ITEMS**

**163. Election of Chair.**  
*(Item. 2)*

Cllr Simkins nominated Cllr Kemp-Gee, seconded by Cllr Barker. There were no further nominations.

RESOLVED that Cllr Kemp-Gee be elected Chairman of the Joint Committee.

**164. Election of Vice-Chair.**  
*(Item. 3)*

Cllr Kemp-Gee nominated Cllr Barker, seconded by Cllr Sangster. There were no further nominations.

RESOLVED that Cllr Barker be elected Vice-Chairman of the Joint Committee.

**165. Minutes of the meeting held on 9 September 2019.**  
*(Item. 4)*

RESOLVED that the minutes from the meeting held on 9 September 2019 be signed as a true and accurate record.

**166. ASU Update.**  
*(Item. 5)*

- (1) Kevin McDonald (ASU) presented an updated overview of the ACCESS Support Unit.

RESOLVED that the updated overview of the ACCESS Support unit be noted.

**167. Governance Update.**

*(Item. 6)*

- (1) Kevin McDonald (ASU) updated the Joint Committee on the progress of the Phase 3 Governance work.
- (2) As a result of ongoing engagement with Monitoring Officers, the timetable had been revised.
- (3) A governance training session for the Joint Committee would be held after the meeting.

RESOLVED that the following be noted:

1. The revised timetable for completion of phase 3 governance deliverables
2. The revised IAA would take effect upon execution by all participating authorities. Completion of the process to be confirmed in writing by the Clerk to the Committee.

**168. Business plan, Budget and Risk Summary.**

*(Item. 7)*

- (1) Kevin McDonald (ASU) provided an update on the activities undertaken since the last Joint Committee, the associated spend and a risk summary.
- (2) Overall, there was an underspend forecast in 2019-20 of £184k. This was welcomed by Members who commented positively on the efficiency and work of the ASU.
- (3) The business plan and budget for 2020-21 were presented to the Joint Committee. The plan was based upon the ACCESS governing principles, as established by the participating Authorities.
- (4) It was highlighted that East Sussex County Council were undertaking an ESG review and their representative offered to share their findings with the Joint Committee.
- (5) Mr McDonald advised the Committee that work was continuing in relation to addressing illiquid assets, noting that the focus of ACCESS activity had been on listed assets so far. Further updates on this work would be provided at future meetings.

- (6) The Chair commented on the need to review and update ACCESS' communications strategy, with consideration of a more proactive approach to improve understanding of the positive work of ACCESS.

RESOLVED that

1. the updated business plan, the ASU workstream progress report, the revised 2019/20 outturn and summary risk register be noted.
2. recommend the 2020/21 business plan to the ACCESS Authorities; and
3. approve the 2020/21 budget totalling £1.080m to support the proposed business plan.

**169. Motion to Exclude the Press and Public.**

*(Item. 8)*

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.

**170. Risk Register.**

*(Item. 9)*

RESOLVED that the report be noted; and the revisions to the Risk Register as set out in the report be approved.

**171. Sub-funds / Transitions / Alternatives.**

*(Item. 10)*

- (1) Andrew Bouflower (Hampshire) provided an update on the progress made in launching the ACS investment sub-funds and outlined the requirement for an additional Emerging Markets (EM) equities manager.
- (2) It was also explained that further work was being undertaken in relation to identifying options for pooling illiquid investments.

RESOLVED that:

1. progress in launching the ACS investment sub-funds be noted.
2. the request to Link for a search for an Emerging Markets (EM) equities manager be approved.
3. the progress in identifying options for pooling illiquid investments be noted.

**172. Contact Management Update.**

*(Item. 11)*

- (1) Kevin McDonald provided an overview of contract monitoring activity and key points, including planned work to improve KPI structuring and develop dashboard to assist in future monitoring. It was confirmed that further updates would be provided in March 2020.

RESOLVED that that the report be noted.

**173. LiNK Presentation.**

*(Item. 12)*

- (1) Karl Midl and James Zealander delivered a presentation and answered questions.

RESOLVED that the presentation be noted.

**174. MHCLG Return.**

*(Item. 13)*

- (1) Kevin McDonald updated the committee on work being undertaken to address requirements for providing Pooling updates to the Ministry for Housing, Communities and Local Government (MHCLG).

RESOLVED that the ACCESS MHCLG Pooling update submission be noted.

**175. Items for information / advice.**

*(Item. 14)*

- The Joint Committee agreed that the Chairman should write to the former Chairman, Cllr Reid, to thank him for his work on ACCESS.
- The Chairman announced that this would have been Nicola Mark's (Norfolk) last meeting. The Joint Committee agreed that the Chairman would write to her to thank her for all her work on ACCESS.
- Cllr Oliver explained that Norfolk were seeking advice following the Government's response to their SAB consultation (particularly in relation to fiduciary duty). The advice would be shared with the Joint Committee once received.

**Governance update**



**Joint Committee**

**Date: 9 March 2020**

**Report by: Officer Working Group**

<b>Subject:</b>	<b>Governance update</b>
<b>Purpose of the Report:</b>	<p>The purpose of this paper is to update the Joint Committee (JC) on:</p> <ul style="list-style-type: none"> <li>• the progress of the Phase 3 Governance work, and the subsequent associated extension of timescales for the delivery of this work; and</li> <li>• recent discussions regarding the structure of officer sub-groups.</li> </ul>
<b>Recommendations:</b>	<p>The Joint Committee is invited to note:</p> <ul style="list-style-type: none"> <li>• the revised timetable for completion of phase 3 governance deliverables</li> <li>• that the revised IAA will take effect upon execution by all participating authorities, completion of this process to be confirmed in writing by the Clerk to the Committee; and</li> <li>• recent discussions on the structure of officer sub-groups</li> </ul>
<b>Enquiries to:</b>	<p>Name – Kevin McDonald                  Email – <a href="mailto:kevin.mcdonald@accesspool.co.uk">kevin.mcdonald@accesspool.co.uk</a></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, and the subsequent associated extension of timescales for the delivery of this work;
  - recent discussions regarding the structure of officer sub-groups specifically the planned cessation of the Governance sub-group (GSG) and consideration of future sub-group requirements; and
  - initial planning for the Annual Report.

## **2. Background: Phase 3 Governance work**

- 2.1. In June 2018 the JC agreed to Phase 3 of the Governance Workstream, which included reviewing the Inter Authority Agreement (IAA) alongside the completion of the Governance Manual, with a primary focus on ensuring consistency and clarity.
- 2.2. At its meetings throughout 2019, the JC were advised of progress and next steps for the finalisation of the key governance documents.
- 2.3. Section 151 Officers (s151) have discussed and contributed to the development of this workstream at each of their five meetings between December 2018 and November 2019. An update was also given at their February 2020 meeting.
- 2.4. Squire Patton Boggs held a webinar on 11 June 2019 for Monitoring Officers to enable the rationale behind proposed changes to the IAA to be explained in detail. It also introduced the Governance Manual. Following comments received, a revised draft IAA was circulated to the Monitoring Officers for approval during October and November 2019. This raised one matter - ensuring that references to Operator Agreement(s) are generic rather than specific - which required a number of presentational changes.
- 2.5. Two training sessions on governance arrangements were delivered in late 2019: to the s151 Officers on 27 November, and after the last JC meeting on 9 December.

## **3. Progress since Joint Committee meeting on 9 December 2019**

- 3.1. The changes highlighted in 2.4 were finalised in February 2020, and at the time of writing an updated IAA was in preparation for re-circulation to Monitoring Officers.
- 3.2. As a result of the ongoing engagement with Monitoring Officers, the timetable has been redrafted and is shown below. The expectation is now that Authorities will commence executing the revised IAA from April 2020.



Task	Revised Date	Responsible party(ies)
Final draft IAA circulated to Monitoring Officers members	Early March 2020	ACCESS Support Unit (ASU)
Final draft IAA circulated to members of the Joint Committee (including tracked changes)	Late March 2020	ACCESS Support Unit
Final version produced and signed off by OWG	April 2020	ACCESS Support Unit Squire Patton Boggs
Individual Authorities commence internal governance processes	April 2020	Monitoring Officers
Authorities to confirm approval of revised IAA to Clerk to the Joint Committee – Clerk will then issue the revised IAA for execution.	TBC	Officers from participating Authorities Clerk

#### 4. Officer Working Group (OWG) & Officer Sub-groups

- 4.1. The revised IAA incorporates Terms of Reference (ToR) for both the JC and the s151 Officers of the participating Authorities.
- 4.2. The 2020-21 Business Plan agreed at the Committee's meeting in December 2019 included the following extract:

It is anticipated that 2020/21 will see key activities within the following themes:

**Actively managed listed assets:** the completion of pooling active listed assets within the Authorised Contractual Scheme (ACS).

**Alternative / non listed assets:** the initial implementation of pooled alternative assets.

**Passive assets:** ongoing monitoring and engagement with UBS.

**Governance:** the application of appropriate forms of governance throughout ACCESS.

**ACCESS Support Unit (ASU):** the size and scope of the ASU will be reviewed.

- 4.3. The Terms of Reference of OWG (as set out in the original IAA) are shown below:
- *The Officer Working Group is a working group of officers appointed by the Councils whose role is to provide a central resource for advice, assistance, guidance and support for the Joint Committee (and also if requested for the Councils as a collective group of investors in the Operator).*
  - *The Officer Working Group will work with the Joint Committee to support the functions of the Joint Committee as set out in the Joint Committee's Terms of Reference.*
  - *The Officer Working Group will provide technical support at meetings of the Joint Committee, for example by proving and delivering performance management reports for the Joint Committee on all aspects relating to the provision of services by the Operator.*
  - *The Officer Working Group will act as a conduit for the Joint Committee to communicate back to the respective Councils and/or direct to the Operator. It will do so in liaison with the [ACCESS] support unit established by the Councils to oversee the Contract and the Service.*

- 4.4. Against a backdrop of the issues highlighted in paragraphs 4.1 and 4.2, the ASU and officers have recently commenced a review of sub-groups. The intention is to enable officer engagement to appropriately reflect the current stage of ACCESS's development.
- 4.5. In this context it is considered that the Officer Working Group (OWG) itself remains pivotal to how ACCESS operates. It gathers together LGPS professionals from each of the eleven LGPS Authorities every month to discuss progress, make recommendations to support the JC and engage with the ASU. It promotes governance, as each participating Authority is represented at the pool's operational core.
- 4.6. Recognising both the time pressure on OWG and that a project / undertaking of this nature has many aspects, space has been created for sub-groups. Whilst there have been several sub-groups from time to time around particular phases of the project (e.g. procurements, recruitment), the enduring sub-groups have been the Governance sub-group (GSG), the Onboarding sub-group (OBSG) and (more recently) the Reporting sub-group (RSG). The intention was to enable expertise to be focused on specific areas whilst ensuring OWG was sighted on all relevant areas.
- 4.7. The range and complexity of ACCESS's development has been considerable. This was typified last month when it was deemed necessary to combine the scheduled OBSG on 23 January, as an opportunity to meet bfinance to discuss alternatives. A session on Good Governance immediately followed. This encapsulates where LGPS Authorities within ACCESS currently find themselves: parallel priorities on active assets and alternative assets within an evolving governance framework.
- 4.8. In view of the current stage of ACCESS's development and the themes within the 2020-21 Business Plan the implications of the following proposals are being explored:
1. the continuation of the OWG meeting on a monthly basis to provide XX on behalf of participating Authorities – as delegated by the s151 Officer.
  2. the cessation of the GSG with officer consideration of governance matters to reside within OWG;
  3. the replacement of OBSG with 2 sub-groups:  
Active Listed sub-group (ALSG) & Non-Listed sub-group (NLSG);
  4. formalising existing practice as Passive Assets sub-group (PASG); and
  5. maintaining the Reporting sub-group (RSG).
- 4.9. The next steps in developing these proposals include dialogue with s151 Officers and drafting/updating sub-group ToRs.
- 4.10. Finalising sub-groups will bring clarity to the 2020-21 Business Plan's scheduled review of the ASU clarity on the shape of the officer structure the ASU is to support.
- 4.11. The ToR for the Officer Working Group and sub-groups will be incorporated within the revised Governance Manual

## **5. Recommendations**

- 5.1. The Joint Committee is invited to note:
- the revised timetable for completion of phase 3 governance deliverables.
  - that the revised IAA will take effect upon execution by all participating Authorities, completion of this process to be confirmed in writing by the Clerk to the Committee
  - recent discussions on the structure of officer sub-groups;

## **6. Consultation with Key Advisers**

6.1. Squire Patton Boggs are providing legal advice.

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## Communications



### ACCESS Joint Committee

Date: 9 March 2020

Report by: Officer Working Group

<b>Subject:</b>	<b>Communications</b>
<b>Purpose of the Report:</b>	<p>To submit to the Joint Committee:</p> <ul style="list-style-type: none"> <li>• an outline for implementing ACCESS' approach to communications and public relations</li> <li>• an update on initial planning for the Annual Report</li> </ul>
<b>Recommendations:</b>	The Committee is asked to note the report.
<b>Enquiries to:</b>	<p>Name – Kevin McDonald          Email – kevin.mcdonald@accesspool.co.uk</p>

## **1. Background**

- 1.1 The Joint Committee identified the need to have a Communications Plan to ensure that key stakeholders are identified, and key messages are directed to the appropriate audience.
- 1.2 A communications workshop was held in September 2018, led by Hymans Robertson which ascertained the current perceptions of the ACCESS Pool and identified a number of measures to be implemented to shape future communications and to influence the perceptions.
- 1.3 The Communications Plan and Key Messages document were approved at the Joint Committee meetings on 10 December 2018 and 19 March 2019 respectively. Since the agreement of the Communications Plan the Chairman and Vice-Chairman of the Joint Committee has changed, and ACCESS has appointed an ASU Director. All three will have key roles in ACCESS' communications but will require support, and it is how this support is delivered which is the next key concern for ACCESS.
- 1.4 The 2020-21 Business Plan, as agreed by the Committee at its December 2019 meeting includes a communications review.

## **2. Stakeholder summary**

- 2.1 The ACCESS' stakeholders can be summarised as follows:
  - Individual ACCESS authorities, scheme members and employers – it is expected that what can be characterised as 'local' communications on pooling will still be managed by individual authorities, but ACCESS can assist in providing common messages and materials.
  - Within the industry; to fellow authorities and pools, and suppliers such as investment managers and consultants.
  - National and regulatory; Central Government and MPs, SAB, LGA and trade unions etc.
- 2.2 Within the three broad groups above there will be clearly different requirements. The agreed Communications Plan identifies public relations activities, which will be more significant for the second and third groups above. This could even extend to lobbying activities where this is required for key messages at particular times.
- 2.3 To a greater or lesser extent each group of stakeholders, along with ACCESS itself have ongoing engagement with the media in local, national or specialist (i.e. pension industry) form.

## **3. Implementation**

- 3.1 In order to implement and develop communications, ACCESS will require specialist resource to undertake this work. This can come from any of the following:
  - ASU – adding resources to the ASU with either additional staff or technical leads from the group of pension fund officers.
  - Individual authorities' internal communication teams – could be commissioned to provide a service to ACCESS, in the same way that ACCESS has made use of its authorities' specialist procurement resources.
  - Specialist external resources.

- 3.2. It is probable that ACCESS would want to make use of more than one of these resources, which will have different characteristics in terms of cost, skills and control etc.

#### **4. Next steps**

- 4.1 The ASU and OWG, with support from authorities' internal communications teams will develop a resource and implementation plan for ACCESS to be presented at the JC's next meeting in June 2020.

#### **5. Annual Report**

- 5.1. LGPS Authorities have a regulatory requirement to publish an Annual Report. The Regulations refer to information to be contained in the report which should be published with regard to guidance given by the Secretary of State (in this case via CIPFA) but the overall objective for authorities will be to promote awareness of the scheme and provide members and stakeholders with relevant information in an accessible and consistent manner.
- 5.2. Certain tables in the CIPFA Annual Report guidance have been specifically developed to promote consistency of disclosure to assist the Ministry for Housing, Communities and Local Government (MHCLG) and Scheme Advisory Board in reporting on the progress and outcomes delivered by each of the asset pools.
- 5.3. Whilst ACCESS does not have a regulatory requirement to produce and publish an Annual Report on its activities in the same way - by doing so, the report could be used by each LGPS Authority in their local publications and could be used to promote the progress that has been made in establishing and transferring assets into the Pool. ACCESS produced its first Annual Report for 2018/19.
- 5.4. Initial planning has been undertaken for the production of the 2019/20 ACCESS Annual Report including having a draft version ready in the early Summer to fit within the statutory reporting requirements of the LGPS Authorities.

#### **6. Recommendations**

- 6.1. The Committee is asked to note the report.

#### **7. Consultation with Key Advisers**

- 7.1. Hymans Robertson supported ACCESS in drafting the Communications Plan and draft Key Messages documents.

#### **8. Background Papers**

- 8.1. Joint Committee paper 18 March 2019 agenda item 11.
- 8.2. Web link to 2018-19 ACCESS Annual Report  
<https://www.accesspool.org/access-programme/>

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**Business Plan, Budget & Risk Summary****ACCESS Joint Committee****Date: 9 March 2020****Report by: Officer Working Group**

<b>Subject:</b>	<b>2019-20 Business Plan Update and Revised Outturn</b>
<b>Purpose of the Report:</b>	To provide an update on the activities undertaken since the last Joint Committee, associated spend and risk summary.
<b>Recommendations:</b>	<p>The Committee is asked to note:</p> <ul style="list-style-type: none"> <li>• the 2019-20 updated Business Plan;</li> <li>• the Revised Outturn; and</li> <li>• Summary Risk Register.</li> </ul>
<b>Enquiries to:</b>	<p>Name - Kevin McDonald  Email - <a href="mailto:kevin.mcdonald@accesspool.co.uk">kevin.mcdonald@accesspool.co.uk</a></p>

## **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 Business Plan for 2019-20 was agreed by the Joint Committee in March 2019 and referred to the relevant ACCESS Authorities.
- 1.2 The Joint Committee also determined the Budget necessary to implement the Business Plan during 2019-20 at their meeting in March 2019 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 2019-20. In addition, a summary of the Risk Register is included.
- 1.4 The JC have subsequently agreed their Annual Strategic Business Plan for the Pool for 2020-21 and this will form the basis of future reporting to the JC.

## **2. 2019-20 Business Plan Update**

2.1 The key activities for 2019-20 are as follows:

- ACCESS Support Unit (ASU) recruitment completion
- ASU functions transitioned from external advisers to ASU officers and technical leads
- Review of the Inter Authority Agreement (IAA)
- Tranches 3, 4 and 5 sub funds onboarding
- Consideration of non-listed / illiquid assets (including the appointment of bfinance)
- Procurement of legal adviser for ACCESS
- Consideration of a collective custodian procurement on behalf of ACCESS Authorities
- Commencement of the Review of ESG / RI guidelines

2.2 The table shows progress against key items delivered since the last Joint Committee as well as the activities in 2020-21 agreed by the JC in December 2019.

2.3 Some external advisers have been engaged in relation to the work on the Governance arrangements for the ACCESS Pool, and others have commenced work on the approach towards pooling illiquid assets.

2.4 Activities shown in the Business Plan below that are also the subject of separate items on the Committee's agenda include:

- Governance update
- Risk Register
- Sub-fund implementation
- Contract Management update
- Engagement with the SAB
- Non listed / alternative assets

Key Milestone	End of Year Position 2019-20	Anticipated 2020-21	Change from previous report
<p><b>Complete Governance Manual</b></p> <p>Work with external advisers to reflect decision making principles, communication strategy, policies and procedures, code of conduct etc in the Governance Manual</p>	<p>Training on Governance delivered to JC in December 2019. Timeline extended to complete Governance Manual to ensure that there was opportunity to receive and reflect all feedback from Monitoring Officers and s151 Officers before finalising.</p> <p>Will have residual cost relating to training.</p>	Complete post IAA Governance manual update.	Change
<p><b>Complete Review of Inter Authority Agreement</b></p> <p>Work with external advisers to reflect any changes resulting from the completion of the Governance Manual</p>	At the time of writing it is expected that an updated IAA would shortly be circulated to Monitoring Officers.	Complete execution by participating Authorities.	Change
<p><b>Agree and establish ACCESS Support Unit</b></p> <p>Identify ASU resource requirements, roles and responsibilities for activities, scope and run recruitment activity and appoint</p>	<p>ASU Officers employed by Essex as the Host Authority following successful recruitment activity (December 2018 – August 2019).</p> <p>ASU functions have been mainly undertaken by ASU Officers and Technical Leads.</p> <p>Hymans Robertson no longer provide project management support and technical input reduced.</p>	BAU established	No change
<p><b>ASU Operation and Business as usual (BAU)</b></p> <p>ASU Operation plus professional advice and support</p>	<p>ASU functions have been mainly undertaken by ASU Officers and Technical Leads.</p> <p>Hymans Robertson no longer provide project management support and technical input reduced.</p>	BAU established	No change

<p><b>Determination of Reporting Framework</b></p> <p>Reflecting investments within the sub-funds work with Link to ensure that reporting meets Authority, Pool, CIPFA and Government requirements</p>	<p>Work progressed to develop reporting arrangements as required on a periodic basis by Authorities – including for the purpose of their Annual Reports and Accounts. The most recent Reporting sub-group was held on 7 February 2020.</p>	<p>Framework established &amp; monitored</p>	<p>Change</p>
<p><b>Development of Reporting for the Joint Committee in respect of funds in the ACS</b></p> <ul style="list-style-type: none"> <li>- Quarterly investment performance</li> <li>- Information on investment and operational costs including the annual review of investment manager costs</li> </ul>	<p>Investment performance information is contained within a separate report in this agenda.</p> <p>Investment costs are contained within the Contract Management report elsewhere in this agenda.</p>	<p>BAU established</p>	<p>Change</p>
<p><b>Agreement to joint policies &amp; guidelines</b></p> <p>Including communication, environmental social and governance and responsible investment.</p>	<p>Initial officer discussions have commenced on developing joint guidelines re ESG / RI.</p> <p>A Communications item appears elsewhere on this agenda.</p>	<p>Work continuing to finalise joint guidelines re ESG / RI in H1 2020.</p> <p>Implementation of agreed approach to Communications.</p>	<p>Change</p>
<p><b>Approval and launch of Sub-Funds</b></p> <p>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 sub-fund set-up. Launch.</p>	<p>By the end of calendar year 2019 a total of 13 sub-funds had been launched following Link’s due diligence. 5 of these sub-funds were launched in 2019-20. Total assets in the ACS at 31 December 2019 had reached £12.074m. A further 3 sub-fund launches are scheduled to complete by early March 2020.</p> <p>Individual tranche details are described below.</p> <p>A full update report appears elsewhere on this agenda</p>	<p>Link to continue to undertake due diligence to submit applications to the FCA for approval of sub-funds which meet ACCESS Authorities requirements</p>	<p>Change</p>

	covering these items.		
<b>Approval and launch of Tranche 3 Sub-Funds</b> As above	2 sub-funds - transition completed May 2019		No change
<b>Approval and launch of Tranche 3a Sub-Fund</b> As above	1 sub-fund - transition completed September 2019		No change
<b>Determine, approve and launch tranche 4a Sub-Funds</b> As above	5 sub-funds – 3 of which completed separate transitions in November 2019 December 2019 & January 2020 respectively.	Remaining 2 sub-fund launches rescheduled for after 1 April 2020	Change
<b>Determine, approve and launch tranche 4b Sub-Funds</b> As above	2 sub-funds – 1 transition completed in late February and 1 scheduled completion in early March 2020		Change
<b>Determine, approve and launch tranche 5a Sub-Funds</b> As above	5 sub-funds - preparation activity	5 sub-funds – transition activity May 2020	Change
<b>Determine, approve and launch tranche 5b Sub-Funds</b> As above	3 sub-funds – preparation activity	3 sub-funds – transition activity July 2020	Change
<b>Determine, approve and launch tranche 6 Sub-Funds</b> As above but to also include manager search and selection activity	ACCESS Authorities to determine further local requirements for equity / fixed income sub-fund	Timing for approval and launch TBC	No change
<b>Sub-funds (all)</b>	Establish arrangements enabling transitions between sub-funds within	Initial implementation and move to BAU	New

	the ACS.		
<p><b>Consideration of approach to illiquid investments</b></p> <p>Consideration of requirements and implementation options for ACCESS Authorities' current and proposed investments in illiquid asset classes, including infrastructure.</p>	<p>Work commissioned from bFinance to advise on suitable pooled structure in October 2019.</p> <p>A report appears elsewhere on this agenda.</p>	<p>Work to be undertaken by the ASU and Technical Leads using third party suppliers as required</p>	<p>Change</p>
<p><b>Communication with MCHLG</b></p> <p>Providing updates to Government and responding to consultations</p>	<p>A meeting with MHCLG took place in July 2019 to discuss the revised pooling guidance.</p> <p>First report submitted under new MHCLG reporting template in October 2019.</p> <p>ACCESS has engaged with the Scheme Advisory Board regarding representation, which appears elsewhere on the agenda.</p>	<p>Work to be undertaken by the ASU using third party suppliers as required</p>	<p>Change</p>
<p><b>Pool Wide Activities</b></p> <p>Professional support in relation to ACCESS Governance Structure includes JC, S151, OWG and workstream meetings</p>	<p>A full review of arrangements with third-party providers has been completed and agreements have been transferred to the host authority as appropriate or re-tendered (an update on the legal services procurement appears elsewhere on the agenda).</p>	<p>Work to be undertaken by the ASU using third party suppliers as required</p>	<p>Change</p>

### 3. 2019-20 Budget Update

- 3.1 In agreeing the Strategic Business Plan for 2019-20 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 2019-20 budget were indicative based on the understanding of the resource requirements at the time.
- 3.2 The original budget for 2019-20 and latest forecast based on actual costs for 1 April 2019 – Mid February 2020 are included in the table.

- 3.3 The 2019-20 Business Plan and Budget anticipated that with the establishment of the ASU work would transfer from Hymans Robertson to the ASU.
- 3.4 In September 2019 one of the five Technical Lead Officers indicated that they could no longer continue in that role. Her responsibilities have been assumed by the Interim Director. The work undertaken by the Technical Leads since April 2019 is expected to cost £38k for the year.
- 3.5 The external professional costs cover Hymans Robertson, Squire Patton Boggs and *bFinance* support for the ACCESS pool through strategic, technical and legal advice. This includes the completion of the IAA review and Governance Manual as well as the delivery of governance training in addition to work on proposals for pooled structures for illiquid assets.
- 3.6 The following table was reviewed at the 21 February meeting of ACCESS Authority s151 Officers and includes details of the 2020-21 budget agreed at the Committee's December meeting.

	Outturn 2018/2019	Budget 2019/2020 £	February forecast 2019/2020 £	Variance 2019/2020 £	Budget 2020/21 £
<b>ASU</b>					
Interim ASU Support	328,734	-	70,247	70,247	
ASU Salaries (incl. on cost)	31,649	295,000	228,814	(66,186)	300,261
ASU Operational	53,375	20,500	11,958	(8,542)	20,580
ASU Host Authority Recharge	7,830	42,000	42,000	-	42,725
ASU JC Secretariat Support	-	-	-	-	14,000
Technical Lead Recharge Costs	9,599	93,000	38,131	(54,869)	89,747
<b>Interim ASU / ASU Total</b>	<b>431,187</b>	<b>450,500</b>	<b>391,150</b>	<b>(59,350)</b>	<b>467,313</b>
<b>Professional Costs</b>					
Internal Professional Costs	20,018	24,800	13,793	(11,007)	65,000
<i>External Professional Costs</i>					
Strategic & Technical	286,115	364,000	286,131	(77,869)	344,000
Legal & Governance	341,680	207,250	203,836	(3,414)	203,450
Project Management	168,500	156,000	64,337	(91,663)	0
<i>External Professional Costs</i>	796,295	727,250	554,304	(172,946)	547,450
<b>Professional Costs Total</b>	<b>816,313</b>	<b>752,050</b>	<b>568,097</b>	<b>(183,953)</b>	<b>612,450</b>
<b>Total Costs per 2019/2020</b>	<b>1,247,500</b>	<b>1,202,550</b>	<b>959,247</b>	<b>(243,303)</b>	<b>1,079,763</b>
<b>Cost Per Authority</b>	<b>113,409</b>	<b>109,323</b>	<b>87,204</b>	<b>(22,118)</b>	<b>98,160</b>

#### 4. Summary risk register

- 4.1 The Pool's key risks are considered on a quarterly basis. An overview of the current (as proposed) and previous quarters' risks is set out below:

	March 20	December 19
Red	2	2
Amber	12	9
Green	6	7

- 4.2 Full details are set out in the Risk Register item elsewhere on this agenda.

#### 5. 2020-21 Business Plan and Budget

- 5.1 Key activities anticipated for the 2020-21 include:

**Actively managed listed assets:** the completion of pooling active listed assets within the Authorised Contractual Scheme (ACS).

**Alternative / non listed assets:** the initial implementation of pooled alternative assets.

**Passive assets:** ongoing monitoring and engagement with UBS.

**Governance:** the application of appropriate forms of governance throughout ACCESS.

**ACCESS Support Unit (ASU):** the size and scope of the ASU will be reviewed.

- 5.3 The full Business Plan along with a Budget totalling £1.080m for 2020-21 was agreed at the Committee's last meeting in December 2019.

#### 6. Recommendations

- 6.1 The Committee note:

- 2019-20 updated Business Plan;
- the Revised Outturn; and
- Summary Risk Register.

#### 7. Consultation with Key Advisers



7.1 Squire Patton Boggs provide legal advice to the ACCESS pool.

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Agenda Item 9

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Agenda Item 11

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