



ACCESS JOINT COMMITTEE

MINUTES of a meeting of the ACCESS Joint Committee held Online on Monday, 8th March, 2021.

PRESENT: Cllr Mark Kemp-Gee - Chair (Hampshire CC), Cllr Vanessa Churchman (Isle of Wight), Cllr Gerrard Fox (East Sussex CC), Cllr Jeremy Hunt (West Sussex CC), Cllr Judy Oliver (Norfolk CC), Cllr Bill Parker (Northamptonshire CC), Cllr Mark Platt (Essex CC), Cllr Terry Rogers (Cambridgeshire CC), Cllr Ralph Sangster (Hertfordshire CC), Cllr Charlie Simkins (Kent CC) and Cllr Karen Soons (Suffolk CC).

ALSO PRESENT: Kevin McDonald (ASU), Mark Paget (ASU), Dawn Butler (ASU), Kate Cunningham (Engine MHP), Clifford Sims (Squire Patton Boggs) and John Wright (Hymans Robertson)

OFFICERS: Andrew Boutflower (Hampshire), Glenn Cossey (Norfolk), Jody Evans (Essex), Paul Finbow (Suffolk), Sian Kunert (East Sussex), Alison Mings (Kent), Sharon Tan (Suffolk), Jo Thistlewood (Isle of Wight), Patrick Towey (Hertfordshire), Paul Tysoe (Cambridgeshire and Northamptonshire), Mark Whitby (Cambridge and Northamptonshire), Rachel Wood (West Sussex), Scott Crudgington, Section 151 Officer (Hertfordshire) and Joel Cook (Kent - Clerk).

UNRESTRICTED ITEMS

246. Apologies & Substitutes.

(Item. 1)

1. Apologies were received from Cllr Barker (Essex CC) and Cllr Axford (Isle of Wight), who were substituted by Cllr Platt (Essex CC) and Cllr Churchman (Isle of Wight).

RESOLVED that the apologies and substitutes be noted.

247. Declaration of interests in items on the agenda.

(Item. 2)

No declarations of interest were made.

248. Minutes of the meeting held on 13 January 2021.

(Item. 3)

RESOLVED that the minutes of the meeting on 13 January 2021, subject to a minor clarification in paragraph 244 that 'the company' be replaced with 'the parent company,' were a correct record and that they be signed by the Chairman.

249. Chair's remarks.

(Item. 4)

1. The Chair opened his remarks with an overview and acknowledgment of the progress made by the Joint Committee in the past three and a half years. A tribute was paid to Cllr Andrew Reid, the Joint Committee's former Chair. It was noted that the meeting marked the Joint Committee's last prior to the end of its first four-year meeting cycle.
2. The Chair gave his thanks to Cllr Rogers, Cllr Sangster and Cllr Axford for their contributions towards the Joint Committee as they would not be seeking re-election and would therefore not rejoin the Committee after May 2021. Cllr Rogers and Sangster thanked the ASU for their support and advice. The good governance of, and cooperation within, ACCESS and between individual authorities was highlighted. The Chair agreed to write personally to Cllr Axford to issue his thanks for his service to the Joint Committee.
3. Members thanked Mr McDonald for providing training and briefing sessions to their individual pension fund management committees.

RESOLVED that the Chair's remarks be noted.

250. Business plan & risk summary.
(Item. 5)

1. Kevin McDonald provided an update on the governance manual, he confirmed that work had commenced, though noted that the manual would not be completed by the 31 March 2021 deadline recommended by audit. Members were informed that an update would be brought to the Joint Committee's next meeting.
2. It was confirmed by Mr McDonald that Minerva Analytics had begun providing ESG advice and engaged with multiple Authorities. Additional confirmation was given that Minerva Analytics would report to the Joint Committee at its June meeting.
3. Mr McDonald gave an overview of developments related to the expansion of the ASU. It was noted that an additional Support Officer had been appointed and that a Client Manager post would be advertised in the week following the meeting.
4. The intent to plan for quarterly Joint Committee meetings in the future committee cycle was disclosed by Mr McDonald. The Chair asked for the ASU to notify new pension fund Committee members of ACCESS's future meeting dates following the May 2021 local elections.
5. A Member requested an indication of the attendance level at Section 151 Officer pension fund meetings and for confirmation of whether minutes of the meetings were available to the Joint Committee. Scott Crudgington, Section 151 Officer - Hertfordshire, confirmed that average attendance at the meetings was 9, out of 11, and that arrangements could be made for the minutes to be circulated via the ASU.

6. Members discussed the difficulty faced when analysing data, evidence and policies related to the environmental aspect of ESG. ESG/RI recommendations from the Department for Work and Pensions were acknowledged.
7. Mr McDonald, responding to a Member question, confirmed that Link were working with the FCA to clarify arrangements for transition between sub-funds. Mark Paget added that the ASU had met and were due to meet further with Link and Eversheds Sutherland.

RESOLVED that the Business Plan update and summary risk register report be noted.

251. 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.

252. Scheduled BAU Evaluation.
(Item. 7)

1. John Wright, Hymans Robertson, gave a verbal overview of the evaluation activity, in line with the review process agreed by the Committee at a previous meeting. This included exploring various Pool models, outlining timeframes and consideration of relevant governance steps and legal advice from Squire Patton Boggs.
2. Members discussed the evaluation, commenting on performance and experience with current business as usual arrangements. Questions were asked relating to comparisons between ACCESS and the national pooling landscape. The Committee was advised that ACCESS compared favourably at present.
3. Members were advised of the formal governance requirements and timescales in terms of required reviews and consideration of the Operator Agreement, in accordance with the Inter-Authority Agreement.

RESOLVED that;

- (a) the recommendations arising from the BAU evaluation be noted; and
- (b) the relevant next steps, with updates to come to the Committee later in 2021, be agreed.

253. Communications - Engine MHP.
(Item. 8)

Kate Cunningham from Engine MHP was in attendance for this item.

1. Ms Cunningham provided a verbal update on the development of the ACCESS progress report template, branding, website, spokesperson roles and media training. She reassured Members that spokespeople roles would be developed alongside media training following the May 2021 local elections.
2. Ms Cunningham confirmed that the press office had issued two ACCESS press releases to date, which addressed the launch of sub-funds and appointment of Minerva Analytics as ESG advisors.
3. A Member asked what impact the pre-election period would have on publications from the press office. Ms Cunningham reassured the Joint Committee that no proactive releases had been planned during the pre-election period. It was agreed that if a press release was required in the period, the ASU Director under delegated powers, in consultation with the Chair, would approve the release and that under no circumstances would a Member be directly mentioned in publications.
4. The Chair acknowledged the need for swift developments following the elections and asked Ms Cunningham for the optimum number of spokespeople. She confirmed that given the focuses of the Joint Committee as well as to strengthen the impact and distinction of spokespeople roles, 3-4 would be optimal.
5. Ms Cunningham confirmed that a draft progress report and overhauled website design had been modelled to improve public serviceability. It was noted that the Joint Committee's annual report had been used as content in the trial. Confirmation was given that a recommended library of images, site content and presentations would be issued to the Joint Committee for its consideration.

RESOLVED that the report be noted.

254. Implementation Adviser Procurement.
(Item. 9)

1. Andrew Bouflower, Hampshire, gave a verbal overview of the Implementation Adviser Procurement report and confirmed the appointment of an illiquid asset implementation advisor. The role of Mr Sims in drafting the advisor specification was acknowledged. It was noted that due to the scale and complexity of the illiquid asset analysis, a final report to the 6 September 2021 Joint Committee meeting should be expected.
2. Mr Bouflower confirmed that procurement of an Implementation Adviser would be executed by Essex County Council on behalf of ACCESS and that prospective suppliers were to present to a panel including Joint Committee members and representation.

RESOLVED that the Joint Committee agreed that:

- a) the report, including the revised timeline for the appointment of an Implementation Adviser be noted;
- b) Essex County Council be designated as the Procurement Lead Authority for the procurement of the Implementation Adviser; and
- c) the Joint Committee agree the proposed approach to supplier presentations.

255. Performance Report.

(Item. 10)

1. Sharon Tan, Suffolk, delivered a verbal overview of the Performance Report, it was noted that carbon benchmarking had not been included in the report as individual authorities were in the progress of expanding their carbon benchmarking information base. The volume of pooled assets, in the context of all assets managed by member funds, was outlined. Performance data and benchmarking were highlighted, Mrs Tan reminded Members that performance was reported on a quarterly basis, which explained the omission of recently launched sub-funds. The number of votes cast by fund managers, that did not fall in accordance with ACCESS policy, was confirmed.

RESOLVED that the report be noted.

256. Sub-fund implementation.

(Item. 11)

1. Mr McDonald provided a summary of the progress made in launching sub-funds and assessing further options, he confirmed that Link, as the ACS operator, had selected sub-funds for consideration. Regarding the research of emerging markets, it was recognised that the process had contained shortcomings related to the scope of analysis. It was noted that the Section 151 Officers and Fund Managers of all member Authorities had received a copy of the emerging markets report.
2. Members discussed sub-fund criteria and the developments of this process since ACCESS moved from establishment phase to business as usual. In response to a specific question from a Member Mr McDonald confirmed that further information as to the sub-fund criteria and arrangements would be provided following the meeting to the Member concerned.

RESOLVED that the Joint Committee agreed that:

- a) the events to date in the Emerging Markets search and absence of unanimous feedback be noted;
- b) a review of the process be conducted by an officer subgroup, sponsored by the ASU Interim Director and supported by Squire Patton Boggs, to include and highlight “lessons learnt” and to encompass input from each of the four Investing Authorities;
- c) the Joint Committee considers the outcome of that review along with proposals for the Emerging Markets part of the ACS at a future meeting;
- d) the developments related to the two sub-funds enabling West Sussex to execute its investment strategy be noted; and

- e) the developments related to a requested change in relation to the lower weighted average carbon intensity in respect of the ACCESS Global Alpha Equity Fund be noted.

257. Contract Management.

(Item. 12)

1. Mr Paget provided an update on Contract and Supplier Relationship management which included: current insurance agreements; possible future insurance agreements and structures; monitoring and an overview of the market.
2. Members discussed the risk associated with the level of insurance available and noted the decreased supply within the market. Mr McDonald and Mr Sims informed Members that providers were aware of issue.
3. Mr McDonald was asked to provide reassurance that future insurance options were viable. He indicated to the Joint Committee that agreement from the operator to explore future insurance arrangements was realistic. It was acknowledged that the explored arrangement had the potential to be more cost effective.
4. Link's Key Performance Indicator reporting was addressed, it was noted that their attainment during the previous 12 months had been highly respectable. A Member discussed various elements of Operator performance and Mr Paget clarified the number of operator issues in the past quarter and reassured the Joint Committee that there had been no adverse financial consequences as a result.
5. Mr Paget updated Members on recent staff changes within Link.

RESOLVED that the report be noted.

258. Risk Register.

(Item. 13)

1. Mr McDonald gave an overview of the Risk Register and noted the increase in Professional Indemnity Insurance risk. Cost transparency reporting deadlines were addressed.
2. A Member acknowledged the relevance of multiple risks in the register, when the concerns noted by Members during Item 11 of the meeting were considered.

RESOLVED that the report be noted.