



## AGENDA

### ACCESS JOINT COMMITTEE

**Monday, 8th March, 2021, at 10.00 am**

Ask for: **Joel Cook**

**Online**

Telephone **03000 416892**

In response to COVID-19, the Government has legislated to permit remote attendance by Elected Members at formal meetings. This is conditional on other Elected Members and the public being able to hear those participating in the meeting. This meeting will be accessible online and can be watched via the Media link on the Webpage for this meeting.

#### **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 13 January 2021 (Pages 1 - 6)
4. Chair's remarks
5. Business plan & risk summary (Pages 7 - 12)
6. Motion to Exclude the Press and Public

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.

### **EXEMPT ITEMS**

*(During these items the meeting is likely to not be open to the public)*

- |     |                                    |                   |
|-----|------------------------------------|-------------------|
| 7.  | Scheduled BAU Evaluation           | (Pages 13 - 50)   |
| 8.  | Communications - Engine MHP        | (Pages 51 - 56)   |
| 9.  | Implementation Adviser Procurement | (Pages 57 - 60)   |
| 10. | Performance Report                 | (Pages 61 - 80)   |
| 11. | Sub-fund implementation            | (Pages 81 - 88)   |
| 12. | Contract Management                | (Pages 89 - 108)  |
| 13. | Risk Register                      | (Pages 109 - 116) |

### **Dates of future meetings**

Friday 25 June 2021

Monday 6 September

Monday 6 December

Monday 7 March 2022

Format (virtual, hybrid or physical) and venues, if relevant, of future meetings are subject to appropriate risk assessment and national COVID-19 guidance

Joel Cook  
Clerk to the Joint Committee  
03000 416892

**Friday, 26 February 2021**



## ACCESS JOINT COMMITTEE

MINUTES of a meeting of the ACCESS Joint Committee held at Virtual on Wednesday, 13th January, 2021.

PRESENT: Cllr Mark Kemp-Gee - Chair (Hampshire CC), Cllr Susan Barker - Vice-Chair (Essex 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 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), Sam Gervais-Jones (bFinance), Clifford Sims (Squire Patton Boggs), John Wright (Hymans Robertson) and Fraser Hope (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) and Joel Cook (Kent - Clerk).

### UNRESTRICTED ITEMS

**232. Apologies/Substitutes.**  
(Item. 1)

1. Apologies were received from Cllr Adrian Axford (Isle of Wight) and Cllr Jonathan Ekins (Northamptonshire). Cllr Vanessa Churchman substituted for Cllr Axford and Cllr Parker for Cllr Ekins.

RESOLVED that the apologies and substitutes be noted.

**233. Declaration of interests in items on the agenda.**  
(Item. 2)

No declarations of interest were made.

**234. Chairman's remarks.**  
(Item. 3)

1. A Communications workshop would be held on the rising of the ACCESS meeting.
2. The Chair offered his thanks to the ACCESS Support Unit (ASU) for their work during what had been a very busy time.

3. He alerted the Committee that the local elections (due to be held in May 2021) could have an impact on the Committee's membership.

RESOLVED that the Chair's remarks be noted.

**235. Minutes of the meeting held on 12 November 2020.**

*(Item. 4)*

RESOLVED that the minutes of the meeting on 12 November 2020 were a correct record and that they be signed by the Chairman.

**236. Business Plan, budget & risk summary.**

*(Item. 5)*

1. Kevin McDonald provided an update on the 2020/21 budget, which forecast an underspend, due in part to some planned procurements being delayed until the next financial year.
2. Mr McDonald explained the proposal to increase the number of staff posts in the ASU from three to five. This was considered necessary because of the increasing demand and complexity of the workload. The additional posts would be for a Client Manager (a link between the Pool authorities and Fund Manager) and an additional support officer.
3. Overall, the Committee supported the additional posts but highlighted:
  - The increased use of virtual meetings during the pandemic might allow for greater flexibility in the post's terms and conditions.
  - Officer workload in the Pool authorities had also increased and it was hoped the additional posts would be able to relieve some of this demand.
  - The benefit of a Client Manager in understanding and representing the differing requirements of 11 Authorities.
4. The Committee considered the 2021/22 draft budget, which included the full year effect of the two additional ASU posts. Overall, the budget was expected to increase from 2020/21.

RESOLVED that the Joint Committee:

- a) Note the 2020/21 updated business plan, the revised outturn and summary risk register.
- b) recommend the 2021/22 business plan to the ACCESS Authorities;
- c) accept the recommendation of the s151 Officers from ACCESS Authorities to determine the 2021/22 budget totalling £1.247m to support the proposed business plan.

**237. 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.

**238. Illiquid assets.**

*(Item. 7)*

*Sam Gervaise-Jones from bFinance was in attendance for this item.*

1. The JC received a report on the progress made in developing pooled illiquid asset investment solutions for four asset classes (private equity, private debt, infrastructure and real estate).
2. Sam Gervaise-Jones from advisers bFinance outlined the recommended solution for each individual asset class. There was not a common model across the classes, and their implementation would be gradual with support from an Implementation consultant.
3. The JC questioned if the use of an Implementation Advisor, Allocator and Fund Manager would lead to complex and large fees. Mr Gervaise-Jones advised there would be flat fees and these would be payable once across the pool. The Implementation Advisor would not be the sole source of investment ideas, but a mechanism to support individual Authorities as they identified new needs.
4. The JC questioned the benefits and cost savings of the models. Mr Gervaise-Jones advised the structures would provide a greater level of control by giving access to markets otherwise unreachable and improving each Authority's negotiating position.
5. ACCESS's ambition was to enable opportunities that allowed Authorities in the pool to invest in new illiquid opportunities. The extent to which this was used would be down to individual Authorities.
6. The Chair confirmed he was happy with the proposals from bFinance, emphasising the support from the Officer Working Group.

RESOLVED that the Joint Committee:

- ix. Agree the proposed pooling structures for real estate, private equity, private debt and infrastructure.
  - i) Agree a procurement via the LGPS National Framework for Investment Management Consultancy Services of a consultant to support the implementation of the proposed illiquid asset pooling structures and manager/fund/allocator procurements as required.

**239. ESG/RI.**

*(Item. 8)*

1. Mark Whitby (Cambridgeshire & Northamptonshire) introduced the report on the procurement of external advice to support ACCESS's approach to ESG & RI (phase 1 of 2).

2. The company Minerva had received the highest score across the three procurement areas (written submission, interview and commercials).

RESOLVED that the Joint Committee:

- i) Note the outcome of the procurement process.
- ii) Agreed the appointment of Minerva to provide external advice to support ACCESS's approach to ESG/RI.

#### **240. Performance.**

*(Item. 9)*

1. Sharon Tan (Suffolk) provided an update on the performance of sub-funds, covering:
  - the progress of pooling assets (£25.471bn in December with increased indicative numbers following the launch of some sub-funds)
  - the performance of the sub-funds against benchmark
  - income generated by stock lending
  - voting by the investment managers
  - carbon footprint reporting

RESOLVED that the Joint Committee note the report.

#### **241. Sub-fund implementation.**

*(Item. 10)*

1. Andrew Bouflower (Hampshire) provided an overview of the progress in launching the ACS and the sub-funds within it. He highlighted that going forward the focus would increasingly be on additions as only eight of the originally planned sub-funds remained to be launched.
2. The expectations around the number of sub-funds were set before the initial MHCLG submission in 2016. A piece of work would be required that reviewed what sub-funds were held and how that aligned to which sub-funds were needed. There was no hard limit on the number possible, though Link had priced their fee up to 35.

RESOLVED that the Joint Committee note the progress in launching the ACS investment sub-funds.

#### **242. Contract Management.**

*(Item. 11)*

1. Mark Paget (ASU) provided an update on Contract and Supplier management which included; levels of insurance, an update on the virtual investor day on 17 December 2020, feedback around Link services and engagement from ACCESS Authorities.
2. Members discussed the insurance requirements for the Pool and how this was being managed by Link. It was confirmed that the ASU would be seeking advice from a specialist insurance advisor.

3. An Internal Audit review of the ASU had been completed. Essex County Council's Internal Audit department had awarded their highest rating of "good assurance", with one moderate recommendation. Ms Sarah Harris (Strategic Internal Audit Manager, Essex County Council) joined the meeting to answer questions about the report. It was agreed that in future similar reports would be published as standalone items in an open session of the Joint Committee. The next report would be available before Christmas.

RESOLVED that the Joint Committee note the matters highlighted within the report, the activity that has taken place and forthcoming plans.

**243. Risk Register.**  
*(Item. 12)*

1. The Committee received an update on the Pool's key risks, the profile of which remained the same as the previous meeting. In the interim, the risk of a no-deal Brexit had been raised to red then reduced to amber following the late agreement between the UK and the EU. Mr McDonald assured the Committee that the register was closely monitored.

RESOLVED that the Joint Committee note the report.

**244. Link presentation.**  
*(Item. 13)*

*Karl Midl, James Zealander and Richard Thornton from Link Fund Solutions were present for this item.*

1. Mr Karl Midl from the Link Group provided an update on the proposed acquisition of the company with two possibilities under consideration. He also confirmed that more money had been returned to Woodford's investors in late 2020.
2. Link staff delivered a presentation that included an overview of the total AUM as well as planned sub-fund launches. A sub-fund report had evolved over the past year and provided weekly updates for ACCESS members.
3. Mr Midl discussed insurance arrangements with the Committee, outlining progress and challenges involved.
4. Asked whether Link Group would still qualify as an Alternative Investment Fund Manager post the UK's EU exit, Mr Midl explained nothing had currently changed and the Group were expecting to maintain the title going forward.

RESOLVED that the presentation be noted.

**245. Scheduled BAU Evaluation.**  
*(Item. 14)*

*John Wright and Fraser Hope of Hymans Robertson were present for this item.*

1. Kevin McDonald (ASU) introduced the item, followed by a presentation by Hymans. John Wright and Fraser Hope (Hymans Robertson) updated the Joint Committee on work undertaken as part of the evaluation, outlining the assessment of future options, relevant costs and next steps.

RESOLVED that the update be noted.



## Business Plan & Risk Summary



### ACCESS Joint Committee

Date: 8 March 2021

Report by: Officer Working Group

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

### 1. Background

- 1.1. The Business Plan for 2020/21 was agreed by the Joint Committee (JC) in December 2019 prior to being referred to the ACCESS Authorities.
- 1.2. At that meeting the JC also determined the budget necessary to implement this year's plan and to be charged to the relevant Authorities.

### 2. COVID-19 implications

- 2.1. It is anticipated that meetings will be held on a virtual basis for the foreseeable future.

### 3. Business Plan Update

3.1. Activities shown in the Business Plan (Annex A) that are also the subject of separate items on the Committee's agenda include:

- Scheduled BAU evaluation
- Communications
- Non-listed assets
- Sub-fund implementation
- Contract Management

### 4. 2020/21 budget

4.1. Details of anticipated variances against the 2020/21 budget were brought to the last meeting of the JC on 13 January. The budget continues to be monitored and details of the outturn position will be brought to the JC's next meeting in June.

### 5. Risk Summary

5.1. A summary of the risk profile is shown below.

	Jan 21	Mar 21
Red	2	3
Amber	14	15
Green	7	5

### 6. Recommendations

6.1. The Committee is asked to note:

- the Business Plan update and
- the summary risk register

Legacy milestones noted where applicable

Theme	Milestone	2020/21 activity	March 2021 comment
<p><b>Actively managed listed assets</b></p>	<p>Launch remaining Tranche 4a sub-funds (2019/20 legacy milestone)</p>	<p>Two sub-funds: one global equity &amp; one fixed income</p>	<p>An update on this matter appears elsewhere on this agenda.</p>
	<p>Launch remaining Tranche 4b sub-fund (2019/20 legacy milestone)</p>	<p>One UK equity sub-fund</p>	<p>An update on this matter appears elsewhere on this agenda.</p>
	<p>Launch of Tranche 5a</p>	<p>Five sub-funds: four global equity &amp; one UK equity</p>	<p>An update on this matter appears elsewhere on this agenda.</p>
	<p>Launch of Tranche 5b</p>	<p>Three fixed income sub-funds</p>	<p>An update on this matter appears elsewhere on this agenda.</p>
	<p>Determine, approval &amp; launch of Tranche 6</p> <p><i>Ensure sub-funds meet Link's due diligence requirements and ACCESS Authorities' Value for Money criteria (including transition activity). Manager search and selection activity where required. Work with Link to submit application to the FCA for approval of the sub-fund set up. Launch.</i></p>	<p>Likely to include global equity, fixed income and emerging market equity sub-funds.</p>	<p>An update on this matter appears elsewhere on this agenda.</p>

Theme	Milestone	2020/21 activity	January 2021 comment
<b>Actively managed listed assets</b> continued	Establish a process for transitioning between sub-funds. (2019/20 legacy milestone)  Scheduled BAU evaluation	An evaluation of BAU arrangements will be undertaken and reported to the Joint Committee in March 2021 to inform future planning.	Dialogue on a potential solution continues between Link Fund Solutions and the Financial Conduct Authority (FCA).  An update on this matter appears elsewhere on this agenda.
<b>Alternative / non-listed assets</b>	Determine approach to pooling alternative/non-listed assets (2019/20 legacy milestone)  Commence implementation of approach to pool illiquid assets	Consideration of requirements and implementation options for ACCESS Authorities' current and proposed investments in illiquid asset classes, including infrastructure.  The initial implementation of pooled alternative assets will commence in 2020/21.	At its 13 January 2021 meeting, the Joint Committee agreed proposals on an approach to pooling alternative/non-listed assets.  An update on this matter appears elsewhere on this agenda.
<b>Passively managed assets</b>	Ongoing monitoring of assets managed on a passive basis.	Engagement with UBS will continue throughout the year.	An Investor User Group has been established, which will enable collective dialogue with investment managers including UBS.

Theme	Milestone	2020/21 activity	January 2021 comment
<b>Governance</b>	Meetings and oversight	<p>Arrangements will be made to support meetings of the Joint Committee (usually each quarter).</p> <p>Meetings of s151 Officers will also be held.</p> <p>Where required training will be provided, this may involve third-party providers.</p>	<p>Proposed dates for 2021/22 meetings are: 25 June 2021 6 September 2021 6 December 2021 7 March 2022</p> <p>A virtual meeting of s151 Officers was held on 22 February 2021. Further meetings will be held in advance of the JC meetings in 2021/22.</p> <p>No developments to report.</p>
	Operational protocols	<p>Further development of protocols around key processes associated with the pool's day-to-day operation will take place during 2020/21.</p>	<p>All Authorities have now adopted the revised Inter Authority Agreement.</p> <p>The review of the Governance Manual is in progress, however it has not reached a stage that enables the Joint Committee to sign-off the changes ahead of the 31 March deadline highlighted within the Internal Audit report brought to the last meeting.</p>
	Engagement with HM Government	<p>ACCESS will liaise with the Scheme Advisory Board as appropriate. Periodic reports will be provided to MHCLG as required.</p>	<p>A return detailing pooling progress as at 31 March 2020 was submitted to MHCLG on 7 September 2020.</p>

Theme	Milestone	2020/21 activity	January 2021 comment
<b>Governance</b> continued	Agreement to Joint Polices & guidelines	<p>The Pool will actively participate with any Cabinet Officer / MHCLG pooling-related consultations</p> <p>The Joint Committee will review its Communications Policy.</p> <p>Work will be undertaken to finalise joint guidelines on ESG / RI.</p>	<p>Consultations will be considered when published.</p> <p>An update on this matter appears elsewhere on this agenda.</p> <p>At its 13 January 2021 meeting, the Joint Committee agreed the appointment of Minerva as advisers to review the pool's ESG / RI guidelines and identify future reporting requirements. Minerva have commenced work and will report to the next meeting.</p>
<b>ACCESS Support Unit (ASU)</b>	Review of ACCESS Support Unit	The size and scope of the ASU will be reviewed.	<p>At its 13 January 2021 meeting, the Joint Committee agreed to the proposals for two additional ASU posts.</p> <p>The recruitment process for the Client manager role is in progress.</p> <p>Following interviews held in February an appointment has been made for the additional ACCESS Support Officer.</p>

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

Agenda Item 7

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Agenda Item 10

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Agenda Item 11

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Agenda Item 13

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