



AGENDA

ACCESS JOINT COMMITTEE

Monday, 4th September, 2023, at 11.00 am

Ask for: **Joel Cook**

**Bevan Hall, 18 Smith Square, London, SW19
3HZ**

Telephone **03000 416892**

Membership

Chair: Cllr Mark Kemp-Gee (Hampshire CC), **Vice-Chair: Cllr Susan Barker** (Essex CC), **Cllr Vanessa Churchman** (Isle of Wight), **Cllr Gerard Fox** (East Sussex CC), **Cllr Jeremy Hunt** (West Sussex CC), **Cllr Malcolm Longley** (West Northamptonshire), **Cllr Judy Oliver** (Norfolk CC), **Cllr Charlie Simkins** (Kent CC), **Cllr Karen Soons** (Suffolk CC), **Cllr Alison Whelan** (Cambridgeshire CC) and **Cllr Andrew Williams** (Hertfordshire 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 5 June 2023 (Pages 1 - 4)
4. Chair's remarks
5. Business plan, Budget & Risk (Pages 5 - 16)

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

6. Exempt Minutes of the meeting held on 5 June 2023 (Pages 17 - 22)
7. Pooling consultation

8.	Implementation Advisor	(Pages 23 - 40)
9.	Alternative Investments	(Pages 41 - 56)
10.	BAU Evaluation	(Pages 57 - 68)
11.	RI Phase II procurement	(Pages 69 - 76)
12.	Performance Update	(Pages 77 - 132)
13.	Stock Lending	(Pages 133 - 144)
14.	Sub-fund Implementation	(Pages 145 - 156)
15.	Contract Management	(Pages 157 - 176)
16.	Risk detail	(Pages 177 - 186)

Joel Cook
Clerk to the Joint Committee
03000 416892

Thursday, 24 August 2023



ACCESS JOINT COMMITTEE

MINUTES of a meeting of the ACCESS Joint Committee held at Bevin Hall, LGA Building, 18 Smith Square, London, SW1P 3HZ on Monday, 5th June, 2023.

PRESENT: Chair: Cllr Mark Kemp-Gee (Hampshire CC), Vice-Chair: Cllr Susan Barker (Essex CC), Cllr Gerrard Fox (East Sussex CC) Cllr Charlie Simkins (Kent CC), Mr Jeremy Hunt (West Sussex CC), Cllr Judy Oliver (Norfolk CC), Cllr Andrew Williams (Hertfordshire CC), Cllr Vanessa Churchman (Isle of Wight Council), Cllr Colin Kreidewolf (Suffolk CC)

UNRESTRICTED ITEMS

94. Apologies/Substitutes.
(Item. 1)

1. Apologies were received from Cllr Longley, Cllr Whelan and Cllr Soons who was substituted by Cllr Kreidewolf.

RESOLVED that the apologies be noted.

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

None were received.

96. Election of Chair.
(Item. 3)

1. Mr Simkins proposed and Cllr Fox seconded that Cllr Kemp-Gee be elected Chair of the ACCESS Joint Committee.
2. No other nominations were received.

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

97. Election of Vice-Chair.
(Item. 4)

1. Cllr Kemp-Gee proposed and Cllr Churchman seconded that Cllr Barker be elected Vice-Chair of the ACCESS Joint Committee.
2. No other nominations were received.

RESOLVED that Cllr Barker be elected Vice Chair of the ACCESS Joint Committee.

98. Minutes of the meeting held on 6 March 2023.
(Item. 5)

RESOLVED that the minutes from the meeting held on 6 March 2023 be signed as a true and accurate record.

99. Chair's remarks.
(Item. 6)

1. The Chair thanked the Joint Committee for his re-election and the ASU for their support throughout his time as Chair. He reflected on RI; communication; and governance & political cooperation as the three themes of his first term. He committed to continue to lead ACCESS in bearing down on investment management costs and noted that cross fertilisation of funds would accelerate progress.
2. The Chair formally welcomed Local Pension Board observers from Cambridgeshire, West Northamptonshire and West Sussex.

RESOLVED that the Chair's remarks be noted.

100. Business Plan, Budget & Risk Management.
(Item. 7)

1. Mr McDonald provided an overview of the 2022/23 Business Plan, financial outturn and 2023/24 Business Plan. He explained that whilst a number of milestones had been met in 2022/23 many were longer term and ongoing into 2023/24. It was noted that the Department for Levelling Up, Housing and Communities' consultation on pooling was anticipated ahead of the summer parliamentary recess, which would enable a draft consultation response to be brought to the September meeting. He informed Members that, in view of current priorities, the outcome of the planned Communications re-procurement would be brought to the December meeting.
2. Members discussed ACCESS's resourcing and audit arrangements.

RESOLVED to:

1. note the 2022/23 Business Plan summary, 2022/23 financial outturn, 2023/24 Business Plan update and matters highlighted on risk management; and
2. agree to extend the existing arrangements with MHP Mischief as Communication Partner until 31 December 2023.

Motion to exclude public and press

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.

101. Exempt Minutes of the meeting held on 6 March 2023.
(Item. 8)

RESOLVED that the exempt minutes from the meeting held on 6 March 2023 be signed as a true and accurate record.

102. BAU Evaluation.
(Item. 9)

1. Mr McDonald provided an update on the Business As Usual Evaluation. He addressed the procurement timetable and operator arrangements.

RESOLVED to note the report and maintain plans for the original BAU procurement timetable.

103. Link Presentation.
(Item. 10)

Karl Midl, Richard Thornton and Colin Jones from Link Fund Solutions were present for this item.

1. Mr Midl provided an update on Link's corporate activity and future changes, as well as current progress on key workstreams.

RESOLVED that the presentation be noted.

104. Alternative Assets.
(Item. 11)

1. Andrew Bouflower (Hampshire) provided an update on pool aligned alternative investments, including existing pooled assets and opportunities for future integration.

RESOLVED to note:

1. the legal advice provided to the ACCESS pool on how pooling Alternative Investments is provided for in ACCESS Inter-Authority Agreement (IAA) and the provision of regulated financial advice; and
2. the basis that existing infrastructure investments have been identified for becoming potential Pool-Aligned investments, and that work will be commissioned to support this with a report to the Joint Committee's next meeting for a decision.

105. Implementation Advisor.
(Item. 12)

1. Mr McDonald provided an overview of the report which updated the Joint Committee on Implementation Adviser developments as well as a proposal that Apex be asked to complete the outstanding actions in relation to the property model.

RESOLVED to:

1. note the content of the report; and
2. agreed the report's recommendations.

106. Performance update.
(Item. 13)

1. Sharon Tan (Suffolk) provided an overview of ACCESS Pool performance, including reference to the Investment Performance Report, which showed that pooled assets of all ACCESS Authorities amounted to £34.417 billion at the end of March 2023 (an increase of £1.675 billion from the September quarter). It was noted that total Pool aligned assets had increased by £540 million and represented 59% of total assets.

RESOLVED that the report be noted.

107. Sub-fund implementation.

(Item. 14)

1. Alistair Coyle (ASU) provided an update on the progress with sub-funds.

RESOLVED that the Committee notes the matters highlighted within the report.

108. Contract Management.

(Item. 15)

1. Mark Paget (ASU) provided an update on Contract and Supplier Relationship Management activity.

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

109. Internal Audit of the ASU.

(Item. 16)

1. Mr McDonald summarised the contents of the report which set out Essex County Council's internal audit investigation of ACCESS and its assurance opinion that there continues to be a sound system of internal controls in place. It was noted that consultation on the next audit's Terms of Reference would include ACCESS Authority Section 151 Officers.

RESOLVED to note the matters highlighted within the report.

110. Risk Management.

(Item. 17)

1. Mr Paget provided an update on the risk register summary, highlighting those risks which had changed, been added, or removed.

RESOLVED to note the matters highlighted within the report.

Business Plan, Budget & Risk Summary



ACCESS Joint Committee

Date: 4 September 2023

Report by: Director of ACCESS Support Unit (ASU)

Subject:	Business Plan, Budget & Risk Summary
Purpose of the Report:	To provide an update on the activities undertaken since the last Joint Committee, associated spend and risk summary.
Recommendations:	<p>The Committee is asked to note the:</p> <ul style="list-style-type: none"> • 2023/24 Business Plan update; • 2023/24 budget update and • risk summary.
Enquiries to:	<p>Kevin McDonald Email: kevin.mcdonald@accesspool.co.uk</p> <p>Mark Paget Email: mark.paget@accesspool.co.uk</p>

1. Background

- 1.1 The Joint Committee (JC) have a role to keep the performance against the strategic business plan agreed by the Councils under review.
- 1.2 The Section 151 Officer Group are responsible for making recommendations to the Joint Committee on budget and business plan matters, reviewing / advising on budget variations throughout each financial year and advising the Committee on the identification of, and mitigation of, any risk to the operation or success of the Pool. In response to decisions made by the Joint Committee, the Section 151 Officers should ensure appropriate resourcing, support, advice and facilitation to the Joint Committee.
- 1.3 The ACCESS Support Unit (ASU) have a responsibility to manage the development and implementation of the strategy, business plan and budget including the identification and management of risks.
- 1.4 This report was prepared by the ASU following consultation with the Officer Working Group (OWG). In draft form, it was presented to the Section 151 Officer Group at their meeting on 11 August 2023 and their feedback has informed this final version.

2. Business Plan

2.1 The Business Plan for 2023/24 was agreed by the JC in December 2022 prior to being recommended to the Councils. At the same meeting, the JC also determined the budget necessary to implement this year's plan and to be charged to the relevant Authorities.

2.2 Activities within this year's 2023/24 Business Plan (Annex A) that are also the subject of separate items on the Committee's agenda include:

- DLUHC consultation on LGPS pooling
- BAU Evaluation
- Implementation Advice
- Alternative / non-listed assets
- Responsible Investment (Phase II) procurement
- Investment performance
- Sub-fund implementation
- Contract and supplier relationship management

3. Third-Party Review

3.1 Barnett Waddingham have recently concluded a Third-Party Review report, which is currently being considered by both s151 Officers and OWG. Arrangements will be made to share the Third-Party Review report with Members of the Joint Committee in early September 2023. An officer report on this matter, along with the Review itself will be on the agenda for consideration at the Committee's next meeting on 4 December 2023.

4. Communications re-procurement

- 4.1 At its meeting in June 2023, the Committee agreed to extend the existing arrangements with MHP Mischief until 31 December 2023, which enables the outcome of the procurement to be reported to the December 2023 JC.
- 4.2 As Procurement Lead Authority, colleagues at Hampshire have shaped the timetable below, in conjunction with the ASU. Activity commenced with the publication of the tender on 23 August 2023, and is planned to allow the outcome to be discussed at the Committee's next meeting in December.

Date	Activity
23 August 2023	Tender Publication
4 September	Update to Joint Committee
29 September	Submission Deadline
9 October - 17 November	Evaluation Period
w/c 20 November	Draft Standstill letters
4 December	Outcome to Joint Committee
4 – 14 December	Standstill period
15 December	Formalisation, implementation, etc
1 January 2024	New Contract start date

- 4.3 As highlighted to the Committee previously, it is anticipated that Officer volunteers from OWG and the ASU will participate in assessing and evaluating the submissions from prospective suppliers and any clarification interviews that might be considered necessary. Section 151 Officers and Elected Members are also invited to participate in this process.

5. 2022/23 Budget outturn

5.1 At its December 2022 meeting, the Committee determined a budget of **£1,559,033** to support the 2022/23 business plan. Details are shown within the following table.

	Budget 2023/2024 £	Actual Costs as at 31 July 23 2023/2024 £	Estimated 01-Aug-23 to 31-Mar-24 £	Actual Costs plus Forecast 2023/2024 £	Overspend / (Underspend) 2023/2024 £
ASU					
ASU Salaries (incl. on cost)	499,833	168,401	323,215	491,616	(8,217)
ASU Operational	23,000	5,397	16,550	21,947	(1,053)
ASU Host Authority Recharge	35,700	11,900	23,800	35,700	0
Technical Lead Recharge Costs	40,000	11,895	37,000	48,895	8,895
ASU Total	598,533	197,593	400,565	598,158	(375)
Professional Costs					
<i>Internal Professional Costs</i>					
JC Secretariat	23,100	5,734	17,250	22,984	(116)
Procurement	145,000	-	125,000	125,000	(20,000)
<i>Internal Professional Costs</i>	168,100	5,734	142,250	147,984	(20,116)
<i>External Professional Costs</i>					
Strategic & Technical	602,000	120,565	372,336	492,900	(109,100)
Legal & Governance	190,400	139,419	180,000	319,419	129,019
<i>External Professional Costs</i>	792,400	259,984	552,336	812,319	19,919
Professional Costs Total	960,500	265,718	694,586	960,303	(197)
Total Costs for the Financial Year	1,559,033	463,311	1,095,151	1,558,461	(572)
Cost Per Authority	141,730	42,119	99,559	141,678	(52)

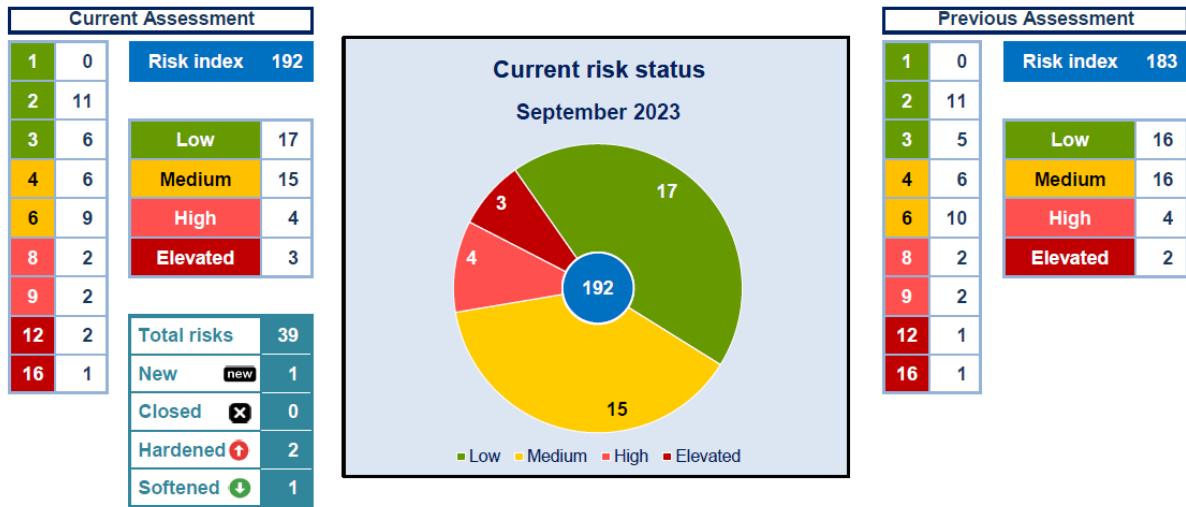
5.2 The budget forecast has been prepared prior to the conclusion of the Third-Party Review, and the following matters are highlighted:

- at this time, a modest projected underspend on ASU staffing offsets a modest overspend on technical recharge costs;
- the ASU Host Authority recharge includes finance, information technology, human resource and property services; and
- the projected timing of some procurement activity originally planned for 2023/24 will now span both the 2023/24 and 2024/25 financial years. At this time it is forecast that associated costs will be split between these years, which contributes to a forecast £20,000 underspend in the current year.

5.3 Further detail in relation to External Professional costs have been provided and shown in the Part II Annex B to this report.

6. Risk Summary

6.1 A summary of the current risk profile is shown below. A more detailed report appears within the Part II Annex C to this report.



7. Recommendations

7.1 The Committee is asked to note the:

- 2023/24 Business Plan update;
- 2023/24 budget update and
- risk summary.

Theme	Milestone	2023/24 activity	August 2023 comment
Actively managed listed assets	Launch of Tranche 5b	Two fixed income sub-funds.	An update on this matter appears elsewhere on this agenda.
	Launch of Tranche 6	Two Emerging Market sub-funds.	An update on this matter appears elsewhere on this agenda.
	Launch of Tranche 7a	Two fixed income sub-funds.	An update on this matter appears elsewhere on this agenda.
	Launch of Tranche 7b	One fixed income and one global equity sub-fund.	An update on this matter appears elsewhere on this agenda.
	Scheduled BAU Evaluation	Implementation of outcomes.	An update on this matter appears elsewhere on this agenda.
Scheduled BAU Evaluation	2023/24 is the penultimate year of the Operator Agreement	Preparation for, and the commencement of, the re-procurement of operator services.	An update on this matter appears elsewhere on this agenda.
Alternative / non-listed assets	Implementation of approach to pool illiquid assets	Commencement of property mandates.	An update on this matter appears elsewhere on this agenda.

Theme	Milestone	2023/24 activity	August 2023 comment
Passively managed assets	Ongoing monitoring of assets managed on a passive basis.	Further engagement and exploration with UBS will continue throughout the year.	UBS presented to the Investor User Group on 12 June 2023. An update on the value of Authorities' passive holdings appears elsewhere on this agenda.
Governance	<p>Meetings and oversight</p> <p>Operational protocols</p> <p>Engagement with HM Government</p>	<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>The implementation of the outcomes of the Third-Party Review.</p> <p>ACCESS will liaise with the Scheme Advisory Board (SAB) as appropriate.</p> <p>Periodic reports will be provided to DLUHC as required.</p>	<p>A further two Committee meetings are scheduled during the remainder of 2023/24.</p> <p>S151 Officers met on 11 August 2023.</p> <p>The Third-Party Review will be considered at the Committee's December 2023 meeting.</p> <p>Sian Kunert, East Sussex, participates on the SAB's Cross Pool Working Group on TCFD measures. Kevin McDonald, ASU participates on the SAB's RI Advisory Group.</p> <p>An Autumn 2023 submission is expected.</p>

Theme	Milestone	2023/24 activity	August 2023 comment
Governance continued	Engagement with HM Government (contd.) Joint Polices & guidelines	<p>The Pool will actively participate in any Cabinet Office/DLUHC pooling-related consultations.</p> <p>The commencement of RI reporting support for the Pool.</p> <p>An annual review will be conducted of the Pool's RI Guidelines.</p> <p>The Pool's second Communications support contract will commence.</p> <p>Continued activity will take place on implementing the Communications plan.</p>	<p>An update on this matter appears elsewhere on this agenda.</p> <p>An update on this matter appears elsewhere on this agenda.</p> <p>Scheduled for late 2023.</p> <p>The procurement for Communications support will be reported to the Committee in December 2023.</p> <p>The production of the Annual Report is underway.</p>
ACCESS Support Unit (ASU)	Review of ACCESS Support Unit Annual Audit	<p>A third-party review of the ASU will be undertaken.</p> <p>An Internal Audit of the ASU will be conducted by Essex CC.</p>	<p>The Third-Party Review will be considered at the Committee's December 2023 meeting.</p> <p>Scheduled for Autumn 2023.</p>

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Agenda Item 9

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Agenda Item 11

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Agenda Item 13

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Agenda Item 14

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Agenda Item 16

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