

SUMMARY UPDATE (Part I)
ACCESS Joint Committee (JC):
13 January 2021



All eleven ACCESS Authorities were represented. The key matters considered are described below.

Part I Item	Details
Business plan & budget	<p>The Committee received an updated on the 2020/21 Business Plan.</p> <p>This included work undertaken to review the size and scope of the ASU, which commenced with an initial discussion paper which was the basis of individual discussions with officers at each Authority, followed by a second discussion paper and collective dialogue at OWG and finally by s151 Officers. The common themes of this dialogue were:</p> <ul style="list-style-type: none"> • recognition of the increased pressure on Authorities; • acceptance that the ability to increase Technical Lead capacity was unlikely; • recognition of the increased workload implication of the business plan to the ASU; and • support for an expanded ASU. <p>As a consequence, it was proposed that two new ASU posts be created: a Client Manager and an additional ACCESS Support Officer at an expected cost of £160k p.a. The proposal, supported by the s151 Officers, was incorporated within the proposed 2021/22 budget.</p> <p>A forecast 2020/21 spend of £0.969m against a budget of £1.078m was noted.</p> <p>The proposed 2021/22 Business Plan and budget was considered. The Business Plan continues many current themes including active asset migration from Authorities into the ACS, the commencement of pooling illiquid assets along with the developments in the areas of governance, communications and Responsible Investment. To support this, a budget of £1.247m (including the £160k in respect of additional ASU staff) was recommended by the s151 Officers.</p> <p>The individual contribution by each Authority in respect of the 2021/22 budget is £113k.</p> <p>The Committee :</p> <ul style="list-style-type: none"> • noted the updates in respect of 2020/21's business plan and budget; • recommended the 2021/22 Business Plan to the ACCESS Authorities; • and • accepted the recommendation of the s151 Officers from ACCESS Authorities to determine the 2021/22 budget totalling £1.247m to support the proposed business plan.

Part II Item	Details
Illiquid assets	<p>The JC received a report updating on the development of pooled illiquid asset investment solutions.</p> <p>It was highlighted that the proposed solutions do not require existing illiquid assets to be either re-housed or sold with proceeds then re-invested. The solutions are primarily geared towards new strategic allocations that Authorities may wish to make, but will also enable new investments to maintain existing allocations where deemed appropriate in line with their own strategic asset allocation decisions and requirements.</p> <p>The background and process of engagement with ACCESS Authorities was highlighted, and Sam Gervaise-Jones from advisers bfinance outlined the potential solutions for private equity, private debt, infrastructure and real estate. It was appreciated that the process will commence with the procurement of an Implementation Adviser.</p> <p>The Committee agreed:</p> <ul style="list-style-type: none"> • the proposed pooling structures for real estate, private equity, private debt and infrastructure; and • the procurement, via the National LGPS frameworks, of a consultant to support the implementation of the proposed illiquid asset pooling structures and manager/fund/allocator procurements as required.
Environmental, Social & Governance / Responsible Investment	<p>The JC received a report on the procurement of an ESG / RI advisor. This highlighted that, following evaluation of the bids received and interviews held on 7 January, the firm with the highest score was Minerva.</p> <p>The proposal to appoint Minerva to undertake a review of the pool's ESG/RI guidelines and to recommend appropriate reporting arrangements, was agreed.</p>
Investment Performance report	<p>The Committee noted the Investment Performance report as at 30 September 2020. The total pooled assets of all ACCESS Authorities was £25.471bn, an increase of £0.482bn from the June 2020 quarter. Indicative numbers as 31 December were stated as £31.119m (reflecting recent sub-fund launches).</p> <p>Information on investment performance, stock-lending and voting was provided along with carbon measurement and benchmarking. Details of engagement on the LGF ACCESS Absolute Return sub-fund were also included.</p> <p>Report noted.</p>
Sub-fund implementation	<p>The JC received a report outlining progress on sub-fund implementation. It was highlighted that a total of seven sub-fund launches had taken place in November and December 2020, two of which were Global equities (Acadian) and UK equities (Majedie). This activity added over £5bn to assets within the ACS and represented a significant step forward.</p> <p>Report noted.</p>

Contract Management	<p>The JC received a report covering a number of aspects of Contract and Supplier Relationship management including:</p> <ul style="list-style-type: none"> • levels of insurance provision; • the Virtual Investor Day on 17 December 2020; • fee details; and • the “Temperature Check” undertaken in September 2020. <p>The Committee were also updated on the first Internal Audit report undertaken on the work of the ASU which had attained Good Assurance.</p> <p>Report noted.</p>
Risk Register	<p>The Committee received a report on the Pool’s Risk Register. Whilst current rating of the Risk 5 (Brexit) is Amber, it was noted that this had been rated Red during December when the likelihood of a “No Deal” outcome increased. The implications for financial markets of the United Kingdom’s withdrawal from the European Union continue to be monitored.</p> <p>Report noted.</p>
Link Presentation	<p>Karl Midl, Richard Thornton and James Zealander from Link Fund Solutions gave a presentation which included an overview of Operator Services provided along with an update on sub-funds, initiatives and risks. The recent Temperature Check and Virtual Investor Day were covered, and it was highlighted that dialogue on insurance will continue.</p> <p>Presentation noted.</p>
Scheduled Business as Usual (BAU) evaluation	<p>The Committee received an update on the Scheduled BAU evaluation following the workshop held on 12 November.</p> <p>Report noted, and next steps agreed.</p>
Next meeting date	<p>8 March 2021 – Virtual meeting</p>