



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.