

ACCESS JOINT COMMITTEE

MINUTES of a meeting of the ACCESS Joint Committee held at Bevin Hall - 18 Smith Square, LGA Offices, London on Monday, 6th December, 2021.

PRESENT: Cllr Mark Kemp-Gee (Hampshire), Cllr Susan Barker (Essex), Cllr Charlie Simkins (Kent), Cllr Debbie Andre (Isle of Wight), Cllr Jeremy Hunt (West Sussex), Cllr Judy Oliver (Norfolk), Cllr Andrew Williams (Hertfordshire), Cllr Charles Morton (West Northants)

ALSO PRESENT: Kevin McDonald (ASU), Mark Paget (ASU), Paul Tysoe (ASU), Dawn Butler (ASU) Clifford Sims (Squire Patton Boggs), John Wright (Hymans Robertson) and David Crum (Minerva).

OFFICERS: Alison Mings (Kent), Andrew Bouflower (Hampshire), Glenn Cossey (Norfolk), Jo Thistlewood (IoW), Jody Evans (Essex), Mark Whitby (West Northants), Patrick Towey (Hertfordshire), Rachel Wood (West Sussex), Sharon Tan (Suffolk), Sian Kunert (East Sussex), Katherine Eberhart (West Sussex), Alexander Younger (Norfolk), Kay Goldsmith (Kent) and Joel Cook (Clerk)

UNRESTRICTED ITEMS

18. Apologies/Substitutes.
(Item. 1)

1. Apologies were received from Cllr Jarman (Cllr Andre substituting), Cllr Whelan, Cllr Soons (joined virtually as a guest), Cllr Fox (joined virtually as a guest) and Cllr Longley (Cllr Morton substituting).

RESOLVED apologies be noted.

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

None.

20. Minutes of the meeting held on 6 September 2021.
(Item. 3)

RESOLVED that the minutes from the meeting held on 6 September 2021 be signed as a true and accurate record.

21. Chair's remarks.
(Item. 4)

1. The Chair noted that Kemi Badenoch MP was the new Minister for the Department for Levelling Up, Housing and Communities.
2. He highlighted the importance of Members sending substitutes to meetings when they were unable to attend.

RESOLVED that the Chair's remarks be noted.

22. Business plan, budget and risk summary.
(Item. 5)

1. Mr McDonald provided an update to the Committee. He commented that a number of workstreams included in the Business Plan would be discussed in more detail in later agenda items.
2. The Committee asked if the figures on expenditure and savings (para 1.3 in agenda) could be compared with other Pools. Mr McDonald offered to follow-up on a dialogue with other pools that he had already started.
3. Mr McDonald expressed that the timing of consultations in relation to climate related disclosures and LGPS Pooling remained unclear but would likely be in the new year.
4. In response to a question about the additional budget allocated to "external professional costs", Mr McDonald agreed to provide a breakdown of the figures sitting under that budget line. He confirmed that any third-party review of the ACCESS Support Unit (ASU) would be brought to the Joint Committee before it commenced.

RESOLVED that

1. The 2020/21 outturn, Business Plan update, the 2021/22 budget update, and summary risk register be noted.
2. The 2022/23 business plan be recommended to the ACCESS Authorities; and the recommendation of the s151 Officers from ACCESS Authorities to determine the 2022/23 budget totalling £1.366m to support the proposed business plan be accepted.

23. Communications update.
(Item. 6)

1. Mr McDonald provided an update, explaining that the partnership with Engine MHP was almost one year into a two-year contract. They would attend the March 2022 meeting with a review of the first year.
2. Following the appointment of ACCESS spokespeople at the last meeting, media training had been completed. Mr McDonald confirmed that the ACCESS website had been updated in line with Engine's recommendations, but that further work was due to take place.

3. Mr McDonald explained that Engine MHP had been kept apprised of developments around the draft Responsible Investment (RI) guidelines so that they could prepare statements and communications ready for when the guidance was approved. He confirmed that the intention was for individual authorities to agree the RI policy before any communications were finalised.

RESOLVED that the report be noted.

24. Motion to Exclude the Press and Public.
(Item. 7)

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.

25. Draft RI Guidelines and governance next steps.
(Item. 8)

1. Mark Whitby (Northamptonshire) provided an update on the ACCESS Responsible Investment guidelines.
2. The proposed guidelines were scheduled to be on the 7 March 2022 agenda. However, Members commented that in view of the significance of this work it was important for all Administering Authorities to have time to give them further consideration before any decisions were made by the Joint Committee. It was agreed that inter-authority communication would be delegated to the Officer Working Group (OWG) and a final document would come to the June 2022 meeting. A workshop or webinar would also be held between March – June 2022 allowing for further discussion on the draft.
3. A Member sought clarification over the status of the guidance, and it was confirmed that the document was not statutory but an internal document that would be agreed by individual ACCESS Authorities. It was intended to provide an overarching set of common principles for ACCESS authorities.

RESOLVED that the update on the ACCESS RI Guidelines project be noted.

26. Implementation Adviser procurement.
(Item. 9)

1. Mr Paget updated the Committee on the procurement of an Implementation Advisor.

RESOLVED that the report be noted.

27. Performance Report.
(Item. 10)

1. Sharon Tan (Suffolk) provided an overview of current ACCESS performance, including reference to the Investment Performance Report, which showed that pooled assets of all ACCESS Authorities amounted to £32.915bn at the

end of September 2021 (up from £31.602bn in June 2021). Pool aligned assets represented 55% of total assets.

RESOLVED that the report be noted.

28. Response to EM review: Protocol for new sub-funds.
(Item. 11)

1. Mr McDonald provided an update on the responses to the recommendations of the Emerging Markets review, particularly in relation to the creation of a protocol for the establishment of future sub-funds and how this was to be adopted as guiding principles rather than set criteria.
2. It was noted that the guiding principles now proposed, had been developed through detailed work at the Officer Working Group, and had been discussed in depth by s151 Officers prior to their recommendation to the Joint Committee.

RESOLVED that

1. the sub-fund criteria proposed by the Officer Working Group (OWG) in August 2021 (paragraphs 3.6 - 3.9) be adopted, not as criteria, but as guiding principles; in recognition of the concepts of both self-regulation and peer review.
2. The revised protocol flowchart be adopted.
3. The impact of the guiding principles and the protocol on ACCESS sub-funds be monitored by the OWG and the ASU, kept under review at future s151 meetings and subject to formal review by s151 Officers at a meeting in November 2022.

29. Sub-fund implementation.
(Item. 12)

1. Mr Tysoe provided an update on the progress with sub-funds. Three Multi-Asset Credit sub-funds were included in tranche 5b, and the ASU was working closely with Link to prepare for this. Mr Tysoe was invited to provide an update on those conversations at the next meeting.
2. Members discussed and acknowledged some areas where issues had negatively impacted individual Authorities. It was highlighted that areas of key learning for the future were being finalised.

RESOLVED that

- 1) the report be noted.
- 2) the creation of two emerging market equity sub-funds, reflecting growth and value investment styles, be approved.

30. Contract Management.
(Item. 13)

1. Mr Paget provided the regular update on Contract and Supplier Relationship Management activity, with key work and future areas of focus highlighted to the Committee.

RESOLVED that the report be noted.

31. Risk Management.

(Item. 14)

1. Mr Paget updated the Committee on the current risk profile of the Pool. He agreed to provide a more detailed commentary on the elevated risks in future reports.

RESOLVED that the risk register update be noted.

32. BAU evaluation next steps.

(Item. 15)

1. John Wright (Hymans Robertson) provided an update from the Business As Usual Evaluation.
2. Members discussed the recommendations and asked a range of questions for clarification. John Wright and Mr McDonald provided answers and information to support the consideration of the recommendations regarding future operating arrangements for the ACCESS Pool as part of Business As Usual.

RESOLVED that the proposed timetable be noted.

33. Date of next meeting - Monday 7 March 2022

(Item. 16)