



ACCESS JOINT COMMITTEE

MINUTES of a meeting of the ACCESS Joint Committee held on Monday, 7th March, 2022.

PRESENT: Chair: Cllr Mark Kemp-Gee (Hampshire CC), Vice-Chair: Cllr Susan Barker (Essex CC), Cllr Paul Redstone (East Sussex CC), Cllr Jeremy Hunt (West Sussex CC), Cllr Debbie Andre (Isle of Wight), Cllr Charles Morton (West Northamptonshire), Cllr Judy Oliver (Norfolk CC), Cllr Charlie Simkins (Kent CC), Cllr Karen Soons (Suffolk CC), Cllr Catherine Rae (Cambridgeshire CC) and Cllr Andrew Williams (Hertfordshire CC)

ALSO PRESENT: Kevin McDonald (ASU), Mark Paget (ASU), Paul Tysoe (ASU), Dawn Butler (ASU), Sallie Woodward (ASU), Clifford Sims (Squire Patton Boggs), John Wright (Hymans Robertson)

OFFICERS: Alison Mings (Kent), Andrew Bouflower (Hampshire), Alexander Younger (Norfolk), Jo Thistlewood (IoW), Gemma Farley (Hampshire), Paul Finbow (Suffolk), Rachel Wood (West Sussex), Sharon Tan (Suffolk), Sian Kunert (East Sussex), Kay Goldsmith (Kent) and Joel Cook (Clerk)

UNRESTRICTED ITEMS

34. Apologies/Substitutes
(Item. 1)

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

RESOLVED that the apologies be noted.

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

None.

36. Chair's remarks
(Item. 3)

1. The Chair reflected on the terrible situation in Ukraine. He referred to a draft statement by the Joint Committee that had been circulated ahead of the meeting.
2. Members discussed the potential for specific reference being made to fiduciary considerations within the statement. Views were expressed and

there was a recognition that the detailed financial and investment elements were matters for individual authorities to determine rather than the Pool.

3. Following discussion, the Committee agreed that the Director of the ASU, in collaboration with the Chair and Vice-Chair, would revise the statement and publish the final version on the ACCESS website.

RESOLVED that the Chair's remarks be noted.

37. Minutes of the meeting held on 6 December 2021
(Item. 4)

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

38. Local Pension Board observation of Joint Committee meetings
(Item. 5)

1. Mr McDonald introduced the report which proposed the basis for Scheme Member representation with ACCESS governance arrangements. The proposal in the report was for 2 observers from each Local Pension Board to attend the Joint Committee meetings on a rotational basis at least once a year.
2. The Committee debated whether the Scheme Member representatives should have voting rights, with Members sharing differing views about the implication on voting rights and whether they were appropriate. Mr McDonald explained the guidance did not specify voting rights and that most other Pools in the country did not give voting rights to such representatives.
3. The importance of communication with Scheme Member representatives outside of the meeting was seen as important, both providing access to the agenda before the meeting and giving the opportunity for feedback after the meeting.
4. The Chair moved the recommendations set out in the report and invited any amendments. Cllr Andre introduced a proposal that rather than involving non-voting observers, two scheme representatives, to be drawn from administering authority Local Pension Boards, be elected to the role of attendees to Joint Committee meetings for a period of four years.
5. Cllr Andre proposed, and Cllr Soons seconded the following amendment to the motion as it was detailed in the report:

The Committee:

- i. notes the report;
- ii. agrees to the election of **two scheme representatives to attend Joint Committee meetings for a period of four years;**
- iii. agrees that **the Committee will undertake a review of these arrangements after the first full year following election;** and

- iv. agree that the ACCESS Support Unit liaise with Councils as necessary in order to establish and progress the requisite changes to the Inter Authority Agreement.
6. Members voted on the motion. The motion was lost.
7. The Committee were in agreement that any changes made should be reviewed after 12 months to ensure they were working for all involved, including the Scheme Representatives.
8. The Chair returned to the substantive motion, as set out in the papers and this was agreed by majority vote.

RESOLVED that:

- 1) The report be noted.
- 2) The invitation of observers to attend Joint Committee meetings on a rotational basis, allowing two observers from each Local Pension Board to be in attendance in person at least once each a year, as detailed in section 2 of the report, be agreed.
- 3) The Committee agree to undertake a review of the above arrangements after a full year following their implementation.
- 4) The ACCESS Support Unit to liaise with Councils as necessary in order to establish and progress the requisite changes to the Inter-Authority Agreement.

39. Internal Audit of the ACCESS Support Unit (ASU)
(Item. 6)

1. Mr McDonald highlighted to the Committee that the 2021 Internal Audit of the ASU had been conducted with an outcome of good assurance.
2. As the Lead Auditor had been unable to attend the meeting, Members agreed the item should be carried forward to the next Committee meeting.

RESOLVED that the item be carried forward to the June 2022 meeting.

40. Business Plan, Budget and Risk Summary
(Item. 7)

1. Mr McDonald provided an overview of the 2021/22 Business Plan, noting that a number of key milestones were the subject of specific reports later in the agenda.
2. The Department for Levelling Up, Housing & Communities (DLUHC) had published a white paper called "Levelling Up the United Kingdom" which included reference to the Local Government Pension Scheme. Mr McDonald explained that a further consultation was expected in summer 2022 which would include the following areas:

- climate change reporting
 - pooling
 - levelling up
 - potential Secretary of State guidance on investments & UK foreign policy
3. Details of the anticipated outturn against the current year's budget were highlighted.
 4. Scoping work continued on the third-party review of the ASU. Subsequent to Member feedback, Mr McDonald confirmed the item would be brought to the Committee ahead of any formal review commencing. He anticipated it would come to the June meeting.

RESOLVED that the 2020/21 outturn, Business Plan update, the 2021/22 budget update, and summary risk register be noted.

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.

41. Exempt Minutes - Meeting held on 6 December 2022
(Item. 8)

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

42. Communications update
(Item. 9)

Kate Cunningham from MHP Mischief was in attendance for this item.

1. Ms Cunningham provided an update on MHP Mischief's activity during their first full year as the Pool's communication partner as well as future changes to the business.

RESOLVED that the report be noted.

43. Alternative Investments Implementation Advisor
(Item. 10)

Odi Lahav, Jack Fishburn, and Ben Lucas from MJ Hudson were in attendance for this item.

1. Mr Boufflower (virtual) introduced the report, highlighting that MJ Hudson (MJH) had been appointed as Implementation Adviser following a procurement process during 2021.

2. MJH updated the Committee on the work undertaken so far in relation to determining an order for alternative asset classes.
3. MJH were recommending that Real Estate (property) be the first asset class progressed. It was less complex than other asset classes, which allowed for a cautious start and additional time to analyse other asset classes. Its ESG (Environmental, Social and Governance) rating was discussed, and was viewed as well established.
4. MJH explained that once an asset class order had been decided upon, a procurement exercise would be carried out to appoint a fund manager. MJH would continue to monitor the investment and implementation.

RESOLVED that:

- 1) The report be noted; and
- 2) The Real Estate (property) be the first asset class progressed.

44. Draft Responsible Investment Guidelines

(Item. 11)

1. Mr Whitby provided an update on the ACCESS Responsible Investment guidelines.
2. Mr Whitby was expecting to present the finalised guidelines at the Joint Committee's June 2022 meeting, with a (virtual) workshop to be held in May.
3. An explicit provision for agreeing Pool guidelines was not in the Inter-Authority Agreement (IAA), and therefore an amendment to the IAA was being progressed.

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

45. Performance report

(Item. 12)

1. Ms Tan 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 £34.993bn at the end of December 2021 (up from £32.915bn in September 2021). Pool aligned assets represented 57% of total assets.

RESOLVED that the report be noted.

46. Sub-fund implementation

(Item. 13)

1. Mr Tysoe provided an update on the progress with both agreed and prospective sub-funds.

RESOLVED that

- 1) The report be noted.
- 2) The following sub-funds be submitted to Link for consideration:
 - Multi Asset Credit
 - Asset Back Securities
 - Quality Equity
 - Fixed income

47. Contract and Supplier Relationship Management
(Item. 14)

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

RESOLVED that

- 1) The report and activity update be noted; and
- 2) An amendment to Schedule 4 of the Operator Agreement to incorporate specific amended and additional KPIs, as negotiated by the Contracts Manager, be approved.

48. Risk Management
(Item. 15)

(This item was taken at the end of the meeting after the Link Presentation)

1. Mr McDonald updated the Committee on the current risk profile of the Pool.

RESOLVED that the report be noted.

49. Business As Usual evaluation.
(Item. 16)

(This item was taken before the Risk Management item)

1. Mr McDonald provided an update from the Business As Usual Evaluation.

RESOLVED that the report be noted.

50. Link Presentation
(Item. 17)

James Zealander, Karl Midl and Alistair Coyle from LINK were in attendance for this item.

1. Representatives from Link Fund Solutions updated the Committee on performance, current progress with sub-fund launches, and future changes in the business.
2. The developing situation within the financial markets as a consequence of the war in Ukraine was discussed.

RESOLVED that the report be noted.