



ACCESS JOINT COMMITTEE

MINUTES of a meeting of the ACCESS Joint Committee held at Bevin Hall, 18 Smith Square, London, SW1P 3HZ on Monday, 9th September, 2024.

PRESENT: Chair: Cllr Mark Kemp-Gee (Hampshire CC), Vice-Chair: Cllr Susan Barker (Essex CC), Cllr Vanessa Churchman (Isle of Wight), Cllr Paul Redstone (East Sussex CC), Cllr Karen Soons (Suffolk CC), Cllr Graham Lawman (West Northamptonshire Council), Cllr Tom FitzPatrick (Norfolk CC), Cllr Jeremy Hunt (West Sussex), Cllr Alison Whelan (Cambridgeshire) and Cllr Richard Thake (Hertfordshire CC).

LOCAL PENSION BOARD OBSERVERS: Nicola Mark (Essex), Andrew Coburn (Essex), Cllr Adam Mitchell (Hertfordshire), Jolyon Adam (Hertfordshire), Cllr Jonathan Glen (Hampshire)

ALSO PRESENT: Kevin McDonald (ASU), Mark Paget (ASU), Alistair Coyle (ASU), Sallie Wilson (ASU), Chris Harper (Squire Patton Boggs) and John Wright (Hymans Robertson).

OFFICERS: Andrew Boutflower (Hampshire), Nick Buckland (Kent) Jody Evans (Essex), Amanda Crawford (Essex), Nick Buckland (Kent), Glenn Cossey (Norfolk), Sharon Tan (Suffolk), Patrick Towey (Hertfordshire), Mark Whitby (West Northamptonshire / Cambridgeshire), Ben Barlow (West Northamptonshire / Cambridgeshire), Sian Kunert (East Sussex), Tracey Woods (Suffolk), Rachel Wood (West Sussex), Alex Younger (Norfolk), Harvey Bullen (Norfolk – s151 Officer representative) and Joel Cook (Kent - Clerk).

UNRESTRICTED ITEMS

175. Apologies & Substitutes.
(Item. 1)

Apologies were received from Cllr Fox (East Sussex – Cllr Redstone substituting), Cllr Williams (Hertfordshire – Cllr Thake substituting) and Cllr Simkins.

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

No declarations were made.

177. Minutes of the meeting held on 10 June.
(Item. 3)

RESOLVED that the minutes of the meeting held on 10 June be approved as a correct record.

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

1. The Chair formally welcomed the Local Pension Board observers from Essex, Hertfordshire and Hampshire.

RESOLVED that the Chair's remarks be noted.

179. Business plan, Budget & Risk Summary.
(Item. 5)

1. Mr McDonald (ASU Director) provided an overview of the report and highlighted key elements particularly in relation to the budget, referencing the discussion from the previous meeting in relation to additional work demands on the ASU and the resource implications.
2. In particular, Mr McDonald outlined the implications of the ASU recruitment undertaken following agreement by the Committee at a previous meeting – it was clarified that an additional £100k was required within the in year budget, following the addition of new Analyst posts. Mr McDonald advised that recruitment would be undertaken in due course.
3. Noting the overview, Members continued the discussion into the Exempt session.

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.

4. During closed session, the Committee was updated on matters related to staffing changes, the legal and governance spend in relation to key projects. Members queried the budget presentation in terms of aligning the spend areas related to the Operator Reprocurement in the appropriate budget lines.
5. Members noted and recognised the considerable pressure that had been facing the ASU in the course of both normal business and with the Operator Reprocurement process and the increase in ASU staffing was welcomed to help ensure improved future management.

RESOLVED that the following be noted:

- 2024/25 Business Plan update;
- 2024/25 Budget update; and
- risk summary.

And that;

- an increase of £100,000 (from £1,706,918 to £1,806,918) in the total ACCESS budget for 2024/25 (as a consequence of the matters highlighted in section 4 of the report) be approved.

180. Exempt Minutes of the meeting held on 10 June 2024.
(Item. 6)

RESOLVED that the exempt minutes from the meeting held on 10 June 2024 be approved as a correct record.

181. Operator Re-procurement.
(Item. 7)

1. Mr Mark Paget (ASU) provided an overview of the report and drew Councillors' attention to key points. In particular, he clarified the procurement process and the assessment approach, explaining how the outcome of the procurement exercise was reached – which was that Waystone were the recommended Operator.
2. Councillors discussed the outcome of the process, noting the positive indication that it had been a very competitive procurement with capable providers showing significant interest. Questions were asked about the quality of the various elements of the submissions and were provided with commentary on the detailed assessment results.
3. Councillors sought and received assurances on the integrity and appropriateness of the procurement process.
4. The Chairman put the issue to a substantive vote and it was unanimously agreed as follows:

RESOLVED that the following be RECOMMENDED:

- the appointment of Waystone Management UK (Waystone) as Operator of the ACCESS Authorised Contractual Scheme (ACS) from 5 March 2025 until 4 March 2035 (subject to break clauses);
- Administering Authorities to each enter into an Operator Agreement to that effect;

And RESOLVED that

- thanks be recorded for Hampshire Strategic Procurement, and Samantha Pullinger in particular, for an excellent level of professionalism and diligence exhibited in conducting this exercise.

182. Government Review of Pensions.
(Item. 8)

1. Mr McDonald provided an update on developments related to the Government Review of Pensions, including outlining recent information requests from Government in addition to the substantive Call for Evidence that was publicised during the week commencing 2 September.
2. Mr McDonald explained the timescales for responding to the Call for Evidence which involved a deadline prior to the next Joint Committee meeting – arrangements were proposed to facilitate the submission of the ACCESS response via the ASU, in consultation with the Chair and Vice-Chair following additional engagement with Committee members.

3. Councillors discussed the possible implications of the Pensions Review and considered various possible Government objectives and how it may impact on viable Pooling arrangements.

RESOLVED that;

- The reports be noted.
- Authority be delegated to the ASU Director to manage and determine the finalisation of the ACCESS response to the Call for Evidence in consultation with the Chairman and Vice-Chairman

183. Joint Committee Arrangements.

(Item. 9)

1. Mr McDonald outlined the progress made with the relevant aspects of the Third Party Review. He detailed the exploration of options with the OWG and s151 Officers, including the consideration of the benefits and risks involved in adopting a formalised Non-Voting Co-opted Member process for the Joint Committee.
2. He explained that the Officer view, as per the report, was that there was greater scope for benefit from expanding the role of Officers already attending the Joint Committee and of professional advisors than from the inclusion of Non-voting Co-optees (NVCOs).
3. Councillors discussed the Officer advice and debated the considerations, with different Committee members indicating a continued desire to explore the option of 'independent' Committee members.
4. It was suggested that further work be undertaken to explore the issue and for this to be supported through additional discussion between Committee members outside of the main meeting cycle. There was debate about the implications for further exploration of non-voting co-optees versus moving on to further investigate the other options to achieve similar benefits.
5. Councillors debated amendments to the recommendations, however the original recommendations were put to a vote and were carried by majority.

RESOLVED that;

- the report be noted;
- the exploration of the expansion of the role of adviser options as outlined in paragraph 4.9 of the report be agreed; and
- the proposals for Non-Voting Co-optees should not be progressed.

184. Responsible Investment.

(Item. 10)

Paul Hunter (PIRC) was in attendance for part of this item.

1. Mr Mark Whitby (West Northamptonshire / Cambridgeshire Council) provided background on the development of the proposals and introduced Paul Hunter of PIRC who presented the substantive report for Councillor consideration.

2. Mr Hunter explained the approach to Stewardship Code review and the benefits of making changes following the PIRC review which had compared the ACCESS approach with relevant comparators.
3. He clarified that the report sought Committee agreement to align voting guidelines with best practice and agreement to take relevant steps to become a signatory to the UK Stewardship Code.
4. Councillors debated the issues, seeking clarification on the material benefits and value of the proposals in terms of duplication risk and balancing the sovereignty of the individual Administering Authorities.
5. Following debate, the Committee considered the first four recommendations, all of which were agreed.
6. Mr Hunter (PIIRC) left the room prior to continuation of the item.

RESOLVED that:

- the Stewardship Report at Annex A be agreed;
 - the Stewardship Report would be finalised and submitted to the Financial Reporting Council in October 2024 in order for ACCESS to become a signatory to the UK Stewardship Code;
 - the ESG Priorities at Annex B to be included in the Stewardship Code submission be agreed; and
 - the updated Voting Guidelines shown at Annex C be agreed.
7. Mr Whitby outlined the latter part of the report which focused on the proposed procurement of Voting & Engagement Services. It was clarified that to seek to manually review the relevant data via either ACCESS Authority or ASU staff would involve significant resource demands at a high cost and that it was not within the remit of the ACCESS Operator.
 8. Following debate, the Chair put the recommendations to a vote and they were carried by majority.

RESOLVED that;

- a procurement utilising Lot 3 of LGPS National frameworks Voting and Engagement Services be conducted for a Voting & Engagement Provider for the ACCESS Pool be agreed;
- the Voting & Engagement services cost-splitting approach shown in Annex E be noted; and
- that Hampshire County Council be appointed as Procurement Lead Authority for the procurement of an ACCESS Voting & Engagement Provider.

185. Performance Report.
(Item. 11)

1. Sharon Tan (Suffolk) provided an update on the Investment performance across ACCESS, including an overview of voting records.

2. It was highlighted that the report included the first all inclusive performance figure, including both Pooled and Pool-aligned funds. This update was welcomed by the Committee.
3. Mr Alistair Coyle (ASU) advised the Committee that work was ongoing to explore manager fee considerations.

RESOLVED that the report be noted.

186. Alternatives.
(Item. 12)

1. Mr Andrew Bouflower (Hampshire) provided an overview of the report, updating the Committee on developments with the Alternative Assets workstream, including the confirming the appointment of a Pool Provider for the Impact Real Estate asset class.

RESOLVED that:

- The report be noted.
- The appointment of Orchard Street as the ACCESS pool provider for Impact Real Estate and that they will be available to the ACCESS councils if they want to allocate to this asset class, be noted

187. Sub-Fund Implementation.
(Item. 13)

1. Mr Coyle provided a summary of the recent sub-fund implementation activity.

RESOLVED that the report be noted.

188. Contract Management.
(Item. 14)

1. Mr Paget highlighted key points within the report, in particular flagging positive improvement in Operator performance.

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

189. Risk Register Detail.
(Item. 15)

1. Mr Paget outlined the proposed updates to the Risk Register. In particular he highlighted the relevant changes to the operator procurement related risks in view of the progression of that workstream.

RESOLVED that the matters highlighted in the report be noted.