

By: Corporate Director of Finance
To: Pension Board – 11 November 2019
Subject: **ACCESS POOLING UPDATE**
Classification: Unrestricted

Summary: To update on progress on pooling.

FOR INFORMATION

INTRODUCTION

1. This report is to update the Board on progress on pooling.

JOINT COMMITTEE

2. The Joint Committee has met since the last update for the Board and a summary update of their meeting on 9 September is attached at appendix 1. The Joint Committee (JC) had previously met on 11 June and a copy of the minutes of this meeting is at appendix 2.
3. At the JC meeting on 9 September Andrew Reid was re-elected as chair for a further 2-year term. However on 15 October Andrew advised the ACCESS authorities that he had resigned as chair as he has taken on a cabinet role at Suffolk County Council and is no longer a member of the Suffolk Pension Fund Committee.
4. The JC will be seeking to elect another chair at its December meeting.

ACCESS SUPPORT UNIT (ASU) ARRANGEMENTS

5. The ASU is now fully established following the successful recruitment of Kevin McDonald from Essex County Council as the Interim Director of the ACCESS Support Unit. Kevin has taken up this role on a part-time basis from 1 August becoming full-time from 1 October. Dave Shipton, Alison Mings and the Chairman Charlie Simkins had a very positive meeting with Kevin on 23 August and it was agreed that Kevin should be invited to the Kent Committee's meeting in February 2020.
6. Essex County Council is the new host authority (taking over from Kent) and they will be responsible for hosting the ASU.
7. Kent Democratic Services are continuing to provide the secretariat support to the JC to mid-2020 while the appointed officer at Essex is on maternity leave, making the most of the Kent officers' knowledge and experience.

SCHEME MEMBER REPRESENTATION ON THE JOINT COMMITTEE

8. Several ACCESS Funds including the Kent Fund have received correspondence from UNISON requesting representation on the Joint Committee. As reported in the summary of the JC meeting at appendix 1, taking into account the views particularly of S151 officers, the Committee has decided not to change the current representation arrangements.

GOVERNANCE

9. The Inter Authority Agreement (IAA) covering the governance of the pool including the setup of the Joint Committee, which was signed in 2017, is being reviewed and updated in consultation with the monitoring officers of the eleven authorities. Once the review is finalised the revised IAA will be sealed by each authority.
10. Officers and members of the JC will be required to have Governance training and these training resources will then be available to the Kent Fund for use with the Committee and Pension Board.

MEETING WITH MHCLG

11. Representatives of ACCESS including councillors and officers met with MHCLG civil servants on 4 July 2019 for the purpose of providing an update on the progress of the ACCESS pool as well as discussion of the draft pooling guidance.
12. MHCLG responded positively to the ACCESS progress update and savings achieved. The Ministry will be seeking regular updates on costs and savings to support information available from Funds' annual reports.
13. There has still not been any response to the Statutory Guidance on Pooling consultation or to the letter which the Kent Chairman sent to the Local Government Minister. The Ministry did not confirm a date for the formal consultation.

ESTABLISHMENT OF THE ACS AND SET UP OF SUB-FUNDS

14. As previously reported the Kent Fund now holds units in 3 ACCESS sub-funds and our investment in the Ruffer fund is due to launch in Q4 2019. The Kent investment in a global value equity fund is anticipated mid-2020 and discussions are progressing regarding the establishment of further sub-funds in the ACCESS ACS.
15. At present none of the other Kent Fund strategies are included on the ACCESS roster. Our investments will be held outside the pool until the Kent Fund agrees the way forward taking account of advice from the Fund's investment consultant.

POOLING OF ILLIQUID INVESTMENTS

16. Officers have continued to consider options for pooling these investments and are now in the process of commissioning an external consultant to provide advice on the most suitable model for ACCESS.

RECOMMENDATION

17. The Pension Board is recommended to note this report.

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