

From: Charlie Simkins – Chair of Superannuation Fund Committee
Zena Cooke – Corporate Director of Finance

To: County Council – 22 October 2020

Subject: Local Government Pension Scheme pooling – Inter-Authority Agreement review

Classification: Unrestricted

Summary:

To update the County Council on the ACCESS Pool

Recommendation:

The Council is asked to approve the updated ACCESS Pool Inter-Authority Agreement (IAA).

FOR DECISION

1. Introduction

1.1 In the summer 2015 budget the Chancellor of the Exchequer announced the Government's intention to enforce the pooling of LGPS investments. The criteria published in November 2015 required the pools to have a minimum of £25bn of assets. The drivers for the changes were to reduce cost and increased investment in infrastructure.

2. Current position

2.1 In late 2015 / early 2016 discussions took place with other local County Council LGPS funds and in July 2016 ACCESS (A Collaboration of Central, Eastern and Southern Shires) was established consisting of:

Cambridgeshire	Kent
East Sussex	Norfolk
Essex	Northamptonshire
Hampshire	Suffolk
Hertfordshire	West Sussex
Isle of Wight	

2.2 The ACCESS Pool has been operating under the current Inter-Authority Agreement as of July 2017 and since then the Pool has contracted an Operator to deliver the FCA regulated services and manage the pooled investments. The

ACCESS Joint Committee provides ongoing Member oversight and formal decision making in relation to pooling matters and contract management. Kent County Council is represented on the ACCESS Joint Committee by the Chair of the Superannuation Fund and is supported by senior officers, with oversight from the s151 Officer.

2.3 A copy of the ACCESS 2019-20 annual report is attached at appendix 1.

3. Inter-Authority Agreement (IAA)

3.1 The current IAA was developed by the Monitoring officers of the 11 Councils assisted by Eversheds. This was created with the following governing principles in mind, as per agreement across the Pension Committee Chairs of the participating authorities:

- working collaboratively
- all Councils will have an equitable voice
- avoiding unnecessary complexity
- operating economically applying VFM considerations

3.2 The IAA resulted in the establishment of the Joint Committee, which was constituted under S101 & S102 of the Local Government Act 1972 and made up of one elected councilor chosen by each Council from their pension committees.

4. Revision of the Inter-Authority Agreement

4.1. In accordance with the Terms of Reference of the Joint Committee, a review of the IAA was instigated prior to the second anniversary of its first meeting. The review was included within a wider governance project approved by the Joint Committee, which sought to ensure appropriate local authority good governance practice was correctly applied in the context of pooling.

4.2 The Governance Project was supported by Muse Consultancy and Squire Patton Boggis (Solicitors). Key outputs of this work included the development and adoption of a Governance Manual, which serves as a policy document and operational guide for activity necessary to allow the Pool to function, and the revised the IAA.

4.3 The revised IAA represents an update of the original agreement, with changes made to account for the shift from the establishment phase to the business as usual phase. As a result, the proposed IAA now more accurately reflects the key activities and accountabilities involved in the Pool and takes into account recent legislation changes (e.g. GDPR).

4.4 The new IAA does not require any additional delegation of authority from the County Council and does not represent any significant shift in approach but rather clarifies the obligations of each participating authority and provides additional clarity in areas where there was ambiguity, particular in relation to the ACCESS

Support Unit arrangements, s151 Officer involvement, Operator definitions and procurement arrangements.

- 4.5 Despite the lack of further formal delegation being required, the IAA and the ACCESS Pool more generally represents a significant contractual commitment to collaboration with 10 other local authorities in relation to more than £40bn of pension investments. Consequently, it is appropriate to apprise Council of the developments and seek authority to enter into the revised agreement to allow for continued participation in the pool.

5. Recommendation

5.1 Council is asked to agree:

- (1) To enter into the revised ACCESS Pool Inter-Authority Agreement as attached at appendix 2
- (2) That authority be delegated to the s151 Officer to enter into relevant contracts and other legal agreements as required to implement this decision; and
- (3) That authority be delegated to the s151 Officer to, following consultation with the Chair of the Superannuation Fund and the General Counsel, agree future updates to the Inter-Authority Agreement providing no additional delegation of further formal Council powers are required.

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A copy of the updated Inter-Authority Agreement (IAA) has been published on the County Council's website alongside the agenda and is also available via the modern.gov app.

[Agenda packs and supplementary papers – County Council 22 October 2020](#)"