



ACCESS JOINT COMMITTEE

MINUTES of a meeting of the ACCESS Joint Committee held at Bevin Hall, LGA Building, 18 Smith Square, London, SW1P 3HZ on Monday, 5th December, 2022.

PRESENT: Chair: Cllr Mark Kemp-Gee (Hampshire CC), Vice-Chair: Cllr Susan Barker (Essex CC), Cllr Charlie Simkins (Kent CC), Cllr Roger Elkins (West Sussex CC), Cllr Judy Oliver (Norfolk CC), Cllr Andrew Williams (Hertfordshire CC), Cllr Paul Redstone (East Sussex CC), Cllr Vanessa Churchman (Isle of Wight Council), Cllr Georgia Hall (Suffolk CC), Cllr Alison Whelan (Cambridgeshire CC), Cllr Charles Morton (West Northamptonshire Council)

ALSO PRESENT: Kevin McDonald (ASU), Mark Paget (ASU), Paul Tysoe (ASU), Sallie Wilson (ASU), Amanda Crawford (Essex), Clifford Sims (Squire Patton Boggs), Susan Oakley (Squire Patton Boggs), John Wright (Hymans Robertson)

PRESENT VIRTUALLY: Cllr Jeremy Hunt (observer for West Sussex CC)

LOCAL PENSION BOARD OBSERVERS: Cllr Adam Mitchell (Hertfordshire CC), Tim Perkins (Hertfordshire CC), Martin Doyle (Isle of Wight Council), Barbara Milton (Isle of Wight Council), Cllr Alex Crawford (Hampshire CC), Dr Cliff Allen (Hampshire CC)

OFFICERS: Nick Buckland (Kent), Andrew Bouflower (Hampshire), Alexander Younger (Norfolk), Glenn Cossey (Norfolk), Jo Thistlewood (IoW), Jody Evans (Essex), Mark Whitby (Cambridgeshire and West Northamptonshire), Patrick Towey (Hertfordshire), Sian Kunert (East Sussex), Sharon Tan (Suffolk), Rachel Wood (West Sussex), James Smith (Cambridgeshire and West Northamptonshire), Ben Barlow (Cambridgeshire and West Northamptonshire), Kay Goldsmith (Kent) and Joel Cook (Clerk)

UNRESTRICTED ITEMS

64. Apologies/Substitutes.
(Item. 1)

1. Apologies were received from Cllr Hunt (joined virtually as a guest, Cllr Elkins substituting), Cllr Soons (Cllr Hall substituting), Cllr Fox (Cllr Redstone substituting) and Cllr Longley (Cllr Morton substituting).

RESOLVED that the apologies be noted.

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

None.

66. Chair's Remarks.
(Item. 3)

1. Cllr Kemp-Gee welcomed the Local Pension Board observers from the Isle of Wight, Hampshire and Hertfordshire who were present on an informal basis, prior to all Authorities executing the revised IAA.
2. He highlighted that an informal virtual briefing of the Joint Committee had been held in October due to the cancellation of the September 2022 meeting (owing to the death of Her Majesty Queen Elizabeth II).

RESOLVED that the Chair's remarks be noted.

67. Minutes of the meeting held on 6 June 2022.

(Item. 4)

RESOLVED that the minutes from the meeting held on 6 June 2022 be signed as a true and accurate record.

68. Business Plan, Budget and Risk Summary.

(Item. 5)

1. Mr McDonald provided an update on the activities undertaken since the last Joint Committee, the associated spend and the risk summary. He explained that the updated IAA had been agreed in principle with S151 officers and continued to go through the governance process. A final version was expected to be brought to the March 2023 Joint Committee meeting.
2. Mr McDonald drew attention to the relaunched ACCESS website.
3. The outturn budget position for 2022/23 was forecast to be £102k underspent against a budget of £1.366m. This was primarily explained by a shifting timeline of certain milestones.
4. The 2023/24 budget was discussed, with the following items highlighted:
 - a. Procurement costs were expected to be higher due to the procurement of pooled asset solutions for private debt and private equity.
 - b. Costs would be incurred in preparation for the re-procurement of the Operator contract, which was entering its penultimate year.
 - c. Legal and governance costs were anticipated to be higher due to advice required around the commencement of RI reporting as well as entering into a contract for communications support.

RESOLVED that Committee note:

- 1) the 2022/23 Business Plan update;
 - 2) the 2022/23 budget update; and
 - 3) risk register.
- and:
- 4) recommend the 2023/24 Business Plan to the ACCESS Authorities;
 - 5) accept the recommendation of the s151 Officers from the ACCESS Authorities to determine the 2023/24 budget totalling £1.559m to support the proposed business plan

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.

69. Exempt Minutes of the meeting held on 6 June 2022.

(Item. 6)

RESOLVED that the exempt minutes from the meeting held on 6 June 2022 be signed as a true and accurate record.

70. BAU evaluation.

(Item. 7)

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

RESOLVED that the Committee:

- 1) note the report; and
- 2) approve the activity being undertaken in preparation for relevant procurement processes, as detailed in the associated report.
- 3) note the intent to have a late January briefing on this subject if required.

71. Link Presentation.

(Item. 8)

Karl Midl and Alistair Coyle from Link Fund Solutions were present for this item.

1. Mr Midl and Mr Coyle provided the Committee with an update on LINK's corporate activity and future changes, as well as current progress with relevant sub-fund launches.

RESOLVED that the presentation be noted.

72. Alternative Investments.

(Item. 9)

This item was considered before item 8.

1. Mr Boutflower provided an update on alternative investments, highlighting progress on the Real Estate procurements and proposed future phases of pooling non-listed investments. The intention was to run private equity and private debt concurrently.

RESOLVED that the Committee:

- 1) Agree that the order for pooling further alternative investments will be private debt, private equity and infrastructure.
- 2) Note the matters highlighted within the report including the progress on Real Estate and timeline for further alternative investment pooling.

73. Independent Third Party Review.
(Item. 10)

This item was considered before item 8.

1. Mr McDonald provided an update on the third-party review of the effectiveness of the pool, which aimed to compare the effectiveness of the ACCESS pool against its original objectives as well as review the ACCESS Support Unit (ASU). He confirmed that Members of the Joint Committee would be part of the evidence base.
2. Essex County Council would act as procurement lead, and the provider would be chosen from the National LGPS Framework.
3. It was requested that business continuity and succession planning within the ASU be made explicit in the “requirements” section of what will be reviewed.

RESOLVED that the Committee

- 1) note the matters highlighted within the report;
- 2) approve the appointment of Essex County Council as Procurement Lead Authority; and
- 3) approve the procurement approach highlighted in section 4

74. Communications.
(Item. 11)

This item was considered before item 8.

1. Mr McDonald provided an update on the proposed approach to the re-procurement of a Communications Partner for the ACCESS Pool, highlighting the benefits of commissioning such a partner.
2. The contract with MHP Mischief ended on 15 November 2022. It was proposed to extend that until 31 March 2023 to allow time for Hampshire County Council to run an OJEU-equivalent procurement process.

RESOLVED that the Committee:

- 1) note the matters highlighted within the report;
- 2) approve the appointment of Hampshire County Council as Procurement Lead Authority;
- 3) approve the proposed approach highlighted in section 3; and
- 4) extend the existing arrangements with MHP Mischief until 31 March 2023

75. Responsible Investment Phase 2.
(Item. 12)

1. Mr Whitby provided an update on the procurement of external advice to support ACCESS’s approach to ESG/RI. Hampshire were the lead authority for the procurement.
2. He summarised the findings to date in relation to ACCESS becoming a signatory to the UK Stewardship Code and also a Pool member of the

LAPFF. A full analysis would be brought to the next Joint Committee meeting.

3. The Joint Committee discussed the procurement for the second round of RI advice, along with the draft response to the climate change risks consultation.

RESOLVED that the Committee:

- 1) Approve Phase II of the Responsible Investment (RI) procurement, as identified in the 2022/23 ACCESS Business Plan;
- 2) approve the appointment of Hampshire County Council as Procurement Lead Authority;
- 3) approve the procurement specification as set out in Annex A;
- 4) note the progress on explorations into ACCESS becoming a signatory to the UK Stewardship Code and also a Pool member of the Local Authority Pension Fund Forum (LAPFF); and
- 5) approve the ACCESS response to the Governance and reporting of climate change risks consultation as set out in Annex B.

76. Q2 2022/23 Investment Performance Report.
(Item. 13)

1. Ms Tan provided an overview of ACCESS performance at the end of September 2022, which showed that the combined total of pool assets (within the Link ACS) and pool aligned assets (passive UBS mandates) was £31.024bn, a decrease of £0.765bn from the June 2022 quarter end. Market movements accounted for £428m of the change, with purchases totalling £297m and sales £147m. Pool aligned assets represented 54% of total assets.

RESOLVED that the report be noted.

77. Sub-fund Implementation.
(Item. 14)

1. Mr Tysoe provided an update on the progress of sub-funds.

RESOLVED that the Committee notes the matters highlighted within the report.

78. Review of Sub-Fund Guiding Principles.
(Item. 15)

1. Mr Tysoe updated the Joint Committee on the review of the Guiding Principles for establishing new sub-funds. He explained a review would be held after 12 months.
2. The review concluded that the Guiding Principles remained appropriate for the establishment of new-sub funds and also that there was merit in extending the Guiding Principles to cover changes to sub-funds and the prioritisation of FCA submissions.

RESOLVED that the Committee approve the revised Guiding Principles to include both sub-fund changes and prioritisation of FCA submissions.

79. Contract and supplier relationship management.
(Item. 16)

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

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