



MINUTES of a meeting of the ACCESS Joint Committee held at Bevan Hall, 18 Smith Square, London on Monday, 4th September, 2023.

PRESENT: Chair: Cllr Mark Kemp-Gee (Hampshire CC), Vice-Chair: Cllr Susan Barker (Essex CC), Cllr Nick Chard (Kent CC), Cllr Vanessa Churchman (Isle of Wight), Cllr Jeremy Hunt (West Sussex CC), Cllr Graham Lawman (West Northamptonshire), Cllr Judy Oliver (Norfolk CC), Cllr Paul Redstone (East Sussex CC), Cllr Karen Soons (Suffolk CC) and Cllr Alison Whelan (Cambridgeshire CC).

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

LOCAL PENSION BOARD OBSERVERS: Ray Martin (East Sussex), Neil Simpson (East Sussex), Nicola Mark (Essex), Andrew Coburn (Essex), Neil Wood (Hampshire) and Cllr Alex Crawford (Hampshire).

OFFICERS: Andrew Boutflower (Hampshire), Nick Buckland (Kent), Glenn Cossey (Norfolk), Jody Evans (Essex), Paul Finbow (Suffolk), Alex Younger (Norfolk), Rachel Wood (West Sussex), Sharon Tan (Suffolk), Patrick Towey (Hertfordshire), Mark Whitby (Cambridgeshire), Ben Barlow (Northamptonshire), Sian Kunert (East Sussex), Amanda Crawford (Essex), Matt Dentten (Kent) and Joel Cook (Kent - Clerk).

VIRTUAL: Jo Thistlewood (Isle of Wight)

UNRESTRICTED ITEMS

111. Apologies/Substitutes. *(Item. 1)*

Apologies were received from Cllr Williams, Cllr Fox who was substituted by Cllr Redstone, Cllr Longley who was substituted by Cllr Lawman and Cllr Simkins who was substituted by Cllr Chard.

RESOLVED that the apologies be noted.

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

No declarations were made.

113. Minutes of the meeting held on 5 June 2023. *(Item. 3)*

RESOLVED that the minutes from the meeting held on 5 June 2023 be signed as a true and accurate record.

114. Chair's remarks.

(Item. 4)

1. The Chair announced that Cllr Fox and Cllr Oliver would continue in their roles as spokespeople for responsible investment and governance respectively. He confirmed that Cllr Soons had stepped down from her role as spokesperson for communications, with the responsibility being taken on by the Chair and Vice Chair.
2. The Chair formally welcomed Local Pension Board observers from East Sussex, Essex and Hampshire.

RESOLVED that the Chair's remarks be noted.

115. Business plan, Budget & Risk.

(Item. 5)

1. Kevin McDonald (ASU) provided an overview of the 2023/24 Business Plan, 2023/24 budget update and risk summary. He highlighted the third-party review carried out by Barnett Waddingham, whose report had been considered by Section 151 Officers and the Officer Working Group (OWG) and would be circulated to the Joint Committee in due course. It was noted that formal publication of the communications support partner procurement had occurred on 23 August, which would be reported to the Joint Committee's next meeting. He confirmed that the Annual Report would be circulated to Joint Committee Members the week commencing 11 September.
2. Following a request from Cllr Hunt, Mr McDonald agreed to circulate a breakdown of the legal costs between BAU evaluation and non-listed related costs.

RESOLVED to note the:

- a) 2023/24 Business Plan update;
- b) 2023/24 budget update; and
- c) risk summary.

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.

RESTRICTED ITEMS

(Open access)

116. Exempt Minutes of the meeting held on 5 June 2023.

(Item. 6)

RESOLVED that the exempt minutes from the meeting held on 5 June 2023 be signed as a true and accurate record.

117. Pooling consultation.

(Item. 7)

1. Mr McDonald provided an overview of the draft ACCESS response to the DLUHC LGPS Next Steps on Investments consultation.
2. Members discussed the contents of the draft response and elements to be emphasised.
3. The Chair moved an amendment to the motion, to add: “agree that the arrangements for the finalisation of the ACCESS response be delegated to the ASU Director, in consultation with the Chair and Vice Chair.”
4. The amendment was agreed without a vote.

RESOLVED to:

- a) note the report;
- b) provide feedback on the Pool’s draft response to the pooling consultation; and
- c) agree that the arrangements for the finalisation of the ACCESS response be delegated to the ASU Director, in consultation with the Chair and Vice Chair.

118. Implementation Advisor.

(Item. 8)

1. Mr McDonald provided an overview of the report which updated the Joint Committee on Implementation Adviser developments. He noted that it was recommended that MJH / Apex continue to provide Implementation Adviser support to ACCESS for future alternative asset classes, following their fulfilment of the criteria agreed at the June 2023 Joint Committee meeting.
2. East Sussex abstained from the vote to agree the recommendations.

RESOLVED to:

- a) note the report; and
- b) agree that MJH/Apex continue to provide Implementation Adviser support to ACCESS for future alternative asset classes.

119. Alternative Investments.

(Item. 9)

1. Andrew Bouflower (Hampshire) provided an update on pool aligned alternative investments, including the focuses of UK Alternatives Building Blocks. He confirmed that Mercer had been commissioned to provide

assurance that the JP Morgan and IFM Infrastructure Funds were appropriate Building Blocks, which would be reported to the Joint Committee's next meeting.

RESOLVED to note:

- a) the changes to CBRE's mandates that are being proposed to the investing Authorities and on this basis agree to change the ACCESS model for pooling UK Core Real; and
- b) the remainder of the report including progress on UK Alternatives Real Estate Building Blocks and consideration of the IFM and JP Morgan infrastructure funds being reported as pool-aligned investments.

120. BAU Evaluation.

(Item. 10)

1. Mr McDonald provided an update on the business-as-usual evaluation, highlighting the approvals process and recent correspondence.
2. Following a question from a Member, Mr McDonald confirmed that the item would be reported to the Joint Committee's next meeting.

RESOLVED to:

- a) note the report; and
- b) maintain plans for the original BAU procurement timetable.

121. RI Phase II procurement.

(Item. 11)

1. Alistair Coyle (ASU) introduced the report which explained the outcome of the Phase II Responsible Investment (RI) procurement, addressed implementation of the RI Guidelines and delivery of the reporting requirements.
2. Mr McDonald agreed to clarify the arrangements regarding the process for evaluating the submissions in relation to Joint Committee Member involvement following the meeting.

RESOLVED to:

- a) note the outcome of the procurement process; and
- b) note the appointment of PIRC Ltd to provide external advice and support in respect of the implementation of the RI Guidelines and, in particular, delivery of the reporting requirements.

122. Performance Update.

(Item. 12)

1. Sharon Tan (Suffolk) provided an overview of current ACCESS performance, which showed that pooled assets of all ACCESS Authorities amounted to £35.43bn at the end of June 2023 (an increase of £1.02bn from the March 2023 quarter). The total Pool Assets increased by £293m and Pool Aligned Assets increased by £723m.

RESOLVED that the report be noted.

123. Stock Lending.
(Item. 13)

1. Ms Tan gave an overview of the Stock Lending report. She highlighted collateral arrangements, stock recalling and ownership.
2. Ms Tan explained, following a question from the Chair, that cash collateral was not accepted due to the cost to invest and added risk. It was noted that during the 2007-2008 financial crisis there had been many issues with stock lending involving cash collateral.
3. Following a question from a Member, it was explained that stock lending was used to provide the market with liquidity and to prevent settlement failure which was often more costly than the stock lending costs.

RESOLVED to note the stock lending programme.

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

1. Mr Coyle introduced the report which updated the Joint Committee on the establishment of sub-funds in the Authorised Contractual Scheme.
2. The recommendations for items 14 and 15 were considered and agreed concurrently.

RESOLVED to:

- a) note the report; and
- b) approve the creation of a new sustainable global equity sub-fund be submitted to Link for consideration.

125. Contract Management.
(Item. 15)

1. Mark Paget (ASU) provided an update on Contract and Supplier Relationship Management activity.

RESOLVED to:

- a) note the matters highlighted within the report, the activity that has taken place and forthcoming plans;
- b) in respect of sub-fund 36, approve the application of an additional 2cbps in the payable Operator fee for all sub funds within the ACS; and

c) approve the content of CCF005.

126. Risk detail.
(Item. 16)

1. Mr Paget provided an update on the risk register, highlighting those risks which had been hardened and softened.

RESOLVED to note the matters highlighted within the report.