

**Local Pension Board
observation of ACCESS Joint
Committee meetings**



ACCESS Joint Committee

Date: 7 March 2022

Report by: Officer Working Group

Subject:	Local Pension Board observation of ACCESS Joint Committee meetings
Purpose of the Report:	To propose the basis for Scheme Member representation with ACCESS governance arrangements
Recommendations:	<p>The Committee is asked to:</p> <ul style="list-style-type: none">• note the report;• agree to the invitation of observers to attend Joint Committee meetings on a rotational basis, allowing two observers from each Local Pension Board to be in attendance in person at least once each a year, as detailed in section 2 of this report;• agree that the Committee will undertake a review of these arrangements after a full year following their implementation; and• agree that ACCESS Support Unit liaise with Councils as necessary in order to establish and progress the requisite changes to the Inter Authority Agreement.
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1. Background

- 1.1. In May 2018 the Local Government Pension Scheme (LGPS) Scheme Advisory Board (SAB) issued an updated policy statement on pool governance which included the following (revised wording in bold):

*“The board recognises that strategic decisions on asset allocations and responsible investment will remain at the local level and therefore the involvement via local pension boards of those employers beyond the scheme manager along with member representatives in those areas would continue. However the **Board would expect that** scheme managers involve those same employers and member representatives in assisting with the assurance of transparent reporting from pools and ensuring the effective implementation of strategies by pools. Such involvement should include the consideration of provision of direct representation on oversight structures. **In line with the UK Corporate Governance Code principle of ‘comply or explain’, any pool making a decision to exclude member representatives from their formal oversight structures should publish this decision and formally report the reasons to the local pension boards which the pool serves.**”*

- 1.2. At its meeting on 9 September 2019, the Joint Committee considered a detailed report on Scheme Member representation and agreed a recommendation from s151 Officers that no change be made to the existing arrangements. In accordance with SAB’s policy statement the decision and its rationale were communicated to the Local Pension Boards (LPBs) of each Authority within the ACCESS pool. The report was also made available to the SAB.
- 1.3. In August 2021, in an email to Cllr Kemp-Gee and Cllr Barker, UNISON representatives on the LPBs and s101 Committees within Pension Fund Boards and Committees within the ACCESS Pool re-presented their request for scheme member representation on the ACCESS Joint Committee.
- 1.4. In September 2021, a reply on behalf of the the Chairman and Vice-Chairman stated that *“the matter of Scheme Member Representation has been the subject of informal discussions”* adding that *“the topic of Scheme Member Representation will be discussed at a future meeting of the ACCESS Joint Committee.”*
- 1.5. In a December 2021 statement expressing its view on ACCESS’s current position, the SAB suggested that ACCESS had not complied with the 2018 policy statement (para 1.1 above). Following representations by Cllr Kemp-Gee, the SAB corrected the record on its website on 25 January 2022.
- 1.6. In January 2022, following consultation with both the Vice-Chairman, and Cllr Oliver, (nominated spokesperson for governance) Cllr Kemp-Gee circulated a draft proposal to Members of the Joint Committee along with s151 Officers.

2. Proposal: Local Pension Board observation of ACCESS Joint Committee meetings

2.1. The ACCESS Pooling arrangement has been established to:

- (i) enable the Councils to execute their fiduciary responsibilities to LGPS stakeholders including scheme members and employers as economically as possible;
- (ii) provide a range of asset types necessary to enable those participating authorities to execute their locally decided investment strategies as far as possible, and
- (iii) enable the Councils to achieve the benefits of pooling investments, preserve the best aspects of what is done locally, and create the desired level of local decisionmaking and control.

2.2. To further assist with the assurance of transparent reporting and to demonstrate the effective implementation of local investment strategies by the Joint Committee on behalf of the Councils, it is proposed to facilitate observation of each Joint Committee meeting by ACCESS Scheme Managers' Local Pension Boards (including scheme member, employer and independent members representatives).

2.3. Local Pension Board representatives will be invited to observe each meeting of the ACCESS Joint Committee (including any items from which the press and public are excluded).

2.4. Observers will be invited to attend Joint Committee meetings on a rotational basis, allowing two observers from each Local Pension Board to be in attendance in person at least once each a year.

Meeting	Invited Local Pension Boards	Observers per Local Pension Board	Total observers
A	Cambridgeshire, East Sussex, Essex	2	6
B	Hampshire, Hertfordshire, Isle of Wight	2	6
C	Kent, Norfolk, Suffolk	2	6
D	West Northamptonshire, West Sussex, Cambridgeshire	2	6
E	East Sussex, Essex, Hampshire	2	6
F	Hertfordshire, Isle of Wight, and Kent	2	6
G	Norfolk, Suffolk, West Northamptonshire etc	2	6
H	etc..		

2.5. It will be for each Local Pension Board to agree the observers from their Local Pension Board who will attend a Joint Committee meeting. Whilst the observers can be drawn from the scheme member representatives, the employer representatives,

and independent members of a Local Pension Board, it is desirable that at least one of the observers from a Local Pension Board is a scheme member representative.

- 2.6. In order to establish the formal observation arrangements for Local Pension Boards of Joint Committee meetings, consideration will be given to any changes necessary to the Inter Authority Agreement (IAA), including the development of Terms of Reference for observation of Joint Committee meetings by members of Local Pension Boards, and including appropriate controls, e.g. confidentiality and conflict management.
- 2.7. After a full year following the implementation of these arrangements (by which time each Council will have had the opportunity to nominate observers to at least one meeting) the Joint Committee will undertake a review of the arrangements.

3. Recommendation

3.1. The Committee is asked to:

- note the report;
- agree to the invitation of observers to attend Joint Committee meetings on a rotational basis, allowing two observers from each Local Pension Board to be in attendance in person at least once each a year, as detailed in section 2 of this report;
- agree that the Committee will undertake a review of these arrangements after a full year following their implementation; and
- agree that ACCESS Support Unit liaise with Councils as necessary in order to establish and progress the requisite changes to the Inter Authority Agreement.