



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, 6th March, 2023.

PRESENT: Chair: Cllr Mark Kemp-Gee (Hampshire CC), Vice-Chair: Cllr Susan Barker (Essex CC), Cllr Charlie Simkins (Kent CC), Mr Jeremy Hunt (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 Colin Kreidewolf (Suffolk CC), Cllr Catherine Rae (Cambridgeshire CC), Cllr Charles Morton (Northamptonshire Council)

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

LOCAL PENSION BOARD OBSERVERS: Rob Thomas (Kent CC), Joe Parsons (Kent CC), Brian Wigg (Norfolk CC), Peter Baker (Norfolk CC), Ian Blofield (Suffolk CC), Eric Prince (Suffolk CC)

OFFICERS: Nick Buckland (Kent), Andrew Bouflower (Hampshire), Jo Quarterman (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), Paul Finbow (Suffolk), Rachel Wood (West Sussex), Ben Barlow (Cambridgeshire and West Northamptonshire), Nicole Wood (Essex), Kay Goldsmith (Kent) and Joel Cook (Clerk)

UNRESTRICTED ITEMS

80. Apologies/Substitutes.
(Item. 1)

1. Apologies were received from Cllr Whelan (Cllr Rae substituting), Cllr Soons (Cllr Kreidewolf substituting), Cllr Fox (Cllr Redstone substituting) and Cllr Longley (Cllr Morton substituting).

RESOLVED that the apologies be noted.

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

None were received.

82. Chair's Remarks.

(Item. 3)

1. The Chair formally welcomed Local Pension Board observers from Kent, Suffolk and Norfolk Authorities.
2. He highlighted that the Business Plan, Budget & Risk Summary item had moved to the end of the agenda. Cllr Kemp-Gee welcomed Members views on the approach following the meeting.

RESOLVED that the Chair's remarks be noted.

83. Minutes of the meeting held on 5 December 2022.

(Item. 4)

RESOLVED that the minutes from the meeting held on 5 December 2022 be signed as a true and accurate record.

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.

84. Independent Third Party Review.

(Item. 5)

1. Mr McDonald provided an update on the third-party review of the effectiveness of the pool. The framework procurement had concluded and Barnett Waddingham were identified as the preferred bidder to undertake the independent review.

RESOLVED that the Committee note the matters highlighted within the report and the result of the procurement for a consultant.

85. Exempt Minutes of the meeting held on 5 December 2022.

(Item. 6)

RESOLVED that the exempt minutes from the meeting held on 5 December 2022 be signed as a true and accurate record.

86. BAU Evaluation.

(Item. 7)

1. Mr McDonald and John Wright (Hymans Robertson) provided an update from the Business As Usual Evaluation, including consideration of relevant Operator Procurement considerations.

RESOLVED that the Committee:

- 1) note the report.

- 2) approve the key features of the draft specification outlined in the table within paragraph 8.2 of the report.
- 3) Approve the governance arrangements for any required procurement preparations and activity, in accordance with the details set out in the Exempt Report

87. Link Presentation.
(Item. 8)

Nigel Boyling and Alistair Coyle from Link Fund Solutions were present for this item.

1. Mr Boyle and Mr Coyle provided an update on Link's corporate activity and future changes, as well as current progress on key workstreams.

RESOLVED that the presentation be noted.

88. Alternative Investments.
(Item. 9)

1. Mr Tysoe provided an update on alternative investments.
2. He confirmed that the procurement process for UK Core and Global real estate mandates had completed with CBRE identified as the winning bidder for both mandates. Each ACCESS council would need to contract individually with the company.

RESOLVED that the Committee: -

- 1) Agree to recommend to the ACCESS Councils that they may contract with CBRE for UK core property and Global property following the conclusion of the two respective procurement exercises.
- 2) Note the issues that had occurred with MJ Hudson's financial accounts and their current position.
- 3) Decide to pause all MJ Hudson activity as ACCESS's Implementation Advisor for 3 months (and prepare for a potential re-procurement if required).
- 4) Note current progress against the agreed plan for pooling non-listed investments.

89. Responsible Investment Phase II.
(Item. 10)

1. Mr Whitby provided an update on the work of the ESG/RI sub-group.
2. Hampshire County Council were leading the procurement of advice around implementation of the RI guidelines and delivery of reporting requirements. They were hoping to confirm the preferred supplier at the June 2023 Joint Committee meeting.
3. Since the previous meeting, there had been considerable exploration of LAPFF membership and signing up to the stewardship code.

4. If ACCESS were minded to become a signatory of the Stewardship Code, a Phase 2 Advisor would be required and that submissions to the FRC may be possible in October 2024.
5. 9 out of 11 ACCESS authorities were already members of LAPFF, with a tenth soon to follow. There was discussion around the benefits of ACCESS joining or whether this was duplication. Membership could begin at any time.
6. Cllr Williams proposed, and Mr Simkins seconded that recommendations 4 and 5 in the paper (LAPFF and Stewardship Code respectively) be taken via a separate vote. That process was adopted with voting details set out below.

RESOLVED that the Committee: -

- 1) Noted the report;
- 2) Requested each Authority approves the Responsible Investment (RI) Guidelines for formal adoption by ACCESS;
- 3) Noted the update on Phase II of the RI procurement;
- 4) Approved ACCESS becoming a Pool member of the Local Authority Pension Fund Forum (LAPFF)*; and
- 5) Agreed the preparation of a UK Stewardship Code submission targeting an October 2024 submission deadline (subject to the RI advisor gap analysis outcome)*.

*Isle of Wight Council and West Sussex requested their vote against the recommendations for ACCESS to join LAPFF and become a signatory of the UK Stewardship Code be noted.

Recommendations 1,2 and 3 agreed without vote.

90. Investment Performance Report.

(Item. 11)

1. Ms Tan (Suffolk) provided an overview of current ACCESS performance, including reference to the Investment Performance Report, which showed that pooled assets of all ACCESS Authorities amounted to £32.742bn at the end of December 2022 (down from £34.993bn in December 2021). Pool aligned assets represented 57% of total assets.

RESOLVED that the report be noted.

91. Sub-fund Implementation.

(Item. 12)

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

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

92. Contract and Supplier Relationship Management.

(Item. 13)

1. Mr Paget provided an update on Contract and Supplier Relationship Management activity.

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

93. Business Plan, Budget & Risk Management.

(Item. 14)

1. Mr McDonald provided an update on the Business Plan and Budget. Key points included:
 - i. All 11 ACCESS authorities had signed the revised Inter Authority Agreement (IAA).
 - ii. The government's pooling consultation had still not been launched.
 - iii. The re-procurement of a communications partner had not proceeded as intended therefore the contract with MHP Mischief was to be extended until 30 June 2023 with a re-procurement being undertaken during that time.
 - iv. Overspends on "legal and governance" in the current year budget reflected additional contract related work.
2. Mr Paget provided an update on the risk register summary, highlighting those risks which had changed, been added, or removed.

RESOLVED that:-

- 1)the 2022/23 Business Plan update be noted.
- 2)the 2022/23 budget update be noted.
- 3)the risk register be noted.
- 4)the existing arrangements with MHP Mischief as Communication Partner be extended until 30 June 2023.