



ACCESS JOINT COMMITTEE

MINUTES of a meeting of the ACCESS Joint Committee held at Committee Room 4 - Islington Town Hall on Monday, 18th March, 2019.

PRESENT: Cllr Andrew Reid - Chairman (Suffolk CC), Cllr Richard Stogdon (East Sussex CC), Cllr Susan Barker (Essex CC), Cllr Vanessa Churchman – substitute (Isle of Wight), Cllr Jeremy Hunt (West Sussex), Cllr Mark Kemp-Gee (Hampshire CC), Cllr Graham Lawman (Northamptonshire CC), Cllr Adam Mitchell – substitute (Hertfordshire), Cllr Terry Rogers (Cambridgeshire CC), Cllr Charlie Simkins (Kent CC) and Cllr Judy Oliver (Norfolk)

ALSO PRESENT: Mark Paget (ASU), Clifford Sims (Squire Patton Boggs), John Wright (Hymans Robertson)

OFFICERS: Andrew Boutflower (Hampshire), Nicola Mark (Norfolk), Kevin McDonald (Essex), Alison Mings (Kent), Ola Owolabi (East Sussex), Patrick Towey (Hertfordshire), Paul Finbow (Suffolk), Sharon Tan (Suffolk) Jo Thistlewood (Isle of Wight), Mark Whitby (Northamptonshire), Rachel Wood (West Sussex), and Joel Cook (Kent - Clerk)

UNRESTRICTED ITEMS

121. Minutes of the meeting held on 10 December 2018.
(Item. 3)

RESOLVED that the minutes of the meeting on 10 December 2018, subject to the correction of a minor error in paragraph 110, were a correct record and that they be signed by the Chairman.

122. 2019/20 Business Plan & Budget [11:10 - 11:30].
(Item. 4)

1. Alison Mings (Kent) provided an update on the business plan and current budget.
2. Members suggested that Sub-Fund Tranche 3a should be better distinguished from Tranche 3 in the Strategic Business Plan.
3. Members were also presented with the 2019-20 Budget for consideration and approval. The proposed budget had been reviewed by ACCESS s151 Officers in advance of the meeting.
4. Members requested that the cost of professional advice related to possible new structures (e.g. illiquid structures) be separated from the overall

Strategic and Technical costs budget line or be accompanied by a budget note.

5. In response to a question about auditing the accounts, it was explained that the host authority, Kent County Council, sought assurance from their auditors regarding record keeping. In future, the ASU would be audited by Essex's auditor. Individual Authorities were responsible for auditing their share of the costs. Historically, Kent's auditors had not provided formal assurance around record keeping as they had not deemed the costs to be significant, but the Joint Committee asked that this be requested in future.
6. In response to a question about the line of communication between the s151 Officers and the Joint Committee, Kevin McDonald (Essex) confirmed that the OWG was the conduit for communication, and also the expectation was that a s151 officer would be in attendance at future Joint Committee meetings (apologies had been received for this meeting).

RESOLVED that

- the updated business plan and 2018/19 forecast spend be noted;
- the business plan be recommended to the administering authorities; and
- The 2019/20 budget be agreed.

123. Motion to Exclude the Press and Public.
(Item. 5)

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.

124. Pooling Guidance Consultation [11:30 - 12:30].
(Item. 6)

1. Andrew Boutflower (Hampshire) updated the Committee on the new draft investment pooling guidance from MHCLG along with a proposed response by ACCESS.
2. The draft pooling guidance would replace the 2015 version. It was published on 3rd January 2019 to a limited group of parties with a response timeframe of 12 weeks (i.e. 28 March 2019).
3. Elements of the draft guidance had raised concern within the industry. For example, the Joint Committee felt the guidance was unclear around the fiduciary obligation of Pension Committee members.

4. In light of these concerns, ACCESS authorities had sought legal advice, and Norfolk CC had also taken their own legal advice through a QC. Clifford Sims (Squire Patton Boggs) gave a brief overview of the advice and confirmed that the two professional opinions were not in conflict.
5. The Joint Committee suggested that Norfolk's legal advice was also considered and taken into account in ACCESS' final response to the consultation. Cllr Oliver was in agreement.
6. It was noted that in addition to ACCESS submitting its collective response by 28 March 2019, individual administering authorities were still able to submit their own consultation response as well.

RESOLVED that

- the consultation that was published by MHCLG be noted;
- The cost of additional legal advice commissioned by Norfolk County Council be shared between administering authorities as a 'shared cost'; and
- Authority be delegated to Andrew Boutflower (Hampshire), in consultation with the Chairman, Vice-Chairman and Cllr Oliver (Norfolk), to amend ACCESS' draft response in line with the additional legal advice and to submit the final version on behalf of ACCESS by the deadline of 28 March 2019.

125. ACS Implementation update - Phase 1 & 2 and Illiquid Investment [12:30 - 12:45].
(Item. 7)

1. Andrew Boutflower updated the Joint Committee on the progress of launching the ACS, the sub-funds that would be created within it and investigation into pooling illiquid investments.

RESOLVED that

- The progress in launching the ACS investment sub-funds be noted;
- The progress in identifying options of pooling illiquid investments be noted.

126. Contract Management Update [12:45 - 13:00].
(Item. 8)

1. Mark Paget updated the Joint Committee on the first three months activity of the Authorised Contractual Scheme (ACS).
2. The contract for the provision of Operator Services for the Authorised Contractual Scheme (ACS) was awarded to Link Fund Solutions (LFS) in March 2018, with a Contracts Manager commencing in December 2018. Some areas had been identified for improvement and these were being addressed.

3. Members requested that Link Fund solutions, the provider of ACCESS' ACS, attend the next meeting to provide an update on their activity.

RESOLVED that the establishment of management protocols with the supplier and the activity that has taken place since the appointment of the Contracts Manager be noted.

127. ACCESS Support Unit update [13:30 - 14:00].
(Item. 9)

1. Kevin McDonald and Mark Paget provided an update on the developments regarding the ACCESS Support Unit (ASU).
2. Following the update from the previous meeting, Essex County Council had appointed a specialist recruiter to assist in the recruitment of the Director post (previously titled "Programme Director"). The selection process was underway, with the expectation the Chairman and Vice-Chairman of the Joint Committee would participate in the final interviews in late March.
3. The roles of Technical Lead Officers had been filled by LGPS staff from ACCESS Member authorities.
4. The role of the ASU Support Officer had also been filled and was due to commence during April.

RESOLVED that the updates be noted.

128. Governance update [14:00 - 14:15].
(Item. 10)

1. Nicola Mark (Norfolk) provided an update on Phase 3 of the Governance work, following the consultation with Section 151 Officers during January 2019.
2. Terms of Reference had been written for Section 151 Officers, setting out their responsibilities and a definition of their relationship with Joint Committee members.
3. It was clarified that the Terms of Reference for the Officer Working Group would be removed from the IAA (a static document) and included in the Governance Manual (a working document), which would allow their role to be adapted in future, once the ASU was fully implemented.
4. The need for training was reiterated, and officers advised this would take place around June time, though the detail was still being finalised.

5. The IAA had also been under review, to reflect necessary changes that had occurred since the pool was formed.
6. It was anticipated that the final documents for the IAA and Governance Manual would be sent to each authority's Monitoring Officer in late April for approval. The Joint Committee could expect to see the final versions of the documents at their next meeting, subject to approval.

RESOLVED that

- The actions taken to address feedback following the Section 151 meeting be noted;
- The revised timetable for completion of phase 3 governance deliverables be noted.

129. Communications Plan [14:15 - 14:30].
(Item. 11)

1. Responding to an identified need for clear communications to external parties, Sharon Tan (Suffolk) presented the Key Messages for ACCESS document, which had been written following a communications workshop hosted by Hymans and consultation with the OWG.
2. The internal, working document was created to aid ACCESS members answer questions, in order to promote greater clarity and ensure consistency. An updated document would be taken to the Joint Committee on a quarterly basis.
3. Members would be offered media training during April 2019.
4. A Member commented that the key messages could be quite complex to understand for LGPS members, who may not even be aware of the existence of ACCESS. It was clarified that individual authorities were responsible for communicating with their staff about ACCESS, though could of course use the key messages document as an aide memoir.
5. Members requested that an overall statement regarding policy changes be written that they could use if required.
6. A member requested that the use of the word "funds" was clarified, making it clear that the document was referring to "pension funds of administering authorities".

RESOLVED that the Key Messages document be approved, subject to the addition of a policy change statement and clarification of the word "funds".

130. Responsible Investment [14:30 - 14:45].
(Item. 12)

1. Alison Mings (Kent) updated members of the Joint Committee on the status of the Responsible Investment Policies of each administering authority in the ACCESS pool.
2. A brief review of the authorities' policies had shown that they were all broadly aligned with the existing ACCESS policy. Authorities would be undertaking an investment strategy review during 2019, so it was agreed that the subject be added to a future agenda of the Joint Committee.

RESOLVED that the content of the report is noted, and that an update be considered at a future meeting.

131. Items for information or advice from the Committee [14:45 - 15:00].
(Item. 13)

There were no additional items for information or advice.

132. Date of next meeting.
(Item. 14)

1. In response to comments from Members regarding future dates, the Clerk agreed to review plans and update Members in due course.

RESOLVED that it be noted the next meeting would be held on Tuesday 11 June 2019.