



ACCESS

Effective • Collective • Investment

The submission from
ACCESS
(A Collaboration of Central, Eastern & Southern Shires)
in response to the
LGPS: Investment Reform Criteria and Guidance
On behalf of



Cambridgeshire County Council



East Sussex County Council



Essex County Council ¹



Hampshire County Council



Isle of Wight Council



Kent County Council



Norfolk County Council



Northamptonshire County Council



Suffolk County Council



West Sussex County Council

¹ Essex County Council has been shown as a participating authority. However its formal s101 Committee meeting to formalise its status will be on 22nd February 2016.

Contents

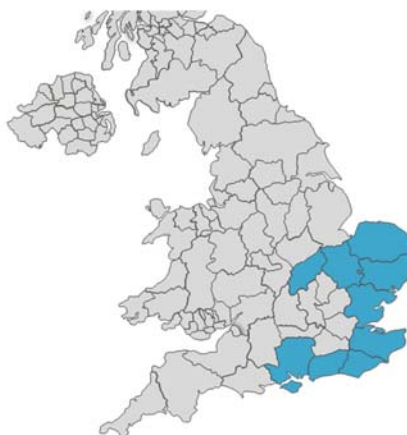
Pages 7-8	Introduction
Page 9	Progress in meeting the pooling criteria
Page 11	A: Asset pool(s) that achieve benefits of scale
Page 13	B: Strong Governance and Decision Making
Page 15	C: Reduced Costs and Excellent Value for Money
Page 17	D: An Improved Capacity to Invest in Infrastructure
Appendix A	Memorandum of Understanding
Appendix B	Project Plan

Please note: if you have any questions regarding the content of this document please contact either Paul Finbow at paul.finbow@suffolk.gov.uk or Rachel Wood at rachel.wood@westsussex.gov.uk.

Introduction

The ACCESS pool takes this opportunity to present details of its plans and the progress it has made in meeting the Government's requirements as published in the Department for Communities and Local Government's *Local government pension scheme: investment reform criteria and guidance* documentation on 25th November 2015.

ACCESS (a collaboration of central, eastern and southern shires) has been formed in order to respond to the Government's investment reform criteria. The map below illustrates the confirmed participants in the ACCESS pool.²



The participating authorities reflect a strong commitment to the project and share an approach to achieve common objectives. The ACCESS authorities have set out a clear set of guiding principles, which are summarised below:

Collaborative	Risk management	Objective evidence based decisions
Equitable voice in governance	Professionalism	Equitable cost sharing
No unnecessary complexity	Evolution and innovation	Value for money

The ACCESS authorities will create a pool with assets of circa.£30bn which exceeds the Government's criterion. Historically the authorities have taken a broadly similar approach to investing. For example:

- The average return for the authorities participating in the ACCESS pool exceeded the WM Local Authority Average over the medium term (five years).
- 75% of the pool assets are invested across 12 managers.
- 60% of the pool assets are invested in equities.
- 75% of the pool assets are actively managed.
- All funds have some exposure to passive investment.
- The published 2013 actuarial funding levels for ACCESS authorities show an average of 81%. This compares to a national mean average of 78% for all LGPS's in England and Wales.

² Please refer to footnote 1 regarding the inclusion of Essex County Council.

These characteristics illustrate the very solid building blocks on which the pool will be formed. This foundation will assist the ACCESS authorities when working collaboratively during the formative stages of the asset pool. This includes the formulation of final detailed proposals in July 2016, through to the eventual transfer of liquid assets from 2018. This shared approach will stand the ACCESS pool in good stead over subsequent decades and enable participating authorities to execute their fiduciary responsibility to Local Government Pension Scheme (LGPS) stakeholders, as economically as possible whilst achieving optimum investment returns.

The potential for substantial benefits for a group of successful like-minded authorities collaborating and sharing their collective expertise is already clear. Each authority is committed to working together to establish a viable pool and ensuring the permanency and stability of any proposed structure.

Attached are further details of our proposals and we would welcome engagement from Government Officers to discuss matters further.

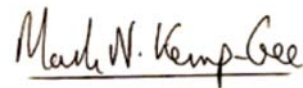
Signed



Cambridgeshire County Council



East Sussex County Council



Hampshire County Council

Essex County Council ³



Isle of Wight Council



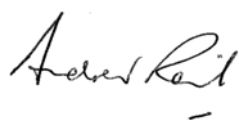
Kent County Council



Norfolk County Council



Northamptonshire County Council



Suffolk County Council



West Sussex County Council

³ Please refer to footnote 1 regarding the inclusion of Essex County Council.

Progress in meeting the pooling criteria

The Government's Investment Reform programme, and the creation of six asset pools, represents a significant project with considerable challenges in terms of size, technical and legal issues and agreeing a sustainable demographic governance model. It is important, therefore, that all aspects of the design and implementation are the outcome of collaborative informed and evidenced consideration by each authority participating in the pool.

The authorities participating in the ACCESS pool made a conscious decision to consider carefully the evidence on the most effective design of pools before detailed work on the ACCESS pool was undertaken. The proposal set out here has been heavily influenced by the work of "Project POOL", in which many of the ACCESS authorities participated. The ACCESS pool is now able to make further progress, confident that their proposal is on a sound basis.

Members of S101 Pension Committees, officers and other interested parties participating in ACCESS have engaged in this process and are committed to establishing a viable pool. All participating authorities have signed up to a Memorandum of Understanding (MoU) which underlines our commitment to investment pooling and the permanency of any proposed structure. It also sets out the basis for engagement, cost sharing and governance. The MoU has been appended to this submission.

ACCESS authorities have a clear project plan in place which sets out how each of the participating authorities will collaborate effectively to come to clear, objective, evidence based decisions. The authorities have commissioned Hymans Robertson to provide project support and have established an Officer Working Group to drive forward the business case for submission in July 2016, and the implementation that will follow. The project plan has been appended to this submission and shows how additional professional support will be sought when required. The participating authorities are comfortable with the progress made to date and are confident that the required work can be completed in advance of the July 2016 submission.

Finally, ACCESS authorities are establishing relationships with the wider LGPS community participating in other pooling groups, where possible, to ensure best practice, national coordination and optimal cost savings are achieved.

A: Asset pool(s) that achieve benefits of scale

The ACCESS group has created a pool with assets of almost £30bn.⁴

The current pool size may increase in the near future as additional authorities consider their options.

The assets by authority at 31st March 2015 are set out below.⁵ No single authority dominates the pool, which helps ensure a more collaborative approach to governance.

Authority	£m	Allocation
Cambridgeshire County Council	2,268	7.6%
East Sussex County Council	2,740	9.1%
<i>Essex County Council</i>	<i>4,906</i>	<i>16.4%</i>
Hampshire County Council	5,111	17.1%
Isle of Wight Council	483	1.6%
Kent County Council	4,515	15.1%
Norfolk County Council	2,930	9.8%
Northamptonshire County Council	1,850	6.2%
Suffolk County Council	2,193	7.3%
West Sussex County Council	2,964	9.9%
Total	29,959	100.0%

Whilst the scale criterion has clearly been met it is important to note that there is a significant commonality in investments and associated suppliers:

- 75% of the assets are invested across 12 managers which will potentially allow 'early wins' in delivering cost optimisation for participants.
- There are 71 different managers used across the authorities which will also allow for rationalisation to be a targeted and managed process.

⁴ Please refer to footnote 1 regarding the inclusion of Essex County Council.

⁵ Please refer to footnote 1 regarding the inclusion of Essex County Council.

B: Strong Governance and Decision Making

The Government's criterion seeks to maintain democratic accountability within pooling arrangements and this is considered crucial to ensuring a successful pool.

ACCESS authorities have a clear set of objectives and principles, set out below, that will drive the decision making process over the next five months and allow participating authorities to help shape the design of the pool.

Objectives

- 1) Enable participating authorities to execute their fiduciary responsibilities to LGPS stakeholders, including scheme members and employers, as economically as possible.
- 2) Provide a range of asset types necessary to enable those participating authorities to execute their locally decided investment strategies as far as possible.
- 3) Enable participating authorities to achieve the benefits of pooling investments, preserve the best aspects of what is currently done locally, and create the desired level of local decision making and control.

In order to achieve these objectives, the ACCESS authorities have established the following guiding principles

Principles

- The participating authorities will work collaboratively.
- Participating authorities will have an equitable voice in governance.
- Decision making will be objective and evidence based.
- The pool will use professional resources as appropriate.
- The risk management processes will be appropriate to the pool's scale, recognising it as one of the biggest pools of pension assets in the UK.
- The pool will avoid unnecessary complexity.
- The pool will evolve its approach to meet changing needs and objectives.
- The pool will welcome innovation.
- The pool will be established and run economically, applying value for money considerations.
- The pool's costs will be shared equitably.
- The pool is committed to collaboration with other pools where there is potential to maximise benefits.

Work is underway to determine the governance structure for the ACCESS pool, the mechanisms by which each Administering Authority can hold the pools to account and the processes for making decisions.

The governance arrangements for the ACCESS pool will facilitate, in an economically efficient way, authorities' preferences on local decision making within the Government's framework for pools.

The project plan sets out key milestones for the governance work stream to ensure proposals are finalised by July 2016 and can be operational thereafter to support the transition of assets within the Government's timetable.

C: Reduced Costs and Excellent Value for Money

ACCESS authorities have initiated detailed work to accurately quantify the potential savings in investment fees, in the near term and over the next 15 years. These savings will be set out in the July 2016 submission.

ACCESS authorities believe it is critical that current costs and potential for savings are assessed professionally and using consistent methodology across all authorities and all pools, whilst always being mindful of the need to maximise investment return in each asset class. To this end the pool is proposing to use third party benchmarking expertise with experience of global market for pension funds.

The accounting year 2012-2013 will be used as the cost benchmark to take account of savings LGPS authorities have made since then.

ACCESS authorities endorse the estimated annual cost savings published by Project POOL indicating that circa £145-190m per annum could be saved across English and Welsh authorities via pooling arrangements, ten years after pooling has been implemented. This could increase to c£240-320m per annum if future asset growth of 5% per year for ten years is assumed.

As Project POOL noted, actual cost savings could be greater due to:

- competition when pools appoint external managers driving fees down
- additional savings on less visible layers of fees on alternative assets
- greater use of “in-house” management

This should mean that over the very long term, the costs of transition, and establishing and running the pool, will be recouped by savings and other benefits.

However, in the short term, the costs of implementing change are likely to exceed the savings.

Work to establish the savings for authorities participating in the ACCESS pool will begin very shortly as set out in the project plan. As part of its work over the next five months, ACCESS authorities will also assess the potential of its intended investment approach including the potential for active management to provide higher net returns. The work will also examine implementation costs and reporting proposals.

ACCESS authorities recognise the long term potential for cost savings from in house management, and are committed to considering how best to develop, or access, such capability over the longer term.

D: An Improved Capacity to Invest in Infrastructure

All of the ACCESS authorities invest in real estate assets (including industrial, healthcare, rental housing, retail, office units) and six of the ten authorities have some exposure to more specialist infrastructure (which fits with the Institute of Civil Engineers definition of networks for transport, energy generation and distribution, electronic communications, solid waste management, water distribution and waste water treatment etc).⁶ The table below sets out the range of commitment and investment levels by the participating authorities.

	Real Estate	Specialist Infrastructure
Strategic Allocation	From 8% to 12%	From 1% to 6%
Current Investment	From 5% to 12%	From 0% to 3%
Allocation/Value	£2,999m	£381m
Investment Type	Direct Multi-manager Pooled	Direct Fund of Funds

The differential between the strategic allocation and actual investment for specialist infrastructure demonstrates the significant challenge in finding investments which will yield returns large enough, and of appropriate profile, to justify their acquisition. ACCESS authorities are committed to investigating all options for providing the participating authorities with access to the most appropriate infrastructure investments to match their asset allocations, including, if appropriate, working with other LGPS authorities or pools nationally to create a vehicle which will help make appropriate infrastructure investments more accessible to the LGPS at a lower cost. To ensure success, such a vehicle should be designed to meet the specific needs of LGPS investors given the distinctive nature of LGPS pension liabilities and risk appetite. If the vehicle can deliver access to the appropriate type of infrastructure investment ACCESS authorities believe that in the long term there is potential for the ACCESS pool to achieve an asset allocation closer to larger global funds.

Planning to carry out this work has commenced and a fuller response will be provided in July.

⁶ <http://researchbriefings.files.parliament.uk/documents/SN06594/SN06594.pdf>

Dated

2016

CAMBRIDGESHIRE COUNTY COUNCIL
ESSEX COUNTY COUNCIL
EAST SUSSEX COUNTY COUNCIL
HAMPSHIRE COUNTY COUNCIL
ISLE OF WIGHT COUNCIL
KENT COUNTY COUNCIL
NORTHAMPTONSHIRE COUNTY COUNCIL
NORFOLK COUNTY COUNCIL
SUFFOLK COUNTY COUNCIL
and
WEST SUSSEX COUNTY COUNCIL



ACCESS Pool Memorandum of Understanding

nplaw
Public Sector Legal Expertise

nplaw
Norfolk County Council
County Hall
Martineau Lane
Norwich
Norfolk
NR1 2DH
ref nplaw/35531

TABLE OF CONTENTS

1.	Background	1
2.	Key objectives for the project.....	2
3.	Principles of collaboration.....	2
4.	Project governance.....	3
5.	Roles and responsibilities	5
6.	Escalation.....	6
7.	Intellectual property	6
8.	Term and termination	7
9.	Variation	7
10.	Charges and liabilities	7
11.	Status	8
12.	Governing law and jurisdiction.....	8
	APPENDIX A – Mission Statement	9
	APPENDIX B – Principles of the ACCESS Pool	10
	APPENDIX C - Contributions	11

THIS AGREEMENT IS MADE ON THE DAY OF

2016

BETWEEN

- (1) **CAMBRIDGESHIRE COUNTY COUNCIL** of Shire Hall, Castle Street, Cambridge, CB3 0AJ ("**Cambridge**");
 - (2) **ESSEX COUNTY COUNCIL** of County Hall, Market Road, Chelmsford CM1 1QH ("**Essex**");
 - (3) **EAST SUSSEX COUNTY COUNCIL** of County Hall, St Anne's Crescent, Lewes, East Sussex BN7 1UE ("**East Sussex**");
 - (4) **HAMPSHIRE COUNTY COUNCIL** of The Castle, Winchester, Hampshire SO23 8UJ ("**Hampshire**");
 - (5) **ISLE OF WIGHT COUNCIL** of County Hall, High St, Newport, Isle of Wight PO30 1UD ("**Isle of Wight**");
 - (6) **KENT COUNTY COUNCIL** of County Hall, Maidstone, ME14 1XQ ("**Kent**");
 - (7) **NORFOLK COUNTY COUNCIL** of County Hall, Martineau Lane, Norwich, NR1 2DH ("**Norfolk**");
 - (8) **NORTHAMPTONSHIRE COUNTY COUNCIL** of County Hall, Northampton NN1 1ED ("**Northants**");
 - (9) **SUFFOLK COUNTY COUNCIL** of Endeavour House, 8 Russell Road, Ipswich, Suffolk, IP1 2BX ("**Suffolk**");
- and
- (10) **WEST SUSSEX COUNTY COUNCIL** of County Hall North, West Street, Chichester, West Sussex, PO19 1RG ("**West Sussex**")

together "**the Parties**" and each individually "**the Party**"

1. BACKGROUND

1.1 The Parties as respective administering authorities of the Local Government Pensions Scheme ("**LGPS**") Cambridgeshire Pension Fund, Essex Pension Fund, East Sussex Pension Fund, Hampshire Pension Fund, Kent Pension Fund, Northamptonshire Pension Fund, Norfolk Pension Fund, Isle of Wight Pension Fund, Suffolk Pension Fund and West Sussex County Council Pensions for the purposes of the project described in this agreement ("**the Project**") and collectively referred to as the "**ACCESS Pool**" wish to collaborate in order to:

1.1.1 respond to the Chancellor of Exchequer's Summer Budget of 2015 and fulfil their respective obligations arising pursuant to the Department for Communities and Local Government's

*Local Government Pension Scheme: Investment Reform
Criteria and Guidance of November 2015;*

- 1.1.2 demonstrate their respective commitments to LGPS Multi-asset Pools (“**MAPs**”); and
- 1.1.3 meet their requirement to submit detailed proposals to Government by 15th July 2016 deadline.

Accordingly the Parties have agreed to work together to achieve the mission statement set out in Appendix A (“**Mission Statement**”) and wish to record the basis on which they will collaborate on the Project. This Memorandum of Understanding (“**MoU**”) sets out:

- 1.1.4 the objectives of the Project;
- 1.1.5 the principles of collaboration;
- 1.1.6 the initial governance structures the Parties will put in place; and
- 1.1.7 the respective roles and responsibilities the Parties will have during the Project.

2. KEY OBJECTIVES FOR THE PROJECT

- 2.1 The Parties shall undertake the Project to achieve the Mission Statement in accordance with the principles set out in Appendix B to this MoU (“**Principles**”).

3. PRINCIPLES OF COLLABORATION

- 3.1 The Parties agree to adopt the following behaviours when carrying out the Project (“**Behaviours**”):
 - 3.1.1 collaborate and co-operate. The Parties will establish and adhere to the governance structure set out in this MoU to ensure that activities are delivered and actions taken as required;
 - 3.1.2 be accountable. The Parties will take on, manage and account to each other for performance of the respective roles and responsibilities set out in this MoU;
 - 3.1.3 be open. The Parties will communicate openly about concerns, issues or opportunities relating to the Project;
 - 3.1.4 learn, develop and seek to achieve full potential. The Parties will share information, experience, materials and skills to learn from each other and develop effective working practices, work collaboratively to identify solutions, eliminate duplication of effort, mitigate risk and reduce cost;

- 3.1.5 adopt a positive outlook. The Parties will behave in a positive, proactive manner;
- 3.1.6 adhere to statutory requirements and best practice. The Parties will comply with applicable laws and standards including EU procurement rules, data protection and freedom of information legislation;
- 3.1.7 act in a timely manner. The Parties will recognise the time-critical nature of the Project and respond accordingly to requests for support;
- 3.1.8 manage stakeholders effectively;
- 3.1.9 deploy appropriate resources. The Parties will ensure sufficient and appropriately qualified resources are available and authorised to fulfil the responsibilities set out in this MoU. In particular the parties agree to make the contributions detailed in Appendix C to this MoU; and
- 3.1.10 act in good faith to support achievement of the Mission Statement, adherence to the Principles and compliance with these Behaviours.

4. PROJECT GOVERNANCE

4.1 Overview

The governance structure defined below provides a structure for the development and delivery the Project.

4.2 Governance Aims

The following aims for the governance of the Project are agreed. The Project's governance will:

- 4.2.1 provide strategic oversight and direction;
- 4.2.2 be based on clearly defined roles and responsibilities at organisation, group and, where necessary, individual level;
- 4.2.3 align decision-making authority with the criticality of the decisions required;
- 4.2.4 be aligned with the Project (and may therefore require changes over time); and
- 4.2.5 provide coherent, timely and efficient decision-making.

4.3 Officer Working Group

- 4.3.1 The Officer Working Group consisting of the representatives of each of the Parties set out at clause 4.3.2 (“**the Officer Working Group**”) will provide strategic and operational management of the Project. It will provide assurance to the Parties that the Mission Statement and Principles are being met.
- 4.3.2 The Officer Working Group shall have responsibility for the creation and execution of the project plan and deliverables, and therefore it can draw technical, commercial, legal and communications resources as appropriate into the Officer Working Group. Each Party shall have a representative on the Officer Working Group with sufficient authority for the Officer Working Group to discharge its responsibilities. The initial named members are:

Pension Fund	REPRESENTATIVE	EMAIL ADDRESS
CAMBRIDGESHIRE	Mark Whitby	MWhitby@northamptonshire.gov.uk
EAST SUSSEX	Ola Owolabi	Ola.Owolabi@eastsussex.gov.uk
ESSEX	Kevin McDonald	Kevin.McDonald@essex.gov.uk
HAMPSHIRE	Andrew Boufflower	andrew.boufflower@hants.gov.uk
ISLE OF WIGHT	Jo Thistlewood	Jo.Thistlewood@iow.gov.uk
KENT	Nick Vickers	nick.vickers@kent.gov.uk
NORFOLK	Nicola Mark	Nicola.Mark@norfolk.gov.uk
NORTHAMPTONSHIRE	Paul Tysoe	PHTysoe@northamptonshire.gov.uk
SUFFOLK	Paul Finbow	paul.finbow@suffolk.gov.uk
WEST SUSSEX	Rachel Wood	rachel.wood@westsussex.gov.uk

- 4.3.3 Each party may substitute or replace the initial named representative as required.
- 4.3.4 The Officer Working Group shall meet monthly or as otherwise agreed from time to time.
- 4.3.5 Any Party may call a meeting of the Officer Working Group provided that at least ten business days’ notice of a meeting

of the Officer Working Group is given to all the Parties. A proposed agenda shall be attached to each notice.

- 4.3.6 A shorter period of notice of a meeting of the Officer Working Group may be given if at least three Parties agree in writing.
- 4.3.7 The quorum of any Officer Working Group meeting shall be 75% of the Parties.
- 4.3.8 No business shall be conducted at any Officer Working Group unless a quorum is present at the beginning of the meeting and at the time when there is to be voting on any business.
- 4.3.9 Parties may participate by telephone in any Officer Working Group meeting and shall be included for purposes of the quorum.
- 4.3.10 The Parties shall use their respective reasonable endeavours to ensure that any meeting of the Officer Working Group has the requisite quorum.
- 4.3.11 Where the Officer Working Group wishes to vote on any such matters shall be resolved by a simple majority of those present or participating by telephone.

4.4 **Reporting**

Project reporting shall be undertaken at two levels:

- 4.4.1 **Officer Working Group:** Minutes and actions will be recorded for each Officer Working Group meeting highlighting: Progress on actions; issues being managed; issues requiring escalations and progress planned for the next period and circulated to the Parties promptly following each meeting. Any additional reporting requirement shall be at the discretion of the Officer Working Group.
- 4.4.2 **Organisational:** the Officer Working Group members shall be individually responsible for drafting any reports that their respective sponsoring organisations may require from time to time.

5. **ROLES AND RESPONSIBILITIES**

- 5.1 The Parties shall undertake the roles and responsibilities required to deliver the Project as agreed at its commencement and from time to time.

- 5.2 For the purpose of such roles and responsibilities a Lead may be appointed by the Officer Working Group, being the party who has principal responsibility for undertaking the particular task or area of work as set out and instructed by the Officer Working Group. The Lead must act in compliance with the Mission Statement, Principles and Behaviours at all times.

6. ESCALATION

- 6.1 If a Party has any material issues, concerns or complaints about the Project, or any matter in this MoU, that Party shall notify the other Parties with a direct interest in such issues and those Parties shall then seek to resolve the issue by a process of consultation.
- 6.2 If any Party receives any formal inquiry, complaint, claim or threat of action from a third party (including, but not limited to, claims made by a supplier or requests for information made under the Freedom of Information Act 2000 (“**FOIA**”) in relation to the Project, the matter shall be referred to the Officer Working Group (or its nominated representatives) as soon as practicable and in any event within two (2) business days of receipt. No action shall be taken in response to any such inquiry, complaint, claim or action, to the extent that such response would adversely affect any Party, without the prior approval of that Party (or its nominated representative). Each of the Parties shall provide all necessary assistance and cooperation as reasonably requested by the Officer Working Group to enable the Parties to comply with their respective obligations under FOIA.
- 6.3 No Party shall commence formal dispute resolution proceedings (to include litigation) until the Parties' designated representatives have attempted to resolve the dispute informally by discussing the problem and negotiating in good faith for a period of at least 15 business days.

7. INTELLECTUAL PROPERTY & PUBLICITY

- 7.1 The Parties intend that notwithstanding any secondment any intellectual property rights created in the course of the Project shall vest in the Party whose employee created them (or in the case of any intellectual property rights created jointly by employees of several Parties in the Lead noted in clause 5 above for the part of the Project that the intellectual property right relates to).
- 7.2 Where any intellectual property right vests in any Party in accordance with clause 7.1 above, that Party shall grant an irrevocable royalty-free licence to the other Parties to use that intellectual property for the purposes of the Project.

- 7.3 Unless otherwise directed by the Parties, the Officer Working Group shall be responsible for all press announcements and publicity in relation to the Project.
- 7.4 The Parties shall be entitled to publicise their involvement in accordance with any legal obligation upon the respective Party.

8. TERM AND TERMINATION

- 8.1 This MoU shall commence on the date of signature by each of the Parties, and shall expire on completion of the Project which shall be deemed to occur on the latter of the 15th July 2016 or the acceptance by the Department for Communities and Local Government of any clarifications required by it pursuant to the submission referred to in clause 1.1.3.
- 8.2 A Party may terminate its participation in the Project and agreement to this MoU by giving at least one months' notice in writing to the other Parties at any time.
- 8.3 On termination or expiry of this MoU, the following clauses shall continue in force: clauses 6, 7, 8, 9, 10, 11, 12 and 13.

9. VARIATION

This MoU, including the Appendices, may only be varied by written agreement of all the Parties.

10. CHARGES AND LIABILITIES

- 10.1 Except as otherwise provided including at clause 10.2, the Parties shall each bear their own costs and expenses incurred in complying with their obligations under this MoU.
- 10.2 The Parties agree to share the costs and expenses arising in respect of the Project between them in accordance with the Contributions Schedule [set out in Appendix C to this MoU][to be developed by the Officer Working Group and approved by the Parties within three months of the date of this MoU].
- 10.3 Each of the Parties shall remain liable for any losses or liabilities incurred due to their own or their employee's actions.
- 10.4 For the avoidance of doubt a Party's obligations pursuant to clause 10.2 in respect of funding for costs that have not been incurred by the Project at the date of that Party's termination in the Project shall upon the date of termination.

11. STATUS

- 11.1 The Parties enter into the MoU intending to honour all their obligations. Clauses 6, 7, 8, 9, 10, 11, 12 and 13 are legally binding. The other clauses of this MoU are not intended to be legally binding.
- 11.2 Nothing in this MoU is intended to, or shall be deemed to, establish any partnership or joint venture between the Parties, constitute either Party as the agent of the other Party, nor authorise any of the Parties to make or enter into any commitments for or on behalf of the other Parties.

12. COUNTERPARTS

- 12.1 This MoU may be executed in any number of counterparts and by the Parties on separate counterparts, but shall not be effective until each Party has executed at least one counterpart. Each counterpart, when executed, shall be an original of this MoU and all counterparts shall together constitute one instrument.
- 12.2 Any notice given to a Party under or in connection with this MoU shall be in writing and shall be:
 - 12.2.1 delivered by hand or by pre-paid first-class post or other next working day delivery service at its principal place of business as referred to in this MoU; or
 - 12.2.2 sent by email to the address specified in clause 4.3.2.

13. GOVERNING LAW AND JURISDICTION

- 13.1 This MoU shall be governed by and construed in accordance with English law and, without affecting the escalation procedure set out in clause 6, each of the Parties agrees to submit to the exclusive jurisdiction of the courts of England and Wales.
- 13.2 Notwithstanding anything apparently or impliedly to the contrary in this MoU, in carrying out its statutory duties or functions the discretion of each of the Parties shall not be fettered, constrained or otherwise unlawfully affected by the terms of this MoU.

APPENDIX A – ACCESS POOL MISSION STATEMENT

To establish a multi-asset pooling arrangement in order to:

- 1) Enable participating authorities to execute their fiduciary responsibilities to LGPS stakeholders, including scheme members and employers, as economically as possible.
- 2) Provide a range of asset types necessary to enable those participating authorities to execute their locally decided investment strategies as far as possible.
- 3) Enable participating authorities to achieve the benefits of pooling investments, preserve the best aspects of what is currently done locally, and create the desired level of local decision making and control.

DRAFT

APPENDIX B – Principles of the ACCESS Pool

1. The participating authorities will work collaboratively.
2. Participating authorities will have an equitable voice in governance.
3. Decision making will be objective and evidence based.
4. The pool will use professional resources as appropriate.
5. The risk management processes will be appropriate to the pool's scale, recognising it as one of the biggest pools of pension assets in the UK.
6. The pool will avoid unnecessary complexity.
7. The pool will evolve its approach to meet changing needs and objectives.
8. The pool will welcome innovation.
9. The pool will be established and run economically, applying value for money considerations.
10. The pool's costs will be shared equitably.
11. The pool is committed to collaboration with other pools where there is potential to maximise benefits.

APPENDIX C - Contributions

[INSERT DETAILS OF CONTRIBUTIONS (INCLUDING FINANCIAL, STAFFING, PREMISES, USE OF IT ETC) THAT THE PARTIES ARE WILLING TO COMMIT. THIS SHOULD ALSO INCLUDE ANY ARRANGEMENTS FOR CROSS-CHARGING AND OTHER PROJECT COSTS (FOR EXAMPLE ANY CONSULTANT'S COSTS THAT MAY NEED TO BE PAID)]

DRAFT

Signed for and on behalf of the
Administering Authority for the
CAMBRIDGESHIRE COUNTY COUNCIL

Signature:

Name:

Position:

Date:

Signed for and on behalf of the
Administering Authority for THE
ESSEX COUNTY COUNCIL

Signature:

Name:

Position:

Date:

Signed for and on behalf of the
Administering Authority for THE
EAST SUSSEX COUNTY COUNCIL

Signature:

Name:

Position:

Date:

Signed for and on behalf of the
Administering Authority for THE
HAMPSHIRE COUNTY COUNCIL

Signature:

Name:

Position:

Date:

Signed for and on behalf of the Administering Authority
for the **ISLE OF WIGHT COUNCIL**

Signature:

Name:

Position:

Date:

Signed for and on behalf of the
Administering Authority for the
KENT COUNTY COUNCIL

Signature:

Name:

Position:

Date:

Signed for and on behalf of the
Administering Authority for the
NORFOLK COUNTY COUNCIL

Signature:

Name:

Position:

Date:

Signed for and on behalf of the
Administering Authority for the
NORTHAMPTONSHIRE COUNTY COUNCIL

Signature:

Name:

Position:

Date:

Signed for and on behalf of the
Administering Authority for the
SUFFOLK COUNTY COUNCIL

Signature:

Name:

Position:

Date:

Signed for and on behalf of the
Administering Authority for the
WEST SUSSEX COUNTY COUNCIL

Signature:

Name:

Position:

Date:

ACCESS Pool July joint submission - project overview as at February 2016

