



2023/24

Business Plan
& Budget

Introduction

ACCESS has its origins in 2016 when eleven Local Government Pension Scheme (LGPS) Authorities agreed to begin working collectively to address the requirements of the Government's agenda for pooling LGPS investments.

The following strategic objectives are in place:

- enable the Councils to execute their fiduciary responsibilities to LGPS stakeholders, including scheme members and employers, as economically as possible;
- provide a range of asset types necessary to enable those participating Authorities to execute their locally-determined investment strategies as far as possible;
- enable the Councils 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 Councils have established a set of governing principles.

The governing principles 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

Implicit within the above principles is the democratic accountability and fiduciary duty of the Councils as Administering Authorities.

The Joint Committee recommends an annual strategic business plan to the Councils, following recommendations from Section 151 Officers and following input from the ACCESS Support Unit (ASU).

Context

During 2022/23 further progress took place in pooling active listed assets, and the Business As Usual (BAU) Evaluation continued. With Real Estate, the pool's first approach to illiquid assets was put in place. In partnership with Minerva, the pool's Environmental, Social and Governance / Responsible Investment guidelines were revised and updated.

Enhancements were made to the pool's online presence, and procurements undertaken for continued communications support to be in place and a third-party review of both objectives and the ACCESS Support Unit.

It is anticipated that 2023/24 will see key activities within the following themes:

Actively managed listed assets: further pooling active listed assets within the Authorised Contractual Scheme (ACS).

Scheduled BAU evaluation: preparation for, and the commencement of, the re-procurement of operator services in the penultimate year of the Operator Agreement.

Alternative / non-listed assets: work on the procurement of pooled asset solutions for private debt and private equity.

Passive assets: ongoing monitoring and engagement with UBS.

Governance: the continued application of appropriate forms of governance throughout ACCESS; the commencement of RI reporting support for the pool and the commencement of the second contract for communications support.

ACCESS Support Unit (ASU): the implementation of the outcomes of the external review of the ASU.

Business Plan

The Business Plan is proposed each year to the Councils by the Joint Committee on the basis of recommendations from the s151 Officer Group. The Joint Committee, on advice from the s151 Officer Group, determine a budget in order to deliver the annual Business Plan. Workstreams for the ASU are monitored at the Officer Working Group (OWG) and in turn reported to

the s151 Officer Group where key ACCESS business plan activity and deliverables for the fiscal year are considered.

Each theme within the business plan includes milestones planned for the year. The strategic nature of ACCESS’s objectives means that a number of the 2023/24 milestones build on work previously undertaken and will in turn provide the foundation for further milestones in subsequent years.

The *Joint Committee* will receive updates on the milestones at each meeting.

Budget

A budget totalling **£1.559m** to support the business plan is included at the end of this paper.

Theme	Milestone	2023/24 activity
Actively managed listed assets	Launch of Tranche 6	Anticipated H1 2023
	Launch of Tranche 7a	Anticipated 2023/24
	Launch of Tranche 7b	Anticipated 2023/24
	Determine, approval & launch of Tranche 8 (if required)	Anticipated 2023/24
Scheduled BAU evaluation	2023/24 is the penultimate year of the Operator Agreement.	Preparation for, and the commencement of, the re-procurement of operator services.
Alternative / non-listed assets	Initial implementation of approach to pool illiquid assets	Work on the procurement of pooled asset solutions for private debt and private equity.
Passively managed assets	Ongoing monitoring of assets managed on a passive basis	Further engagement and exploration with UBS will continue throughout the year.

Theme	Milestone	2023/24 activity
Governance	<p data-bbox="424 208 783 241">Meetings and oversight</p> <p data-bbox="424 477 759 510">Operational protocols</p> <p data-bbox="424 663 887 831">Engagement with HM Government / Department for Levelling Up, Housing & Communities (DLUHC)</p> <p data-bbox="424 1249 807 1283">Joint Policies & guidelines</p>	<p data-bbox="986 208 1447 331">Arrangements will be made to support meetings of the Joint Committee.</p> <p data-bbox="986 387 1439 465">Meetings of s151 Officers will also be held.</p> <p data-bbox="986 477 1415 600">The implementation of the outcomes of the third-party review of objectives.</p> <p data-bbox="986 663 1383 786">ACCESS will liaise with the Scheme Advisory Board as appropriate.</p> <p data-bbox="986 842 1335 965">Periodic reports will be provided to DLUHC as required.</p> <p data-bbox="986 1021 1415 1189">The Pool will actively participate with any Cabinet Officer / DLUHC pooling-related consultations.</p> <p data-bbox="986 1249 1375 1373">The commencement of RI reporting support for the pool.</p> <p data-bbox="986 1429 1383 1552">An annual review will be conducted of the pool's RI Guidelines.</p> <p data-bbox="986 1608 1367 1731">The pool's second Communications support contract will commence.</p> <p data-bbox="986 1798 1399 1921">Continued activity will take place on implementing the Communications plan.</p>

Theme	Milestone	2023/24 activity
ACCESS Support Unit (ASU)	ACCESS Support Unit	The outcomes of the third-party review of the ASU will be implemented. An annual internal audit of the ASU will take place.

A separate risk register measures the risk of the strategic objectives and milestones not being achieved and the resultant impact.

Budget 2023/24

The budget for 2023/24 is set out below.

	Agreed Budget 2022/2023 £	Actual Costs as at 31 Oct plus forecast 2022/2023 £	Proposed Budget 2023/24 £
ASU			
ASU Salaries (incl. on cost)	465,000	463,148	499,833
ASU Operational	23,000	18,043	23,000
ASU Host Authority Recharge	35,000	34,000	35,700
Technical Lead Recharge	45,000	34,064	40,000
ASU Total	568,000	549,255	598,533
Professional Costs			
<i>Internal Professional Costs</i>			
JC Secretariat	22,000	22,495	23,100
Procurement	60,000	77,000	145,000
<i>Internal Professional Costs</i>	82,000	99,495	168,100
<i>External Professional Costs</i>			
Strategic & Technical	546,000	445,896	602,000
Legal & Governance	170,000	169,750	190,400
<i>External Professional Costs</i>	716,000	615,646	792,400
Professional Costs Total	798,000	715,141	960,500
Total Costs	1,366,000	1,264,396	1,559,033
Cost Per Authority	124,182	114,945	141,730

Key budget assumptions

The full year effect of the ASU comprising of five full time officers.

The continuation of Technical Lead support at November 2022 levels.

Joint Committee Secretariat services remaining with Kent County Council for the duration of 2023/24.

Expenditure for a Procurement Lead Authority to deliver the following:

- procurement support for the provision of private debt and private equity pooled asset solutions; and
- procurement requirements arising from the Scheduled BAU evaluation.

External professional costs cover a range of matters including:

- ongoing advice and project management support in relation to the Scheduled BAU evaluation;
- the required reporting associated with Responsible Investment guidance;
- pool communications; and
- ongoing advice in support of operational pool activity.

External legal advice.