



**2024/25
Business Plan
& Budget**

Introduction

ACCESS was formed 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 2023/24 further progress took place in pooling active listed assets, along with the establishment of arrangements for the Pool's property mandates – the first non-listed asset class.

The year saw takeovers conclude for two key strategic partners, Waystone (previously Link) assuming the role of ACS Operator and Apex (previously MJ Hudson) assuming the role of Implementation Adviser for illiquid assets.

PIRC were appointed to advise on Responsible Investment (RI) / Environmental, Social & Governance (ESG) reporting arrangements and undertook a review of the pool's RI Guidelines.

Barnett Waddingham undertook a Third-Party Review of the Pool, and a procurement was undertaken for continued communications support to be in place.

The year also saw preparations for, and the commencement of, the re-procurement of ACS Operator services.

It is anticipated that 2024/25 will see key activities within the following themes:

Actively managed listed assets:

- *launch of final sub-funds under the first ACS Operator contract;*
- *review of sub-funds.*

Scheduled BAU evaluation:

- *completion of re-procurement of ACS Operator services;*
- *implementation of re-procurement outcome;*
- *commencement of new contractual arrangements.*

Alternative / non-listed assets:

- *initial investment within real estate mandates;*
- *the development of pooled asset solutions for other non-listed asset classes.*

Passive assets:

- *ongoing monitoring and engagement with UBS.*

Governance:

- *implementation of the outcomes of the Third-Party Review;*
- *implementation of RI reporting arrangements;*
- *review of the Communications plan.*

ACCESS Support Unit (ASU):

- *implementation of the outcomes of the Third-Party Review.*

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 most of the 2024/25 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 **£1.707m** to support the business plan is included at the end of this paper.

Theme	Milestone	2024/25 activity
Actively managed listed assets	<p>Launch of Tranche 7b</p> <p>Launch of Tranche 8</p> <p>Sub-fund review</p>	<p>Anticipated 2024/25</p> <p>Anticipated 2024/25</p> <p>The range and scope of sub-fund provision will be reviewed</p>
Scheduled BAU Evaluation	<p>The conclusion of the re-procurement of ACS Operator Services in relation to the Pool's actively managed listed assets</p>	<p>Completion of the formal re-procurement process</p> <p>Implementation of re-procurement outcome</p> <p>Commencement of new contractual arrangements</p>
Alternative / non-listed assets	<p>Initial investment within real estate mandates</p> <p>The development of pooled asset solutions for other non-listed asset classes</p>	<p>The first investments within the Real Estate mandates</p> <p>The procurement of pooled asset solutions for private debt and private equity</p> <p>The alignment of investments within infrastructure and timber</p> <p>The exploration of further non-listed investment opportunities</p>
Passively managed assets	<p>Ongoing monitoring of assets managed on a passive basis</p>	<p>Further engagement and exploration with UBS will continue throughout the year</p>

Theme	Milestone	2024/25 activity
Governance	<p>Meetings and oversight</p> <p>Operational protocols</p> <p>Engagement with HM Government Department for Levelling UP, Communities & Housing (DLUHC)</p> <p>Joint guidelines & plans</p>	<p>Arrangements will be made to support meetings of the Joint Committee</p> <p>Meetings of s151 Officers will also be held</p> <p>The implementation of the outcomes of the third-party review of objectives</p> <p>ACCESS will liaise with the Scheme Advisory Board as appropriate Periodic reports will be provided to DLUHC as required</p> <p>The implementation of RI reporting arrangements for the pool</p> <p>An annual review will be conducted of the pool's RI Guidelines</p> <p>Communications support to the pool will continue</p> <p>A review of the pool's Communication Plan will be undertaken</p>
ACCESS Support Unit (ASU)	ACCESS Support Unit	<p>The outcomes of the third-party review of the ASU will be implemented</p> <p>An annual internal audit of the ASU will take place</p>

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 detailed below.

	Proposed Budget 2024/25 £
ASU	
ASU Salaries (incl. on cost)	522,436
ASU Operational	24,000
ASU Host Authority Recharge	37,307
Technical Lead Recharge	55,000
ASU Total	638,742
Professional Costs	
<i>Internal Professional Costs</i>	
JC Secretariat	24,255
Procurement	180,000
<i>Internal Professional Costs</i>	204,255
<i>External Professional Costs</i>	
Strategic & Technical	664,000
Legal & Governance	199,920
<i>External Professional Costs</i>	863,920
Professional Costs Total	1,068,175
Total Costs	1,706,917
Cost Per Authority	155,174

The *Value for Money* principle has been adopted throughout the preparation of the budget. The key assumptions contained within the budget are outlined overleaf.

Key budget assumptions

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

Any budgetary impact of the Third-Party Review will be considered once known.

The continuation of Technical Lead support at November 2023 levels.

Joint Committee Secretariat services remaining with Kent County Council for the duration of 2024/25.

Expenditure for a Procurement Lead Authority to deliver the following:

- the re-procurement of an ACS Operator;
- procurement support for the provision of private debt, social housing and infrastructure pooled asset solutions; and
- the re-procurement of legal advice.

External professional costs cover a range of matters including:

- ongoing advice and project management support in relation to the Scheduled BAU evaluation;
- pool communications; and
- ongoing advice in support of operational pool activity.

External legal advice.