



**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	Launch of Tranche 7b	Anticipated 2024/25
	Launch of Tranche 8	Anticipated 2024/25
	Sub-fund review	The range and scope of sub-fund provision will be reviewed
Scheduled BAU Evaluation	The conclusion of the re-procurement of ACS Operator Services in relation to the Pool’s actively managed listed assets	Completion of the formal re-procurement process

Theme	Milestone	2024/25 activity
		<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	Ongoing monitoring of assets managed on a passive basis	Further engagement and exploration with UBS will continue throughout the year
Governance	<p>Meetings and oversight</p> <p>Operational protocols</p> <p>Engagement with HM Government Department for</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</p>

Theme	Milestone	2024/25 activity
	<p data-bbox="424 208 863 286">Levelling UP, Communities & Housing (DLUHC)</p> <p data-bbox="424 521 783 562">Joint guidelines & plans</p>	<p data-bbox="986 208 1337 331">Periodic reports will be provided to DLUHC as required</p> <p data-bbox="986 521 1406 651">The implementation of RI reporting arrangements for the pool</p> <p data-bbox="986 707 1385 831">An annual review will be conducted of the pool's RI Guidelines</p> <p data-bbox="986 887 1410 965">Communications support to the pool will continue</p> <p data-bbox="986 1021 1410 1144">A review of the pool's Communication Plan will be undertaken</p>
ACCESS Support Unit (ASU)	ACCESS Support Unit	<p data-bbox="986 1207 1410 1330">The outcomes of the third-party review of the ASU will be implemented</p> <p data-bbox="986 1386 1394 1464">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.

	Budget 2023/24 £	Actual + Estimated Costs 2023/24 £	Overspend / (Underspend) 2023/2024 £	Proposed Budget 2024/25 £
ASU				
ASU Salaries (incl. on cost)	499,833	510,115	10,282	522,436
ASU Operational	23,000	16,314	(6,686)	24,000
ASU Host Authority Recharge	35,700	35,700	0	37,307
Technical Lead Recharge	40,000	52,292	12,292	55,000
ASU Total	598,533	614,421	15,888	638,742
Professional Costs				
<i>Internal Professional Costs</i>				
JC Secretariat	23,100	22,163	(937)	24,255
Procurement	145,000	59,000	(86,000)	180,000
<i>Internal Professional Costs</i>	168,100	81,163	(86,937)	204,255
<i>External Professional Costs</i>				
Strategic & Technical	602,000	572,646	(29,354)	664,000
Legal & Governance	190,400	317,355	126,955	199,920
<i>External Professional Costs</i>	792,400	890,001	97,601	863,920
Professional Costs Total	960,500	971,164	10,664	1,068,175
Total Costs	1,559,033	1,585,585	26,552	1,706,917
Cost Per Authority	141,730	144,144	2,414	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.