



AGENDA

ACCESS JOINT COMMITTEE

Monday, 24th March, 2025, at 11.00 am

Ask for: **Joel Cook**

Bevin Hall, 18 Smith Square, London, SW1P 3HZ Telephone **03000 416892**

Tea/Coffee will be available 15 minutes before the start of the meeting in the meeting room

Membership

Chair: Cllr Mark Kemp-Gee (Hampshire CC), **Vice-Chair: Cllr Susan Barker** (Essex CC), **Cllr Vanessa Churchman** (Isle of Wight), **Cllr Gerard Fox** (East Sussex CC), **Cllr Jeremy Hunt** (West Sussex CC), **Cllr Malcolm Longley** (West Northamptonshire), **Cllr Tom FitzPatrick** (Norfolk CC), **Vacancy** (Kent CC), **Cllr Karen Soons** (Suffolk CC), **Cllr Alison Whelan** (Cambridgeshire CC) and **Cllr Andrew Williams** (Hertfordshire CC)

UNRESTRICTED ITEMS

(During these items the meeting is likely to be open to the public)

1. Apologies/Substitutes
2. Declaration of interests in items on the agenda
3. Minutes of the meeting held on 12 February 2025 (Pages 1 - 6)
4. Chair's Remarks
5. Business Plan & Budget (Pages 7 - 36)

Motion to Exclude the Press and Public

PROPOSED 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.

EXEMPT ITEMS

6. Exempt Minutes of the meeting held on 12 February 2025 (Pages 37 - 40)
7. Government Pensions Review

To Follow

- 8. Sub-Fund Review (Pages 41 - 50)
- 9. Performance (Pages 51 - 122)
- 10. Risk Register

To Follow

Joel Cook
Clerk to the Joint Committee
03000 416892

Friday, 14 March 2025



ACCESS JOINT COMMITTEE

MINUTES of a meeting of the ACCESS Joint Committee held at Westminster Room - LGA Building, 18 Smith Square, London on Wednesday, 12th February, 2025.

PRESENT: Chair: Cllr Mark Kemp-Gee (Hampshire CC), Vice-Chair: Cllr Susan Barker (Essex CC), Cllr Nick Chard (Kent), Cllr Vanessa Churchman (Isle of Wight), Cllr Gerard Fox (East Sussex CC), Cllr Colin Kreidewolf (Suffolk CC), Cllr Graham Lawman (West Northamptonshire Council), Cllr Tom FitzPatrick (Norfolk CC), Cllr Jeremy Hunt (West Sussex), Cllr Alison Whelan (Cambridgeshire) and Cllr Andrew Williams (Hertfordshire CC).

LOCAL PENSION BOARD OBSERVERS: Robin Konieczny (Norfolk), Brian Wigg (Norfolk), Alison Mings (Kent), Rachel Carnac (Kent), Barbara Milton (Isle of Wight) and Martin Doyle (Isle of Wight).

ALSO PRESENT: Kevin McDonald (ASU), Richard Smith (ASU), Alistair Coyle (ASU), Sallie Wilson (ASU), Isaac McHugh (ASU), Chris Harper (Squire Patton Boggs), John Wright (Hymans Robertson), Ben Chapman (Alpha MC), and Joe Sproul (Alpha MC)

OFFICERS: Andrew Boutflower (Hampshire), Nick Buckland (Kent) Jody Evans (Essex), Glenn Cossey (Norfolk), Eunice Walcott (Norfolk), Patrick Towey (Hertfordshire), Mark Whitby (West Northamptonshire / Cambridgeshire), Ben Barlow (West Northamptonshire / Cambridgeshire), Tracey Woods (Suffolk), Rachel Wood (West Sussex), Susan Greenwood (East Sussex), Steve Harrison (Isle of Wight), Andrew Lowe (Hampshire – s151 Officer representative), Kay Goldsmith (Kent - Clerk) and Georgia Humphreys (Kent).

VIRTUAL: Alex Younger (Norfolk), Samantha Andrews (Essex), Hugh Spencer (Isle of Wight), Rawda Ali (ASU).

UNRESTRICTED ITEMS

190. Apologies/Substitutes. (Item. 1)

Apologies were received from Cllr Soons (Suffolk – Cllr Kreidewolf substituting), and Cllr Simkins (Kent – Cllr Chard substituting).

191. Declaration of interests in items on the agenda. (Item. 2)

There were no declarations of interest.

192. Minutes of the meeting held on 9 September 2024. (Item. 3)

1. The Clerk explained that Mr Harrison was present at the previous meeting and the minutes would be amended to reflect this.

RESOLVED that, subject to the above amendment, the minutes from the meeting held on 9 September be approved as a correct record.

193. Chair's remarks.
(Item. 4)

1. The Chair formally welcomed Local Pension Board observers from Kent, Norfolk and Isle of Wight.
2. The Chair welcomed Cllr George Jabbour, Chair of the Border to Coast Joint Committee and North Yorkshire Pension Fund, as an observer to the open session of the meeting.
3. Subsequent to the Responsible Investment Report at the September Joint Committee meeting, ACCESS was now formally recognised as a signatory to the FRC's UK Stewardship Code. The Chair thanked the Officers and Members who had enabled this to happen.
4. The meeting scheduled for 10 March 2025 was postponed until the 24 March 2025.

RESOLVED that the Chair's remarks be noted.

194. 2024/25 Business Plan Update.
(Item. 5)

1. Mr Kevin McDonald (ASU Director) introduced the paper and gave an overview of the impact of the Government's Mansion House Speech on the 2024/25 business plan. An update on the current and future year's business plans and budgets was to be presented at the next meeting.
2. Mr McDonald explained that the Government had not yet provided a formal response to the consultation but noted the unique approach of the proposals already being implemented.
3. The review of the ACCESS Support Unit (ASU) had been paused, with the internal audit to commence in June 2025.

RESOLVED that the Committee note the report

Motion to Exclude the press and public

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.

195. Exempt Minutes of the meeting held on 9 September 2024.
(Item. 6)

RESOLVED that the exempt minutes from the meeting held on 9 September be approved as a correct record.

196. Strategy Meeting - December 2024.
(Item. 7)

RESOLVED that the notes of the discussion and key points raised at the strategy session on 2 December 2024 were noted.

197. Government Submission: Pooling Option Appraisal.
(Item. 8)

1. Mr McDonald (ASU), Mr Richard Smith (ASU), and Mr Alistair Coyle (ASU) introduced the report and provided an overview of its content. The Joint Committee were being presented with options by which ACCESS could become an investment management company in line with Government proposals.
2. The Joint Committee discussed the options along with their advantages, disadvantages and respective costs.
3. The Committee noted that the outcome of option appraisal was build, and explored its implications in the context of the Government's preference that there be fewer pools operating in the UK. They also discussed the impact of any local government reorganisation and expansion of Mayoral authorities.
4. The Committee were reassured that the timescales for implementation of the build model were achievable though challenging.
5. The Joint Committee sought greater detail in due course about how a new investment company would be staffed. Mr McDonald confirmed that staff would be hired based on knowledge and skills.
6. The Joint Committee questioned the governance around an investment company should the build option progress. Mr McDonald explained this was the subject of ongoing conversations between Officers, though it was inevitable that the role of the Joint Committee would change. There would be a Board of Directors for oversight of management and investment and a Shareholder Board on which the 11 ACCESS authorities would be represented.
7. Once the company structure was in place, the Chief Executive Officer would have authority to make decisions. However, reviewing the business plan and strategy would be a reserved matter for the shareholders.
8. The Committee asked how they would be involved in the decision making around the proposals sent to Government. Mr Wright explained that there would be input from Officers and Monitoring Officers in the design and

shaping phase of the process. He added that an Advisor would need to be appointed to provide specialist advice.

9. Councillor Hunt proposed and Councillor Fox seconded the following amendment to part d of the recommendation

‘Agree to delegate to the ASU Director authority to make the necessary arrangements to finalise the submission to Government having consulted each Authority’s Section 151 Officer and Monitoring Officer following consultation with the Chairman and Vice Chairman’.

10. Members voted on the motion. The motion was carried.

RESOLVED that the Joint Committee:

- a. Note the report, including the option appraisal set out in sections 6-11;
- b. Note the outcome of the option appraisal which rated Option 1: Build as the preferred outcome based on the agreed criteria;
- c. Recommend Option 1: Build to the ACCESS Authorities as the basis of the ACCESS submission to Government; and
- d. Agree to delegate to the Director for ACCESS Support Unit to make the necessary arrangements to finalise the submission to Government having consulted each Authority’s S151 and Monitoring Officer following consultation with the Chairman and Vice Chairman.

198. Operator Contract.
(Item. 9)

1. Mr Smith (ASU) introduced the report, explaining that each Authority had been asked to return signed copies to the revised contract to the ASU ahead of the contract expiry on 5th March 2025.
2. A key amendment to the Waystone Contract was the addition of termination triggers. These would give ACCESS authorities wider options if the Government’s Mansion House proposals were to proceed.

RESOLVED that Members agreed to note the report.

199. Alternative Investments.
(Item. 10)

1. Mr Coyle (ASU) introduced the paper, highlighting the outcome of recent procurements. Langham Hall would be the Operator for pooled property funds, and CBRE were contracted to lead process.
2. Mr Coyle confirmed that the private equity Allocators were to be Adams Street and HarbourVest. Golub and Arcmont have been appointed for US and European Direct Lending building blocks.

RESOLVED that Members agreed:

- a. To note the outcome of the procurement and agree that Adams Street and HarbourVest were appointed as ACCESS's Private Equity Allocators and were available for investing councils if they wished to invest in accordance with their investment strategies.
- b. To note the outcome of the search and agree that Golub and Arcmont were appointed as ACCESS's Private Debt managers and were available for investing councils if they wished to invest in accordance with their investment strategies.
- c. To note the remainder of the paper, including the progress in pooling other non-listed assets.

200. 2024/25 Budget Update.
(Item. 11)

This item was deferred.

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Business Plan & Budget



ACCESS Joint Committee

Date: 24 March 2025

Report by: Director of ACCESS Support Unit

Subject:	Business Plan and Budget
Purpose of the Report:	To provide an update on the 2024/25 Business Plan and Budget To propose a Business Plan and Budget for 2025/26
Recommendations:	<p>The Committee is asked to:</p> <ul style="list-style-type: none"> • note the 2024/25 Business Plan update; and • note the 2024/25 Budget update • accept the recommendation of the s151 Officers Group to an £450,000 increase in the 2024/25 budget (from £1,806,918 to £2,256,918). <p>The Committee is also asked to consider the proposed Business Plan and budget for 2025/26 and:</p> <ul style="list-style-type: none"> • note the planned approach to cost sharing as highlighted at section 6; • recommend the 2025/26 Business Plan to the ACCESS Authorities; • accept the recommendation of the s151 Officers from the ACCESS Authorities to determine the 2025/26 budget totalling £13,309,633 to support the proposed business plan; and • agree the appointment of Hampshire County Council as procurement lead Authority for all procurement related to Project Castle work during 2025/26.
Enquiries to:	<p>Kevin McDonald Email: kevin.mcdonald@accesspool.co.uk</p> <p>Richard Smith Email: richard.smith@accesspool.co.uk</p>

1. Background

- 1.1 The Joint Committee (JC) have a role to keep the performance against the strategic business plan agreed by the Councils under review.
- 1.2 The Section 151 Officer Group are responsible for making recommendations to the Joint Committee on budget and business plan matters, reviewing / advising on budget variations throughout each financial year and advising the Committee on the identification of, and mitigation of, any risk to the operation or success of the Pool. In response to decisions made by the Joint Committee, the Section 151 Officers should ensure appropriate resourcing, support, advice and facilitation to the Joint Committee.
- 1.3 The ACCESS Support Unit (ASU) have a responsibility to manage the development and implementation of the strategy, business plan and budget including the identification and management of risks.
- 1.4 This report was prepared by the ASU following consultation with the Officer Working Group (OWG). In draft form, it was presented to Section 151 Officer Group at their meeting on 10 March 2025 and their feedback has informed this final version.

2. 2024/25 Business Plan

- 2.1 The Business Plan for **2024/25** was agreed by the JC in December 2023 prior to being recommended to the Councils. At the same meeting, the JC also determined the budget necessary to implement this year's plan and to be charged to the relevant Authorities.
- 2.2 Prior to the Fit for the Future Consultation, the critical item on the 2024/25 business plan was the Operator search which led to the reappointment of Waystone on a new 5+5 year contract, recommended by the Joint Committee in September 2024. The new Operator Agreement was fully executed by all 11 Authorities and Waystone and was implemented on the 5th March 2025, with the inclusion of additional termination triggers to protect all parties in the event the Agreement does not run for the minimum term as a result of unforeseen outcomes of Fit for the Future.
- 2.3 As highlighted to the Committee at its February 2025 meeting, since last November's Mansion House Speech the main focus of ACCESS activity has been the requirements of the accompanying consultation entitled *Local Government Pension Scheme (LGPS): Fit for the future (F4F)*. These "Project Castle" requirements include:
 - the submission on 28 February of the proposal on how ACCESS will meet the minimum standards within F4F from March 2026; and

- ongoing work to implement the proposal.
- 2.4 A separate agenda item addresses this matter further. Other activities within this year's 2024/25 Business Plan (Annex A) that are also the subject of separate items on the Committee's agenda include:

- Sub-fund review
- Investment performance
- Risk Register

3. 2024/25 Budget: updates to original budget

- 3.1 At its December 2023 meeting, the Committee determined a budget of £1,706,917 to support the 2024/25 business plan.
- 3.2 At its September 2024 meeting, the Committee agreed to increase the *ASU salaries (including oncosts)* budget line by a total of £100,000 to cover the part year impact of two new Analyst positions within the ASU. As a consequence, the *ASU salaries (including oncosts)* budget line rose from £522,436 to £622,436. The overall budget for 2024/25 rose from £1,706,918 to £1,806,918 as shown in the table below.

4. 2024/25 Budget: expenditure update

	Original Budget 2024/25 £	Budget increase agreed at Sept JC 2024/25 £	Revised Budget 2024/25 Sept JC £	Actual Costs to 31 Dec 24 £	Estimated Costs 1 Jan 2025 - 31 Mar 2025 £	Actual + Estimated Costs 2024/25 £	Overspend / (underspend) vs Revised Budget 2024/2025 £
ASU							
ASU Salaries (incl. on cost)	522,436	100,000	622,436	408,528	180,899	589,427	(33,009)
ASU Operational	24,000		24,000	18,099	5,909	24,008	8
ASU Host Authority Recharge	37,307		37,307	27,310	9,104	36,414	(893)
Technical Lead Recharge	55,000		55,000	45,646	5,910	51,556	(3,444)
ASU Total	638,743		738,743	499,583	201,822	701,405	(37,338)
Professional Costs							
<i>Internal Professional Costs</i>							
JC Secretariat	24,255		24,255	16,362	11,421	27,783	3,528
Procurement	180,000		180,000	-	137,000	137,000	(43,000)
<i>Internal Professional Costs</i>	204,255		204,255	16,362	148,421	164,783	(39,472)
<i>External Professional Costs</i>							
Strategic & Technical	664,000		664,000	328,234	542,191	870,425	206,425
Legal & Governance	199,920		199,920	297,021	222,055	519,076	319,156
<i>External Professional Costs</i>	863,920		863,920	625,255	764,246	1,389,501	525,581
Professional Costs Total	1,068,175		1,068,175	641,617	912,667	1,554,284	486,109
Total Costs	1,706,918	100,000	1,806,918	1,141,200	1,114,489	2,255,689	448,771
Cost Per Authority	155,174	9,091	164,265	103,745	101,317	205,063	40,797

4.1 The following key variances are highlighted:

- ASU salaries (including oncost) the reorientation of the Business Plan in light of F4F requirements led to the decision late last year to pause recruitment for a Responsible Investment Analyst within the ASU. The addition of this post had been one of the cost pressures identified at the September Joint Committee leading to the £100,000 increase in the ASU staffing budget. The ASU is currently forecast to underspend by £33,009.
- Procurement: within the Business Plan's non-listed theme, a lower number of allocator searches have been required than was originally assumed when the budget was agreed. As a consequence, an underspend is currently forecast.

4.2 The reorientation of business plan activities to address the requirements of F4F introduced additional cost pressures in recent months that were not known when the budget originally determined. As a consequence, this report now

proposes a further increase to the 2024/25 Budget totalling £450,000, the impact of which is included within the table below:

	Original Budget 2024/25 £	Budget increase agreed at Sept JC 2024/25 £	Budget increase proposed at Mar JC 2024/25 £	Revised Budget 2024/25	Actual Costs to 31 Dec 24 £	Estimated Costs 1 Jan 2025 - 31 Mar 2025 £	Actual + Estimated Costs 2024/25 £	Overspend / (underspend) vs Revised Budget 2024/2025 £
ASU								
ASU Salaries (incl. on cost)	522,436	100,000		622,436	408,528	180,899	589,427	(33,009)
ASU Operational	24,000			24,000	18,099	5,909	24,008	8
ASU Host Authority Recharge	37,307			37,307	27,310	9,104	36,414	(893)
Technical Lead Recharge	55,000			55,000	45,646	5,910	51,556	(3,444)
ASU Total	638,743			738,743	499,583	201,822	701,405	(37,338)
Professional Costs								
<i>Internal Professional Costs</i>								
JC Secretariat	24,255			24,255	16,362	11,421	27,783	3,528
Procurement	180,000			180,000	-	137,000	137,000	(43,000)
<i>Internal Professional Costs</i>	204,255			204,255	16,362	148,421	164,783	(39,472)
<i>External Professional Costs</i>								
Strategic & Technical	664,000		200,000	864,000	328,234	542,191	870,425	6,425
Legal & Governance	199,920		250,000	449,920	297,021	222,055	519,076	69,156
<i>External Professional Costs</i>	863,920			1,313,920	625,255	764,246	1,389,501	75,581
Professional Costs Total	1,068,175			1,518,175	641,617	912,667	1,554,284	36,109
Total Costs	1,706,918	100,000	450,000	2,256,918	1,141,200	1,114,489	2,255,689	- 1,229
Cost Per Authority	155,174	9,091	40,909	205,174	103,745	101,317	205,063	- 112

4.3 The budget lines impacted are within External Professional Costs and are discussed in Part II Annex C to this report.

5. 2025/26 proposed Business Plan and budget

5.1 The ACCESS Pool submission to Government in response to F4F, is a proposal that ACCESS build its own investment company in order to meet March 2026 minimum standards. The proposed business plan and budget for 2025/26 are based upon the key assumption that ACCESS fulfils this proposal. In practice this constitutes both the continuation and completion of the work commenced in response to the F4F requirement (i.e. Project Castle).

5.2 The nature and scale of Project Castle in 2025/26 means that both the Business Plan and budget for next year differ markedly from previous years. The following is an extract from paragraph 8.3 of the ACCESS proposal to Government:

“Our Advisors at Alpha FMC have assisted in providing a high-level Plan to Deliver, testing the proposed operating model and assumptions against the timeline, and, working backwards from an FCA approval date of March 2026, they have identified the key setup and implementation steps... Their independent analysis of this, combined with their experience both of working on earlier LGPS Pool submissions and their broader role as an advisor to complex change projects in the investment management and pensions industries, gives ACCESS a significant degree of confidence that the proposal is viable against the deadline.”

5.3 Whilst there will be some activity which continues themes undertaken in previous years, the overwhelming majority of workstreams will be related Project Castle. The Business Plan is shown at Annex B.

5.4 The key elements of this proposed business plan were presented and discussed at the meeting of ACCESS s151 Officers held on 10 March.

5.5 A proposed budget totalling £13,309,633 for 2025/26 is also included within Annex B. The proposed budget, to support the 2024/25 proposed Business Plan, was discussed at the s151 Officer meeting on 10 March who agreed that it should be recommended to the Joint Committee.

6. 2025/26 budget cost sharing

- 6.1 The approach ACCESS has adopted to date on cost sharing is that the budget determined by the Joint Committee has been shared on an equal basis (i.e. 1/11th)
Budgets and expenditure have typically ranged from £1.1m - £2.2m.
- 6.2 Given the demands of Project Castle both the timing of this item and the size of the 2025/26 budget differ markedly previous years. In light of the step change in budget requirement for 2025/26, it has been flagged during officer discussions, that continuing with the existing 1/11th basis will raise understandable concerns about equitable cost sharing for the Isle of Wight.
- 6.3 Within the Inter Authority Agreement, there is scope [Schedule 5, paragraph (c) subsection (iii)] for the Joint Committee to consider alternative approaches to equal costs sharing.
- 6.4 To enable time for appropriate officer dialogue and s151 officer consideration of this matter the following approach will be taken:
- a) **initially** charge Authorities for the costs of one quarter of the total year's budget;
 - b) this initial charge (April-June) to be on the existing a 1/11th basis;
 - c) ask the June JC to consider a proposal to share costs on a different basis; and
 - d) **subsequently** implement the June JC decision (including any requisite rebate) for the entirety of 2025/26.

7. Recommendations

- 7.1 The Committee is asked to note the:
- note the 2024/25 Business Plan update; and
 - note the 2024/25 Budget update.
 - accept the recommendation of the s151 Officers Group to an £450,000 increase in the 2024/25 budget (from £1,806,918 to £2,256,918).
- 7.2 The Committee is also asked to consider the proposed Business Plan and budget for 2025/26 and:
- note the planned approach to cost sharing as highlighted at section 6;
 - recommend the 2025/26 Business Plan to the ACCESS Authorities;
 - accept the recommendation of the s151 Officers from the ACCESS Authorities to determine the 2025/26 budget totalling £13,309,633 to support the proposed business plan; and
 - agree the appointment of Hampshire County Council as procurement lead Authority for all procurement related to Project Castle work during 2025/26.

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Theme	Milestone	2024/25 activity	March 2025 comment
Actively managed listed assets	Launch of Tranche 7b	One fixed income and one global equity sub-fund.	Complete.
	Launch of Tranche 8	One sustainable Global Equity sub-fund.	Milestone will continue in 2025/26
	Sub-fund review	The range and scope of sub-fund provision will be reviewed.	An update on this matter appears elsewhere on this agenda
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	Complete
		Implementation of re-procurement outcome	Complete. The new contract with Waystone has been signed by all ACCESS Authorities.
		Commencement of new contractual arrangements	Complete. The new contract commenced earlier this month.
Alternative / non-listed assets	Initial investment within real estate mandates	The first investments within the Real Estate mandates	Implementation work continues on the CBRE property mandate. Products for Long Lease (AVIVA Lime); Social & Affordable Housing (LGIM) and Impact (Orchard Street) are available to all ACCESS Authorities.

Theme	Milestone	2024/25 activity	February 2025 comment
Alternative / non-listed assets	The development of pooled asset solutions for other non-listed asset classes	<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>	<p>The appointment of Adamstreet & Harbourvest (for Private Equity) along with Golub & Arcmont (for Private Debt) have been confirmed with work in progress on required legal documentation.</p> <p>Infrastructure products from IFM and JPM, along with Timber products from Stafford and JPM are available to all ACCESS Authorities.</p> <p>Milestone will continue in 2025/26</p>
Passively managed assets	Ongoing monitoring of assets managed on a passive basis.	Further engagement and exploration with UBS will continue throughout the year.	UBS presented to the Investor User Group in June 2024. Milestone will continue in 2025/26
Governance	<p>Meetings and oversight</p> <p>Operational protocols</p>	<p>Arrangements will be made to support meetings of the Joint Committee (usually each quarter).</p> <p>Meetings of s151 Officers will also be held.</p>	<p>Five meetings have been scheduled during 2024/25, along with a May workshop, and briefings in September, December & January.</p> <p>Four quarterly meetings have been scheduled during 2024/25 along with a September briefing and an October strategy meeting. Furthermore, s151 Officers have held regular meetings throughout Project Castle.</p>

Theme	Milestone	2024/25 activity	February 2025 comment
Governance continued	Operational protocols (continued)	The implementation of the outcomes of the Third-Party Review	Paused in light of LGPS “Fit for the Future”
	Engagement with HM Government	The Pool will actively participate in any Cabinet Office/MHCLG pooling-related consultations.	An update on this matter appears elsewhere on this agenda.
		ACCESS will liaise with the Scheme Advisory Board (SAB) as appropriate.	ACCESS has representation on both the SAB’s Cross Pool Working Group on TCFD measures. and the SAB’s RI Advisory Group.
		Periodic reports will be provided to MHCLG as required.	The annual MHCLG return was submitted in October 2024.
	Joint Policies & guidelines	The implementation of RI reporting arrangements for the Pool.	Paused in light of LGPS “Fit for the Future” (ACCESS was confirmed as a Stewardship Code signatory in February 2025).
		An annual review will be conducted of the Pool’s RI Guidelines.	Paused in light of LGPS “Fit for the Future”
		Communications support to the pool will continue.	Tavistock continue to support the Pool’s communications.
		A review of the Pool’s communication Plan will be undertaken.	Paused in light of LGPS “Fit for the Future”

Theme	Milestone	2024/25 activity	February 2025 comment
ACCESS Support Unit (ASU)	Review of ACCESS Support Unit	The outcome of the third-party review of the ASU will be implemented.	Paused in light of LGPS “Fit for the Future”
	Annual Audit	An Internal Audit of the ASU will be conducted by Essex CC.	Rescheduled for commencement in 2025/26

**2025/26
Business Plan
& Budget**



1. Introduction

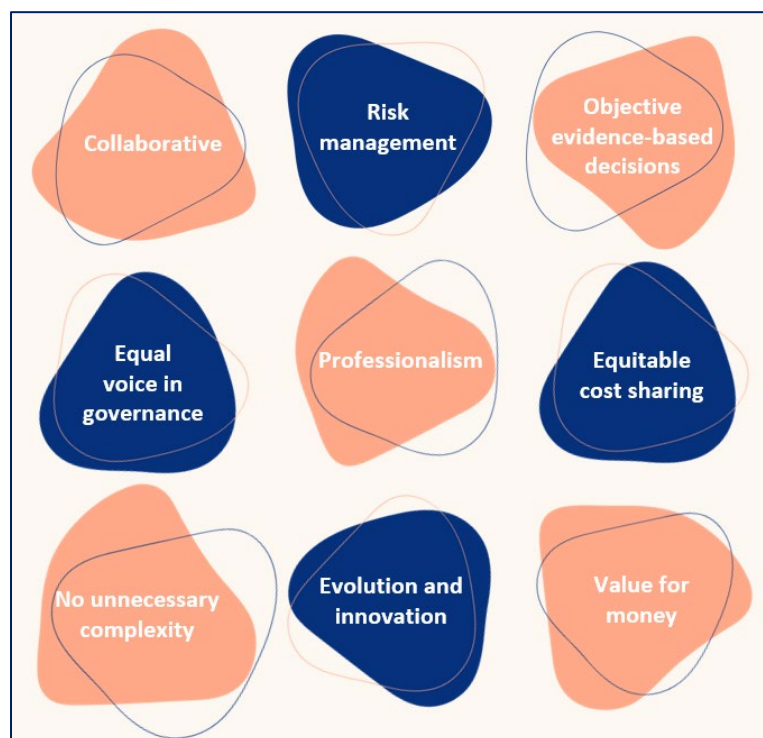
ACCESS was formed in 2016 when eleven Local Government Pension Scheme (LGPS) Authorities agreed to begin working collectively to address the requirements of the Government's agenda for pooling LGPS investments.

Following a review in 2024, the Pool's updated strategic objectives are:

- enable participating Authorities to execute their fiduciary responsibilities;
- provide a range of asset types necessary to enable those participating Authorities to execute their locally decided investment strategies as far as possible;
- to develop and maintain a resilient and sustainable pooling model enabling participating Authorities to achieve the benefits of pooling and apply the appropriate level of local decision making and control; and
- to maintain an efficient governance framework that underpins good and effective decision-making.

In order to achieve these objectives, the Councils have established a set of governing principles.

The governing principles are summarised below.



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

2. Context

The Chancellor of the Exchequer unveiled the Government's response to phase 1 of its own Pension Review in the Mansion House speech on 14 November 2024. This was accompanied by the publication of the consultation entitled Local Government Pension Scheme (LGPS): Fit for the future. Within this document Government outlined four "minimum standards" expected of all pools by March 2026. These are:

- I. Authorities to delegate implementation of investment strategy to their pool;
- II. Authorities to take their principal advice on their investment strategy from the pool;
- III. Authorities to transfer legacy assets to the management of the pool; and
- IV. Pools required to be investment management companies authorised and regulated by the Financial Conduct Authority (FCA), with the expertise and capacity to implement investment strategies.

In addition to inviting consultation responses to a number of questions by mid-January 2025, each LGPS Pool was required to provide a submission to Government which "demonstrate a clear path" to meeting the Consultation's requirements.

To respond to this requirement, ACCESS launched "Project Castle". To begin with this entailed a detailed evidence-led exploration of the options, from creating a build model, regulated by the Financial Conduct Authority (FCA), by setting up a new investment company; to seeking detailed responses to an extensive questionnaire from other pools on possible mergers. This analysis was conducted using a range of criteria - including governance and oversight, products and services, costs and value for money, timeline and risk. Consultants Alpha FMC were used on the technical aspects of the target operating model in addition to regular advisers Hymans Robertson and Squire Patton Boggs.

Following this option appraisal, it was the Joint Committee's unanimous view that the build model was the most appropriate proposal to Government for ACCESS. This option continues the development of ACCESS and enables our future to build upon the strong foundations our pool has already created.

This approach enables ACCESS to leverage its existing infrastructure built up over the last seven years and avoids the complexities of merging with others and creating pools with even greater numbers of partner funds and maintains ACCESS' "best in market" investment management approach.

Crucially, it is also the solution that is the least expensive option to meet HMG's criteria; even after the costs of the scheduled sub-fund review, it avoids the highest transaction costs.

3. 2025/26

The nature and scale of Project Castle in 2025/26 means that both the Business Plan and budget for next year differ markedly from previous years. The prime focus of activity will centre upon the following workstreams required to ensure the ACCESS Investment Management Company (IMCo) is established by March 2026:

- engagement with Government;
- governance pathway;
- ongoing client-side governance;
- IMCo build;
- recruitment;
- asset transition; and
- requisite procurements to ensure Project Castle is appropriately supported.

Whilst there will also be some activity which continues themes undertaken in previous years, the majority of workstreams will be related Project Castle.

4. 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.

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

A budget totalling **£13.309m** to support the business plan is included at section 5.

The *Joint Committee* will review progress against business plan milestones and spend against the budget at meetings throughout the year.

Theme	Milestone	2025/26 activity
Project Castle	Engagement with Government	<ul style="list-style-type: none"> - Participation in meetings with Ministers and Civil Servants. - Respond to Government request for information.
	Governance Pathway	<ul style="list-style-type: none"> - Define and agree key decision points. - Define governance pathway for local approvals.
	Ongoing client-side governance	<ul style="list-style-type: none"> - Design governance structures. - Define Responsible, Accountable, Consulted, Informed (RACI). - Develop Terms of Reference (TORs). - Draft and finalise legal agreements. - Determine approach to provision of fiduciary management oversight advice.
	IMCo build	<ul style="list-style-type: none"> - Register IMCo with Companies House - Agree key principles - Define and agree IMCo services - Blueprint design and planning - Detailed Target Operating Model (TOM) design+&delivery - FCA submission - Implement TOM & migrate investment services
	Recruitment and	<ul style="list-style-type: none"> - Agree entity hires are recruited into - Define & design recruitment process - Develop job specs - Define remuneration / benefits policy - Select agency - Conduct interviews
	Asset transition	<ul style="list-style-type: none"> - Sub fund review - Transition planning - Non-listed assets - RI considerations - Contract review - Contract novation

Theme	Milestone	2025/26 activity
Project Castle (contd.)	Requisite procurements to ensure Project Castle is appropriately supported	Procurements for appropriate advice and support will be undertaken as required.
Actively managed listed assets	Launch of Tranche 8 Sub-fund Review	Anticipated 2025/26 Review conclusion Implementation of review outcomes
Authorised Contractual Scheme Operator	The first full year of the new ACS Operator contract	New contractual arrangements established and embedded
Alternative / non-listed assets	Continued investment within Real Estate mandates Continued investment within infrastructure mandates The first full year of Private Equity allocator arrangement The first full year of Private Debt building blocks	Continued investment within: <ul style="list-style-type: none"> • CBRE managed accounts • Long Lease mandate (AVIVA Lime) First full year of: <ul style="list-style-type: none"> • CBRE managed transition accounts • CBRE established property vehicle • Social & Affordable Housing mandate (LGIM) • Impact mandate (Orchard Street) Continued investment within the infrastructure funds managed by: <ul style="list-style-type: none"> • JP Morgan • IFM First full year of Adamstreet & Harbourvest as private equity allocators Private equity vehicle established First full year of European & US mandates

Theme	Milestone	2025/26 activity
Alternative / non-listed assets (contd.)	The exploration and development of further non-listed opportunities	Consideration of further non- listed investment opportunities as required
Passively managed assets	Ongoing monitoring of assets managed on a passive basis	Further engagement with UBS will continue throughout the year
Governance	<p>Meetings and oversight</p> <p>Engagement with HM Government and Scheme Advisory Board</p> <p>Responsible Investment</p> <p>Communications</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>Ongoing dialogue with both Government and Scheme Advisory Board on matters aside from Project Castle</p> <p>Periodic reports will be provided to MHCLG as required</p> <p>Consideration of approach to future Stewardship Code submissions</p> <p>Review of RI Guidelines</p> <p>The continuation of Communications support to the Pool</p>
ACCESS Support Unit (ASU)	Internal Audit	An annual internal audit of the ASU will take place

5. Budget 2025/26

The budget for 2025/26 is detailed below.

	Original Budget 2024/25 £	Budget increase agreed at Sept JC 2024/25 £	Budget increase proposed at Mar JC 2024/25 £	Revised Budget 2024/25	Proposed Budget 2025/26 £
ASU					
ASU Salaries (incl. on cost)	522,436	100,000		622,436	590,468
ASU Operational	24,000			24,000	25,200
ASU Host Authority Recharge	37,307			37,307	39,172
Technical Lead Recharge	55,000			55,000	50,000
ASU Total	638,743			738,743	704,841
Professional Costs					
<i>Internal Professional Costs</i>					
JC Secretariat	24,255			24,255	25,468
Procurement	180,000			180,000	115,000
<i>Internal Professional Costs</i>	204,255			204,255	140,468
<i>External Professional Costs</i>					
Strategic & Technical	664,000		200,000	864,000	9,113,633
Legal & Governance	199,920		250,000	449,920	3,350,691
<i>External Professional Costs</i>	863,920			1,313,920	12,464,324
Professional Costs Total	1,068,175			1,518,175	12,604,792
Total Costs	1,706,918	100,000	450,000	2,256,918	13,309,633
Cost Per Authority	155,174	9,091	40,909	205,174	1,209,967

Value for money considerations have been adopted in the preparation of this budget and key assumption are set out overleaf.

6. Key budget assumptions

This budget is based on the assumption that the work to complete Project Castle will take place during 2025/26. Project Castle is the establishment and launch, by March 2026, of an ACCESS investment management company with appropriate arrangements for Administrative Authorities interaction in line with the minimum standards set out in the November 2024 consultation document Local Government Pension Scheme: Fit for the future.

The continued and expanded use of advisers to support Project Castle workstreams has been assumed. Where necessary, procurements lead by Hampshire County Council will be utilised.

7. Key risks

The key risks include:

- Government response to submission made by ACCESS (and all other pools)
- Establishing the company: including key recruitment hires, sourcing appropriate infrastructure and facilities
- FCA Authorisation
- Governance pathway: all AAs being in a position to make appropriate decisions and appropriate times

The above risks feature in the pool's risk register.

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