

**2020/21 Business Plan update, revised  
outturn and Risk Summary**

**2021/22 Proposed Business Plan and  
Budget**



**ACCESS Joint Committee**

**Date: 13 January 2021**

**Report by: Officer Working Group**

<b>Subject:</b>	<b>2020/21 Business Plan update, revised outturn and Risk Summary</b> <b>2021/22 Proposed Business Plan and Budget</b>
<b>Purpose of the Report:</b>	To provide an update on the activities undertaken since the last Joint Committee.  To propose a Business Plan and Budget for 2021/22.
<b>Recommendations:</b>	The Committee is asked to note the 2020/21 updated business plan, the revised outturn and summary risk register.  The Committee is also asked to consider the proposed business plan and budget for 2021/22 and <ul style="list-style-type: none"><li>• recommend the 2021/22 business plan to the ACCESS Authorities; and</li><li>• accepts the recommendation of the s151 Officers from ACCESS Authorities to determine the 2021/22 budget totalling £1.247m to support the proposed business plan.</li></ul>
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## **1. Background**

- 1.1. The Business Plan for 2020/21 was agreed by the Joint Committee (JC) in December 2019 prior to being referred to the ACCESS Authorities.
- 1.2. At that meeting the JC also determined the budget necessary to implement this year's plan and to be charged to the relevant Authorities.

## **2. COVID-19 implications**

- 2.1. It is anticipated that meetings will continue be held on a virtual basis.

## **3. 2020/21 Business Plan – general update**

- 3.1. Activities shown in the Business Plan (Annex A) that are also the subject of separate items on the Committee's agenda include:
  - Environmental, Social Governance (ESG) / Responsible Investment (RI)
  - Alternative / illiquid assets
  - Sub-fund implementation
  - Contract Management
  - Scheduled BAU evaluation
- 3.2. A workshop on Communications is planned after the JC's meeting has concluded.
- 3.3. As notified at the JC's September meeting Authorities are in the process of adopting the revised ACCESS Inter Authority Agreement (IAA).

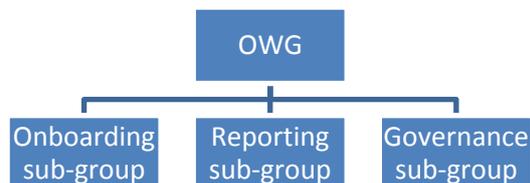
#### 4. 2020/21 Business Plan – review of size & scope of ACCESS Support Unit

4.1. The 2020/21 Business Plan includes a review of the size and scope of the ACCESS Support Unit (ASU). The key milestones in the review are set out below:

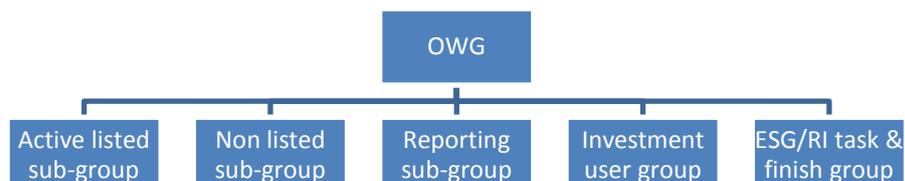
Date	Activity
1 October 2020	Discussion paper 1 issued to OWG
October & November	Interim ASU Director undertakes virtual visits to each Authority
Late November	Discussion paper 2 issued to OWG
3 December	OWG agreement to proposals
11 December	S151 officers' agreement to proposals
13 January 2021	Joint Committee

4.2. The first discussion paper noted that the current size of the ASU was based on consideration of a scenario that none of the Authorities had at that time encountered, and itself was a compromise. The strong levels of collaboration and engagement were highlighted along with the high value placed on the work of both Technical Leads in supporting key workstreams and Kent County Council in providing Secretariat service. The increased workload on LGPS Authorities, stemming from pooling, but also other matters (e.g. McCloud) were outlined. The paper noted the growing complexity of workstreams and the lack of resilience within the current ASU structure. Analysis of the existing ASU officer role profiles indicated implicit rather than explicit reference to pool's most fundamental stakeholders - the ACCESS Authorities. The requirements were noted of both effective contract and supplier relationship and the expanded officer group structure which commenced in September:

Former officer group structure (pre lockdown)



New officer group structure (from September 2020)



4.3. Common themes discussed during the virtual visits were:

- recognition of the increased pressure on Authorities;
- acceptance that the ability to increase Technical Lead capacity was unlikely;
- recognition of the increased workload implication of the business plan on the ASU; and
- support for an expanded ASU.

4.4. Discussion paper 2 proposed that the ASU be increased from 3 full time equivalent posts (FTEs) to 5. The proposed two new posts, both of which increase the ASU's resilience, are:

a Client Manager: at the same grade as Contracts Manager. The role would act as champion for ACCESS Authorities' requirements across all levels of engagement representation and investment. It would involve anticipating and identifying commonalities between Authorities and translating these into plans and outcomes. The role combines active involvement throughout the ACCESS governance model with hands on initiation of workstreams and representing the ASU to the JC and s151 Officers.

an additional Support Officer: at a similar grade to the existing Support Officer. This role would reinforce ASU capacity to support the increased activity and the expanded officer group structure.

4.5. The estimated cost of this revision, including salaries, Employer's NI and LGPS contributions, is £160,000.

4.6. The proposal also includes the suggestion to leave the existing Technical Lead profile in place and review after the revised ASU FTE establishment has been implemented.

4.7. On 3 December the above proposals were discussed and agreed by OWG.

4.8. On 11 December the above proposals were discussed and agreed by s151 Officers. As a consequence, the financial implications of the proposals have been included within the 2021/22 budget.

## **5. 2020/21 budget**

5.1. At its December 2019 meeting the JC determined a budget of £1.080m to support the 2020/21 Business Plan. Details are included overleaf:

	Original Budget 2020/2021 £	Revised Budget 2020/2021 £	January JC forecast 2020/2021 £	Overspend / (Underspend) 2020/2021 £
<b>ASU</b>				
ASU Salaries (incl. on cost)	300,261	300,261	296,740	(3,521)
ASU Operational	20,580	20,580	15,625	(4,955)
ASU Host Authority Recharge	42,725	42,725	42,725	(0)
ASU JC Secretariat Support	14,000 *	-	-	-
Technical Lead Recharge Costs	89,747	89,747	45,146	(44,601)
<b>ASU Total</b>	<b>467,313</b>	<b>453,313</b>	<b>400,236</b>	<b>(53,077)</b>
<b>Professional Costs</b>				
<i>Internal Professional Costs</i>				
JC Secretariat	5,000 *	19,000	16,502	(2,498)
Procurement	60,000	60,000	45,000	(15,000)
<i>Internal Professional Costs</i>	<u>65,000</u>	<u>79,000</u>	61,502	(17,498)
<i>External Professional Costs</i>				
Strategic & Technical	344,000	344,000	353,450	9,450
Legal & Governance	203,450	203,450	154,600	(48,850)
<i>External Professional Costs</i>	<u>547,450</u>	<u>547,450</u>	508,050	(39,400)
<b>Professional Costs Total</b>	<b>612,450</b>	<b>626,450</b>	<b>569,552</b>	<b>(56,898)</b>
<b>Total Costs per 2020/2021</b>	<b>1,079,763</b>	<b>1,079,763</b>	<b>969,788</b>	<b>(109,975)</b>
<i>Check</i>				
<b>Cost Per Authority</b>	<b>98,160</b>	<b>98,160</b>	<b>88,163</b>	<b>(9,998)</b>

5.2. \* Reflecting the decision at the July JC to extend to provision of Secretariat services by Kent County Council; the required reprofiling is reflected within the column entitled "Revised Budget 2020/21".

5.3. Key forecast variances against budget are outlined below:

- ASU Operational: this budget line includes travel expenses which are not being incurred in the current virtual meeting environment;
- Technical Lead recharge costs: these costs have tended to be less than anticipated. During 2020/21 the number of Technical Leads able to devote time has reduced from four officers to three;

- Procurement: the budget was based on an assumed four procurements during the year. This is now anticipated to be three (Communications partner; ESG/RI adviser, Illiquids Implementation Adviser);
- Legal & Governance: the budget assumed that implementation of illiquids would have commenced at the start of the current financial year. It is now forecast that these costs are likely to fall into 2021/22.

## 6. Risk Summary

6.1. A summary of the risk profile is shown below.

	Nov 20	Jan 20
Red	2	2
Amber	14	14
Green	7	7

## 7. 2021/22 Business Plan and budget

7.1. It is anticipated that 2020/21 will see key activities within the following themes:

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

**Alternative / non-listed assets:** the implementation of pooled alternative assets will commence.

**Passive assets:** ongoing monitoring and engagement with UBS.

**Governance:** the application of appropriate forms of governance throughout ACCESS.

**ACCESS Support Unit (ASU):** the completion of the implementation of the increased ASU.

7.2. The full business plan is set out in Annex 2. This includes milestones for each theme along with details of the key activities.

7.3. A draft budget totalling £1.247m for 2021/22 is also included within Annex 2. The assumptions underpinning the budget include:

- A full year effect on an ASU increased in size from three to five full time members of staff (as detailed in section 4);
- Joint Committee Secretariat services remaining with Kent County Council for the duration of 2021/22;
- External consultancy on a range of matters including:

- the establishment of pooled arrangements for alternative assets, along with associated procurements and technical advice;
  - the development and implementation of pool Environmental, Social and Governance (ESG) / Responsible Investment (RI) guidance along with associated required reporting;
  - pool communications and communications strategy.
- External legal advice.

7.4. The draft budget was discussed at the s151 Officer meeting on 11 December who agreed that it should be recommended to the Joint Committee.

## **8. Recommendations**

- 8.1. The Committee is asked to note the 2020/21 updated business plan, the revised outturn and summary risk register.
- 8.2. The Committee is also asked to consider the proposed business plan and budget for 2021/22 and
- recommend the 2021/22 business plan to the ACCESS Authorities; and
  - accepts the recommendation of the s151 Officers from ACCESS Authorities to determine the 2021/22 budget totalling £1.247m to support the proposed business plan.