

# Business Plan, Budget & Risk Management



## ACCESS Joint Committee

Date: 4 March 2024

Report by: Director of ACCESS Support Unit

<b>Subject:</b>	<b>Business Plan, Budget &amp; Risk Management</b>
<b>Purpose of the Report:</b>	To provide an update on the activities undertaken since the last Joint Committee, associated spend and risk summary.
<b>Recommendations:</b>	The Committee is asked to note the: <ul style="list-style-type: none"><li>• 2023/24 Business Plan update;</li><li>• 2023/24 budget update; and</li><li>• risk summary.</li></ul>
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## **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 9 February 2024 and their feedback has informed this final version.

## **2. 2023/24 Business Plan**

2.1 The Business Plan for **2023/24** was agreed by the JC in December 2022 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 Activities within this year's 2023/24 Business Plan (Annex A) that are also the subject of separate items on the Committee's agenda include:

- Third-party review
- Operator re-procurement
- Alternative / non-listed assets
- Investment performance
- Sub-fund implementation
- Contract and supplier relationship management
- Risk Register

## **3. Responsible Investment**

3.1 At its last meeting on 4 December 2023, the Joint Committee were made aware PIRC colleagues had initiated the work for Phase II of the Pool's Responsible Investment workstream. Four main themes have been identified:

- I. Reporting Framework;
- II. Review of the ACCESS RI Guidelines;
- III. Voting Guidelines update; and
- IV. Stewardship Code Submission.

A verbal update on the projected schedule of the four themes will be given at the meeting.

3.2 The ESG/RI sub-group have been meeting monthly and held discussions on the following:

- The structure and draft content of a stewardship code submission on behalf of the ACCESS Pool;
- The existing and potential future arrangements for quarterly stewardship reporting;
- A review and comparison of the current voting guidelines; and
- Initial conversations in relation to the ACCESS RI Guidelines.

3.3 PIRC colleagues are meeting with individual Authorities outside of the ESG/RI sub-group to discuss requirements at an Authority Fund level.

#### **4. Communications**

- 4.1 At its last meeting on 4 December 2023, the Joint Committee noted the appointment of Tavistock as Communications Partner for the ACCESS Pool. Since that meeting contractual arrangements have been finalised on a six-year contract (four years plus an option to extend for up to two years).
- 4.2 A series of initial meetings were held between colleagues at Tavistock and the ASU. These principally focussed on induction arrangements, background to the development of the ACCESS pool and the current LGPS environment. A further session was also held including Cllr Kemp-Gee and Cllr Barker, the Committee's Chairman and Vice-Chairman.
- 4.3 Tavistock have been undertaking the press office / media liaison function since the start of 2024 and have been involved in the press releases covering the Pool's recent activity on alternative assets including:
- [Global Timberland manager search 12 January](#)
  - [IFM and J.P. Morgan Infrastructure Funds 17 January](#)
  - [Social & Affordable Housing manager search 19 January](#)
- 4.4 Anticipated upcoming activity includes dialogue with spokespeople, review of messaging and preparations for a Progress Update.

#### **5. Review of arrangements for Local Pension Board (LPB) Observers at Joint Committee meetings**

- 5.1 In March 2022, the Joint Committee agreed to invite two LPB observers from each Authority to join the meetings in person approximately once a year on a rotational basis. The requisite changes to the Inter-Authority Agreement (IAA) were agreed in principle by Summer 2022 and the observer attendance started informally from Autumn 2022. The revised IAA was approved in early 2023 and the observer attendance became formal from March 2023 onwards.
- 5.2 The original Joint Committee decision was to conduct a review of the LPB observer arrangements after one year of formal implementation, which is due now. As a result, each Authority will be approached in late March 2024 seeking opinion and asking for feedback on the LPB arrangements. Following receipt of feedback, a report will be brought back to the Committee.

## **6. ACCESS Support Unit staffing**

- 6.1 Mark Paget, Contracts Managers has indicated his intention to retire by the end of the current calendar year. Mark was the ASU's first recruit having been appointed in November 2018. He has been fundamental to shaping how the Pool has conducted supplier relationship in addition to making significant contributions across multiple workstreams. Arrangements to fill the eventual Contracts Manager vacancy will be taken forward by the ASU Director in liaison with s151 Officers.

## **7. Officer Working Group**

- 7.1 Paul Finbow (Head of Pensions, Suffolk) is retiring in early June 2024. Paul has represented Suffolk at OWG since the formation of ACCESS in 2016. From 2020, Paul has chaired OWG and been instrumental to that group's participation in the progressing milestones within the Business Plan agreed by the Joint Committee. He has regularly attended Joint Committee meetings in addition to deputising as Suffolk's representative at s151 Officer Group when required.
- 7.2 Jo Thistlewood (Pension Fund Manager, Isle of Wight) has accepted the position of Head of Pension Fund at Berkshire and is understood to commence her new post in April 2024. Jo has represented IoW at OWG and the s151 Officers Group since the formation of ACCESS in 2016. She has regularly attended Joint Committee meetings and on many of those occasions has done so as representative of the s151 Officers Group.
- 7.3 Both Paul and Jo have played key roles in both representing their own Authorities and the development of the ACCESS pool. Their respective contributions are greatly valued.

## 8. 2023/24 Budget

8.1 At its December 2022 meeting, the Committee determined a budget of **£1,559,033** to support the 2023/24 business plan. Details are shown within the following table.

	Budget 2023/2024 £	Actual Costs as at 31 Jan 24 2023/2024 £	Estimated 01-Feb-24 to 31-Mar-24 £	Actual Costs Jan plus Forecast 2023/2024 £	Overspend / (Underspend) 2023/2024 £
<b>ASU</b>					
ASU Salaries (incl. on cost)	499,833	438,612	79,373	517,985	18,152
ASU Operational	23,000	11,606	5,484	17,090	(5,910)
ASU Host Authority Recharge	35,700	29,750	5,950	35,700	0
Technical Lead Recharge Costs	40,000	39,284	14,000	53,284	13,284
<b>ASU Total</b>	<b>598,533</b>	<b>519,252</b>	<b>104,807</b>	<b>624,059</b>	<b>25,526</b>
<b>Professional Costs</b>					
<i>Internal Professional Costs</i>					
JC Secretariat	23,100	16,599	5,936	22,535	(565)
Procurement	145,000	19,000	22,000	41,000	(104,000)
<i>Internal Professional Costs</i>	168,100	35,599	27,936	63,535	(104,565)
<i>External Professional Costs</i>					
Strategic & Technical	602,000	385,500	172,457	557,957	(44,043)
Legal & Governance	190,400	284,337	74,500	358,837	168,437
<i>External Professional Costs</i>	792,400	669,837	246,957	916,794	124,394
<b>Professional Costs Total</b>	<b>960,500</b>	<b>705,436</b>	<b>274,893</b>	<b>980,329</b>	<b>19,829</b>
<b>Total Costs for the Financial Year</b>	<b>1,559,033</b>	<b>1,224,688</b>	<b>379,700</b>	<b>1,604,388</b>	<b>45,355</b>
<b>Cost Per Authority</b>	<b>141,730</b>	<b>111,335</b>	<b>34,518</b>	<b>145,853</b>	<b>4,123</b>

8.2 The following matters are highlighted:

- ASU staffing: Between 1 May 2023 and 31 January 2024 Paul Tysoe worked as an additional Client Manager, on a part time basis. In undertaking this role, Mr Tysoe assisted Alistair Coyle commence his role as full time Client Manager and supported the work of the ASU across listed asset, non-listed asset and Responsible Investment workstreams. An overspend of £18,152 is estimated on this budget line.
- The ASU Host Authority recharge includes finance, information, technology, human resources and property services.
- Technical Lead Recharge: increased workload particularly in respect of the range and scope of reporting has contributed to an estimated overspend of £13,284.
- Procurement: a number of processes originally planned to conclude in 2023/24 will now conclude in 2024/25. The associated costs will now fall into 2024/25 resulting in an estimated underspend of £104,000.

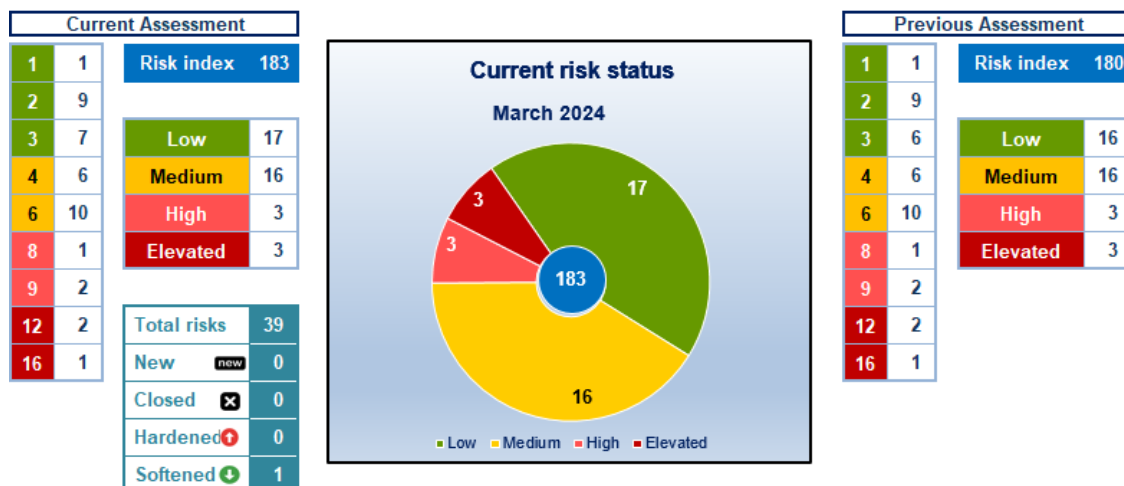
8.3 Further detail in relation to External Professional costs have been provided and shown in the Part II Annex B to this report.

8.4 The Independent Third-Party Review appears elsewhere on this agenda. Any resourcing implications arising from the Third-Party Review will form part of the budget considerations of the s151 Officer Group, which in turn will be brought to the Joint Committee as in-year recommendations during 2024/25.

9. Risk Summary

9.1 A summary of the current risk profile is shown below. A more detailed report appears within the Part II Annex C to this report.

**Risk Management Dashboard**  
March 2024



## **10. Recommendations**

10.1 The Committee is asked to note the:

- 2023/24 Business Plan update;
- 2023/24 budget update; and
- risk summary.