



2022/23

Business Plan
& Budget

Introduction

ACCESS has its origins 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 2021/22 further progress continued in pooling active listed assets, and the foundation of the pool's approach to illiquid assets was put in place. In partnership with Minerva, the pool's Responsible Investment Adviser, work was undertaken on updating Environmental, Social and Governance / Responsible Investment guidelines.

Alongside appointed partner Engine MHP, work was undertaken to develop ACCESS's approach to communications.

It is anticipated that 2022/23 will see key activities within the following themes:

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

Alternative / non-listed assets: the first full year's activity on the implementation of pooled alternative assets.

Passive assets: ongoing monitoring and engagement with UBS.

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

ACCESS Support Unit (ASU): an external review of the ASU.

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 a number of the 2022/23 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 **£1.366m** to support the business plan is included at the end of this paper.

Theme	Milestone	2022/23 activity
Actively managed listed assets	Launch of Tranche 5b	Anticipated 2022/23
	Launch of Tranche 5c	Anticipated 2022/23
	Determine, approval & launch of Tranche 6	Anticipated 2022/23
	Scheduled BAU evaluation	Continued implementation outcomes of Scheduled BAU evaluation including the commencement of an IAA review in September 2022
Alternative / non-listed assets	Initial implementation of approach to pool illiquid assets <i>Following the appointment of the pool's Implementation Adviser in 2021/23</i>	The first pooled illiquid vehicles will be launched
Passively managed assets	Ongoing monitoring of assets managed on a passive basis	Further engagement and exploration with UBS will continue throughout the year
Governance	Meetings and oversight	Arrangements will be made to support meetings of the Joint Committee (usually each quarter) Meetings of s151 Officers will also be held

Theme	Milestone	2022/23 activity
	<p data-bbox="424 427 759 461">Operational protocols</p> <p data-bbox="424 562 884 734">Engagement with HM Government Department for Levelling UP, Communities & Housing (DLUCH)</p> <p data-bbox="424 1155 807 1189">Joint Policies & guidelines</p>	<p data-bbox="986 248 1433 371">Where required training will be provided, this may involve third party providers</p> <p data-bbox="986 427 1414 506">The implementation of the revised Governance Manual</p> <p data-bbox="986 562 1385 685">ACCESS will liaise with the Scheme Advisory Board as appropriate</p> <p data-bbox="986 741 1337 864">Periodic reports will be provided to DLUCH as required</p> <p data-bbox="986 920 1417 1088">The Pool will actively participate with any Cabinet Officer / DLUCH pooling-related consultations</p> <p data-bbox="986 1144 1445 1368">Continued activity will take place on implementing the Communications plan. A procurement will take place for Communications support</p> <p data-bbox="986 1424 1437 1693">The implementation of revised ESG / RI guidelines on ESG / RI. A procurement will be completed for RI reporting support</p>
ACCESS Support Unit (ASU)	ACCESS Support Unit	A third-party review of the ASU will be undertaken

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

Budget 2022/23

The budget for 2022/23 is detailed below.

	Budget 2021/2022 £	Joint Cttee 6 Dec '21 £	Budget 2022/2023 £
ASU			
ASU Salaries (incl. on cost)	460,261	419,494	465,000
ASU Operational	20,580	14,865	23,000
ASU Host Authority Recharge	64,087	30,000	35,000
Technical Lead Recharge Costs	40,000	38,752	45,000
ASU Total	584,928	503,111	568,000
Professional Costs			
<i>Internal Professional Costs</i>			
JC Secretariat	21,761	16,500	22,000
Procurement	45,000	27,000	60,000
<i>Internal Professional Costs</i>	66,761	43,500	82,000
<i>External Professional Costs</i>			
Strategic & Technical	433,000	348,167	546,000
Technical			
Legal & Governance	162,330	160,000	170,000
Project Management	-		-
<i>External Professional Costs</i>	595,330	508,167	716,000
Professional Costs Total	662,091	551,667	798,000
Total Costs per 2020/2021	1,247,019	1,054,778	1,366,000
Cost Per Authority	113,365	95,889	124,182

The key assumptions contained within the budget are outlined below:

Key budget assumptions

The first full year effect of the ASU comprising of five full time officers.

The continued level of Technical Lead support.

Joint Committee Secretariat services remaining with Kent County Council for the duration of 2021/22.

Expenditure for a Procurement Lead Authority to deliver the following:

- procurement support for the provision of pooled illiquid / non-listed assets;
- the procurement of communications support;
- the completion of procurement for reporting arrangements for Responsible Investment.

External professional costs cover a range of matters including:

- ongoing advice and project management support in relation to the Scheduled BAU evaluation;
- the required reporting associated with Responsible Investment guidance;
- pool communications and communications strategy;
- ongoing advice in support of operational pool activity.

External legal advice.