



2021/22

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 participating Authorities 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 Authorities to execute their locally-determined investment strategies as far as possible;
- enable participating Authorities 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 participating Authorities have established a set of governing principles. Furthermore, the Joint Committee recommends an annual business plan to the ACCESS Authorities.

The governing principles are set out below, and the annual business plan for 2021/22 is on the following pages.

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 LGPS Authorities.

Context

Significant progress continued during 2020/21 in pooling active listed assets, and key groundwork took place in identifying and establishing the pool's approach to illiquid assets.

During 2020/21 the Joint Committee appointed both a Communications partner and an ESG/RI adviser.

In early 2021, as part of ongoing collaborative working, a joint procurement for global custody services is scheduled for completion.

It is anticipated that 2021/22 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.

Business Plan

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 2021/22 milestones build on work previously undertaken and will in turn provide the foundation for further milestones in subsequent years.

On a day-to-day basis, the work will be co-ordinated by the ACCESS Support Unit to deliver each milestone with a series of workstreams to support additional requirements. The work is steered/reviewed by meetings of the *Officer Working Group*. The milestones will indicate where third-party providers may be required. Oversight by *s151 Officers* will be via periodic meetings.

The *Joint Committee* will receive updates on the milestones at each meeting.

Budget

A budget totalling **£1.247m** to support the business plan is included at the end of this paper.

Theme	Milestone	2021/22 activity
Actively managed listed assets	Launch of Tranche 5b	Anticipated June 2021
	Launch of Tranche 6	Anticipated July 2021
	Determine, approval & launch of Tranche 7	Timing for approval & launch TBC
	<i>Ensure sub-funds meet Link's due diligence requirements and ACCESS Authorities' Value for Money criteria (including transition activity). Manager search and selection activity where required. Work with Link to submit applications to the FCA for approval of the set-up of sub-funds. Launch. A process for transitioning between sub-funds is established.</i>	
	Scheduled BAU evaluation	Implement outcomes of Scheduled BAU evaluation
Alternative / non-listed assets	Implementation of approach to pool illiquid assets. <i>Following work undertaken in 2020/21 to consider the needs and implementation options.</i>	The implementation of pooled alternative assets will commence in 2021/22.

Theme	Milestone	2021/22 activity
Alternative / non-listed assets (contd.)		The work undertaken, and potentially aspects of any training, will use third-party providers as required.
Passively managed assets	<p>Ongoing monitoring of assets managed on a passive basis.</p> <p><i>This follows the migration of passive assets held by ACCESS Authorities to UBS in early 2018.</i></p>	Engagement with UBS will continue throughout the year.
Governance	<p>Meetings and oversight</p> <p>Operational protocols</p> <p>Engagement with HM Government</p>	<p>Arrangements will be made to support meetings of the Joint Committee (usually each quarter). Meetings of s151 Officers will also be held. Where required training will be provided, this may involve third party providers.</p> <p>Further development of protocols around key processes associated with the Pool's day-to-day operation will take place during the year. Third-party providers will be used where required.</p> <p>ACCESS will liaise with the Scheme Advisory Board as appropriate.</p> <p>Periodic reports will be provided to MHCLG as required.</p>

Theme	Milestone	2021/22 activity
	Joint Policies & guidelines.	<p>The Pool will actively participate with any Cabinet Officer / MHCLG pooling-related consultations.</p> <p>The Communications plan will be implemented.</p> <p>The review of joint guidelines on ESG / RI will be completed.</p>
ACCESS Support Unit (ASU)	ACCESS Support Unit	The implementation of the increased ASU will be completed.

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

Budget 2021/22

The budget for 2021/22 is detailed below.

	Draft Budget 2021/2022 £
ASU	
Interim ASU Support	-
ASU Salaries (incl. on cost)	460,261
ASU Operational	20,580
ASU Host Authority Recharge	64,087
Technical Lead Recharge Costs	40,000
ASU Total	584,928
Professional Costs	
<i>Internal Professional Costs</i>	
JC Secretariat	21,761
Procurement	45,000
<i>Internal Professional Costs</i>	66,761
<i>External Professional Costs</i>	
Strategic & Technical	433,000
Legal & Governance	162,330
<i>External Professional Costs</i>	595,330
Professional Costs Total	662,091
Total	1,247,020
<i>Check</i>	<i>(129,257)</i>
Cost Per Authority	113,365

The key assumptions contained within the budget are outlined overleaf.

Key budget assumptions

A full year effect on an ASU increased in size from three to five full time members of staff (as detailed in section 4 of the cover report).

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.