



2020/21

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 2020/21 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

Having migrated all passive assets to UBS in early 2018, a number of sub funds for active assets have been launched since November 2018 by Link, the pool's Authorised Contractual Scheme (ACS) Operator. The ACCESS Support Unit (ASU) was formalised in 2018 and fully staffed by mid-2019. The original Inter Authority Agreement was reviewed and updated in 2019, and work commenced on scoping the pool's approach to alternatives.

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 initial implementation of pooled alternative assets.

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

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

**ACCESS Support Unit (ASU):** the size and scope of the ASU will be reviewed.

## 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 2020/21 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 monthly meetings of the *Officer Working Group*. The milestones will indicate where third party providers may be required. Oversight by *s151 Officers* will be via quarterly meetings.

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

## Budget

A budget totalling **£1.080m** to support the business plan is included at the end of this paper.

Theme	Milestone	2020/21 activity
<b>Actively managed listed assets</b>	Launch of Tranche 5a	Anticipated April & May 2020
	Launch of Tranche 5b	Anticipated July 2020
	Determine, approval & launch of Tranche 6	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 application to the FCA for approval of the sub fund set up. Launch. A process for transitioning between sub-funds is established.</i>	
	Scheduled BAU evaluation	An evaluation of BAU arrangements will be undertaken and reported to the Joint Committee in March 2021 to inform future planning. Third party providers will be used where required.
<b>Alternative / non listed assets</b>	Commence implementation of approach to pool illiquid assets <i>Following work undertaken in</i>	The initial implementation of pooled alternative assets will commence in 2020/21.

	<i>2019/20 to consider the requirements and implementation options.</i>	The work undertaken, and potentially aspects of any training, will use third party providers as required.
<b>Passively managed assets</b>	Ongoing monitoring of assets managed on a passive basis.  <i>This follows the migration of all passive assets held by ACCESS Authorities to UBS in early 2018.</i>	Engagement with UBS will continue throughout the year.
<b>Governance</b>	Meetings and oversight  Operational protocols  Engagement with HM Government	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.  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.  ACCESS will liaise with the Scheme Advisory Board as appropriate.  Periodic reports will be supplied to MHCLG as required.  The Pool will actively

	Agreement to Joint Polices & guidelines.	<p>participate with any Cabinet Officer / MHCLG pooling related consultations.</p> <p>The Joint Committee will review its Communications Policy.</p> <p>Work will be undertaken to finalise joint guidelines on ESG / RI.</p>
ACCESS Support Unit (ASU)	ACCESS Support Unit	The size and scope of the ASU will be reviewed.

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

The budget for 2020/21 is detailed below.

	£	£	£
<b>ASU</b>			
ASU Salaries (incl On Cost)		300,261	
ASU Operational		20,580	
ASU Host Authority Recharge		42,725	
ASU JC Secretariat Support		14,000	
Technical Lead Recharge Costs		89,747	
<b>ASU Total</b>			<b>467,313</b>
<b>Professional Costs</b>			
<i>Internal Professional Costs</i>			
JC Secretariat	5,000		
Procurement	60,000		
<i>Internal Professional Costs</i>		65,000	
<i>External Professional Costs</i>			
Strategic & Technical	344,000		
Legal & Governance	203,450		
Project Management	-		
		547,450	
<b>Professional Costs Total</b>			<b>612,450</b>
<b>Total Costs per 2020/2021</b>			<b>1,079,763</b>
<b>Cost Per Authority</b>			<b>98,160</b>

The key assumptions contained within the budget are outlined overleaf.

### Key budget assumptions

Three full time members of staff within the ASU.

Four ASU Technical Lead Officers, drawn from the ACCESS Authorities, on a part-time basis, broadly equating to 1 full time post.

A summer handover between Kent & Essex re: JC secretariat

External consultancy on the establishment of pooled arrangements for alternative assets, along with associated procurements and technical advice.

External legal advice.