

Blakeney, Norfolk



ACCESS ANNUAL REPORT 2024/25



Foreword

At the first meeting after the end of 2024/25, and in accordance with the ACCESS Inter-Authority Agreement, elections were held for the positions of Chairman and Vice-Chairman of the ACCESS Joint Committee. I am honoured to have been elected as Chairman and delighted that one of our longstanding Members, Cllr Gerard Fox from the East Sussex Pension Fund, is now the Vice-Chairman.

Of course, this Annual Report covers a year of activity in which my predecessor, Cllr Mark Kemp-Gee (Hampshire), was Chairman. In more than five years in the role, during which time I was Vice-Chairman, he led the Committee through the expansion of our pool's listed and non-listed asset offerings, the implications of the COVID pandemic and more recently the Government consultation on LGPS: Fit for the future. I would therefore like to place on record the thanks and appreciation of the Joint Committee for all of Cllr Kemp-Gee's leadership and work. We are all also grateful that Cllr Kemp-Gee will continue to represent Hampshire on the Committee and know that we will benefit from his experience and insight in the coming months.

The pooling landscape that first started to take shape in 2016 did not specify a particular model. The pool structure ACCESS chose to create continued the market sourced approach our Authorities have always adopted, and although some other pools took different pathways, we were not alone in the model adopted. 2024/25 has been dominated by the Government's Pension Review and the implications for LGPS pools. Following last September's Call for Evidence, the Consultation entitled LGPS: Fit for the future was launched after the

Chancellor's November Mansion House speech. This developed original Government thinking and consolidated the notion of "one model" for all pools. Against a March 2026 deadline for pools to be built around an FCA regulated investment management company, options included merger and, for those with models such as ACCESS, building an FCA company.

In order to comply with the expectations of LGPS Fit for the future, ACCESS launched Project Castle initiating an intense period of dialogue, engagement and analysis.

The result was a detailed assessment of options culminating in a 60-page, 18,000 word submission to Ministers in late February, setting out the rationale for why the most effective course of action for our pool was to build our own FCA investment management company. As will be widely known, shortly after the end of 2024/25, in early April, we were extremely disappointed when Ministers indicated that they had chosen not to support ACCESS's proposal. At the time of writing the Joint Committee, ACCESS Authorities and the ACCESS Support Unit continue to work through the implications of that decision.

In closing I would like to thank my fellow ten Joint Committee members, each representing their respective Authorities, along with the Officers who support them, and the ACCESS Support Unit (ASU).

Cllr Susan Barker

Chairman of the ACCESS Joint Committee
Chairman of the Essex Pension Fund Strategy Board



Introduction

It is important to highlight that there were many activities and workstreams which came to fruition during the year which included the following achievements and successes:

- further expansions to product offerings, particularly within the non-listed space, meant that pooled assets rose to £49bn, representing 74% of all AUM across the 11 ACCESS Authorities;
- the re-appointment of Waystone as ACS operator following a detailed procurement process;
- independent cost analysis by Clearglass indicated that ACCESS had saved £49m (18bps) in investment management fees and risen to the 7th percentile in the data universe curated by Dr Chris Sier; and
- in collaboration with our responsible investment advisor PIRC, ACCESS was successful in gaining formal recognition as a signatory to the UK Stewardship Code for the first time.

2024/25 will be remembered for the Government's Pensions Review which included a Call for Evidence and the LGPS: Fit for the future consultation.

In previous years' consultations ACCESS had highlighted the fact that, at the outset, a defined pooling model was not specified. However, in the Autumn of 2024 it was clear that the direction of travel had been set, and our Project Castle objective has always been about how to implement LGPS: Fit for the future's expectations whilst preserving value and avoiding unnecessary cost.

In meeting this challenge head on, we explored merger with colleagues from both Border to Coast and Local Pension Partnership, and, in partnership with Alpha FMC as well as our longstanding advisers, researched the basis of building our own FCA investment management company.

Together with Administering Authorities we analysed the evidence, assessed the assumptions and considered the options against a range of criteria. We used data from independent and third-party sources and challenged ourselves not to underestimate the extent of the work any option entailed. Each had merit, however, overall, it made the most sense for ACCESS to build. The strapline to our proposal to Government was "Ready for change".

It was therefore with a profound sense of disappointment that shortly after our year-end date, we learned that Ministers had chosen not to support the approach adopted by the 11 ACCESS Authorities. Although the Government's ambition of reducing the number of LGPS investments pools from 8 to 6 is now clear, at the time of writing there remains a significant number of questions for which we do not yet have answers.

It is apparent that the LGPS will need to embark on yet further change, but this is a sector with a strong track record in collaboration and achievement. I am confident that with an evidence-based approach practitioners can plan effectively in sight of known risks. To make a success of the next chapter in LGPS pooling, what is paramount is that the sector is not burdened with an imposed rush to conclude but rather afforded the space to implement.

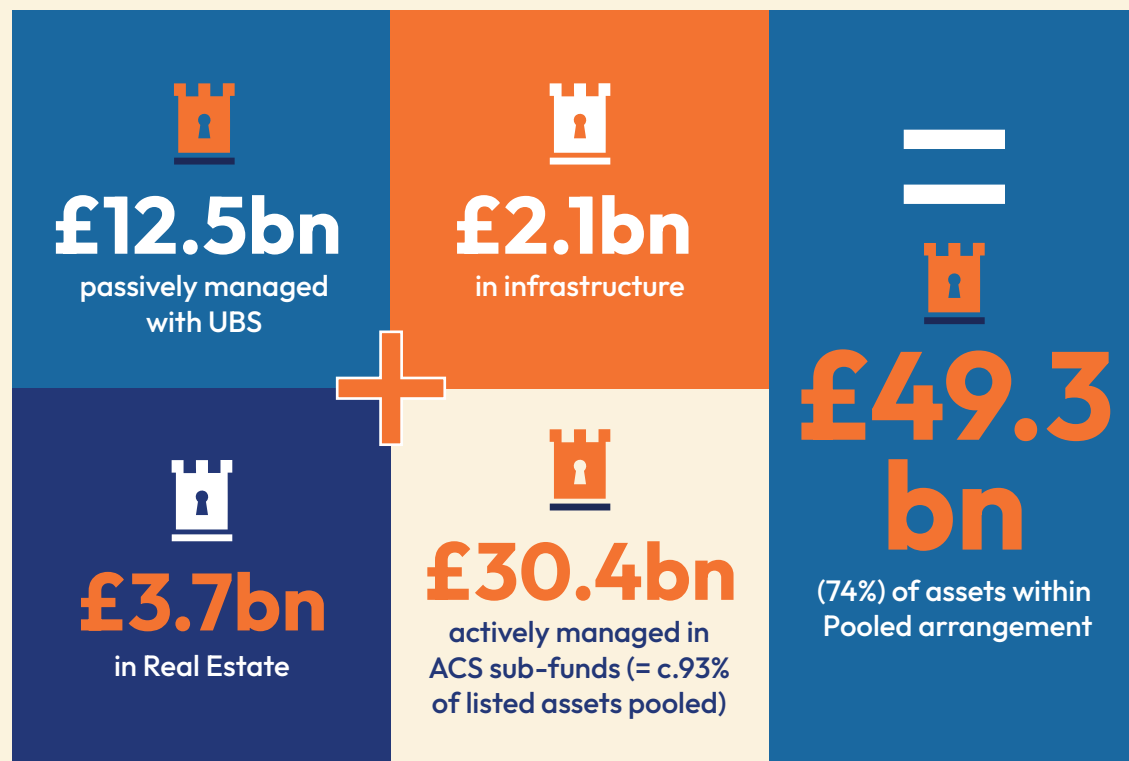
I would like to thank my ASU colleagues, the technical leads and the officers of the Authorities for their enthusiasm, support and hard work in what continue to be exceptional circumstances.

Kevin McDonald

Director, ACCESS Support Unit

At a glance

Assets



People and employers



Performance



Costs & savings since inception



Background

ACCESS (A Collaboration of Central, Eastern and Southern Shires) is made up of eleven Local Government Pension Schemes (LGPS) Administering Authorities: Cambridgeshire County Council; East Sussex County Council; Essex County Council; Hampshire County Council; Hertfordshire County Council; Isle of Wight Council; Kent County Council; Norfolk County Council; Northamptonshire County Council (West Northamptonshire from 1 April 2021); Suffolk County Council and West Sussex County Council

Strategic oversight and scrutiny responsibilities remain with the Administering Authorities as does all decision making on their individual Funds asset allocation and the timing of transfers of assets from each Fund into the arrangements developed by the ACCESS Pool.

The Joint Committee (JC) has been appointed by the eleven Administering Authorities under s102 of the Local Government Act 1972, to exercise specific functions in relation to the pooling of LGPS assets. The Section 151 Officers of ACCESS Authorities provide advice to the Joint Committee which is further supported by the Officer Working Group (OWG) and the ACCESS Support Unit (ASU).

Re-appointed in early 2025, Waystone, provide the pooled operator service, overseeing an Authorised Contractual scheme for the sole use of ACCESS Authorities. UBS act as the ACCESS Authorities' investment manager for passive assets. JP Morgan and IFM were approved in 2024 to provide open ended infrastructure investments to the Pool. Aviva were appointed in 2024 to provide long lease real estate investments and CBRE have been appointed to provide UK and Global Property investments. JP Morgan and Stafford Capital were appointed during 2025 to provide investment in Timberland along with Arcmont and Golub for Private Debt investment.

Progress on Pooling

ACCESS submitted its pooling proposal to Government in July 2016 with detailed plans for establishing and moving assets into the pool. Included in the proposal was an indicative timeline of when assets will be pooled, and ACCESS has continued to make excellent progress against the principal milestone of having **£30.6 billion** assets pooled and estimated savings of **£21.0 million** by March 2027 exceeding the assets pooled by **£18.7 billion** and the savings by **£14 million**.

As at 31 March 2025, **74%** of assets have been pooled:

Pooled Investments	£ Billions
Global Equity	16.539
UK Equity	1.583
Fixed Income	10.133
Diversified Growth	0.935
Emerging Markets	1.221
Passive Investments	12.513
Infrastructure	2.128
Real Estate	3.721
Timberlands	0.562
Total Pooled Investments	49.335

The passive investment funds are held on a pool governance basis under one investment manager as these assets are held in life fund policies, which cannot be held within an authorised contractual scheme.

Expected v Actual Costs and Savings

The table below summarises the financial position for 2024/25 along with the cumulative position since the commencement of ACCESS activity in early 2016.

A budget for ongoing operational costs is set by the Joint Committee and is financed equally by each of the eleven Authorities. 2024/25 saw a slight overspend, primarily due to higher than anticipated costs of external advice and additional work required in response to the Governments Fit for the Future consultation and new pooling requirements.

	2024-2025		2016-2025	
	Actual In Year £' Million	Budget In Year £' Million	Actual Cumulative to date £' Million	Budget Cumulative to date £' Million
Set Up Costs	-	-	1.824	1.400
Transition Costs	-	-	3.338	6.907
Ongoing Operational Costs	1.617	1.314	8.517	10.568
Operator & Depositary Costs	5.791	6.082	28.183	32.791
Total Costs	7.408	7.396	41.862	51.666
Pool Fee Savings	35.394	21.400	165.133	106.850
Net Savings Realised	27.986	14.004	123.271	55.184

Operator and depositary fees are payable by each Authority in relation to assets invested within the Authorised Contractual Scheme established by Waystone as pool operator.

The 2024/25 fee savings have been calculated using the CIPFA price variance methodology and based on the average asset values over the year. This approach highlights the combined level of investment fee savings, across all ACCESS Authorities stemming from reduced charges.

In summary, since inception ACCESS has demonstrated excellent value for money, maintaining expenditure broadly in line with the MHCLG submission whilst delivering an enhanced level of savings ahead of the timeline contained in the original proposal.



Environmental, Social and Governance (ESG) and Responsible Investment (RI)

The ACCESS Authorities believe in making long term sustainable investments whilst integrating environmental and social risk considerations, promoting good governance and stewardship.

Whilst the participating authorities have an overriding fiduciary and public law duty to act in the best long-term interests of their LGPS stakeholders to achieve the best possible financial returns, with an appropriate level of risk they also recognise the importance of committing to responsible investment alongside financial factors in the investment decision making process.

ACCESS is committed to expanding its ESG and responsible investment oversight, reviewing its own ESG/RI guidelines to reflect both the requirements of the Authorities and the expectations associated with this fundamental aspect of institutional investment.

It has been a year of continual development, with ACCESS submitting and being approved as a signatory to the UK Stewardship code and publishing its first responsible investment and stewardship report.

The ACCESS pool has a set of voting guidelines which seeks to protect and enhance the value of its shareholdings by promoting good practice in the corporate governance and management of those companies.

The voting guidelines sets out the principles of good corporate governance and the means by which ACCESS will seek to exercise its influence on companies. During the year ACCESS voted at **2,439** meetings on **37,473** resolutions and UBS voted at **10,848** meetings on **126,989** resolutions on ACCESS investments held with them.