



Glasgow City Council

Strathclyde Pension Fund Committee

Report by Director of Strathclyde Pension Fund

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Item 9

19th March 2025

Finance Update

Purpose of Report:

To present financial statements comprising:

- a 2024/25 administration cost monitoring statement; and
- a 2024/25 cash flow monitoring statement.

Recommendations:

The committee are asked to NOTE the contents of this report.

Ward No(s):

Citywide: ✓

Local member(s) advised: Yes ☐ No ☐ consulted: Yes ☐ No ☐

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1 Introduction

Financial transactions and data for the Strathclyde Pension Fund are held and processed on a number of different systems. These can be broken broadly into three areas as follows:

- **Funding:** long term cash flows and financing requirements are assessed in the three yearly actuarial valuation carried out by Hymans Robertson.
- **Investment:** detailed investment records are maintained by the Fund's external investment managers and global custodian and summarised in regular investment reports.
- **Administration:** pensions benefits are calculated and recorded on the *Altair* pensions system within Strathclyde Pension Fund Office (SPFO). Payments are made from and received into the SPFO bank account. The Council's SAP-based financial systems are used for reporting.

This report presents a current overview of the administration costs and cash flow for SPFO.

2 Administration Cost Monitoring Statement

The summary statement below shows the administration costs for 2024/25 to period 12 ending 7th February 2025.

2024/25 Annual Budget (£000)	SPFO Budget	2024/25 YTD		
		Actual (£000)	Budget (£000)	Variance (£000)
4,342	Employee costs	3,388	3,723	335
648	Property costs	544	555	11
1,247	Supplies and services	1,067	1,069	2
0	Transport costs	0	0	0
412	Contracted services	390	353	(37)
1,275	Central support	1,093	1,093	0
7,924	Total Expenditure	6,482	6,793	311
(177)	Operating income	(388)	(151)	237
(3,860)	Interest receivable	(7,655)	(3,310)	4,345
(4,037)	Total Income	(8,043)	(3,461)	4,582
3,887	Net Expenditure/(Income)	(1,561)	3,332	(4,893)

Year to date actual expenditure of **£6.482m** is **£0.311m** lower than the comparable year to date budget of **£6.793m**. This is mainly within employee costs and due to vacancies during the course of the year.

Expenditure is offset by interest received into the day-to-day operating bank accounts and other income. The year-to-date bank interest is **£7.655m**, which is **£4.345m** higher than budget, mainly due to higher cash balances being held following the transfer of funds from investments. Other operating income is also performing better than the year-to-date budget due to annual billings being levied early.

3 Cash Flow Statement

The cash flow statement shows receipts, payments and current cash balances.

Cash Flows	2024/25		
	Actual YTD (£000)	Estimate 2023/24 (£000)	Probable Outturn (£000)
Opening Balance	230,481	230,481	230,481
Cash Movements:			
Expenditure	(802,279)	(978,696)	(925,682)
Income	471,426	477,437	612,389
Net Addition / Reduction(-)	(330,853)	(501,259)	(313,293)
Interest Received	7,655	3,860	7,973
Transfer from Investments	250,000	400,000	300,000
Closing Bank Balance	157,283	133,082	225,161

Probable outturn figure for expenditure is currently below the original estimate for the year.

Actual income figure includes **£123m** which was received from other funds as part of an exercise by Scottish Fire & Rescue Services to consolidate all of its LGPS interests into SPF. This was not included in the original estimate, and probable outturn is significantly higher than the original estimate as a result.

The net position is therefore better than originally anticipated, though still a large net reduction. Transfers from investments are arranged as required over the course of the year.

4 Policy and Resource Implications

Resource Implications:

<i>Financial:</i>	None
<i>Legal:</i>	None
<i>Personnel:</i>	None
<i>Procurement:</i>	None

Council Strategic Plan: Strathclyde Pension Fund aligns with the theme of a well governed city.

Equality and Socio-Economic Impacts:

Does the proposal support the Council's Equality Outcomes 2022-25

Equalities issues are addressed in the Fund's Responsible Investment strategy, in the scheme rules which are the responsibility of Scottish Government and in the Fund's Communications Policy which has been the subject of an Equalities Impact Assessment.

What are the potential equality impacts as a result of this report?

No specific equalities impacts.

Please highlight if the policy/proposal will help address socio economic disadvantage.

Not applicable

Climate Impacts:

Does the proposal support any Climate Plan actions? Please specify:

N/A.
Monitoring report.
Strathclyde Pension Fund's Climate Change strategy is being developed in line with Item 34 of the Council's Climate Action Plan.

What are the potential climate impacts as a result of this proposal?

N/A.

Will the proposal contribute to Glasgow's net zero carbon target?

N/A.

Privacy and Data Protection impacts:

None

5 Recommendations

The committee are asked to note the contents of the report.