



Glasgow City Council

Strathclyde Pension Fund Committee

Report by Director of Strathclyde Pension Fund

Contact: Richard McIndoe, Ext: 77383

Item 8

10th September 2025

Funding Update

Purpose of Report:

To provide:

- an update on SPF's funding position;
- a brief update on the Gender Pensions Gap; and
- two separate determinations of the amount of an exit credit payable to two exiting employers.

Recommendations:

The Committee is asked:

- **to NOTE** the contents of this report; and
- **to APPROVE** the determinations of the amount of the exit credits payable to the exiting employers.

Ward No(s):

Citywide: ✓

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

PLEASE NOTE THE FOLLOWING:

Any Ordnance Survey mapping included within this Report is provided by Glasgow City Council under licence from the Ordnance Survey in order to fulfil its public function to make available Council-held public domain information. Persons viewing this mapping should contact Ordnance Survey Copyright for advice where they wish to licence Ordnance Survey mapping/map data for their own use. The OS web site can be found at <http://www.ordnancesurvey.co.uk> "

If accessing this Report via the Internet, please note that any mapping is for illustrative purposes only and is not true to any marked scale

1 Background

SPF exists to make provision for and pay members' pensions now and in the future. The Funding Strategy Statement (FSS) describes how SPF ensures that sufficient resources are available to meet all pension liabilities as they fall due. The funding position is formally assessed every 3 years in the triennial actuarial valuation carried out by the Fund's actuaries, Hymans Robertson. Hymans also provide tools and reporting to facilitate monitoring of the interim funding position between formal valuations.

2 Funding Update

Hymans Robertson's Funding Update Report as at 31st July 2025 is attached for information. The report shows an improvement in the funding level from **147%** at the last formal valuation date – 31st March 2023 - to **187%** at end July. The updated position is based on assumed future investment returns of **6.0% p.a.** whereas the 2023 valuation was based on an assumption of **5.0% p.a.** An interim review is planned for later in the year to provide as clear an indication as possible to employers about likely outcomes of the 2026 actuarial valuation in order to assist with their planning from February 2027 onwards.

3 Gender Pensions Gap (GPG)

3.1 Background

At its meeting on 19th March 2025, the Committee noted an *Actuarial Update* presentation provided by Hymans Robertson. The presentation included Gender Pension Gap analysis based on SPF's 2023 actuarial valuation data.

3.2 Employers

The Gender Pensions Gap is mainly caused by the Gender Pay Gap and therefore has its roots with employers rather than SPF or other pension funds. In August, SPF and Hymans Robertson held a webinar which presented the analysis to SPF's largest 25 employers and offered them similar analysis.

4 Determination of Exit Credits

4.1 Background

Four employers have recently exited SPF: Renfrewshire Carers Centre, Business Loans Scotland, Glasgow Colleges Regional Board and Mitie PFI (SAC). Actuarial valuations show that all four had a funding surplus at the exit date. In accordance with the [amended regulations](#) which came into force on 2nd April 2025, SPF is required to determine the amount of the exit credit payable to each of the exiting employers.

Of the 4 exiting employers:

- 1 employer did not have a guarantor. A recommendation regarding this determination is set out below;
- 3 employers had guarantors who require to be notified of SPF's intention to make a determination, and asked if they wish to make any representations about the amount of the exit credit;
 - 1 of those guarantors has indicated that they are happy for the full amount of the actuarial surplus to be paid to the employer as an exit credit; a recommendation regarding this determination is set out below.

- The remaining 2 guarantors have not had an opportunity to make any representation; recommendations regarding those determinations will be made to a future meeting of the SPF Committee.

4.2 Determination: Renfrewshire Carers Centre

Renfrewshire Carers Centre became an exiting employer in terms of [regulation 61](#) of the scheme regulations with effect from 30th June 2025.

The administering authority has obtained an actuarial valuation as at the exit date of the liabilities of the fund in respect of benefits in respect of the exiting employer's current and former employees – the “exit valuation”.

The exit valuation shows an excess of assets in the fund relating to that employer over the liabilities in the amount of **£1.220m**.

The administering authority has taken into account the factors specified in the regulation and in its Funding Strategy Statement and has determined that the amount of the exit credit payable to Renfrewshire Carers Centre under the regulation is **£1.220m**.

Further details regarding the employer's participation in SPF are set out in **Appendix A**.

4.3 Determination: Business Loans Scotland (BLS)

BLS became an exiting employer in terms of [regulation 61](#) of the scheme regulations with effect from 29th August 2025.

The administering authority has obtained an actuarial valuation as at the exit date of the liabilities of the fund in respect of benefits in respect of the exiting employer's current and former employees – the “exit valuation”.

The exit valuation shows an excess of assets in the fund relating to that employer over the liabilities in the amount of **c£2.0m**.

The administering authority has taken into account the factors specified in the regulation and in its Funding Strategy Statement and has determined that the amount of the exit credit payable to BLS under the regulation is the full amount of the actuarial surplus of **c£2.0m**.

4.4 Payment of Exit Credits

The administering authority will conclude a brief exit agreement with each of the exiting employers then make payment of the exit credits.

5 Policy and Resource Implications

Resource Implications:

Financial:

Paragraph 5 includes determination of exit credits which will be payable by SPF. These are all fully funded with only the surplus on a cessation basis paid to the exiting employer(s).

Legal: None at this time.

Personnel: None at this time.

Procurement: None at this time.

Council Strategic Plan: SPF supports all Missions within the Grand Challenge of: ***Enable staff to deliver essential services in a sustainable, innovative and efficient way for our communities.***

The LGPS is one of the key benefits which enables the Council to recruit and retain staff.

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.

N/a.

Climate Impacts:

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

Not directly.
.

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:

Are there any No.

potential data
protection impacts as
a result of this report
Y/N

If Yes, please confirm that
a Data Protection Impact
Assessment (DPIA) has N/a.
been carried out

6 Recommendations

The Committee is asked:

- **to NOTE** the contents of this report; and
- **to APPROVE** the determinations of the amount of the exit credits payable to the two exiting employers.

Appendices

Summary of Participation in Strathclyde Pension Fund

A Renfrewshire Carers Centre

B Business Loans Scotland (BLS)

Attachments

1 Funding Update Report as at 31 July 2025

Summary of Participation in Strathclyde Pension Fund Renfrewshire Carers Centre

Admission Agreement

Renfrewshire Carers Centre participated in Strathclyde Pension Fund (SPF) as a result of an admission agreement dated 19 January 1996. At the date of the Admission Agreement, the Employing Body was operating under the name Carers Action Renfrew District.

Membership

As at the exit date, the employer's total membership in SPF was **22** members: 7 active members (now deferred), 10 deferred members, and 5 pensioner members.

Actuarial Valuation

Results of the exit valuation carried out by SPF's actuaries, Hymans Robertson, can be summarised as follows.

	<i>31 Mar 2023 Ongoing Basis (£m)</i>	<i>30 Jun 2025 Exit Basis (£m)</i>
Liabilities		
Active	0.63	0.87
Deferred	0.45	0.5
Pensioner	0.29	0.3
Total Liabilities	1.37	1.67
Assets	2.45	2.89
Surplus	1.07	1.22

Representations

Renfrewshire Carers Centre made no representations in respect of determination of the exit credit:

Other Factors

The employer:

- participated in SPF as a standalone employer;
- did not have a guarantee from any other employer;
- was fully exposed to investment and funding risks for the duration of its participation in SPF; and
- did not expose any other employer to funding risk.

Summary of Participation in Strathclyde Pension Fund Business Loans Scotland (BLS)

Admission Agreement

BLS participated in Strathclyde Pension Fund (SPF) as a result of an admission agreement dated 11 July 2018 and 12 July 2018 and having effect from 6 July 2018. The employer was a successor organisation to the West of Scotland Loan Fund which was a participating SPF employer and transferred its staff to BLS. East Ayrshire Council (EAC) provided a guarantee to SPF in respect of BLS' participation.

Membership

As at the exit date, GCVS's total membership in SPF was **6** members: 5 active members (now 4 pensioner/ 1 deferred), 0 deferred members, and 0 pensioner members.

Actuarial Valuation

Results of the exit valuation carried out by SPF's actuaries, Hymans Robertson, can be summarised as follows.

	31 Mar 2023 Exit Basis (£m)	29 Aug 2025* Exit Basis (£m)
Liabilities		
Active	1.67	1.63
Deferred	0	0
Pensioner	0	0
Total Liabilities	1.67	1.63
Assets	2.9	3.67
Surplus	1.23	2.04

*Figures as at 22 Aug 2025.

Employer Representations

BLS is being wound up.

The employer made no formal representations.

Other Factors

BLS:

- participated in SPF as a sponsored employer;
- did have a guarantee from another employer – East Ayrshire Council - which was exposed to some funding risk as a result.

Guarantor Representation

East Ayrshire Council – as guarantor – has indicated that it is content for the full amount of the actuarial surplus to be paid to BLS as an exit credit.