



Glasgow City Council

Strathclyde Pension Fund Committee

Report by Director of Strathclyde Pension Fund

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Item 6

10th September 2025

Finance Update

Purpose of Report:

To present financial statements comprising:

- a 2025/26 administration cost monitoring statement; and
- a 2025/26 cash flow monitoring statement.

Recommendations:

The Committee is asked to NOTE the contents of this report.

Ward No(s):

Citywide: ✓

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

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

2025/26 Annual Budget (£000)	SPFO Budget	2025/26 YTD		
		Actual (£000)	Budget (£000)	Variance (£000)
4,505	Employee costs	1,368	1,432	63
664	Property costs	211	211	0
1,421	Supplies and services	474	452	(22)
0	Transport costs	0	0	0
430	Contracted services	137	137	0
1,308	Central support	416	416	0
8,328	Total Expenditure	2,606	2,647	41
(177)	Operating income	(66)	(56)	10
(8,650)	Interest receivable	(1,894)	(2,749)	(855)
(8,827)	Total Income	(1,960)	(2,805)	(845)
(499)	Net Expenditure/ (Income)	646	(158)	(804)

The summary statement above shows the administration costs for 2025/26 to period 5, ending 25th July 2025.

Year to date actual expenditure of **£2.606m** is broadly in line with the comparable year to date budget of **£2.647 m**.

Expenditure is offset by other income and interest received into the day to day operating bank accounts for the period. The year to date bank interest is **£1.96m**, which is lower than budgeted year to date by **£855k** due to a combination of lower interest rates and reduced balances held.

3 Cash Flow Statement

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

Cash Flows	2025/26		
	Actual YTD (£000)	Estimate 2025/26 (£000)	Probable Outturn (£000)
Opening Balance	190,524	190,524	190,524
Cash Movements:			
Expenditure	(311,502)	(953,395)	(1,065,818)
Income	117,696	476,092	473,091
Net Addition / Reduction(-)	(193,806)	(477,303)	(592,727)
Interest Received	1,894	8,650	5,960
Transfer from Investments	230,000	550,000	650,000
Closing Bank Balance	228,612	271,871	253,757

Income is broadly in line with original estimate for the year.

Expenditure is greater than originally estimated, due largely to exit payments to employers.

Further transfers from investments can be 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 is asked to note the contents of this report.