Glasgow City Council

Strathclyde Pension Fund Committee

Report by Director of Strathclyde Pension Fund

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Item 8

23rd September 2026

Funding Update

Purpose of Report:

To provide:
- an update on SPF's funding position;
- a determination of the amount of an exit credit payable to an exiting employer.

Recommendations:

The Committee is asked:
- **to NOTE** the contents of this report; and
- **to APPROVE** the determination of the amount of the exit credit payable to the exiting employer.

Ward No(s): Citywide: ✓

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

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

2.1 Update as at 31st August 2026

Given ongoing work on the actuarial valuation as at 31st March 2026, Hymans Robertson's Funding Update reports, which are usually considered quarterly by the Committee, are not currently relevant, as they are based on results from the 2023 actuarial valuation. It is worth noting, though, that Hymans' *Frontier* system indicates that funding level progression since the 2026 valuation date has been very positive, largely because asset values had fallen fairly sharply at that date in response to the then recent outbreak of further hostilities in the Middle East.

3 Determination of Exit Credit

3.1 Background

As a result of amended regulations which came into force on 2nd April 2025, SPF is required to determine the amount of any exit credit payable to an exiting employer. Several employers have either exited recently or are in the process of doing so. One, Cassiltoun Housing Association (CHA), has reached the stage where a determination needs to be made. A recommendation regarding this determination is set out below.

3.2 Determination: Cassiltoun Housing Association (CHA)

Cassiltoun Housing Association (SHA) became an exiting employer in terms of regulation 61 of the scheme regulations with effect from 31st May 2026.

SPF 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 **£0.843m.**

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 Southside Housing Association under the regulation is **£0.843m.**

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

3.3 Payment of Exit Credit

The administering authority will conclude a brief exit agreement with the exiting employer then make payment of the exit credit.

4 Policy and Resource Implications

Resource Implications:

Financial:	Paragraph 4 includes determination of an exit credit which will be payable by SPF. This is 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 2025 - 29	Equalities issues are addressed in the scheme rules which are the responsibility of Scottish Government, in the Fund's Communications Policy which has been the subject of an Equalities Impact Assessment, and in the Fund's Responsible Investment strategy.
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:	N/a. .

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 potential data protection impacts as a result of this report Y/N	No.
If Yes, please confirm that a Data Protection Impact Assessment (DPIA) has been carried out	N/a.

5 Recommendations

The Committee is asked:

- **to NOTE** the contents of this report; and
- **to APPROVE** the determination of the amount of the exit credit payable to the exiting employer.

__Appendices__

A Summary of Participation in Strathclyde Pension Fund Cassiltoun Housing Association (CHA)

Appendix A

Summary of Participation in Strathclyde Pension Fund Cassiltoun Housing Association (CHA)

Background
CHA is a charitable organisation and a registered social landlord with just over 1,000 social housing units in the south side of Glasgow.

Admission Agreement
SHA participated in Strathclyde Pension Fund (SPF) as a result of an admission agreement dated March 2009. The admission agreement was restricted to members who had transferred to CHA from Glasgow Housing Association (GHA) as part of the second stage transfer process after initially transferring from Glasgow City Council (GCC). GCC provided a guarantee to SPF in respect of CHA's participation.

Membership
As at the exit date, the employer's total membership in SPF was 5 members: 2 active members (now deferred), 1 deferred members, and 1 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 (£000)	31 Mar 2026 Exit Basis (£000)
Liabilities		
Active	*1,790*	**-**
Deferred	*137*	1,009
Pensioner	*37*	894
Total Liabilities	*1,964*	**1,903**
Assets	*2,247*	**2,746**
Surplus	*283*	**843**

Representations
SHA
SHA provided a detailed representation which is summarised as follows:

- the position in relation to CHA should be that an exit credit is payable unless there is a very compelling reason to not do this;
- CHA has been responsible and on risk for all employer cash costs during its participation;
- the surplus is a product of the employer contributions paid by CHA;
- the guarantee has had no cost for GCC;
- CHA's exit benefits GCC by releasing it from the guarantee and any future liability;
- some of the exit credit will be used by CHA to compensate and make alternative pensions arrangements for the remaining active members of LGPS, some will be used to fund more social housing within Glasgow.

Glasgow City Council
GCC noted the representations made by CHA, in particular that the exit credit will in part be used to invest in affordable housing, and made no representations.