Item 6

7th September 2022

Glasgow City Council

Strathclyde Pension Fund Committee

Report by Director of Strathclyde Pension Fund

Contact: Richard McIndoe, Ext: 77383

2022/23 Business Plan – Update

Purpose of Report:

To provide a review of progress in respect of the development priorities listed in the Fund's 2022/23 Business Plan.

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 ☐

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1 Background

Each year, the Committee is asked to agree a business plan for Strathclyde Pension Fund. The plan sets out objectives, resourcing requirements, key performance indicators, and business and development priorities for the coming year. The 2022/23 plan was agreed in March 2022. Appendix A provides an update on progress in respect of the business and development priorities listed in the plan.

2 Progress

All items are progressing, though some are dependent on external developments.

On a RAG analysis:

- All **12** are rated **green**;
- **none** is rated **amber**; and
- **none** is **red**.

3 Policy and Resource Implications

Resource Implications:

Financial:	None.
Legal:	The Business Plan is published in compliance with Regulation 12(3) of the Local Government Pension Scheme (Management and Investment of Funds) (Scotland) Regulations 2010.
Personnel:	None.
Procurement:	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 2021-25	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.	

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.

4 Recommendations

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

2022/23 BUSINESS AND DEVELOPMENT PRIORITIES

Item	Description	RAG Status	Progress
Governance			
Council Elections	Formation and Training of New Board and Committee subsequent to May 2022 Council Elections.		Committee induction/refresher training and first meeting held in June. Training plan agreed for year. Board briefing delivered. Board induction/refresher training scheduled for 1st September.
Actuarial Valuation	Preparation and planning for actuarial valuation as at 31st March 2023.		Hymans Robertston re-appointed as SPF actuary at June committee meeting. Preliminary discussion of funding approach underway. Draft plan, timetable, and advance data check all to be addressed by March 2023.
Investments			
Climate Change Strategy	Produce Net-Zero Action Plan		SPF joined Paris Aligned Investment Initiative (PAII) in June. Outline plan discussed at IAP in August. Plan will be produced for approval by committee Q1 2023.
Climate Change Strategy	Implement Energy Company Standards Framework		Initial assessment of holdings carried out in Q2 2022; engagement with investment managers commenced Q3; IAP reviewed at August meeting; summary included in Investment Update at September committee meeting.
Investment Strategy and Structure	Planning for 2023 review.		Preliminary IAP discussion of approach and priorities during August meeting. Climate Change strategy likely to be a central strand of the review.
Property Valuer	Review of UK property portfolio valuation arrangements and contract.		Tender to be carried out using Crown Commercial Services. To conclude with award of contract by March 2023.

2022/23 BUSINESS AND DEVELOPMENT PRIORITIES

Pensions Administration			
Administration Strategy	Review administration strategy in light of (pending) regulation changes, the Pensions Regulator's (TPR) Combined Code, completion of i-connect rollout to employers, and other process changes.		Plan in place. Revised strategy to be produced for approval by committee Q1 2023.
TPR	Review new TPR Combined Code in order to ensure SPFO compliance.		Review on publication (expected Q3). Ensure compliance within 6 months.
AVCs	Review of current arrangements for provision of Additional Voluntary Contributions.		Initial review of alternative providers carried out by Hymans Robertson. Further discussion required around options for change including new/additional provider, default investment option and fund range. To conclude by March 2023.
McCloud Remediation	Implement remediation to be agreed in light of McCloud judgement on age discrimination in the LGPS.		Timetable dependent on legislation still to be enacted and guidance still to be published. Actions likely to involve review of up to 30,000 member record. Outcomes: multiple record amendments and a few payment revisions. Initial preparatory steps are underway. Project will be ongoing throughout 2022/23 and 2023/24.
Finance			
Process Review	Phase II of review of SPFO financial processes.		*Altair Insights* management information tool now live on SPF system. Functionality will be used to develop reconciliation processes.
Communications			
Spfo.org.uk	Transfer to new GOSS platform.		Platform available within GCC from mid-August. Timetable for individual sites to be confirmed. SPFO content and format to be reviewed and revised.