



Glasgow City Council

Strathclyde Pension Fund Committee

Report by Director of Strathclyde Pension Fund

Contact: Richard McIndoe, Ext: 77383

Item 15(a)

6th March 2019

2018/19 Business Plan – Progress Review

Purpose of Report:

To provide a final review of progress in respect of the development priorities listed in the Fund's 2018/19 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 2018/19 plan was agreed in February 2018. Appendix A provides an update on progress in respect of the business and development priorities listed in the plan.

2 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:

<i>Does the proposal support the Council's Equality Outcomes 2017-22</i>	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.
<i>What are the potential equality impacts as a result of this report?</i>	No specific equalities impacts.
<i>Please highlight if the policy/proposal will help address socio economic disadvantage.</i>	N/a.

Sustainability Impacts:

<i>Environmental:</i>	None
<i>Social, including Article 19 opportunities:</i>	None
<i>Economic:</i>	None

Privacy and Data Protection Impacts

None.

3 Recommendations

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

2018/19 BUSINESS AND DEVELOPMENT PRIORITIES

Item	Description	Timetable	Status/ Progress Summary
Finance			
Cash-flow modelling	Develop more detailed cash flow model, particularly for investment income.	Sep 2018	Complete: <ul style="list-style-type: none"> ▪ Cash-flow models developed and implemented for Direct Investment Portfolio and other portfolios ▪ Benefits cash-flow model reviewed and improved.
Investments			
Investment Strategy	Review of investment strategy and structure including developing an investment structure which is consistent with the Alt 2 strategy.	Mar 2019	In progress / satisfactory: <ul style="list-style-type: none"> ▪ Plan agreed by Committee in February 2018 ▪ Absolute return and global infrastructure allocations agreed in May 2018 ▪ Private debt tenders in progress, due to complete at SPF committee in March 2019.
Direct Investment Portfolio	Review of the Direct Investment Portfolio arrangements and capacity.	Dec 2018	Complete: <ul style="list-style-type: none"> ▪ SPF Committee agreed report in December 2018 including various recommendations relating to portfolio implementation.
No.3 Fund	Review of investment strategy including possibility of insurance buy-in arrangement.	Mar 2019	Complete: <ul style="list-style-type: none"> ▪ SPF committee agreed in principle a merger of the No.3 Fund into the Aberdeen City Transport Fund ▪ Officers developing detailed plan with First Group and Aberdeen City Council
Property Valuer	Review of arrangements for independent valuation of the UK property portfolio.	Mar 2019	In progress / satisfactory: <ul style="list-style-type: none"> ▪ Tender in progress, due to complete at SPF committee in March 2019.

2018/19 BUSINESS AND DEVELOPMENT PRIORITIES

Custody Tender	Commence review of global custody arrangements and associated services including cash management, performance measurement, securities lending and currency management.	Mar 2019	Complete: <ul style="list-style-type: none"> Procurement options reviewed. Tender process to start in 2019/20.
Pensions Administration			
GMP equalisation	Implement integrated solution for Guaranteed Minimum Pension (GMP) reconciliation and remediation project.	Mar 2019	In progress / satisfactory: <ul style="list-style-type: none"> Reconciliation phase live with specialist sub-contractor, ITM Progress reports received monthly Estimated completion March 2019 but may be delayed due to DWP response times.
Pensions System	Review <i>Altair</i> system provision contracts with <i>Heywood</i> .	Mar 2019	Complete: <ul style="list-style-type: none"> Contracts novated to GCC as administering authority. Now on rolling basis with no expiry date. Will be subject to future review and possible novation to CGI.
Secure Portal for Data	Investigate options for secure portal for exchange of data with employers.	Sep 2018	In progress / satisfactory after some delay: <ul style="list-style-type: none"> Revised date for this project March 2019 CGI to report by then on options and feasibility.
Communications			
Digital Communications	Continue implementation of digital communications strategy including: <ul style="list-style-type: none"> complete employer self service (ESS) rollout further on-boarding of employers to i-connect re-launch Member Self Service with upgraded functionality. 	Mar 2019	In progress/satisfactory after some delay: <ul style="list-style-type: none"> ESS rolled out and individual training for Employers delivered as required. SPF strategy developed to manage employer usage. <i>i-connect</i> now live or in test with 58 employers (increase of 26 since 1st April 2018) re-launch of MSS expected by end March 2019.