



Glasgow City Council

Strathclyde Pension Fund Committee

Report by Director of Strathclyde Pension Fund

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Item 7

11th September 2024

Finance Update

Purpose of Report:

To present financial statements comprising:

- a 2024/25 administration cost monitoring statement; and
- a 2024/25 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

The undernoted summary statement details the administration costs for 2024/25 to period 6, ending 23rd August 2024.

Year to date actual expenditure of **£2.938m** is broadly in line with the comparable year to date budget of **£2.944 million**.

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 higher than budget, mainly due to short term cash balances following the transfer of funds from investments, which were requested to ensure sufficient cash flow being available for the day to day expenses of the fund. Other operating income is performing better than the year to date budget due to annual billings being levied.

2024/25 Annual Budget (£000)	SPFO Budget	2024/25 YTD		
		Actual (£000)	Budget (£000)	Variance (£000)
4,342	Employee costs	1,510	1,502	8
648	Property costs	264	261	(3)
1,247	Supplies and services	496	502	6
0	Transport costs	0	0	0
412	Contracted services	162	166	4
1,275	Central support	506	513	7
7,924	Total Expenditure	2,938	2,944	(6)
(177)	Operating income	(150)	(71)	(79)
(3,860)	Interest receivable	(3,369)	(1,554)	(1,815)
(4,037)	Total Income	(3,519)	(1,625)	(1,894)
3,887	Net Expenditure	(581)	1,319	(1,900)

3 Cash Flow Statement

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

Further transfers from investments will be arranged as required over the course of the year.

Cash Flows	2024/25		
	Actual YTD (£000)	Estimate 2023/24 (£000)	Probable Outturn (£000)
Opening Balance	230,481	230,481	230,481
Cash Movements			
Expenditure	(372,994)	(978,696)	(943,900)
Income	164,075	477,437	442,580
Net Addition / Reduction(-)	(208,918)	(501,259)	(501,319)
Interest Received	3,522	3,860	5,772
Transfer from Investments	100,000	400,000	400,000
Closing Bank Balance	125,085	133,802	134,934

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 are asked to note the contents of the report.