



Glasgow City Council

Strathclyde Pension Fund Committee

Report by Director of Strathclyde Pension Fund

Contact: Richard McIndoe, Ext: 77383

Item 10

11th September 2024

Business Plan Update

Purpose of Report:

To provide an update on progress in respect of the business and development priorities listed in the SPF 2024/25 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

PLEASE NOTE THE FOLLOWING:

Any Ordnance Survey mapping included within this Report is provided by Glasgow City Council under licence from the Ordnance Survey in order to fulfil its public function to make available Council-held public domain information. Persons viewing this mapping should contact Ordnance Survey Copyright for advice where they wish to licence Ordnance Survey mapping/map data for their own use. The OS web site can be found at <http://www.ordnancesurvey.co.uk> "

If accessing this Report via the Internet, please note that any mapping is for illustrative purposes only and is not true to any marked scale

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 2024/25 plan was agreed in March 2024. Appendix A provides an update on progress in respect of the business and development priorities listed in the plan.

2 Emerging Priorities

Three new priorities have emerged since the 2024/25 business plan was approved. These are also included in Appendix A for reporting purposes. They are summarised below.

2.1 SFRS LGPS Consolidation

In late April, Scottish Fire and Rescue Service confirmed their intention to consolidate all of their current LGPS assets and liabilities, currently in 8 funds, into one fund – SPF. The project is now well underway, with Hymans Robertson providing project oversight. Transfer is planned in 2 stages – in September 2024 and January 2025.

2.2 Annual Report

New guidance on LGPS annual reports was published by CIPFA and the England & Wales Scheme Advisory Board during April, and adopted as mandatory for 2024/25 annual reports and on a best efforts basis for 2023/24. Previous guidance was advisory only in Scotland, and the status of the new guidance in Scotland has still to be confirmed, but SPF is reviewing its requirements for compliance. This is likely to entail additional data gathering and publication for a suite of new scheme administration KPIs which are included in the guidance.

2.3 Member Self Service - Migration

SPF's system provider, Heywood, has announced the end of life of its current MSS platform, which it has replaced with a new product, *Heywood Engage*. This was anticipated, but the timeline for migration is earlier than expected. The existing platform will no longer be supported after 2025. SPF is targeting migration in the early part of the year.

3 Progress

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

On a RAG analysis:

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

4 Policy and Resource Implications

Resource Implications:

Financial:

None at this time.

Legal:

The Business Plan is published in compliance

Personnel: with Regulation 12(3) of the Local Government Pension Scheme (Management and Investment of Funds) (Scotland) Regulations 2010.
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 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.

N/a.

Climate Impacts:

Does the proposal support any Climate Plan actions? Please specify:

Not directly.
Monitoring report.

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 No.
potential data
protection impacts
as a result of this
report Y/N

If Yes, please confirm
that
a Data Protection Impact N/a.
Assessment (DPIA) has
been carried out

5 Recommendations

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

Appendix A 2024/25 Business & Development Priorities

2024/25 Business & Development Priorities

Item	Description	Timetable/ Actions/ Progress	RAG Status
Governance			
Risk Policy	Review SPF risk policy.	Due to complete by December 2024. Planning in progress.	
TPR GCoP	Review new TPR General Code of Practice in order to ensure SPFO compliance.	Compliance checker purchased from Hymans Robertson, and used for gap analysis. Briefing, and report on outcomes and actions to be delivered to SPF Committee at September meeting. Largely complete.	
Pensions Administration			
Pensions Dashboard	Preparation for launch of the Dashboard including ensuring compliance with the data specification and connection, security and technical standards.	Preparation and testing targeted for completion by December 2024 to ensure data readiness and technical compliance with the statutory deadline for LGPS of September 2025. In progress - Heywood signed off as Integrated Service Provider for SPF.	
McCloud Remediation	Implementation phase of McCloud remedy to address age discrimination in the LGPS 2015 transitional protections.	Regulations in place from late 2023, but guidance to be published during 2024. Actions will include: finalising remedy period data for all members in scope (up to 65,000) Completed at 2023/24 year end ; multiple record amendments In Progress ; a small number of payment revisions for current pensioners In progress ; ongoing checking for deferred and active members Now business as usual ; and potential issue of revised benefit statements in 2025. Guidance awaited.	
Data Services	Review of member data services arrangements and contract.	Tender for new contract issued in July. Abandoned in August due to multiple issues with bids received and award criteria. Will re-issue tender on revised basis.	
ICT Arrangements	Review arrangements including hosting arrangements and Heywood contract(s) in light of GCC Future of ICT project.	Aim to achieve clarity on future arrangements by March 2025. Heywood contract expected to be extended. SPF still awaiting information on alternative hosting options. In progress:	

2024/25 Business & Development Priorities

Investments		
Investment Strategy and Structure	Implement changes agreed as part of 2023 review.	Initial changes, including passive equity transition and switch to gilts complete. Work ongoing on emerging market equity transition, further review of STEY, and implementation of revised Credit structure. Good progress. More details in Investment Update.
DIP	Review of Direct Impact Portfolio strategy and structure.	Initial investment modelling complete. Report planned for November meeting of SPF Committee. In progress.
TCFDs	Preparation for publication of revised Climate-related Financial Disclosures	To be included in 2024/25 Annual Report. Regulation/guidance awaited.
Communications		
SPF 50	Preparations for SPF 50th anniversary in 2025 including key messages, re-branding, and communications deliverables.	To conclude by March 2025. Reviewing design support options. In progress.
Emerging Priorities		
SFRS Consolidation	Scottish Fire and Rescue Service will consolidate its Scottish LGPS membership from 8 funds into one - SPF.	Hymans Robertson providing project oversight. Transfer planned in 2 tranches – September and January. New.
Annual Report	New guidance on LGPS annual reports adopted in England & Wales. Status in Scotland to be confirmed.	Review SPF compliance with a view to adopting as far as possible for 2024/25 annual report. Will entail additional data gathering and reporting, in particular in respect of administration KPIs. New.
Member Self Service	Migration to new <i>Heywood Engage</i> platform.	Needs to be completed during 2025 as current platform will no longer be supported. Targeting transfer in early 2025. New.