



Glasgow City Council

Strathclyde Pension Fund Committee

Report by Director of Strathclyde Pension Fund

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Item 2

26th June 2024

Annual Report and Financial Statements for the Year Ended 31 March 2024

Purpose of Report:

To present the Strathclyde Pension Fund Annual Report and Financial Statements to the Committee before these are submitted to EY for audit.

Recommendations:

The Committee is asked to:

- i. **Consider** the unaudited Annual Report and Financial Statements for 2023/24
- ii. **Note** that the Executive Director of Finance will, by 30 June 2024, submit the unaudited report and accounts to EY for audit and will make arrangements for public inspection of the accounts in line with the requirements of the relevant regulations
- iii. **Note** that on completion of the audit, EY will report their findings to the Strathclyde Pension Fund Committee by the end of September 2024.

Ward No(s):

Citywide: ✓

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

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1 Background

The Strathclyde Pension Fund Annual Report and Financial Statements is prepared in accordance with proper accounting practice and the relevant regulations. These include the Local Authority Accounts (Scotland) Regulations 2014 and the Local Government Pension Scheme (Scotland) Regulations 2018.

2 The Local Authority Accounts (Scotland) Regulations 2014

2.1 These regulations require that, in addition to the financial statements, the Annual Accounts include:

- a management commentary
- a statement of responsibilities
- an annual governance statement and
- a remuneration report or statement.

2.2 The proper officer must ensure that the financial statements give a true and fair view before signing and dating the statements and submitting the Annual Accounts to the auditor no later than 30th June.

2.3 The unaudited Annual Accounts must be published on a website from the date they are submitted to the auditor.

2.4 The administering authority or a committee charged with audit or governance must meet no later than 31st August to consider the unaudited Annual Accounts.

3 The Local Government Pension Scheme (Scotland) Regulations 2018

These regulations require that an administering authority must prepare and publish a pension fund annual report which contains:

- a report about the management and financial performance of each of the funds
- an investment report
- an administration report
- an actuarial statement
- the financial statements;
- the current funding strategy, investment principles, communications, and governance compliance statements; and
- any other material which the authority considers appropriate.

In practice, the requirements of each of these sets of regulations are combined in a single document – the attached Annual Report and Financial Statements.

4 Unaudited Annual Accounts 2023/24

4.1 Within the Annual Accounts the primary financial statements consist of:

- Fund Account Shows the payments to pensioners, contribution receipts from employers and scheme members, and the income, expenditure and change in market value of the Fund's investments.

- Net Assets Statement Represents the value of assets and liabilities as at 31 March (excluding liability to pay pensions).

4.2 A number of other statements and detailed explanatory notes, which provide additional information, are also included within the Annual Accounts.

5 Key Financial Outcomes

5.1 The key financial information included within the financial statements is outlined below.

5.2 Fund Account

The Fund Account shows a net reduction from dealing with members of **£4.4m** and a net increase in the Fund of **£2,694m**.

5.3 Net Assets Statement

The Net Assets Statement shows net assets of **£30.566 billion**.

6 Next Steps

6.1 The Executive Director of Finance, as proper officer, will submit the unaudited Annual Accounts to EY and will make arrangements for public inspection of the Annual Accounts in line with the requirements of the regulations.

6.2 On completion of the audit, EY will report their findings to the Strathclyde Pension Fund Committee by the end of September 2024.

7 Policy and Resource Implications

Resource Implications:

Financial: None at this time.

Legal: See paragraphs 1 to 3.

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 2021-25? Please

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

specify. Communications Policy which has been the subject of an Equalities Impact Assessment.

What are the potential equality impacts as a result of this report? N/a.

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.
The Annual Report includes a separate section detailing Strathclyde Pension Fund's Climate Change Strategy.

What are the potential climate impacts as a result of this proposal? No significant impact.

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.

8 Recommendations

The Committee is asked to:

- i. Consider the unaudited Annual Report and Financial Statements for 2023/24
- ii. Note that the Executive Director of Finance will, by 30 June 2024, submit the unaudited report and accounts to EY for audit and will make

arrangements for public inspection of the accounts in line with the requirements of the relevant regulations

- iii. Note that on completion of the audit, Audit Scotland will report its findings to the Strathclyde Pension Fund Committee by the end of September 2024.