



Glasgow City Council

Strathclyde Pension Fund Committee

Report by Director of Strathclyde Pension Fund

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Item 13

2nd September 2020

2020/21 Business Plan – Progress Review

Purpose of Report:

To provide a review of progress in respect of the development priorities listed in the Fund's 2020/21 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 2020/21 plan was agreed in March 2020. 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. To date only one has been confirmed as delayed. On a RAG analysis:

- 12 are rated **green** (1 of which is now complete);
- 1 is rated **amber** due to delays related to COVID-19; and
- none is **red**.

One item carried over from 2019/20 remains **amber** but is making progress.

3 Policy and Resource Implications

Resource Implications:

<i>Financial:</i>	None.
<i>Legal:</i>	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.
<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>	

Sustainability Impacts:*Environmental:*

ESG (Environmental Social and Governance), and local impacts are addressed in the Fund's Responsible Investment strategy. The business plan includes 2 reviews of climate-related risks and opportunities.

*Social: including
Article 19
opportunities:
Economic:*

ESG (Environmental Social and Governance), and local impacts are addressed in the Fund's Responsible Investment strategy.

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**Privacy and Data
Protection impacts:**

None.

4 Recommendations

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

2020/21 BUSINESS AND DEVELOPMENT PRIORITIES

Item	Description	RAG Status	Progress
Governance			
Actuarial Valuation	Completion of the actuarial valuation as at 31 st March 2020.		Data to be submitted to actuary during August.
Funding Strategy	Review of the Funding Strategy and Funding Strategy Statement (FSS).		To commence in September.
Communications	Review of the Communications policy and implementation, including SPF brand, key messages, and PR arrangements.		Some progress but completion will be delayed beyond the original target date of end September.
Investments			
Investment Strategy	Further review of strategy in conjunction with the 2020 actuarial valuation.		Investment Advisory Panel and investment consultants actively engaged in first stages of review.
Climate Change Strategy	Continued development of the Climate Change Strategy in line with a potential commitment to a net zero objective and/or the Net-Zero Asset Owner Alliance.		Current focus on consultancy support and carbon data monitoring arrangements.
Stewardship	Review of the revised UK Stewardship Code 2020 and SPF compliance. Publication of a revised Statement of Compliance.		In progress.
Global Custodian	Complete tender of global custody arrangements and associated services including cash management, performance measurement, securities lending and currency management.		Tender to be issued in H2 2020. Existing contract will require extension.
Investment Consultants	Review of investment consultancy arrangements and tender of investment consultancy contracts.		Tender(s) to be issued in H2 2020.
Pensions Administration			

2020/21 BUSINESS AND DEVELOPMENT PRIORITIES

Administration Strategy	Implementation of revised administration strategy, data improvement plan, and administration structure.		Hiatus in implementing revised structure after good initial progress. Will resume in H2 2020.
GMP Reconciliation	Complete remediation phase of Guaranteed Minimum Pension (GMP) reconciliation and remediation project.		Awaiting final data cut from HMRC.
Member Data Service	Review and procurement of a member data service including address tracing and mortality screening.		Mini-competition to start in H2 2020.
Finance			
No.3 Fund	Complete final set of accounts for No.3 Fund.	Complete	Subject to audit.
Ledger Structure	Review and update SPFO ledger structure.		In progress.

2019/20

Equal Pay Settlements	Manage pensions implications of employer equal pay settlements.		<p>First batch of pension amendments and back payments processed during August (pre-2015 retirees). Due to a data transposition error around 80 payments were processed incorrectly. This has been remedied, though around £140k of overpayments have still to be recovered.</p> <p>Second batch to be processed during September (post-2015 retirees). Deaths, deferred and active amendments to be processed thereafter.</p>
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