Item 4

26th November 2025

Glasgow City Council

Strathclyde Pension Fund Committee

Report by Director of Strathclyde Pension Fund

Contact: Linda Welsh, Pension Scheme Manager, Ext: 77463

Administration Update

Purpose of Report:

To update the Committee on pensions administration activity and to present a summary of performance to 30th September 2025.

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 Strathclyde Pension Fund Office (SPFO)

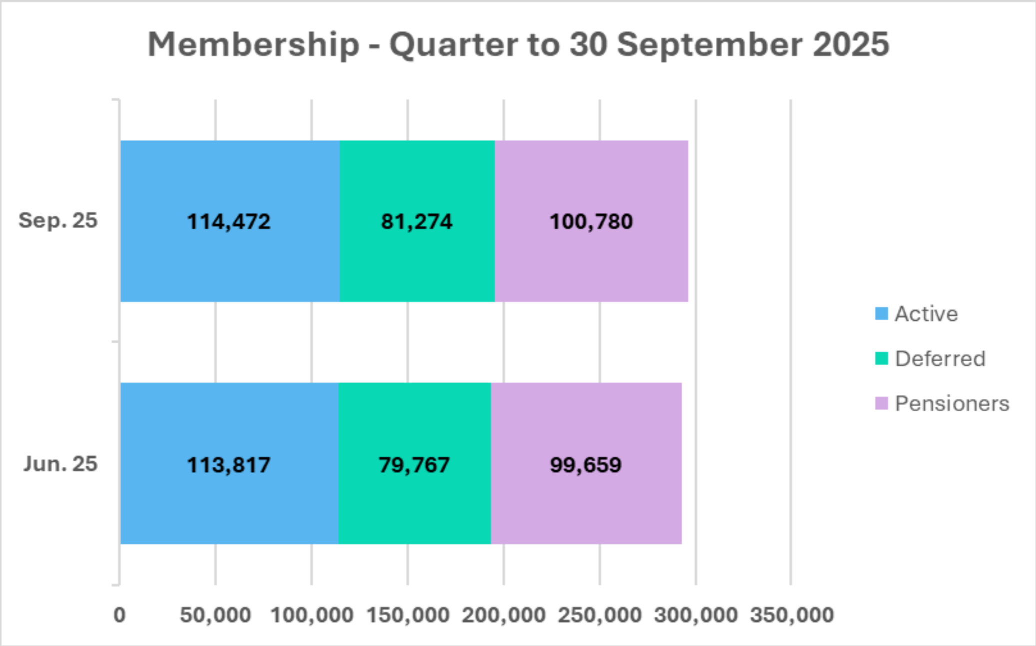
Total administration staff in post at 30th September 2025 was 87 (FTE 82.4). This includes 2 modern apprentices. During September, 3 additional modern apprentices were filled after recruitment. The successful candidates will commence at the end of November.

SPFO operates a hybrid working arrangement. Current requirement is for all staff members to be in the office a minimum of two days a week.

2 Membership

Scheme membership is summarised as follows.

2.1 Local Government Pension Scheme (LGPS)



Total membership increased from *293,243* to **296,526** over the quarter. Membership increased in all categories. This is a change to the recent trend where active membership has been decreasing. Active membership has grown during the last two quarters due to employers having an automatic enrolment re-enrolment date. After that, the likely trend is uncertain.

Main changes contributing to the net increase of 3,283 were:

- **5,908** new records (*4,174 last quarter*)
- **853** retirals (*1,082 last quarter)*
- **606** refunds (*506 last quarter)*
- **2,208** deferred (*1,717 last quarter)*
- **128** deferred into payment (*262 last quarter*)
- **818** deaths (*884 last quarter).*

Some additional analysis of scheme membership is set out in **Appendix 1** for information.

2.2 Teachers Compensation

In addition to its statutory function of administering the LGPS, SPFO also acts as a payroll agent for compensatory added years' payments to **7,569** members of the Scottish teachers' superannuation scheme.

3 SPFO Performance

Performance for the quarter is summarised as follows.

3.1 Payments

SPFO Payments	SPFO Target	Achieved	*Last quarter*
Pensions payroll run on time	**100%**	**100%**	***100%***
New retirals processed for due payroll date	**95%**	**98%**	***96.3%***
Deferred retirals processed for due date	**95%**	**91%**	***87%***
Retirement lump sums paid on retirement date	**95%**	**94%**	***95%***
Deferred lump sums processed for due date	**95%**	**100%**	***100%***

3.2 Other Transactions

Transaction	Volume	SPFO			Statutory	
		Target		Actual	Deadline	Actual
		Days	%	%		%
New Records	**5,908**	**15**	**95.0**	**100**	**1 month**	**100**
Refunds	**998**	**7**	**90.0**	**99**	**n/a**	**n/a**
Deferred	**2,208**	**20**	**85.0**	**90**	**2 months**	**96**
Retiral Estimates	**484**	**20**	**80.0**	**76**	**2 months**	**99**

3.3 Customer Satisfaction

	Refunds	Retirals
Forms issued	**606**	**981**
Responses	23	209
Response rate (%)	3.8	21.3
Satisfaction Rating (%)	**89.6**	**85.7**
Target	**80.0**	**90.0**
2024/25 full year (%)	*86.9*	*86.5*

Target was achieved for refunds but not for retirals.

3.4 Complaints

Category	No.	Days to Respond		Achieved (%)	Upheld (%)
		Target	Actual (Average)		
Process delay	**3**	**5**	**4**	**66**	**33**
Quality of information	**2**	**5**	**1.5**	**100**	**50**
Quality of information – 2nd	**2**	**20**	**6.5**	**100**	**50**
*Other	**2**	**5**	**1.5**	**100**	**50**

*Service delivery not acceptable.
*Member did not understand commutation options.

3.5 Performance Commentary

Performance over the quarter was mixed:

- SPFO's overriding administration priority is to ensure that the monthly pensions payroll is run and payments are received on time by the 100,000+ pensioner members. Payroll was run and paid each month without incident.
- There was an increase in new records due to automatic enrolment taking place
- Some transactions did not achieve target, but there has been improvement with deferred options this quarter. This included a targeted bulk processing exercise to conclude an exiting employer's membership changes from active to deferred.

4 Employers

4.1 Participating Employers

The table below shows the number of employers participating in the Fund. Employers include the 12 Local Authorities in the West of Scotland, whose employees constitute around 70% of the active membership.

Total employers at 30th June 2025	**139**
New employers	1
Exiting employers	5
Total employers at 30th Sept 2025	**135**

There was one admission and 5 exits this quarter. These are summarised below.

Employer	Background	Admission Status
Premium Linguistics	Premium Linguistics is a Private Limited Company, registered in England and Wales under Company Number 09340464 and having its registered office at Station House, Suite D, Great Barr Business Park, Birmingham,B42 1DY	Premium Linguistics asked to be admitted as an admission body under Schedule 2, part 2(l)(d) of the regulations as a body that will provide a service or assets in connection with the exercise of a function of a scheme employer (Glasgow City Council) as a result of the transfer of the service or assets by means of a contract. Glasgow City Council acts as guarantor and is a party to the admission agreement.

Employer	Background	Exit Status
Glasgow Colleges Regional Board	Glasgow Colleges Regional Board had been an admitted body in SPF since 2007 and had 6 active member at the 2023 actuarial valuation.	Glasgow Colleges Regional Board is being wound up and became an exiting employer on 30th July 2025.
Auchenback Active Limited	Auchenback Active Limited had been an admitted body in SPF since November 2003 and had 1 active member at the 2023 actuarial valuation.	Auchenback Active Limited became an exiting employer on 18th June 2025 as a result of the last contributing member leaving.
Business Loans Scotland	Business Loans Scotland had been an admitted body in SPF since 31st December 2007 and had 6 active members at the 2023 actuarial valuation.	Business Loans Scotland is being wound up and became an exiting employer on 29th August 2025.
Mitie PFI Ltd (South Ayrshire PPP)	Mitie PFI Ltd (S/Ayr PPP) had been an admitted body in SPF since December 2006 and had 1 active member at the 2023 actuarial valuation.	Mitie PFI Ltd (S/Ayr PPP) became an exiting employer on the 28th June 2025 as a result of the last contributing member retiring.
Enable Glasgow	Enable Glasgow had been an admitted body in SPF since December 2006 and had 1 active member at the 2023 actuarial valuation.	Enable Glasgow became an exiting employer on 30th September 2025 as a result of the last contributing member leaving.

Further details of the exit arrangements are included in the separate Funding update report.

4.2 Employer Payments to SPFO

Employers are required to pay contributions to SPFO by 19th of the month after they are deducted from payroll.

All Employers	Target (%)	Actual (%)	Last Quarter
Contributions received by SPFO by due date	**100**	**97**	***97***

There were 11 instances of late payments this quarter. None had any material impact. A meeting has been arranged with one small employer to discuss continued late payments.

4.3 Employer *i-Connect* Submissions

Employers are required to submit regular electronic data returns via *i-Connect* no later than 19th of the month following the reporting period. The table below summarises the number of valid returns received on time from the Fund's employers.

July	Aug	Sept	Total	Total Expected	Target	Achieved	Last Quarter
118	118	121	**357**	**410**	**100%**	**87%**	**90%**

SPFO continues to work closely with employers to ensure data is submitted by the due date.

5 **Digital Communications**

Improving and increasing SPFO's digital delivery is a key priority. Digital uptake as at 30th September 2025 is summarised as follows.

Customer Engagement	**2025/26**		***2024/25***
	Actual	**Target**	***Actual***
Total signed up for *SPFOnline*	**155,077**	**146,000**	***147,122***
Logged in during YTD	**66,942**	**110,000**	***111,612***
Weekly visits to: www.spfo.org.uk	**8,699**	**9,000**	***7,960***

SPFonline is a portal which allows members to view and amend their pension records and carry out illustrative pension calculations. Increasingly, it is also being developed to provide member information and documentation, and to allow member transactions to be completed online. For example:
Annual Benefit Statements (ABS) were issued during August to all active members:

- **70%** were issued via SPFOnline with notification via email;
- **27%** were issued via SPFOnline with notification by letter; and only
- **3%** were issued hard copy.

Since the August ABS exercise:

- **43%** of registered active members have logged in to SPFOnline;
- reminder emails have been issued to those who have not logged in;
- **16%** of active members that were notified by letter have now registered; and
- **2,350** address changes and **3,018** nomination updates have also been completed, presumably as a response to the statements.

Feedback surveys were issued to all registered active and deferred members. The table below shows the satisfaction ratings.

Survey Results Satisfaction Rating	**2025/26**		***2024/25***
	Actual	**Target**	***Actual***
Active members	**78.3%**	**77%**	***77.9%***
Deferred members	**58.1%**	**72%**	***67.2%***

Survey results for active members have improved from last year, but deferred member results are some way short of target. Responses for deferred members decreased from 475 last year to 86.

Pension savings statements for Annual Allowance were issued shortly after the quarter end, ahead of the statutory deadline of 6th October.

6 Scheme Developments

6.1 McCloud Remedy

Work to fully implement the McCloud Remedy is ongoing within SPFO. The background, and SPFO progress to date can be summarised as follows.

The McCloud Remedy refers to changes being made to UK public service pension schemes, including the NHS, LGPS, Civil Service, Police and Fire schemes to fix age discrimination found in the McCloud court case. In 2018 the courts found that younger members had been discriminated against because protections did not apply to them. Changes made to the LGPS from 1st October 2023 removed the discrimination. To fully implement the Remedy all LGPS funds have had to assess membership to establish the groups of members who had previously been excluded from protections but were now in scope.

Within SPFO:

- **348,239** records (including deaths) were assessed;
- **65,181** (**18.7%**) were in scope for the Remedy;
- Of these, **0.9%** required an addition to their benefits;
- this addition is known as a “guaranteed amount”. This amount is only guaranteed for pensioner members as their benefits are already in payment and require to be adjusted.
- For active and deferred members a final guaranteed amount cannot be known until benefits go into payment.
- The reason for this is that many things can change during a membership journey which could impact the amount due.
- Pensioner records have been assessed and **214** recalculations have been processed.
- This has resulted in an average **£171.82** adjustment to annual pensions.

To complete implementation of the remedy some cases still require to be assessed:

- transfers/divorces
- deaths/survivors’ benefits
- councillor recalculations

This will involve individual review of all cases processed during the Remedy Period. The deadline for completion of these is 31st August 2026.

In addition, assessment of any McCloud Remedy impact for all non pensioner members who are in scope needs to be embedded into all SPFO day-to-day processes for the foreseeable future. This adds another layer of administrative complexity into an already complicated scheme.

The McCloud Remedy exercise has been extremely time consuming and resource intensive, particularly given the relatively small impact it ultimately has on members.

6.2 The Local Government Pension Scheme (Scotland) Amendment Regulations 2026

The Scottish Government has launched [a consultation on changes to The Local Government Pension Scheme (Scotland) Regulations 2018]

These amendments cover a number of proposals:

- removal of the upper age limit of 75 for death grants;
- gender pension gap – extending the buy-back period for lost service, updating the definition of child related leave, making the final 13 weeks of maternity leave automatically pensionable at member's normal rate of pay with the employer meeting the cost;
- gender pension gap – mandatory reporting;
- reporting of opt-outs/participation rates;
- removal of the current time limit for a forfeiture application to be made; and
- some further technical changes.

The consultation will close on 25th November 2025. A joint response will be submitted by SPF in conjunction with the other LGPS funds across Scotland.

6.3 Inflation Increase

UK CPI for the year to 30th September 2025 has been confirmed as +3.8%. It is expected that this will be the basis for April 2026's pension increase of pensions in payment, and revaluation of all career average benefits for active and deferred members. This needs to be confirmed in the Pensions Increase (Review) Order and Public Service Pensions Revaluation Order which will be made in parliament early in 2026.

7 Policy and Resource Implications

Resource Implications:

Financial:	None.
Legal:	None.
Personnel:	None.
Procurement:	None.

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	Equalities issues are addressed in the scheme rules which are the responsibility of Scottish Government, in the Fund's Communications

2021 - 25	Policy which has been the subject of an Equalities Impact Assessment, and in the Fund's Responsible Investment strategy.
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:	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:

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.

9 Recommendation

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

Appendices

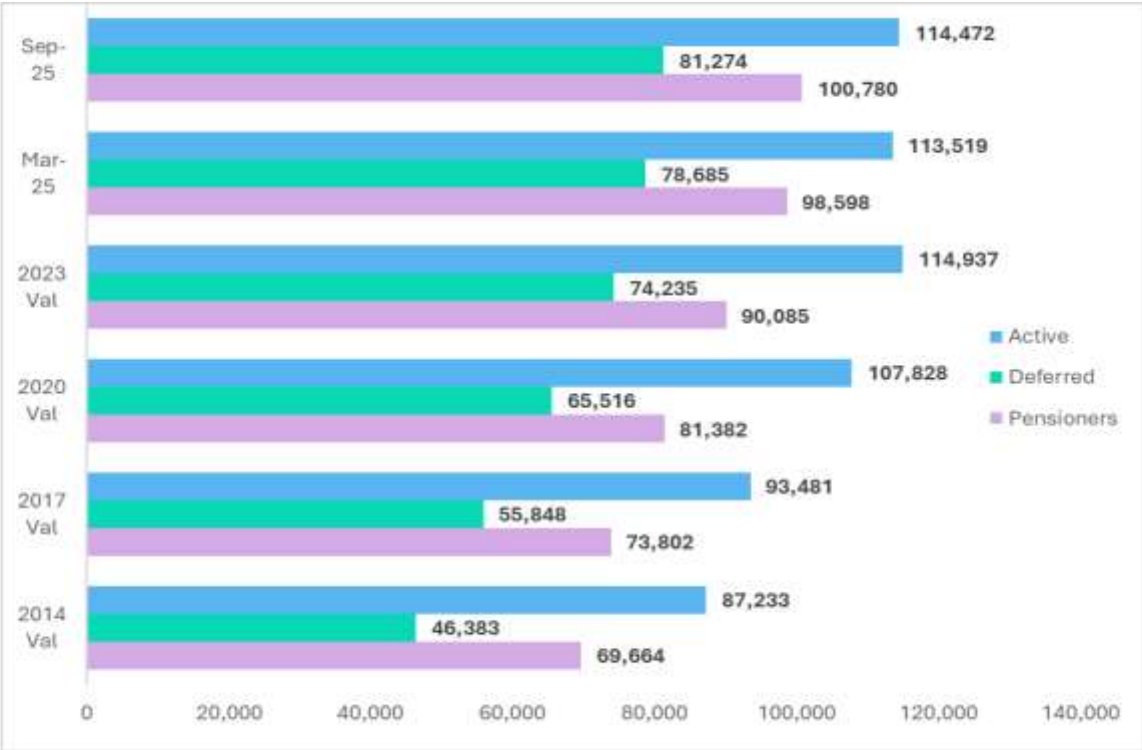
Appendix 1 Membership – Additional Analysis

Appendix 1

Membership – Additional Analysis

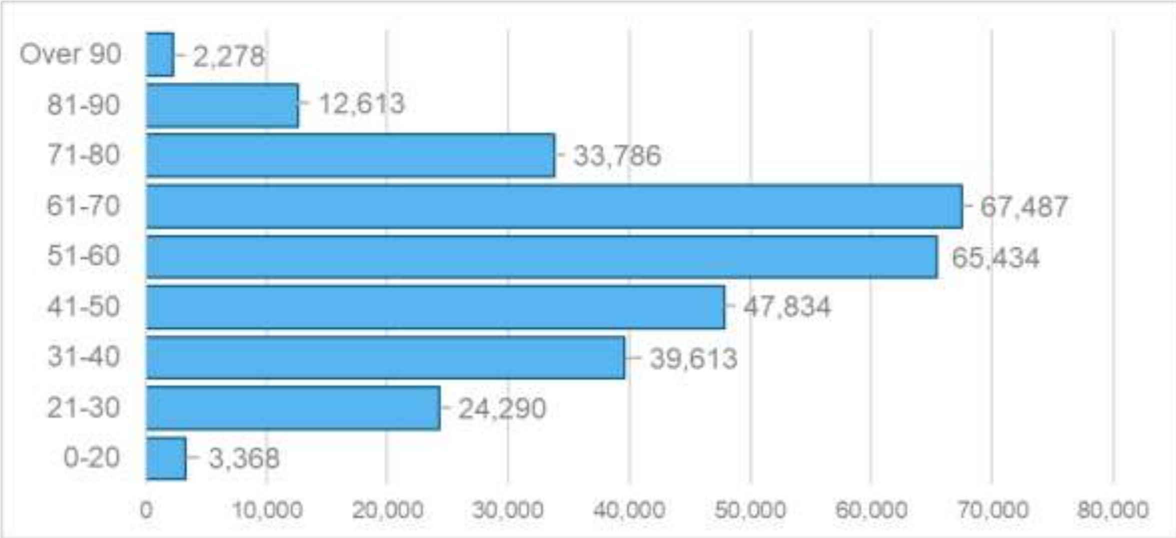
Longer-Term Trends

This chart shows changes in membership since the 2014 actuarial valuation. All categories of membership increased steadily between the 2014 and 2023 actuarial valuations. Since then, the trend appears to have changed: active membership reduced for 2 consecutive years to March 2025 (in spite of an influx of new members in 2024/25 from SFRS consolidation); deferred and pensioner membership have continued to grow, as has total membership. Active membership has grown over the last two quarters as a result of auto enrolment, but remains below the level at the 2023 actuarial valuation. The future trend is uncertain.



Total Members by Current Age

This illustrates the broad age span of SPF membership.



Average Age of Members