



Glasgow City Council

Strathclyde Pension Fund Committee

Report by Director of Strathclyde Pension Fund

Contact: Shona MacLean Ext: 21837

Item 8

18th March 2026

Finance Update

Purpose of Report:

To present financial statements comprising:

- a 2025/26 administration cost monitoring statement; and
- a 2025/26 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 the current administration costs and cash flow for SPFO.

2 Administration Cost Monitoring Statement

| 2025/26 Annual Budget (£000) | SPFO Budget | 2025/26 YTD | | |
|---------------------------------------|--------------------------------------|------------------|------------------|--------------------|
| | | Actual (£000) | Budget (£000) | Variance (£000) |
| 4,505 | Employee costs | 3,781 | 3,831 | 50 |
| 664 | Property costs | 574 | 567 | (7) |
| 1,421 | Supplies and services | 1,344 | 1,215 | (129) |
| 0 | Transport costs | 0 | 0 | 0 |
| 430 | Contracted services | 354 | 368 | 14 |
| 1,308 | Central support | 1,118 | 1,118 | 0 |
| 8,328 | Total Expenditure | 7,171 | 7,099 | (72) |
| (177) | Operating income | (182) | (151) | 31 |
| (8,650) | Interest receivable | (4,314) | (7,394) | (3,080) |
| (8,827) | Total Income | (4,496) | (7,545) | (3,049) |
| (499) | Net Expenditure/ (Income) | (2,675) | (446) | (3,121) |

The summary statement above shows the administration costs for 2025/26 to period 12, ending 6th January 2026.

Year to date actual expenditure of **£7.171m** is slightly above the comparable year to date budget of **£7.099m**. This is due to increased IT project charges, postage costs and subscription fees.

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 **£4.314m**, which is lower than budgeted year to date by **£3.080m** due to a combination of lower interest rates and reduced balances held.

3 Cash Flow Statement

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

| Cash Flows | 2025/26 | | |
|------------------------------------|-------------------------|-------------------------------|-------------------------------|
| | Actual YTD (£000) | Estimate 2025/26 (£000) | Probable Outturn (£000) |
| Opening Balance | 190,524 | 190,524 | 190,524 |
| Cash Movements: | | | |
| Expenditure | (960,178) | (991,448) | (1,096,792) |
| Income | 349,643 | 476,092 | 468,362 |
| Net Addition / Reduction(-) | (610,535) | (515,356) | (628,430) |
| Interest Received | 4,314 | 8,650 | 4,991 |
| Transfer from Investments | 530,000 | 550,000 | 645,000 |
| Closing Bank Balance | 114,303 | 233,818 | 212,085 |

Operating income is broadly in line with the original estimate for the year.

Expenditure is greater than originally estimated, due to exit payments to employers.

Further transfers from investments can be arranged as required.

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: 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 2025 - 29

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

5 Recommendations

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