Item 6

25th November 2026

Glasgow City Council

Strathclyde Pension Fund Committee

Report by Director of Strathclyde Pension Fund

Contact: Richard McIndoe, Ext: 77383

Funding update

Purpose of Report:

To provide an update on SPF's funding position and progress of the 2026 actuarial valuation.

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

SPF exists to make provision for and pay members' pensions now and in the future. The Funding Strategy Statement (FSS) describes how SPF ensures that sufficient resources are available to meet all pension liabilities as they fall due. The funding position is formally assessed every 3 years in the triennial actuarial valuation carried out by the Fund's actuaries, Hymans Robertson. Hymans also provide tools and reporting to facilitate monitoring of the interim funding position between formal valuations.

2 2026 Actuarial Valuation

2.1 Initial Results

As reported in September, initial results of the 2026 valuation show a provisional funding level of **152%.**

2.2 Funding Strategy Statement (FSS)

The proposed funding strategy for the 2026 actuarial valuation is set out in a draft FSS. The preliminary results of the valuation are based on this strategy. The FSS has been issued to employers and other interested parties for consultation. The consultation closes at end January 2027.

2.3 Employer Contribution Rates

The funding strategy includes a contributions strategy based on the following employer contribution rates:

- **6.5%** (of pensionable payroll) from 1st April 2027
- **6.5%** (of pensionable payroll) from 1st April 2028
- **15%** (of pensionable payroll) from 1st April 2029, with an option to maintain the rate at **6.5%** if agreed conditions are met.

These rates will apply to most, but not all employers. Employer rates are calculated and tested separately for each employer to make sure that the funding objective can be met.

2.4 Employer Results

During November, all employers have been issued with individual results schedules setting out their own:

- membership details;
- funding position as at 31st March 2026; and
- contribution rates for the 3 years from 1st April 2027.

Employers were also invited to a webinar immediately before the results schedules were issued. Around 40 employers attended and received a presentation on the process, an explanation of the high-level results, and a Q&A session.

SPFO staff will now engage with employers on queries arising from their results schedules. The actuary's final report on the valuation will set out the individual rate agreed and certified for each employer.

2.5 Timetable

The regulations require the actuarial valuation to be completed within one year of the valuation date. Timetable for completion is summarised as follows.

Date	Action
Dec/ Jan	Engagement with employers.
January 2027	FSS consultation closes. Employer results finalised.
March 2027	SPF Committee receives final actuarial valuation report and approves final FSS for publication.
1st April 2027	Revised employer contribution rates effective.

3 Funding Update

3.1 Update as at 31st October 2026

Given ongoing work on the actuarial valuation as at 31st March 2026, Hymans Robertson's Funding Update reports, which are usually considered quarterly by the Committee, are not currently relevant, as they are based on results from the 2023 actuarial valuation. It is worth noting, though, that Hymans' *Frontier* system indicates that funding level progression since the 2026 valuation date has been very positive, largely because asset values had fallen fairly sharply at that date but subsequently recovered. Liability valuations have reduced a little over the same period due to rising bond yields.

4 Policy and Resource Implications

Resource Implications:

Financial:	None at this time.
Legal:	None at this time.
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 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?	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:	N/a. .
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

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