



Glasgow City Council

Strathclyde Pension Fund Committee

Report by Director of Strathclyde Pension Fund

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Item 10

13th September 2023

Business Plan Update

Purpose of Report:

To provide an update on progress in respect of the business and development priorities listed in the SPF 2023/24 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 2023/24 plan was agreed in March 2023. Appendix A provides an update on progress in respect of the business and development priorities listed in the plan, together with items carried over from 2022/23.

2 Progress

All items are progressing, though some are dependent on external developments.

On a RAG analysis:

- 11 are rated **green**;
- 2 are rated **amber**; and
- none is **red**.

3 Policy and Resource Implications

Resource Implications:

<i>Financial:</i>	None at this time.
<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 at this time.
<i>Procurement:</i>	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 2022-25? 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.

What are the potential equality impacts as a result of this report? No specific equalities impacts.

Please highlight if the policy/proposal N/a.

*will help address
socio economic
disadvantage.*

Climate Impacts:

*Does the proposal
support any Climate
Plan actions?
Please specify:*

Not directly.
Monitoring report.

*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 No.
potential data
protection impacts
as a result of this
report Y/N

If Yes, please confirm
that
a Data Protection Impact
Assessment (DPIA) has
been carried out

N/a.

3 Recommendations

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

2023/24 Business & Development Priorities

Item	Description	Progress	RAG Status
Funding			
Actuarial Valuation	Completion of actuarial valuation as at 31 st March 2023.	Draft assumptions agreed in June; high level training completed in June; full data upload to actuary completed late July; further committee training arranged for early September; preliminary report on results to September SPF committee; individual employer results to be issued November/December; statutory deadline for completion March 2024.	
Funding Strategy	Review of funding strategy and Funding Strategy Statement (FSS).	Draft FSS to September committee for consultation with employers; publish final FSS March 2024.	
Governance			
TPR	Review new TPR General Code in order to ensure SPFO compliance within 6 months of publication.	No publication date confirmed.	
Pensions Administration			
Pensions Dashboard	Preparation for launch of the Dashboard including ensuring compliance with the data specification and connection, security and technical standards.	Statutory deadline for connection re-set from September 2024 to October 2026. Preparation and testing will continue on original schedule as far as possible.	
McCloud Remediation	Implement remediation to be agreed in light of McCloud judgement on age discrimination in the LGPS.	Draft regulations published for consultation in July. SPFO provided a technical response. Project will be ongoing throughout 2023/24.	

2023/24 Business & Development Priorities

Investments			
Investment Strategy and Structure	Review of investment strategy and structure including asset-liability modelling (ALM) based on outcomes of actuarial valuation.	First provisional conclusions agreed by IAP in August; ALM to be completed by December; final conclusions of review to be considered by SPF Committee March 2024.	
Climate Action Plan	Implement first phase of Climate Action Plan.	Review of climate transition index options completed by IAP in August. Further actions to be addressed in investment review (see above).	
TCFDs	Preparation for publication of revised Climate-related Financial Disclosures	Anticipated regulatory changes delayed from 2023/24 to 2024/25 (or later). SPF revisions will continue on original schedule as far as possible.	
Legal Services	Review of legal services provision in respect of UK property portfolio.	Tender not yet issued. Current contract to be extended for interim period until conclusion of tender and new contract.	
Communications			
Review	Review of Communications Policy including branding, key messages, and implementation arrangements.	To conclude by March 2024.	
Items Outstanding from 2022/23			
Spfo.org.uk	Transfer to new GOSS platform.	New templates have been developed for SPFO with a view to transferring content by mid-2023.	
Process Review	Phase II of review of SPFO financial processes.	Altair Insights functionality is being used to develop reconciliation processes. Will be completed as part of final accounts exercise.	
AVCs	Review of current arrangements for provision of Additional Voluntary Contributions.	Default investment option is under review. No further action pending launch of LGPS national framework for AVCs. Prudential to be closely monitored in interim.	