



Glasgow City Council

Strathclyde Pension Fund Committee

Report by Director of Strathclyde Pension Fund

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Item 10

8<sup>th</sup> September 2021

## 2021/22 Business Plan – Update

### Purpose of Report:

To provide a review of progress in respect of the development priorities listed in the Fund's 2021/22 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 2021/22 plan was agreed in March 2021. 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:

- All 11 are rated **green** (3 of which are now complete);
- none is rated **amber**; and
- none is **red**.

## 3 Policy and Resource Implications

### Resource Implications:

*Financial:*

None.

*Legal:*

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.

*Personnel:*

None.

*Procurement:*

None.

### Council Strategic Plan:

Strathclyde Pension Fund aligns with the theme of a well governed city.

### Equality and Socio-Economic Impacts:

*Does the proposal support the Council's Equality Outcomes 2017-22*

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 will help address socio economic disadvantage.*

### Climate Impacts:

<i>Does the proposal support any Climate Plan actions? Please specify:</i>	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.
<i>What are the potential climate impacts as a result of this proposal?</i>	N/A.
<i>Will the proposal contribute to Glasgow's net zero carbon target?</i>	N/A.
<b>Privacy and Data Protection impacts:</b>	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
<b>Governance</b>			
<b>Actuarial Services</b>	Review of actuarial services including tender of actuarial contract.		Existing contract extended for 1 year to June 2022. Tender process planned to start late 2021 using LGPS National Framework.
<b>Investments</b>			
<b>Investment Strategy and Structure</b>	Implementation of changes agreed in light of review carried out alongside 2020 actuarial valuation.	<b>Complete</b>	Changes implemented during quarter to end June. See Investment Update for summary.
<b>Climate Change Strategy</b>	Continued development of the Climate Change Strategy.		Initial assessment of energy companies the subject of a report to SPF committee in September. Further report planned for March 2022 in relation to climate action plan.
<b>Stewardship</b>	Publication of a revised Statement of Compliance with the UK Stewardship Code 2020.		Annual Stewardship Report submitted to the Financial Reporting Council during Q2. FRC will report results of its assessment during Q3.
<b>Investment Consultants</b>	Complete tender of investment consultancy contracts. Implement new arrangements.	<b>Complete</b>	Award of contracts to Hymans Robertson approved by SPF committee in June. Contracts effective from 1 <sup>st</sup> July.
<b>Direct Investment Portfolio</b>	Review of DIP, including objectives, strategy, structure and capacity.		Interim report on local investment to be considered by Sounding Board. Final report to SPF committee in November.
<b>Legal Services</b>	Review of Legal Services support including tender of contract.	<b>Complete</b>	Award of contract to Pinsent Masons approved by SPF committee in June. Contract effective from 1 <sup>st</sup> July.
<b>Pensions Administration</b>			
<b>Business Renewal</b>	Review processes, structure and ways of working in light of COVID-19 experience. To include further development of digital processes and communications.		Ongoing throughout year. Extension of hybrid working pilot being planned.

## 2020/21 BUSINESS AND DEVELOPMENT PRIORITIES

<b>GMP Reconciliation</b>	Complete remediation phase of Guaranteed Minimum Pension (GMP) reconciliation and remediation project.		Remediation adjustments to pensions have been calculated and will be made in October payroll (subject to system testing).
<b>McCloud Remediation</b>	Implement remediation to be agreed in light of McCloud judgement on age discrimination in the LGPS.		Timetable dependent on legislation and guidance still to be published. Actions likely to involve review of up to 30,000 member record. Outcomes: multiple record amendments and a few payment revisions. Initial preparatory steps are underway. Project will be ongoing throughout 2021/22 and beyond.
<b>Finance</b>			
<b>Process Review</b>	Review of key financial processes including reconciliations, recharges, returns, bank accounts.		Project plan in place. Work to commence after completion of audit of 2020/21 accounts, and complete in March 2022.