



# Strathclyde Pension Fund

2025/26 Business Plan



# 2025/26 Business Plan

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## **Section 1 – Fund Governance**

### **1.1 Role and Responsibilities**

Glasgow City Council (GCC) has statutory responsibility for the administration of the Local Government Pension Scheme (LGPS) in the West of Scotland, both on its own behalf and in respect of around 140 other employers including the 11 other local authorities in the former Strathclyde area.

The main functions are:

- administration of scheme benefits; and
- management and investment of scheme funds.

These functions are carried out in accordance with the Local Government Pension Scheme (Scotland) Regulations which are statutory instruments made under the Public Service Pensions Act 2013 and the Superannuation Act 1972.

GCC carries out its role as Administering Authority via:

- the [Strathclyde Pension Fund Committee](#), to which the council has delegated power to discharge all functions relating to its role as administering authority;
- the [Strathclyde Pension Fund Pension Board](#) which assists the committee with compliance;
- the [Strathclyde Pension Fund Office \(SPFO\)](#), a division of the Council's Financial Services Department; and
- the [Strathclyde Pension Fund](#) (SPF or the Fund).

### **1.2 Policy, Objectives and Strategy**

SPF's overriding objective is to ensure that all members' pensions are paid now and in the future. To achieve this, detailed policies, objectives and strategies are agreed by the committee. These are set out in various [policy documents](#). The main documents are the:

- Funding Strategy Statement;
- Statement of Investment Principles;
- Pension Administration Strategy;
- Communications Policy;
- Risk Policy and Strategy Statement; and
- Governance Compliance Statement.

A summary of each of the main policy documents is included at **Appendix 1**.

Policy documents are published on the Fund's website at: [www.spfo.org.uk](http://www.spfo.org.uk)

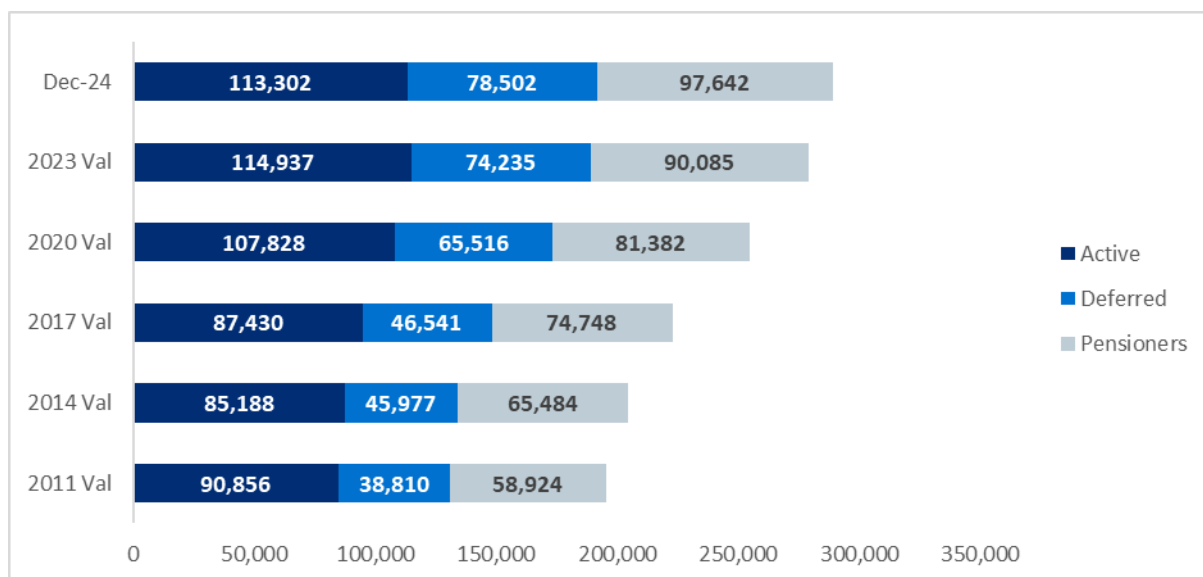
### **1.3 Business Plan**

The committee agrees an annual business plan to ensure that ongoing management and development of the Fund is in line with the longer-term policies, objectives and strategy. The 2025/26 business plan is set out in the following sections.

## Section 2 – Fund Profile

### 2.1 Membership

The membership profile of the Strathclyde Pension Fund as at 31<sup>st</sup> December 2024 and at recent actuarial valuations is summarised as follows.



SPFO also acts as a payroll agent for compensatory added years payments to over **7,700** members of the Scottish teachers' superannuation scheme.

### 2.2 Assets

As at 31 December 2024 the Fund had total investment assets of approximately **£31.2 billion** (2023: £29.1bn). Day-to-day management of the assets is carried out by external fund managers appointed by the Council in its role as Administering Authority.

### 2.3 Liabilities

Estimated value of liabilities – present value of future pension payments - as at 31 December 2024 was **£17.8 billion** (2023: £19.3bn). Estimated funding position was **178%** (2023 c.152%). This will next be reviewed in the triennial actuarial valuation as at 31<sup>st</sup> March 2026.

### 2.4 Income and Expenditure Flow

The income and expenditure profile is summarised as follows.

	2022/23 Per accounts £m	2023/24 Per accounts £m	2024/25 Probable £m	2025/26 Estimate £m
Pensions Income	752	846	612	476
Pensions Expenditure	(756)	(850)	(899)	(953)
<b>Net Pensions Cash Flow</b>	<b>(4)</b>	<b>(4)</b>	<b>(314)</b>	<b>(430)</b>
<b>Investment Income</b>	<b>412</b>	<b>496</b>	<b>512</b>	<b>537</b>

There was a sharp reduction in income in 2024/25 as a result of the revised contributions strategy agreed at the 2023 actuarial valuation. The income profile will be similar in 2025/26 before increasing in 2026/27. Cash flows are monitored and managed on an ongoing basis within SPFO, and reviewed regularly by the Investment Advisory Panel to agree actions to fund benefits as necessary.

Key factors in this monitoring are that:

- investment Income shown includes distributed income only. The majority of income is earned and re-invested within pooled investment vehicles, but most of this could be made available for distribution to the Fund if required.
- Around 50% of investment assets are considered liquid This figure comprises listed global equities and multi-asset passive pooled funds which, on a phased basis, can be realised within 14 days (sufficient to accommodate decision, instruction to managers, trade and settlement).
- Any shortfall in net pensions cash flows can easily be covered from some combination of:
  - investment cash deposits
  - investment income and/or
  - sale of liquid investments

**Appendix 2** sets out a more detailed 10-year cash flow forecast.

Key features of this are that:

- temporary reductions in employer contributions rates mean that the projected shortfall in benefits cash flow will significantly exceed distributed investment income in 2025/26; and
- from 2026/27 some, but not all, investment income will be required to fund benefits cash flow.

**Section 3 - Resources**

**3.1 Staffing**

The Fund is headed up by a director and 10 Investment staff. Total administration staff in post at 31<sup>st</sup> December 2024 was 84 (FTE 79) this includes 2 modern apprentices. 8 administration pension officers were recruited during December. As part of this recruitment exercise 3 existing Modern Apprentices were successful in gaining full time employment, 5 external candidates will commence during February. The current structure is summarised in **Appendix 3**.

**3.2 Training and Development**

SPFO has made a demonstrable commitment to training and development. Much of this is delivered internally.

In addition, staff have been encouraged and supported by SPFO in gaining professional qualifications through the Institute of Payroll Professionals (IPP). IPP attainment within SPFO is as follows.

SPFO Staff	IPP level attained
11	Diploma in Pensions Management
9	Foundation Degree in Pensions Administration and Management
32	Foundation in Pensions administration
11	Certificate in Pensions Administration

During 2024, SPFO subscribed to our software suppliers online learning tool TEC (Training and Education Centre). This portal provides a variety of online courses for staff, ranging from general pensions knowledge to more in depth system and workflow specific courses. Managers can also create and assign learning plans for individuals in TEC.

The Local Government Association (LGA) is currently working with The Pensions Management Institute (PMI) on the provision of a level 2 (GCSE equivalent) and a level 3 (A-level equivalent) qualification that will be LGPS specific. Pilot courses are due to start in April 2025. This will be reviewed with a proposed implementation date during 2026.

SPFO also has a number of graduates in various disciplines, one qualified accountant, and staff with a variety of other relevant qualifications.

SPFO staff participate fully in the various elements of Glasgow City Council's organisational development strategy. These include Performance Coaching and Review for all staff. Staff also make extensive use of a diverse range of training modules and resources which are available through the GOLD (Glasgow Online Learning Development) portal.

SPFO's recruitment strategy has relied heavily on the modern apprentice programme since its introduction: 14 permanent staff at a variety of grades started their SPFO careers as modern apprentices. Modern apprentices are required to complete an SVQ in Business Administration (either level 2 or level

3), they are supported in this by both their manager and their qualified Team Assessors who meet regularly with the apprentices to discuss and review their progress.

### 3.3 Systems & IT

SPFO is an established user of *Altair* – a bespoke Local Government Pension Scheme administration system. The *Altair* application is upgraded four times a year and SPFO is currently running version 25.1. Within *Altair*, SPFO has implemented *Task Management, Workflow and Performance Measurement* modules. These, along with *Altair Insights* form the core of process planning, management and monitoring, data analytics and measuring data quality. *Altair* is aligned with a Document Image Processing System (DIPS) to achieve straight-through electronic processing.

It also provides:

- *i-Connect*, a secure portal which allows employers to send data submissions direct to SPFO and to upload documents for processing; and
- internet based Self Service functionality through the member portal, *SPFO Online*. In early 2025, SPFO will migrate to the new platform *Engage*, which has been built following Web Content Accessibility Guidelines (WCAG) with member experience at the forefront. For SPF members this means a portal that will be more intuitive to navigate with information presented in a way that's easier to understand. Being a new application *Engage* also comes with stringent security measures, including multi-factor authentication (MFA) and Electronic Identification Verification (EidV).

Ongoing use, continuous development, and increasing member sign-up in these areas are key aspects of the SPFO administration strategy and communications policy.

For other finance functions, SPFO uses the Council's SAP-based systems.

The Investments Team has secure, on-line access to detailed investment portfolio data via the *Passport* system of the Fund's global custodian, Northern Trust, which forms the primary accounting record for the Fund's investments. The Fund accesses an increasing number of investment manager reports via on-line client portals.

All staff have laptops which provide remote network and systems access. This facilitates hybrid working and flexibility and resilience of working arrangements.

### 3.4 SPFO Cost Budget

SPFO costs include costs of scheme administration together with oversight and governance costs (which includes consultancy fees, legal and procurement costs, audit fees, and part of the central support charge).

The annual SPFO budget for 2024/25 and proposed budget for 2025/26 are summarised as follows.

<b>SPFO Budget</b>	<b>2024/25 £000</b>	<b>2025/26 £000</b>	<b>Movement £000</b>
Employee Costs	4,342	4,505	163
Property Costs	648	664	16
Supplies and Services	1,247	1,421	174
Transport Costs	0	0	0
Contracted Services	412	430	18
Central Support	1,275	1,308	33
<b>Total Expenditure</b>	<b>7,924</b>	<b>8,328</b>	<b>404</b>
Income	-177	(177)	0
Bank Interest	-3,860	(8,650)	(4,790)
<b>Net Expenditure</b>	<b>3,887</b>	<b>(8,827)</b>	<b>(4,790)</b>

The 2025/26 budget shows a net increase in expenditure of **£404k** over the 2024/25 budget (**+5.1%**).

This is mainly attributable to: pay increases, incremental salary increases and employer national insurance increase; introduction of a water rates budget, and increases to utility charges; increased provision for IT costs in relation to increased banding costs and payroll system enhancements; and a general CPI increase provision.

The SPFO budget is met from the Fund in accordance with the scheme regulations.

### 3.5 Investment Management Costs

The Fund incurs substantial external management expenses as a result of its outsourced model. Total annual expenditure per the audited financial statements is summarised as follows.

	<b>2021/22 £000</b>	<b>2022/23 £000</b>	<b>2023/24 £000</b>
Investment management	167,839	159,752	183,893
Oversight and governance	1,401	1,651	1,791
<b>Total</b>	<b>169,240</b>	<b>161,403</b>	<b>185,684</b>

Investment management costs include fees charged by investment managers together with fees deducted within pooled investment vehicles. SPF discloses all costs in accordance with the CIPFA guidance on *Accounting for Local Government Pension Scheme Management Expenses*, albeit this is not a mandatory requirement. SPF also supports the Cost Transparency Initiative which has facilitated better identification and disclosure of these costs and in time should lead to more consistency of reporting between pension funds.

Investment costs are based on contractually agreed fee scales, and are mostly paid on an *ad valorem* (market value) basis, sometimes with an additional performance element. They therefore vary with investment market fluctuations



and manager performance. Outturn costs for 2024/25 and costs for 2025/26 will depend on market values and manager performance. For this reason, no estimate is provided. All costs are closely monitored and controlled to ensure value for money. In accordance with the LGPS Regulations, all administrative and investment expenses are charged to the Fund.

## **Section 4 – Pensions Administration Performance**

### **4.1 Key Functions**

Key functions within the Pensions Administration sections of SPFO are summarised in the following table.

<b>Section</b>	<b>Key Functions</b>
<b>Digital Communications</b>	<ul style="list-style-type: none"><li>▪ call handling and switchboard</li><li>▪ data exchange; SPFO inboxes; document upload; <i>Pulse</i> messaging</li><li>▪ mail sorting, scanning &amp; issue</li><li>▪ development of <i>SPFOnline</i> &amp; website</li><li>▪ design of all publications</li><li>▪ member, employer and staff communications</li></ul>
<b>Employer &amp; Data Management</b>	<ul style="list-style-type: none"><li>▪ monitoring, reconciliation and reporting of <i>i-Connect</i></li><li>▪ employer management</li><li>▪ data quality – maintaining member data base</li><li>▪ employer admissions and exits</li><li>▪ actuarial valuation</li></ul>
<b>Compliance</b>	<ul style="list-style-type: none"><li>▪ system &amp; website(s) maintenance</li><li>▪ data protection, system security, cyber security and business continuity</li><li>▪ regulatory compliance</li><li>▪ audit</li><li>▪ procurement/contracts</li><li>▪ information compliance:<ul style="list-style-type: none"><li>• data breaches</li><li>• freedom of information requests</li><li>• subject access requests</li></ul></li><li>▪ health and safety</li><li>▪ office management</li></ul>
<b>Pre-retirement Transactions</b>	<ul style="list-style-type: none"><li>▪ updates for new members and status changes</li><li>▪ calculation and processing of a range of provisional benefits</li><li>▪ calculation and processing of a range of transactions in and out of the Fund</li></ul>
<b>Post-retirement Transactions</b>	<ul style="list-style-type: none"><li>▪ calculation and processing actual retirement benefits</li><li>▪ calculations of all death benefits</li><li>▪ recalculations</li></ul>
<b>Payments</b>	<ul style="list-style-type: none"><li>▪ payments in: monthly member, employer and additional contributions</li><li>▪ payments out: lump sums, transfers, refunds, and monthly pension payroll</li></ul>

## 4.2 Objectives and Strategy

The objectives of the Administration Strategy are to ensure that:

- a high quality pension service is delivered to all scheme members;
- pension benefits are paid accurately and on time;
- successful partnership working develops between SPFO and its employers;
- performance standards are understood, achieved and reported; and
- performance and service delivery comply with the [LGPS regulations](#), other related legislation and [the Pensions Regulator's Code of Practice](#).

## 4.3 Performance Measurement and Monitoring - KPIs

The emphasis for performance monitoring is on member experience and statutory compliance. Key Performance Indicators (KPIs for each service area are monitored and reported regularly to the Committee. These are set out below. Definitions of the KPIs are included at **Appendix 4**.

New guidance on [Preparing the Pension Fund Annual Report for LGPS Funds](#) was issued during 2024/25. In light of this some additional Performance Indicators and processes will be captured in the SPF Annual Report.

### 4.3.1 Digital Communications - KPIs

#### Customer Surveys

Results of customer surveys from 1<sup>st</sup> April to 31<sup>st</sup> December 2024 and targets for 2025/26 are summarised in the following table.

<b>2024 Performance</b>	<b>Refunds</b>	<b>Retirals</b>
<b>Forms issued</b>	<b>1,387</b>	<b>4,684</b>
Responses	74	1,022
Response rate (%)	5.3	21.8
<b>“Satisfaction Rating” (%)</b>	<b>87.6</b>	<b>86.4</b>
2023/24 full year (%)	77.6	86.1
2024/25 target (%)	80.0	90.0
<b>2025/26 target (%)</b>	<b>80.0</b>	<b>90.0</b>

The targets will remain unchanged for 2025/26.

#### Pension Updates

Results of customer surveys during 2024 and targets for 2025 are summarised in the following table.

<b>Member Status</b>	<b>2024 Score</b>		<b>2025 Target</b>	
	<b>Content (%)</b>	<b>Format (%)</b>	<b>Content (%)</b>	<b>Format (%)</b>
<b>Active</b>	<b>77.9</b>	<b>75.2</b>	<b>77.0</b>	<b>77.0</b>
<b>Deferred</b>	<b>73.5</b>	<b>71.6</b>	<b>72.0</b>	<b>72.0</b>

#### Website/SPFOnline

Improving and increasing SPFO's digital delivery of communications is a key priority. The focus of activity is continuous development, and increasing website usage and member sign up to SPFOnline. Migration to a new

SPFOnline platform *Engage*, planned for 2025/26, will require all registered members to complete an additional verification process. To reflect the impact of this, the 2025/26 target will remain unchanged from 2024/25 for.

Website	Measure	2024/25 Target	2024 Actual	2025/26 Target
www.spfo.org.uk	total weekly visitors	9,000	8,042	9,000
	unique weekly visitors	5,000	2,242	5,000
SPFOnline	members registered*	146,000	146,027	146,000
	logged in YTD	77,000	109,413	110,000

\*Split by status

- Active – 73,458
- Deferred – 25,718
- Pensioners – 46,851

#### 4.3.2 Employer & Data Management- KPIs

Having complete and accurate member data is essential for the efficient and effective management of pensions administration. An ongoing business priority for SPFO is improvement in the member database and timeous and accurate i-Connect submissions.

##### Data Quality

The Pensions Regulator (TPR) has set targets for common data of:

- 100% accuracy for data created after June 2010; and
- 95% accuracy for data created before that date.

TPR also provides guidance on scheme-specific data but has not set prescriptive targets as this should be agreed at individual scheme level. All pension funds are required to make an annual scheme return to TPR.

Altair Insights allows SPFO to monitor Data Quality Scores in real time with regular updates and inflight projects impacting the results positively and negatively. Results for the data quality tests for those members in scope are summarised below.

Data Type	TPR Tests Passed (%)				
	2023/24		2024/25		2025/26
	SPFO target	2023 Actual	SPFO target	2024 Actual	SPFO target
Common data	98	98.1	98.3	97.3	98.3
Scheme-specific data	97	97.3	97.6	97.2	97.6

2025/26 targets will remain unchanged from 2024/25.

### Employer i-Connect Submissions

Employers are required to submit regular electronic returns via i-Connect no later than the 19<sup>th</sup> of the month following the reporting period. SPFO monitors receipt of these submissions. Past performance and 2025/26 targets are as follows.

Local Authority Employers	Actual 2023	Target 24/25	Actual 2024	Target 25/26
i-Connect submissions received by SPFO by due date	87%	100%	87%	100%

### 4.3.3 Pre-retirement Transactions - KPIs

Key criteria here are accuracy and efficiency. Accuracy is ensured through rigorous system and manual checks. Efficiency figures are produced by the performance measurement module of the *Altair* system and measure average times taken to turn around tasks on the system. 2025/26 targets are unchanged from 2024/25 for New Starts, Refunds and Retiral Estimates. A revised target of 85% (previously 90%) has been set for Deferred members.

Turnaround Times				
Process	Description	Target Days 2025/26	Target % 2025/26	Statutory Deadline
<b>New Starts</b>	Processing of new scheme members	15	95%	1 month
<b>Refunds</b>	Processing and payment of refund in receipt of members election to a refund of contributions	7	90%	n/a*
<b>Deferred Members</b>	Calculation of future retirement benefits for early leavers from scheme who don't have immediate access to benefits	20	85%	2 months
<b>Retiral Estimate</b>	Quotation of expected retiral benefits.	20	80%	2 months

\*Disclosure requirements do not stipulate a timescale but require that payment is made as soon as is considered reasonable.

### 4.3.4 Compliance – KPI's

SPFO complaints are actioned in accordance with Glasgow City Council complaints handling procedure. All complaints are recorded using Lagan, the Council's system for complaints monitoring and recording. These targets are unchanged from 24/25.

<b>Complaint</b>	<b>Response Target</b>
<b>Stage 1</b>	<b>5 working days</b>
<b>Stage 2</b>	<b>20 working days</b>

#### 4.3.5 Finance - KPIs

The single most important critical function of SPFO is to ensure that the monthly pensions payroll runs on its due date. A key objective is to ensure that all necessary additions, deletions and amendments have been made before it runs. Performance targets are as follows.

<b>Task</b>	<b>Target 2024/25</b>	<b>Actual 2024</b>	<b>Target 2025/26</b>
Pensions payroll run on time	<b>100%</b>	<b>100%</b>	<b>100%</b>
New retirals processed for due date	<b>95%</b>	<b>94%</b>	<b>95%</b>
Retirement lump sums paid on retirement date	<b>95%</b>	<b>83%</b>	<b>95%</b>
Deferred pensions processed for due date	<b>95%</b>	<b>90%</b>	<b>95%</b>
Deferred lump sums paid on due date	<b>95%</b>	<b>100%</b>	<b>95%</b>
Contributions income received on due date	<b>100%</b>	<b>99%</b>	<b>100%</b>

**Section 5 – Investment Performance**

**5.1 Key Functions**

Key functions of the investment section within SPFO are summarised in the following table.

Key Functions
<ul style="list-style-type: none"><li>▪ development and implementation of investment strategy and structure</li><li>▪ monitoring of strategy, portfolio and investment manager performance, and other service providers</li><li>▪ management of the Direct Impact Portfolio (DIP), investment cash flows, private markets programmes, and</li><li>▪ stewardship including development and management of the responsible investment and climate change strategies.</li></ul>

**5.2 Investment Objective**

- The Fund’s investment objective is to support the funding strategy by adopting an investment strategy and structure which incorporate an appropriate balance between risk and return.
- The Fund’s investment strategy broadly defines the types of investment to be held and the balance between different types of investment. The strategy reflects the Fund’s key investment principles, is agreed by the committee and reviewed regularly. A full review of strategy is carried out every three years alongside the triennial actuarial valuation to ensure that investment is aligned to the changing profile of the Fund’s liabilities and that the investment strategy is consistent with the Funding Strategy.
- The current objectives of the investment strategy are to achieve:
  - At least an **80% probability** of being **100%** funded within the average future working lifetime of the membership; and
  - a less than **10% probability** of falling below **80%** funded over the next three years.

**5.3 Investment Strategy**

The following framework is used for development of the investment strategy.



The strategy is reviewed every 3 years using asset liability modelling based on results of the triennial actuarial valuation of the Fund. Strategic allocations have changed as summarised below.

Asset Category	2011 (%)	2014 (%)	2017 (%)	2024 (%)
Equity	72.5	62.5	52.5	47.0
Hedging / Insurance	4.5	1.5	1.5	10.0
Credit	3.0	6.0	6.0	5.0
Short-term Enhanced Yield (STEY)	7.5	15.0	20.0	17.0
Long-term Enhanced Yield (LTEY)	12.5	15.0	20.0	21.0
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

## 5.4 Investment Performance

### 5.4.1 Investment Returns

The Fund's global custodian, Northern Trust, is responsible for independent performance measurement and provides detailed quarterly reports on all aspects of investment performance. Performance is measured on a total return basis including investment income and capital gains.

Overall investment performance is measured against:

- the strategic benchmark;
- the actuarial return assumption of **+5.0%** per annum at the 2023 actuarial valuation (+3.0% at the 2020 valuation); and
- the PIRC Local Authority universe.

Individual manager performance is measured relative to benchmarks and targets based on published investment indices or added value against cash (SONIA) or inflation (CPI).

Further details of the current investment objectives, strategy and structure are shown in **Appendix 5**.



#### **5.4.2 Stewardship**

The Fund is a signatory to the Principles for Responsible Investment (PRI) and has adopted the principles as its responsible investment policy. In addition, the Fund has developed a climate change strategy.

The Fund regularly reports on its stewardship activity and measures the progress of its stewardship policies in the following ways:

- Completion of PRI Assessments
- Submission of annual Stewardship Reports to the UK's Financial Reporting Council (FRC). These are assessed by the FRC and SPF has been named as a signatory to the UK Stewardship Code each year since its re-launch in 2021.
- Annual reporting of SPF's approach to climate risk using the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) Framework.
- Membership of the Paris Aligned Investment Initiative, which includes annual reporting of climate change related activity from 2023 onwards.

## **Section 6 – Business and Development Priorities**

### **6.1 2024/25 Priorities**

A review of the priorities listed in the 2024/25 business plan is included at **Appendix 6**. Progress has been very good. 10 of the 13 listed priorities are ranked green – with 5 of those complete or very nearly complete. 3 are ranked amber – of which 2 have experienced delays but are now complete. None is red.

### **6.2 2025/26 Priorities**

A summary of SPFO's business and development priorities for 2025/26 is included at **Appendix 7**. These include completion of critical stages in ongoing projects such as the McCloud Remedy and Pensions Dashboard; and preparation for the next iteration of the Fund's triennial review cycle based around the actuarial valuation as at 31<sup>st</sup> March 2026.

### **6.3 SPF Committee**

An agenda plan for SPF committee meetings is included at **Appendix 8**.

## Policy Documents

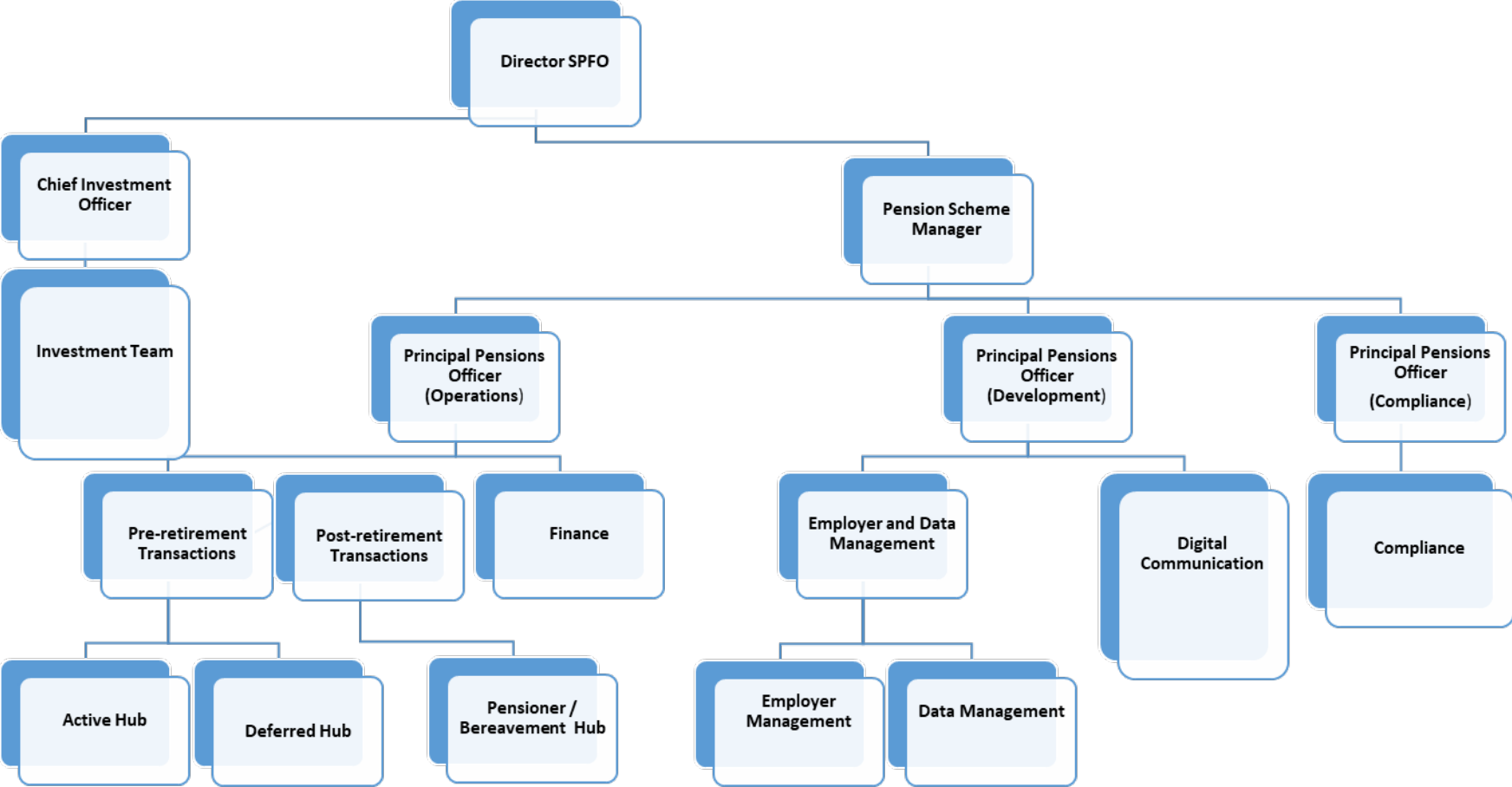
Policy Document	Description
<b>Funding Strategy Statement</b>	<p>Preparation and publication of the <b>FSS</b> is a regulatory requirement. The stated purpose is:</p> <ul style="list-style-type: none"> <li>▪ to establish a clear and transparent fund-specific strategy which will identify how employers' pension liabilities are best met going forward;</li> <li>▪ to support the desirability of maintaining as nearly constant employer contribution rates as possible; and</li> <li>▪ to take a prudent longer-term view of funding those liabilities.</li> </ul> <p>Update FSS guidance was published during 2024/25.  <b>Last published: March 2024.</b>  <b>Review: 2026/27 alongside actuarial valuation as at 31<sup>st</sup> March 2026.</b></p>
<b>Statement of Investment Principles</b>	<p>Preparation and publication of the <b>SIP</b> is a regulatory requirement. The statement must cover policy on:</p> <ul style="list-style-type: none"> <li>▪ the types of investments to be held;</li> <li>▪ the balance between different types of investments;</li> <li>▪ risk, including the ways in which risks are to be measured and managed;</li> <li>▪ the expected return on investments;</li> <li>▪ the realisation of investments;</li> <li>▪ the extent to which social, environmental or ethical considerations are taken into account in the selection, retention and realisation of investments;</li> <li>▪ the exercise of the rights (including voting rights) attaching to investments, if (a fund) has any such policy; and</li> <li>▪ stock lending.</li> </ul> <p><b>Last published: March 2024.</b>  <b>Review: 2026/27 as part of investment strategy review to be carried out alongside actuarial valuation as at 31<sup>st</sup> March 2026.</b></p>
<b>Pension Administration Strategy</b>	<p>Preparation and publication of the <b>PAS</b> is a regulatory requirement. The PAS aims to ensure that:</p> <ul style="list-style-type: none"> <li>▪ a high quality pension service is delivered to all scheme members;</li> <li>▪ pension benefits are paid accurately and on time;</li> <li>▪ successful working partnership develops between SPF and its employers;</li> <li>▪ performance standards are understood and achieved; and</li> <li>▪ performance and service delivery comply with the LGPS regulations, other related legislation and The Pensions Regulator's Code of Practice.</li> </ul> <p><b>Last published: July 2023.</b>  <b>Review: 2025/26.</b></p>
<b>Communications Policy</b>	Preparation and publication of the Communications Policy is a regulatory requirement. The

	<p>statement must set out policy on:</p> <ul style="list-style-type: none"> <li>▪ the provision of information and publicity about the Scheme to members, representatives of members and Scheme employers;</li> <li>▪ the format, frequency and method of distributing such information or publicity; and</li> <li>▪ the promotion of the Scheme to prospective members and their employers.</li> </ul> <p><b>Last published: April 2024.</b>  <b>Review: 2027/28.</b></p>
<b>Risk Policy &amp; Strategy Statement</b>	<p>The Statement of Risk Policy &amp; Strategy sets out a common basis for risk management across the funding, investment communications, and administration strategies.</p> <p><b>Last published: March 2019.</b>  <b>Review: 2024/25.</b></p>
<b>Governance Compliance Statement</b>	<p>Preparation and publication of the <b>Governance Compliance Statement</b> is a regulatory requirement. The statement must set out :</p> <ul style="list-style-type: none"> <li>▪ whether the authority delegates its functions, or part of its functions under the Regulations to a committee, a sub-committee or an officer of the authority;</li> <li>▪ if the authority does so- <ul style="list-style-type: none"> <li>• the terms, structure and operational procedures of the delegation;</li> <li>• the frequency of any committee or sub-committee meetings;</li> <li>• whether such a committee or sub-committee includes representatives of Scheme employers or members, and if so, whether those representatives have voting rights;</li> </ul> </li> <li>▪ the extent to which a delegation, or the absence of a delegation, complies with guidance given by the Scottish Ministers and, to the extent that it does not so comply, the reasons for not complying; and</li> <li>▪ details of the terms, structure and operational procedures relating to the local pension board established under regulation 5 (pension boards) of the Governance Regulations.</li> </ul> <p><b>Last published: June 2024 as part of 2023/24 Annual Report.</b>  <b>Review: April/June 2025 as part of 2024/25 Annual Report.</b></p>

## 10-Year Cash Flow Forecast

	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	2030/31 £000	2031/32 £000	2032/33 £000	2033/34 £000	2034/35 £000
<b><u>Pensions Transactions</u></b>										
<b><u>Income</u></b>										
Employee Contributions	214,620	222,350	230,341	244,409	259,317	275,115	291,854	309,591	328,383	348,293
Employers Contributions	214,620	598,635	620,148	658,023	698,161	740,694	785,762	833,515	884,109	937,711
Strain on the Fund	34,490	35,421	36,377	37,359	38,368	39,404	40,468	41,561	42,683	43,835
Added Years	499	512	526	540	555	570	585	601	617	634
Transfer Values in	11,686	12,002	12,326	12,659	13,001	13,352	13,713	14,083	14,463	14,854
Other	177	182	187	192	197	202	207	213	219	225
<b>Total Income</b>	<b>476,092</b>	<b>869,102</b>	<b>899,905</b>	<b>953,182</b>	<b>1,009,599</b>	<b>1,069,337</b>	<b>1,132,589</b>	<b>1,199,564</b>	<b>1,270,474</b>	<b>1,345,552</b>
<b><u>Expenditure</u></b>										
Pensions Expenditure	700,309	747,534	797,784	851,250	908,133	968,647	1,033,020	1,101,493	1,174,324	1,251,785
Lump Sums	194,929	200,192	205,597	211,148	216,849	222,704	228,717	234,892	241,234	247,747
Death Gratuities	26,759	27,481	28,223	28,985	29,768	30,572	31,397	32,245	33,116	34,010
Refunds	1,755	1,802	1,851	1,901	1,952	2,005	2,059	2,115	2,172	2,231
Transfer Values out	20,541	21,096	21,666	22,251	22,852	23,469	24,103	24,754	25,422	26,108
Admin Costs	9,102	9,348	9,600	9,859	10,125	10,398	10,679	10,967	11,263	11,567
<b>Total Expenditure</b>	<b>953,395</b>	<b>1,007,453</b>	<b>1,064,721</b>	<b>1,125,394</b>	<b>1,189,679</b>	<b>1,257,795</b>	<b>1,329,975</b>	<b>1,406,466</b>	<b>1,487,531</b>	<b>1,573,448</b>
<b><u>Total Movement</u></b>	<b>-477,303</b>	<b>-138,351</b>	<b>-164,816</b>	<b>-172,212</b>	<b>-180,080</b>	<b>-188,458</b>	<b>-197,386</b>	<b>-206,902</b>	<b>-217,057</b>	<b>-227,896</b>
<b><u>Investment Activity</u></b>										
Bank Interest	8,650	7,500	7,000	4,550	4,550	4,550	4,550	4,550	4,550	4,550
Investment Income	406,140	426,447	447,769	470,157	493,665	518,349	544,266	571,479	588,624	606,282
Manager Fees	-38,053	-39,080	-40,135	-41,219	-42,332	-43,475	-44,649	-45,855	-47,093	-48,365
<b>Net Investment Income</b>	<b>376,737</b>	<b>394,867</b>	<b>414,634</b>	<b>433,488</b>	<b>455,883</b>	<b>479,424</b>	<b>504,167</b>	<b>530,174</b>	<b>546,081</b>	<b>562,467</b>
<b>Total Net Movement</b>	<b>-100,566</b>	<b>256,516</b>	<b>249,818</b>	<b>261,276</b>	<b>275,803</b>	<b>290,966</b>	<b>306,781</b>	<b>323,272</b>	<b>329,024</b>	<b>334,571</b>

SPFO Staffing Structure



## KPI Definitions

Section	KPI	Definition
Digital Communications	Satisfaction Ratings <ul style="list-style-type: none"> <li>• transactions</li> </ul>	<p>Source: on completion of each refund or retiral transaction, the member is issued with an email with a link to a survey which if completed will return directly to SPFO. Returns are collated and reported to the Committee as well as being used internally to monitor and improve customer service quality.</p> <p>The survey asks the customer to rate the overall online process. It also provides an opportunity for feedback/improvements.</p> <p>Respondents are asked to rate the service on the following scale.</p> <ol style="list-style-type: none"> <li>1. Very Poor</li> <li>2. Fairly Poor</li> <li>3. Average</li> <li>4. Fairly Good</li> <li>5. Very Good</li> </ol> <p>The KPI is the average rating from all correspondents for the overall process expressed as a percentage.</p>
	<ul style="list-style-type: none"> <li>• annual pension updates</li> </ul>	<p>Online survey respondents answering Very Easy or Fairly Easy to the question: <i>How would you rate the following aspects of your update: i Content; ii Format?</i></p>
	www.spfo.org.uk <ul style="list-style-type: none"> <li>• weekly visitors</li> <li>• unique weekly visitors</li> </ul>	<p>Source: Google Analytics</p> <p>Total number of individual occasions on which the website is accessed over the time period.</p> <p>The number of unduplicated (counted only once) visitors to the website over the course of a specified time period”.</p>
	SPFOnline	<p>Source: Altair pensions system</p> <p>SPFOnline is a member self service portal. It provides members with direct, secure access to their own SPFO pensions record and allows them to:</p>

## KPI Definitions

	<ul style="list-style-type: none"> <li>▪ the total number of members who have completed the registration process and</li> <li>▪ the total number of members who have logged in in the year per <i>Altair Insights</i>.</li> </ul>	<ul style="list-style-type: none"> <li>• check details held</li> <li>• amend contact details</li> <li>• estimate benefits</li> <li>• request information or calculations and</li> <li>• upload documents</li> </ul> <p>To use <i>SPFOnline</i> members need to obtain an activation key and complete a short online registration process.</p> <p>Source: figures provided by <i>Altair Insights</i>.</p>
Employer & Data Management	<ul style="list-style-type: none"> <li>• Membership figures</li> </ul>	<p>Source: figures provided by <i>Altair Insights</i>.</p> <p>Membership figures are based on posts, not individuals – so members with multiple posts may be counted several times.</p> <p><b>Active members</b> are those currently paying contributions and accruing service.</p> <p><b>Deferred members</b> are those who have previously contributed but no longer do so. Mostly these are members who will be paid a pension in due course, but the figure also includes some who are due a refund of contributions.</p> <p><b>Pensioner members</b> are those currently in receipt of a pension. The figure includes previously active members and dependents.</p>



## KPI Definitions

	<ul style="list-style-type: none"> <li>• Data Quality</li> <li>• Submission of i-Connect returns</li> </ul>	<p>The Pensions Regulator provides the following definitions.</p> <p><b>Common Data</b> are basic items which are used to identify scheme members, including surname, sex, national insurance number, postcode, date of birth, etc.</p> <p><b>Scheme Specific (Conditional) Data</b> are items relating to the member's pension, including employer name, salary records, service history, contributions history, etc.</p> <p><i>Altair</i> Insights allows SPFO to monitor Data Quality Scores in real time, and tests for those members in scope.</p> <p>Employers should submit regular electronic returns via i-Connect no later than the 19<sup>th</sup> of the month following the reporting period. A submission is considered complete when all expected payrolls have been fully processed for the reporting period. Submissions should identify all starters, leavers, salary, contribution and member data changes. The KPI is based on all employers and ,expressed as: no. of valid submissions/no. of expected submissions.</p>
<b>Pre-retirement Transactions</b>	<ul style="list-style-type: none"> <li>• Turnaround Times</li> </ul>	<p>Source: the Task Management and Performance measurement module of the <i>Altair</i> pensions system measures the period that elapses between a task first being logged to the system and finally closed as complete, minus any time when the task or queries on it have been referred to the employer or other external parties. The statutory deadline measures the period that elapses between a task first being logged to the system and finally closed as complete.</p> <p>For each process the internal KPI measures the total days taken by SPFO to complete each transaction in the period. The target is expressed as <math>x\%</math> of transactions completed within a target time of <math>y</math> days. When measuring against the statutory deadline however, the target is expressed as <math>x\%</math> of transactions completed before the statutory deadline has expired.</p>
<b>Compliance</b>	<ul style="list-style-type: none"> <li>• Complaints</li> </ul>	<p>Source: <i>Lagan</i>, Glasgow City Council's monitoring and recording system. Stage 1 complaints must be answered in 5 working days, Stage 2 complaints 20 working days. The</p>

## KPI Definitions

		target measures the volume of complaints received against the actual average days it took to complete giving an overall percentage achieved. Number of upheld complaints expressed as a percentage of overall complaints received.
<b>Finance</b>	<ul style="list-style-type: none"> <li>• Pensions payroll run on time</li> <li>• New retireals processed for due date</li> <li>• Retiral lump sums paid on retirement date</li> <li>• Deferred pensions processed for due date</li> </ul>	<p>Source: RBS/BACS SPFO makes all monthly pensions payments via a single BACS pay run on 15<sup>th</sup> of each month (or previous business day where 15<sup>th</sup> is not a business day). The KPI measures whether or not the BACS payroll ran on the due date each month.</p> <p>Source: <i>Altair</i> pensions system When a member retires, SPFO aims to ensure that, where the required notice period has been observed, they receive their first pensions payment on 15<sup>th</sup> of the month after the month of their retiral. The KPI measures the total incidence of this being achieved each month and is expressed as a percentage of total members retiring (excluding ill health retireals and retireals with AVCs involved).</p> <p>Source: <i>Altair</i> pensions system When a member retires SPFO aims to ensure that, where the required notice period has been observed, they receive any retirement lump sum on the first day of their retirement – i.e. the day after their last day of employment. The KPI measures the total incidence of this being achieved each month and is expressed as a percentage of total members retiring (excluding ill health retireals and retireals with AVCs involved).</p> <p>Source: <i>Altair</i> pensions system When a deferred member elects to take their pensions and submits all relevant documentation, SPFO aims to ensure that they receive their first pensions payment on the 15<sup>th</sup> of the month after the member's election/retirement date. The KPI measures the total incidence of this being achieved each month and is expressed as a percentage of total members retiring (excluding ill health deferred medicals and members with AVC's)</p>

KPI Definitions

	<ul style="list-style-type: none"> <li>Deferred lump sum paid on due date</li> <li>Contributions income received on due date</li> </ul>	<p>Source: <i>Altair</i> pensions system When a deferred member retires SPFO aims to pay any retirement lump sum within 5 days of the calculation being completed or for future deferred retirements within 5 days of the member's retirement date. The KPI measures the total incidence of this being achieved each month and is expressed as a percentage of total members retiring (excluding ill health deferred medicals and members with AVCs).</p> <p>Source: SPFO Bank account/ SAP ledger system All member and employer contributions should be credited to SPFO's bank account by 19<sup>th</sup> of month following that in which the member contributions were deducted. The KPI measures the total contributions by value received on time and is expressed as a percentage.</p>
<p><b>Investments</b></p>	<ul style="list-style-type: none"> <li>Total Return v Benchmark Return</li> </ul>	<p>Source: the Fund's global custodian, Northern Trust, is responsible for independent performance measurement and provides detailed quarterly reports on all aspects of investment performance based primarily on data from the assets held in custody by them.</p> <p>Total return is measured as the increase or decrease in the total value of investments as a result of income received together with realised or unrealised gains in the market value of the investment, expressed as a percentage of the value of the investment at the start of the measurement period.</p> <p>The benchmark return is the total return on a defined market index or combination of indices. The KPI measures total return for the Fund or the portfolio compared with the strategic benchmark or portfolio benchmark return.</p>
<p><b>Business &amp; Development Priorities</b></p>	<div style="background-color: red; height: 15px; width: 100%;"></div> <div style="background-color: yellow; height: 15px; width: 100%;"></div> <div style="background-color: green; height: 15px; width: 100%;"></div>	<p>Significant issues or delays mean that item may not be completed as envisaged.</p> <p>Some issues or delays but item will be completed largely as envisaged.</p> <p>No material issues or delays.</p>

**Investment Objectives, Strategy & Structure**  
**2024 allocation by manager and mandate type**

<b>Asset Category / Mandate Type</b>	<b>Manager</b>	<b>Target (%)</b>	<b>Benchmark</b>
<b>Equity</b>		<b>47.0</b>	
<b>Passive</b>	<b>L&amp;G Global</b>	<b>13.9</b>	Low carbon index composite
	<b>L&amp;G RAFI</b>	<b>4.1</b>	RAFI Low Carbon Index
<b>U/c Global</b>	<b>Baillie Gifford</b>	<b>7.5</b>	MSCI All Countries World index
	<b>Lazard</b>	<b>2.5</b>	MSCI All Countries World index
	<b>Veritas</b>	<b>2.5</b>	MSCI All Countries World index
	<b>Oldfield</b>	<b>2.5</b>	MSCI All Countries World index
<b>Specialist</b>	<b>Lombard Odier</b>	<b>1.0</b>	Specialist smaller companies index
	<b>JP Morgan</b>	<b>3.0</b>	Regional smaller co. indices
	<b>RBC/ Fidelity</b>	<b>2.0</b>	MSCI Emerging Markets Index
<b>Private Equity</b>	<b>Pantheon / PG</b>	<b>7.5</b>	MSCI All Countries World index +5%
<b>DIP Equity</b>	<b>Various</b>	<b>0.5</b>	CPI +3%
<b>Hedging/Insurance</b>		<b>10</b>	
<b>Passive I/L</b>	<b>UK Index Linked</b>	<b>5.0</b>	FTSE Index Linked over 5 Years
	<b>UK Gilts</b>	<b>5.0</b>	FTSE All Stocks
<b>Credit</b>		<b>5</b>	
<b>Passive Credit</b>	<b>L&amp;G Corporate</b>	<b>2.5</b>	Low carbon UK/US indices
	<b>L&amp;G Buy&amp;Maintain</b>	<b>2.5</b>	Iboxx Sterling Non Gilts 5+ Index
<b>STEY</b>		<b>17</b>	
<b>Absolute Return</b>	<b>PIMCO</b>	<b>4.0</b>	SONIA +3.25%
	<b>Ruffer</b>	<b>2.0</b>	SONIA+3%
<b>Multi Asset Credit</b>	<b>Barings</b>	<b>2.25</b>	SONIA+4%
	<b>Oak Hill</b>	<b>1.75</b>	SONIA +4%
<b>Private Debt</b>	<b>Barings</b>	<b>1.75</b>	SONIA +4%
	<b>Partners Group</b>	<b>1.0</b>	SONIA +4%
	<b>Pantheon</b>	<b>0.75</b>	SONIA +4%
	<b>ICG Longbow</b>	<b>1.0</b>	SONIA +4%
<b>DIP STEY</b>	<b>Various</b>	<b>1.5</b>	CPI +3%
<b>Cash</b>	<b>Northern Trust</b>	<b>1.0</b>	SONIA
<b>LTEY</b>		<b>21</b>	
<b>Property</b>	<b>DTZ</b>	<b>9.0</b>	IPD Quarterly Universe
	<b>Partners Group</b>	<b>2.0</b>	8% p.a. absolute return (£ adjusted)
<b>Infrastructure</b>	<b>JP Morgan</b>	<b>4.5</b>	8% p.a. absolute return
<b>DIP LTEY</b>	<b>Various</b>	<b>5.5</b>	CPI +3%
<b>Total</b>		<b>100</b>	

## Review of 2024/25 Business &amp; Development Priorities

Item	Description	Timetable/ Actions/ Progress	RAG Status
<b>Governance</b>			
<b>Risk Policy</b>	Review SPF risk policy.	Originally due to complete by December 2024. Delayed to March 2025 for SPF Committee approval.	<b>Complete</b>
<b>TPR GCoP</b>	Review new TPR General Code of Practice in order to ensure SPFO compliance.	Compliance checker purchased from Hymans Robertson, and used for gap analysis. Briefing, and report on outcomes and actions delivered to SPF Committee at September meeting. Internal audit to review and report by June 2025.	<b>Complete</b>
<b>Pensions Administration</b>			
<b>Pensions Dashboard</b>	Preparation for launch of the Dashboard including ensuring compliance with the data specification and connection, security and technical standards.	Heywood signed off as Integrated Service Provider for SPFO. Dashboard dashboard now part of <i>Altair Insights</i> . Timing agreed as Phase I (Testing) for 5 weeks from Feb 2025. Phase II (Connection) June 2025. Statutory deadline for LGPS September 2025. Public access and Dashboard project go-live 2026.	<b>In progress</b>
<b>McCloud Remediation</b>	Implementation phase of McCloud remedy to address age discrimination in the LGPS 2015 transitional protections.	Regulations in place from late 2023. Guidance published during 2024. Finalisation of Remedy Period data for all members in scope (c.65,000) completed at 2023/24 year end. Ongoing checking of McCloud impact for deferred and active members now business as usual. c.400 payment revisions for current pensioners to be processed by March 2025. Content of benefit statements to be reviewed in 2025. Payment revisions for other statuses (transfers out, deaths) to be progressed during 2025/26.	<b>In progress</b>

## Review of 2024/25 Business &amp; Development Priorities

Item	Description	Timetable/ Actions/ Progress	RAG Status
<b>Data Services</b>	Review of member data services arrangements and contract.	Tender for new contract issued in July. Abandoned in August due to multiple issues with bids received and award criteria. Re-issued on revised basis in late September and award to Heywood approved at November committee. Implementation in progress.	<b>Complete</b>
<b>ICT Arrangements</b>	Review arrangements including hosting arrangements and Heywood contract(s) in light of GCC Future of ICT project.	Aim to achieve clarity on future arrangements by March 2025. Heywood contract expected to be extended. SPF has completed positive appraisal of benefits of Heywood hosting, based on information from other LGPS funds, but clarification of costs and contractual arrangements is still required from SIIT/CGI. Neither party has been responsive.	<b>In Progress</b>
<b>Investments</b>			
<b>Investment Strategy and Structure</b>	Implement changes agreed as part of 2023 review.	Main strategic changes, including passive equity transition to climate transition indices, equity reduction, and switch to gilts completed early in year. Corporate bond switch to buy and hold complete. RBC appointed for emerging markets equity mandate, now funded to initial allocation target. Corporate bond switch to low carbon transition index expected to complete by March. Work ongoing on liquidation of Fidelity emerging markets holding.	<b>Largely complete</b>
<b>DIP</b>	Review of Direct Impact Portfolio strategy and structure.	Final report approved at November meeting of SPF Committee. Main recommendations: an increase in target size from 5% to 7.5% of total assets; and an increased return requirement – minimum 6.5% p.a.	<b>Complete</b>
<b>TCFDs</b>	Preparation for publication of revised Climate-related Financial Disclosures	Regulation/guidance awaited but unlikely to be issued for 2024/25 year end. Revised NZIF being reviewed meantime.	<b>Ongoing</b>

## Review of 2024/25 Business &amp; Development Priorities

Item	Description	Timetable/ Actions/ Progress	RAG Status
<b>Communications</b>			
<b>SPF 50</b>	Preparations for SPF 50th anniversary in 2025 including key messages, re-branding, and communications deliverables.	Bright Signals appointed in January to provide design support including new branding and deliverables. Phase 1 - branding - to complete by March. Phase 2 - deliverables by end April.	<b>In progress</b>
<b>Emerging Priorities</b>			
<b>SFRS Consolidation</b>	Scottish Fire and Rescue Service will consolidate its Scottish LGPS membership from 8 funds into one - SPF.	Hymans Robertson providing project oversight. Transfer planned in 2 tranches. Tranche 1 completed successfully in November/December. Tranche 2 to complete in February/March.	<b>Complete</b>
<b>Annual Report</b>	New guidance on LGPS annual reports published during year and adopted by Scheme Advisory Board in Scotland.	SPF compliance reviewed with a view to adopting as far as possible starting with 2024/25 annual report. Entails additional data gathering and reporting, in particular in respect of administration KPIs. Priority KPIs for year 1 and 2 to be set out in 2024/25 Business Plan.	<b>In Progress</b>
<b>Member Self Service</b>	Migration to new <i>Heywood Engage</i> platform.	Current platform will no longer be supported after 2025. Targeting transfer and go-live in March/April 2025.	<b>In Progress</b>

## 2025/26 Business &amp; Development Priorities

Item	Description	Actions/ Outcomes/ Estimated Timetable
<b>Governance</b>		
<b>Actuarial Valuation 2026</b>	Planning and preparation for the statutory triennial valuation as at 31 <sup>st</sup> March 2026.	Review data quality. Draft plan for completion of valuation within 12 month regulatory timescale. Preliminary discussion of funding strategy. Complete preparation by March 2026.
<b>Assurance Mapping</b>	Develop Assurance Mapping for SPF as part of Risk Strategy.	Map current risk register. Complete by March 2026.
<b>Pensions Administration</b>		
<b>Pensions Dashboard</b>	The Pensions Dashboards is a UK-wide initiative to provide clear and simple information to individuals who have multiple pension savings, including their State Pension. Deadline for LGPS connection is September 2025.	Complete testing phase by April to ensure data readiness and technical compliance. Connect with Dashboard ecosystem ahead of the statutory deadline for LGPS of September 2025. Preparation and planning for public access go-live in October 2026 including agreeing matching criteria, protocols, and response processes.
<b>McCloud Remedy</b>	Final phase of McCloud Remedy to address and remove age discrimination in the LGPS 2015 transitional protections.	Content of annual benefit statements in respect of McCloud impact to be reviewed ahead 2025 issue. Complete payment revisions for “other” (non-pensioner) statuses (transfers out, deaths, etc.) during 2025/26.
<b>ICT Arrangements</b>	Migration of Altair pensions system to cloud-based solution hosted by Heywood.	Go/no-go decision by September. Remainder of timetable subject to SIIT/CGI agreement.
<b>Pension Administration Strategy (PAS)</b>	Triennial review of PAS.	Review and re-draft by November. Statutory consultation on draft. Agree and publish final PAS by March 2026.



## 2025/26 Business &amp; Development Priorities

Item	Description	Actions/ Outcomes/ Estimated Timetable
<b>Investments</b>		
<b>Climate Action Plan</b>	Review of SPF Climate Action Plan agreed in 2023.	Review to include: progress to date; revised Net Zero Investment Framework “NZIF 2.0” published during 2024; TCFDs; TNFDs; future alignment and targets. Complete by March 2026.
<b>Investment Strategy and Structure</b>	Preparation for review in line with 2026 actuarial valuation.	To include: consideration of multiple/alternative investment strategies for employers; outcomes of review of SPF CAP (see above); agree priorities and plan for 2025/26 review. Complete by March 2026.
<b>Communications</b>		
<b>SPF 50</b>	May 2025 marks 50th anniversary of SPF’s creation in 1975.	To include: rebranding, publication(s) celebratory event(s). Ongoing throughout 2025.

## Committee Agenda Plan

<u>26<sup>th</sup> June 2025</u>	<u>10<sup>th</sup> September 2025*</u>	<u>26<sup>th</sup> November 2025</u>	<u>March 2026</u>
<b>Training:</b> Global custody and securities servicing – Northern Trust.	<b>Training:</b> ESG, stewardship and climate solutions – Sustainalytics.	<b>Training:</b> Tbc – LGIM.	<b>Training:</b> tbc
<b><u>Items for Approval</u></b>	<b><u>Items for Approval</u></b>	<b><u>Items for Approval</u></b>	<b><u>Items for Approval</u></b>
DIP: tbc	DIP: tbc	DIP: tbc	DIP: tbc
Unaudited Annual Report	Annual Audit Report* Audited Annual Report*		Climate Action Plan - review
Training Policy, Practice & Plan			2026/27 Business Plan
		Pension Administration Strategy - Draft	Pension Administration strategy – Final
Internal audit reports and annual report	Internal audit reports	Internal audit reports	Internal audit plan and reports
<b><u>Items for Noting</u></b>	<b><u>Items for Noting</u></b>	<b><u>Items for Noting</u></b>	<b><u>Items for Noting</u></b>
Gifts and Hospitality Register	Investment Update	Investment Update	Investment Update
	Administration Update	Administration Update	Administration Update
	Finance Update	Finance Update	Finance Update
	Business plan update		Annual Audit Plan 2025/26
	Risk Register	Risk Register	Risk Register
Funding Update	Funding Update	Funding Update	Funding Update

\* a separate meeting may be required to receive the Annual Audit Report and approve the audited Annual Report and Financial Statements depending on audit timetable.

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