

Scottish Parliamentary Pension Scheme

Minutes of the Fund Trustee meeting held on 26th September 2023 at 17:30 via Microsoft Teams

Attendees:

Murdo Fraser MSP (Trustee and Chair)
Gordon MacDonald MSP (Trustee)
Dawn Gibbons (Secretariat, SPCB Pay and Pensions Office)
Memet Pekacar (GAD)
Chris Ward (GAD)
Catriona McCallum (Solicitors Office)

Mark McCluskey (BDO)
Alex Kundert (BDO)
Lindsey Knight (Baillie Gifford)
Eleanor McKee (Baillie Gifford)

Item 1: Attendance/apologies

1. Apologies were noted for Pauline McNeill (Trustee) and Mark Ballard (Trustee)

Item 2: Draft 202/23 SPPS scheme annual report and accounts

2. Mark presented key finding from the SPPS audit of the 22/23 scheme annual report and accounts. Management override and scheme contributions were the focus of the report discussion. BDO confirmed no anomalies, errors or fraud were detected. Trustees in attendance and scheme secretariat also confirmed no awareness of fraudulent activity. Key figures, monetary movements and investments were also covered by Mark.

Trustees in attendance were content with the accounts and audit findings but as there was no quorum of minimum trustee numbers in attendance, formal sign off will be actioned via correspondence.

AP: Dawn to organise sign off of scheme account and audit report via written correspondence

Item 3: Minutes of the meeting held on 6th June 2023

2. Trustees were content with the minutes of the meeting held on 6th June 2023 however as there was no quorum of minimum trustee numbers in attendance, formal sign off will be actioned via correspondence.

AP: Dawn to organise sign off of minutes from June 2023 Trustee meeting via written correspondence

Item 4: Baillie Gifford presentation

4. Lindsey Knight and Eleanor McKee joined the meeting to provide an overview of current investments and fund performance over the past 12 months and their outlook. Baillie Gifford acknowledged funds have not performed as strongly as would have been expected due to worldwide events adversely affecting their investment philosophy, but they believed that the outlook supported an optimistic view and that their funds were expected to perform positively. Breakdown was provided on the three managed funds for asset allocation and fund performance against benchmarked data for the past 12 months and longer term over a three and five-year period.

Item 5: Investment review

6. Chris provided an update on the upcoming investment review. It was agreed that at the December Trustee meeting Chris would present alternative investment options such as property and index tracking equities for consideration by Trustees. This would allow for a wider asset allocation and potentially reduce the concentration to Baillie Gifford's style of investing. If Trustees were minded to pursue this investment option there would be other considerations to review such as research time required by GAD, procurement rules, associated costs and resourcing implications.

AP: Chris to provide options analysis at December meeting which incorporates risk versus return

Item 6: Actuarial update

Memet provided an update on the factors used within the September 2022 funding update of the scheme. Estimates used for inflation have been realised and therefore September figures remain a valid estimate. The scheme assets position has improved since September 2022 and forecasts made on liabilities of the scheme have decreased which is positive news from a scheme funding perspective. This is in line with the Pension Regulator annual update for improved funding levels of other schemes.

Item 7: Any other business

7. Trustees raised the fact that Mark Ballard (Trustee) had not been in attendance for the last two meetings. Dawn will make contact with Mark to ensure correspondence is being received. Trustees agreed a review on trustee numbers should be initiated to provide some resilience on decision making factors.

AP: Dawn to provide Trustees with process for appointing Trustees

Dawn advised trustees that disinvestment of some current assets was required to cover current liabilities.

AP: Dawn to arrange for Trustees to sign documentation to allow the disinvestment of assets

Item 8: Date of next meeting

8. Date for next meeting set as Tuesday 5th December 2023