



Attendees:

George Brechin (GB)	Chair
Ray Martin (RM)	Vice Chair
Kathy Cameron (KC)	Board Member
Brian Cookson (BCo)	Board member
John Crichton (JC)	Board member
David Illingworth (DI)	Board member
Leah Franchetti (LF)	Board member
Sharon McKenzie (SMcK)	Board member
Drew Morrice (DM)	Board member
Peter Smith (PC)	Board member
Penelope Cooper (PC)	SPPA Chief Executive
Carole Johnston (CJ)	Temporary Head of Customer Services
Gerry McGarry (GMcG)	Assistant Head of Customer Services
Brian Casson (BCa)	Senior Customer Services Manager (item 4)
Tony Bayliss (TB)	Temporary Director of Digital Transformation (item 5)
Sarah Butler (SB)	Senior Customer Services Manager (items 7 and 14)
Lorimer Mackenzie (LM)	Interim Policy Director (items 8 and 10)
Ian Waugh (IW)	Head of Finance (item 9)
Molly Wyllie (MW)	Governance (minutes)

Apologies:

David McGinty	Board Member
Cllr David Illingworth	Board Member
Cllr Stuart Currie	Board Member

1. Welcome, introductions and conflicts of interest

1.1 GB welcomed everyone to the meeting and introduced the new Vice Chair, Ray Martin. GB advised the board that Carole Johnston had joined the Agency as Temporary Head of Customer Services.

1.2 Apologies were noted as above.

1.3 No conflicts of interest declared.

2. Board membership changes

2.1 GB advised that changes to board included the appointment of a new Vice Chair as noted above and also the resignation of Trevor Gabriele. A nomination from the appropriate body would be sought.

3a). Draft minutes and Action Points from meeting of 10 May 2018

Draft minutes from the meeting on 10 May 2018 were reviewed and adopted.

3b). Action Points

Open action points were reviewed and the following noted:

- T8.11 of 23/5/17 – remains with Scheme Advisory Board and is carried forward
- T9.12 on 21/9/17 – remains open
- T11.09 of 21/2/18 – closed
- T12.02, T12.03, T12.04, T12.05 of 10/5/18 – remain open
- T12.07 of 10/5/18 – complete

4. Annual Benefit Statements (ABS) Update

4.1 GB asked that thanks to Sharon McKenzie, Kathy Cameron and Peter Smith for their help working with employers and SPPA involved in the ABS exercise, be recorded.

4.2 BCa advised that 95.5% of ABS for qualifying members, had been produced. It was hoped that by the deadline of 31 August, this figure would rise to 98%, which was a significant improvement on the 2017 exercise. RM asked if, where data was missing, it was all employees from a particular employer, or down to individual cases. BCa confirmed that it was individual cases, but where a 2018 statement could not be provided, last years' data would be used. This would then be replaced when the 2018 data was available. BCo congratulated everyone involved in the exercise. JC asked if the number of ineligible members was excluded before reporting to the Pension Regulator (PR). BCa confirmed that this was correct. JC asked if the number of ineligible members is added to the number of eligible members the total represented active members. BCa advised that the total number of active members alters ongoing due to the receipt of starter and leaver notifications, which are usually backdated.

PC advised that SPPA had been in regular contact with the PR who had been clear that SPPA had a responsibility to obtain data and to report a material breach where the target was not met. PC confirmed the PR had advised that if a breach was reported, a recovery plan to attain 100% would also be required. In addition, a letter had been received regarding the 2017 exercise. SPPA would respond to the Improvement Notice issued for 2017 and report a breach for 2018. It is anticipated that the PR would impose fines this year.

Discussion followed concerning the complexities and barriers involved for both employers and SPPA to achieve the 100% target set by the PR. The board also discussed the meaning of the PR term 'material breach'.

GB summarised the discussion:

1. The board appreciate the work done by SPPA towards achieving the target. An update on progress to be provided to board members by 31 August

AP1	SPPA to provide ABS progress update to board member by 31 August 2018
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2. The time between the end of the 2017 exercise and the commencement of the 2018 exercise limited the opportunity for the lessons learned to be actioned
3. PC and GB to write to the PR in response to the Publication of Regulatory Intervention Report
4. As agreed by the board, a breach report for 2018 would be sent to the PR

5. Altair Programme Update

5.1 TB advised that the current pension administration system would be in place until 2024, providing a long term solution. Changes and enhancements would be made to the system over the next 12 months. This would include the migration and integration of NHS and Teachers' pensioner payroll. An interactive web portal would be created for employers. The plan would be to move to monthly data returns. A portal would be also be developed for members, which would include facilities to amend their details and use a forecasting tool.

TB advised that a communications campaign would be developed and the team would work with the pension board to roll this out. TB offered a demonstration of the facility to board members following the November meeting.

AP2	SPPA to demonstrate member portal following November meeting
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6. Teachers' Dashboard

6.1 GMcG asked if there were any issues arising from the dashboard. KC asked about the deadline for IDRP applications. It was agreed that she would discuss this after the meeting with the Head of Policy.

6.2 GB commented that new payments had achieved 97%, which when related to the number of payments resulted in 1 in 50 being inaccurate. Following discussion, it was agreed that GMcG would provide more information to the board.

6.3 RM commented that the Dashboard could be improved to give more information to the Scheme Manager and the Board on not only whether targets had been met, but also on the average number of days taken, and the time taken for the last task completed, for each category of task. GMcG said that the content of the Dashboard was under review as part of the upgrade to the Altair software and these comments would be taken into consideration.

AP3	SPPA to provide background information about the accuracy of new payments as shown on the dashboard
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7. SPPA Update

Summer Retirals

GMcG advised that Teachers' summer retirals exercise was complete.

Annual Returns

GMcG commented that there had been an improvement in the quality of annual return data received. GMcG thanked board members for their assistance.

GMP

GMcG advised that reconciliation of member records continued. VP reminded the board that the figures provided represented member records rather than individual members (as members can have more than one record). VP advised that although the timescale for completion was December 2018, HMRC would be returning data through to March 2019.

GMcG advised that communications related to GMP had yet to be agreed. BCo asked if there was agreement with HMT regarding overpayments. GMcG advised that this issue would be referred to Scottish Ministers and in liaison with the Chief Executive, a decision would be made. PC added that Ministers were aware of the issues, but there had not been sufficient information to consider a decision. JC asked when the number of 'stalemate' cases would be known and how members would be notified. GMcG confirmed that the numbers would not be clear until the end of the exercise. Communications would be developed in conjunction with other schemes to ensure a consistent message.

*Note: A 'stalemate' case is where the HMRC and the Scheme manager can not agree on whose Contracted Out National Insurance records are correct and the impact of the difference on the weekly GMP is not within the *diminimus* threshold of £2 per week.*

PC advised that pension boards would not be involved in decisions related to parameters around *diminimus* levels etc. PC suggested that there may be an opportunity to invite someone to attend the Annual Conference in November to talk to Pension Board members.

AP4	SPPA to consider inviting a speaker to attend the Annual Conference in November 2018 to discuss GMP issues
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Overpayments

DM raised again the issue of re-employment and overpayments. GMcG confirmed that the awarding letter alerts members to the need to advise the Agency when they become re-employed. GMcG advised that seminars for employers are planned for later this year and suggested that re-employment be included.

KPIs

GMcG advised that the changes to KPIs mentioned in the report would be reflected in quarter 2.

Quarterly Assurance

SB explained that a question had been raised related to new payments accuracy and what quality assurance measures were applied. This report explained those measures. GB asked if a breakdown of the figures could be provided to the board.

AP5	SPPA to provide a breakdown of new payments accuracy figures to the board
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Events and Seminars

SB advised that members of staff from SPPA had attended a probationer's event hosted by Edinburgh Council. Further outreach events had been planned along with employer seminars. GB suggested that SB liaise with SMcK and KC to ensure the right employer staff are involved in these events.

AP6	SPPA to liaise with nominated board members to ensure the right employer representatives are invited to outreach events
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Employer Charter

SB advised that the purpose of the Charter was to clarify the roles of both employers and SPPA. This document would be for reference only. GB asked the board if they had any general comments and the following were noted:

- imagery used appeared to be gender biased and consideration should be given to ethnic representation
- prefer a more 'partnership' based approach
- it needs to be clear whether employers and SPPA sign up to a Charter
- refers to 'duties' rather than responsibilities
- RM commented that the guidance around giving financial advice to members was quite strong and did not align to the Financial Services and Markets Act where only when Regulated Financial Advice is given is there a need for a Regulated IFA to be involved. Advise and guidance from an employer to an employee on the benefits of being a member of his pension scheme is specifically excluded from Regulated Financial Advice. Education of Employers on what they can and can't say to promote the scheme needs to be clearer.

GB advised that the board would review the documents further and forward any comments/suggestions to SB.

AP7	Board members to review the Employer Charter and forward comments/suggestions to SPPA
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Customer Contact Team (CCT)

GMcG advised that phase 3 of the CCT project was to include NHS calls by end September. The automated customer survey software had been implemented.

Web refresh

GMcG advised that the web refresh project was progressing. Copywriters had been engaged to ensure consistency. GB offered input from the board.

8. Communications Strategy

LMck advised that the member of staff responsible for Communications Strategy and Web Refresh had recently left SPPA. LMck had now assumed responsibility for this area of work. Two key tools were being developed; a database to coordinate communications and a statistics dashboard for use by the senior leadership team. These would be available by early October.

LMcK advised the web content review was underway, however, this was proving to require a greater resource commitment than had been anticipated. The Communications Strategy was being refined and should be available by the next board meeting in November.

9. Risk

IW advised that the Agency would be undertaking a business continuity exercise at the end of October, which would focus on Cyber security. Following this, the risk register would be updated.

The risk register had been updated to reflect the pension administration project development work. IW explained that the Risk Governance Group meets regularly to

review both the corporate and scheme specific registers. Non-executive board members attend these meetings.

GB commented that risk 14 regarding data and information security was noted as level eight which may be too low. IW advised that this would be discussed at the next Risk Governance Group meeting.

10. Scheme Valuation 2017 Update

LMck advised that scheme valuation directions were due from Treasury in September. The Scheme Advisory Board would review the outcomes and impacts. Consultations would follow and the board would be informed of progress.

GB asked if this would be reflected in the risk register. LMck confirmed that the impact would be mainly on the customer services area of SPPA, however, there would be an opportunity to share learning with other schemes.

KC asked that any intelligence be shared with stakeholder groups.

11. Work and Training Plan

GB asked that the demonstration of IConnect and MSS web portals be added to the training plan along with the TPR toolkit, which would be completed, on an annual basis.

12. Pension Board Responsibilities Update

GB advised that the paper had been updated and that he would discuss this with RM to ensure it is still relevant. RM would provide an updated version for the November meeting for the Board to consider.

13a. Liaison with the Pension Regulator, Scheme Advisory Board minutes etc

KC advised that the Scheme Advisory Board had yet to confirm a date for the next meeting. This would be scheduled when the valuations had been received.

GB advised that the board were awaiting the outcome of the Eligibility Review.

13b. Any Other Business

13b.1 GB asked that this be amended to read – any other competent business.

AP8 | Agenda to be amended to show Any Other Competent Business

13b.2 DI asked that papers be issued as one document in future.

AP9 | SPPA to issue future board papers as one pdf document

13b.3. GB asked if the board could have the highlights from the Staff Survey.

AP10 | SPPA to provide highlights from the Staff Survey to the board

13b.4 GB advised that a board self-assessment review would be introduced at the end of the year.

13b.5 GB advised that board member appraisals had been complete. The Annual Report had been created and the final version would be circulated shortly.

GB thanked everyone for their attendance. No other business declared, the meeting was closed.