

**Attendees:**

Brian Barbour (BB)	Chair
Mark Cook (MC)	Vice Chair
Graham McKirdy (GMcK)	Board Member
James Ito (JI)	Board Member
Phil Coghill (PC)	Board Member
John White (JW)	Board Member
Gordon Mackay (GM)	Board Member
Penelope Cooper (PC)	SPPA Chief Executive
Gerry McGarry (GMcG)	SPPA Customer Services Manager
Brian Casson (BC)	SPPA Customer Services Manager (item 4)
Jim Preston (JP)	SPPA Senior Policy Manager (item 4)
Phil Heywood (PH)	SPPA Interim Head of Digital Transformation and IT Operations (item 6)
Viv Purves (VP)	SPPA Senior Customer Services Manager (item 4)
Molly Wyllie (MW)	SPPA Governance (minutes)

Apologies:

Carole Johnstone	SPPA Interim Head of Customer Services
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1. Welcome, introductions and conflicts of interests

BB welcomed everyone to the meeting. BB introduced Mark Cook who had joined the board as Vice Chair.

No conflicts of interest declared.

2a. Draft Minutes from previous meeting and updates

Draft minutes from the meeting of 9 May 2019 were reviewed and adopted as accurate. MW advised the board of the proposed changes to reviewing and publishing the minutes. Minutes would be provided to the Chair and Vice Chair within 2 weeks of the meeting. Once approved, these would be circulated to board members to review within 2 weeks. Any changes would be applied and a final approval given by the Chair before publishing the minutes on the SPPA website. A copy of the final minutes would be provided at each meeting. The board approved the new process.

2b. Actions Points

The board examined the outstanding actions list and the following was noted:

- N11.01 8/2/18 – GMcG advised that the Agency's ITech team was reviewing the accessibility via Skype/Teleconference/Video link. An update would be provided in due course – remains open

- N12.08 31/5/18 – PC advised that a Communications Manager had been appointed and was due to start in September 2019. A review of the Communications Strategy would be a priority and an update would be provided at the November meeting – remains open
- N13.05 23/8/18 – PC advised that a Head of Customer Services had been appointed, commencing 12 August and will take this forward – remains open
- N16.02 9/5/19 – JW advised that he had raised the issue of employer representatives at a recent Finance Group meeting, however, this had not brought forward nominations. It was suggested that SPPA Chief Executive and the Board Chair write to NHS Chief Executives to seek nominations – action closed. New action raised:

AP1	SPPA Chief Executive and Board Chair to write to NHS Chief Executives to seek employer representative nominations
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- N16.03 9/5/19 - carried forward
- N16.05 9/5/19 – GMcG advised that the de-minimus level for overpayments is based on the Scottish Public Finance Manual and therefore cannot be amended. BB asked at what point a change in de-minimus would make a difference, so that one could be argued for it is was minimal – remains open

3. NHS Dashboard

Customer Contact

GMcG advised that additional staff had joined the Customer Contact Team in July 2019. The increase in activity in quarter one had been due to Pensions Increase enquiries. Further work on the target for emails was required. Work was underway to gather information to report under Customer Satisfaction.

Complaints

GM noted that of the 22 complaints cleared in quarter one, 13 had been upheld. GM asked if a trend had been identified in these cases. GMcG advised that cases varied and analysis had not identified a trend.

Internal Dispute Resolution Procedure (IDRP)

JL noted that he had received figures related to medical dispute cases, however, this did not provide sufficient clarity around whether there was a difference in the numbers involved between the original two stage procedure and the one stage procedure. JL stated that on review, he had noted a significant difference between the numbers accepted and asked if SPPA could explain this and provide the information to the board. GMcK asked if this could be added to the agenda for the next meeting.

AP2	SPPA to provide analysis of medical dispute cases highlighting the difference in numbers between the two stage procedure and the one stage procedure. This item to be included on the agenda for the next meeting in November 2019
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Customer Survey

GMcG noted that the number of responses was small and advised that the Agency would be undertaking single even surveying in future, which would include annual benefit statements, annual allowance etc.

Website

GMcG advised that the spike in web activity was due to the work involved in moving to the new website.

Key Performance Indicators (KPIs)

The board examined the three KPIs that had failed to meet the target:

New Payment Accuracy

GMcG advised that had failed to achieve the target. A 5% check of 2,601 cases had resulted in 143, of which 12 cases had been found to be inaccurate. This had not identified a particular trend, however, as this is a pre-payment check, all cases are referred back to the team for correction before being put into payment.

Transfer Value Out (quote) and Transfer Out (actual)

GMcG advised that transfers out were 100% when adjusted for third party delays.

4. SPPA Update Report

Annual Returns

GMcG advised that 99.98% of returns had been received from employers. BC advised that the team were working with those employers who had yet to submit returns.

Annual Benefit Statements (ABS)

BC advised that work was ongoing to apply the annual returns to the system to progress the production of ABS. Results have improved compared to last year, which had achieved 94.2%, however, the complex nature of Practitioner statements would mean that the 100% target set by the Regulator would not be met. Final figures would be forwarded to the Board at the end of August.

AP3	SPPA to provide ABS figures as at 31 August 2019 to the Board
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Annual Allowance (AA)

BC advised that work required for the provision of AA information would commence after the ABS run was complete. The team were working with Aquila Heywood to improve system functionality. Every effort would be made to flag up members who were likely to breach the AA limit. MC stated that there may be a lack of understanding for members that AA was a HMRC tax issue. MC also noted that some members were not aware of 'Scheme Pays', or the consequences for their pensions if this option was used. BC advised that information and guidance was made available on the SPPA website. PC confirmed that HMRC had made it clear that AA was the individual member's responsibility and that SPPA cannot give advice. Following discussion, it was agreed that any information or advice Board members could provide should be shared with SPPA.

AP4	Board members to share any information of advice to improve information for members related to AA
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Customer Contact Team (CCT)

GMcG advised that further staff had joined the CCT. There had been a spike in enquiries following information regarding Annual Allowance which had been issued to members by the British Medical Association.

Guaranteed Minimum Pension (GMP)

VP reported that the status of the reconciliation at mid-July was 84.7% complete, with 206,749 unreconciled records remaining. Outstanding HMRC responses are now down to 4,186. The team are working on approximately 25,000 complex data queries. HMRC are finalising their scheme financials related to Contribution Equivalent Premium (CEP), which was paid to re-instate members with no qualifying service into the state pension scheme. HMRC would issue letters to scheme administrators mid-August to advise of any outstanding monies due. Refunds for surplus CEP amounts would be issued by end October.

GMcK asked if communications would be issued to members. VP advised that the responsibility for communications had not yet been decided and may be left to schemes to undertake.

AP5	SPPA to advise the board when the responsibility for communication related to GMP is decided
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Overpayments

GMcG advised that overpayments amounted to 0.04% of all payments made. Overpayments were mainly related to delays in being notified of the death of a member.

Target Operating Model (TOM)

PC advised that work continued within Customer Services. Four new appointments had been made – Head of Customer Services, Head of Business Affairs, Governance Manager and Communications Manager. Two vacancies remain to be filled – Head of Digital and IT Operations and Head of Business Management. Head of People Services was currently being graded. PC advised that by the end of the year, a full management team would be in place.

PC also advised that SPPA were involved in a pilot with HMRCs Surge and Rapid Response Team (SRRT). The SRRT supports any central government department or agency to manage predictable annual peaks in demand, and respond to unexpected crises within the scope of the Operational Delivery Profession. HMRC staff were now in the office and would test the model. A report would be provided at the end of the pilot to quantify the success.

McCloud/Sargeant Appeal

JP advised that the next steps would be for the Tribunal to examine and accept a remedy for the outcome of the appeal. This would also involve looking at where this affects other public service schemes. JP advised that a representative from SPPA was on the steering group and technical group. At this stage timescales are not yet known, however, it was likely that it would be autumn before the Tribunal to reviewed the proposed remedy. When known, this would be considered by the Scheme Advisory Board (SAB). The key issue was to ensure that members are not disadvantaged.

NHS Annual Allowance (AA) Proposals Announced

JP advised that an announcement had been made by the Department of Health and Social Care on 7 August 2019, which proposed wider flexibility around AA for NHS. Once issued, the revised DHSC consultation will be reviewed by the SAB to consider similar proposed flexibilities for the scheme in Scotland.

5. Risk Register

BB suggested that Risk 2, residual overall score of 16, may be too high. GMcG advised that the reason for this was because the 100% target would not be met by 31 August.

6. Altair Project Update

Altair Platform Upgrade

PH advised that the recent Altair upgrade to 9.1 was completed successfully in May 2019. The next significant upgrade would be to move NHS and Teachers to the new infrastructure in September 2019.

Altair Improvement Project

Release 5 was deployed successfully in June 2019 and regression testing for release 6 had commenced. The development work-stream would be complete by end July and from that point the Aquila Heywood team would no longer be on site. The final release was scheduled for the end of August.

PH advised that the Altair Health Check had been reviewed in May. Following the review, 7 of the original 15 actions were now closed. The remaining actions would focus on the 2024 Procurement exercise. This exercise is related to the possible procurement of a new Pension Administration System.

Payroll Migration

PH advised that all payroll schedule and resource contingency had been used and as there was no further contingency, the project status moved to Amber. Customer Service staff had been assisting and further temporary staff would be recruited to assist with creating manual payroll entries. PH confirmed that the current system would remain in place and that members would not be affected if scheduling became an issue. BB asked what the 'go/no go' point would be. PH advised that this would be mid-September 2019.

Member Self Service

PH advised that a small pilot of Police and Firefighters' members had commenced. This would provide valuable feedback about how members interacted with the service. It was hoped that the service for NHS would be launched towards the end of 2019.

I-Connect

PH advised that testing continues for NHS and Teachers prior to implementation.

Web Project

PH advised that the new website had launched on 11 June 2019 and continued to perform well. An issue had been identified for some NHS scheme members who were unable to access links to forms hosted on the legacy website. This issue had now been resolved.

7. Board Member Performance and Development

BB advised that an assessment of the Board performance would be appropriate next year. Individual assessments would take place along with discussion on members continued professional development. PCog asked if, in the interests of board succession planning, observers could be admitted to the Board. BB agreed that the issue of succession required review. Following discussion, it was agreed to check guidance to

confirm if a member of the Scheme Advisory Board could also be a member of the Pension Board.

AP6	SPPA to check current guidance to establish if a member of the Scheme Advisory Board could also be a member of the Pension Board
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8. Draft NHS Pension Board Annual Report 2018-19

The draft Annual Report was provided to the Board for review.

9. Any other competent business

9.1 Changes to Payslips

PH advised that SPPA would introduce a number of small changes to the format of pensioner payslips, which would result in reduced costs and volume of posted items. Members will be made aware of the changes. The change was currently planned for November 2019.

10. Date and time of next meeting – 7 November 2019, Tweedbank, time to be agreed – 11:00 start as normal

BB asked if the board meeting start time could be moved forward to 10.00 am. A decision would be made prior to the meeting.

Actions Summary

Action No	Para	Action	Assigned to	Target Date
N17.01 8/8/19	2b	SPPA to consider contact NHS Chief Executives to seek employer representative nominations	SPPA	As soon as possible
N17.02 8/8/19	3	SPPA to provide analysis of medical dispute cases highlighting the difference in numbers between the two stage procedure and the one stage procedure. This item to be included on the agenda for the next meeting in November 2019	SPPA	7 November 2019
N17.03 8/8/19	4	SPPA to provide ABS figures as at 31 August 2019 to the Board	SPPA	31 August 2019
N17.04 8/8/19	4	Board members to share any information or advice to improve information for members related to AA	Board members	As soon as possible
N17.05 8/8/19	4	SPPA to advise the board when the responsibility for communication related to GMP is decided	SPPA	When available

N17.05 8/8/19	7	SPPA to check current guidance to establish if a member of the Scheme Advisory Board could also be a member of the Pension Board	SPPA	As soon as possible
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