

**MINUTES OF MEETING OF THE SPPA MANAGEMENT ADVISORY BOARD**  
**MONDAY 23 September 2019**

**Present:**

Penelope Cooper (PC)	SPPA Chief Executive Chair
Helen Mackenzie (HM)	Non-Executive Chair Audit and Risk Committee
Ian Forbes (IF)	Non-Executive Member
Liz Holmes (LH)	Non-Executive Member
Sheena Cowan (SC)	Non-Executive Member
Dev Dey (DD)	SPPA Head of Customer Services
Ian Waugh (IW)	SPPA Head of Finance
Lorimer Mackenzie (LM)	SPPA Head of Policy
Sally Paterson (SP)	SPPA Acting Head of People Services
Philip Heywood (PH)	SPPA Interim Head of Business Evolution
Gary Cossar (GC)	SPPA Communications Manager
Molly Wyllie	SPPA Governance - minutes

**Apologies:**

Gordon Wales	Scottish Government Chief Financial Officer
Mark Adderley	Non-Executive Member
Norman McNeil	Non-Executive Member
Jane Malcolm	Non-Executive Member

**1. Welcome and Introduction**

- 1a. PC welcomed everyone to the meeting.
- 1b. Apologies received as noted above.
- 1c. No declarations of conflict of interest registered.

**2. Any other business**

No other business declared.

**3a. Minutes from previous meeting**

- 3.1 The minutes of the meeting held on 22 July 2019 were adopted by the board without amendment.

**3b. Outstanding Actions**

The Board reviewed the outstanding actions and following discussion, all were closed.

**4. Audit and Risk Committee Report**

- 4.1 HM provided a short summary of the highlights from the Audit and Risk Committee (ARC) held earlier on 23 September 2019. HM advised that the ARC

had considered the NHS SPS and STPS Annual Report and Accounts 2018-19 and taken as a whole as fair, balanced and understandable and provided the information necessary for stakeholders to assess performance and accountability. The ARC supported the Accountable Officer's statutory duty to sign the financial statements. PC stated that this covered item 5 on the agenda and asked the Board to accept and approve the two reports. The Board duly accepted and approved the reports.

4.2 HM advised the ARC had discussed the Section 23 Report issued by the Auditor General and covered the recommendations in detail. This included thinking about what measures would be put in place as an 'early warning' for future projects. The next procurement would use a timeline at the beginning, followed by a review of the business case, the procurement process and consideration of resilience eg: structure of the senior team to ensure continuity. SC asked what resilience would be for the CE. PC advised that this would be provided through the Strategic Leadership Team which was now almost complete. Leadership development training would be provided. HM also pointed out that the use of project management methodology and standardisation of processes would provide resilience.

4.3 HM advised that the ARC had reviewed the Finance report. This advised that Local Government may not cover actuarial costs and if so the Agency would have contingency arrangements in place. PC would be contacting COSLA to discuss this issue.

4.4 HM advised that ARC had reviewed the Corporate Risk Register. It was agreed that the Target Operating Model (TOM) would be downgraded, but would remain on the register for the moment.

4.5 HM advised that a deep dive had been conducted into the Annual Benefit Statement (ABS) exercise. This had included reviewing lessons learned and the forward plan for 2020-21.

4.6 PC advised that an extensive discussion had taken place regarding the Public Audit and Post-legislative Scrutiny Committee meeting scheduled to take place on 26 September 2019.

## **5. Approval of Scheme Annual Report and Accounts**

This was covered in item 4.1 above.

## **6. Customer Service Report**

### **6.1 Target Operating Model**

DD advised that Customer Services had now moved to the next state in transformation; Customer Services Model (CSM). Training for staff to support the new roles within the CSM was underway and the model would be in place by end of October 2019. SC asked if this included call handling. DD confirmed that there was already a Customer Contact Team in place, but this would be developed to take all customer and employer contact. DD advised that work was underway to gain a fuller understanding of the requirements and how to use statistical data and management

information to improve the service provided. A knowledge base was being developed for staff and further enhancements planned for the SPPA website.

SC asked if there was information available regarding the backlog work. DD acknowledged that it would be a priority to investigate and understand the impact on both the Agency and customers.

## 6.2 Annual Benefit Statements

DD advised that four of the ten schemes administered by the Agency had breached the deadline of 31 August 2019. This had been reported to the Pension Regulator and recovery plans were in place for 31 October 2019. HM asked if the HMRC Surge Team had contributed to the exercise. DD advised that the team had assisted across the Agency and that their stay had been extended by a further four weeks.

## 7. Finance Report

IW advised that the Agency had made its Scottish Spending Review submission on the due date of 26 August 2019. As noted earlier, funds had been set aside to cover additional actuarial costs related to Local Government. IF asked if the Spending Review had a thematic element. IW confirmed that the Agency contributed National Performance Framework outcomes. SC asked if the Agency considered environmental targets/impact. IW confirmed that the Agency's high level Environmental Strategy and an Estates Strategy have been prepared and work on completing action plans is currently underway. HM referred to issue 5, page 5 which related to the pressure on the Agency's paybill in relation to the TOM. LH also asked if there was any work being undertaken to identify the efficiencies generated by the change programme. IW advised that costs were reported to the SG and that once the work undertaken to decommission the payroll system and the Workforce Plan had taken shape, the scope and scale of efficiencies would become more apparent. IW also added that the Procurement Strategy Review would be shared with the Board.

AP1	SPPA to share Procurement Strategy Review with Board members
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## 8a. and 8B. People Services Report – Target Operating Model and General Update

SP advised that progress had been made regarding recruitment of senior managers. These included Communications, Governance and Business Affairs. SP stated that she would co-ordinate with IF regarding the Risk and Planning Manager post. DD would be progressing recruitment of senior managers within Customer Services. A new fast streamer would be joining the Agency to take over from the current post holder, who was moving to a new posting. SP advised that she would be meeting other Agencies to discuss and improve their relationship with the main SG HR Services. SC commented on the number of cases currently with the HR team. SP advised that this would hopefully reduce when the TOM was complete. In addition, further resource would be sought to assist the team as further casework was anticipated when changes were implemented within Customer Services. IF noted that the current casework was 10% of the workforce. SP clarified that some of these

were older cases. New structures within the Agency would mean that Team Leaders would be more involved in staff issues. These changes would also drive a culture change within the Agency. IF asked what work was being done to engage with staff. SP advised that training had been provided for Quality Support Coaches to ensure they understand their new role. A skills audit was also planned. DD also commented that work was underway to support and engage with staff to support the planned transformation. GC added that the Communications team would be involved in colleague engagement. IF asked if the trial using 'Trickle' had proved of value. SP advised that Trickle had provided ideas and suggestions which would be taken forward. PC advised that the trial using Trickle had been extended.

## **9. Digital Transformation and IT Operations**

9.1 PH advised that interviews had been arranged for the position of Head of Digital Transformation and IT Operations. Job descriptions for the new team structure had been created and a timeline for implementation had been agreed as shown in the diagram provided.

9.2 PH advised that the procurement feasibility paper had been reviewed by the Chief Executive. This resulted in an agreement to commence an independent review with respect to the current business and technical architecture, and action plan to establish the skills and capacity required and support to develop a procurement strategy. This will result in a 'market warming' exercise towards the end of the year which will be led by the SG Digital Directorate. LH asked about the last sentence in this part of the report which states that there is recognition that the Agency does not have sufficient skills to deliver procurement. PH advised that this had been highlighted by the fact that the Agency had recruited external temporary staff to meet the skills required. PC confirmed that the Agency was now in full engagement with the SG Digital Directorate.

9.3 PH advised that the Altair pensions administration platform upgrade had been in live operation for several months with no major issues being reported.

9.4 PH advised that the final improvement release to the Altair system had been completed on 12 September 2019 with no significant issues. This will be followed by a 3 month 'bedding in' period.

9.5 PH advised that the remaining actions from the health check which focus on the future procurement of a new system are now being actioned. LH asked if the Board could have access to the latest version of the health check document for information. HM asked how often the health check was undertaken. PH advised that this was dependent on project milestones. HM asked if the Agency now had a method in place to engage with the SG Digital Directorate. PH confirmed that this was now part of new projects. IF asked if Altair would now provide improved management information. PH advised that further development would be required and that he had contacted the Digital Directorate to see if they could assist.

AP2	SPPA to share the latest version of the Health Check Report with Board members
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9.6 PH advised that a number of parallel payrolls had now been compared and reconciled with 100% results. The decision regarding the final sign off for the payroll transfer would be 23 October 2019. LH asked if the project was on track to meet this deadline. PH confirmed that he was confident that the deadline would be met. HM asked if this project would result in savings. PH confirmed that this was the case.

9.7 PH advised that an options paper would be prepared regarding the I-Connect portal in relation to Teachers employers. PH added that this would also include options for Police employers as they had asked for a delay to testing and implementation in order for them to implement payroll changes.

9.8 LH asked about the risks attached to the Member Self Service Portal. PH confirmed that issues had been resolved since the board paper had been produced. SC asked if the portal had the ability to provide member estimates. PH confirmed that there would be limited estimates available. DD advised that there would be a requirement to promote the service and guide members to use it.

## **10. Policy Report**

10.1 LM advised that the Agency continues to work with HM Treasury Steering and Technical Groups, along with Whitehall departments and devolved administrations regarding the Employment Tribunal Cases; McCloud/Sargeant. A timetable has been set for the case management hearings. It is expected that the UK Government will seek to handle all non-Judiciary claims under one case and would propose that remedial actions be implemented by 2022.

10.2 LM advised that the team are working with the Health Department to provide information for Ministers related to tax allowances for group of NHS employees. DD advised that due to the BMA campaign 3,000 requests for estimates had been received. LM advised that the team are working with colleagues to examine the options and that consultations would be required. LM advised that the Scheme Advisory Board would be involved to review the policy and that the Pension Board is likely to want to be involved in communications with members.

10.3 SC asked about the work being undertaken regarding mixed sex civil partnerships. LM advised that the team are working with SG policy leads on the pension treatment for mixed sex civil partnerships.

## **11. Strategic Plan Update**

PC advised that the Strategic Leadership Team will provide a monthly update of progress against the Strategic Plan and this would be reported to the board. Discussion followed regarding the layout and information provided in the plan. It was agreed that board members review the paper and provide comments to PC.

PC advised that the new Business Manager would be responsible for co-ordinating the Strategic Plan in conjunction with all other business plans.

AP3	Board members to review the paper provided regarding the Strategic Plan and provide any comments to PC as soon as possible
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## **12. Other Business**

This was Sheena Cowan's final meeting as a non-executive board member. PC asked that formal thanks for Sheena's contribution over the years be recorded. SC said that she had enjoyed her time on the board and offered her best wishes for the future.

## **13. Date of next meeting**

The date of the next meeting is 22 January 2019.

No other business was raised. PC thanked everyone for their attendance and closed the meeting.