MINUTES OF MEETING OF THE SPPA MANAGEMENT ADVISORY BOARD
MONDAY 29 APRIL 2019

Present:

Penelope Cooper (PC)	SPPA Chief Executive Chair
Gordon Wales (GW)	Scottish Government, Chief Financial Officer (Fraser Figure)
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
Jane Malcolm(JM)	Non-Executive Member
Norman McNeil (NMcN)	Non-Executive Member
Mark Adderley (MA)	Non-Executive Member
Carole Johnstone (CJ)	SPPA Interim Head of Customer Services
Ian Waugh (IW)	SPPA Head of Finance
Sally Paterson (SP)	SPPA Acting Head of People Services
Philip Heywood (PH)	SPPA Interim Head of Business Evolution
Molly Wyllie	SPPA Governance - minutes

Apologies:

Lorimer Mackenzie	SPPA Acting Head of Policy

1. Welcome and Introduction

1a. PC welcomed everyone to the meeting. Introductions were made for the three newly appointed non-executive members.

1b. Apologies had been received from Lorimer Mackenzie.

1c. No declarations of conflict interest registered.

2. Any other business

LH asked if the annual Management Advisory Board Self-Assessment Questionnaire would be issued to board members. MW confirmed that the questionnaire would be issued shortly.

3a. Minutes from previous meeting

3.1   The minutes of the meeting held on 1 February 2019 were adopted by the board with the following amendment:

- paragraph 6.1, action point 1 – initials JM, to be amended to be clear who was making the point
- action MAB3 from 23/7/18 should be recorded as closed

NMcN commented that there had previously been a Chief Executive Report. PC advised that it was proposed that a dashboard would be developed for future meetings.

3b. Outstanding Actions

Outstanding actions were reviewed and closed.

4. Audit and Risk Committee Report

IW provided a verbal update from the Audit and Risk Committee (ARC) meeting that had taken place earlier on 29 April 2019. The highlights from the meeting were:

Matters arising –
- Review of the Governance Report. This had highlighted that there were a few remaining actions to clear
- Internal Audit would provide substantive reports and follow up on outstanding recommendations
- ARC have reviewed internal assurance and a summary of work done in the last 12 months. Reasonable assurance would be awarded and this would be confirmed at the July 2019 meeting
- A new Scottish Government Internal Audit Manager has been appointed – Pamela Wilkinson
- Audit Scotland's report confirms system controls are in place. This will form part of the annual report
- Section 23 draft report has been completed. The report would be published by end June and shared with ARC at the July meeting
- Need to ensure when staff leave the Agency, they are remove promptly from all systems
- Preventative controls and actions have been recommended to avoid duplicate payments
- Full CFO Report would be provided at the next meeting in July 2019. A Procurement Report would be added to the Annual Report. A capability review would be undertaken. A recruitment algorithm now in place which would contribute to cost savings
- Efficiency reporting would go to the Altair Programme Board and then to MAB. Two Change Managers now in post who would report through the Altair Project and efficiencies
- The board were asked to note that there had been an increase in staff costs from 2018-19 to 2019-20. This was as a result of increase employer contributions, the pay cap being lifted and pay progression
- Risk Register had been reviewed. Annual Benefit Statements had been highlighted but had now been re-included in business as usual. There is a need to keep risk appetite under review
- Contingency planning is underway related to the McCloud/Sargeant appeal case. It was hoped that the outcome would be known by end May 2019
- GMP had been delayed and it would be October 2019 when the final data was received from HMRC
- SPPA were working closely with Scottish Government recruitment colleagues to fill senior posts. Work would continue to embed the Target Operating Model new structures
- Head of Security had reported data breaches and recommended that a log of 'near misses' would be kept

- Non-Executive members would be asked to undertake the annual self-assessment and annual appraisals

HM thanked IW for his feedback. HM noted that Risk 11 on the register related senior posts had been moved to red and was content that the Strategic Leadership Team would review the register again to ensure key issues around senior vacancies would be addressed.

5. Customer Service Update

CJ advised that measures were in place to assist the Practitioners team to address shortfalls in training and that the Contact Team would also assist by fielding enquiries. CJ advised that a customer queue report was reviewed each week and that a work planner was now in place which allowed a 3 month forward view. IF asked if an age analysis had been undertaken to identify the oldest tasks. CJ confirm that this had been done. HM asked what approach would be taken to address the queues and suggested that it would be beneficial to establish a point where teams worked on new tasks and older tasks were ring fenced and cleared as a separate piece of work. This would also help to identify resourcing required to clear the queues. PC commented that the appointment of two business change managers would also assist with this.

SC asked if the Agency was on track to meet the 2019 deadline for issuing Annual Benefit Statements. CJ confirmed that planning was underway and that, provided employers submitted data promptly, the Agency was on track.

CJ advised that the Customer Service teams had been advised of the new structure under the Target Operating Model (TOM). The move to the new structure would be phased, with the first phase being recruitment of additional staff for the Customer Contact Team (CCT). CJ explained that a new Customer Care team would be introduced and part of their remit would be to deal effectively with complaints and realising best practice. A discussion took place around the best method of filling vacancies within CCT.

6. Finance Report

IW advised that there had been an underspend as noted in the papers. Table 2 explained where this had occurred. IF asked if there were any concerns regarding the GMP project. IW advised that had the project been complete within the original timescales, staff would have been re-deployed back to normal work. The funding in place would cover the extended timescale.

IF asked about the Government Actuaries Department expenses and the impact of the Local Authority costs. IW advised that the current arrangement would be reviewed and that the Local Authority would be part of the discussion and that the intention was for them to contribute.

MA asked if the board should be aware of any impact the settlement for maladministration may have. IW explained that this case had yet to be fully decided, however, this was a contingency measure.

IW thanked the Finance team for their input.

7. People Services Update

SP advised that considerable work will be undertaken with the Agency's statistician to provide more relevant management information. Assistance would also be provided by the SG HR Metrics team and that discussion would take place with non-executive members to establish what the board required.

Turnover was 5.5%, however, this was not net turn over and did not reflect that there had been 14 leavers, but 20 new staff had been recruited.

Attendance was currently 10.4 days lost, which was higher than the SG average of 7.4 days. Training events for line managers had been provided and further work would be required to ensure consistency across the Agency. The TOM would introduce additional managers at a higher grade and compulsory training to address this issue.

HM asked if there had been progress in providing Change Champions. SP confirmed that two business change managers were now in post. Training had been provided, however, further work is being done by the change managers to clarify the role of Change Champions and to involve them in delivering the changes.

8. Business Evolution Update

PH advised that job descriptions for the team were in progress. Drop-in sessions to explain to the remit of Business Evolution were planned.

PH advised that the recent update to Altair had been delayed and that this would be reported to the Programme Board on 30 April 2019. PH also explained that there were three main areas of concern – test governance, test environment and not planned and tested back out.

NMcN asked about the Opportunity Pipeline described within the report. PH advised that the opportunity pipeline shows/reflects a timeline eg: a year. While we might approve 40% of improvement initiatives from the perspective of the business case and value proposition, we might only be able to deliver 10% of them during that year. That may be because of constraints, cost, people etc, but also due to prioritisation or simply timing. Anything not delivered remains on the queue to be continuously re-evaluated at regular intervals.

Discussion followed regarding the planned upgrade to version 9.1. PH advised that discussion was ongoing with the supplier about what options were available regarding any requirement to regress to an earlier version.

LH asked who would take decisions related to governance. PH confirmed that this would be for the Programme Board. LH commented that the plan was to combine subsequent releases to get back on track. PH advised that releases would be every two weeks but smaller. NMcN asked how many of the improvements would be

customised. PH advised that development releases would be stopped to allow time to bed in what has already been done and to review what other areas of the current system are not being utilised.

PH confirmed that sufficiently experienced staff resource was in place and that support is also provided from the supplier and that good feedback had been received.

9. Policy Update

PC advised that as Lorimer Mackenzie had submitted apologies, board members should forward any questions regarding the report.

10. Consideration of Annual Business Plan and Strategic Plan

10.1 Strategic Plan
PC advised that the Strategic Plan had been updated following the recent planning and review session on 22 March 2019. Discussion followed regarding the layout and positioning of strategic content within the document. Generally the Board approved the new, shorter layout and suggested some revisions. It was agreed that the comments provided by the board were helpful and that the document would be reviewed and revised to take account of them. A revised version would be made available by end May 2019 latest and would be circulated electronically.

AP1	SPPA to review and revise Strategic Plan taking account of comments provided by board members by end May 2019

10.2 Annual Business Plan
IW advised that a working group would be established to review KPIs across the Agency.

Discussion followed and two changes were requested: columns to summarise totals over past two years for comparison, efficiency measure for Altair Programme to be included in revised version.

11. CEM Benchmarking

PC advised that the Agency had taken part in the CEM Benchmarking exercise for 10 years without any noticeable change to the scores. The SLT had reviewed the cost/benefit of the exercise and concluded that whilst benchmarking was required, this may not be the most effective benchmarking approach for the Agency currently. The board was now asked to consider the value of taking part going forward. Following discussion it was agreed that the Agency would not take part in the exercise and that non-executive members would be asked to assist with their view of best practice.

12. Date of next meeting

The next meeting is scheduled for Monday 22 July 2019 at 14.00 hrs.

PC thanked everyone for their attendance and closed the meeting.