

**MINUTES OF MEETING OF THE SPPA MANAGEMENT ADVISORY BOARD
Friday 16 October 2020**

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
Jane Malcolm (JM)	Non-Executive Member
Mark Adderley (MA)	Non-Executive Member
Norman McNeil (NMcn)	Non-Executive Member
Dev Dey (DD)	SPPA Head of Customer Services
Ian Waugh (IW)	SPPA Head of Finance
Stuart MacArthur (SMcA)	SPPA Governance Manager
Andre Morelli (AM)	SPPA Head of Digital Transformation & IT Operations
Matt Valente (MV)	SPPA Head of Business Management
Deborah Sherlock	SPPA Governance - Minutes

Apologies:

Tom Nash	SPPA Head of Business Affairs
Lesley Fraser	DG, Organisational Development & Operations

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 2020 were adopted by the Board with the following amendment:
 - The finance report on page 7 amend to 2019/20.
 - Para 2 AOB to insert “that MAB should have sight of”
 - Para 4 Difficulties of the Audit Scotland Report and GD as Gemma Diamond.

3b. Outstanding Actions

The outstanding actions were reviewed.

- SMcA reported on Action **MAB4** 22/07/2020 Para 11 members to discuss MAB Annual Report Contents, this action can now be closed.
- **MAB3** 22/01/2020 Para 6.6 Strategic Planning and Risk workshop for ARC/MAB can now be closed.
- **MAB 4** 22/01/2020 Para 10 MV reported that wilful damage/sabotage risk had been added to the risk register and can now be closed.
- The remainder of the actions will remain open.

MAB 1020.01	SMcA to arrange a separate pre meet with MAB to discuss the accounts
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4. **Audit and Risk Committee Report**

HMck provided a short summary of the key highlights from the Audit and Risk Committee (ARC) held on Thursday 8 October 2020. ARC members had reviewed the 5 reports from Internal Audit, the Overtime report and the Agencies budget, had items highlighted in red which were discussed and will continue to be monitored by the committee. A discussion was held on the Internal Audit report on SG Corporate Services. This highlighted the challenges that SPPA have had with HR Services regarding recruitment and the quality of the service received, this is now under discussion for a way forward. Accounts Payable was discussed around lump sum payments with Customer Services and Finance working together with lessons learned from over payments or duplicate payments. There are still risks involved in the process, however with IT and more control systems in place this should be overcome, this will also be monitored in the actions.

The Teachers retirals report has not been issued due to a Management response, this paper has now been received by Governance and will be issued to the ARC committee after the today's meeting. MA raised a point on Shared Services and the SPPA new HR manager with the TOM process and if there will be any changes. PC reported that there will be a period of stability post-TOM implementation, keeping the departments and team structures as they are with a review next September 2021 on how effective they have been. HM reported on the outstanding actions and the follow up of the high and medium actions, there are a significant amount that are nearly completed and ready to be closed at the next meeting in January 2021. HM highlighted risk which had been discussed by the Committee with a transitional risk being of importance due to the retirement of the CFO Ian Waugh and a senior member of the Finance Team also leaving. The Committee felt that transitional risk should be added to the Risk Register. The Committee also noted staff challenges during Covid, such as the difficulties relating to ABS breach and keeping staff motivated. The Committee recognised that the this incident may be reflected in the results of the people survey that is currently being carried out across SG.

Discussion of Concurrent Risks

PC introduced the risk and concurrent risk topic for discussion with the Board utilising suggestions or experience based on the risks. MV presented the

paper resulting from the Strategic Planning and Delivery Group which meets monthly. This comprises the SLT and discusses the strategic objectives and any risks to their successful delivery. At the last meeting it had also discussed concurrent risks, the priorities from Covid-19, Brexit and possible March elections for 2020. He asked the Board to comment on what might not have been considered, and welcomed their thoughts. The following considerations were raised:

- Can the agency keep up customers' expectations and demands with the acceleration of digital technology and customer behaviour due to Covid impact and acceleration of retirement (IF)?
- MV confirmed that this would be included as a risk. The Board also raised questions on
- Recession, with an economic impact on the Agency and how it could affect the Borders
- A more flexible workforce going into the winter months incurring less social interaction including the possibility of more restrictions due to Covid, impacting on mental health.
- An increase in digitalization, leading to increasing cyber security within the agency and the challenges that this may bring with consideration to those who are not digitally minded with all being considered as risks.

The Chair and MV thanked the Board for their suggestions and valid points which touch on all areas of the business.

Finance

IW presented the Finance report and brought the funding position for 2020/21 to the board. Concerning the budget announcement for Scotland in January 2020; this will run into the end of the financial year and ties in with risk and having sustainable funding going forward. A discussion with ARC at the meeting on 8 October 2020 highlighted the recognition that the agency has not spent the budgeted capital this year., However, on-going negotiations with Heywood to extend the contract, could influence the capital expenditure before the end of this year, and the budgeted amount may yet be spent. Budgets are in place this year for any enhancements to the Altair system. There is also a detailed projects spreadsheet with numerous projects prioritised and going through a business case, these would be included in this year's expenditure. Income has decreased from the pension sharing on divorce, which is possibly due from lockdown and an impact on social behaviour, this was not factored into the previous year's budget forecast. Finally there are areas where some savings have been made resulting from Covid, e.g. travel, utilities, postage and any surplus budget will be handed back to SG at the spring budget revision. At the moment there are no financial risks that the Board need be aware of. NM McN felt that the Board would benefit from more information on the Agency's agreement to engage with the test phase of the SG Common Payment Platform and this should be managed carefully avoiding any high risks

The Pension Platform Programme

An update was given by AM and reiterated to the Board that the Pension Platform Programme was set up in June 2020 with Phil Heywood appointed as Programme Director. We are working with SG for digital assurance for the Programme, along with a procurement expert for the contract extensions with Heywood. Additional resources for support for the Project Manager and a Solution Architect have been sought to support the Programme going forward. The Board questioned if the financial risk on the contract extension had been considered. AM confirmed that commercial discussions around the contract extension with support from Procurement along with SG Legal Department for advice. PH updated the Board that the financial risk is showing red on the risk registers this is not affecting any the of delivery on the Programme. Additional options are being investigated which may lead to some changes being presented to the Programme Board at the next meeting, this may result in some changes to the timeline. LH asked where the MAB fitted into the process after the business case has been presented to SLT for approval. PH confirmed that MAB should be included and this will be raised at the Programme meeting being raised as AOB whether MAB should see the strategic outline case for review and comment but not necessarily for approval. The Chair confirmed that the process for the business case was approval by SLT and then MAB would have sight of the document and the opportunity to comment before it is presented to the Minister.

ABS Incident Report

AM gave the Board an update on the paper which had been reviewed by the Board prior to the meeting. The Board was made aware of the incident prior to the interim report being compiled. A full report will be released once the recovery work has been completed successfully in November. The incident has shown that our 1st major delivery from a remote working environment, where previously this has been done in an office environment, has created challenges. A project was set up to deliver across the 4 Schemes. This delivered successfully for Police and Fire schemes, although there was a problem with the print supplier creating a delay in delivery of the hard copies to members. The Teachers and NHS Schemes encountered major problems that required correction. The root cause of this is being investigated. The Board raised concerns that a discussion on the Audit Report identified that there was a specific risk on the Risk Register for this process to go through with risks and controls to understand which risks remained relevant and what are missing. The lessons learned at the end of the report should be addressed well in advance of the start of the project rather than leave it before changes take place at a later stage. AM reported that consideration is being given to bringing in fresh eyes to run a discovery piece. NMcN highlighted that if there it is found that there is no checklist of controls or senior member of staff sign off this will need to be implemented to avoid future mistakes. The board felt a fallout from Covid was also to be taken in to account along with staff morale.

MAB 1020.02	If required a process of ABS checklist controls to be compiled to avoid future errors
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7. Business Affairs

The Chair asked if there were any questions arising from the Business Affairs Report. LH raised was there anything for MAB to be concerned with over the Customer Complaints highlighted in the report. The Chair confirmed that there had been nothing of significance to highlight to the board and that the Minister was kept updated with complaints which often resulted in issues with the platform.

Customer Services Report

The Board asked for more explanation on Risk based checking within the report. DD explained that the organisational redesign of CS was based on the understanding that checking of work would be carried out on a risk-based approach. This would base the checking on the quality and experience of the individual members of staff, rather than a 100% check of all the work regardless of these. He provided the information on the pilot results, which show that as expected checking of work for 100% calculations is not required for all. The results of the pilots in two areas in the department have been shared with the Union and will now be implemented throughout the teams within Customer Services.

Business Management Report

IF commented on the update of recruitment within Business Management. MV reported that a Risk and Assurance Manager starts at the end of October. The HR manager will start at the end of November. The Planning and Performance Managers Role is currently being advertised throughout the Agency. The Business Intelligence Analyst recruitment campaign has finished with 11 applicants applying.

Digital Transformation & IT Operations

AM highlighted the recruitment within the department, a Programme Management Office Administrator has been appointed, a new Project Manager to support the project management area, a consultant Project Manager to support the McLeod project which will lead into a discovery phase with Heywood. Further permanent recruitment is on-going for a Programme Management Office Manager and a senior Project Manager to give seniority across project management. A senior Business Analyst is required along with Delivery Leads to complete the agreed structure.

Self-Assessment Report with Actions

SMcA thanked the Board for their responses. These have been collated into a detailing the actions which the Governance team will work on and report back

to MAB members regularly. SMcA welcomed any suggestions on additional actions from the Board. NMcN asked whether the Management Team would be giving feedback to the MAB board on their performance. PC commented SLT had discussed how the Board could support them better and it would be helpful if each member could submit their skill set to Governance team for sharing with the SLT. They can then engage with individual Board members proactively. SMcA highlighted the changes and recruitment within Governance with Molly Wyllie taking on the Governance lead for Police and Fire and Clare Moffat for the Teachers and NHS Boards. The Governance Delivery Lead for the Agency has moved to external recruitment with the expectation of filling the role by the end of the year.

MAB 1020.03	MAB members to submit their skill set to the Governance Team
MAB 1020.04	Accounts to be sent out to ARC and MAB prior to the meeting on 16 November 2020

The Chair requested a half an hour meeting with the Board prior to the main extraordinary meeting on the 16 November 2020.

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