

**MINUTES OF EXTRAORDINARY MEETING OF THE SPPA MANAGEMENT
ADVISORY BOARD
WEDNESDAY 13 MAY 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:

Gordon Wales	Chief Financial Officer
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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

Ian Waugh – paper on over and under funding.

Stuart MacArthur – informed the board that he will be issuing the self-assessments before the July meeting.

3a. Minutes from previous meeting

3.1 The minutes of the meeting held on 22 January 2020 were adopted by the board with the following amendment:

- Mark Adderley was in attendance at the meeting and had been omitted from the attendance list, and people survey.
- Contents on the Finance report to be added.

3b. Outstanding Actions

The Board did not go through the outstanding actions. These will need reviewed at the next meeting.

4. Update on Audit and Risk Committee Report

HM updated the board on the discussions at the recent meeting of the Audit and Risk Committee (ARC). ARC had considered the Sopra Steria report which is on the agenda for today's meeting with the key issues being if the funding was in place and the other risks involved. Timescales were also discussed, as well as issues arising from the Heywood contract and the capacity of when it would end, if it could be extended and how long it could be extended for. Resourcing was also taken into consideration with discussion on the project team and if recruitment could be accelerated. Feedback was also received from Audit Scotland with projects that they had been involved with, to ensure clarity of governance around the project and learning from Disclosure Scotland where they had compiled a report on lessons learned. Points raised by Norman McNeil suggested the recommendations were good, however some of the contents did not support the recommendation. The committee is keen to dig deeper on the intelligence on Sopra Steria's methodology of conclusions.

The committee also considered the Risk Framework and the Risk Register and noted the register is more business as usual focussed rather than focussing on business in the Covid-19 environment. There is a separate Covid Risk Register and that is considered to be high level which the committee are reviewing at present.

The detail of the bereavement process was considered. SPPA has seen a rise in deaths being reported as a result of Covid-19. In the current environment there are potential risks around the digital processes, staff working from home and the likely increase of deaths.

Contribution holiday requests were discussed on the Teachers scheme from private independent schools and the financial risks involved of the holiday and the recovery of the contributions in the future.

Annual accounts were discussed concerning timescales with Audit Scotland and any potential risks of a delay with other public bodies in Scotland.

5. SPPA Sopra Steria SLT Recommendations Paper

PC reported on issues raised on outstanding items from the report which had been issued prior to the meeting. The discussion was how Sopra Steria had arrived at the recommendation.

IW delivered an update on a conversation with Sopra Steria on how they derived their conclusion which was on a relative basis on the options rather than on an absolute basis, the absolute basis could have been an industry measure which they could have measured against.

PC advised that these measures will be tested as the project goes through the procurement and business case.

MN confirmed that he was satisfied with the paper and the recommendations, with the management team having the comfort and back up of information going forward which can be referred to.

IF confirmed that the report was good and with NMN comments included this helped the board with a good documentation of findings and is happy to move forward on the basis given.

PC advised on basis of the board's satisfaction we will proceed in preparing the business case and will interact with the board for review of the 5 case business plan.

6. Strategic Plan Update

PC reported that the Strategic plan paper has been updated following comments received after a discussion with the board in April; the adaption of "A great place to work" to include "taking care of the environment", also the addition of strategic objectives which will stand for longer than a year and the addition of Annex A which included activities which the agency expect to undertake, taking into account it being a Covid-19 year.

IF commented that the paper was very useful. With the addition of an enabling actions column, this will turn the yearly objectives and the enablers into measurable targets that can be appraised on an ongoing basis.

PC confirmed that these will be turned into individual objectives for department heads to distribute throughout the Agency.

MV added that SLT will be reviewing the strategic objectives on a monthly basis on a dashboard of red, amber and green, with the progress being shared with the board on a quarterly basis as a standing agenda item. Measureable targets will be in place which will be tracked on every level throughout the agency to help colleagues understand their contributions to the strategic aim.

MA commented on governance around the pension boards being built into the strategic objectives and queried if it will be included in the operational excellence.

IF also commented that governance need to be included into operational excellence.

PC reported that the Governance department has its own objectives, however these can be included into operational excellence to include customers which will include The Pension Regulator, Pension Boards including ARC and MAB.

IF commented he would have like to see more inclusion on the governance piece.

LH queried who is going to report and measure on KPI's and target dates, the routine business objectives, delivery of returns and keeping abreast of legal challenges.

PC replied that routine business objectives will be under the strategic objectives. Activities associated with this year's objective will be expected to be completed this year keeping them specific and not extensive, these may have to be refined and carried over to next year. The aim is to have everyone in the agency to have an objective that sits within one of the four strategic objectives and ideally under one of the eight 2020/2021 objectives.

NMN commented that the objective of sustainable quality has been missed out of the objectives.

PC commented that this will be looked into.

JM commented that the Strategic Plan will need to be kept under review in light of the current circumstances of Covid.

PC commented that this year is challenging and reviews are in place with current expectations that the agency will be working remotely for at least this year and maybe into next year.

7. People Survey

MV reported that a focus has been made on delivery of virtual sessions on the topics of relaxation and mindfulness with managing wellbeing, managing remote workers for managers and working from home tips for all colleagues home working.

A pulse survey will be made available on the 14 May 2020 for two weeks to assess SLT's response to Covid-19 along with the issues within the People Survey which were picked up last year. The Pulse survey results will be reported back to the board.

MA commented that thanks should go to the management team for all their effort of keeping in touch with people; are there any mental health first aiders and do they have a specific role in supporting people? The virtual coffee mornings are 85% women, would it be a good idea to have a male only virtual coffee to encourage more males to join in?

MV confirmed that the agency has 15 mental health first aiders with reminders to staff that they are available. The virtual coffee male only is a good idea, however the group has now about thirty members and it is a 50/50 split which is very encouraging.

HMK asked if poor performance is being managed remotely and how is this dealt with?

MV confirmed that remote working line manager guidelines were issued setting targets with their team members. Productivity is now our focus with analysis from the flexi reports of work hours, Guidance has been sought from ACAS on disciplinary procedures whilst working remotely.

IF asked if guidance has been given on working from home and the impact on lives and a healthy balance.

MV commented that the Wellbeing/HR team have been calling everyone in the agency and have recorded the top three issues which were isolation, adapting to home working and IT systems. This subsequently moved to facilities, health and safety and childcare. A shift of the top issues more recently is towards workloads and work pressures. The emphasis is on line managers to discuss how to manage workloads.

JM asked if SPPA were actively recruiting at present

PC replied that whilst recruitment is necessary it is governed by HR in SG, however there has been an agreement to have some posts considered with the agency doing this remotely.

JM asked if remote working is part of longer term view and the impact of the space within the building.

PC reported that the building does not lend itself for social distancing which would only allow 1/3 of staff to be in the building. The building may be able to accommodate the new project which would save time and money looking for further accommodation.

13. Other Business

Annual Pension Increase Error

AM reported that a Customer Service Manager is managing a team of ten who are currently working through the backlog of member record updates and logging the

root cause of the issue. The team is working to two deadlines, payroll on the 18 May 2020 which is targeting 1500 to 2000 member records, the remaining members are to be resolved by 19 June payroll. The recovery plan process has been put together and agreed by the project team and customer services team. Metrics are reported daily into SLT by DD. This is being used to examine the historical issues which have been inherited, the root causes and to allow establishment of a recovery plan. Using the recovery plan as a learning process and adopting root cause analysis as a normal way of operating will bring the correct culture into the agency.

NMN commented that maybe there is a need for a wider data quality project to be triggered to understand the issues arising.

I-Connect

AM reported that progress had been made with the I-connect process with a direct data feed from the Police and Firefighters which is ensuring accurate data from the employers, it is more complex with the NHS with the amount of employers involved which is challenging to ensure data is accurate. Pension Admin and Payroll are now on a single altair platform which was not previously in place.

PC reported that one of the challenges of the agency is that we do not always know there is a problem with the data until the data problem arises, we rely heavily on the employers sending the correct information which highlights incorrect information given when the problems arise.

The agency also had two different systems which were not always kept in sync; this is a problem that has been removed. Promoting changes within the agency culture to expose these issues as they arise; being proactive and learning from them.

LH queried section 5.33 on the inaccurate member records from two payrolls, with regards to overpayments/underpayments, are there members with overpayments due to their original pension being incorrect, separately from the 1.7% increase which is the annual increase? LH also queried communications and who had been notified, had it been reported to the appropriate Pension Boards?

AM reported that the annual increase of 1.7% has been successful across the vast majority of members. On investigation it affected members who had historical issues with accuracy of updates of records. This also highlighted members records being on two systems. On communications a set of letters were issued and a text for the contact centre to explain to the individual member concerned the failure that occurred and the remedy which will take place.

PC reported that the customer service team will have individual conversations with the members concerned.

SMcA reported that the NHS and Teachers Pension Boards will be notified of the error. An incident report can be shared with the TPR (The Pension Regulator).

DD reported that the NHS are to release a high volume data-set to us. SPPA are continuing to explore and engage with the Teachers, Police and Firefighters on receiving their data.

PC informed that board that they will be kept up to date with the progress.

Over and Underpayments Paper

IW reported that there were no updates to the paper and that he appreciated the board had not had a lot of time to read through the contents.

NMN commented on is this topic being an issue throughout the rest of the UK due to the complexities of the GP's set up being the complication.

PC reported that the agency are working with the BMA and this maybe should be taken into consideration when working in the next phase of resolving it.

NMN commented that the TPR should be notified of the complexities in advance. SMcA reported that the Pension Boards and the TPR will be notified.

DD advised the board of a conversation he had with a doctor concerning his underpayment with his employer not taking the right contributions over the last 10-12 year resulting in an underpayment sum of approx. £60,000. Going forward there is also a need for a role within SPPA for data quality checking and to ensure that in the future there are not any more members in that situation. An agreement has been made with the doctor who will take a reduced lump sum and a reduced monthly pension. There is tax relief involved which then equates to a £25,000 underpayment rather than £60,000. Potentially there are 32 members that are close to retirement and we aim to have that personal conversation with each of them.

PC reported that SPPA are not responsible for the data that is given to the agency by the employer, which leads to further conversations with the NHS.

LH commented what happens if an individual raises that is not their fault, where does this lead too?

PC reported each case is different and whilst they may not think it is their responsibility, the reality is that they receive an Annual Benefit Statement and it is not an administrative error. We are reliant on the employer for the correct information, the long term solution is to have i-connect to link direct with the NHS system.

AP1	SPPA to notify the TPR and Pension Boards of the Over/Underpayments of GP Pension Contributions
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No other business was raised. PC thanked everyone for their attendance and closed the meeting.