

**MINUTES OF MEETING OF THE SPPA MANAGEMENT ADVISORY BOARD
WEDNESDAY 22 July 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
Garry Cossar	SPPA Communications Manager
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

PC advised that MAB should have sight of the 'Lessons Learned' paper following the Audit Scotland S23 Report; this paper was included in the meeting pack and would be covered at the end of the meeting if questions remained after the report from PH. He would be reporting specifically on the project related lessons to be learnt to ensure that they are not replicated in the current Programme. HMck queried ways of working in the running of the Programme and if it allows for people to raise risks and concerns. AM replied that SPPA have a very strong governance framework around the Pension Procurement Programme, with an early dialogue being in place with both the Digital Assurance office and Internal Audit. This includes checkpoints to run the Programme to the best of our ability and using best practice.

3a. Minutes from previous meeting

- 3.1 The minutes of the meeting held on 13 May 2020 were adopted by the Board with the following amendment:

More expansion on the Sopra Steria report to include a full discussion that the report was built on by ARC and MAB and with MAB in attendance at the ARC extraordinary meeting. Over/Underpayment of GP pension contributions action point to be corrected to include the underpayments.

3b. Outstanding Actions

The outstanding actions were reviewed.

- SMcA reported on Action **MAB1** 13/05/2020 Para 13, the report to be discussed at today's meeting before being finalised and sent to the Pensions Regulator (TPR) by end of July. PC reported that before the report is sent to the TPR, Minister MacPherson and Ms Freeman the Minister for Health would be made aware of the report.
- **MAB1** 22/01/2020 Para 5 is the Procurement report which was discussed at the May meeting on Procurement options which can now be closed.
- **MAB 2** 22/01/2020 Para 6 MV updated on the risk roadmap which provides a risk update report linked into the strategic objectives and aims. Presently that information has not be sent to MAB and should be complete by 17 August 2020. This will be sent to the Board between meetings.
- **MAB 1** 23/09/19 Para 7 this will be published on Knowledge Hub. The remainder of actions can be closed.

PC requested that in future a specific date for actions be stated as the due date and not 'asap'.

4. Audit and Risk Committee Report

HMck reported the Audit and Risk Committee (ARC) had met on Monday 20 July 2020, she updated on the key matters discussed and confirmed the ARC would review the minutes electronically and they will bring them back to the Board in September for approval.

Internal Audit

Iain Burns and Doug Shepherd presented the reports which Pamela Wilkinson would normally present. Pamela and the team have been seconded elsewhere within the Scottish Government due to Covid 19. This has affected the capacity to deliver the reports by Internal Audit and not all the reports have been signed off. The Teachers Retirals Report was on the agenda but due to technical issues was inaccessible electronically, leaving this report outstanding in terms of review.

External Audit

Due to circulation difficulties of the Audit Scotland Report, Gemma Diamond reported on this verbally with nothing major to declare on the interim report and nothing needed to be raised.

Finance

IW presented the Finance report. The Committee examined the figures and discussed the metrics in the context of staffing. There followed a discussion on underspending due to vacancies, the likelihood that these will be filled in the current financial year, and what the likely budgetary impact.

Audit recommendations and tracker

Questions were raised on the ability to cover the outstanding points given the disruption of Covid 19 with some members of staff seconded to other duties, however there was nothing else major to declare at this stage.

Risk Management

MV had presented the new framework. This had been reviewed in advance by the Committee members with MV and SMcA. They were content that the Risk Register has all the supporting profiles of an ongoing process of development. A suggestion was proposed for MAB to attend a deep dive on risks with the rest of the ARC committee. PC suggested that MV included the Heat Map into the Business Management Paper for MAB members. LH suggested adding the Strategic Risk Register to the ARC annual report which will be presented to the MAB board in September. PC concluded to have the Strategic Review in each report and a more in depth review of risks at least once a year.

The Pension Platform Programme

This was covered by PH and it was on the MAB agenda to be covered by PH in more detail. He would attend future ARC meetings to provide in-depth updates on progress

The ARC Annual report

This was discussed and suggestions made from the Committee on what to include and what amendments are to be made. Following the suggested amendments the Committee were content for the report to be presented to MAB.

The Governance Statement

The Committee discussed the part it plays in the Accounts process. GD gave the Committee Audit Scotland's view on how it fitted together in the Accounts. Audit Scotland provided feedback on the Governance Statement and suggested some further inclusions, particularly around the Covid 19 response. SM confirmed these will be included in more detail.

AP1	Heat Map of risks to be included in future MAB Risk papers
AP2	Deep dive on risks to be arranged with MAB members annually

5. Pulse Survey Results

GC reported that the objective of the Pulse Survey is to report on the colleague engagement as there is a link between this and operational efficiency and productivity. The People Survey in October 2019 was a more generic survey through SG and its Agencies. The SPPA participation level in this was average

across SG, and engagement was low. The results for the October survey were impacted by a number of factors including the TOM and the new Senior Leadership Team (SLT) which had created big changes within the Agency. These results have informed the creation of better communications within the Agency, and the formation of a number of colleague focus groups to find what would improve colleague engagement. Colleagues have been asked to complete smaller surveys to improve understanding. A small colleague engagement group called "A great place to work" has been formed to support the delivery of the strategic aim with the same name.

The latest 'Pulse' survey in May was based on the Likert scale which gave us an indicative measure on like for like engagement index using 30 questions from the October 2019 survey. A higher participation of almost 80% of colleagues was a good outcome to enable a better response, and the engagement score had improved.

MA commented on the high response rate and questioned if this was a material difference compared with October 2019. He also queried how far apart the actual dates of the surveys were. GC responded that it was a high response rate and confirmed the surveys were 6 months apart.

The questions had been tested with the "A great place to work" group and the unions, to ensure they were comfortable with the questions being used from the previous People Survey. The table showed the Survey split by Departments giving a better idea of the scoring in each Department, rather than Agency wide. The Covid 19 response of the Agency had a good Survey response of 84% of colleagues strongly agreeing it being positive. The line management scores showed a significant drop from last year, this is a similar score across industries as well as SG which is being addressed.

Strategic Objectives

The 30 questions from the Survey provide a better understanding of how the Objectives are understood and are being implemented. JM commented on the excellent work during the Covid 19 response and questioned what improvements there could be to support the objectives. GC replied a visual identity tag has been created for each of the Strategic Objectives and these are woven into colleagues' business as usual communications. MV reported that a new 'Monthly Conversation' template will be launched which all managers will use which includes performance, wellbeing and strategic aims linking individual objectives.

IW commented that at the time of the survey the Finance department were heavily involved in preparing 3 sets of accounts for end of year on the 31 March 2020, the team were very stretched and working under difficult circumstances from home, being a small department raised concerns on the responsibility left on a few shoulders. In previous staff surveys Finance have achieved a high engagement. Following the results, he has engaged with all of the team to work with them on what can be done better, different and more of in the future.

IF commented on the flexibility of staff that has been required to cope with the TOM process, call centre initiative and Covid 19 and the momentum that had been required. IF questioned what initiatives and ideas have been put in place to keep staff able and equipped to cope the amount of changes that are happening in their lives. PC replied this has been a triple challenge that is

requiring a different type of leadership, the Pulse Survey gives us a positive way forward, any input from the Committee would be very welcome. MA commented on the Monthly Conversation being a good way forward and very supportive for staff. The Committee felt a good job had been provided by the SLT in terms of support for staff, concern was expressed on the Finance Department. IW replied the comments were extremely helpful and some issues need to be solved at Corporate level.

HMck asked about the measures that have been put in place within the Finance department since the Pulse Survey, suggesting the results might look better by now. IW explained that he is trying at every opportunity to recognise the quality of work being produced. Succession planning has proved successful with vacancies having been filled by promoted experienced staff. Job descriptions are now being reviewed and future vacancies will be filled. IW felt that there has been progress made and leadership in prioritising of workload will certainly be a way forward. HMck commented on strengthening core skills giving the ability of freeing up the brain to cope with new skills and new ideas for change. The new Monthly Conversation is this going to help staff and line managers to deliver improvement and service in general. MV replied that a colleagues 'Pathway to Success' training programme is going to be launched, with management courses for line managers to develop and build on.

6. Customer Service Report

DD highlighted that he now has all 4 Customer Service Managers (CSM) in place for the first time and this will allow the team to drive forward some of the key initiatives within Customer Services (CS). He expressed confidence in achieving a more positive score in the People Survey will be achieved in future. CS is approaching a busy period with Annual Benefit Statements (ABS) and Annual Allowance (AA) returns being prepared. The Agency had received 99.26% returns from employers, which is very good considering a lot of local authorities are still working from home. Letters to 3 employers who have not submitted returns have been sent, it is expected that the data will be received by 31 July 2020. The regulatory requirement is to send 100% of statements by 31 August 2020. Unlike previous years there is a dedicated project manager in place for ABS and AA to ensure the timeline is met.

Customer Support

HMck commented on section 6 and the move from customer calls to emails, questioning if this will be the way forward and to build on. DD commented that the systems are being reviewed and appreciated that there is a need for both customer channels. A recent upgrade of the Agency's Liberty phone system will also allow the web chat function. Before proceeding with this new customer channel customer demand would be assessed, Pension Boards would be consulted and a paper would be submitted to SLT. It would not be possible to introduce it until October/November as this needs to link in with the SG cloud system. IF commented on section 5 and MI and asked about the involvement of manual effort and what will be needed going forward. DD commented that the understanding of the trends and volumes is not available currently as there is no capacity in the Agency to produce this. The Business

Management team are currently recruiting a Business Information resource who will be able to prepare the necessary reports once in post.

Management Information

MV reported that the specialised team to process all the data and business intelligence across the Agency is currently being recruited to support resource planning and forecasting. LH commented on the customer support section on web chat. She reported having had a positive personal experience of this and was supportive of it. She congratulated the Agency on having such high employer returns for the ABS compared to previous years .

LH questioned if the statistician who had previously been involved with preparing the MI was an expected or unexpected leaver from the Agency, in the context of a single point of failure. MV reported that it was not planned, and others had been trained by the statistician to prepare the MI. The Agency reorganisation has created the new senior management position with responsibility for business intelligence, strategic planning and forecasting, rather than simply historical reporting.

6a. Funding Issue Update

DD reported on the issue of under and over funding for Practitioners pension scheme contributions. Section 4 of the report detailed findings of members who have overfunded and underfunded from information going back to 2008, with the total value for the members impacted. This had been sent to SLT for key decisions and the approach to be taken. The NHS Pension Board have been made aware and a further meeting is to take place in early August to discuss the details. The SLT approach is a phased level to look at the active and deferred members for any values of over £300 of underfunding and engaging with employers. If employers have the information a survey of data going back to 2008 will be carried out, and this may change the approach. The member data for those underfunded for five years will be reconciled as a phase one approach. IF questioned the approach that is being taken and queried what the situation is with the high amounts. DD reported that the data held for anyone with a discrepancy above £300 up to the large amounts is to engage with the employers to understand what data they hold and to reconcile this. IF asked how many people had larger discrepancies and asked what analysis SPPA has on these. DD reported that there is a small number of impacted members who were omitted in error from the table presented. These are also part of the reconciliation exercise. PC will keep the Board updated with the progress of the exercise.

7. Business Management Report – Including People Services

MV gave an update on the recruitment of the Risk Assurance Manager and HR Manager position, both of which were very encouraging. MV explained the sickness data metric provided in the paper. The overall twelve months rolling average for average working days that tracks working days lost on a monthly basis showed a decrease in May and June. The majority of sickness is now long term. HMck questioned how the SPPA average differed from the overall SG average, and asked if there are any demographic makeup differences of the

agencies workforce. MV replied that the Agency has a slightly higher bracket of sixty plus but that was not influencing the sickness level. MV reported 52% SPPA workforce is band A3 and A4 and it is 12% in the Scottish Government core, which may explain some of the differences. MA asked if Covid 19 related sickness has been recorded separately. MV replied that it has been recorded separately on the HR system. NMcN commented that as the People Services team had been incorporated with Business Management, this was a change to the original proposed structure under the TOM. He questioned if was it due to not finding the right people or if there was another other logic behind this move? PC replied that there had been discussions initially about whether People Services should report in to Business Management. The decision at the time was to keep it separate and the additional cost of a C band member of staff was in the budget. However, since MV took this over on a temporary basis as part of Business Management it has been working well, and under the current budgetary constraints it was decided to make this permanent.

8. Digital Transformation and IT Operations

AM reported on the main points which included the interaction with Customer Services and supporting the digital work. The interim Programme Director is setting up the pension platform. Progress is being made with the structure of the IT technology team and resolving issues raised in the Pulse Survey. Recruitment of a Project Manager will help to coordinate the work needed to synchronize more controlled project delivery. There has been engagement with SG Digital on how digital authentication and digital proof of life can support the Bereavement process.

9. Pension Platform Programme Update

PH reported that progress made in the last month, putting together the governance and structure and the first Programme Board meeting took place last week, where much of the governance on the assurance work was approved and accepted by the Programme Board. The dashboard will be more specific about the deliverable status month by month and if they have been met. The project governance is in place. An integrated assurance audit is being worked on with Digital Assurance to ensure that the programme plan and the assurance needs are aligned. The same approach is being taken with Audit Scotland with appropriate audit points planned out and prepared ahead of time. The Programme is working closely with the SG Payments Programme on a number of aspects, as this has also gone through a similar procurement process and are willing to share the learning from this. This has given the Programme a head start with production of the business case. LH commented on the membership of the Programme Board, on which NMcN is involved as a non-executive member. NMcN replied that it is at a very early stage of the process of putting governance in place and approving documentation before progressing from there.

10. Finance Report

PC commented on time being short if there were any questions. IF noted that the 2019-20 budget has a 20% increase in total staff costs versus 2019-20. This is for

a mixture of reasons including the number of senior management hires and the 3% salary increase in the lower bands. It would be helpful to see the context with a table showing FTE, average salaries/bands and the trend of those last year compared with this year. This would help to explain the context and show if the Agency was becoming more efficient over time. PC suggested that IF could support and provide some expertise to Finance within the reporting. LH commented that given the concerns on potential future budget pressures, further support for figures and explanations would be helpful in future presentations. IW highlighted that the Finance team had worked on three months' worth of accounts preparation for this financial year in a very short time for this meeting. He will be talking to each Head of Department to understand upcoming the cost pressures. In terms of the forecast of budget, which was only set recently, we will have a better understanding for the September meeting and what that means in practice. PC suggested the creation of a template that meets the MAB's needs in more detail. LH requested more detail on the length of contract for the posts in the procurement project. IW replied that they are for initially 12 months plus extensions if required.

AP3	IW to liaise with IF to prepare a more helpful financial report for the next meeting
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11. Management Advisory Board Annual Report

SMcA reported they he would like to thank colleagues who contributed to the report and was happy to receive questions separately due to the limited time left of the meeting.

NMcN commented that he was unclear of the purpose of the report, as it appeared to be an annual version of the quarterly reports. SMcA replied that NMcN comments were noted with clear comments that need to be observed for the future. PC commented if this paper is only for the MAB members, if this is not meeting the needs of the Board the paper can be changed to accommodate, SMcA to contact MAB members with views on the paper.

AP4	SMcA to contact MAB members to discuss MAB Annual Report contents
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The TPR Corporate Plan

SMcA reported that this paper was a summary for the Board of the objectives and proposed outcomes of the next twelve months.

PC commented she had found the extended discussions of the meeting helpful and requested feedback on the meeting to shape future meetings. PC thanked everyone for their attendance and the presentation of the reports.

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