



Minutes – Scottish Teachers' Pension Board – 18 February 2021 (No. 24)

Attendees:

Clare Scott (CS)	Chair
Ray Martin (RM)	Vice Chair
Brian Cookson (BC)	Board member
Cllr Charles Buchan (CB)	Board member – experienced IT connection problems throughout meeting
David McGinty (DMcG)	Board member
Drew Morrice (DM)	Board member
Graham Hutton (GH)	Board member
John Crichton (JC)	Board member
Leah Franchetti (FC)	Board member
Louise Wright (LW)	Board member
Peter Smith (PS)	Board member
Sharon McKenzie (SMcK)	Board member
Dev Dey (DD)	SPPA Head of Customer Services
Gerry McGarry (GMcG)	SPPA Customer Services Manager
Stuart MacArthur (SMacA)	SPPA Governance Manager
Iain Coltman (IC)	SPPA Interim Head of Regulatory Affairs
Clare Moffat (CM)	SPPA Governance Delivery Lead (minutes)
Janet McDougall (JMcD)	SPPA Project Manager
Phil Heywood (PH)	SPPA Pension Platform Programme Director and Interim Head of IT
Hannah Grout	SPPA Risk & Assurance Manager
Anne Walsh	SPPA 2015 Remedies Project Manager

Apologies:

Andrew McGoff (AMcG)	Board member
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1. Welcome, introductions and conflicts of interest

CS opened the virtual meeting at 10:00 with welcome and introductions.

Apologies were as noted above and no conflicts of interest declared.

The Chair extended a warm welcome to new board members, Andy McGoff and Louise Wright, and advised Cllr David Illingworth had resigned, acknowledged his contribution and conveyed his good wishes to the remaining board members.

2a. Draft minutes from meeting of 27 October 2020

The minutes from the meeting of 15 July 2020 were adopted subject to amendment of AP 1020.11's target date.

2b. Action Points

Outstanding actions not featured on the agenda were discussed and the following noted:

- **T08.11 – Scheme eligibility review report – remains open**
Tabled for discussion at next Teachers' SAB on 4 March 2021. IC offered to update the board of progress at the next meeting.
- **T18.03 – ABS enquiries – closed**
All 2020 information available has been shared (186 phone enquiries related to ABS). Detailed data will be gathered during 2021 ABS exercise.
- **T1020.01 – Agenda planner (Opt outs) – closed**
- **T1020.02 – Agenda Planner (i-Connect) – closed**
- **T1020.03 – SAB engagement – remains open**
Chair has contacted Des Morris, SAB Chair, and Vice-Chair offered to attend SAB on 4 March 2021 to present PB Annual report.
- **T1020.06 – Staff absence – remains open**
SMacA requested clarification and following discussion, it was agreed SPPA will produce paper to provide general absence rates and high level themes within SPPA and customer service to highlight and address any issues which may impact running of schemes. The Chair requested this information be added to the performance dashboard.
- **T1020.10 – SAB response to HMT Consultation – closed**
- **T1020.11 – Risk update – closed**
- **T1020.12 – TOR – closed**
- **T1020.13 – Annual report – closed**
- **T1020.14 – Board effectiveness – remains open**
CS following up with SPPA, as was unable to raise at recent meeting between Interim Chief Executive and PB Chairs due to time constraints.
- **T1020.15 – Scheme employer list – closed**

The Chair explained remaining action points expected to be addressed by agenda items to follow will be revisited after discussion to review progress.

3. Customer Service update

DD confirmed staff will continue to work remotely for the foreseeable future and SPPA had planned to extend the phone service on 18 January 2021 however these plans have been postponed following the announcement of school closures as this would add pressure to staff with childcare commitments.

Complaints

GMcG explained Internal Audit reviewed the complaints handling process and SPPA receive assurance of its work but aim to improve the database to detail customer complaint journeys and incorporate customer feedback in order to improve complaints handling. SPPA agreed to share the Internal Audit report with the board.

AA and ABS

AA and ABS 2021 project planning is underway with Project Manager already in place and new appointment of Senior Business Analyst to assist with review of data and process

management. GMcG confirmed the final position of the 2020 ABS exercise [ref. T1020.08] as 99.5% of statements issued at 31 December 2020 (72,743 statements issued of the 73,106 due to be issued) and was reported to TPR. DD confirmed 363 statements were not issued, and these statements will only be produced if these members specifically contact SPPA as manual calculations are required.

The board requested ABS data be presented at every meeting and proposed the Data Working Group continue to assist SPPA. The Chair explained the SPPA Interim Chief Executive had recently met with all PB Chairs and during this meeting, advised SPPA had extended the contract with Heywood pending the tendering of the administration system and suggested the Data Working Group could assist with implementation of the i-connect system, an interface between employers and SPPA.

The board asked how many of the 72,743 ABS issued were based on historic data because up-to-date data wasn't available and the broad reasons why 363 outstanding ABS were not produced.

The board highlighted concerns around unresolved data issues resulting in recurring problems with ABS production for some members every year, asked how many members viewed their ABS online and what work SPPA was doing to encourage online viewing. GMcG advised approximately 30% engagement rate of members who are registered on My Pension Online portal access their ABS and requested the board's support to use their strong connections to help promote access to online resources and coordinate communications and emphasised SPPA's commitment and focus on data improvement to work closely to educate payroll departments on the specifics of data processes.

API and GMP

GMcG advised API project plan is ready for action in April 2021 and outlined GMP project is currently building interface to upload data required to make adjustments to teachers' existing pensions before uploading corrected values to active member records in summer 2021, dependent upon obtaining information from HMRC and analyst provider. Work on GMP within Police scheme is more advanced and GMcG confirmed 17% of those Police cases requiring adjustment also had underpayments.

GMcG confirmed there was a tolerance of greater or less than £2.00 set for this exercise, meaning that cases would only be actioned if the GMP value was greater or less than £2.00 than the value held on system so beyond that, no adjustment would be made.

The board highlighted the need for early communication to members affected by GMP and GMcG confirmed the project manager and Communications colleagues are currently drafting letter templates which will be circulated to the board for comment prior to issue [as per T19.01].

Data Review

In response to T1020.09, GMcG and SMcK confirmed a positive meeting was held in December 2020 with payroll representatives of SNCT where improvements of data quality, timeliness and accuracy of data transfer was discussed with a strong appetite to establish ongoing connection and dialogue between stakeholders. GMcG suggested the activity of this networking group could be reported quarterly to the board. SMcK confirmed the meeting took place through COSLA and a follow up meeting is to be scheduled in March 2021 to strengthen these relationships. RM highlighted i-Connect implementation is likely to generate work for employers so employer issues must be considered and regularly discussed. The Chair expressed concern on the progress of this interaction with employers and requested positive action to progress at pace.

0221.01	RM to seek views from members of Data Working Group on whether subgroup should continue and extend membership to new board members
0221.02	SMcK to progress scheduling of second meeting of payroll networking group and update board on progress

Following the discussion the actions were revisited and agreed as follows:

- **T15.03 – Employer Charter – remains open**
DD confirmed review of Employer Charter is a key focus of the recently appointed Senior Partnership Manager and a draft will be circulated at a future meeting for comment.
- **T17.03 – Data subgroup – remains open**
RM asked SPPA for further detail on unissued ABS:
 1. How many eligible for ABS and how many ABS issued?
 2. Broad breakdown of reason why some did not receive a ABS?
 3. Did any members receive ABS based on 2019 or earlier data?
- **T19.01 – GMP – remains open**
(a) GMP tolerance/de minimis explanation provided during update
(b) SPPA to circulate draft members letters to board before issue.
- **T22.09 – Dashboard/KPIs – remains open**
Following feedback from other boards, development underway on dashboards for all boards to include quarter on quarter comparisons for critical MI, plus information of first contact resolution. Chair asked for her dashboard feedback to be considered.
- **T1020.04 – Customer experience quality analysis – open**
Quality analysis will be undertaken when normal contact service resumes.
- **T1020.05 – Complaints analysis – remains open**
SPPA to share Internal Audit Review report with the board and add agenda item for discussion at next meeting.
- **T1020.08 – 2020 ABS update – remains open**
SPPA to confirm:
 - how many of the 2020 ABS issued were based on historic data
 - broad reasons why 363 outstanding 2020 ABS were not issued
- **T1020.09 – Payroll networking group – closed**
GMcG and SMcK reported on first meeting with SNCT. Progress reports expected via new actions 0221.02

4. Pension Platform Procurement Programme Update

The Chair welcomed PH who provided three key progress updates for the board.

Altair contract extension

Aquila Heywood awarded contract extension until March 2026 with the option of a further year to March 2027, providing a maximum of five years to transition to a new platform, should the decision be made to buy a new platform as part of the procurement exercise, and covers a key risk around transition highlighted from the previous exercise's findings.

Business case approval

The strategic outline of the business case was approved by the programme board and work has started on the next stage of this business case. The next key business case milestone is to present to the Minister for approval in July 2021 which will start the formal procurement exercise from July 2021.

Proof of concept exercise – pensions calculations

SPPA are running a proof of concept exercise with Government Actuary's Department (GAD) to de-risk pensions calculations by ascertaining feasibility of a stand-alone platform engine. Output is expected by end of March 2021.

The board acknowledged the in-depth work undertaken. PH provided a history of previous PS Pensions programme to provide background for new members and outlined no decision had yet been made on whether to choose a new platform with one supplier or a hybrid solution with different suppliers for pension administration, document management, calculations and online services but confirmed a member portal is within scope of programme.

T13.02 - MSS demonstration – closed

The meeting paused for a break at 11:14 and resumed at 11:20.

5. McCloud 2015 Remedy Project

The Chair introduced Anne Walsh (AW) who provided an update on the McCloud 2015 Remedy Project and confirmed following review of options available and workshops and SPPA have proposed to introduce a standalone calculator solution for McCloud calculations and benefit statement production. This aligns with the Agency's longer term strategy of portable and reusable development. All work will be fully documented for future platform procurement, the calculator will be fully assured by GAD, sit alongside the live system and be owned by SPPA. AW explained anticipated member choice options may require manual input initially but SPPA is looking at all options available and will go out to suppliers shortly after programme board approval received. The project await policy decision on the required operational date.

The board emphasised the importance of ongoing, detailed practical communications with all stakeholders and highlighted the confusion for members when 2023 ABS may include two projections.

After a request from DMcG to share the paper with his union colleagues, the board requested the project team regularly communicates its plans and progress with all stakeholders including members and employers and the chair offered the board's assistance to AW and the project team. SPPA agreed to prepare a short McCloud project update for the board to share.

0221.03	SPPA to prepare a short McCloud project update for the board to share.
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6. Digital and IT Update

JMcD led the board through her update paper covering lessons learned from API 2020 exercise, progress for API 2021 exercise and update on i-Connect. JMcD advised employer data retention may affect i-Connect feasibility but confirmed her team will conduct rigorous user testing before making any recommendation. The Chair requested the board's data working group be involved at this stage and commented that the interim CEO's recent update to all chairs of pension boards had implied that i-connect was being rolled out, whereas JMcD's update was less certain.

- **T22.12 – API 2020 report - closed**

7. Risk Update

The chair thanked SPPA for providing the board with a risk session on 3 February 2021 and HG provided an update on risk, registers and breaches.

SMacA explained the TPR traffic light system to assess breaches and RM asked SPPA to update ABS breach entry to include 363 ABS outstanding without further planned action. The Chair asked for extra columns to be added to the breach log and thanked HG and SMacA for the register improvements, log creation and regular reporting.

0221.04	<p>SPPA to update breach log:</p> <ul style="list-style-type: none"> • ABS breach entry to include 363 ABS outstanding without further planned action • Add columns to reflect PB assessment of traffic light column and whether PB has reported the breach to TPR
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- **T22.05 – Breach log – closed**
- **T1020.07 – Regulatory reports - closed**

8. IDRPs Update

Iain Coltman (IC) invited questions on the IDRPs paper provided, explained that lessons learned from medical IDRPs support the work underway to improve the initial ill health award stage of the process in Customer Services and confirmed SPPA were committed to monitoring and administering ill health disputes with great care and understanding. The board noted the high number of IDRPs upheld and requested more detail be added to the report to separate cases carried forward from the ongoing total. The board welcomed SPPA's ongoing work to improve customer experience at the initial award stage and noted their understanding approach, particularly to accommodate delays experienced by members when requesting supporting medical evidence. IC assured the board SPPA are committed to supporting customers with sensitivity throughout the process.

0221.05	SPPA to consider providing more IDRPs detail by separating cases carried forward from the ongoing total on report
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0221.06	<p>SPPA to:</p> <ul style="list-style-type: none"> (a) provide a short paper update on IDRPs lessons learned (b) actions taken to improve ill health award process at application stage
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Following a question on public sector redundancy payments, IC confirmed Scotland has separate policy and the revoked regulations apply only to England and Wales.

9. Governance update

Membership

SMacA asked board members due to step down in 2023 to plan ahead to fill these vacancies with their respective bodies and confirmed engagement with COSLA to fill the employer vacancy on the board following Cllr Illingworth's recent resignation.

Training

The board were encouraged to attend the next planned webinar in April 2021 with The Pension Ombudsman. SMacA reminded members to email SPPA with certification of their completion of the training pack and TPR toolkit. Following discussion it was agreed SPPA would contact board members with outstanding certification.

Effectiveness Review

The Chair will share her notes from the effectiveness review with the board, asked for volunteers to buddy new members and outlined SPPA should give more information to prospective members before they join to reflect the commitment required, highlighting the high turnover of Councillor members. The Chair suggested the board could have minimum attendance requirements and mandatory training for members and requested feedback from SPPA on this.

0221.07	SPPA to contact board members with outstanding training certification
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- **T1020.14 – Board effectiveness – remains open**

10. Any other competent business

JC raised concerns with lack of continuity at SLT level following Penelope Cooper's secondment to core SG. The Chair advised Matt Valente, Interim Chief Executive, plans to hold quarterly updates with PB Chairs and DD confirmed Matt is in regular contact with Penelope, who is expected to return to SPPA in May 2021.

The Chair asked the board's preference to review and discuss the board responsibilities paper. It was agreed this should remain a standing agenda item with updates as required.

11. Arrangements for future meetings

The Chair confirmed the next meeting will be held virtually on 13 May 2021, thanked the board for their contributions and closed the meeting at 12:30.

Summary of new actions:

Action ref mmyy.no	Page	Action	Assigned to
0221.01	3	RM to seek views from members of Data Working Group on whether subgroup should continue and extend membership to new board members.	Ray Martin
0221.02	3	SMcK to progress scheduling of second meeting of payroll networking group and update board	Sharon McKenzie
0221.03	5	SPPA to circulate short McCloud project update which board can share with colleagues	Anne Walsh
0221.04	5	SPPA to update breach log: <ul style="list-style-type: none">• ABS breach entry to include 363 ABS outstanding without further planned action• Add columns to reflect PB assessment of traffic light column and whether PB has reported the breach to TPR	Hannah Grout

0221.05	6	SPPA to consider separating IDRPs carried forward from the ongoing total on IDRPs report	Iain Coltman
0221.06	6	SPPA to: (a) provide a short paper update on actions taken from IDRPs lessons learned (b) actions taken to improve initial stage of ill health award process	Dev Dey
0221.07	7	SPPA to contact board members with outstanding training certification	Clare Moffat

These minutes were approved on 13 May 2021 as a correct record of the meeting held on 18 February 2021.