

MINUTES OF MEETING OF THE SPPA MANAGEMENT ADVISORY BOARD
Thursday 22 April 2021

Present:

Tom Nash (TN)	SPPA Head of Regulatory Affairs (Chair)
Helen Mackenzie (HM)	Non-Executive Member, Chair Audit and Risk Committee
Mark Adderley (MA)	Non-Executive Member
Ian Forbes (IF)	Non-Executive Member
Liz Holmes (LH)	Non-Executive Member
Norman McNeil(NMcN)	Non-Executive Member
Lesley Fraser (LF)	DG, Corporate
David Robb (DR)	SPPA - Strategic Advisory Role
Dev Dey (DD)	SPPA Head of Customer Services
Phil Heywood (PH)	SPPA Head of Pension Platform Programme
Stuart MacArthur (SM)	SPPA Governance Manager
Rachel Miller (RM)	SPPA Interim Head of Operational Excellence
Andre Morelli (AM)	SPPA Head of Digital Transformation & IT Operations
Karen Morley (KM)	SPPA Head of Finance, Procurement and Risk
Deborah Sherlock (DS)	SPPA Governance - Minutes
Marnie Davis Wood (MDW)	SPPA Governance Delivery Lead (Observer)

Apologies:

Jane Malcolm	Non-Executive Member
Matt Valente	SPPA Interim Chief Executive

1. Welcome and Introduction

- 1a.** Tom Nash (TN) chaired the meeting and welcomed everyone to the meeting with David Robb attending his first MAB meeting.
- 1b.** Apologies received as noted above.
- 1c.** No declarations of conflict of interest registered.

2a. Minutes from 28 January 2021 meeting

The minutes were adopted with an addition of when Helen Mackenzie left the meeting early due to unforeseen circumstances at approximately 13:30.

2c. MAB and ARC Action Point Tracker

- 0120.01 – keep open and update - Close
- 0520.01 – Close
- 0720.02 – Remain open to reflect that this is for sight and discussion of all key risks we are carrying rather than a deep dive on specific risk, the topic being all key risks.
- 0720.03 – Revising of the financial reporting to include staffing costs
- 1020.02 – Remain open – report to be circulated to MAB members after the meeting.
- 0121.01 Remain open

3. Opening Remarks from the Director General

Lesley Fraser praised the Senior Leadership Team (SLT) for the collective work they have carried out and being fully aware of the risk involved due to the Interim Chief Executive absence. Thanks also went to Helen Mackenzie for her work with ARC (Audit and Risk Committee) and Karen Morley for taking the role of Interim Accountable Officer. Final thanks went to David Robb who will be the Interim Chief Executive. The Agency's wellbeing is at the forefront and my door is always open to keep all the lines of communication open.

HMK expressed concern that good governance could be impacted due to the absence of the Chief Executive who is also the chair of the Board. TN stated that the Governance Framework Document is being reviewed and updated and the role of the Chair will be assessed. The Board asked was there any insight on when the recruitment of a permanent CEO will take place. LF will confirm the timetable on recruitment.

The Board requested a review of improvements for communication amongst staff being kept updated during this uncertain time. TN confirmed that channels of communication have improved and acknowledged that the message needed to be clear to assure staff of stability within the Agency.

AP 0421.01 DG Corporate to provide a timeline for the recruitment of a permanent CEO

AP 0421.02 SMcA to consider the appropriateness of the SPPA CEO chairing the MAB

Lesley Fraser left the meeting after Item 3 on the agenda.

4. Audit and Risk Update

HM provided a short summary of the key highlights from the Audit and Risk Committee (ARC) held on Tuesday 20 April 2021. The reports presented from Internal Audit had been reviewed giving a reasonable assurance. The review on internal governance and the control process is scheduled for this year. Reasonable assurance was given on the procurement with training of staff. A discussion was had on the risk register which is under review with the process of which risks should show on the strategic risk register and which risks will be shown in other risk registers. The residual risk is still showing in red which the committee have shown concern with and with effective management this can be resolved. The Pension Platform Programme was discussed and the risks showing up as high also gave the Committee some concern. Audit Scotland (AS) thanked Karen Morley and the Finance Team for the work assisting AS to complete their report, clarity is needed on who is signing off on the annual reports, a forward plan on financial strategy on how the agency is going to run is needing clarity. The Committee also reviewed a new processes on the ABS review, key points on the Target Operating Model (TOM) people and where the gaps have needed to be filled. The draft Governance Statement was also discussed and the committee are to forward any comments by the 26 April 2021. The final discussion was on Cyber Security and the G drive concerning data protection, the Committee have decided to have a deep dive on this at a future meeting.

AP 0421.03 Hannah Grout to share the ABS investigation report paper to all MAB members for awareness.

5. Finance

KM presented the paper which had already been read by the Board, KM highlighted that with the closing of the financial year this will also be closing of previous reporting formats. The delivery of the accounts is on schedule for Government Actuary Department (GAD) and Audit Scotland for delivery of the scheme accounts on the 31 May 2021. Going forward KM is working with the Finance team to work on improvements highlighted from the Internal Audit report 2021-2022. A small difference in the budget allowance for the new financial year, The Scottish Government (SG) have been notified of the unfunded pressures of approximately £9 million for future costs. The first draft budgets are due by the end of April 2021, there will be a budget holder for each department with budget efficiency for monitoring.

Internal Audit issued a reasonable assurance rating with 2 high priorities, the first being around the framework document being

linked to the annual business plan and the strategic business plan; SLT are to review this. The second priority is on the Governance Statement, highlighting the consistency of the use of the internal control list to show weaknesses, capture a better oversight on controls over the next financial year.

Lastly, the correct wording is needed in the job descriptions for the finance team to bring it into line with the actual role required. Training on budget handling for the budget holders will also take place going forward.

The Board welcomed the financial and performance reporting and highlighted the underspend on staff resulting in undeliverable workloads for existing staff due to a recruitment pause associated with the Covid-19 pandemic. KM will assess the workforce planning which will be linked to the budget; this will not be ready to share presently and highlighted that budget holders will in future will need to assess resources needed to avoid dropping the standard and not delivering. TN confirmed that recruitment is catching up and starting to take effect within the agency. The Board also referenced recruitment and the use of interim people, is there a reliance on interim as opposed to permanent staff and are SLT aware of the consequential impact to alleviate staff shortages. KM will ensure that there is a more transparent reporting on staff from Q1. GC confirmed that the head count is the same as in December 2020 and a larger interim workforce is in place this includes the Pension Platform Programme with resources in place for effective utilisation.

HM asked David Robb if he had experienced resourcing and recruitment issues with other public bodies. DR confirmed that this is not a unique problem to SPPA.

AP 0421.04 Karen Morley to present clarity on the permanent staff variance in terms of costing.

6. Consideration of Draft Annual Business Plan and Discussion

RM highlighted the paper that had been previously read by the Board as created with the financial plans along with the current 5 year strategic plan. There is a lot of uncertainty at present within the agency and the plans are based on what is needed to be delivered, keeping it consistent, with continuity and with adjustments to the current risks and difficulties presented. The strategic aims are the same, reflecting changes within the agency working with a change from "A great place to work" to "Collaborate effectively". 2021's priorities are focussed on a 'brilliant basics' plan to ensure a great foundation delivering a great customer service and customer

journey. On the performance element, building effective MI and a new approach of what should be monitored that makes a difference to customers and KPIs we should be measuring. Working from home and Covid-19 is still impacting staff with colleague safety and wellbeing the foremost focus. RM welcomed the Boards thoughts.

DR liked the paper and found it well laid out and a useful document.

The Board suggested that the customer complaints should start with a positive and not a negative as with the attendance rate rather than having working days lost start with average number of days as positivity being a key factor. The Board also suggested that best practice measures for KPIs would be to look at ARAs of other organisations, there is a risk of having too many. Also raised was the linkage to the strategic aims and objectives is not clear, not helped with the lack of a business plan from last year. GC commented that objectives written within the agency should be action based and not behavioural based.

TN thanked the Board for their input and comments on the paper.

7. Pension Platform Update

PH summarised the paper with highlights on the impact of decision making and the lack of an Interim Chief Executive / Senior Responsible Owner to authorise decisions on the project. Procurement strategy is aiming for approval in the following weeks. The extension with Heywood is now in place until March 2026. Progress is being made on the business case for ministerial approval in July 2021, the programme business case is sitting at amber due to the absence of the programme SRO. PH invited questions from the Board. TN added that the way the programme is being governed and the efficiency of the project, should be used as a template for the future.

The Board raised the question if the business case was still on course for ministerial consideration in July? PH reported that it would probably be going to red due to not having a SRO to review the case. NMcN stated that the programme workshop with the state assessment is key and needs to be shared with the Board when it is completed.

8. Department Updates

a. Colleague Experience

GC addressed the Board highlighting key areas of team being a business support function, mail room, and the HR team. GC updated that a select number of colleagues are in the building including an NHS team working on the Covid vaccination programme. Returning to the office will be very different and will be in line with SG however is certain to include a blended way of working. Communications and Engagement carried out another survey on remote working and future working preferences which resulted in broadly 50% of home / office working mix. Visibility of SLT to ensure colleague engagement is at the forefront. External communications are focusing on corporate challenges and ensuring that communications are delivered clearly. The HR team are more settled and visible to all colleagues. Learning and Development have launched a colleague journey of learning which has proved a challenge due to total remote learning however, is a significant signal of investment in our colleagues.

The Board commented on the return to the office and what SG will include within strategies on using the office space, the Board would like to revisit this at a future meeting. TN confirmed that this will be a routine dialogue on the office space strategy and a workshop for SLT to attend will help with any uncertainty within the agency. DR confirmed that there will be a lot of work for the agency over the coming months with more assurance needed from the Permanent Secretary on the reality of return to work. An observation of other agencies and how they have returned to work will be a useful exercise.

b. Customer Services

DD highlight from the paper presented to the Board the emerging risk of summer peak workload, increase staff loss and a delaying backfill due to the Covid recruitment freeze. Recruitment is now ongoing with interviews taking place throughout April 2021, the next challenge will be with the training of the new staff. Currently the management team are identifying staff with the skill sets to work with SLT to identify what areas are needing extra staffing. Key risks are to new pensioners that will not receive the start of their pension payments. ABS is on track to be delivered correctly and on time this year. A business plan should be effective from the middle of May highlighting 'Customer First'. DD welcomed comments from the Board.

The Board showed concerns on pensions not being paid promptly due to staff shortages and is there any scope for bringing back staff from SG that have moved away from the agency to help with the back logs which create more work. Have all issues been identified

such as holiday leave, school holidays. DD confirmed that realistic needs have been accounted for. TN highlighted the new code of practice will have additional adherences to consider.

AP 0421.05 DD to investigate whether there is a SG customer journey guidance that could be referred to in the customer experience field.

c. Operational Excellence

RM highlighted the project summary with the API has run smoothly this year. GMP has a small increase which will create some manual calculations. ABS and AA is currently sitting in Green, lessons learned have been incorporated into the process plan. Encouragement is needed to expand the registration of the self-service process of the Police for MSS.

The Board thanked Rachel for the information provided.

d. Regulatory Affairs

TN summarised to the Board on the 2015 Remedy which is creating more work and enquiries, with more information to come from HMT which has created a strain on the department. A B3 has been recruited to help with the enquiries and take some of the strain from colleagues. Engagement on capturing costs and resources requirements has also taken place, along with assessment of the new TPR codes of practice and the implications arising from them. Replacing the G:Drive is subject to business case development. The meeting recordings have been stopped until a policy is fully evaluated.

The Board had no questions.

e. Digital Transformation and IT Operations

AM highlighted the issues in the paper and opened up for questions.

AP 0421.06 Andre Morelli to consider presentation of BI strategy at a future MAB meeting

David Robb left the meeting and thanked everyone for the positivity in the discussions.

9. Open Question Forum

The Board had no questions.

The chair closed the meeting and thanked the Board for a productive meeting. The Board will be kept updated.

10. AOB

AP 0421.07 TN to share the CSA report with MAB Members [closed]

AP 0421.08 Marnie Davis Wood to add “return to the office” as a future agenda item and provide any out of office updates on return developments

AP 0421.09 All paper drafters to embellish on the summary/cover sheets key topics for discussion and to be used as the key conversation driver.

The next meeting is 03 August 2021.