



Scottish Public
Pensions Agency
Buidheann Peinneanan
Poblach na h-Alba

Management Advisory Board

Terms of Reference

December 2020

Purpose:

This document outlines the need for and objectives of the SPPA Management Advisory Board, its role in the governance of the Agency, the role of Board members, frequency and quorum of Board meetings.

Contents

1. Version Control	3
2. Background	4
3. Membership	4
4. Role of the Board	5
5. Role of the Chair	6
6. Role of Individual Members	6
7. Frequency of Meetings	7
8. Attendance Allowance	8
9. Quorum	8
10. Standing Agenda Items	8

1. Version Control

Date Created	November 2017	v 1.0
Revision Date	October 2018	v 2.0
	April 2019	v 3.0
	December 2020	v 3.1
	August 2021	v 3.2 (current version; links updated)

2. Background

The functions and responsibilities of the SPPA are set out in the publication '[Scottish Public Pensions Agency Framework Document](#)'. The Scottish Government publication [On Board: A Guide for Members of Management Advisory Boards](#)' informs the arrangements at the SPPA for its own Management Advisory Board (MAB).

In addition, governance arrangements for the SPPA are further informed by the SPPA Framework Document and from the Chartered Institute of Public Finance and Accounting's [International Framework: Good Governance in the Public Sector](#)

3. Membership

The MAB shall consist of between 4 and 7 externally appointed members, one of whom shall be the Scottish Government Director General Organisational Development and Operations or their nominated representative.

The Director General is responsible for overseeing the relationship between Scottish Ministers and the Agency and for ensuring that the Agency is part of portfolio management arrangements including business planning, performance reporting and risk management

Members of the MAB shall be appointed through a formal recruitment process, based upon the Scottish Government recruitment policy in operation at the time. Additionally, when recruiting and appointing new members to the MAB, SPPA will ensure compliance with gender representation requirements of the Scottish Government. The presiding interview panel will ordinarily comprise the Chief Executive as Chair, an existing Non-Executive member and a senior official, usually the SPPA Governance Manager. The senior official may also be an external person, at the Chief Executive's discretion.

The standard term of appointment is for a period of 3 years and the maximum number of full terms should be limited to two. Alternatively, depending on the originally agreed term of appointment, and where this departs from the standard, it is permissible for members to serve for the maximum period of 6 years.

The Board will be chaired by the Chief Executive, although this may be delegated to one of the Senior Leadership Team or Non-Executive members by the Chief Executive.

SPPA Heads of Department will be invited to attend to provide progress updates and answer any questions. Chairs of Pension Boards may also be invited to attend meetings as observers at the Chair's discretion.

The Agency is striving to achieve diversity and inclusion across all of its Boards. To support the Agency in its strategic objectives, a broad range of skills, knowledge and experience is required from Board members. By offering different perspectives there is the likelihood of more constructive challenge and more open views on risks and decision-making.

4. Role of the Board

The main role of a MAB is set out in broad terms in Guidance Note 3 of the Scottish Government's "On Board" publication to which a link is provided in Section 2, above.

The Chief Executive is solely responsible for operational matters. The MAB supports the Chief Executive and their Senior Leadership Team in focusing on the corporate issues around strategy, risk, performance and behaviour as a corporate body.

Board members are not appointed to hold the Chief Executive or their Senior Leadership Team to account. Non-Executive members should be encouraged by the Chief Executive to offer advice and constructive challenge through frank and open discussion.

The Board provides support, advice and constructive challenge in respect of:

- the development of the strategic aims and objectives of the Agency within the policy, planning and resources framework determined by Scottish Ministers;
- changes which are likely to impact on the strategic direction of the Agency or on the attainability of its targets and gaining assurance that Scottish Ministers are kept informed as necessary;
- the development and review of strategic, business and budget plans;
- ensuring all requirements for the use of public funds by the Agency are complied with, taking into account relevant guidance issued by Scottish Ministers;
- the review of Agency financial and performance information;
- the existence of and implementation of suitable management controls;
- maintaining high standards of corporate governance and risk management at all times, including demonstrating openness and transparency in decision making;

- implementation of an independent Audit and Risk Committee (ARC), in accordance with the guidance on Audit Committees in the [Scottish Public Finance Manual](#),
- with the assistance of the ARC, providing assurance on risk management, governance and internal controls;
- systems that are in place to enable early notification to the Scottish Government of emerging issues impacting on the operation or reputation of the Agency;
- promoting the development of efficient, economic and effective use of staff and other resources and commitment to service quality consistent with the principles of Best Value;
- application of employment policies and procedures in compliance with Scottish Government
- the signing of the statutory accounts of the Agency and of the NHS Scotland and Scottish Teachers pension schemes by the Chief Executive as Accountable Officer.

The Board, through its level of guardianship and scrutiny, should help in the decision-making process, to ensure that the process and the reasons for decisions are transparent.

5. Role of the Chair

The role of the MAB Chair is to:

- chair the Board meetings;
- lead the Board and ensure that the Board has the ability to carry out its functions effectively;
- lead the Board's approach to the establishment of committees;
- ensure that the Board considers reports issued from established committees;
- ensures that the work of the Board and its committee(s) is subject to annual self-assessment and annual reports;
- ensure that an appraisal of member performance is carried out annually;
- ensure that the MAB has the right mix of skills;
- ensure that the Board maintains and upholds the [SPPA Code of Conduct for Non-Executive members](#);

6. Role of Individual Members

The role of all individual board members is to:

- attend Board meetings on a regular basis in person, or remotely if necessary;
- understand the Agency’s operational environment within the wider context of public service delivery;
- provide an external perspective to the work of the Agency;
- commit to keeping up to date with subjects relevant to the Agency’s work;
- contribute to the work of committee(s) to which they are appointed;
- contribute to the work of the Board, in relation to the areas identified in its role/remit and predominantly in respect to issues of strategy, performance and resources;
- as far as is practical, support the work of the Agency through ad-hoc advice, working groups and other requests;
- comply at all times with the [SPPA Code of Conduct for Non-Executive members](#); based upon the key principles outlined in [Model code of conduct for members of devolved public bodies](#); and, more generally with the Financial Reporting Council’s [UK Corporate Governance Code](#) rules;
 - acting in good faith and in the best interests of the Agency;
 - avoiding conflicts of interest and confidentiality;
 - not to misuse information gained in the course of their public service for personal gain or for political profit;
 - not to exploit public service to promote private interests or those of connected persons or organisations;
 - not to accept inappropriate benefits, gifts and hospitality from third parties; and,
 - to ensure declarations are made in relation to proposed transactions of business being conducted at meetings attended
- take part in the annual appraisal process and contribute to the board self-assessment and annual report.

7. Frequency of Meetings

Meetings will take place a minimum of four times a year. Meetings will be at strategically important times of the year for the Agency and will be planned at least a year in advance. During the year, however, it may be determined that more frequent or longer meetings need to be convened to deal with urgent issues arising.

Where additional or “extra ordinary” meetings are arranged on a frequent basis to deal with a specific issue, it would be recommended that the Chair of the MAB should discuss arrangements for establishing a sub-committee to deal with the issue until a full resolution has been achieved. The sub-

committee should be disbanded once the matter for which it has been established is resolved.

8. Attendance Allowance

Non-executive members of the Board are entitled to the payment of an office holder’s allowance. The rate is agreed on appointment in accordance with standard Scottish Government terms. Qualifying travel expenses will also be paid upon submission of valid claims and receipts in accordance with standard terms to all Non-executive members of the Board.

9. Quorum

A quorum will be achieved by :

- the Chair
- four non-executive members

The Scottish Government Director General Organisational Development and Operations (or their representative) is not essential for the meeting being deemed quorate

10. Standing Agenda Items

The standing agenda for the MAB is as follows:

Rolling Agenda	<ul style="list-style-type: none"> • Register of Interests • Minutes of previous meeting and review of actions • Audit and Risk Committee Report • Finance Report • Department Updates
-----------------------	---

The agenda for the MAB will remain flexible to suit the strategic and operational demands of the Agency and Scottish Government, however the table below provides a basis for the discussions of the Board throughout the year. Non-executive members can request items be added to the agenda as necessary to ensure fulfilment of their role.

January	<ul style="list-style-type: none"> • Results of Annual People Survey • Framework Document Review
April	<ul style="list-style-type: none"> • Consideration of Annual Business Plan, Budget and Strategic Plan • Private Meetings: CE/Board Annual Appraisals

July	<ul style="list-style-type: none"> • Approval of Agency Annual Report and Accounts • Annual Report from Audit and Risk Committee and Agency Strategic Risk Register • Results of Board Self-Assessment
September	<ul style="list-style-type: none"> • Approval of NHS Scotland and Scottish Teachers Scheme Accounts and Annual Report • Annual Business Plan update

The following topics are not routinely on the agenda but will be scheduled for discussion as required:

- Updates or strategic decisions affecting systems relating to the efficient administration of pensions.
- Strategy Update out with schedule above
- New Policy and/or policy update (e.g. whistleblowing, fraud response, etc.)
- Progress reports on major projects
- Pension Scheme valuations progress report