



Attendees:

Brian Barbour (BB)	Chair
Mark Cook (MC)	Vice Chair
Claire Pullar (CP)	Board Member
Craig Black (CB)	Board Member
David McColl (DMcC)	Board Member - <i>connection issues</i>
Gordon McKay (GM)	Board Member
Graeme Eunson (GE)	Board Member
Kay Sandilands (KS)	Board Member
Tom Wilson (TW)	Board Member
Anne Walsh (AW)	SPPA 2015 Remedy Project Manager
Brian Casson (BC)	SPPA AA/ABS Project Manager - <i>connection issues</i>
Dev Dey (DD)	SPPA Head of Customer Services
Hannah Grout (HG)	SPPA Risk and Assurance Manager
Iain Coltman (IC)	SPPA Senior Policy Manager
Jonathan Sharp (JS)	Data Protection and Information Governance Manager
Phil Heywood (PH)	SPPA Pension Platform Programme Director
Rachel Miller (RM)	SPPA Head of Operational Excellence (Interim)
Sally Paterson (SP)	SPPA Customer Service Manager
Stuart MacArthur (SMacA)	SPPA Governance Manager
Clare Moffat (CM)	SPPA Governance Lead - minutes

1. Welcome, introductions and conflicts of interests

MC welcomed everyone and explained he would chair the meeting.

BB advised he was now a member of the NHS Scotland pension scheme. No other conflicts of interest were declared.

2.1 Draft Minutes and Action Points from previous meeting and updates

Minutes from the meeting on 9 February 2021 were adopted.

2.2 Action Points

The action points were reviewed and the following noted:

- **N18.06 07/11/2019 – Action remains open**
MSS on hold.
- **N22.01 09/07/2020 – Action remains open**
DD confirmed SP will provide an update on Employer Charter at agenda item 4
- **N23.09 - Action to be closed**
- **N0221.06 – Action to be closed**
- **N0221.01 – Action closed**
- **N0221.05 – Action to be closed**
AA/ABS update provided at agenda item 3

- **N0221.03 – Action to be closed**

SP to provide update on actions to improve email response times at agenda item 4

- **N0221.07 – Action to be closed**

BB requested the board seek and encourage applications for the board employer representative from their contacts; and confirmed a PB effectiveness self-assessment is planned for later in 2021 which will help inform future board recruitment.

KS confirmed she will raise with HRDs within her network.

3. Operational Excellence

The Chair introduced RM who updated the board on Senior Leadership Team status and provided an overview of the Operational Excellence structure and accountabilities. Change management activity will be supported by a new Project Management Office (PMO) and recruitment is ongoing for several roles. Operational Excellence current priorities are (1) full review of change process and project management framework and (2) improvements to the MI available across SPPA, with expected draft reports to be available by end of May 2021.

The board welcomed the addition of a strong PMO given the significant amount of change, and asked how SPPA will integrate new recruits to ensure their effectiveness in the current remote environment. RM confirmed new staff will be well supported by the improved induction process, robust communication and training schedule along with support from peers within team structure.

3.1 Practitioner Funding Project

AW updated the board on progress since February 2021, outlining:

- SPPA have made contact with largest Health Boards
- first SPPA/employer working group forum will be held on 20 May 2021 to establish practicalities of the reconciliation process and discuss scenarios
- improvements to data extract process will form the basis of the reconciliation figures
- control process to be integrated involving repeated monthly data extracts to identify errors earlier.

The project awaited legal advice to finalise tolerances of the terms of underpayments and overpayments and expect most cases to be standard scenarios however will seek further advice on non-standard scenarios as they arise. Reconciliations will be tracked and a working payment plan process with controls will be in place to enable effective monitoring and action when handed over to BAU in late 2021.

SPPA plan to regularly communicate with employers and members to reinforce importance of recording all employments to ensure contributions calculated on the correct tier.

Following queries from the board, AW confirmed data analysis should be available by end May 2021 and by July, SPPA will take action to address these with priority given to members who are closest to retirement and members with the largest under/overpayment as agreed at a previous board meeting. SPPA await confirmation on whether the five year rectification period begins from the end of the last financial year or from when SPPA discovered the issue.

All overpayments will be refunded in full with members potentially only having tax implications over the last five years. Underpayments will only be requested for the last five years with members able to claim tax back, although it is not yet determined how this will align with the payment plan period. It is possible further policy and legal guidance may be required to finalise this. The Chair requested this information be included in one report when available.

N0521.01	SPPA to provide information in one report of root cause analysis, rectification period (including any policy and legal guidance) at the next meeting
-----------------	---

The board also requested details of the root cause analysis and whether SPPA's internal data reconciliation should have identified incorrect contributions that were received; and asked whether SPPA will identify members who have moved over the AA threshold and may incur AA charge. AW confirmed the project is considering standard cases initially and will seek policy and legal clarification on more complex cases after meeting with employers. Data reconciliation was not always part of the standard process however the revised monthly process will compare the member against the contribution which should capture any discrepancies in future. AW confirmed GAD are working on an assurance process. BC advised members' AA will not be affected by under/overpayments as remuneration is used to calculate pensions.

When asked if there may be locum and bank staff also affected by this issue, AW confirmed other member groups were being considered although to date, only GPs appear to be affected through declaration of contribution tiers.

KS asked if employers were fully aware of the reconciliation work, with a view to planning resources within the timeline. AW confirmed SPPA will provide employers with an indication of the numbers involved, based on previous data extract from November 2020, during employer forums in May 2021 and provide specific data in June/July 2021 after the current data extract is analysed.

It was agreed clarification of the legal and tax implications should be provided in the update paper at the next board and specifically, whether the five year rectification period stated in the Prescriptions and Limitations Act will be applied and if members who were close to their AA threshold could move above or below this line following the reconciliation. AW confirmed SPPA were investigating such non-standard scenarios and while employers will decide how to take forward tax implications with members, they may need to consult HMRC.

RM advised a new Project manager had now been recruited and thanked AW for her leadership and management of the project to date.

3.2 2015 Remedy Project

AW summarised the information provided in the paper adding the standalone calculator development will potentially provide a stable long-term solution which can be integrated to new platforms and may be used beyond 2015 remedy calculations, e.g. for ABS calculations.

AW reiterated SPPA are not yet able to run any comparison calculations for members who are thinking about retirement, as guidance is awaited from HM Treasury on immediate

detriment and awards processing. There will be significant manual processing in the interim pending a fully automated solution.

AW advised SPPA Policy team are considering the effect on Scheme Pays system for retired members and LTA charges, and confirmed SPPA is aware there is likely to be an increase in retirements in 2022 although no volumes are known yet for workforce planning.

GE highlighted BMA members will be encouraged to request annual Pension Savings Statements (PSS) to ensure their tax affairs in order by October 2021, and anticipate many members may be likely to encounter AA charges in this tax year as a result of the increase NHS pay award. AW advised ABS should be issued by 31 August 2021 and, once policy updates and tax treatments are available for all scenarios, further information may be provided in PSS although SPPA are unlikely to be in a position to provide further information before 31 December 2021.

The board emphasised members should be provided with full data to meet HMRC requirements and outlined Scheme Managers must ensure sufficient resources be made available to SPPA to meet this requirement. RM advised this was likely already under discussion and confirmed she would raise with Tom Nash, Senior Responsible Officer for the remedy project.

N0521.02	RM to raise board's concerns SPPA may not provide sufficient information to members by October 2021 to meet self-assessment requirements
-----------------	---

3.3 API 2021

RM advised significant lessons learned from 2020 API assisted the successful delivery of 2021 API and the project remains on track to process the deferred lump sum element for new pensioners in July 2021.

3.4 AA/ABS 2021

RM provided a brief update on AA/ABS project and outlined significant changes had been made following the difficulties experienced during the 2020 ABS exercise. This included:

- the early appointment of a full time experienced manager in place from January 2021
- early identification and appointment of the project members' skill sets to support accurate delivery within regulatory timescale
- improved project governance and management of risks.

BC confirmed data receipt is on track although issues have been identified with some Health Board data which will require re-submission. GE queried whether use of MSS portal would reduce data issues as members could access their data themselves, and whether an off-the-shelf solution would be suitable. RM advised SPPA are focussed on delivering MSS to Police and Fire schemes at present, so all NHS and Teachers 2021 ABS will be available via the existing Member Online portal. BB expressed concerns that SPPA had paused development of MSS for NHS members and confirmed he has raised this with SPPA Interim Chief Executive. RM agreed to look further into this and it was highlighted if MSS could be accessed by only the proportion of members who do not have multiple contracts, this would still be a significant improvement.

N0521.03	RM to provide further detail on the action required to develop and implement MSS for NHS members
-----------------	---

When asked whether members who have left service or members in service who are opted out receive ABS, BC confirmed the eligibility criteria is linked to the system calculation which means if a member record is not actively contributing to the scheme at the point of running the calculation, they will not qualify for an ABS. However these deferred members can request an estimate. The board highlighted SPPA website says “SPPA produces ABS for NHS members who are in active *employment*” not active members who are contributing to the scheme. RM offered to provide eligibility criteria to clarify who will automatically receive ABS, and what members need to do if they aren’t eligible, and share this the board within the next few weeks.

N0521.04	RM to provide ABS eligibility criteria and outline process to obtain an ABS for those who will not receive an ABS – to be circulated by email by 31 May 2021
-----------------	---

4. Customer Service

DD highlighted SPPA are working with the Scottish Government Business Continuity and Environment teams regarding the possible return to the office. A staff survey was issued which evidenced 60% of respondents preferred a blended way of working.

The phone service fully opened between 09:00 and 13:00 from 26 April 2021. SP confirmed this reduced the number of emails received and the team will focus on reducing email response times this quarter.

SP highlighted consistent awards timeliness across the year, payment accuracy improvement and explained 3% of 443 awards had errors at initial calculation stage with the majority of errors resulting from system issues or using incorrect information. A new team structure has been introduced to help eradicate these issues with designated Quality Support Coaches focussed on accuracy. Similarly, estimates will now be processed within the specialist retirements team to improve turnaround times and accuracy, in advance of the anticipated spike in retirements.

SP also explained transfers KPIs were not met largely due to transfers staff being redirected to other critical areas and outlined there is a plan in place to improve these results and, with the help of enhanced MI, Customer Services will monitor performance and quickly target areas for improvement.

There is still work to be undertaken on the Employer Charter by Garren Conway, SPPA Senior Partnership Manager. However Garren is not currently in post as he is temporarily in a Customer Service Manager role. SP offered to share the Employer Charter in its current version with the board (ref. Action N22.01).

SP confirmed Customer Services had completed a large recruitment exercise for Pensions Administrators who, with significant support and training in place, will join SPPA over the next three months.

MC asked why the call response time was being increased from 60 seconds, expressed concern over the transfers data and noted the dashboard data suggested 10% of awards

were inaccurate. SP acknowledged these concerns and expected to see the awards accuracy and estimates service improve over the next quarter with the assistance of the experienced supervision of the quality support team, the renewed focus on accuracy, and resolving queries at first contact through the extended phone service.

BB shared his concern on extending the call response SLA beyond 60 seconds and advocated the implementation of MSS would reduce call volumes as members could independently access their information.

DD explained the call SLA to 60 seconds is still under review and confirmed he would discuss rationale with the board before any change is made.

N0521.05	SPPA to discuss rationale for further extending the 60 second call answer time with the board prior to any change
-----------------	---

DMc asked if PSS targets and volumes will be included in the dashboard report (ref. outstanding action N0221.02)

Complaints

SP explained in Q3 there was a clear pattern relating to estimates and ABS complaints however in Q4 the complaints had broader themes with only 15% relating to estimates and 13% relating to AA.

The Chair noted some board members had questions but were unable to be heard so it was agreed the questions should be submitted to SPPAGovernance@gov.scot after the meeting, to be addressed by SPPA.

5. Risk

HG acknowledged many detailed risk papers were shared for full oversight of key themes at year end and proposed to provide an executive summary along with some detail in annexes for future meetings. In addition, HG explained the 2021-22 strategic risk register will act as a clear and direct line to the key business plans and activities, with documented deadlines. The board highlighted the positive direction of risks displayed in the heatmaps and HG confirmed SPPA expect to embed more positive legacy actions over the next 12 months.

The board agreed they would like to see the top risks documented in an executive summary along with the NHS-specific risk register every quarter and the strategic risk register annually (with access to strategic risk register at any point on request). HG confirmed the breach log was scheme-specific and described any large scale data, policy or operational breach in the last scheme year.

Overpayments

HG outlined the trend increase in overpayments and highlighted this was largely due to training issues following a reorganisation of staff, plus two large cases. The board acknowledged the update and noted the need to understand the root causes of overpayments in order to learn from any mistakes made. When the third party death overpayment errors were queries, SP explained SPPA action death benefit payments very

quickly and sometimes, with the consent of the beneficiaries, do not delay process to obtain full and accurate data from 3rd parties, which results in expected overpayments.

The meeting paused for a 5-minute break and resumed at 12:00

6. Pension Platform Programme

PH confirmed one of the main risks to the project was now mitigated with the appointment of David Robb as Interim Chief Executive and Senior Responsible Officer for the programme. PH advised the overall timeline will be reviewed along with business case collateral on the programme before milestones and planning is revisited (approx. mid-May 2021) and the project remains at amber status.

PH highlighted the Calculation Risk 018 and confirmed the programme will build on the success of this by working closer with GAD on 2015 remedy calculations and possibly developing a more detailed calculation engine that may assist with AA and ABS.

The board asked who would maintain the calculation engine and PH suggested that with a degree of training, GAD will be able to develop and maintain all their calculations themselves without recalls to the vendor although this model is yet to be developed and considered.

When asked about user research and service design, PH confirmed SPPA, members, employers will all be users and some of the outputs from proof of concept could support data quality improvements. To do this, the programme will seek to second these capabilities into PPP to consider service design elements to assist with member engagement for example. PH welcomed the board's support to assist with user research following BMA and BDA's offer to join user panels.

While the board complimented the programme's dashboard, they were concerned by the ambitious timelines. PH explained the timeline will be re-planned, to accommodate appointment of new SRO.

The board discussed the model office with particular focus on management of data security risks with key log audits and need for tight controls around data extraction.

7. Data Protection and Information Assurance

JS highlighted SPPA's focus on cyber security and advised he is undertaking a deep dive of cyber resilience framework which he offered to share at a future date.

The board queried the data breach reported in October 2020 and confirmed although ICO did not view the incident as significant, SPPA reported the breach and discussed this at length with the relevant Pension Board.

The board would like assurances on cyber security and suggested SPPA provide a scorecard/dashboard, along with ICO reports and data breaches on a regular basis – with nil returns, if appropriate.

8. Policy IDRP Update

IC explained the legislative response resolution timescale period is normally four months - which is often extended in complex cases which require complicated evidence to be gathered – and confirmed SPPA keep members involved in the process. The board requested future reports include a trend diagram over the last 12 months or more, which also reflected internal and external delays.

N0521.06	SPPA to provide IDRP trend diagram over last 12 months or more, to include internal and external delays, in future reports
-----------------	---

When asked if 2015 remedy may increase IDRP activity, IC advised the remedy implementation will be challenging and confirmed SPPA are committed to providing regular updates to 2015 Remedy FAQ page on SPPA website.

9. Governance Update

SMacA requested feedback from board members who attended the Pensions Ombudsman webinar, confirmed the next webinar will be in autumn 2021 led by Government Actuary's Department covering the scheme valuation process, and welcomed ideas/suggestions for future webinars.

SMacA outlined TPR are running a consultation until 26 May 2021 on proposed changes to the Codes of Practice, welcomed feedback and confirmed the board and/or members may wish to respond to the consultation. SMacA will share SPPA's consultation response for the board's feedback and view.

N0521.07	SPPA to share TPR Code of Practice consultation response with the board
-----------------	--

SMacA reiterated the employer vacancy on the board and encouraged members to assist with filling this.

10. Horizon Scanning

No items were raised.

11. AOCB

The board asked SPPA to address the Webex connection difficulties encountered throughout the meeting and suggested using an alternative platform for future virtual meetings to enable all members to participate without connection or audio issues. In addition, it was suggested SPPA may wish to consider introducing a process to enable members to submit questions in advance of the meetings, particularly for technical queries.

During this discussion, SPPA noted the Chair's wish to resume face-to-face meetings as soon as circumstances allow and consider scheduling an all-boards strategy day in the future.

12. Date of the next meeting

The Chair confirmed the next meeting will be held virtually on 27 July 2021, noted GE's apologies in advance of the meeting, thanked everyone for their attendance and closed the meeting at 12:48.

Summary of new actions

Action No.	Action	Assigned	Target Completion Date
N0521.01	SPPA to provide information in one report including root cause analysis, rectification period of Practitioners' funding issue (with any policy and legal guidance) at the next meeting	Rachel Miller	27 July 2021
N0521.02	RM to raise board's concerns SPPA may not provide sufficient 2015 remedy information to members by October 2021 to meet self-assessment requirements	Rachel Miller	ASAP
N0521.03	RM to provide further detail on the action required to develop and implement MSS for NHS members	Rachel Miller	ASAP
N0521.04	RM to provide ABS eligibility criteria and outline process to obtain an ABS for those who will not receive an ABS – to be circulated by email by 31 May 2021	Rachel Miller	31 May 2021
N0521.05	SPPA to discuss rationale for further extending the 60 second call answer time with the board prior to any change	Dev Dey	As required
N0521.06	SPPA to provide IDRP trend diagram over last 12 months or more, to include internal and external delays, in future reports	Iain Coltman	ASAP
N0521.07	SPPA to share TPR Code of Practice consultation response with the board before consultation ends on 26 May 2021	Stuart MacArthur	24 May 2021

These minutes were approved on 27 July 2021 as a correct record of the meeting held on 4 May 2021.