



| | |
|-------------------------|---------------------------------|
| Meeting | Scottish Teachers Pension Board |
| Meeting date | 08 September 2022 |
| Meeting time | 10:00-13:00 |
| Meeting location | Hybrid |

| | | |
|----------------|--------------------------|---|
| Board members | Clare Scott (CS) | Chair |
| | Brian Cookson (BC) | Board Member |
| | John Crichton (JC) | Board Member |
| | Dave McGinty (DMc) | Board Member * |
| | Drew Morrice (DM) | Board Member* |
| | Graham Hutton (GH) | Board Member* |
| | Louise Wright (LW) | Board Member* |
| | Andy McGoff (AM) | Board Member* |
| | Pete Smith (PS) | Board Member |
| SPPA attendees | David Robb (DR) | SPPA Chief Executive* |
| | Garry Cossar (GC) | SPPA Head of People, Strategy & Communications |
| | Craig Gardiner (CG) | SPPA Interim Chief Operating Officer |
| | Iain Coltman (IC) | SPPA Head of Pension Policy |
| | Karen Morley (KM) | SPPA Head of Finance |
| | Paul O'Donnell (PD) | SPPA Pension Platform Senior Project Manager* |
| | Hannah Grout (HG) | SPPA Risk and Assurance Manager |
| | Stuart MacArthur (SMacA) | SPPA Corporate Governance Manager |
| | Jonathan Sharp (JS) | SPPA Data Protection and Information Governance Manager |
| Observer | Maureen Kennedy (MK) | Prospective Board Member* |
| | Mark Cook (MC) | Chair |
| | Richard Giles | Vice Chair |
| Apologies | Leah Stalker (LS) | Board Member |
| | Sharon McKenzie (SM) | Board Member |
| | Brian McGinley (BM) | Board Member |
| | Phil Heywood (PH) | SPPA Pension Platform Programme Director |
| Minute taker | Clare Moffat (CM) | SPPA Governance Delivery Lead |

* attended remotely

1. Welcome and apologies

- 1.1 The Board noted apologies.
- 1.2 The Chair welcomed new Chair, Mark Cook, and Vice Chair, Richard Giles. Introductions were provided.
- 1.3 SPPA acknowledged the Board's desire to increase diversity and confirmed the recent recruitment exercise had adhered to current SG process.
- 1.4 There were no declarations of interest in the business to be conducted; the Chair reminded the Board of her membership of the Management Advisory Board.

2. Minutes of the previous meeting

2.1 The Board agreed that the minutes of the previous meeting were a true and correct record.

3. Review of Outstanding Actions

3.1 Actions were reviewed and discussed during the meeting. The following actions were agreed to be closed:

| | |
|----------------|----------|
| Performance | T0222.03 |
| | T0222.05 |
| | T0522.01 |
| | T0522.02 |
| Communications | T0522.04 |
| Risk | T0222.10 |
| Projects | T0522.08 |
| Governance | T0222.07 |
| | T0222.08 |

3.2 While T0522.04 was closed, the Chair recommended SPPA circulate the following:

- agenda and content plan of Employer newsletter
- distribution plan and coordinating owner at SPPA.

SPPA confirmed an external communications working group would be established before the end of 2022, including representation from the Teachers' board and regular updates would be shared with the Board from November 2022.

3.3 The Board asked if analysis of retirement applications provided further information on the reasons for the increase in volumes (T0222.04 closed in May 2022). It was agreed this would be followed up offline.

| | |
|----------|---|
| T0922.01 | SPPA to provide the Board with regular updates of communications plans from November 2022 |
|----------|---|

4. Performance and Risk Update

4.1 The Performance report highlighted:

- call wait times and abandonment rate improved
- significant increase in volume of new retirement applications in July and August (up 20.1% on 2021).

4.2 The Board suggested long term trends on membership (e.g. over 5 year period) would be useful and asked SPPA to check the accuracy of the membership figures as reported on slide 5 of pack, and confirm whether a member was an individual or an employment contract.

4.3 The Board discussed customer feedback channels and SPPA confirmed its commitment to gather feedback from members via analysis from User-Centred Design research which was already underway.

4.4 SPPA was challenged to explain how capacity to answer calls was being addressed. SPPA's plans to increase resilience were broadly outlined, which were expected to improve capability and reduce failure demand. SPPA committed to providing additional narrative with 'reasons why' on performance report.

4.5 The Agency performance data was challenged and the Board suggested the categories where target KPIs were not met should have improvement plans in place, with clear priorities to get to green status.

4.6 The Board discussed the Altair outage report and were reassured the Incident Management Process was now established and embedded within SPPA, with additional steps in place to improve resilience and awareness.

Progress on outstanding actions noted as follows:

| Action | Remains open | Closed |
|----------|--|---|
| T15.03 | Employer charter | |
| T22.09 | Dashboard – PB noted MI presented does not reflect dashboard requested | |
| T0921.07 | Data Quality Improvement Plan not yet shared with the Board | |
| T0222.03 | | Data format of Customer Services report evolved to incorporate feedback requesting targets and trends |
| T0222.05 | | Action closed on the basis that standards review not taking place |
| T0522.01 | | Complaints and IDRP information shared |
| T0522.02 | | Telephony terminology |
| T0522.03 | Diversity information not yet shared | |
| T0522.04 | | Employer communications plan shared |
| T1121.06 | Opt out reports to be shared after SAB meeting on 27 September 2022 | |

New actions were noted as follows:

| | |
|----------|---|
| T0922.02 | SPPA to check membership data provided in performance pack (slide 5) and confirm correct totals |
|----------|---|

5. Risk Reporting Update

- 5.1 The Chair requested the report cover sheets remove “questions by exception” as the Board’s role is to scrutinise and challenge SPPA’s risk management and noted the text provided on registers were not robust controls. SPPA accepted further refinement was required and it was agreed a workshop would be set up with HG to rewrite controls.
- 5.2 The Board queried the absence of fraud risks, however SPPA outlined the high-level health check provided within a fraud maturity assessment in March 2022. The Board acknowledged SPPA’s focus on residual risk with appropriate management of wider core risks.

Progress on outstanding actions noted as follows:

| Action | Remains open | Closed |
|----------|--|--------------------|
| T1121.05 | Teachers- specific risk register development | |
| T0222.10 | | Breach log updated |
| T0522.05 | Change presentation of risk paper | |

New actions were noted as follows

| | |
|----------|--|
| T0922.03 | Report cover sheets to remove “questions by exception” and for future reports to accurately reflect action SPPA require from the Board |
| T0922.04 | SPPA to organise a workshop to rewrite risk registers |

The meeting paused for a short break: 11.20-11.25

6. Projects Updates

Pension Platform Programme (PPP)

- 6.1 An overview of PPP was provided which highlighted RAG status:
- Overall - amber

- Procurement - green
 - Implementation and Planning - amber
- 6.2 The Board referenced the unsuccessful exercise in 2017 and sought assurance from SPPA that previous failures would not be repeated. SPPA confirmed sharp focus on procurement phase, the recruitment of a specialised Contract Manager strengthened commercial awareness at this key stage and promised reports would be provided to the Board to highlight vigilance of key milestones and contingency to implement (without damaging core service performance and delivery).
- 6.3 It was noted PH would soon leave the Programme however this would not change the frequency of updates shared with the Board.

2015 Remedy Project

- 6.4 It was noted the overall project status had reported amber due to 2 key risks:
- resource
 - development of a standalone calculator solution.
- 6.5 Route to green was discussed with SPPA assuring the Board if the current supplier could not provide a full solution within specification and timescale, the standalone calculator commissioned would enable award calculations from October 2023. SPPA was already working with wider group of administrators to create calculators, share experiences and mitigate risks.

2022 ABS exercise

- 6.6 SPPA outlined 93.37% of eligible members were provided with ABS at 31 August 2022, with approximately 5000 members not yet provided with ABS. Of these 5000 outstanding statements, circa. 4000 were not provided due to non-receipt of data from employers and the other 1000 due to data issues on member records.
- 6.7 A recovery plan would be worked on with the aim of issuing the remaining ABS by 31 October 2022. An update on the status would be shared with the Board after this date.
- 6.8 The Chair updated the Board on the work of the subgroup and its recommendations. It was noted that despite SPPA's earlier intervention and escalation to senior figures, this still produced limited results from some employers.
- 6.9 The ongoing support of the collaborative Technical Working Group (TWG) was also recognised, however it was noted that this group only included local authorities so not all employers were represented. It was suggested Scottish colleges might like to join the TWG and agreed SPPA could contact Colleges Scotland to participate, as well as approach Principals of individual colleges and universities to invite representation from the wider Higher Education sector.
- 6.10 The Board highlighted the risks of SPPA not receiving quality data timeously and it was agreed one final subgroup meeting would be scheduled for October 2022 to further identify:
- gaps in the process to be addressed
 - how the Board can assist SPPA with escalation.
- 6.11 The Chair noted:
- employer scorecard is due to be presented to the Board at the next meeting in November
 - ABS communication (circular 2022/06) was not easy to find on SPPA website
 - the Board's thanks to the ABS team at SPPA.
- 6.12 SPPA confirmed the breach would be reported to TPR and agreed that a draft report would be circulated to the Board for approval by 30 September 2022 before being submitted to TPR.
- 6.13 A discussion followed on whether there was any need by the Board to report the breach and it was agreed this would only be required if the Board's view did not align with the SPPA report.
- 6.14 It was noted that should the Board accept the proposal to enforce a fee or levy, a legislation change would be required to enable this, which would need to be discussed

with SAB. Therefore SPPA would need to take a view on the Board's proposals and confirm whether these would be taken forward. It was agreed these discussions would continue offline.

Progress on outstanding actions noted as follows:

| Action | Remains open | Closed |
|----------|---|--------------------|
| T0522.08 | | GMP communications |
| T0522.07 | SPPA to consider administration fee/levy for late employer data | |

New actions were recorded as follows:

| | | |
|----------|--|--|
| T0922.05 | SPPA to invite Colleges Scotland and University sector representative(s) to join the TWG and consider appropriate liaison with all other employers | |
| T0922.06 | Working Group final meeting to be scheduled during October 2022 | |
| T0922.07 | SPPA to share draft ABS breach report with the Board by 30 September 2022 before submitting to The Pensions Regulator | |

7. Other Board Business

Governance

- 7.1 The Board discussed membership status, succession planning and roles within the nominations process. The allocation of Pension Board seats was queried and it was acknowledged this was a SPPA decision.
- 7.2 Although SPPA were keen for Board members to assist with finding replacements from within their organisations, SPPA agreed to formally contact nominating organisations to seek replacements when members reached end of tenure or when vacancies arose.
- 7.3 SPPA welcomed feedback on the new Code of Practice Tracker and discussion followed on the frequency of SPPA updates to the Board. It was agreed SPPA would provide an interim update on action progress at the next meeting on 1 December 2022. Although SPPA proposed to update and present the full Master Tracker 6 monthly thereafter, it was agreed the Board would review appropriate frequency and format of reporting at the next meeting,
- 7.4 It was noted the new Code of Practice may be effective by end of 2022 however SPPA confirmed the tracker was ready to adapt to the new code once in place.

Progress on outstanding actions noted as follows:

| Action | Remains open | Closed |
|----------|--|-------------------------|
| | | |
| T0222.06 | Effectiveness review – Agenda Plan to be proposed to the Board | |
| T0222.07 | | New governance policies |
| T0222.08 | | Revised TOR published |

New action noted as follows:

| | | |
|----------|--|--|
| T0922.08 | SPPA to provide an update on Code of Practice actions at the next Board meeting on 1 December 2022 and Board to review frequency of reporting thereafter | |
|----------|--|--|

Finance

- 7.5 Highlights of the report included:
- rescheduled timetable for Pension Scheme Annual Report and Accounts
 - key assumptions and methodology for audit of pension scheme agreed with GAD

- limited progress on action to evidence employee/employer contributions due to resourcing challenges and competing priorities.
- 7.6 The Board discussed financial reporting across the breadth of projects and budget forecasting, noting positive variance in contributions and actuarial input within experienced forecasts. However SPPA recognised the need for more stringent financial management of contributions to increase efficiency and quality of the services delivered.
- 7.7 It was highlighted the total expenditure on page 3 may require amendment which SPPA agreed to review.

Progress on outstanding actions noted as follows:

| Action | Remains open | Closed |
|----------|---|--------|
| T0222.09 | Financial report to include contribution monitoring | |

8. AOCB

- 8.1 SPPA recorded thanks to the Chair for her leadership of the Board.
- 8.2 The Chair also wished the new Chair and Vice-Chair best wishes in their roles.
- 8.3 The Board acknowledged there was not yet any update on the recruitment of a permanent Chief Operating Officer, though were reassured CG would remain on secondment to SPPA until 31 December 2022.

9. Next meeting

- 9.1 1 December 2022.

Summary of new Actions

| | |
|----------|---|
| T0922.01 | SPPA to provide the Board with regular updates of communications plans from November 2022 |
| T0922.02 | SPPA to check membership data provided in performance pack (slide 5) and confirm correct totals |
| T0922.03 | Report cover sheets to be updated to accurately reflect action SPPA require from the Board |
| T0922.04 | SPPA to organise a workshop with Board members to rewrite risk registers |
| T0922.05 | SPPA to invite Colleges Scotland and University sector representative(s) to join the TWG |
| T0922.06 | Working Group final meeting to be scheduled during October 2022 |
| T0922.07 | SPPA to share draft ABS breach report with the Board by 30 September 2022 before submitting to The Pensions Regulator |
| T0922.08 | Code of Practice interim update to be shared with the Board at the next Board meeting on 1 December 2022 |

| Version Control | | |
|----------------------------------|------------|----------------|
| | | Version number |
| Date minutes sent to chair | 21/09/2022 | 0.1 |
| Date approved by chair | 04/10/2022 | 0.2 |
| Date approved by Board/committee | 01/12/2022 | 0.3 |
| Date of publication | | |