

Meeting	Management Advisory Board
Meeting date	05 December 2024
Meeting time	11:00 – 14:00
Meeting location	SPPA Tweedbank (Hybrid)

Members in attendance	Jane Malcolm	Meeting Chair
	Mark Adderley	Non-executive Board Member
	Clare Scott	Non-executive Board Member
	Norman McNeil	Non-executive Board Member
	Mark Tarry	Non-executive Board Member
	Alan Wright	Non-executive Board Member
Other attendees	Lesley Fraser	Director-General: Corporate
	Stephen Pathirana	Chief Executive Officer, SPPA
	Iain Coltman	Head of Policy, SPPA
	John Burns	Chief Financial Officer, SPPA
	Frances Graham	Chief Operating Officer, SPPA
	Debbie Trafford	Head of People & Places, SPPA
	Stuart MacArthur	Head of Strategy & Governance, SPPA
		Corporate Governance Manager, SPPA
	Christopher Nairns	Head of Service & Operational Delivery, SPPA
Minute taker		Governance Delivery Lead, SPPA
Observing	Kevin McLeod	Non-executive Board Member

1 Welcome and apologies

- 1.1 The Chair welcomed everyone to the meeting and all attendees provided a short introduction.
- 1.2 There were no apologies noted for the meeting.
- 1.3 There were no changes to Board members’ Registers of Interests nor were there any declarations of interest in the business to be conducted.

2 Opening Remarks

- 2.1 The Chief Executive Officer, SPPA provided opening remarks:
 - Formal welcome to new members of the Management Advisory Board (MAB) and the Audit and Risk Committee (ARC)
 - Emphasised SPPA’s steep learning curve and shared early reflections after six months in role which included:
 - Acknowledgement the agency sometimes tried to ‘over deliver’, therefore onward focus to be realistic about what the agency can and cannot do
 - Challenging environment for all Public Pension bodies presently, with main focus on delivering Remedy
 - Ongoing challenge relating to resource/recruitment, with key personnel having left the agency in the past year
 - 2025/26 budget allocation with efficiency target; this was viewed as a very good position going into planning for 2025
 - The CEO thanked ARC for its work throughout the year in relation to the Annual Report and Accounts
- 2.2 The Board discussed:
 - The beginning of a reform for the agency, with support and understanding of Scottish Ministers

- SPPA's journey to real cost-saving efficiencies, with Digital earmarked as a credible efficiency target
- Potential for future mergers/shared services with other public bodies/agencies, to save costs/share experiences.

3 2023/24 Annual Report and Accounts

3.1 The Head of Strategy & Governance, SPPA opened the discussion around the 2023/24 Annual Report and Accounts (ARAs), noting:

- The ARAs were finalised and issued later than planned; a lessons learned exercise has been planned to ensure SPPA is in a better position next year
- ARC had met with Audit Scotland directly before MAB to discuss Annual Audit Report.

4 ARC Annual Report 2023/24

4.1 The Chair of ARC presented the Annual Report for 2023/24, highlighting:

- Internal Audit opinion had improved from the previous year
- Improvement in SPPA's position in relation to Risk Management
- The report was finalised before ARC had seen the 2023/24 accounts.

5 2023/24 Annual Report and Accounts Audit and Risk Committee view

5.1 The Chair of ARC outlined the Committee received Audit Scotland's Annual Audit Report less than 24 hours before the meeting before she presented the key points on the 2023/24 Annual Report and Accounts. The report highlighted:

- Quality of content was below standard and timescales were extended, therefore additional fees will be charged by Audit Scotland due to the extra work incurred
- SPPA will undertake a lessons learned exercise; ARC will be involved
- ARC was content with the Governance Statement in the final version of the accounts and recommended signing of the ARAs, on the proviso that the minor amendments flagged by Audit Scotland were corrected.

5.2 The Board discussed:

- The quality of the ARAs - noting that some Board members had separately submitted some comments - and encouraged SPPA to focus on accuracy, key content and brevity in future
- Improving timeframes to ensure the ARAs are circulated to MAB members in a timelier manner for review ahead of the meeting
- Audit Scotland were content with the accounts being laid to Parliament, which was an improvement from the previous year
- SPPA Finance team risks including the improvement of control measures and recruitment of appropriately skilled colleagues [following team restructure]
- The need for improvement throughout the whole process
- MAB and ARC emphasised willingness to be more involved with the content and presentation of future ARAs.

5.3 The Chair highlighted ARC had commended the Annual Reports and Accounts to the Management Advisory Board stating, on the whole, the reports were fair, balanced and understandable representations and recommended that the Management Advisory Board recommend to the Accountable Officer that he sign the Accounts.

5.4.1 The Board recommended to the Accountable Officer that he sign the accounts.

Action MAB 1224.01

Chief Executive Officer, SPPA to sign the Annual Reports and Accounts, for laying before the Scottish Parliament.

Deadline: 31 December 2024
Owner: Stephen Pathirana

6 Approval of Minutes

6.1 The Board agreed that the minutes of the Management Advisory Board on 8 May 2024 were a true and correct record, subject to the following change:

- Amend section 9.2 on page 3 to “higher service, higher cost”

6.2 The Board also noted the following sets of approved meeting minutes:

- Audit and Risk Committee – 18 July 2024
- Audit and Risk Committee – 7 November 2024
- People Committee – 18 September 2024

The Chair, on behalf of the Board, then thanked MAB member Helen Mackenzie for her service over the years, in what was her final meeting. SPPA echoed thanks before Helen Mackenzie left the meeting.

7. Annual business planning 2025/26

7.1 The Chief Executive Officer, SPPA introduced the paper, noting:

- Clarity of focus for 2025 is the SPPA's priority, to establish what can be delivered by the agency and what cannot, and requested MAB's views on priority assessments before finalising agency business plan in early 2025
- One of the main objectives is to build a happy, healthy and effective workforce at SPPA and highlighted high impact of March 2025 Remedy deadline and how this was affecting SPPA's workload, with around six times the amount of annual 'normal BAU' work being carried out on this project alone. Progress with automation was positive however around 20% of calculations need to be carried out manually, therefore high risk this work will continue to impact BAU into 2025/26
- Importance of ensuring core business work being completed on time in 2025, ensuring these are prioritised and managed robustly. In addition to timely and accurate pension payments, the three main priorities outlined within BAU workload were:
 - Issue Annual Pension Increases in April 2025
 - Issue Annual Benefit Statements (ABS) by 31 August 2025
 - Issue Annual Allowance Statements (AA) prior to 6 October 2025

7.2 The Board noted the points raised, then:

- Acknowledged hard work of Agency staff and progress made by the Agency
- Noted Remedy impact on delivery of core business work plus focus required to meet BAU workload
- Highlighted the need for reflection on the issues faced in 2024 and potential improvement in 2025; SPPA highlighted there would be dedicated Delivery Leads for future delivery of ABS and AA.
- Suggested SPPA include focus on a more sustainable process for the annual production of Agency and Schemes Accounts within BAU priorities

7.3 SPPA Chief Finance Officer outlined the phased go-live onboarding to the 'ScotPay' payment portal, with assurance from Scottish Government Digital Assurance in addition to oversight by Internal Audit. The Board discussed the contingency arrangements in place.

7.4 The Chief Operating Officer, SPPA presented the Agency's current five-year operational strategy dashboard, of which SPPA are heading into year 3. They outlined the transformation journey aimed to simplify future processes, through use of new functionality and links to Government Dashboard (which SPPA are legislatively required to sign up to in October 2025 and fully functional from October 2026) to aspirational intentions to enable retirement journey to be online with 80% of cases automated through to payment, and digitisation to enable enhanced member self-service and Dashboard capability. In addition, the technical specifications will be created to inform pension platform procurement strategy planning.

Better quality data, resulting in improvements in automation and ultimately, digitisation of processes should deliver better service for members through:

- Enhanced automation, capability and ways of working
- Reduced cost to serve
- Better processes.

7.5 The Board noted the points raised and further discussed:

- The use of bots within the Automation journey and upskilling of colleagues
- How MAB discussions will assist SPPA future strategy through discussion of the architecture of future systems
- The need for further data cleanse improvements and risk level of meeting the Government Dashboard legislation requirements
- The possibility of undertaking a potential phased delivery of the 'i-connect' system to obtain more accurate and timely member data from employers; consideration of a strategic approach with employers and management of employer relationships. Also driving more "tell" with employers
- Work to move schemes across to the 'Engage' system which will improve member self-service experience – linked with progress on standardisation
- SPPA's ongoing capability risks in complex areas; noting the increased training/accessible support to share knowledge and reduce key person dependencies
- How data quality underpins key future business plans. The Board encouraged SPPA to ensure the data it holds is of sufficient quality before proceeding with certain projects and to be realistic about what can be achieved

Clare Scott left the meeting

- SPPA were challenged on what tangible benefits can realistically be delivered next year, the interdependencies of the proposals, how these could be delivered and to consider metrics before deciding priorities
- Understanding strategic positioning on cost versus service, the capacity and capability of the organisation to deliver a portfolio of change, with SPPA encouraged to think about its readiness to support transformational change with robust governance and project management structure.
- The Board suggested priorities should be based on risk and benefit, in line with a future organisational vision supported by a strategic workforce plan. It was agreed that MAB could assist SPPA develop a plan for the shape and structure of the organisation and should be scheduled for discussion at a future meeting.

- MAB members reflected on past decisions to postpone activities due to Remedy, impact on current position and need now for realistic expectations with limited aspiration .
- SPPA Chief Operating Officer outlined aspiration to deliver the interconnected projects however, if unable to progress all enabling projects, the activities which could be delayed were:
 - Member structure
 - iConnect
 - Engage

7.5 In summary, the Chair advised SPPA that whilst all outlined projects were viable priorities, the Executive Team must be robust to align capacity with timing. In recognition of the logistical issues, challenges and cautioned that the agency should not overstretch its capability.

7.6 SPPA CEO thanked the Board for its input which the Executive Team will take forward drafting of the 2025/26 Business plan.

7.7 The Board confirmed the monthly CEO email engagement was very useful and there was no requirement for detailed performance data but recommended the following information be provided:

- Updates on key milestone points for projects
- Progress against strategic plan
- Exception reporting across all matters to alert of any issues

8. Any other Business

8.1 No additional business was raised.

9. Effectiveness review of this meeting against MAB role

9.1 The Board encouraged SPPA to plan future MAB dates as far into the future as possible, in order to maximise attendance.

Version Control		
		Version number
Date minutes sent to chair	20 December 2024	0.1
Date approved by chair	07 January 2025	0.3
Date approved by board/committee	27 January 2025	0.4
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